

**SUBSCRIPTION AGREEMENT  
MALACHITE AGGRESSIVE PREFERRED FUND**

**TO: MALACHITE AGGRESSIVE PREFERRED FUND**

**A. SUBSCRIPTION**

\_\_\_\_\_  
Client

\_\_\_\_\_  
Manager

The undersigned (the "Subscriber") hereby irrevocably subscribes for \$\_\_\_\_\_ of units (the "Units") of Malachite Aggressive Preferred Fund (the "Fund"). Units will be issued at the net asset value per Unit next determined after the receipt of the subscription price and this subscription is accepted as provided below. The Fund is an investment trust for which Hymas Investment Management Inc. (the "Manager") acts as trustee, manager, investment manager and principal distributor; its assets are held in custody with one or more investment dealers through which the Fund trades and its auditors are KPMG LLP.

The Subscriber agrees to pay the aggregate subscription price on or before such date determined by the Manager (as defined below) by:

- (a) delivery of a certified cheque or bank draft made payable to the order of the MALACHITE AGGRESSIVE PREFERRED FUND, and/or
- (b) the delivery and transfer of securities to the Fund, provided such securities accord with the investment objectives of the Fund. A schedule of any securities to be transferred is attached, as are transfer documents. The Subscriber hereby acknowledges that the value of the securities transferred will be determined on \_\_\_\_\_. The fee charged by the Manager for acceptance of these securities will be \$\_\_\_\_\_.

\_\_\_\_\_  
Client

\_\_\_\_\_  
Manager

If the Subscriber delivers a bank draft under paragraph (a) above, or securities under paragraph (b) above, and is not able to provide the Manager the documentation required under Part D below in a face-to-face meeting with the Manager, the Subscriber shall also deliver a cheque (which need not be certified) to the Manager in the amount of \$1.00 made payable to the order of the MALACHITE AGGRESSIVE PREFERRED FUND. Such amount shall be added to the Subscriber's subscription.

The Subscriber acknowledges that participation in the Fund is subject to the acceptance of this subscription by the Manager. The Subscriber acknowledges and agrees that, upon acceptance of this subscription, the Subscriber will be bound by the terms and conditions set out in the Declaration of Trust dated March 19, 2001 and the Regulation thereunder establishing the Fund dated March 19, 2001, as amended from time to time (collectively, the "Declaration of Trust"). The subscription and any subscription monies, cheque or securities representing subscription monies shall be returned, without interest, to the undersigned at the address indicated below by such date determined by the Manager if this subscription is not accepted.

The Subscriber represents and warrants and acknowledges that:

- (a) the Subscriber has the capacity and competence or, if a corporation, has the necessary capacity and corporate authority, to execute this subscription;
- (b) the Subscriber is resident in the jurisdiction set out on the execution page hereof and such address is ordinary the residence or place of business of the Subscriber and the Subscriber was not offered the Units and did not execute this subscription agreement in any other jurisdiction;
- (c) the Subscriber is acquiring the Units as principal for the Subscriber's own account, to be held for investment purposes only and not for the benefit of any other person and not with a view to resale or distribution of any or all of the Units, and no person other than the Subscriber is authorized to give instructions to the Fund or the Manager concerning the Units;
- (d) if the Subscriber is a corporation or a syndicate, partnership, trust, investment club or other unincorporated organization, the Subscriber was not created, nor is it being used, solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of such term in National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106");
- (e) the Subscriber has not received or reviewed any material which appears or purports to describe the business and affairs of the Fund that has been prepared primarily for delivery to and review by the Subscriber so as to assist the Subscriber to make an investment decision relating to the Units;
- (f) the Subscriber has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Units and is able to bear the economic risk of loss of such investment;
- (g) in addition to the risk acknowledgement forming part of Form 45-106F9 attached as Appendix A, and the risk disclosure in the Fund's financial statements, the Subscriber has read and understood the risk disclosure regarding the Fund set out in Appendix F and accepts that an investment in the Fund involves such risks;
- (h) the Subscriber has obtained such professional advice and made such independent investigation of this investment as the Subscriber deems appropriate in reaching the decision to invest;
- (i) the decision to enter into this subscription and to purchase the Units is based solely upon the Subscriber's own investigations and the Subscriber has not relied on any representations and warranties or information (oral or written) other than as set forth herein;

- (j) the Units have not been qualified by way of prospectus in any jurisdiction in Canada under Canadian securities legislation and, accordingly, the Subscriber is restricted from using certain civil remedies otherwise available, the Subscriber may not receive information that would otherwise be required to be provided, and the Fund is relieved from certain reporting and other obligations that would otherwise apply;
- (k) the Subscriber will not be able to resell the Units until expiry of the applicable hold period under applicable Canadian securities laws except in accordance with limited exemptions and compliance with other requirements of applicable law, and the Subscriber (and not the Fund or the Manager) is responsible for compliance with such applicable resale restrictions or hold periods and will comply with all relevant securities laws in connection with any resale of the Units;
- (l) by purchasing securities, the Subscriber acknowledges that the Fund and its agents and advisers including the Manager may each collect, use and disclose his, her or its name and other specified personally identifiable information (“Information”), including the amount of securities purchased, for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by law or regulation. The Subscriber acknowledges (i) that Information concerning the Subscriber will be disclosed to the applicable Canadian securities regulatory authority and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws; (ii) the Information is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (iii) the Information is being collected for the purposes of the administration and enforcement of the applicable securities legislation; and by purchasing the Units, the Subscriber shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities. Questions about such indirect collection of Information should be directed to the Canadian securities regulatory authority in the Subscriber’s local jurisdiction. Contact information is set out in Exhibit 1; and
- (m) the opening of an account with the Manager and purchasing Units of the Fund in such account is being done solely for investment purposes.

The representations, warranties, covenants and acknowledgments of the Subscriber contained in this Subscription Agreement shall survive the completion of the purchase and sale of the Units and shall apply to any subsequent purchase of Units by the Subscriber.

If the Subscriber is an individual with financial assets of less than \$5,000,000, the Subscriber must complete a Form 45-106F9 attached as Appendix A to this Subscription Agreement.

The Subscriber hereby acknowledges that (**please initial all that apply**):

<p>_____</p>	<p><i>Accredited Investor – Paragraph (j) of section 1.1 of NI 45-106:</i> I am an individual who, alone, or jointly with my <b>spouse</b>, beneficially own <b>financial assets</b> having an aggregate realizable value that before taxes but net of any related liabilities exceeds (<b>please check the applicable box</b>)</p> <p><input type="checkbox"/> \$1.0 million;</p> <p><input type="checkbox"/> \$5.0 million;*</p> <p><b>Financial assets</b> are cash, securities, insurance contracts, deposits or evidences of indebtedness that are not securities for purposes of securities legislation (and, specifically, the Subscriber acknowledges that for purposes of making this calculation, the Subscriber’s personal residence or other real estate owned by the Subscriber and the value of any pension of which the Subscriber is a beneficiary is not a financial asset).</p> <p>A “<b>spouse</b>” is (a) an individual who is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada) from the other individual; (b) an individual who is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; and an individual resident in Alberta who is referred to in paragraph (a) or (b) or who is an adult independent partner within the meaning of the <i>Adults Independent Relationships Act</i> (Alberta).</p>
<p>_____</p>	<p><i>Accredited Investor – Paragraph (j.1) of section 1.1 of NI 45-106:</i> I am an individual who beneficially owns <b>financial assets</b> having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000.</p> <p><b>Financial assets</b> are cash, securities, insurance contracts, deposits or evidences of indebtedness that are not securities for purposes of securities legislation (and, specifically, the Subscriber acknowledges that for purposes of making this calculation, the Subscriber’s personal residence or other real estate owned by the Subscriber and the value of any pension of which the Subscriber is a beneficiary is not a financial asset).</p>
<p>_____</p>	<p><i>Accredited Investor – Paragraph (k) of section 1.1 of NI 45-106:</i> I am an individual whose <b>net income</b> exceeded \$200,000 in each of the two most recent years, or whose joint <b>net income</b> with my <b>spouse</b> exceeded \$300,000</p>

	<p>in each of those years, and have, in either case, a reasonable expectation of exceeding the same net income level in the current calendar year.</p> <p>“<b>Net income</b>”, for an individual, is as shown on that individual’s income tax return.</p> <p>A “<b>spouse</b>” is (a) an individual who is married to another individual and is not living separate and apart within the meaning of the <i>Divorce Act</i> (Canada) from the other individual; (b) an individual who is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; and an individual resident in Alberta who is referred to in paragraph (a) or (b) or who is an adult independent partner within the meaning of the <i>Adults Independent Relationships Act</i> (Alberta).</p>
_____	<p><i>Accredited Investor – Paragraph (l) of section 1.1 of NI 45-106:</i> I am an individual who, alone or with a <b>spouse</b>, has <b>net assets</b> of at least \$5,000,000.</p> <p>“<b>Net assets</b>” are total assets (including real estate) minus total liabilities (debt). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay is outstanding at the time the calculation of net assets is made or would be outstanding when the purchase of Units is to be completed.</p> <p>A “<b>spouse</b>” is (a) an individual who is married to another individual and is not living separate and apart within the meaning of the <i>Divorce Act</i> (Canada) from the other individual; (b) an individual who is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; and an individual resident in Alberta who is referred to in paragraph (a) or (b) or who is an adult independent partner within the meaning of the <i>Adults Independent Relationships Act</i> (Alberta).</p>
_____	<p><i>Accredited Investor – Paragraph (m) of section 1.1 of NI 45-106:</i> It is a company, limited partnership, limited liability partnership, trust or estate, other than a <b>mutual fund</b> or <b>non-redeemable investment fund</b>, that had <b>net assets</b> of at least (<i>please check the applicable box</i>)</p> <p><input type="checkbox"/> \$5.0 million;</p> <p><input type="checkbox"/> \$25.0 million;*</p> <p>as shown on its most recently prepared financial statements dated _____ (copy attached).</p>

	<p>“<b>Net assets</b>” are total assets (including real estate) minus total liabilities (debt). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay is outstanding at the time the calculation of net assets is made or would be outstanding when the purchase of Units is to be completed.</p> <p>A “<b>mutual fund</b>” is an issuer whose primary purpose is to invest monies provided by securityholders and whose securities entitle the holder to receive on demand, or within a specified period of time after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer. A “<b>non-redeemable investment fund</b>” is any issuer (a) whose primary purpose is to invest monies provided by securityholders, and (b) that does not invest (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer which is a mutual fund or a non-redeemable investment fund, or (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund.</p>
<p>_____</p>	<p><i>Accredited Investor – Paragraph (r) of section 1.1 of NI 45-106:</i> It is a registered charity under the <i>Income Tax Act</i> (Canada) that, in respect of the purchase of the Units, has obtained advice from an <b>eligibility adviser</b> or from an adviser registered under the securities legislation of the <b>jurisdiction</b> of the registered charity to give advice on the Units.*</p> <p>An “<b>eligibility adviser</b>” is (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada, provided that the lawyer or public accountant (i) does not have a professional, business or personal relationship with the issuer or any of its directors, executive officers, founders or control persons, and (ii) has not acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person or company that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.</p> <p>A “<b>jurisdiction</b>” is a province or territory of Canada.</p>
<p>_____</p>	<p><i>Accredited Investor – Paragraph (i) of section 1.1 of NI 45-106:</i> It is a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar</p>

	regulatory authority of a <b>jurisdiction</b> .*
	A “ <b>jurisdiction</b> ” is a province or territory of Canada.
_____	<i>Accredited Investor – Other.</i> The Subscriber is an accredited investor under paragraph _____ of section 1.1 of NI 45-106.
_____	<i>Minimum Purchase Exemption under Section 2.10 of NI 45-106:</i> It is not an individual and the Units purchased have an aggregate acquisition cost of not less than \$150,000.

The Subscriber acknowledges that the representations, warranties and covenants made by the Subscriber in this Subscription Agreement are made with the intent that they may be relied upon by the Fund and the Manager and their respective counsel to, among other things, determine the Subscriber’s eligibility to purchase the Units, including without limitation the availability of exemptions from the prospectus requirements of applicable Canadian securities laws in connection with the issuance of the Units to the Subscriber.

If the Subscriber is a permitted client, within the meaning of such term in NI 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”) [as indicated by the “\*” above], the Subscriber hereby waives and releases the Manager from any obligation to conduct, pursuant to section 13.3(4) of NI 31-103, a suitability review with respect to the Subscriber’s investment in the Fund. The Subscriber, if a permitted client and not an individual, acknowledges that the relationship disclosure information otherwise required by section 14.2 of NI 31-103, the pre-trade disclosure of charges otherwise required by section 14.2.1 of NI 31-103, the additional statements otherwise required by section 14.14.1 of NI 31-103, the position cost information otherwise required by section 14.14.2 of NI 31-103 and the report on charges otherwise required by section 14.18 of NI 31-103 will not be provided; and that the complaint resolution process set out in Division 5 of Part 13 of NI 31-103 will not apply to the Subscriber.

**B. FEES**

The Subscriber understands and agrees that they will pay a management fee to the Manager in respect of their investment in Units of the Fund. The management fee will be calculated quarterly in arrears, commencing with the first calendar quarter following the acquisition of Units of the Fund by the Subscriber. Fees will be calculated in accordance with the following schedule, based on the average value of the Units of the Fund held by the Subscriber during the period measured:

On the first:	<u>\$500,000</u>	Rate charged:	<u>1% per annum</u>
On the next:	<u>\$500,000</u>	Rate charged:	<u>0.75% per annum</u>

On the balance:

Rate charged: 0.5% per annum

Fees are subject to GST or HST, depending upon the province in which the Subscriber resides. The Manager will provide the Subscriber with an invoice (the "Invoice") for the management fee as they are calculated.

The Subscriber shall pay the management fee as follows (**initial one**):

                     (**initial here**) The Subscriber hereby authorizes the Manager to pay the management fee through redemption of Units of the Fund on the final valuation date of the period. Such redemptions shall not be subject to redemption fees. No further instructions to the Manager are required for such redemptions to be processed.

                      
Manager

OR

                     (**initial here**) The Subscriber shall pay the fees by cheque payable to the Manager upon receipt of the Invoice.

The Subscriber acknowledges that such management fees may not be deductible for tax purposes and that the redemption of Fund units to pay such management fees may have tax implications for the Subscriber.

The Subscriber further acknowledges a 1.0% redemption fee will be charged by the Fund on redemptions of Units of the Fund held for less than one year. Redemption fees will not be charged on Units purchased through the automatic reinvestment of distributions made by the Fund or on the redemption of Units to satisfy the management fee payable hereunder. In the event of partial redemption of Units, Units not liable for redemption fees will be considered to have been redeemed first.

In the event that redemptions by a Subscriber results in the Subscriber's investment in the Fund being less than the greater of (i) \$50,000 or (ii) the management fee accrued hereunder, the Manager may, and the Subscriber hereby authorizes the Manager to, (a) redeem the remaining Units in the Fund, and/or (b) deduct the management fees from the proceeds directed to the Subscriber.

**C. DISTRIBUTIONS**

Distributions by the Fund shall automatically be reinvested in additional Units of the Fund, unless the Subscriber provides alternate written instructions to the Manager prior to the close of business on the relevant valuation date. The Subscriber's current instructions regarding the disposition of distributions by the Fund are as follows (**please initial as appropriate**):

Capital Gains	<u>                    </u> Re-invest	<u>          </u> Forward to Client
Dividend Income	<u>                    </u> Re-invest	<u>          </u> Forward to Client



Interest Income	_____ Re-invest	_____ Forward to Client
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These instructions may be changed prior to the close of business on any valuation date on which a distribution is expected.

**D.1. ABOUT YOU – INDIVIDUAL ACCOUNT HOLDER**

Mr.  Mrs.  Miss  Ms.  Dr.

_____ First Name      Initial      Last Name	<b>Are you married or living common law?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes – <i>please complete the following:</i>
_____ Home Address	_____ Full Name of Spouse or Partner      Occupation
_____ City      Province      Postal Code	_____ Employer      Type of Business
_____ Home Phone Number      E-Mail Address	<b>What is your primary financial institution?</b> <i>(Required)</i>
_____ Date of Birth (mm/dd/yyyy)      Social Insurance No.	_____ Bank Name
_____ Mailing Address      (if different than above)	_____ Branch Address
_____ Occupation	_____ Transit Number      Account Number
_____ Employer	<b>Age:</b> <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
_____ Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+
_____ Employer's Address	
_____	

Business Phone Number	
Citizenship*	

<b>Valid Identification/Citizenship Required – For all applicants – Provide one of:</b>			
<input type="checkbox"/> Passport	<input type="checkbox"/> Provincial Health Insurance Card (Restriction: Alberta or BC only)	<input type="checkbox"/> Confirmation of Permanent Residence IMM5292 (issued prior to 1/1/2004)	<input type="checkbox"/> B.C. ID Card
<input type="checkbox"/> Drivers Licence	<input type="checkbox"/> Permanent Resident Card	<input type="checkbox"/> Canadian Forces ID Card	
<input type="checkbox"/> Canadian Citizenship Card	<input type="checkbox"/> Record of Landing IMM1000 (issued prior to 1/1/2004)	<input type="checkbox"/> Certificate of Indian Status	
<input type="checkbox"/> Birth Certificate (under age 21 only)	<input type="checkbox"/> Alberta Photo ID Card		
ID of Subscriber		Expiry Date (mm/dd/yyyy)	

Where the Subscriber is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Subscriber must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.

**D.2 JOINT INDIVIDUAL SUBSCRIBERS**

Each joint individual subscriber should complete the following information.

*First Joint Subscriber*

Mr.  Mrs.  Miss  Ms.  Dr.

_____ First Name          Initial          Last Name	<b>Are you married or living common law?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes – <i>please complete the following:</i>
_____ Home Address	_____ Full Name of Spouse or Partner          Occupation
_____ City          Province          Postal Code	_____ Employer          Type of Business
_____ Home Phone Number          E-Mail Address	<b>What is your primary financial institution?</b> <i>(Required)</i>
_____ Date of Birth (mm/dd/yyyy)          Social Insurance No.	_____ Bank Name
_____ Mailing Address          (if different than above)	_____ Branch Address
_____ Occupation	_____ Transit Number          Account Number
_____ Employer	Age: <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
_____ Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+
_____ Employer's Address	
_____ Business Phone Number	
_____ Citizenship*	

Where the joint Subscriber is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Subscriber must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.

*Second Joint Subscriber*

Mr.  Mrs.  Miss  Ms.  Dr.

_____ First Name          Initial          Last Name	<b>Are you married or living common law?</b> <input type="checkbox"/> No <input type="checkbox"/> Yes – <i>please complete the following:</i>
_____ Home Address	_____ Full Name of Spouse or Partner          Occupation
_____ City          Province          Postal Code	_____ Employer          Type of Business
_____ Home Phone Number          E-Mail Address	<b>What is your primary financial institution?</b> <i>(Required)</i>
_____ Date of Birth (mm/dd/yyyy)          Social Insurance No.	_____ Bank Name
_____ Mailing Address          (if different than above)	_____ Branch Address
_____ Occupation	_____ Transit Number          Account Number
_____ Employer	<b>Age:</b> <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
_____ Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+

_____ Employer's Address	
_____ Business Phone Number	
_____ Citizenship*	

<b>Valid Identification/Citizenship Required – For all applicants – Provide one of:</b>			
<input type="checkbox"/> Passport	<input type="checkbox"/> Provincial Health Insurance Card (Restriction: Alberta or BC only)	<input type="checkbox"/> Confirmation of Permanent Residence IMM5292 (issued prior to 1/1/2004)	<input type="checkbox"/> B.C. ID Card
<input type="checkbox"/> Drivers Licence	<input type="checkbox"/> Permanent Resident Card	<input type="checkbox"/> Canadian Forces ID Card	
<input type="checkbox"/> Canadian Citizenship Card	<input type="checkbox"/> Record of Landing IMM1000 (issued prior to 1/1/2004)	<input type="checkbox"/> Certificate of Indian Status	
<input type="checkbox"/> Birth Certificate (under age 21 only)	<input type="checkbox"/> Alberta Photo ID Card		
ID of Subscriber		Expiry Date (mm/dd/yyyy)	

Where the joint Subscriber is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Subscriber must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.

If you wish this account to be a joint account with right of survivorship (JTWROS), please so indicate below:

JTWROS:  Yes or  No

**D.3 SUBSCRIBERS THAT ARE CORPORATIONS**

Subscribers that are corporations should provide a copy of the following documents:

- (a) a certificate of status or confirmation or other government confirmation of its existence; and
- (b) an officer's certificate in the form attached hereto as Appendix D.3.

**D.4 SUBSCRIBERS THAT ARE TRUSTS**

Subscribers that are trusts should provide a copy of the following documents:

- (c) the declaration of trust or trust agreement, including all amendments, governing the trust; and
- (d) a trustee's certificate in the form attached hereto as Appendix D.4.

**D.5 SUBSCRIBERS THAT ARE LIMITED PARTNERSHIPS**

Subscribers that are limited partnerships should provide a copy of the following documents:

- (e) the limited partnership agreement, including all amendments, governing the limited partnership; and
- (f) a certificate of an officer of the general partner of the limited partnership in the form attached hereto as Appendix D.5.

**E. SECURITIES REGULATORY AND COMPLIANCE INFORMATION**

Have you ever been licensed by the Ontario Securities Commission or another Canadian provincial securities commission:

- No
- Yes If yes, is the license currently in force?  Yes or  No

Are you or your spouse considered to be an insider (as defined in a provincial Securities Act) of a publicly traded company: \_\_\_\_\_.

If "yes", state company: \_\_\_\_\_

*(List companies in a separate schedule if more than one)*

**F. CLIENT PORTFOLIO OBJECTIVES**

**General:**

**Investment Objectives:**

Growth     Income     Growth & Income

**Risk Tolerance:**

High         Medium     Low

**Investment Experience:**

Excellent    Good        Fair     Nil

How many years have you been investing: \_\_\_\_\_ years

Do you have accounts with other investment firms:  Yes         No

If yes, what is the approximate value of your entire portfolio held at such other firms:  
\$\_\_\_\_\_. How much of that is invested in fixed income securities:  
\_\_\_\_\_.

**Investment Time Horizon:**

up to 6 months     6 months to 1 year     1 – 2 years  
 2 – 5 years         5 years or more

**Liquidity Needs:**

I/We do not expect to need the monies being invested in the Fund for at least:

6 months         6 months to 1 year     1 – 2 years  
 2 – 5 years         5 years or more

**If a Personal Account:**

**Income – Household (\$):**

0-25,000     25,000-50,000  
 50,000-100,000     100,000-200,000  
 200,000-300,000     over 300,000

**Income - Individual (\$):**

0-25,000     25,000-50,000  
 50,000-100,000     100,000-200,000  
 200,000-300,000     over 300,000

**Net Worth – Personal Unencumbered (Excluding Real Estate) (\$):**

- |  |   |
|--|---|
| <input type="checkbox"/> 0-100,000     | <input type="checkbox"/> 100-500,000    |
| <input type="checkbox"/> 500-1,000,000 | <input type="checkbox"/> 1,-2,000,000   |
| <input type="checkbox"/> 2,-5,000,000  | <input type="checkbox"/> over 5,000,000 |

**Net Worth – Real Estate (Net of Associated Liabilities) (\$):**

- |  |   |
|--|---|
| <input type="checkbox"/> 0-250,000         | <input type="checkbox"/> 250-500,000    |
| <input type="checkbox"/> 500,000-1,000,000 | <input type="checkbox"/> over 1,000,000 |

**If a Corporate Account:**

**Net Assets – Corporate Unencumbered (\$):**

- |  |   |
|--|---|
| <input type="checkbox"/> 0-100,000           | <input type="checkbox"/> 100-500,000    |
| <input type="checkbox"/> 500-1,000,000       | <input type="checkbox"/> 1,-2,000,000   |
| <input type="checkbox"/> 2,000,000-5,000,000 | <input type="checkbox"/> over 5,000,000 |

**G. GENERAL AML COMPLIANCE**

The Subscriber represents that to the best of his, her or its knowledge, based upon reasonable diligence and investigation, the amounts contributed by the Subscriber to the Fund (i) do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) and regulations thereunder (the “AML Laws”, (ii) were not and are not directly or indirectly derived from activities that contravene Canadian or international anti-money laundering and anti-terrorist financing legislation and regulations, and (iii) neither the Subscriber nor, to the best of the Subscriber’s knowledge and to the extent applicable, any person controlling the Subscriber or controlled by the Subscriber, or any person having beneficial ownership in the Subscriber, is a person involved with or a person disclosed as being connected with terrorist financing.

The Subscriber acknowledges that if, as a result of any information or other matter which comes to their attention, any director, officer or employee of the Manager knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and such report will not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise. In order to enable it to perform the anti-money laundering checks in relation to the Unitholders as required by applicable law, the Manager may be required to disclose identification information in relation to such Subscriber to a third party service provider of web-based anti-money laundering identity verification and search applications, which applications are commonly used as a component of anti-money laundering compliance programs.

**H. THIRD PARTY DETERMINATIONS**

For purposes of the AML Laws, a “third party” is an individual or entity, other than the Subscriber, who directs what happens with the account the Subscriber has with



the Manager. In determining whether a “third party” is involved, it is not about who owns the money, but rather about who gives instructions to deal with the money.

In this regard, the Subscriber, if an individual, hereby

confirms that no third party will give any instructions to the Manager regarding the account with the Manager and the units of the Fund held in that account;

OR

confirms that the following individual(s) is/are authorized to give instructions to the Manager regarding the account with the Manager and the units of the Fund held in that account:

Name of Third Party	Address and Date of Birth	Principal Occupation	Relationship to Subscriber

For a Subscriber that is a trust, limited partnership or corporation, the Subscriber hereby represents and warrants that the following individuals are authorized to give instructions to the Manager regarding the account with the Manager and the units of the Fund held in that account:

Name of Third Party	Address and Date of Birth	Principal Occupation	Relationship to Subscriber

**I. POLITICALLY EXPOSED FOREIGN PERSONS**

For purposes of the AML Laws, a politically exposed foreign person is a person who holds or has held one of the following offices or positions in or on behalf of a foreign state (include the principal political subdivisions of a foreign state):

- head of state or head of government;
- member of the executive council of government or member of a legislature;
- deputy minister or equivalent rank;
- ambassador or attaché or counsellor of an ambassador;
- military officer with a rank of general or above;
- president of a state-owned company or a state-owned bank;
- head of a government agency;
- judge;
- leader or president of a political party represented in a legislature; or
- holder of any prescribed office or position (at present there are no such prescribed officers or positions).

In addition, a politically exposed foreign person includes any prescribed family member of such a person, meaning (i) the person’s spouse or common-law partner; (ii) a child of the person; (iii) the person’s mother or father; (iv) the mother or father of the person’s spouse or common-law partner; and (v) a child of the person’s mother or father.

The Subscriber hereby certifies that he, she or it is  or is not  a politically exposed foreign person. If the Subscriber is a politically exposed foreign person, indicate below that basis on which the Subscriber is a politically exposed foreign person:

\_\_\_\_\_  
Client

\_\_\_\_\_

\_\_\_\_\_  
Manager

\_\_\_\_\_

The Subscriber hereby further certifies that each third party, if any, listed in section G above is  or is not  a politically exposed foreign person. If any such third party is a politically exposed foreign person, specify the third party and indicate below that basis on which the third party is a politically exposed foreign person:

\_\_\_\_\_  
Client

\_\_\_\_\_

\_\_\_\_\_  
Manager

\_\_\_\_\_

**J. GENERAL**

This agreement and all ancillary documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. By the Subscriber's execution of this Subscription Agreement, the Subscriber irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

_____ (Witness) [ <i>Required for an Individual</i> ]	_____ Signature of Subscriber
	_____ Name of Subscriber (please print)
	_____ Name and title of person signing (if not the subscriber)
<i>Complete for Joint Subscribers</i>	
_____ (Witness) [ <i>Required for an Individual</i> ]	_____ Signature of Subscriber
	_____ Name of Subscriber (please print)
	_____ Name and title of person signing (if not the subscriber)
<b><u>Acceptance</u></b>  This subscription is accepted by the Manager of the Fund in the City of Toronto on the _____ day of _____, 20__.  <b>HYMAS INVESTMENT MANAGEMENT INC.</b>  By: _____	

Appendix A

*To be completed by each individual Subscriber, other than those with at least \$5,000,000 of financial assets. Please complete and initial or sign where indicated.*

**FORM 45-106F9**

**FORM FOR INDIVIDUAL ACCREDITED INVESTORS**

**WARNING!**  
**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

<b>SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>	
<b>1. About your investment</b>	
Type of securities: <i>[Instruction: Include a short description, e.g., common shares.]</i>  Trust units ( <b>Units</b> )	Issuer: Malachite Aggressive Preferred Fund (the <b>Fund</b> )
Purchased from: <i>[Instruction: Indicate whether securities are purchased from the issuer or a selling security holder.]</i>  The Units will be purchased from the Fund.	
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> -- You could lose your entire investment of \$_____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	_____
<b>Liquidity risk</b> -- You may not be able to sell your investment quickly – or at all.	_____

<p><b>Lack of information</b> -- You may receive little or no information about your investment.</p>	<p>_____</p>
<p><b>Lack of advice</b> -- You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a>.</p>	<p>_____</p>
<p><b>3. Accredited investor status</b></p>	
<p>You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.</p>	<p><b>Your initials</b></p>
<ul style="list-style-type: none"> <li>• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)</li> </ul>	<p>_____</p>
<ul style="list-style-type: none"> <li>• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.</li> </ul>	<p>_____</p>
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.</li> </ul>	<p>_____</p>
<ul style="list-style-type: none"> <li>• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)</li> </ul>	<p>_____</p>

<b>4. Your name and signature</b>	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print): _____	
Signature: _____	Date: _____
<b>SECTION 5 TO BE COMPLETED BY THE SALESPERSON</b>	
<b>5. Salesperson information</b>	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print): James Hymas	
Telephone: 416 604 4204	Email: jiHymas@himinvest.com
Name of firm (if registered): Hymas Investment Management Inc.	
<b>SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>	
<b>6. For more information about this investment</b>	
For investment in a non-investment fund <b>Not applicable</b>	

<i>[Insert name of issuer/selling security holder]</i>
<i>[Insert address of issuer/selling security holder]</i>
<i>[Insert contact person name, if applicable]</i>
<i>[Insert telephone number]</i>
<i>[Insert email address]</i>
<i>[Insert website address, if applicable]</i>
For investment in an investment fund
The name of the Fund is <b>Malachite Aggressive Preferred Fund</b> .
The name of the investment fund manager of the Fund is <b>Hymas Investment Management Inc.</b>
The address of Hymas Investment Management Inc. is <b>268 Poplar Plains Road, #801, Toronto, Ontario, M4V 2P2</b> .
The telephone number of Hymas Investment Management Inc. is <b>416-604-4204</b> .
The email address of Hymas Investment Management Inc. is <b>info@himinvest.com</b> .
<i>[If investment is purchased from a selling security holder, also insert name, address, telephone number and email address of selling security holder here]</i> <b>Not applicable</b>
<b>For more information about prospectus exemptions, contact your local securities</b>

**regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

***Form instructions:***

- 1. This form does not mandate the use of a specific font size or style but the font must be legible.*
- 2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
- 3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*



Appendix D.3

**OFFICER'S CERTIFICATE**

**[Insert Name of Corporation]**

(the "**Corporation**")

TO: **HYMAS INVESTMENT MANAGEMENT INC. ("HIMI")**

As of **[Insert Date]**, the undersigned, a duly appointed senior officer of the Corporation, in such capacity and not in my personal capacity, certifies as follows:

1. I have made, or caused to be made, such examinations or investigations as are, in my opinion, necessary to make the statements contained in this certificate and I have furnished this certificate with the intent that it may be relied on by HIMI in connection with the provision of financial products and/or services to the Corporation.
2. Attached to this certificate is a true, complete and accurate copy of:
  - a. the directors register of the Corporation listing each director of the Corporation (the "**Directors Register**");
  - b. the shareholders register of the Corporation, signed (the "**Shareholders Register**"); and
  - c. an organizational chart of the Corporation setting out the ownership, control and structure of the Corporation (the "**Organizational Chart**").
3. The Organizational Chart sets out the true, complete and current information on the ownership, control and structure of the Corporation.
4. The Directors Register contains a true, complete and current record of all current directors of the Corporation.
5. The Shareholders Register contains a true, complete and current record of all registered holders of securities and warrants issued by the Corporation. The Corporation has not given to any other person any conversion privileges, options or other rights to acquire any securities of the Corporation.
6. Exhibit A to this certificate lists the names and addresses of all individuals who own or control, directly or indirectly, 25% or more of the shares of the Corporation.

7. If the Shareholders Register shows any registered holder of securities or warrants that is not an individual and that owns 25% or more of the shares of the Corporation, attached to this certificate is also:
  - a. an organizational chart identifying each entity and/or individual (and the addresses and occupations of such entities and/or individuals) that, directly or indirectly:
    - i. owns or controls 25% or more of the shares of the Corporation, or
    - ii. otherwise possesses the power to direct or cause the direction of the management or policies of the Corporation, whether by contract or otherwise, and
  - b. a shareholders register for any such entity, which shareholders register shall contain a true, complete and current record of all registered holders of securities and warrants issued by such entity.

To the best of the undersigned's knowledge, each such entity has not given to any other person any conversion privileges, options or other rights to acquire any securities of such entity.

8. The Corporation's most senior managing officer is: \_\_\_\_\_.
9. I agree to notify HIMI immediately in the event that there is any significant change in the ownership structure of the Corporation.

IN WITNESS WHEREOF the undersigned has executed this certificate as of the date first written above.

By:  
Name:  
Title:

**EXHIBIT A TO OFFICER'S CERTIFICATE  
BENEFICIAL OWNERS**

**Please list the names and addresses of all individuals owning or controlling, directly or indirectly, 25% or more of the shares of the Corporation:**

Appendix D.4

**CERTIFICATE OF TRUST EXISTENCE**

**[Insert Name of Trust]**

(the “**Trust**”)

TO: **[HYMAS INVESTMENT MANAGEMENT, INC] (“HIMI”)**

As of **[Insert Date]**, the undersigned, a duly appointed trustee and keeper of the records of the Trust under the trust deed dated **[Insert Date]** (the “**Trust Deed**”), in such capacity and not in my personal capacity, certifies as follows:

1. I have made, or caused to be made, such examinations or investigations as are, in my opinion, necessary to make the statements contained in this certificate and I have furnished this certificate with the intent that it may be relied on by HIMI in connection with the provision of financial products and/or services to the Trust.
2. Attached to this certificate is a true, complete and accurate copy of the Trust Deed.
3. Exhibit A to this certificate lists the names and addresses of all (a) settlors, (b) trustees and (c) beneficiaries of the Trust.
4. I agree to notify HIMI immediately in any of the trustees or beneficiaries of the Trust change.

IN WITNESS WHEREOF the undersigned has executed this certificate as of the date first written above.

By:  
Name:  
Title:

**EXHIBIT A TO CERTIFICATE OF TRUST EXISTENCE  
SETTLORS, TRUSTEES AND BENEFICIARIES**

**Please list all (a) settlors, (b) trustees and (c) beneficiaries of the Trust.**

Appendix D.5

**CERTIFICATE OF LIMITED PARTNERSHIP EXISTENCE**

**[Insert Name of Limited Partnership]**

(the “**Partnership**”)

TO: **HYMAS INVESTMENT MANAGEMENT INC. (“HIMI”)**

As of **[Insert Date]**, the undersigned, an officer of the general partner of the Partnership under the limited partnership agreement dated **[Insert Date]** (the “**Partnership Agreement**”), in such capacity and not in my personal capacity, certifies as follows:

1. I have made, or caused to be made, such examinations or investigations as are, in my opinion, necessary to make the statements contained in this certificate and I have furnished this certificate with the intent that it may be relied on by HIMI in connection with the provision of financial products and/or services to the Partnership.
2. Attached to this certificate is a true, complete and accurate copy of:
  - a. The Partnership Agreement; and
  - b. an organizational chart of the Partnership setting out the ownership, control and structure of the Partnership (the “**Organizational Chart**”).
3. The Organizational Chart sets out the true, complete and current information on the ownership, control and structure of the Corporation.
4. Exhibit A to this certificate lists the names and addresses of all individuals who own or control, directly or indirectly, 25% or more of the Partnership.
5. The most senior managing officer of the general partner of the Partnership is:
6. I agree to notify HIMI immediately in the event that there is any significant change in the ownership structure of the Partnership.

IN WITNESS WHEREOF the undersigned has executed this certificate as of the date first written above.

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A TO CERTIFICATE OF LIMITED PARTNERSHIP EXISTENCE  
BENEFICIAL OWNERS**

**Please list the names and addresses of all individuals owning or controlling, directly or indirectly, 25% or more of the Partnership.**

Appendix E

**Alberta Securities Commission**

Suite 600, 250 – 5th Street SW  
Calgary, Alberta T2P 0R4  
Telephone: (403) 297-6454  
Toll free in Canada: 1-877-355-0585  
Facsimile: (403) 297-2082

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Inquiries: (604) 899-6854  
Toll free in Canada: 1-800-373-6393  
Facsimile: (604) 899-6581  
Email: [inquiries@bcsc.bc.ca](mailto:inquiries@bcsc.bc.ca)

**The Manitoba Securities Commission**

500 – 400 St. Mary Avenue  
Winnipeg, Manitoba R3C 4K5  
Telephone: (204) 945-2548  
Toll free in Manitoba 1-800-655-5244  
Facsimile: (204) 945-0330

**Financial and Consumer Services Commission (New Brunswick)**

85 Charlotte Street, Suite 300  
Saint John, New Brunswick E2L 2J2  
Telephone: (506) 658-3060  
Toll free in Canada: 1-866-933-2222  
Facsimile: (506) 658-3059  
Email: [info@fcnbc.ca](mailto:info@fcnbc.ca)

**Government of Nunavut**

Department of Justice  
Legal Registries Division  
P.O. Box 1000, Station 570  
1st Floor, Brown Building  
Iqaluit, Nunavut X0A 0H0  
Telephone: (867) 975-6590  
Facsimile: (867) 975-6594

**Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, Ontario M5H 3S8  
Telephone: (416) 593- 8314  
Toll free in Canada: 1-877-785-1555  
Facsimile: (416) 593-8122  
Email: [exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca)  
Public official contact regarding indirect collection of information: Inquiries Officer

**Prince Edward Island Securities Office**

95 Rochford Street, 4th Floor Shaw Building  
P.O. Box 2000  
Charlottetown, Prince Edward Island C1A 7N8  
Telephone: (902) 368-4569  
Facsimile: (902) 368-5283

**Autorité des marchés financiers**

800, Square Victoria, 22e étage  
C.P. 246, Tour de la Bourse  
Montréal, Québec H4Z 1G3  
Telephone: (514) 395-0337 or 1-877-525-0337  
Facsimile: (514) 873-6155 (For filing purposes only)  
Facsimile: (514) 864-6381 (For privacy requests only)  
Email:  
[financementdessocietes@lautorite.qc.ca](mailto:financementdessocietes@lautorite.qc.ca) (For corporate finance issuers);  
[fonds\\_dinvestissement@lautorite.qc.ca](mailto:fonds_dinvestissement@lautorite.qc.ca) (For investment fund issuers)

**Government of Newfoundland and  
Labrador, Financial Services  
Regulation Division**

P.O. Box 8700, Confederation Building  
2nd Floor, West Block, Prince Philip  
Drive

St. John's, Newfoundland and Labrador  
A1B 4J6

Attention: Director of Securities

Telephone: (709) 729-4189

Facsimile: (709) 729-6187

**Government of the Northwest  
Territories  
Office of the Superintendent of  
Securities**

P.O. Box 1320

Yellowknife, Northwest Territories X1A  
2L9

Attention: Deputy Superintendent, Legal  
& Enforcement

Telephone: (867) 920-8984

Facsimile: (867) 873-0243

**Nova Scotia Securities Commission**

Suite 400, 5251 Duke Street

Duke Tower, P.O. Box 458

Halifax, Nova Scotia B3J 2P8

Telephone: (902) 424-7768

Facsimile: (902) 424-4625

**Financial and Consumer Affairs Authority  
of Saskatchewan**

Suite 601 - 1919 Saskatchewan Drive

Regina, Saskatchewan S4P 4H2

Telephone: (306) 787-5879

Facsimile: (306) 787-5899

**Government of Yukon  
Department of Community Services**

Law Centre, 3rd Floor

2130 Second Avenue

Whitehorse, Yukon Y1A 5H6

Telephone: (867) 667-5314

Facsimile: (867) 393-6251

## Appendix F Additional Risk Disclosure

### **No Assurance of Returns**

There can be no guarantee against losses resulting from an investment in Units and there can be no assurance that the Fund's investment approach will be successful or that its investment objectives will be attained. The Fund could realize substantial losses from some or all of its investments. An investment in the Fund is not intended as a complete investment program. A purchase of Units should be considered only by persons financially able to bear the risk of loss associated with an investment in the Fund.

### **Fluctuations in Unit Values**

Unit values fluctuate with changes in the market value of the assets of the Fund, and the value of such securities owned will be affected by factors beyond the control of HIMI. The value of the Fund's Units may fluctuate as a result of various factors, including general economic and market conditions, changes in interest rates, changes in the financial condition or performance of the issuers in which the Fund invests, and currency fluctuations to the extent holds non-Canadian securities.

### **Concentration of Investments**

The Fund's investment portfolio may become concentrated in a limited number of companies in specific industry sectors. Accordingly, the return of the Fund may be dependent upon the performance of a relatively small number of investments or the performance of a one or a few industry sectors. This may involve the Fund in more risk than funds with broadly diversified equity or bond portfolios since the performance of the specific stock, industry, market sector or asset class could significantly and adversely affect the overall performance of the Fund. In addition, this concentration means that the Fund is not intended to be, and would generally not be suitable as, a complete investment program for any investor.

### **Reliance on Key Individual**

HIMI is relying upon the services of its President, James Hymas, to fulfil its obligations as the Fund's investment manager. Should Mr. Hymas become incapable of providing portfolio management services to the Fund for any reason, HIMI would seek to provide a replacement, or retain a sub-advisor, but if it was unable to do so it would need to take steps to terminate the Fund.

### **Illiquidity of Units**

While the Units are transferable, Units are being offered on a private placement basis, and any such transfer will be subject to resale restrictions under applicable Canadian securities laws. Units are redeemable, but these redemption rights may be suspended in



certain circumstances. Consequently, investors may be unable to liquidate their Units, and are therefore cautioned that an investment in Units will not be suitable for investors with a short investment horizon. Furthermore, this lack of liquidity, plus the fact that Unit certificates are generally not issued, means that Units generally cannot be used by a Unitholder as collateral for any loan the Unitholder may have, whether undertaken in order to purchase Units or otherwise. .

### **Effect of Substantial Redemptions of Units**

Substantial redemptions of Units may require the Fund to sell assets it would not otherwise sell and at less than optimal prices in order to raise the necessary cash to fund redemptions. This could generate additional capital gains which would need to be distributed to Unitholders. A smaller asset base could limit the investment opportunities available to the Fund and increase its management expense ratio. Such factors could adversely affect both the value of Units being redeemed and of the Units remaining outstanding.

### **Investment Outside Canada**

The Fund may invest its assets outside of Canada. If it does so, the value of its investments will be affected, among other things, by the value of the Canadian dollar relative to the value of the currency in which the foreign investment is denominated. If these foreign investments are made outside the United States, there may be less publicly available information about a foreign company than a Canadian or U.S. company; the company may be less regulated and have lower accounting, auditing or financial reporting standards; and volume and liquidity of the foreign markets in which the investment trades may be less and transaction costs higher than in Canada or the United States.

### **Exchange Rate Fluctuations**

Units of the Fund are issued and redeemed, and the Fund's net asset value is calculated, only in Canadian dollars. Unitholders resident outside Canada will bear all risks associated with fluctuations in the exchange rate between the Canadian dollar and their local currency.

### **Status of the Fund**

While units of a trust are equity securities similar to shares of a corporation, trusts are not governed by any corporate statutes. Therefore, unlike shares of a corporation, Unitholders will not have the statutory rights normally associated with ownership of shares, such as the right to bring "oppression" or "derivative" actions or the right to attend an annual meeting of shareholders of the corporation. The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. While the Fund is a mutual fund as defined in provincial securities legislation, it does not operate in accordance with the requirements of Canadian securities regulations (such as National Instruments 81-101, 81-102 or 81-107) applicable to public

mutual funds. Units are not “deposits” for the purposes of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

### **Changes in Canadian Tax Legislation**

There can be no assurance that income tax laws relating to the treatment of mutual fund trusts or other investment trusts or in the treatment of preferred shares under the *Income Tax Act* (Canada) (the “Tax Act”) will not be changed in a manner which adversely affects the distributions received by the Unitholders and/or the value of the Units of the Fund. In particular, the returns to investors of an investment in Units of the Fund will be sensitive to any changes in the dividend tax credit and gross-up provided for in the Tax Act.

### **International Information Reporting**

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the “IGA”) and related Canadian legislation in the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts), to the Canada Revenue Agency (“CRA”). The CRA is expected to provide the information to the U.S. Internal Revenue Service.

Canada will also implement the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the automatic exchange of certain tax information. The CRS will be effective in Canada as of July 1, 2017 with the first exchanges of financial account information beginning in 2018. Affected investors will be required to provide certain information including their tax identification numbers for the purpose of such information exchange.