

This Offering Memorandum is confidential. By their acceptance hereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Offering Memorandum or any information contained herein.

AMENDED CONFIDENTIAL OFFERING MEMORANDUM

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Dated: May 30, 2024

Continuous Offering

THE ISSUER:

Name: Forsyth Private Real Estate Portfolios (the “Fund”)
Head Office: **Address:** Suite 1800, 1055 West Georgia Street, PO Box 11118, Vancouver, BC V6E 3P3
Phone Number: (604) 558-6822
Website Address: <https://willoughbyasset.com>
E-mail Address: admin@willoughbyasset.com

Currently Listed or Quoted: These securities do not trade on any exchange or market

Reporting Issuer: No

THE OFFERING:

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used and not otherwise defined herein have the meanings set out in the Glossary of Terms.

Securities Offered: An unlimited number of trust units (each, a “Unit” and together, the “Units”) of the Fund designated as either Class A or Class F (each, a “Class”). Each Class of Units shall have the attributes and characteristics as set out in Item 5.1 “*Terms of Securities*”.

Price Per Security: The subscription price for the Units is based upon the applicable Net Asset Value Per Unit at the applicable time. See Item 5.1 “*Terms of Securities*”.

Minimum/Maximum Offering: \$0/No maximum. **There is no minimum. You may be the only purchaser.**

Minimum Subscription Amount: The minimum initial subscription amount for the Units is \$500 (or such lesser amount as Willoughby Asset Management Inc. (“Willoughby” or the “Manager”), in its sole discretion, may accept). Investors may purchase Units in either Canadian or U.S. dollars. See Item 5.2 “*Subscription Procedure*”.

Payment Terms: The subscription price is payable upon subscription, by electronic funds transfer via the FundSERV network (www.fundserv.com) or other means satisfactory to the Manager. No financing of the subscription price will be provided.

Closing Date(s): The Units are being offered on a continuous basis. Closings of the sale of Units offered hereunder will take place monthly, on the last Business Day of each month in which subscriptions are received.

Tax Consequences: There are important tax consequences to these securities. See Item 8 “*Income Tax Consequences and RRSP Eligibility*”.

COMPENSATION PAID TO SELLERS AND FINDERS

A person has received or will receive compensation for the sale of securities under this offering. See Item 9 “*Compensation Paid to Sellers and Finders*”.

UNDERWRITER

Harbourfront Wealth Management Inc. (“Harbourfront”), an affiliate of the Manager, is the principal selling agent of the Fund. Investors may purchase Units through Harbourfront or other third party registered dealers retained by the Manager on behalf of the Fund (in each case, a “Selling Agent”).

RESALE RESTRICTIONS

You will be restricted from selling your securities for an indefinite period. The Units are subject to resale restrictions. See Item 12 “*Resale Restrictions*”.

CONDITIONS ON REPURCHASES

You will have a right to require the issuer to repurchase the securities from you, but this right is qualified by certain restrictions, including compliance with certain procedures and/or certain fees. As a result, you might not receive the amount of proceeds that you want. See Item 5.3 “*Redemption Procedure*”.

PURCHASERS' RIGHTS

If you purchase these securities pursuant to the exemption from the prospectus requirements afforded by Section 2.9 of NI 45-106, then: (a) you have two Business Days to cancel your agreement to purchase these securities; and (b) if there is a misrepresentation in this Offering Memorandum, you have a right to damages or to cancel the agreement. **If you purchase these securities pursuant to any other prospectus exemption, you may or may not have statutory rights of action in the event of a misrepresentation in this Offering Memorandum.** See Item 13 "*Purchasers' Rights*".

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*".

This Offering Memorandum constitutes a private offering of these securities only in British Columbia and only to those persons where and to whom they may be lawfully offered for sale and only by persons permitted to sell these securities. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who acquire securities pursuant to this Offering Memorandum will not have the benefit of the review of this material by a securities commission or similar authority.

This Offering Memorandum is intended for use by investors solely in connection with the consideration of the purchase of these securities. No person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the offering of these securities and, if given or made, no such information or representation may be relied upon. This Offering Memorandum is confidential. By their acceptance hereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Offering Memorandum or any information contained herein.

Prospective investors are encouraged to consult with their own professional advisors as to the tax and legal consequences of investing in the Fund.

FORWARD-LOOKING INFORMATION

This Offering Memorandum includes “forward-looking information” with respect to the Fund for the purposes of applicable securities legislation. Forward-looking information can be identified by the expressions “anticipate”, “continue”, “believe”, “estimate”, “expect”, “may”, “will”, “intend” and similar statements reflecting the intended course of conduct and future operations of the Fund. These statements are not historical facts but reflect the Manager’s current expectations regarding future results or events based on assumptions made by the Manager about the success of the Fund’s investment strategies in certain market conditions. These assumptions are made in reliance on the experience of the Manager’s officers and employees and their knowledge of historical economic and market trends. Although the Manager believes that the assumptions made and the expectations presented by such forward-looking statements are reasonable, there can be no assurance that the forward-looking statements will prove to be accurate.

As is the case with any investment that does not explicitly guarantee the full protection of principal, investors are cautioned that the success of the Fund’s investment strategies are subject to risks and uncertainties that could cause market values and returns to differ materially from current expectations. These risks and uncertainties include, but are not limited to, regulatory decisions, changes in the global economy, general economic and business conditions, existing governmental regulations, supply, demand and other market factors including those set out under Item 10 “*Risk Factors*”.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements are made as of the date hereof, or such other date specified in such statements, and neither the Manager, nor any other person assumes any obligation to update or revise such forward-looking statements to reflect new information, events or circumstances, except as required by law.

TABLE OF CONTENTS

FORWARD-LOOKING INFORMATION	III
ITEM 1. USE OF AVAILABLE FUNDS	1
1.1 Funds	1
1.2 Use of Available Funds.....	1
ITEM 2. BUSINESS OF THE FUND AND OTHER INFORMATION AND TRANSACTIONS.....	1
2.1 Structure	1
2.2 The Business.....	4
2.3 Development of the Business.....	5
2.4 Long Term Objectives	5
2.5 Short Term Objectives.....	5
2.6 Material Contracts	5
ITEM 3. COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES	8
3.1 Compensation and Securities Held	8
3.2 Management Experience.....	9
3.3 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters.....	9
3.4 Certain Loans	10
ITEM 4. CAPITAL STRUCTURE.....	10
4.1 Securities Except for Debt Securities.....	10
4.2 Long Term Debt.....	10
4.3 Prior Sales	10
ITEM 5. SECURITIES OFFERED	11
5.1 Terms of Securities	11
5.2 Subscription Procedure	14
5.3 Redemption Procedure	17
ITEM 6. REPURCHASE REQUESTS	18
ITEM 7. CERTAIN DIVIDENDS OR DISTRIBUTIONS.....	19
ITEM 8. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY.....	19
8.1 Independent Tax Advice	19
8.2 Income Tax Consequences	19
8.3 Eligibility for Registered Tax Plans.....	21
8.4 Tax Information Reporting.....	21
ITEM 9. COMPENSATION PAID TO SELLERS AND FINDERS	21
ITEM 10. RISK FACTORS.....	22
10.1 Risks Associated with Market Conditions.....	22
10.2 Risks Associated with an Investment in the Fund	23
10.3 Risks Associated with the Fund's Investments.....	27
ITEM 11. REPORTING OBLIGATIONS	29
ITEM 12. RESALE RESTRICTIONS.....	29
ITEM 13. PURCHASERS' RIGHTS.....	29
13.1 Statements Regarding Purchaser' Rights.....	29
13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert	31
ITEM 14. FINANCIAL STATEMENTS.....	32
ITEM 15. DATE AND CERTIFICATE	33

GLOSSARY OF TERMS

The following terms have the following meaning throughout this Offering Memorandum:

Administrator	SGGG Fund Services Inc. (“SGGG-FSI”), which provides fund accounting, registry and transfer agency, administrative and trust accounting services under the SGGG-FSI Services Agreement;
Business Day	a day the Toronto Stock Exchange is open for business;
Custodial Agreement	custody and securities services agreement entered into on December 29, 2017, as amended, between National Bank Financial Inc., through its National Bank Independent Network division (“NBF Inc.”) and the Manager, on behalf of the Fund, whereby NBF Inc. will provide asset custodian services to the Fund;
Custodian	NBF Inc., which acts as the custodian of and provides asset custodian services to the Fund pursuant to the Custodial Agreement;
CIRO	Canadian Investment Regulatory Organization;
Investment Management Agreement	agreement entered into on August 29, 2019, as amended between Harbourfront and the Manager, on behalf of the Fund, whereby Harbourfront will provide investment management services to the Fund;
Management Fee	the fee payable to the Manager equal to 1/12 of 1.00% (1.00% per annum) of the Net Asset Value of the Fund in respect of the Class F Units and 1/12 of 2.38% (2.38% per annum) of the Net Asset Value of the Fund in respect of the Class A Units, payable quarterly in arrears;
Net Asset Value	on a Valuation Day, the net value of the assets of the Fund on such Valuation Day, determined in accordance with the Trust Agreement;
Net Asset Value Per Unit	on a Valuation Day, in respect of each Class of Units, the quotient obtained by dividing the Net Asset Value of such Class of Units on such Valuation Day by the total number of Units then outstanding in such Class;
Offering	the offering by the Fund of an unlimited number of Class A Units and Class F Units on a continuous basis under this Offering Memorandum to investors in the province of British Columbia, and in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and the Northwest Territories pursuant to certain other exemptions from the prospectus requirements contained in the securities legislation of those jurisdictions;
Performance Fee	the fee payable to the Manager equal to 20% of the amount by which the current quarter-end Class Net Asset Value Per Unit exceeds the prior all-time quarter-end high Class Net Asset Value Per Unit plus 1.25% after any adjustments for unit distributions;
Prime Broker	NBF Inc., which provides trade execution, trade settlement and brokerage services pursuant to the Services Agreement;
Services Agreement	agreement entered into on May 20, 2015, as amended, between NBF Inc. and the Manager, on behalf of the Fund, setting out the terms and conditions of their relationship generally, as well as specifically in relation to NBF Inc.’s trading services whereby NBF Inc. shall execute, clear and settle trades in accordance with the instructions of the Fund’s appointed portfolio manager;
SGGG- FSI Services Agreement	agreement entered into on October 1, 2023 between SGGG-FSI and the Manager on behalf of the Fund, whereby SGGG-FSI will provide accounting, valuation, registry, transfer agency, administrative and trust accounting services to the Fund;
Subscription	a subscription agreement to subscribe for Units in the form (or forms if there is more

Agreement	than one) as the Manager may prescribe from time to time;
Tax Act	<i>Income Tax Act</i> (Canada), R.S.C. 1985 (5 th Supp.) c.1, as amended from time to time;
Trust Agreement	Declaration of Trust dated August 27, 2019 between the Trustee and the Manager creating the Fund;
Trustee	Computershare Trust Company of Canada, a federal trust company organized under the <i>Trust and Loan Companies Act</i> (Canada), the trustee of the Fund named under the Trust Agreement;
Unitholders	those investors whose subscriptions to purchase Units offered under this Offering are accepted by the Fund and at any particular time the persons entered in the register or registers of the Fund as holders of Units and the singular form means one such registered holder;
Valuation Day	the last Business Day of each month, or any other day on which the Manager determines valuation is necessary; and
\$	means Canadian dollars, unless otherwise indicated.

ITEM 1. USE OF AVAILABLE FUNDS

1.1 Funds

The Fund sells Units on a continuous basis, with closings of the Offering occurring on the last Business Day of each month in which subscriptions are received, and at such other times as the Manager may determine. It is not possible to determine accurately what funds will be available as a result of the Offering because the subscription price will vary depending on what the Net Asset Value Per Unit of each Class of the Fund is at the time each Unit is purchased. There is no minimum or maximum number of Units that will be sold as part of the Offering. The Management Fee and the Performance Fee are payable out of the net assets of the Fund.

All expenses incurred in organizing the Fund, including setup fees related to the Fund's service providers, and all expenses incurred in connection with the Offering were and are borne by the Manager out of its own funds, and repaid to the Manager by the Fund over a two-year period. Offering costs, including legal, accounting and audit fees are anticipated in the range of approximately \$20,000.00 per year. The Manager also pays, out of its own funds, for all expenses associated with the identification and management of the Fund's investments. Ongoing expenses of the Fund, such as legal, custodian, audit, transfer, accounting, valuation and record-keeping fees, and any other administration or direct expenses such as trading commissions, are borne by the Fund.

The Fund intends to sell the Units primarily through Harbourfront, as Selling Agent, but investors may also purchase Units through other, third party Selling Agents. No finders' fees or commissions are paid by the Fund on the sale of Units to any Selling Agent. The Manager pays a portion of the Management Fee charged to the Fund in respect of the Class A Units to Selling Agents, in the form of an ongoing service fee known as a "trailing commission". No service fees are payable in respect of the Class F Units. For further details regarding fees and commissions payable to Selling Agents, see Item 9 "*Compensation Paid to Sellers and Finders*".

1.2 Use of Available Funds

The Fund will use the net proceeds from the sale of Units to invest in securities and financial instruments pursuant to the Fund's investment objectives and strategies, policies and restrictions. Specifically, the Fund will invest primarily in third party investment funds that hold a diverse portfolio of real estate and infrastructure related private equity investments based in Canada and/or the United States. Pending such investment, the subscription proceeds will be invested in cash and money market investments. The Manager will use its commercially reasonable efforts to make suitable investments of the subscription proceeds as soon as possible following each closing. Securities will be purchased on a basis consistent with the Fund's investment policies and restrictions set forth below under the headings "*Investment Objectives*", "*Investment Strategies*" and "*Investment Policies and Restrictions*". See also Item 2.2 "*The Business*".

ITEM 2. BUSINESS OF THE FUND AND OTHER INFORMATION AND TRANSACTIONS

2.1 Structure

Fund

The Fund is an unincorporated, open-ended investment trust formed under the laws of the Province of British Columbia and is governed by a Declaration of Trust dated August 27, 2019 (the "**Trust Agreement**").

The Fund is managed by Willoughby. Harbourfront, an affiliate of Willoughby, is a portfolio adviser and a Selling Agent of the Fund. Harbourfront is an independent investment dealer founded in 2013. Both Willoughby and Harbourfront are indirect, wholly-owned subsidiaries of HFW Holdings Inc. As of the date of the Offering Memorandum, Audax Group beneficially owned the majority of the issued and outstanding shares of HFW Holdings Inc. Audax Group is a US based investment manager founded in 1999 focused on middle market investing across the firm's private debt and private equity businesses. See Item 10.2 "*Risks Associated with an Investment in the Fund – Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest*".

Computershare Trust Company of Canada is the Trustee of the Fund. The Trustee has no responsibility for investment management of the securities or other property of the Fund or for any investment decisions. See Item 2.6 "*Material Contracts – Trust Agreement*".

Beneficial interests in the Fund are divided into Units of multiple classes. There is no limit to the number of Units

or the number of classes of Units that may be issued, subject to any determination to the contrary made by the Manager. Each Unit within a particular class will be of equal value, however, the value of a Unit of one class may differ from the value of a Unit in another class. There are currently two classes of Units being offered for sale by the Fund pursuant to this Offering Memorandum: Class A and Class F. The attributes and characteristics of each Class of Unit are described under Item 5.1 “*Terms of Securities*”. In addition to the Units described in this Offering Memorandum, the Fund may create additional classes of Units with such attributes and characteristics as the Manager may determine, and which may be offered for sale to such persons as the Manager may determine.

The Fund is a “mutual fund trust” for purpose of the Tax Act. Accordingly, Units are qualified investments under the Tax Act for registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), tax-free savings accounts (“TFSA”), registered education savings plans, registered disability savings plans and deferred profit plans (each a “Registered Plan” and, collectively, “Registered Plans”). See Item 8.3 “*Eligibility for Registered Tax Plans*”.

The current head office and principal business address of the Fund, the Manager and Harbourfront is Suite 1800, 1055 West Georgia Street, PO Box 11118, Vancouver BC V6E 3P3. The fiscal year end of the Fund is December 31, and the taxation year end is December 31 in each year.

Manager

Willoughby, the Manager, is a corporation incorporated under the *Business Corporations Act* (British Columbia) on October 20, 2014 and organized under the laws of British Columbia, with offices in Vancouver, B.C. Willoughby is registered as an investment fund manager in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, Yukon and Québec, and is the promoter of the Fund.

The rights, duties and obligations of the Manager relating to the investment management and administration of the Fund are set out in the Trust Agreement. Under the terms of the Trust Agreement, Willoughby, as Manager, manages or arranges for the management of the overall undertaking of the Fund, including with respect to such matters as administration services and fund accounting, determination of the investment policy for the Fund from time to time and the provision of investment analysis, advice and recommendations. It is the responsibility of the Manager to ensure that all investments of the assets of the Fund are made in such a way as to comply with any statement made in this Offering Memorandum as to the investment policies, practices and objectives and investment restrictions.

Management Fee

In consideration of the management services provided by the Manager under the Trust Agreement, the Fund pays the Manager the Management Fee. The Management Fee is payable quarterly, in arrears, but is calculated and accrues monthly as a percentage of the Net Asset Value of each applicable Class of Units that comprise the Fund on each Valuation Day. The Management Fee may vary from Class to Class and is deducted as an expense of the Fund in the calculation of the net profits of the Fund. The Management Fee for each of the applicable Classes of Units is as follows:

<u>Class A:</u>	1/12 of 2.38% (2.38% per annum) of the Net Asset Value of the Class A Units of the Fund on each Valuation Day.
<u>Class F:</u>	1/12 of 1.00% (1.00% per annum) of the Net Asset Value of the Class F Units of the Fund on each Valuation Day.

Upon the redemption of any Class of Units by a Unitholder, the accrued portion of any Management Fee liability allocated to the redeemed Units for that Class will be payable by the Fund to the Manager.

Performance Fee

The Manager is also eligible to receive a Performance Fee in respect of the Class A Units and the Class F Units of the Fund equal to 20% of the amount by which the current quarter-end Class Net Asset Value Per Unit exceeds the prior all-time quarter-end high Class Net Asset Value Per Unit plus 1.25% after any adjustments for unit distributions.

The Performance Fee in respect of the Class A Units and the Class F Units is calculated and accrued as a liability of the Fund on each Valuation Day. Any accrued Performance Fee will become crystallized and payable at the end of each calendar quarter and paid to the Manager from the net assets of the Fund.

If the Performance Fee target is met on a given Valuation Day that is not a quarter-end Valuation Day, a Performance

Fee accrual is made such that the aggregate Performance Fee accrual for the current quarter is equal to 20% of the amount by which the current Class Net Asset Value Per Unit exceeds the prior all-time quarter-end high Class Net Asset Value Per Unit plus 1.25% after any adjustments for unit distributions.

Upon the redemption of any Class of Units by a Unitholder, the accrued portion of any Performance Fee liability allocated to the redeemed Units for that Class will be payable by the Fund.

Portfolio Advisers

As at the date of this Offering Memorandum, the Manager has engaged Harbourfront as its portfolio adviser, and may engage other portfolio advisers from time to time. As portfolio advisers, they manage the investment portfolio of the Fund on a discretionary basis, consistent with the Fund's fundamental investment objective and in compliance with the Fund's investment policies and restrictions.

Harbourfront is a CIRO Dealer Member and registered investment dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Northwest Territories, and is a registered derivatives dealer in Québec. Certain principals of Harbourfront are the same as those of the Manager. See Item 10.2 "*Risks Associated with an Investment in the Fund – Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest*". As portfolio adviser, Harbourfront is paid by the Manager compensation in an amount equal to 10% of Management Fees charged to the Fund, calculated and paid in arrears on a quarterly basis. The Manager pays such compensation to Harbourfront out of its Management Fee.

Selling Agents

Investors may purchase Units of the Fund through Harbourfront, as Selling Agent, or through third party Selling Agents retained by the Manager on behalf of the Fund.

No finders' fees or commissions are paid by the Fund on the sale of Units to any Selling Agent. The Manager will pay part of the 2.38% Management Fee charged to the Fund in respect of the Class A Units to each Class A Unitholder's Selling Agent in the form of an ongoing service fee known as a "trailing commission". No trailing commission is payable in respect of the Class F Units. Purchasers of Class F Units are required to pay an upfront account fee to the Selling Agent, and such fees may reduce the amount invested in the Units. The amount of the account fee will vary based on account agreements in place between the Selling Agent and the investor. See Item 9 "*Compensation Paid to Sellers and Finders*".

Certain principals of Harbourfront are the same as those of the Manager. See Item 10.2 "*Risks Associated with an Investment in the Fund – Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest*".

Administrator, Custodian and Prime Broker

SGGG-FSI is the Administrator of the Fund. As Administrator, SGGG-FSI processes all the purchases and redemptions of the Units, keeps a register of all Unitholders, conducts the valuation of the Fund on each Valuation Day and issues investor statements and annual tax slips to Unitholders. In consideration of the bookkeeping, record-keeping and valuation services provided by the Administrator under the SGGG-FSI Services Agreement the Fund pays the Administrator a monthly fee of \$1,675.00 and certain additional periodic fees as set forth in the SGGG-FSI Services Agreement.

NBF Inc. is the Custodian of the Fund. As Custodian, NBF Inc. holds the Fund's cash and investments in safekeeping on behalf of the Fund. In consideration of the custodial services provided by the Custodian under the Custodial Agreement, the Fund pays the Custodian fees that vary depending on a number of factors, including the specific nature of the service, number of trades, number of Unitholders, Fund Net Asset Value and Net Asset Value Per Unit at the time of service.

NBF Inc. is also the Fund's Prime Broker for trade execution, trade settlement, and brokerage services in respect of the Fund's portfolio investments. In consideration of the brokerage services provided by the Prime Broker under the Services Agreement, the Fund pays NBF Inc. fees and commissions on a per-transaction basis as set forth in the Services Agreement. Fees vary depending on a number of factors, including the specific nature of the service, number of trades, number of Unitholders, Fund Net Asset Value and Net Asset Value Per Unit at the time of service.

Auditor

KPMG LLP is the auditor of the Fund. As auditor, KPMG LLP provides assurance that the Fund's annual financial statements present fairly, in all material respects, its financial position and results of operations in accordance with International Financial Reporting Standards.

2.2 The Business

Investment Objectives

The fundamental investment objective of the Fund is to provide income and growth to Unitholders. It will accomplish this by employing a fund of funds strategy that specializes in purchasing "best in class" multifamily and commercial income producing properties as well as income producing infrastructure projects in major North American markets, achieved through the strategies described below. The Fund's investment objectives include:

- Generation of attractive and regular income for distribution to investors.
- Income characterized as a return of capital, and tax deferred when possible.
- Preservation and protection of capital.
- Achievement of asset value appreciation over time.
- Provision of a hedge against inflation.

Investment Strategies

To achieve the Fund's investment objectives, the Fund will primarily employ a fund of funds investment strategy; although, some portfolio investments may be direct. Specifically, the Fund will invest primarily in a portfolio of third-party investment funds ("**Portfolio Funds**") which employ the following strategies:

- Investment across property types and geographic regions to create a stable, well diversified portfolio offering attractive risk-adjusted returns.
- Purchase of high quality residential and commercial real estate investments in order to generate long term capital appreciation.
- Investment in renewable energy producing assets backed by long-term power purchase contracts.
- Creation of asset holdings that are non-correlated to the public markets.

The primary focus of the Fund will be properties with core and core-plus profile.

- *Core*: This is an unleveraged, low-risk/low-potential return strategy with predictable cash flows. The Fund will generally invest in stable, fully leased, multi-tenant properties within strong, diversified metropolitan areas.
- *Core Plus*: This is a moderate-risk/moderate-return strategy. The Fund will generally invest in core properties; however, many of these properties will require some form of enhancement or value-added element.

From time to time, the Fund may also invest in publicly traded securities including equities, bonds, debentures, treasury bills, ETFs, and other mutual funds holding publicly traded securities, if it determines such investments to be appropriate and consistent with the Fund's investment policies and restrictions set forth below under the heading "*Investment Policies and Restrictions*". Investments in publicly traded securities are not restricted by market sector, market capitalization or liquidity.

Investment Policies and Restrictions

The Manager adheres to the following investment policies and restrictions in implementing the investment objectives and strategies of the Fund:

- The Fund will not have minimum or maximum asset allocation weightings and there is no requirement to be fully invested. As a result, the Fund may at various times hold 100% of its capital, directly or indirectly, in any of private equity assets, public equities, cash, gold, bonds, commodities or ETFs and third-party managed funds representing these or other exposures.

- All third-party investment funds (Portfolio Funds) will be offered on FundSERV and/or will be held in an acceptable securities location.
- At a minimum, 80% of the Fund's Portfolio Funds will have quarterly or more frequent valuation periods and 40% will have monthly or more frequent valuation periods.
- No more than 10% of the Net Asset Value of the Fund will be invested in any single underlying fund that offers redemptions with less frequency than the Fund.
- If the Fund is fully invested in private companies, it will hold a minimum of 4 positions and the equity positions of no single entity will exceed 50% of the Fund's capital at any time. If the Fund is fully invested in public equities, it will hold a minimum of 12 positions, and the equity securities of no single corporation shall exceed 20% of the Fund's capital at any time.
- The Fund's investment in public equity securities and ETFs is restricted to only those securities listed on the Toronto, New York, NYSE MKT LLC and NASDAQ stock exchanges. Investments in equity securities and ETFs is not restricted by market sector, market capitalization or liquidity.

2.3 Development of the Business

The Fund was established on August 27, 2019, for investment purposes. Since being established, the Manager has focused on raising capital to achieve the Fund's investment objectives as described above and below.

On October 1, 2023, the Fund replaced NBF Inc. with SGGG-FSI as Administrator.

Over the last two years, Canada, like many countries, has and continues to experience a period of high inflation and increased interest rates. The success of the Fund's activities may be affected by general economic and market conditions, such as these fluctuating interest rates. See Item 10, "*Risk Factors*".

2.4 Long Term Objectives

The Fund's objectives subsequent to the next 12 months after the date of this Offering Memorandum are to continue to raise sufficient capital to enable the Fund to:

- (a) grow the Fund's assets under management organically through a program of targeted investments in a diverse portfolio of actively managed real estate or infrastructure related private equity investments based primarily in Canada and/or the United States; and
- (b) provide its Unitholders with consistent risk-adjusted returns with low volatility and a real estate focused private equity solution to their total portfolio.

2.5 Short Term Objectives

The Fund's objectives for the next 12 months after the date of this Offering Memorandum are to continue offering Units pursuant to this Offering Memorandum and to execute the Fund's investment objectives described above. The Manager will provide product knowledge education to the advisor teams of all Selling Agents.

2.6 Material Contracts

The following is a list of agreements that are material to this Offering and to the Fund, all of which are in effect:

- (a) Trust Agreement, as described below and in Item 5.1 "*Terms of Securities*";
- (b) Services Agreement, as described below;
- (c) Custodial Agreement, as described below;
- (d) Master FX Agreement (as defined below), as described below;
- (e) SGGG-FSI Services Agreement, as described below; and
- (f) Investment Management Agreement, as described below.

Copies of these agreements may be inspected during normal business hours at the office of the Manager, Suite 1800, 1055 West Georgia Street, Vancouver, British Columbia.

Trust Agreement

The Trust Agreement dated August 27, 2019, is the constating document of the Fund and describes the terms and conditions respecting the issuance and redemption of Units, investment and valuation of the Fund's assets, determination and distribution of gains, management and administration of the Fund, duties of the Manager and Trustee, meetings of Unitholders and how the Trust Agreement can be terminated or amended.

Matters related to the Trust Agreement are summarized elsewhere in this Offering Memorandum. See in particular the disclosure under Item 5 "*Securities Offered*".

The following is a summary only of certain additional material provisions of the Trust Agreement not disclosed elsewhere in this Offering Memorandum and does not purport to be complete.

- *Head Office.* The head office and the principal office of the administration of the Fund is in Vancouver, British Columbia at the address of the Manager or at such other location as designated by the Manager.
- *Consolidation or Subdivision of Units.* Units may be consolidated or subdivided by the Manager upon the Manager giving at least 21 days' prior written notice to the Trustee and to each Unitholder of the Class of Units to be consolidated or subdivided of its determination to do so.
- *Powers and Duties of the Manager.* The Trust Agreement grants the Manager exclusive power to manage and direct the investment of the assets of the Fund and the powers necessary to perform its duties. The Trustee has no responsibility for investment management of the securities or other property of the Fund or for any investment decisions.
- *Removal of Trustee.* The Trustee may be removed by the Manager at any time by notice to the Trustee not less than 60 days prior to the date that such removal is to take effect provided a successor trustee is appointed or the Fund is terminated.
- *Status of Unitholders.* The ownership of all property of the Fund of every description and the rights to conduct the affairs of the Fund are vested exclusively in the Trustee and the Manager and the Unitholders have no interest other than their beneficial interest in the Fund.
- *Liability of Unitholders.* No Unitholder will be held to have any personal liability as such for any obligation or claim arising out of or in connection with any contract or obligation of the Fund, the Manager or the Trustee.
- *Unitholder Meetings.* The Manager will, upon the written request of Unitholders of a Class holding not less than 50% of the outstanding Units of that Class, call a meeting of Unitholders of that Class. A holder of a Unit of one Class shall not be permitted to receive notice of, or to attend or vote at, meetings of Unitholders of another Class.
- *Termination of Fund.* The Manager may at any time terminate and dissolve the Fund by giving to the Trustee and each then Unitholder written notice of its intention to terminate at least 90 days before the date on which the Fund is to be terminated.
- *Amendment of Trust Agreement.* Any provision of the Trust Agreement may be amended, deleted, expanded or varied with the consent of a majority of the Unitholders (in connection with certain purposes described in the Trust Agreement), together with the consent of the Trustee if any change restricts any protection provided to the Trustee or increases the responsibilities of the Trustee thereunder. Subject to certain exceptions, any provision of the Trust Agreement may be amended, deleted, expanded or varied by the Manager, with the approval of the Trustee, if the amendment is, in the opinion of counsel to the Manager, not a material change and does not adversely affect the pecuniary value of the interest of any Unitholders of the Fund or restrict any protection provided to the Trustee or increase the responsibilities of the Trustee thereunder.
- *Trustee Fees.* The Fund or the Manager will pay the Trustee an annual retainer of \$11,000 and will pay or reimburse the Trustee, on request, for all reasonable expenses and disbursements incurred or made by the Trustee in the administration of its services and duties.

Services Agreement

The Manager entered into the Services Agreement with NBF Inc. on May 20, 2015, as amended, pursuant to which NBF Inc., on a fee for service basis, provides trade execution, settlement and allocation services for the Fund. Either party may terminate the Services Agreement at any time subject to prior written notice of 30 days provided that all debts between parties are fully settled. For further details, see Item 2.1 “*Administrator, Custodian and Prime Broker*”.

Custodial Agreement

The Manager entered into the Custodial Agreement dated December 29, 2017, as amended, with NBF Inc. pursuant to which NBF Inc. provides custodial, trade execution and settlement and certain other services to funds managed by the Manager, including the Fund. Either party may terminate the Custodial Agreement at any time subject to prior written notice of 30 days. For further details, see Item 2.1 “*Administrator, Custodian and Prime Broker*”.

Master FX Agreement

The Manager and NBF Inc. entered into a Master FX Agreement dated December 29, 2017, as amended (the “**Master FX Agreement**”), which allows for foreign currency transactions.

SGGG-FSI Services Agreement

The Manager entered into the SGGG-FSI Services Agreement with SGGG-FSI on October 1, 2023, pursuant to which SGGG-FSI performs fund accounting, valuation, registry, transfer agency, administrative and trust accounting services for monthly and other periodic fees as registrar and Administrator of the Fund. Either party may terminate the agreement at any time subject to prior written notice of 90 days. For further details, see Item 2 “*Administrator, Custodian and Prime Broker*”.

Investment Management Agreement

The Manager entered into an Investment Management Agreement with Harbourfront an affiliate of the Manager. on August 29, 2019, pursuant to which Harbourfront manages the investment of the Fund for a quarterly fee. Either party may terminate this agreement at any time on 30 days prior written notice.

Administration Fees and Expenses

The Fund is responsible for the payment of all fees and expenses relating to its operation, including the fees and expenses of the audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of Units, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund.

With respect to the Fund’s ongoing operating fees and expenses, the Manager may pay the Fund’s service providers as invoices are received and then seek cost recovery from the Fund on a periodic basis throughout the year. Offering and organizational expenses are initially paid by the Manager and recovered from the Fund over a two-year basis. Certain costs such as commission expenses, wire transfer fees and margin interest are paid directly out of the Fund’s assets. The Manager will pay for all expenses associated with the identification and management of the Fund’s investments (other than the noted direct expenses such as margin interest and brokerage fees, which are the responsibility of the Fund as noted above).

ITEM 3. COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES

3.1 Compensation and Securities Held

The following table sets out information about: (a) each director and officer of the Manager and each promoter of the Fund, (b) 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 the Units of the Fund, and (c) any related party not specified in (a) or (b) that received compensation in the most recently completed financial year or is expected by the Fund to receive compensation in the current financial year.

Name and municipality of principal residence or jurisdiction of organization	Positions held and the date of obtaining that position	Compensation paid by the Fund in the period ended December 31, 2023 and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities held as at the date of the Offering Memorandum	Number, type and percentage of securities held after completion of the Offering ⁽⁵⁾
WILLOUGHBY ASSET MANAGEMENT INC. ⁽¹⁾ BC	Promoter (since May 13, 2015)	Compensation for 2023: \$5,072,652.80 ⁽²⁾ Compensation for 2024: \$6,452,414.36 ⁽²⁾	Nil	-
LYNN STIBBARD Vancouver, BC	Chief Financial Officer & Secretary (since October 15, 2015), Director (since October 20, 2014)	Compensation for 2023: Nil ⁽³⁾ Compensation for 2024: Nil ⁽³⁾	Nil	-
DANIEL POPESCU ⁽¹⁾ Vancouver, BC	Director (since October 20, 2014)	Compensation for 2023: Nil ⁽³⁾ Compensation for 2024: Nil ⁽³⁾	Nil	-
LEONARD TRIGG North Vancouver, BC	President (since April 26, 2023); Ultimate Designated Person (since May 17, 2023), Director (since April 26, 2023)	Compensation to 2023: Nil ⁽³⁾ Compensation for 2024: Nil ⁽³⁾	Nil	-
SUNDOS QADIR Milton, ON	Chief Compliance Officer (since February 22, 2024)	Compensation to 2023: Nil Compensation for 2024: Nil	Nil	-
JULIE SMULDERS Vancouver, BC	Chief Operating Officer (since September 28, 2023)	Compensation to 2023: Nil Compensation for 2024: Nil	Nil	-
HARBOURFRONT WEALTH MANAGEMENT INC. ⁽¹⁾ BC	Selling Agent (since May 13, 2015)	Compensation to 2023: \$6,387.69 ⁽⁴⁾ Compensation for 2024: \$8,125.15 ⁽⁴⁾	Nil	-

Notes:

- (1) Both the Manager and Harbourfront are indirect, wholly-owned subsidiaries of HFW Holdings Inc. As of the date of the Offering Memorandum, Daniel Popescu and Audax Group beneficially owned 21.17% and 68.91% of the issued and outstanding shares of HFW Holdings Inc.
- (2) This amount is comprised of the Management Fee paid to the Manager for its services. See Item 2.1 “Structure – Manager” and Item 9 “Compensation Paid to Sellers and Finders”.
- (3) This individual is a director of the Manager. Although they do not receive compensation from the Fund, the Manager

receives a Management Fee for its services. See Item 2.1 “Structure – Manager” and Item 9 “Compensation Paid to Sellers and Finders”.

- (4) As portfolio adviser, Harbourfront is paid by the Manager compensation in an amount equal to 10% of Management Fees charged to the Fund, calculated and paid in arrears on a quarterly basis. See Item 9 “Compensation Paid to Sellers and Finders”.
- (5) Figure disclosed is at the date of this Offering Memorandum, directly or through holding companies. The Manager, Harbourfront, and the directors and officers of the Manager and/or Harbourfront may acquire Units under the Offering; however, the number of Units, if any, which may be acquired is not known as at the date of this Offering Memorandum.

3.2 Management Experience

The senior management of the Manager have a broad background of investment and capital market experience which is brought to bear on the activities undertaken by the Manager on behalf of the Fund. The following table discloses the principal occupations of the directors and senior officers of the Manager over the past five years.

Name	Principal occupations and description of experience, associated with the occupation
LYNN STIBBARD, CPA, CGA, MBA Chief Financial Officer, Secretary, Director	Ms. Stibbard is the Chief Financial Officer, Secretary and a director of Willoughby and Chief Financial Officer, Chief Operating Officer and a director of Harbourfront. She is also the Chief Financial Officer, Secretary and a director of Harbourfront Estate Planning Services Inc., Harbourfront Wealth America Inc. and Harbourfront Wealth Holdings Inc. (collectively with Willoughby referred to as, the “ Harbourfront Group of Companies ”). Ms. Stibbard has over 25 years of experience in senior executive roles in several CIRO member firms including Chief Financial Officer, Chief Compliance Officer and President. She was a member of the Pacific District Council, is a member of the Financial and Operations Advisory Section of CIRO, and has completed the CSI Partners Directors and Senior Officers examination, and the Chief Financial Officer and Chief Compliance Officer qualifying examinations.
DANIEL POPESCU, CFP, CIM, FMA, FCSI Director	Mr. Popescu is a director of Willoughby. He is also the Chief Executive Officer, Ultimate Designated Person and a director of Harbourfront. Mr. Popescu has over 20 years of industry experience which includes investment management, financial planning, banking and lending. Prior to his roles with the Harbourfront Group of Companies, Mr. Popescu was a Senior Vice President and Investment Advisor with National Bank Financial, heading a team of advisors providing comprehensive wealth management services to private retail clients. In the past he has been a part owner of Wellington West Capital and has had extensive involvement in advisor recruiting and training.
LEONARD TRIGG President, Ultimate Designated Person, Director	Mr. Trigg is the President, Ultimate Designated Person and a director of Willoughby. Mr. Trigg is also the Chief Technology Officer of Harbourfront. Mr. Trigg has over 20 years of industry experience and prior to joining the Harbourfront Group of Companies served as the Chief Operating Officer and Chief Technology Officer at a Canadian asset management firm. Mr. Trigg has also served in a consultant or executive capacity to a wide range of firms in Canada, the United States and Switzerland, specifically in the asset management and technology sectors.
SUNDOS QADIR Chief Compliance Officer	Ms. Qadir is the Chief Compliance Officer and Director of Operations of Willoughby. Ms. Qadir has over 10 years of industry experience and prior to joining the Harbourfront Group of Companies held compliance and operations roles at Canadian asset managers.
JULIE SMULDERS Chief Operating Officer	Ms. Smulders is the Chief Operating Officer of Willoughby. Ms. Smulders has over 15 years of industry experience in operations and fund accounting and prior to joining the Harbourfront Group of Companies was the Director of Operations and Head of Pooled Funds at Canadian asset managers.

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

There are no penalties, sanctions, declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors, or appointments of a receiver, receiver manager or trustee to hold assets, that have occurred during the last 10 years, or an order restricting trading in securities (not including an order that was in effect for less than 30 consecutive days) during the last 10 years, in each case against or in connection with any of the directors, executive officers or control persons

of the Fund or the Manager or any issuer of which any director, executive officer or control person of the Fund or the Manager was a director, executive officer or control person at that time.

Further, none of the Fund or any of the directors, executive officers or control persons of the Fund or the Manager has ever pled guilty to or been found guilty of any of the following: (a) summary conviction or indictable offence under the *Criminal Code* (Canada); (b) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (c) a misdemeanor 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 jurisdiction.

3.4 Certain Loans

There are no debentures, bonds or loan agreements between the Fund and a related party of the Fund.

ITEM 4. CAPITAL STRUCTURE

4.1 Securities Except for Debt Securities

Description of Security	Number authorized to be issued	Price per Security as at March 31, 2024 ⁽²⁾	Number outstanding as at March 31, 2024
Class A Units ⁽¹⁾	Unlimited	\$11.1037	57,719.8890
Class F Units ⁽¹⁾	Unlimited	\$11.8180	43,460,848.2597
Class F (USD) Units ⁽¹⁾	Unlimited	\$12.1685	573,756.8826

Notes:

- (1) The attributes and characteristics of each Class of Units is set forth under the heading Item 5.1 “*Terms of Securities*”.
- (2) All subscriptions for Units are made through the purchase of interim subscription units at a fixed net asset value per unit of \$10. Following the calculation of the Net Asset Value of each Class of Units, the interim subscription units are automatically switched into the appropriate number of Units of the applicable Class as per each Unitholder’s subscription received. The number of Units of the applicable Class are the net subscription proceeds divided by the Class Net Asset Value per Unit of that Class determined as at the Valuation Day in which the subscription was received and accepted by the Manager. Therefore, the number of interim subscription units will be different from the final number of Units purchased, and the price per Unit will vary from the interim subscription units to the final number of Units purchased. Item 5.2 “*Subscription Procedure*”.

4.2 Long Term Debt

The Fund has no long-term debt.

4.3 Prior Sales

The table below discloses information regarding the Units that were issued during the 12-month period from April 1, 2023 to March 31, 2024.

Description of Security	Number of Units Issued	Average/Highest/Lowest Price per Unit ⁽¹⁾	Total funds received
Class A Units	3,232.0009	\$11.1368 \$11.1795 \$11.1226	\$36,073.65
Class F Units	9,170,076.4445	\$11.8020 \$11.8821 \$11.6863	\$108,167,803.77

Class F (USD) Units	79,904.4451	\$12.1185	\$963,552.00
		\$12.2300	
		\$11.9387	

Notes:

- (1) All subscriptions for Units are made through the purchase of interim subscription units at a fixed net asset value per unit of \$10. Following the calculation of the Net Asset Value of each Class of Units, the interim subscription units are automatically switched into the appropriate number of Units of the applicable Class as per each Unitholder's subscription received. The number of Units of the applicable Class are the net subscription proceeds divided by the Class Net Asset Value per Unit of that Class determined as at the Valuation Day in which the subscription was received and accepted by the Manager. Therefore, the number of interim subscription units will be different from the final number of Units purchased, and the price per Unit will vary from the interim subscription units to the final number of Units purchased. Item 5.2 "*Subscription Procedure*".

ITEM 5. SECURITIES OFFERED

5.1 Terms of Securities

The Fund is an open-end investment fund that was established on August 27, 2019 pursuant to the Trust Agreement.

Units

The beneficial interest in the Fund is divided into interests of multiple Classes each referred to as Units. Each Unit within a particular Class will be of equal value, however the value of a Unit in one Class may differ from the value of a Unit in another Class. Each Class and its Units and fractions thereof will be issued only as fully paid and non-assessable. There is no limit to the number of Units or the number of Classes of Units that may be issued, subject to any determination to the contrary made by the Manager. No Class of Units or fraction thereof shall have any rights, preferences or priorities over any other Class of Units, except in respect of voting rights.

An unlimited number of Class A and Class F Units are being offered under this Offering Memorandum on a continuous basis to investors in the province of British Columbia, and in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Northwest Territories pursuant to certain other exemptions from the prospectus requirements contained in the securities legislation of those jurisdictions. Closings of the sale of Units offered hereunder take place monthly, on the last Business Day of each month in which subscriptions are received. See "*Subscription Procedure*" below.

The subscription price for the Units is based upon the applicable Net Asset Value of the Units. The Net Asset Value Per Unit for subscriptions which are received and accepted by the Manager before the close of business on a Valuation Day is calculated as of that Valuation Day. The Net Asset Value Per Unit for subscriptions received and accepted after such time is calculated on the next following Valuation Day.

The Trust Agreement is the constating document of the Fund and describes the terms and conditions respecting the issuance and redemption of Units, investment and valuation of the Fund's assets, determination and distribution of gains, management and administration of the Fund, duties of the Manager and Trustee, meetings of Unitholders and how the Trust Agreement can be terminated or amended. See Item 2.6 "*Material Contracts – Trust Agreement*".

Voting

Each Unitholder is entitled to one vote for each whole Unit held. No holder of a fraction of a Unit, as such, is entitled to notice of, or to attend or to vote at, meetings of Unitholders. A holder of a Unit of one Class is not permitted to notice of, or to attend or vote at, meetings of Unitholders of another Class.

Certificates

No certificates evidencing the ownership of Units will be issued.

Valuation Procedures

The "Net Asset Value" of the Fund is the then fair market value of the assets of the Fund at the time the calculation is made less the amount of its liabilities at that time. The Net Asset Value of each Class (the "**Class Net Asset Value**") is the then fair market value of the assets of the Fund attributable to such Class less the amount of the liabilities of the Fund attributable to such Class as determined by the Manager acting reasonably in accordance with industry standards including accruing fees or liabilities (including any Management Fees or Performance Fee that may accrue in favor of the Manager), at that time. The "Net Asset Value Per Unit" for each Class is the quotient

obtained by dividing the amount equal to the Class Net Asset Value by the total number of outstanding Units in such Class, including fractions of Units. For Class A and F Units purchased using the U.S. dollar purchase service option as described further below the Class Net Asset Value is converted to U.S. Dollars based on the 4 p.m. New York Bloomberg BFIX exchange rate (the “**Exchange Rate**”). The Net Asset Value of the Fund, Class Net Asset Value and the Net Asset Value Per Unit is computed by the Manager as provided in the Trust Agreement as at the close of business on every Valuation Day.

The number of Units in each Class, the fair market value of the assets and the amount of the liabilities of the Fund in the aggregate and attributable to each Class, is calculated by the Manager in such manner as the Manager in its sole discretion shall determine from time to time, subject to the following:

- (a) liquid assets (which term includes cash on hand or on deposit, bills and demand notes, accounts receivable, prepaid expenses, cash dividends (including unpaid but declared dividends provided that the record date for such dividends is on or before the date of determination of the Net Asset Value) and interest accrued and not yet received) will be valued at their full face amount unless the Manager determines that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend or interest amount is not worth the full face value, in which event the value shall be the fair value as determined by the Manager;
- (b) securities listed on a stock exchange or traded on an over the counter market will be valued at the closing sale price or, if there is no closing sale price, the average of the closing bid and closing asked price on the Valuation Day or lacking any recent sales or any record thereof, the latest available sale price or latest available bid price all as reported by any report in common use;
- (c) securities and other assets for which market quotations are not readily available will be valued at ; the lesser of their fair market value (determined on the basis of such price or yield equivalent quotations or arm’s length transaction or on such other appropriate basis), as determined by the Manager, and then historical cost, provided that if a higher price is established for such securities and other assets as a result of an arm’s length transaction, the value of such securities and other assets held by the Fund may be revalued to reflect such price;
- (d) the value of Fund holdings of units of Real Estate Investment Trusts (REITs) which are updated quarterly or annually by the REIT, for which the current net asset value is not available as of the Valuation Day of the Fund, may be determined by the Manager to be valued at fair value based on the net asset value of the security posted at the immediately preceding Valuation Day, plus the pro rata share of any unpaid distributions thereon which have been declared payable to the extent same are not otherwise included in the Fair Market Value of the units held, subject to any adjustments which the Manager believes fair and reasonable in all the relevant circumstances.
- (e) the Fund has restricted its level of investment in units of REITS which are valued on an annual basis to a maximum of 20% of the overall value of the Fund, however any material year over year difference in the post valuation asset value of such holdings may impact the overall net asset value of the Fund;
- (f) short-term investments, including notes and money market instruments, shall be valued at cost plus accrued interest;
- (g) all Fund property valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best sources available to the Administrator or any of its affiliates;
- (h) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the Fund’s predecessor in title or by law shall be the lesser of (i) the value thereof based on reported quotations in common use; and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund’s acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- (i) the value of any security which is a debt obligation and which, at the time of acquisition, had a remaining term to maturity of one 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 the purposes of the foregoing,

interest accrued will include amortization over the remaining term to maturity of any discount or premium from face value of an obligation at the time of its acquisition; and

- (j) the liabilities of the Fund shall be deemed to include all liabilities of the Fund of whatsoever kind and nature except liabilities represented by outstanding Units and, for greater certainty but without limitation, include:
- (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable or accrued;
 - (iii) all obligations for the payment of money or property, including distributions of net income and net realized capital gains, if any, declared, accrued or credited to the Unitholders but not yet paid on the day before the day as of which the Net Asset Value Per Unit is being determined; and
 - (iv) all allowances authorized or approved by the Manager for taxes (if any) or contingencies.

The value of any security or property to which, in the opinion of the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Manager from time to time provides.

Where, for the purposes of calculating the Net Asset Value of the Fund, the Class Net Asset Value and the Net Asset Value Per Unit and the calculation of any distributions made to Unitholders, the Manager is provided with a value, quotation, or other information related thereto by a third party (collectively “**Third Party Data**”), including without limitation, any third party data provider, any investment manager of the Fund appointed by the Manager or such investment manager’s respective agents, the Manager may rely on such Third Party Data and shall not be required to make any investigation or inquiry as to the accuracy, completeness or validity of such Third Party Data. If such Third-Party Data is not available to the Manager as of a time reasonably proximate to the Valuation Day, such valuation of the securities or other assets of the Fund shall be based on an estimate or estimates made by the Manager. Such estimate or estimates will be final and binding and will be considered to be the actual value of such securities or other assets for the purposes of any distribution, Net Asset Value of the Fund, Class Net Asset Value or Net Asset Value Per Unit calculations. Neither the Manager nor the Trustee shall have any responsibility or liability, whatsoever, for any loss or damage arising out of or in connection with the Manager’s reliance on or any failure to provide such Third-Party Data or any such estimates.

The Manager utilizes the services of the Administrator in the process of calculating the Net Asset Values; however, the completeness and accuracy of this calculation is ultimately the responsibility of the Manager. While the goal is to produce completely accurate valuations at all times, errors and adjustments may occur periodically. The Manager has put in place procedures to detect and correct any such errors and make appropriate adjustments, if necessary. The Trustee shall have no responsibility for and bear no liability with respect to the determination of the Net Asset Value of the Fund, Class Net Asset Value or Net Asset Value Per Unit.

Distribution of Income and Capital Gains to Unitholders

The Fund distributes its net income for tax purposes and net realized capital gains (less capital losses) so that the Fund is not liable in any year for income tax. Such distributions, if any, will be declared on a date determined by the Manager, and paid to Unitholders as of the record date, by way of reinvestment in additional Units of the same Class held by the investor, unless the Unitholder gives written notice to the Manager in advance that the Unitholder wants to receive its distributions in cash.

Trading and Resale Restrictions

This Offering of Units is made only on a private placement basis to investors who are eligible to purchase on an exempt basis under, and subject to compliance with, applicable securities laws. **There is no market for the Units. The transferability of the Units is subject to resale restrictions under applicable securities laws.**

The Fund is entitled to require and may require, as a condition of allowing any transfer of any Unit, the transferor or transferee, at their expense, to furnish to the Fund evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Fund) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

The Fund is not a reporting issuer in any of the provinces or territories of Canada and does not intend to become reporting in any province or territory of Canada. The Units are subject to an indefinite hold period. Notwithstanding

such indefinite hold period, and subject to approval by the Fund, as referred to above, investors may be able to transfer between certain Classes of Units (transfers between Class A Units and Class F Units will generally be permitted in respect of Units purchased in the same currency) and to transfer Units to another person pursuant to another exemption from the prospectus requirements of applicable securities laws, or pursuant to an order permitting such trade granted by applicable securities regulatory authorities. This matter should be discussed with the Manager. See “*Transfer Between Classes of Units*” below. Units may also be redeemed on the last Business Day of each month. See Item 5.3 “*Redemption Procedure*” below.

Transfer Between Classes of Units

A Unitholder of any Class may at the discretion of the Manager be entitled to transfer all or, subject to any minimum investment or other requirements for a particular Class prescribed by the Manager and set forth in this Offering Memorandum (or other like document), any part of the Units of one Class registered in its name to another Class of Units, by giving written notice to the Manager.

The notice must contain a clear request that a specified number of Units (or fractions thereof) be transferred between the Classes and provide detailed instructions regarding the Class of Units to be acquired, and the signature on the transfer notice must be guaranteed by a Canadian chartered bank, a trust company or securities dealer acceptable to the Manager. The Administrator, in its capacity as registrar of the Fund, may charge a fee to the Unitholder to effect a transfer of Units between Classes. As of the date of this Offering Memorandum, transfers between Class A and Class F Units will generally be permitted in respect of Units purchased in the same currency, subject to such transfers being in compliance with applicable securities laws.

5.2 Subscription Procedure

Investors may purchase Units of the Fund through Harbourfront, as Selling Agent, or through third party Selling Agents retained by the Manager on behalf of the Fund. The Manager will schedule closings at its principal office via electronic communication facilities.

Investors will pay either an upfront account fee or an annual commission based service fee, depending on the Class of Units purchased. For further details regarding fees and commissions payable to Selling Agents, see Item 9 “*Compensation Paid to Sellers and Finders*”.

The minimum initial investment in the Fund for Class A or Class F Units is \$500 (or such lesser amount as the Manager, in its sole discretion, may accept). This \$500 may be spread across different accounts. The Manager may in its discretion waive the minimum investment amount, accept investments in other minimum amounts permitted under applicable securities laws, or require higher minimum investment amounts.

Each prospective and qualified investor who desires to subscribe for Units must:

- (a) complete and sign a Subscription Agreement in the form accompanying this Offering Memorandum, specifying the aggregate subscription amount and the Class of Units being subscribed for; and
- (b) deliver to the Manager or its designee, in trust, an electronic funds transfer via the FundSERV network for the subscription price payable for the Units subscribed for (or other means satisfactory to the Manager).

Subscriptions will be received subject to prior sale and acceptance of the investor’s subscription, in whole or in part (subject to compliance with applicable securities laws), by the Manager on behalf of the Fund.

All subscriptions for Units are made through the purchase of interim subscription units at a fixed net asset value per Unit of \$10. Following the calculation of the Net Asset Value of each Class of Units, the interim subscription Units are automatically switched into the appropriate number of Units of the applicable Class as per each Unitholder’s Subscription received. The number of Units of the applicable class are the net subscription proceeds divided by the Valuation Day Class Net Asset Value per Unit of that Class determined as at the Valuation Day in which the Subscription was received and accepted by the Manager. Consequently, the initial purchase confirmation will confirm purchase of the interim subscription units while a subsequent confirmation will confirm purchase of the final Units purchased by the Unitholder. The number of interim subscription units will be different from the final number of Units purchased.

The final purchase price per Unit is an amount equal to the Net Asset Value Per Unit subscribed for and may vary from Class to Class. The Net Asset Value Per Unit for subscriptions which are received and accepted by the Manager before the close of business on a Valuation Day will be calculated as of that Valuation Day. The Net Asset Value Per

Unit for subscriptions received and accepted after such time will be calculated on the next following Valuation Day.

The subscription price is payable by the investor upon subscription, by electronic funds transfer via the FundSERV network or other means satisfactory to the Manager. No financing of the subscription price will be provided by the Manager.

Investors may purchase Units in either Canadian or U.S. dollars. See “*U.S. Dollar Purchase Option*”.

The subscription amounts, Subscription Agreements and other documents will be held in trust by the Manager and released upon closing. Where required pursuant to National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) or applicable securities legislation, the subscription amount will be held in trust by the Manager until midnight on the second Business Day after the investor signs a Subscription Agreement. Closings will occur on a continuous basis on the last Business Day of each month in which subscriptions are received.

All subscription documents should be reviewed by prospective subscribers and their professional advisers prior to subscribing for Units.

U.S. Dollar Purchase Option

The Manager in its discretion may make Units available for purchase in either Canadian or U.S. dollars. The U.S. dollar purchase option is a convenience to allow investors who already hold U.S. dollars to invest directly in the Fund without converting to Canadian dollars. When purchasing Units using the U.S. dollar purchase option, the Fund may either convert the investor’s U.S. dollars to Canadian dollars by applying the Canadian-to-U.S. dollar Exchange Rate on the Valuation Day, or retain the investor’s U.S. dollars in the Fund’s U.S. dollar account for further investment into U.S. dollar denominated investments. In either event, the value of the investor’s investment in the Fund will be translated to, and recorded on the books of the Fund in, Canadian dollars by applying the Canadian-to-U.S. dollar Exchange Rate on the Valuation Day.

Investors electing the U.S. dollar purchase option may similarly elect to receive U.S. dollars on redemption of their Units, in which event the Net Asset Value of their redeemed Units on the redemption date would be translated from Canadian dollars by applying the U.S.-to-Canadian dollar Exchange Rate on the redemption date. Redemption amounts received in U.S. dollars may be impacted by the currency movements of the Canadian dollar versus the U.S. dollar during the period that the investment is held and prior to the redemption settlement date.

Investors should be aware that buying the Fund’s Units in U.S. dollars does not affect the investment return and, in particular, does not hedge - or protect – against losses caused by the exchange rate between the Canadian and U.S. dollars. Investors should also be aware that short-term variability in exchange rates can have a significant impact in investment returns. Fund returns expressed in U.S. dollars reflect the return of the Fund as well as the effect of exchange rate movements between the U.S. dollar and the Canadian dollar. Because currencies change in value against each other, it is possible that an unfavourable movement in the exchange rate may reduce, or even eliminate any increase in the value of an investment made in a different currency. For example, if Units are purchased using the U.S. dollar purchase service, and the Canadian dollar subsequently weakens against the U.S. dollar, the returns of that Fund expressed in U.S. dollars will be lower than the equivalent Canadian dollar returns.

For tax purposes, capital gains and losses are calculated in Canadian dollars. As a result, if you buy and redeem units under the U.S. dollar purchase option, you need to calculate gains or losses based on the Canadian dollar value of your Units when they were purchased and when they were sold. In addition, although distributions are made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes. Therefore, all investment income is reported to you in Canadian dollars for income tax purposes.

Qualified Investors

The Manager is offering for sale an unlimited number of Units on a continuous basis in the provinces and territories listed below by way of private placement.

The Offering is being conducted:

- (a) in the province of British Columbia pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3, 2.9 and 2.10 of NI 45-106; and
- (b) in the provinces and territories of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Northwest Territories pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3 and 2.10 of NI 45-106.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors purchasing as principal, who are “accredited investors” as defined in NI 45-106 and who otherwise comply with the conditions to the availability of the exemption.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions only to investors in British Columbia, purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the prescribed form attached to the Subscription Agreement.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to non-individual investors purchasing as principals, and where the aggregate acquisition cost to the investor of the Units subscribed for is not less than \$150,000, paid in cash at the time of acquisition.

The foregoing exemptions relieve the Fund from the provisions of the applicable securities laws of each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon and Northwest Territories, which otherwise would require the Fund to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

Acceptance of Subscriptions

Subscriptions received are subject to rejection or allotment in whole or in part by the Manager on behalf of the Fund within three Business Days of their receipt by the Manager or its designee. The Manager reserves the right to close the subscription books at any time without notice. Confirmation of the acceptance of a subscription will be forwarded by the Manager to the investor. The Manager is not obligated to accept any subscriptions and will reject any subscription which the Manager considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Manager will return to the investor within five Business Days after making the decision to reject the subscription, the Subscription Agreement, any other documentation delivered by the investor, and the subscription funds comprising such subscription.

Subject to the statutory rights of action, and a two Business Day right of withdrawal available to certain investors provided for herein, and subject further to applicable securities laws, the investor’s subscription may not be withdrawn, cancelled, terminated or revoked by the investor.

Units of the Fund will be issued to an investor if a Subscription Agreement substantially in the form prescribed by the Manager from time to time is received by the Fund and accepted by the Manager and if payment of the subscription price is made via the FundSERV network or other means satisfactory to the Manager.

An investor who subscribes for Units by executing and delivering a Subscription Agreement will become a Unitholder after the Manager accepts such subscription and the Fund has received the subscription price.

Additional Investments

Additional investments in the Fund are generally permitted without a Unitholder having to complete a further Subscription Agreement, provided that the Unitholder’s initial investment was equal to a minimum of \$150,000, the additional investment is for the same Class as the initial investment and the Unitholder, as at the date of the additional investment, holds securities of the Fund that have an acquisition cost of not less than \$150,000 or a net asset value of not less than \$150,000 (the “**Additional Investment Conditions**”). Subsequent purchases on this basis must be in amounts of at least \$5,000 or such other amount determined by the Manager at any time, in its discretion. For investments using the U.S. dollar purchase service option, the minimum investment amounts and all fees are in U.S. dollars. For more information on the U.S. dollar purchase service option, see Item 5.2 “*Subscription Procedure – U.S. Dollar Purchase Service Option*”.

If a Unitholder wishes to make an additional investment in the Fund but does not meet the Additional Investment Conditions, then the Unitholder must complete a further Subscription Agreement.

No certificates evidencing ownership of the Units will be issued to a Unitholder. Following each purchase or redemption of Units, Unitholders will receive a written confirmation from the Administrator indicating details of the transaction including the Class, number and dollar value of the Units purchased or redeemed, the Net Asset Value Per Unit and the Class, number and dollar value of Units held by the Unitholder following such purchase or redemption.

5.3 Redemption Procedure

Each Unitholder is entitled to require payment of the Net Asset Value Per Unit of all or any of their Units by giving written notice to the Manager, which notice must contain a clear request that a specified number of Units of a specified Class are to be redeemed or the dollar amount which the Unitholder is required to be paid, and the signature on the redemption notice must be guaranteed by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager.

A redemption request, properly completed, must be received by the Manager at its offices not later than the close of business on a Valuation Day in order for the redeeming Unitholder to receive the Net Asset Value Per Unit calculated on that Valuation Day.

The Manager may, at its discretion, charge Unitholders a redemption charge in an amount up to a maximum of 4.0% of the Net Asset Value Per Unit of the Units being redeemed if their Units are redeemed before they have held them for 120 days. Further, in connection with redemption requests for amounts exceeding, in aggregate, 5% of the Net Asset Value of the Fund (determined prior to such redemption), the Manager may, in its discretion, also charge a transaction fee of up to 1% of the redemption amount, calculated as of the applicable Business Day on which the Units are redeemed (a “**Transaction Fee**”). In addition, the Administrator, in its capacity as registrar of the Fund, may charge a fee to the Unitholder to effect a redemption of Units.

The proceeds payable on redemption will be the applicable Net Asset Value of the Units so redeemed, which may vary from Class to Class, less any applicable redemption charges (the “**Redemption Amount**”). The Manager will arrange for the payment of the Redemption Amount in Canadian dollars (unless elected to be received in U.S dollars for those investors who elected the U.S. dollar purchase option) to the Unitholder within five Business Days after the applicable Valuation Day. Upon the redemption of any Class of Units by a Unitholder, the accrued portion of any Management Fee liability allocated to the redeemed Units for that Class will be payable by the Fund.

Redemption requests will be processed in the order in which they are received. Redemption requests specifying a forward date or specific price will not be processed. The Fund is not required to redeem or pay any Redemption Amounts in respect of any Units unless the above described procedures are followed.

Suspension of Redemptions

The Manager may suspend, or continue suspension of, the right of Unitholders to require the Fund to redeem Units for any period during which:

- (a) the Manager receives redemption requests for amounts exceeding, in aggregate, 5% of the Net Asset Value of the Fund;
- (b) normal trading is suspended on any stock exchange on which the securities that represent more than 5% of the Net Asset Value of the Fund are then listed; or
- (c) the Manager determines that conditions are such that the disposal of the assets of the Fund is not reasonably practicable or it is not reasonably practicable to determine fairly the Net Asset Value of the Fund.

The suspension may, at the discretion of the Manager, apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to any requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be advised by the Manager of the suspension and that the redemption will be affected on the basis of the Net Asset Value Per Unit determined on the first Valuation Day following the termination of the suspension. All such Unitholders shall have and shall (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw their requests for redemption.

The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration or suspension made by the Manager shall be conclusive.

ITEM 6. REPURCHASE REQUESTS

The Fund received redemption requests from Unitholders as follows during the two most recently completed financial years:

Description of security	Date of end of financial year	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year	Number of securities repurchased during the year	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year
Class A Units	December 31, 2022	0	0	0	\$0	(1)	0
	December 31, 2023	0	0	0	\$0	(1)	0
Class F Units	December 31, 2022	0	\$51,011,301.31	\$51,011,301.31	\$11.5454	(1)	0
	December 31, 2023	0	\$86,673,337.53	\$86,673,337.53	\$11.7512	(1)	0
Class F (USD) Units	December 31, 2022	0	\$1,395,585.66	\$1,395,585.66	\$11.8184	(1)	0
	December 31, 2023	0	\$1,701,620.48	\$1,701,620.48	\$12.0160	(1)	0

Notes:

- (1) Repurchases are funded from monies received from the sale of Units to subscribers, sale of the underlying securities in the Fund and/or cash available in the Fund.

From January 1, 2024 to March 31, 2024 the Fund has received redemption requests from Unitholders as follows:

Description of security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period
Class A Units	January 1, 2024 - March 31, 2024	0	\$28,000.00	\$28,000.00	\$11.1037	(1)	0
Class F Units	January 1, 2024 - March 31, 2024	0	\$27,013,992.38	\$27,013,992.38	\$11.8465	(1)	0
Class F (USD) Units	January 1, 2024 - March 31, 2024	0	\$511,179.16	\$511,179.16	\$12.1820	(1)	0

Notes:

- (1) Repurchases are funded from monies received from the sale of Units to subscribers, sale of the underlying securities in the Fund and/or cash available in the Fund.

ITEM 7. CERTAIN DIVIDENDS OR DISTRIBUTIONS

The Fund has not, in the two most recently completed financial years, or any subsequent interim period, paid any dividends or any distributions that exceeded cash flow from operations as at the date of this Offering Memorandum.

ITEM 8. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

8.1 Independent Tax Advice

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

8.2 Income Tax Consequences

The following summary is provided by the Manager and describes the principal Canadian federal income tax considerations pursuant to the Tax Act and the regulations thereunder generally applicable to a Unitholder who acquires Units of the Fund and who, for purposes of the Tax Act, is resident in Canada, holds the Units as capital property and deals at arm's length with the Fund. Generally, Units of a Fund are considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Unitholder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), or a "specified financial institution" or "restricted financial institution" to a Unitholder an interest in which is a "tax shelter investment" (all as defined in the Tax Act). This summary is based upon the provisions of the Tax Act, and any regulations thereunder in force at the date hereof and the understanding of the current published administrative and assessing practices of the Canada Revenue Agency ("CRA") and takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) (the "**Tax Proposals**"). There can be no assurance that the Tax Proposals will be implemented in their current form or at all. No advance income tax ruling has been requested in respect of this Offering. This summary does not otherwise take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an Investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholders' particular circumstances, including the province or provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units of the Fund or any Unitholder. Consequently, prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances.

Tax Status of the Fund

This summary is based on the assumptions that (i) the Fund qualifies, at all times, as a "mutual fund trust" within the meaning of the Tax Act and will elect under the Tax Act to be a "mutual fund trust" from the date it was established, (ii) the Fund is not maintained primarily for the benefit of non-residents, and (iii) not more than 50% (based on fair market value) of the Units will be held by non-residents of Canada or by partnerships that are not Canadian partnerships as defined in the Tax Act, or by any combination of such partnerships and non-residents.

In the event that the Fund does not qualify as a "mutual fund trust" at all relevant times, the income tax considerations would in some respect be materially different from those described below.

The Fund will not be subject to the "specified flow-through" trust ("**SIFT**") rules in the Tax Act as long as Units are not listed or traded on a stock exchange or other public market.

Taxation of the Fund

The Fund is subject to taxation in each taxation year on its income for the year, including net realized capital gains, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Fund in

computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to distribute a sufficient part of its income and capital gains, if any, so that the Fund will not be subject to tax under Part I of the Tax Act (other than in certain circumstances with respect to the alternative minimum tax, if applicable). Losses incurred by the Fund cannot be allocated to Unitholders but may be dedicated by the Fund in future years in accordance with the Tax Act.

To the extent the Fund's investments include assets denominated in currencies other than Canadian dollars, the cost and proceeds of disposition of such assets, income and any other relevant amounts must be determined for purposes of the Tax Act in Canadian dollars, and the Fund may therefore realize gains or losses by virtue of fluctuations in the value of foreign currencies relative to Canadian dollars. To the extent the Fund derives income or gains from investments in countries other than Canada, the Fund may be liable to pay income or profits tax to such countries and the utilization of credits or deductions in respect of foreign tax so paid is subject to special rules and restrictions under the Tax Act.

Taxation of Unitholders

Fund distributions

Unitholders which are not exempt from tax under Part I of the Tax Act will generally be required to include in their income for a particular taxation year such part of the Fund's net income for tax purposes for the year as was paid or has become payable to them in that particular taxation year, notwithstanding that any such amount is payable in additional Units of the Fund. See "*Distribution of Income and Capital Gains to Unitholders*" above. In certain cases, the Fund may apply net capital losses or non-capital losses from prior taxation years to reduce its net taxable income, thereby effectively permitting such amounts to be distributed as capital to Unitholders. However, any such distribution will reduce the adjusted cost base of a Unitholder's Units. To the extent that the adjusted cost base of a Unitholder's Units becomes negative, the negative amount will be included in the Unitholder's income for the year as a capital gain. The adjusted cost base of the Units are then reset to nil.

Units issued to a Unitholder in lieu of a cash distribution will have a cost equal to the fair market value of the Units and this cost must be averaged with the cost of all Units held by the Unitholder to determine the adjusted cost base of each Unit of that Unitholder.

Where the Fund has received taxable dividends from a taxable Canadian corporation in the year, it may designate a pro rata share of such dividends to be taxable dividends received by the Unitholder from a taxable Canadian corporation in the year. To the extent that amounts are designated as taxable dividends, the normal gross-up and dividend tax credit provisions will be applicable in respect of Unitholders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Unitholders who are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals, and the deduction in computing taxable income will be available to Unitholders that are corporations.

The Fund may make designations in respect of net taxable capital gains realized by it in the year, and foreign source income received in the year and foreign taxes paid in the year. Where applicable, Unitholders may apply capital losses against such capital gains and may claim the foreign tax credit in calculating tax payable. Units of the Fund purchased under the U.S. dollar purchase option may realize a foreign exchange gain or loss for tax purposes as a result of a change in the value of the U.S. dollar during the period the units were held.

The Fund must withhold a 25% Canadian withholding tax from distributions of income paid to Unitholders who are not resident in Canada for Canadian income tax purposes (subject to treaty reduction).

Disposition of Units

A Unitholder's gain or loss from the disposition of a Unit (including a disposition by way of redemption) will generally be treated as a capital gain or loss. One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by the Fund in respect of a Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss realized by a Unitholder may be deducted against any taxable capital gains realized by the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years.

Capital gains realized on dispositions of Units by Unitholders who are not resident in Canada for Canadian income tax purposes will be subject to Canadian income tax only (i) if the Unitholder, persons who do not deal at arm's

length with the Unitholder, or any combination of the Unitholder and such persons owned not less than 25% of the issued Units of the Fund at any time in the 60 months preceding the date of disposition of the Units, and (ii) more than 50% of the fair market value of such Units is derived directly or indirectly from any combination of real or immovable project property situated in Canada, Canadian Resource properties, timber resource properties, or options, interests or civil law rights therein.

Alternative minimum tax

Canadian dividends and capital gains distributed by the Fund to, and taxable capital gains realized by a Unitholder that is an individual, may give rise to alternative minimum tax depending on the Unitholder's circumstances.

8.3 Eligibility for Registered Tax Plans

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on eligibility of these securities for deferred plans.

The Fund is a "mutual fund trust" for purposes of the Tax Act. Accordingly, Units are qualified investments under the Tax Act for Registered Plans.

The Fund must have 150 or more Unitholders at all times in order to continue to qualify as a mutual fund trust under the Tax Act. If the Fund ceases to qualify as a mutual fund trust, the Units may cease to be qualified investments for trusts governed by RRSPs, RRIFs, registered education saving plans (RESPs), registered disability savings plans (RDSPs), TFSA and deferred profit sharing plans (DPSPs) under the Tax Act. There can be no assurance that income tax laws and the treatment of unit trusts will not be changed in a manner which adversely affects Unitholders. Holders of TFSA, RDSP, and RESP and annuitants of RRSP and RRIF should consult with their own advisors as to whether Units would be "prohibited investments" for such plans for the purposes of the Tax Act.

8.4 Tax Information Reporting

Pursuant to the Agreement Between the Government of the United States of America and the Government of Canada to Improve International Tax Compliance through Enhanced Exchange of Information under the Convention Between the United States of America and Canada with Respect to Taxes on Income and Capital entered into between Canada and the U.S. on February 5, 2014 (the "IGA") and the Tax Act, the Fund and/or registered dealers are required to report certain information (including certain financial information) with respect to Unitholders who are, or certain of whose stakeholders are, U.S. tax residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding Units held in certain registered plans and accounts, including TFSA and RRSP) to the CRA. The CRA will then provide this information to the U.S. Internal Revenue Service. The information to be reported includes, among others, the Unitholder's name, address, US and Canadian taxpayer identification numbers, date of birth where applicable, account number, the value of the Unitholder's Units, as well as the gross amount paid or credited to the Unitholder in the course of the year, including the aggregate amount of any redemption payments.

In addition, and to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS"), the Fund and/or registered dealers are required under the Tax Act to identify Unitholders in the Fund who are, or certain of whose stakeholders are, tax residents of a country other than Canada and the U.S. (excluding Units held in certain registered plans and accounts, including TFSA and RRSP) and report certain information (including certain financial information) with respect to such Unitholders to the CRA. The CRA will then provide this information to the authorities of the relevant jurisdictions that have adopted the CRS. The information to be reported includes, among others, the Unitholder's name, address, jurisdiction of residence for tax purposes, foreign and Canadian taxpayer identification numbers, date of birth where applicable, account number, the value of the Unitholder's Units, as well as the gross amount paid or credited to the Unitholder in the course of the year, including the aggregate amount of any redemption payments.

ITEM 9. COMPENSATION PAID TO SELLERS AND FINDERS

Units are distributed primarily through Harbourfront, an affiliate of the Manager, as Selling Agent, but may also be purchased through third party Selling Agents.

Units are subject to either an upfront account fee or an annual commission based service fee, depending on the Class of Units purchased.

Purchasers of Class F Units will pay an upfront account fee to their Selling Agent in an amount agreed in the account agreement between the Selling Agent and the purchaser, and such fees may reduce the amount invested in the Units.

The Manager will pay part of the 2.38% Management Fee charged to the Fund in respect of the Class A Units to Selling Agents of the Class A Unitholders in the form of an annual service fee, known as a “trailing commission”. Service fees are equal to 1% per annum of the aggregate Net Asset Value of the Class A Units held by the Unitholder, calculated on each Valuation Day (1/12 of 1%) and payable annually. The service fee is paid to a Selling Agent for ongoing advice and service provided by that Selling Agent to its clients who have invested in Class A Units of the Fund. This service fee is payable by the Manager for as long as the Selling Agent’s clients’ investments remain in the Fund.

No trailing commissions are payable in respect of the Class F Units. Service fees may be modified or discontinued by the Manager at any time.

ITEM 10. RISK FACTORS

An investment in the Fund involves a significant degree of risk, relating both to the types of investments contemplated by the Fund as well as the Fund’s ability to achieve its investment objectives and therefore should be undertaken only by those investors capable of evaluating the risks of the Fund and bearing the risks it represents. Before purchasing Units, prospective investors should carefully consider, among other factors, the following risk factors, as well as other information provided in this Offering Memorandum. The following risk factors do not purport to be a complete list or explanation of all risks involved in an investment in the Fund.

10.1 Risks Associated with Market Conditions

General Economic Conditions

The success of the Fund’s activities may be affected by general economic and market conditions both in Canada and globally, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances (including war, terrorism, disease outbreaks, recessions or other events that could have a significant negative impact on global economic and market conditions). Material changes and fluctuations in the economic environment, particularly of the type experienced since 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect the Fund’s ability to make Investments and the value of Investments held by the Fund or the Fund’s ability to dispose of Investments. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the performance of Investments, the Fund’s returns and the Fund’s ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on the investments or the Fund’s investment objectives.

Inflation and Interest Rate Risk

Inflation could directly adversely affect the Fund’s investments. If an investment is unable to increase its revenue in times of higher inflation, then its profitability and ability to distribute dividends may be adversely affected. Some of the Fund’s investments may have long-term rights to income linked to some extent to inflation, whether by government regulations, contractual arrangement or otherwise. Typically, as inflation rises, an investment will earn more revenue, but will incur higher expenses; as inflation declines, the investment may not be able to reduce expenses in line with any resulting reduction in revenue. Many businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they may not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for an investment and a reduction in the amount of cash available for distribution to Investors that have invested in the Fund. In addition, the market value of an investment may decline in times of higher inflation rates given that the most commonly used methodologies for valuing investments (e.g., discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Finally, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of Investments. Accordingly, changes in the rate of inflation may affect the forecasted profitability of an investment.

Foreign Currency Exposure

It is expected that a significant proportion of the investments held by the Fund will be valued in currencies other than the Canadian dollar and that the value of these positions when translated to Canadian dollars may be affected by fluctuation in the value of such currencies relative to the Canadian dollar. The Manager, or the underlying funds in which the Fund invests, may hedge exposure to foreign currencies in whole or in part, but there can be no assurances that the gains or losses on currency hedging transactions will be matched in timing or characterization with losses and gains on the foreign currency investments. Changes in non-Canadian currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the Canadian dollar and other currencies are affected by many factors, including forces of supply and demand in the non-Canadian currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of the Fund which may adversely affect the Fund. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Fund and the ability of the Fund to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of the Fund's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased taxable distributions from the Fund. There can be no assurance that the Canadian federal income tax laws and administrative policies and assessing practices of the Canada Revenue Agency respecting the treatment of trusts, including mutual fund trusts, will not be changed in a manner that adversely affects the Unitholders. If the Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under Item 8 "*Income Tax Consequences and RRSP Eligibility*" would be materially and adversely different in certain respects.

10.2 Risks Associated with an Investment in the Fund

General Investment Risk

An investment in the Fund is risky. Investors must be able to bear the risk of a complete loss of their investment. Investing in the Fund is only suitable for investors who understand and are capable of bearing the risks of their investment. As is the case with any investment that does not offer a principal guarantee, all investments in underlying third-party funds and securities made by the Fund carry the risk the loss of invested capital, in part or in whole. While the Manager believes that the Fund's investment policies and underlying investment decisions will be successful over the long term, there is no assurance that the Fund will achieve its investment objectives. There is no guarantee that an investment in Units of the Fund will earn a positive return in the short or long term, and may produce negative returns. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Fund's portfolio. An investment in Units may be more volatile and risky than some other forms of investments. Investors must be able to bear the risk of a partial or complete loss of their investment.

The Fund is not subject to normal mutual fund regulations and disclosure requirements for publicly offered mutual funds, which limit such mutual funds' ability to use leverage, concentrate investments and use derivatives, but is instead subject to the investment restrictions set out herein.

Liquidity Risk

Liquidity risk refers to the inability to sell a financial instrument or to only be able to sell the instrument at a price that represents a substantial discount to its true value. There is currently no market for the Units and it is not anticipated that any market will develop. Furthermore, the Units are subject to transfer and resale restrictions. In a normal market environment, Units may generally be redeemed on any Business Day. However, the redemption of Units may be subject to certain fees (including a redemption fee or Transaction Fee) and restrictions. The Manager may suspend redemptions in certain circumstances, including in the event of redemptions exceeding, in aggregate, 5% of the Net Asset Value of the Fund and in the event the Manager determines that conditions are such that the disposal of the assets of the Fund is not reasonably practicable, in the best interest of all Unitholders, or it is not reasonably practicable to determine fairly the value of the Fund's assets. As such, Unitholders may not be able to liquidate their investments in a timely manner or in the event of an emergency. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

The Fund's underlying holdings, whether a third-party fund, an exchange traded fund or a direct security, may also be difficult to sell because the securities are not well known or do not have an active liquid market. Smaller funds, small capitalization securities, or emerging market securities are all examples of direct securities that may not offer liquidity. Finally, illiquidity in the Fund's Units can affect liquidity in its underlying holdings. Substantial redemptions of Units could require the Fund to liquidate underlying positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units that remain outstanding. See Item 5.3 "*Redemption Procedure*".

Reliance on Management

The success of the Fund depends in substantial part upon the skill and expertise of the investment professionals who will be providing investment advice with respect to the Fund. There can be no assurance that these key investment professionals will continue to be associated with the Manager, or manager of the underlying funds in which the Fund invests, throughout the life of the Fund. In addition, the key investment professionals devote their time and attention to the Manager and various investments and investment products of Manager, which includes the activities of the Fund. While certain investment professionals will devote such time as they believe is reasonably required to the Fund, the composition of the team dedicated to the Fund may change from time to time without notice to the Unitholders. Accordingly, the make-up of the pool of investment professionals with responsibility for the investment strategy of the Fund may evolve over time. The loss of key personnel could have a material adverse effect on the Fund's ability to realize its investment objectives.

Investment Eligibility

The Fund intends to qualify as a "mutual fund trust" under the Tax Act at all relevant times. If the Fund does not meet the requisite conditions or otherwise does not qualify or ceases to qualify as a "mutual fund trust" under the Tax Act, adverse consequences may arise including that: (i) the Fund may become liable to pay certain additional tax liabilities (with the result that the amount of cash available for distribution by the non-qualifying trust would be reduced and Unitholders may otherwise be adversely affected), and (ii) the Units will not be qualified investments for RRSPs, RRIFFs, RESPs, RDSPs, TFSAs and DPSPs with the result that adverse tax consequences will generally arise to the Registered Plan and the annuitant, beneficiary or holder of the plan, including, depending on the circumstances, that the Registered Plan and the annuitant, beneficiary or holder may become subject to additional taxes and penalties, that the annuitant, beneficiary or holder of the Registered Plan may be deemed to have received income therefrom, and that the Registered Plan may have its tax status revoked.

Net Asset Value

The Net Asset Value of each Class of Units that comprise the Fund will fluctuate with changes in the market value of the investments attributable to that Class. Such changes in market value may occur as a result of various factors such as changes in interest rates, economic conditions, and market and company news. Therefore, when you redeem your Units in the Fund, you may receive less than the full amount you originally invested. The full amount of an investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Portfolio Concentration

While diversification is an objective of the Fund, and the Fund's investment objectives and restrictions includes certain diversification limitations, there is no assurance as to the degree of diversification that will actually be achieved in the Fund's investments and it is likely that the asset mix of the Fund will differ from that which would result if diversification was the Fund's primary investment focus. To the extent that the Fund or an underlying fund concentrates its investments in a particular geographic region, security, investment sector or stage of investment, such investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, investment sector or stage of investment.

Not a Public Mutual Fund

The Fund is not a reporting mutual fund for securities laws purposes and is therefore not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio, as well as a more stringent level of public disclosure of performance. As a result, some of the protections provided to investors in reporting mutual funds under such laws are not available to Unitholders.

Fund of Fund Risk

The Fund may invest all or a portion of its assets in one or more third party managed underlying funds. The proportion of underlying funds held by the Fund will be selected and varied by the Manager, in its sole discretion, in the interest of achieving the investment objectives of the Fund. To the extent that the Fund invests in underlying funds, it has exposure to the same risks as its underlying funds.

Purchasers of Units in the Fund will not have a direct interest in any underlying fund in which the Fund invests. Accordingly, Unitholders will not have any rights under the governing documents of the underlying fund and will have no standing or recourse against the underlying fund in any respect. None of the Fund, the Manager or any of their respective affiliates has the power to legally bind or commit the underlying fund parties.

A copy of the offering document or other similar disclosure document of an underlying fund (if any) and financial statements of the underlying funds in which the Fund invests its assets is available, free of charge, upon request. Unitholders acknowledge that none of the Fund, the Manager or any of their respective affiliates have made any representations and/or warranties in respect of any of the information set forth in any underlying fund disclosure document.

Losses and Effects of Substantial Redemptions

The Fund may at any time incur losses, resulting in substantial redemptions by Unitholders. Substantial redemptions may require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve market positions appropriately reflecting a smaller asset base. There is a risk that if the Fund's assets become depleted, the Fund's portfolio could become sufficiently restricted to make it difficult to achieve the Fund's investment objectives. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Large Unitholder Risk

Where the Fund has one or more Unitholders owning a significant percentage of its total Units, certain actions by a large Unitholder may have an impact on the Fund. If a large Unitholder withdraws from the Fund (by redeeming Units), the redemption may force the Fund to liquidate some of its portfolio securities in an untimely manner to pay the redemption price to the large Unitholder. The sale of portfolio securities might trigger capital gains tax for the remaining Unitholders. It might also increase the transaction costs, which the Fund must pay, thereby reducing the net asset value of the Fund.

Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest

Harbourfront is the Fund's portfolio adviser and principal Selling Agent. Harbourfront, a CIRO Dealer Member and registered investment dealer, is an affiliate of the Manager. Both the Manager and Harbourfront are indirect, wholly-owned subsidiaries of HFW Holdings Inc. As of the date of the Offering Memorandum, Audax Group beneficially owned the majority of the issued and outstanding shares of HFW Holdings Inc. and as such has the ability to elect and appoint the directors and officers of Harbourfront and the Manager.

These relationships create various conflicts of interest for the Fund.

Investors may purchase Units of the Fund through Harbourfront. Purchasers of Class F Units are required to pay fees to Harbourfront in respect of holdings of Class F Units and such fees may reduce the amount invested in the Units.

Harbourfront is engaged in a wide variety of management, advisory and other investment dealer business activities. Harbourfront's investment decisions for the Fund will be made independently of those made for the other clients of Harbourfront and independently of its own investments. However, on occasion, Harbourfront may make the same investment for the Fund and one or more of its other clients. Where the Fund and one or more of the other clients of Harbourfront are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. Harbourfront will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios, the relative size and rate of growth of the Fund and the other funds under common management and such other factors as Harbourfront considers relevant in the circumstances.

Certain of the directors and officers of the Manager are also directors and officers of Harbourfront. Although the Manager will have various obligations to the Fund, situations may arise where the interests of the directors, officers, employees and shareholders of the Manager (being the promoter of the Fund) could conflict with the interests of the Fund.

The Manager as well as employees, directors and officers of the Manager may invest their own money in the Fund and may, from time to time, have substantial holdings in the Fund.

The Fund pays the Manager the Management Fee (ultimately borne by the holders of the different Classes of Units as discussed elsewhere in this Offering Memorandum).

The Manager, Harbourfront and their respective officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Fund. Investment in the Fund will not carry with it the right of the Fund or of any Unitholder to invest in any other venture of the Manager or its affiliates or associates or to any profit therefrom or to any interest therein. The Manager may have a conflict of interest in carrying out its obligations to the Fund as a result of its involvement in competing activities.

The Fund will not have an independent review committee or any other form of independent management oversight and will rely exclusively upon the Manager to manage the business of the Fund and to provide investment managerial skill. The directors, officers, employees and shareholders of the Manager may have a conflict of interest in allocating their time among the business of the Manager, Harbourfront and the Fund, and other businesses or projects in which they may become involved. The directors and officers of the Manager have, however, agreed to devote as much time to the Fund as is required for the effective management of the Fund.

Liability of Unitholders

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

Lack of Independent Counsel

Counsel for the Fund in connection with this Offering is also counsel to the Manager. The Unitholders, as a group, have not been represented by separate counsel and counsel for the Fund and the Manager does not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

Broad Authority of the Manager

The Trust Agreement gives the Manager broad discretion over the conduct of the Fund's business, the selection of the securities in which the Fund invests and the types of transactions in which the Fund engages.

Incentive Fee to the Manager

The Manager is eligible to receive a Performance Fee if, during a given time period, the performance of the Fund exceeds the performance of a specified benchmark. This may create a structural incentive for the Manager, in the pursuit of superior performance, to make investments that are abnormally risky than otherwise would be the case if no such fee existed.

Cyber Security

The information and technology systems of the Manager and the Administrator may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Manager has implemented, and the Administrator may maintain, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Manager and/or the Administrator may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Manager's, the Fund's and the Administrator's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a

failure could harm the Manager's and/or the Administrator's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

10.3 Risks Associated with the Fund's Investments

Risks of Investing in Real Estate

Investments in real estate-related debt and equity assets are subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of tenants, buyers and sellers of properties, changes in availability of debt financing, changes in interest rates, exchange rates, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, energy prices, changes in the relative popularity of certain property types, risks due to dependence on cash flow, risk and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses, war, terrorism, earthquakes, hurricanes or floods and other factors which are beyond the control of the underlying fund in which the Fund is invested.

Real estate investments of underlying Portfolio Funds may be or become non-performing after acquisition for a wide variety of reasons. Such non-performing real estate investments may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial write-down of such investment. However, even if an asset is performing as expected, a risk exists that upon maturity, replacement "takeout" financing may not be available. It is possible that the underlying fund may find it necessary or desirable to foreclose on some of the collateral securing one or more investments held by such entity. Even if foreclosure is an option, the foreclosure process can be lengthy and expensive. At any time during the foreclosure proceedings, the borrower may file for bankruptcy or otherwise avail itself of debtor protection laws, which may have the effect of further delaying the foreclosure process.

Risks of Investing in Infrastructure

Investing in infrastructure assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, currency, regulatory, political and financial risks.

An investment in any underlying fund that include infrastructure assets is subject to certain risks associated with the ownership of infrastructure and infrastructure-related assets in general, including: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to, infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impracticable; changes in environmental laws and regulations, and planning laws and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative developments in the economy that depress travel; uninsured casualties; acts of force majeure, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of the underlying fund. Many of these factors could cause fluctuations in usage, expenses and revenues, causing the value of the underlying fund to decline and negatively affect the Fund's returns.

Exchange Traded Fund Risk

The Fund (or the underlying funds in which the Fund invests) may invest in ETFs, which qualify as "index participation units" under NI 81-102. These ETFs seek to provide returns similar to the performance of a market index or industry sector index. ETFs may not achieve the same return as their benchmark market or industry sector indices due to, among other things, differences in the actual weights of securities held in the ETF versus the weights in the relevant index (any such differences are usually small), and due to the operating and management expenses of the ETFs. ETFs may also be subject to currency risk. An ETF may, for a variety of reasons, also fail to accurately track the market segment or index that underlies its investment objective. ETF units may trade below, at, or above their respective net asset values per unit. The price of an ETF can also fluctuate and the value of Funds that invest in securities offered by ETFs will change with these fluctuations.

Leverage Risk

The underlying funds in which the Fund invests may employ leverage in the acquisition, operation and ownership of its investments and may refinance its investments, if desirable. Debt could take the form of mortgage or other financing at the property level or ownership level. Leverage may be secured on the underlying fund's property assets. Such use of leverage generally magnifies a fund's opportunities for gain and its risk of loss from a particular investment.

Leverage exposes a fund to movements in loan interest rates and the possibility that if the values of properties fall, the fund's capital repayment commitments may exceed the capital value of the fund's assets. The ability to obtain financing quickly and on reasonable terms is important to the success of a fund and such availability is uncertain. No assurance can be given that the leverage contemplated will be available at commercially acceptable rates. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage involves financial risk and generally magnifies a fund's opportunities for gain and its risk of loss from a particular investment and will also result in interest expense and other costs to the fund that may not be covered by distributions made to the fund or appreciation of its investments. Should the credit markets be limited or costly at the time that an underlying fund determines that it is desirable to sell all or a part of an investment, the fund may not achieve an exit capitalization rate consistent with its forecasts. An underlying fund may also borrow money or guarantee indebtedness (such as a guarantee of an investment's debt) or otherwise be liable therefor, and in such situations, it is not expected that the fund would be compensated for providing such guarantee or exposure to such liability. To the extent that an underlying fund incurs leverage (or provides such guarantees), such amounts may be secured by commitments made by the fund's investors, including the Fund, and such investors' contributions may be required to be made directly to one or more lenders instead of the underlying fund. The underlying fund may engage in portfolio financing, whereby several properties or all assets of the relevant portfolio are cross-collateralized, and multiple properties may be subject to the risk of loss. As a result, the underlying fund could be divested of performing properties in the event such properties are cross-collateralized with poorly performing or non-performing properties. In addition, any use of recourse debt with respect to an investment will subject the other assets of the fund to risk of loss.

Foreign and Emerging Markets

The Fund may invest indirectly via third-party strategies, or directly via individual securities, in foreign countries that face increased risk because of differences in accounting standards, accounting, financial reporting, which may not be as stringent as Canada and the US. These differences may mean portfolio managers receive less complete or transparent information on foreign securities. Most notably, there are political risks to trading in foreign markets. Investor rights are not protected in equal fashion across geographies. Governments can impose regulatory changes that affect shareholder rights or currency valuations. Many foreign markets are also less liquid and are more volatile than Canadian and US markets. International market risk may be particularly high in emerging markets, where market structures, regulation and shareholder rights are less developed or protected. Emerging markets have historically exhibited higher instances of political instability, government intervention, hyper-inflation, currency devaluation versus the dollar, lower trading and liquidity challenges versus developed market economies. As a result, the Net Asset Value of the Fund may fluctuate to a greater degree by investing in foreign equities than if the Fund limited its investments to Canadian securities.

Securities Lending Risk

The Fund (or underlying funds in which the Fund invests) may engage in securities lending transactions in order to earn additional income. Securities lending involves lending securities held by a fund to qualified borrowers who have posted collateral. In lending its securities, a fund is subject to the risk that the borrower may not fulfill its obligations, leaving the fund holding collateral worth less than the securities it has lent, resulting in a loss to the fund.

Interest Rates

Changes in interest rates may adversely affect the value of debt securities held directly or indirectly by an investment fund. The interest rate on a bond or other debt security is set when it is issued. When interest rates fall, the price of existing bonds will rise because existing bonds pay higher rates than new bonds and are therefore worth more and the value of investment fund may increase. On the other hand, when interest rates rise, the price of existing bonds will fall, and so will the value of the investment fund as a result of holding such bonds. This risk exists whether securities are fixed rate or floating rate investments. The degree to which an investment is affected by a change in interest rates is reflected in its term-to-maturity. Longer dated loans or fixed income instruments are more sensitive to changes in interest rates vs. shorter term securities.

Use of Derivatives

The Fund (or underlying funds in which the Fund invests) may invest in or use derivative instruments, including

forward contracts, futures contracts, swaps and options for hedging or non-hedging purposes. Derivatives generally involve certain risks, which may include the following: (a) the derivative hedging strategy used to reduce risk may not be effective; (b) the market value of the investment being hedged and the derivative instrument being used may not be perfectly correlated; (c) there is no guarantee a market will exist when a fund wants to buy or sell one of the derivative contracts; and (d) the other party to the contract may not be able to meet its financial obligations.

Counterparty Risk

The Fund (or underlying funds in which the Fund invests) may enter into customized financial instrument transactions for the purpose of executing its foreign currency hedges that are subject to the risk of credit failure or the inability of, or refusal by, the counterparty to perform its obligations with respect to the hedges, potentially exposing the Fund to significant losses.

ITEM 11. REPORTING OBLIGATIONS

As a Unitholder of the Fund you are entitled to receive copies of the Fund's audited financial statements. Except as may be otherwise required by applicable securities laws the Fund will, upon request by a Unitholder, make audited financial statements for the year ended December 31, available within 120 days after the last day of each fiscal year of the Fund. Interim unaudited financial statements of the Fund are available to Unitholders upon request. **Unitholders will not receive any other information regarding the Fund's portfolio on an ongoing basis.**

The Fund is not a reporting issuer in any of the provinces or territories of Canada and does not intend on becoming a reporting issuer in any province or territory in Canada.

ITEM 12. RESALE RESTRICTIONS

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Fund becomes a reporting issuer in any Canadian province or territory.

ITEM 13. PURCHASERS' RIGHTS

13.1 Statements Regarding Purchaser' Rights

Rights of Purchasers Relying on the Offering Memorandum Exemption in Section 2.9 of NI 45-106

If you purchase these Units pursuant to the offering memorandum exemption afforded by section 2.9 of NI 45-106, you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the 2nd Business Day after you sign the agreement to buy the securities.

Contractual Rights of Action in the Event of a Misrepresentation – If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Fund:

- (a) to cancel your agreement to buy these Units, or
- (b) damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your Units and will not include any part of the damages that the Fund proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Fund has a defence if it proves that you knew of the misrepresentation when you purchased the Units.

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 you sign the agreement to purchase the Units. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the Units.

Rights of Purchasers Relying on the Accredited Investor Exemption in Section 2.3 of NI 45-106 or the Minimum

Amount Exemption in Section 2.10 of NI-45106

Purchasers that are resident in certain jurisdictions and are purchasing these Units pursuant to the accredited investor or minimum amount exemption afforded by section 2.3 and 2.10, respectively, of NI 45-106, have certain rights, some of which are described below. The summary is subject to the express provisions of the applicable securities legislation of each applicable jurisdiction and the regulations, rules, policy statements and instruments thereunder, and reference is made to the complete text of such provisions. The rights discussed below are in addition to and without derogation from any other right or remedy that purchasers may have at law, are qualified by the provisions of the relevant securities legislation and are subject to certain limitations and statutory defences contained therein. These statutory rights are not available to purchasers in all of the jurisdictions where this Offering is being made. Purchasers should refer to the applicable securities legislation to determine the availability and particulars of these provisions or consult their legal advisers.

Investors in Jurisdictions other than Ontario

If there is a misrepresentation in this Offering Memorandum, you may have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy the Units; or
- (b) for damages against the Fund and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Fund proves does not represent the depreciation in value of the securities resulting from the misrepresentation. There are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if they prove that you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Fund, you will have no right of action for damages against the Fund.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. Generally speaking, in many jurisdictions, you must commence your action to cancel the Subscription Agreement within 180 days after you signed the agreement to purchase the Units or you must commence your action for damages within the earlier of 180 days after learning of the misrepresentation or 3 years after you signed the agreement to purchase the Units; however, purchasers are cautioned that their statutory rights of action and the applicable time limitations may vary from those described above depending on the securities legislation of the applicable jurisdiction. As such, purchasers should consult with their legal advisor and/or refer to the complete text of the applicable securities legislation of their jurisdiction of residence and the rules, regulations and other instruments thereunder.

Investors in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 – Ontario Prospectus and Registration Exemptions provides that when this Offering Memorandum is delivered to an investor to whom Units are distributed in reliance upon a prospectus exemption under section 73.3 of the Securities Act (Ontario) (or a predecessor exemption), the rights referred to in section 130.1 of the Securities Act (Ontario) are applicable, unless the prospective purchaser is:

- (a) a Canadian financial institution, meaning either:
 - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
 - (ii) a bank, a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning a bank listed in Schedule III of the Bank Act (Canada);
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary.

Where this Offering Memorandum is delivered to a prospective purchaser of Units in connection with a trade made in reliance on section 73.3 of the Securities Act (Ontario) (or a predecessor exemption) or section 2.10 of NI 45-106 and this document contains a misrepresentation, subject to the exceptions set out above, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Fund and a selling security holder on whose behalf the distribution is made for damages or, while still the owner of Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. However, no action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action, and in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) 3 years after the date of the transaction that gave rise to the cause of action.

The defendant shall not be liable for a misrepresentation if it proves that the purchaser purchased the Units with knowledge of the misrepresentation.

In an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon.

In no case shall the amount recoverable for the misrepresentation exceed the price at which the Units were offered.

This summary is subject to the express provisions of the Securities Act (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions and/or consult with a legal advisor.

THE FOREGOING SUMMARY IS SUBJECT TO AND QUALIFIED IN ITS ENTIRETY BY THE EXPRESS PROVISIONS OF THE SECURITIES LEGISLATION OF EACH APPLICABLE JURISDICTION AND THE RULES, REGULATIONS AND OTHER INSTRUMENTS THEREUNDER, AND REFERENCE IS MADE TO THE COMPLETE TEXT OF SUCH PROVISIONS. SUCH PROVISIONS MAY CONTAIN LIMITATIONS AND STATUTORY DEFENCES ON WHICH THE FUND MAY RELY. THE ENFORCEABILITY OF THESE RIGHTS MAY BE LIMITED.

13.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert

This Offering Memorandum includes the Independent Audit Report of KPMG LLP, the Fund's auditor, dated May 1, 2024. You do not have a statutory right of action against this party 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
FORSYTH PRIVATE REAL ESTATE PORTFOLIOS
AS AT DECEMBER 31, 2023**

(See attached)

Financial Statements of

**FORSYTH PRIVATE REAL ESTATE
PORTFOLIOS**

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the unitholders of Forsyth Private Real Estate Portfolios

Opinion

We have audited the financial statements of Forsyth Private Real Estate Portfolios (the "Fund"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

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 auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Manager 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, the Manager 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 the Manager 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 the 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 the Manager.
- Conclude on the appropriateness of the Manager'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.
- 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 1, 2024

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 16,429,433	\$ 28,643,858
Distributions receivable	1,880,124	1,816,443
Subscriptions receivable	7,175,155	10,536,291
Prepaid expenses	8,781	–
Receivable from investments sold	188,915	882,994
Investments	511,194,475	454,020,649
Forward contracts	47,365	11,325
	<u>536,924,248</u>	<u>495,911,560</u>
LIABILITIES		
Redemptions payable	7,390,832	4,495,821
Management fees payable (Note 4)	1,312,179	1,251,919
Performance fees payable (Note 4)	110,250	–
Distributions payable	4,383,608	3,937,029
Accounts payable and accrued liabilities	71,935	103,184
Payable for securities purchased	–	1,000,006
	<u>13,268,804</u>	<u>10,787,959</u>
Net assets, attributable to holders of redeemable units:	<u>\$ 523,655,444</u>	<u>\$ 485,123,601</u>
Net assets attributable to holders of redeemable units per class:		
Class A	\$ 641,990	\$ 429,451
Class F	513,731,107	474,647,925
Class FUS	9,282,347	10,046,225
	<u>\$ 523,655,444</u>	<u>\$ 485,123,601</u>
Number of redeemable units outstanding (Note 5):		
Class A	57,720	38,734
Class F	43,531,478	40,946,376
Class FUS	577,669	627,520
Net assets attributable to holders of redeemable units per unit per class:		
Class A	\$ 11.12	\$ 11.09
Class F	11.80	11.59
Class FUS	16.07	16.01

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors of
Willoughby Asset Management Inc., in its capacity as Manager

(Signed) "Lynn Stibbard" Director

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Statement of Comprehensive Income

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Income		
Income from distributions	\$ 22,111,729	\$ 19,924,068
Interest income	66,308	85,845
Foreign exchange (loss) gain	(155,094)	8
Other income	460,307	778,281
Net realized gain on sale of investments	1,344,471	2,098,570
Net change in unrealized appreciation	12,898,941	22,727,526
	<u>36,726,662</u>	<u>45,614,298</u>
Expenses		
Management fees (Note 4)	5,499,909	4,588,260
Performance fees (Note 4)	1,202,371	5,145,632
Operating costs	776,415	759,083
Interest expense	24,289	398
Custodian fees	37,007	32,640
Audit fees	19,998	15,729
Trustee fees	10,920	10,658
Legal fees	7,038	692
Commissions and other portfolio transaction costs	76	9,955
	<u>7,578,023</u>	<u>10,563,047</u>
Increase in net assets attributable to holders of redeemable units:	<u>\$ 29,148,639</u>	<u>\$ 35,051,251</u>
Increase in net assets attributable to holders of redeemable units per class (Note 6):		
Class A	\$ 25,247	\$ 29,526
Class F	28,691,409	33,543,127
Class FUS	431,983	1,478,598
	<u>\$ 29,148,639</u>	<u>\$ 35,051,251</u>
Increase in net assets attributable to holders of redeemable units per class per unit (Note 6):		
Class A	\$ 0.49	\$ 0.79
Class F	0.68	0.94
Class FUS	0.71	2.41

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units Year ended December 31, 2023, with comparative information for 2022

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued*	Redemption of redeemable units*	Distributions to unitholders of redeemable units	Reinvestments of distributions to holders of redeemable units	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2023							
Class A	\$ 429,451	\$ 276,074	\$ (69,529)	\$ (22,882)	\$ 3,629	\$ 25,247	\$ 641,990
Class F	474,647,925	113,719,483	(86,709,412)	(20,048,929)	3,430,631	28,691,409	513,731,107
Class FUS	10,046,225	1,416,765	(2,296,073)	(397,846)	81,293	431,983	9,282,347
	<u>\$ 485,123,601</u>	<u>\$ 115,412,322</u>	<u>\$ (89,075,014)</u>	<u>\$ (20,469,657)</u>	<u>\$ 3,515,553</u>	<u>\$ 29,148,639</u>	<u>\$ 523,655,444</u>

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2023 were \$94,167 and (\$94,167), respectively.

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued**	Redemption of redeemable units**	Distributions to unitholders of redeemable units	Reinvestments of distributions to holders of redeemable units	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2022							
Class A	\$ 389,718	\$ 27,000	\$ –	\$ (16,793)	\$ –	\$ 29,526	\$ 429,451
Class F	325,737,824	180,530,240	(51,017,435)	(17,104,702)	2,958,871	33,543,127	474,647,925
Class FUS	7,928,765	2,957,107	(2,005,919)	(390,940)	78,614	1,478,598	10,046,225
	<u>\$ 334,056,307</u>	<u>\$ 183,514,347</u>	<u>\$ (53,023,354)</u>	<u>\$ (17,512,435)</u>	<u>\$ 3,037,485</u>	<u>\$ 35,051,251</u>	<u>\$ 485,123,601</u>

** Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the year ended December 31, 2022 were \$175,839 and \$(175,839), respectively.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating Activities		
Increase in net assets attributable to holders of redeemable units:	\$ 29,148,639	\$ 35,051,251
Adjustments for non-cash items		
Commissions and other portfolio transaction costs	76	9,955
Foreign exchange loss (gain)	155,094	(8)
Net realized gain on sale of investments	(1,344,471)	(2,098,570)
Net change in unrealized appreciation	(12,898,941)	(22,727,526)
Change in non-cash balances		
Change in distributions receivable	(63,681)	(369,381)
Change in receivable for investments sold	694,079	(882,994)
Change in prepaid expenses	(8,781)	7,993
Change in management fees payable	60,260	411,873
Change in performance fees payable	110,250	(1,975,687)
Change in accounts payable and accrued liabilities	(31,249)	25,285
Change in payable for securities purchased	(1,000,006)	1,000,006
Proceeds from sale of investments	90,513,140	111,883,118
Purchase of investments	(133,479,670)	(214,899,815)
Cash used in operating activities	<u>(28,145,261)</u>	<u>(94,564,500)</u>
Financing Activities		
Proceeds from issuances of redeemable units	118,679,291	185,592,576
Amount paid on redemption of redeemable units	(86,085,836)	(50,753,126)
Distributions to unitholders of redeemable units, net of reinvestments	(16,507,525)	(13,376,679)
Cash provided by financing activities	<u>16,085,930</u>	<u>121,462,771</u>
(Decrease) increase in cash and cash equivalents during the year	(12,059,331)	26,898,271
Foreign exchange (loss) gain on cash	(155,094)	8
Cash and cash equivalents, beginning of year	<u>28,643,858</u>	<u>1,745,579</u>
Cash and cash equivalents, end of year	\$ 16,429,433	\$ 28,643,858
Cash	1,376,193	27,543,018
Cash equivalents	15,053,240	1,100,840
Cash and cash equivalents, end of year	\$ 16,429,433	\$ 28,643,858
Supplemental information*		
Interest paid	\$ 24,289	\$ 398
Interest received	66,308	85,845

*Included as a part of cash flows from operating activities

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Schedule of Investment Portfolio As at December 31, 2023

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian investment funds				
350,163	Alignvest Student Housing Real Estate Investment Trust Class F	\$ 39,315,299	\$ 49,723,100	9.50
2,000,000	Antrim Balanced Mortgage Fund Class F Series C	2,000,007	2,000,000	0.38
4,566,397	Avenue Living Real Estate Core Trust Class W	49,699,304	59,134,839	11.29
1,667,074	Brookfield Real Estate Income Corp. Class F	20,120,589	17,928,018	3.42
216,113	CanFirst IncomePlus Real Estate Fund - I2 DEC-2023	3,000,006	3,137,711	0.60
1,036,587	CanFirst IncomePlus Real Estate Fund - I2 SEP-2023	12,582,992	15,059,416	2.88
2,156,963	Centurion Apartment REIT	40,950,588	49,989,770	9.55
352,563	CI High Interest Savings Fund Class F	3,530,574	3,527,709	0.67
1,075,569	Equiton Residential Income Fund Trust Class I - Series 1	11,524,159	13,294,038	2.54
467,067	Forum Real Estate Income and Impact Fund Series I - AUG 2023	5,076,835	5,325,784	1.02
956,641	Forum Real Estate Income and Impact Fund Series I - FEB 2023	10,289,004	10,995,435	2.10
469,372	Forum Real Estate Income and Impact Fund Series I - JUL 2023	5,096,338	5,366,894	1.02
477,780	Forum Real Estate Income and Impact Fund Series I - MAR 2023	5,175,193	5,495,764	1.05
1,582,632	ICM Bluebird Canadian Self Storage Trust Series I	15,300,018	16,617,632	3.17
5,572,248	ICM Property Partners Trust Series I	58,117,166	65,251,025	12.46
1,061,815	Levante Living Trust Class F	10,386,659	11,032,258	2.11
2,567,667	Mini Mall Storage Properties Trust Class W	26,797,071	30,966,065	5.91
1,122,374	Skyline Apartment REIT	28,616,333	31,145,885	5.95
1,342,041	Skyline Clean Energy Trust Fund	15,770,970	21,633,696	4.13
1,378,983	Skyline Industrial Real Estate Investment Trust	24,578,584	31,027,110	5.93
45,409	TD Short Term Investment Class - F-Series	450,006	459,990	0.09
243,400	Trez Capital Private Real Estate Fund Trust - Series I	25,227,617	28,426,658	5.43
		<u>413,605,312</u>	<u>477,538,797</u>	<u>91.20</u>
U.S. investment funds				
11,676	Blackstone Real Estate Income Trust iCapital Canada Access Fund L.P	15,568,927	15,050,652	2.87
937,835	Rise Properties Trust Class F USD	19,679,728	18,605,026	3.55
		<u>35,248,655</u>	<u>33,655,678</u>	<u>6.42</u>
	Total investments owned	448,853,967	511,194,475	97.62
	Commissions and other portfolio transaction costs	(4,627)	—	—
	Net investments owned	<u>\$ 448,849,340</u>	511,194,475	97.62
	Unrealized gain, foreign exchange forward contracts (Schedule 1)		47,365	0.01
	Other assets, net		<u>12,413,604</u>	<u>2.37</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 523,655,444</u>	<u>100.00</u>

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Schedule of Investment Portfolio (continued)

As at December 31, 2023

Schedule 1 - Foreign Exchange Forward Contracts

Maturity Date	Currency Sold	Currency Bought	Forward Rates	Contract Price	Fair Value	Unrealized Gain (Loss)
January 31, 2024	USD	CAD	1.326400	\$ (38,112,567)	\$ (38,049,266)	\$ 63,301
January 31, 2024	CAD	USD	1.326400	\$ 9,594,967	\$ 9,579,030	\$ (15,936)
						\$ 47,365
Total unrealized gain on foreign exchange forward contracts						\$ 47,365

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

1. Reporting entity:

Forsyth Private Real Estate Portfolios (the “Fund”) is an open-ended investment trust which was created under the laws of the Province of British Columbia pursuant to a declaration of trust dated August 27, 2019 (the “Trust Agreement”). The Fund commenced active operations on September 18, 2019.

Willoughby Asset Management Inc., a company incorporated under the laws of British Columbia, is the manager of the Fund (the “Manager”). Harbourfront Wealth Management Inc. is the portfolio advisor (the “Investment Advisor”) of the Fund. The Manager is responsible for approving and monitoring the Fund’s various service providers, including the Investment Advisor, in accordance with the terms of the Trust Agreement. The Manager has engaged the Investment Advisor to manage the Fund’s portfolio on a discretionary basis, as well as the distribution of the redeemable units of the Fund. Computershare Trust Company of Canada is the Trustee (the “Trustee”) of the Fund; the Trustee has no responsibility for investment management of the securities or the property of the Fund or for any investment decisions. The Fund’s place of business is located at Royal Centre, 1800 - 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

The investment objective of the Fund is to provide income and growth to unitholders by employing a fund of funds strategy involving investing in third party investment funds that specialize in purchasing best in class multifamily and commercial income-producing properties, as well as income-producing infrastructure projects in major North American markets. From time-to-time, the Fund may also invest in publicly traded securities including equities, bonds, debentures, treasury bills, exchange traded funds (“ETF’s”), and other mutual funds holding publicly traded securities, if it determines such investments to be appropriate and consistent with the Fund’s investment policies and restrictions.

The success of the Fund depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in third party investment funds and other instruments, including market liquidity, portfolio turnover, foreign currency exposure, foreign market exposure, and interest rate fluctuations.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in compliance with IFRS Accounting Standards.

These financial statements were authorized for issue by the Manager on May 1, 2024.

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for investments and derivatives, which are measured at fair value.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

2. Basis of preparation (continued):

(c) Functional and presentation currency:

The Fund's financial statements are presented in Canadian dollars, which is the Fund's functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

3. Material accounting policy information:

The material accounting policies set out below have been applied consistently for the full year presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent years depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of net assets only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

3. Material accounting policy information (continued):

(a) Financial Instruments (continued):

(i) Recognition and measurement (continued):

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objectives are to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

3. Material accounting policy information (continued):

(a) Financial Instruments (continued):

(ii) Fair value through profit and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting year with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Fund's derivative financial assets and derivative financial liabilities and investments in securities are classified as FVTPL.

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 (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund 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. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and financial liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other commonly used techniques by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or financial liability.

(iii) Amortized cost:

Financial assets and financial liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash and cash equivalents, distributions receivable, subscriptions receivable, receivable for investment sold, redemptions payable, management fees payable, performance fees payable, distributions payable, accounts payable and accrued liabilities and payable for securities purchased as amortized cost.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

3. Material accounting policy information (continued):

(a) Financial Instruments (continued):

(iii) Amortized cost (continued):

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(b) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding commissions and other portfolio transaction costs.

(c) Redeemable units:

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their net asset value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the net asset value of the unit at the date of redemption. The redeemable units, which are classified as financial liabilities, are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units.

(d) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of redeemable units by the total number of redeemable units of that particular class outstanding at the end of the year.

Change in net assets attributable to holders of redeemable units per unit is based on the change in net assets attributable to holders of redeemable units attributed to each class of redeemable units, divided by the weighted average number of redeemable units outstanding of that class during the year.

(e) Investment transactions and income:

Investment transactions are accounted for on the trade date. Interest income is accrued monthly and distribution income is recognized on the ex-distribution date. Net realized gains and losses from investment transactions are calculated on an average cost basis.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

3. Material accounting policy information (continued):

(f) Translation of foreign currency:

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

(g) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in commissions and other portfolio transaction costs in the statement of comprehensive income.

(h) Income taxes:

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes.

(i) New standards and interpretations not yet adopted:

The material accounting policies applied in the preparation of these financial statements are set out in this note. These policies have been consistently applied to all the years presented, unless otherwise indicated.

The Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed (in this note) in certain instances.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Fund.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

4. Related party transactions:

(a) Management fees:

The Fund pays the Manager management fees based on a percentage of the Net Asset Value of the Fund quarterly, in arrears, but the fee is calculated and accrues monthly as a percentage of the Net Asset Value of each applicable class of units that comprise the Fund on each Valuation Day, plus applicable taxes. During the year, fees of \$5,499,909 (2022 - \$4,588,260) were charged by the Manager, of which \$1,312,179 (2022 - \$1,251,919) was included in management fees payable at the year end.

The fee payable to the Manager for each applicable Class of units that comprise the Fund are as follows:

Class A	2.38%
Class F	1.00%

(b) Performance fee:

The Manager is also eligible to receive a performance fee in respect of the Class A units and the Class F units of the Fund equal to 20% of the amount by which the current quarter-end Class Net Asset Value per unit exceeds the prior all time quarter-end high Class Net Asset Value per unit plus 1.25% after any adjustments for unit distributions. During the year, performance fees of \$1,202,371 (2022 - \$5,145,632) were charged by the Manager, of which \$110,250 (2022 - \$nil) was payable at the year end.

5. Redeemable units of the Fund:

The Fund is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes, each of which represents an equal, undivided, beneficial interest in the Net Asset Value of the Fund. Each unit of each class entitles the holder to vote, with one vote for each whole unit held and to participate equally with respect to any and all distributions made by the Fund. Redeemable units of a class may be consolidated, subdivided and/or re-designated by the Manager. Each unitholder is entitled to one vote each for whole units held. No holder of a fraction of a unit, as such, is entitled to notice of, or to attend or to vote at, meetings of unitholders. A holder of a unit of one class is not permitted to notice of, or to attend or vote at, meetings of unitholders of another class.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

5. Redeemable units of the Fund (continued):

The redeemable unit activity during the years ended December 31, 2023 and 2022 is as follows:

	Redeemable Units, beginning of year	Redeemable Units Issued	Reinvestments of Redeemable Units	Redemption of Redeemable Units	Redeemable Units, end of year
December 31, 2023					
Class A	38,734	24,899	326	(6,239)	57,720
Class F	40,946,376	9,682,330	292,450	(7,389,678)	43,531,478
Class FUS	627,520	84,006	7,864	(141,721)	577,669

	Redeemable Units, beginning of year	Redeemable Units Issued	Reinvestments of Redeemable Units	Redemption of Redeemable Units	Redeemable Units, end of year
December 31, 2022					
Class A	36,301	2,433	–	–	38,734
Class F	29,375,942	15,741,571	256,353	(4,427,490)	40,946,376
Class FUS	557,246	195,308	5,056	(130,090)	627,520

Capital disclosure:

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per unit upon redemption. The Fund has no internally or externally imposed restrictions on its capital. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

6. Change in net assets attributable to holders of redeemable units per class per unit:

The change in net assets attributable to holders of redeemable units per class per unit for the years ended December 31, 2023 and 2022 is calculated as follows:

	Increase in net assets attributable to holders of redeemable units per class	Weighted average of redeemable units outstanding during the year	Increase in net assets attributable to holders of redeemable units per class per unit
December 31, 2023			
Class A	\$ 25,247	51,669	\$ 0.49
Class F	28,691,409	42,038,202	0.68
Class FUS	431,983	608,648	0.71
December 31, 2022			
Class A	\$ 29,526	37,517	\$ 0.79
Class F	33,543,127	35,736,159	0.94
Class FUS	1,478,598	612,879	2.41

7. Collateral arrangements:

The Fund has a prime brokerage agreement with its broker to carry its accounts as a customer. The broker has custody of the Fund's securities and, from time to time, cash balances which may be due from the broker.

Financial instruments and/or cash positions serve as collateral for any amounts due to broker or as collateral for any securities sold, not yet purchased or securities purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Fund.

The Fund is subject to credit risk if the broker is unable to repay balances due or deliver securities in their custody.

8. Financial risk management:

Management of financial instrument risks:

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the type of securities it invests in.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

8. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises primarily from cash and cash equivalents, subscriptions receivable, distributions receivable, currency forwards, and receivable from investments sold.

All transactions executed by the Fund in listed securities and other investment funds ("Investee Funds") are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. The maximum credit exposure of the Fund is the carrying amount of the assets disclosed on the statement of financial position. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. All counterparties are creditworthy.

Where the Fund invests in debt instruments and derivatives, this represents the main exposure to credit risk. The fair value of derivatives includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Fund.

As at December 31, 2023 and 2022, the Fund did not directly hold any long-term debt securities and is not directly exposed to significant credit risk due to its exposure to derivatives. However, the Fund may be indirectly exposed to credit risk through some of its portfolio investments.

(b) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the monthly cash redemption of units. In order to satisfy unitholder redemption requests, the Fund shall redeem its investments in the Investee Funds, which allow redemptions within one month or less. A portion of the Investee Funds may have redemption terms that are greater than one month or may also be subject to lock-up periods over one month in exceptional situations. In addition, the Fund generally retains sufficient cash positions to maintain liquidity.

All non-derivative financial liabilities of the Fund are due within three months of the Fund's year end. Refer to Schedule 1 for specific maturities of derivative liabilities.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

8. Financial risk management (continued):

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Fund's income or the fair value of their holdings of financial instrumentⁱ⁾ Interest rate risk:

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund does not directly hold debt instruments whose fair value may fluctuate due to changes in market interest rates. However, the Fund may be indirectly exposed to interest rate risk through some of its portfolio investments. There is minimal sensitivity to interest rate fluctuations on any cash invested at short-term market interest rates.

(ii) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund.

Currency risk is managed by the Manager on a daily basis through a careful selection of securities and diversification within the Fund, in accordance with policies and investment mandates in place. The Manager monitors the Fund's overall market positions and positions are maintained within established ranges.

(ii) Currency risk (continued):

The Fund had exposure to US Dollars as at December 31, 2023 and 2022 as follows:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2023						
U.S. Dollar	\$ 1,486,069	\$ 33,655,678	\$ 35,141,747	\$ 74,303	\$ 1,682,784	\$ 1,757,087
%						
of Net Assets						
Attributable to Holders						
of Redeemable Units	0.28	6.43	6.71	0.01	0.32	0.33

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

8. Financial risk management (continued):

(c) Market risk (continued):

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2022						
U.S. Dollar	\$ 13,497,485	\$ 33,550,996	\$ 47,048,481	\$ 674,874	\$ 1,677,550	\$ 2,352,424
% of Net Assets						
Attributable to Holders						
of Redeemable Units	2.78	6.92	9.70	0.14	0.35	0.49

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents). Other financial assets (including distributions receivable) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at December 31, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to US Dollars, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$1,757,087 or 0.33% (2022 - \$2,352,424 or 0.49%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

8. Financial risk management (continued):

(c) Market risk (continued):

As at December 31, 2023, 97.62% (2022 - 93.59%) of the Fund's net assets attributable to holders of redeemable units were invested in Investee Funds mainly in Canada. If the net asset values of the Investee Funds had increased or decreased by 1% as at the year end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$5,111,995 (2022 - \$4,368,804), respectively.

In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

9. Fair value of financial instruments:

(a) Fair value hierarchy:

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within bid-ask spread that is most representative of fair value based on specific facts and circumstances.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Fund 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 the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

9. Fair value of financial instruments (continued):

(a) Fair value hierarchy (continued):

The three fair value hierarchy levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value hierarchy - financial instruments measured at fair value:

The following tables summarize the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of December 31, 2023 and 2022:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Investment funds	\$	– \$ 511,194,475	\$	– \$ 511,194,475
Forward contracts		– 47,365		– 47,365
	\$	– \$ 511,241,840	\$	– \$ 511,241,840

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Investment funds	\$	– \$ 454,020,649	\$	– \$ 454,020,649
Forward contracts		– 11,325		– 11,325
	\$	– \$ 454,031,974	\$	– \$ 454,031,974

Investment funds are priced based on the respective underlying net assets value of the respective fund. Investment funds classified as Level 2 in the hierarchy are valued based on their net asset values but do not have sufficient frequency of trading to constitute an active market.

Derivative assets and liabilities consist of currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency. Contracts for which credit-related inputs are determined not to be significant to fair value are classified as Level 2.

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended December 31, 2023 and 2022.

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

Notes to Financial Statements

Year ended December 31, 2023

9. Fair value of financial instruments (continued):

(c) Financial instruments not measured at fair value:

The carrying values of cash and cash equivalents, distributions receivable, subscriptions receivable, receivable from investment sold, redemptions payable, distributions payable, management fees payable, performance fees payable, and accounts payable and accrued liabilities approximate their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

10. Income taxes:

Non-capital losses are available to be carried forward for 20-years and applied against future taxable income. Capital losses may be carried forward indefinitely and applied against future capital gains.

As at December 31, 2023, the Fund had \$7,477,072 (2022 - \$4,680,026) non-capital losses and nil (2022 - nil) in capital losses available for carrying forward.

11. Involvement with Structured Entities:

The table below describes the types of structured entities in which the Fund holds an interest.

Entity	Nature and purposes	Interest held by the Fund
Investment Funds and Exchange Traded Funds	To manage assets on behalf of third-party investors and generate fees for the investment advisor. These vehicles are financed through the issue of units to investors.	Investment in units issued by the underlying investment funds and exchange traded funds.

The table below sets out the interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying investment funds held.

	December 31, 2023			December 31, 2022		
	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
Investee funds held by third party managers and ETFs	20	\$ 20,137,752,525	\$ 511,194,475	19	\$ 15,880,563,615	\$ 454,816,310

During 2023 and 2022, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

ITEM 15. DATE AND CERTIFICATE

This Offering Memorandum does not contain a misrepresentation.

DATED May 30, 2024

FORSYTH PRIVATE REAL ESTATE PORTFOLIOS

by its Manager and Promoter

Willoughby Asset Management Inc.

(signed) "Leonard Trigg"

Leonard Trigg
President and Director

(signed) "Lynn Stibbard"

Lynn Stibbard
Chief Financial Officer, Secretary and Director

On behalf of the Board of Directors of the Manager of the Fund

(signed) "Leonard Trigg"

Leonard Trigg
President and Director

(signed) "Lynn Stibbard"

Lynn Stibbard
Chief Financial Officer, Secretary and Director

(signed) "Danny Popescu"

Daniel Popescu, Director