

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. The securities offered by this prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States of America. See “Plan of Distribution”.

PROSPECTUS

February 25, 2022

Initial Public Offering



Sustainable Real Estate
Dividend Fund

\$75,000,000 (maximum)
(maximum — 7,500,000 Units)
\$15,000,000 (minimum)
(minimum 1,500,000 Units)
\$10.00 per Unit

Sustainable Real Estate *Dividend Fund* (the “Fund”), a non-redeemable investment fund for purposes of Canadian securities legislation, established under the laws of the Province of Ontario, hereby offers its trust units (the “Units”) at a price of \$10.00 per Unit (the “Offering”).

The Fund’s investment objectives are to provide holders of Units (“Unitholders”) with:

- (i) stable monthly cash distributions; and
- (ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio (the “Portfolio”), through a diversified, actively managed portfolio comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from business models that are creating and transforming the green property and related sectors by employing or developing sustainable property management practices or materials. The Advisor will integrate environmental, social and governance considerations to complement fundamental analysis in selecting such issuers for the Portfolio that the Advisor believes have competitive advantages (collectively, “Sustainable Real Estate Issuers”). See “Investment Objectives”.

The Fund will be managed by Middlefield Limited (in such capacity, the “Manager”). Middlefield Capital Corporation (the “Advisor”) will provide investment management advice to the Fund. See “Organization and Management Details of the Fund — Manager of the Fund” and “Organization and Management Details of the Fund — The Advisor”.

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

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

	<u>Price to the Public⁽¹⁾</u>	<u>Agents’ Fees</u>	<u>Net Proceeds to the Fund⁽²⁾</u>
Per Unit	\$10.00	\$0.45	\$9.55
Total Maximum Offering ⁽³⁾⁽⁴⁾	\$75,000,000	\$3,375,000	\$71,625,000
Total Minimum Offering ⁽³⁾⁽⁵⁾	\$15,000,000	\$675,000	\$14,325,000

- (1) The Offering price was established by negotiation between the Manager and the Agents (as defined below). The price per Unit is payable in cash or in securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option.
- (2) Before deducting the expenses of the Offering, estimated to be \$500,000 (and subject to a maximum of 1.5% of the gross proceeds of the Offering), which, together with the Agents’ fees, will be paid by the Fund from the proceeds of the Offering.
- (3) The Fund has granted to the Agents an option (the “Over-Allotment Option”), exercisable for a period of 30 days from the closing of the Offering, to offer additional Units in an amount up to 15% of the aggregate number of Units sold on the closing of the Offering on the same terms as set forth above. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option. Any investors who acquire Units forming part of the Agents’ over-allocation position will acquire those Units under this prospectus, regardless of whether the over-allocation is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. See “Plan of Distribution”.
- (4) If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents’ fees and the net proceeds to the Fund will be \$86,250,000, \$3,881,250 and \$82,368,750, respectively.
- (5) There will be no closing unless a minimum of 1,500,000 Units are sold. If subscriptions for a minimum of 1,500,000 Units have not been received within 90 days following the date of issuance of a receipt for the final prospectus relating to the Offering, the Offering may not continue unless an amendment to such prospectus has been filed and a receipt therefor has been issued.

(continued on next page)

(continued from cover)

There currently is no market through which the Units may be sold. The lack of market may affect pricing of the Units in the secondary markets, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. The Toronto Stock Exchange has conditionally approved the listing of the Units. Listing is subject to the Fund fulfilling all of the requirements of the Toronto Stock Exchange on or before May 17, 2022. There is no assurance that the Fund will be able to achieve its objectives or pay distributions equal to the Target Distribution Amount (as defined under “Distribution Policy”) or at all. The Units may trade at a significant discount to the Fund’s net asset value per Unit. See “Risk Factors” for a discussion of various risk factors that should be considered by prospective purchasers of Units, including with respect to the use of leverage.

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Raymond James Ltd., TD Securities Inc., iA Private Wealth Inc., National Bank Financial Inc., Manulife Securities Incorporated, Echelon Wealth Partners Inc., Hampton Securities Limited, Middlefield Capital Corporation, Richardson Wealth Limited, Research Capital Corporation and Wellington-Altus Private Wealth Inc. (collectively, the “Agents”) conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters by Fasken Martineau DuMoulin LLP on behalf of the Fund and McCarthy Tétrault LLP on behalf of the Agents. In connection with this Offering and in accordance with and subject to applicable laws, the Agents are permitted to engage in transactions that stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. Closing of the Offering is expected to occur on or about March 30, 2022 and in any event no later than 90 days after the issuance of a receipt for the final prospectus relating to the Offering. See “Plan of Distribution”.

Middlefield Capital Corporation, which is one of the Agents and the Advisor, is an affiliate of Middlefield Limited, the trustee, the Manager and promoter of the Fund. Consequently, the Fund may be considered a “related issuer” and/or a “connected issuer” of Middlefield Capital Corporation under applicable securities legislation. Middlefield Capital Corporation will receive no benefit in connection with this Offering other than receiving from the Manager the advisory fee payable to the Advisor and a portion of the Agents’ fees described under “Fees and Expenses” and brokerage commissions or other fees in connection with Portfolio transactions as described under “Organization and Management Details of the Fund — Conflicts of Interest”. In addition, affiliates of one of the Agents (other than Middlefield Capital Corporation) have been requested to provide the Fund with a loan facility or prime brokerage facility; the borrowings under such facility may be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units and maintaining liquidity. Accordingly, if any such affiliate provides such financing, the Fund may be considered to be a “connected issuer” of such Agent. See “Relationship Between Investment Fund and Agents” and “Plan of Distribution”.

(continued on next page)

TABLE OF CONTENTS

PROSPECTUS SUMMARY	1	ORGANIZATION AND MANAGEMENT DETAILS OF THE	
THE OFFERING	1	FUND	47
OTHER FEATURES OF THE FUND	2	Manager of the Fund	47
RISK FACTORS	5	Duties and Services to be Provided by the Manager	48
ORGANIZATION AND MANAGEMENT OF THE FUND	6	Details of the Management Agreement	48
SUMMARY OF FEES AND EXPENSES	6	Officers and Directors of the Manager of the Fund	49
CAUTION REGARDING FORWARD-LOOKING INFORMATION	7	The Advisor	51
ABOUT THIS PROSPECTUS	8	Details of the Advisory Agreement	52
OVERVIEW OF THE STRUCTURE OF THE FUND	9	Conflicts of Interest	52
INVESTMENT OBJECTIVES	9	Independent Review Committee	53
INVESTMENT STRATEGY	9	The Trustee	54
Middlefield's ESG Policy	12	Custodian	54
ESG Screening Process	13	Auditor	55
Leverage	14	Registrar and Transfer Agent; Exchange Agent	55
Short Selling	15	Valuation Agent	55
Currency Hedging	15	Promoter	55
Use of Derivative Instruments	15	Securities Lending Agent	55
Securities Lending	16	CALCULATION OF NET ASSET VALUE	55
OVERVIEW OF THE SECTOR IN WHICH THE FUND INVESTS	16	Valuation Policies and Procedures	56
INVESTMENT RESTRICTIONS	20	Reporting of Net Asset Value	57
FEES AND EXPENSES	22	ATTRIBUTES OF SECURITIES	57
Fees and Expenses Payable by the Fund	22	Description of the Securities	57
Fees and Expenses Payable by Unitholders	24	Market Purchases	57
RISK FACTORS	24	Book-Entry Only System	58
Risks Related to Investment Objectives and Strategy	24	SECURITYHOLDER MATTERS	58
Risks Related to the Portfolio Securities	24	Meetings of Securityholders	58
Risks Related to the Structure of the Fund	27	Matters Requiring Securityholder Approval	59
DISTRIBUTION POLICY	33	Amendments to the Declaration of Trust	59
Distribution Reinvestment Plan	34	Potential Fund Mergers and Conversions	60
PURCHASE OF SECURITIES	35	Information and Reports to Unitholders	61
Method to Purchase Units	35	Exchange of Tax Information	61
Procedure	35	TERMINATION OF THE FUND	62
Determination of Exchange Ratio	36	USE OF PROCEEDS	62
Delivery of Final Prospectus	36	PLAN OF DISTRIBUTION	63
Withdrawal of Exchange Option Elections	36	RELATIONSHIP BETWEEN INVESTMENT FUND AND AGENTS	64
Maximum Offering	37	INTEREST OF MANAGER AND OTHERS IN MATERIAL	
Exchange Eligible Issuers	37	TRANSACTIONS	64
REDEMPTIONS OF SECURITIES	40	PROXY VOTING POLICY	64
Suspension of Redemptions	41	MATERIAL CONTRACTS	65
INCOME TAX CONSIDERATIONS	42	EXPERTS	65
Status of the Fund	43	PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND	
Taxation of the Fund	43	RESCISSION	65
Taxation of Holders	45	INDEPENDENT AUDITOR'S REPORT	F-1
Taxation of Registered Plans	46	STATEMENT OF FINANCIAL POSITION	F-3
Eligibility for Investment	46	CERTIFICATE OF THE FUND, THE MANAGER AND THE	
Tax Implications of the Fund's Distribution Policy	47	PROMOTER	C-1
Exchange Option	47	CERTIFICATE OF THE AGENTS	C-2

(This page has been left blank intentionally.)

PROSPECTUS SUMMARY

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

The Offering

Issuer: Sustainable Real Estate *Dividend Fund* (the “Fund”) is an investment fund established as a trust under the laws of the Province of Ontario.

Offering: This offering (the “Offering”) consists of trust units of the Fund (the “Units”).

Amounts: Maximum —\$75,000,000 (7,500,000 Units)

Minimum —\$15,000,000 (1,500,000 Units)

Price: \$10.00 per Unit

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

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

A prospective purchaser of Units who elects to pay for Units by using the Exchange Option must do so by depositing (in the form of a book-entry deposit) securities of one or more Exchange Eligible Issuers with Middlefield Capital Corporation, the Fund’s agent for the Exchange Option, through CDS Clearing and Depository Services Inc. (“CDS”) prior to 5:00 p.m. (Toronto time) on February 24, 2022. Such book-entry deposits must be made by a participant in CDS, which may have an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. See “Purchase of Securities”.

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

Investment Objectives: The Fund’s investment objectives are to provide holders of Units (“Unitholders”) with:

(i) stable monthly cash distributions; and

(ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio (the “Portfolio”),

through a diversified, actively managed portfolio comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from business models that are creating and transforming the green property and related sectors by employing or developing sustainable property management practices or materials. The Advisor will integrate environmental, social and governance considerations to complement fundamental analysis in selecting such issuers for the Portfolio that the Advisor believes have competitive advantages (collectively, “Sustainable Real Estate Issuers”). See “Investment Objectives”.

Investment Strategy:

The Fund has been designed to provide investors with a diversified, actively managed portfolio comprised primarily of dividend paying securities of issuers focused on, involved in, or that derive a significant portion of their revenue from business models that are creating and transforming the green property and related sectors, including those whose operations may be related to sustainably managed REITs, building efficiency and sustainable building

materials. As set forth below, the Advisor intends to consider and incorporate environmental, social and governance (“ESG”) criteria in the investment process to help screen and evaluate potential issuers. The Fund will employ a tactical asset allocation strategy by actively adjusting the Portfolio’s asset allocation across sectors and sub-sectors based upon the Advisor’s outlook with the intention of offering the best combination of capital appreciation potential and income, in all cases subject to the terms of the Fund’s investment restrictions. The Advisor believes that investments in Sustainable Real Estate Issuers will provide excellent diversification and attractive long-term returns for Canadian investors. The Advisor expects sustainable real estate assets to benefit from higher tenant and investor interest because of lower average operating expenses, increased market rents, fewer vacancies and lower environmental impact resulting in higher valuations over the long term. In addition, real estate has historically shown low-to-moderate correlation with other major asset classes and has outperformed the broader market during recent periods of high inflation, as is the case presently. See “Investment Strategy”.

Other Features of the Fund

Leverage:

The Fund may borrow from 0% up to 25% of the value of the total assets of the Fund, including leverage obtained through short selling and net notional exposure under derivatives, which borrowing may be used for various purposes including purchasing additional securities for the Portfolio, effecting market purchases of Units and maintaining liquidity. The Fund initially intends to borrow approximately 23.5% of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio. The Fund will monitor its use of leverage and, based on factors such as changes in interest rates, the Advisor’s economic outlook and the composition of the Portfolio, the Fund may from time to time alter the amount of leverage it employs. The maximum amount of aggregate leverage that the Fund may employ through a loan facility, prime brokerage facility and short sales is 1.33 to 1 (maximum total assets divided by the net asset value of the Fund (“NAV”, as calculated in the manner described under the heading “Calculation of Net Asset Value”). For greater certainty, short selling and derivatives used by the Fund solely for hedging purposes will not be included in leverage. See “Investment Strategy – Leverage” and “Risk Factors - Risks Related to the Structure of the Fund - Use of Leverage by the Fund”.

Currency Hedging:

The Portfolio will include securities which are denominated in currencies other than the Canadian dollar (any such currencies being “foreign currencies”) and, accordingly, the Fund will be exposed to foreign currency risk. The Fund initially intends to hedge the majority of its exposure to foreign currencies back to the Canadian dollar. The decisions as to whether the Fund’s exposure to foreign currencies will be hedged back to the Canadian dollar, and the amount of such exposure to be hedged, will depend on such factors as exchange rates, the Advisor’s outlook for the economy both in Canada and globally and for the sectors in which the Fund from time to time invests, and a comparison of the costs associated with such hedging transactions against the benefits expected to be obtained therefrom.

Distribution Policy:

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

The initial target distribution amount for the period ending April 30, 2023 (the “Target Distribution Amount”) is \$0.04167 per Unit per month (corresponding to an annualized distribution of \$0.50 per Unit per annum and representing an annualized yield of 5.0% per annum based on the original subscription price). The initial distribution is expected to be declared payable to Unitholders of record on May 31, 2022 and to be paid on or before the last business day of the following month.

Assuming (i) the gross proceeds of the Offering are \$100 million, (ii) the fees and expenses are as described herein, (iii) leverage of 23.5% of the total assets of the Fund is

employed, which is the Fund's initial intention, and (iv) no change in exchange rates between the Canadian dollar and foreign currencies, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax) of approximately 3.6% per annum. The Portfolio would be required to generate an additional return of approximately 1.9% per annum (net of applicable withholding tax), including from dividend growth and realized capital appreciation, in order for the Fund to maintain its initially targeted distribution level and a stable NAV per Unit. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distributions at the Target Distribution Amount and all expenses of the Fund, and if the Fund pays the monthly distributions at such amount, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the NAV per Unit would be reduced. See "Distribution Policy" and "Risk Factors".

**Distribution
Reinvestment:**

The Fund intends to provide Unitholders with the opportunity to elect to reinvest monthly cash distributions made by the Fund in additional Units and to purchase additional Units for cash through participation in the distribution reinvestment plan of the Fund described under "Distribution Policy – Distribution Reinvestment Plan".

Redemptions:

Subject to the Fund's right to suspend redemptions, a Unit may be surrendered for redemption at least 45 business days prior to the second last business day of the applicable month in order to be redeemed on such date (a "Valuation Date") by giving notice thereof to Middlefield Capital Corporation (the registrar and transfer agent for the Units) through the Unitholder's CDS participant.

Each Unit properly surrendered for redemption on the March Valuation Date commencing in 2024 (each, an "Annual Valuation Date") will be redeemed at an amount, if any, equal to the Redemption Price per Unit (as defined under "Redemptions of Securities") as of the Annual Valuation Date.

Each Unit properly surrendered for redemption on a Valuation Date other than an Annual Valuation Date will be redeemed at an amount, if any, equal to the Monthly Redemption Price per Unit (as defined under "Redemptions of Securities") as of the relevant Valuation Date.

A Unitholder who properly surrenders a Unit for redemption will receive payment on or before the 15th business day following the applicable Valuation Date. See "Redemptions of Securities".

Termination:

The Fund does not have a fixed termination date. The Manager may, in its discretion and subject to applicable laws, cause the Fund to be terminated without the approval of Unitholders if, in its opinion, it is no longer economically practical to continue the Fund or it would be in the best interests of Unitholders to terminate the Fund. The Fund also may be terminated pursuant to a merger, combination, conversion, or other consolidation, as described under "Securityholder Matters – Potential Fund Mergers and Conversions". Any such merger, combination, conversion, or other consolidation pursuant to which the Fund is terminated will be with an entity that is a reporting issuer and, if such entity is a mutual fund, it will be a mutual fund subject to National Instrument 81-102 - *Investment Funds*. Upon termination, the Fund will distribute to Unitholders their pro rata portions of the remaining assets of the Fund after all liabilities of the Fund have been satisfied or appropriately provided for. In the case of termination pursuant to a merger, combination, conversion, or other consolidation, such distribution may be made by distributing the securities of the resulting or continuing investment fund. See "Termination of the Fund".

Agents:

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Raymond James Ltd., TD Securities Inc., iA Private Wealth Inc., National Bank Financial Inc., Manulife Securities Incorporated, Echelon Wealth Partners Inc., Hampton Securities Limited, Middlefield Capital Corporation, Richardson Wealth Limited, Research Capital Corporation and Wellington-Altus Private Wealth Inc. (collectively, the "Agents"). See "Plan of Distribution".

Over-Allotment Option:

The Fund has granted to the Agents an option (the “Over-Allotment Option”), exercisable for a period of 30 days from the closing of the Offering, to offer additional Units in an amount up to 15% of the aggregate number of Units sold on the closing of the Offering on the following terms:

<u>Agents’ Position</u>	<u>Maximum Number of Units Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option (representing all securities under option to the Agents)	Up to 15% of the number of Units sold under the Offering	Up to 30 days after the closing of the Offering	\$10.00 per Unit

See “Plan of Distribution”.

Use of Proceeds:

The net proceeds from the sale of Units (prior to the exercise of the Over-Allotment Option) will be as follows:

	<u>Maximum Offering</u>	<u>Minimum Offering</u>
Gross proceeds to the Fund	\$75,000,000	\$15,000,000
Agents’ fees	\$3,375,000	\$675,000
Estimated expenses of issue ⁽¹⁾	\$500,000	\$225,000
Net proceeds to the Fund	\$71,125,000	\$14,100,000

Note:

(1) Subject to a maximum of 1.5% of the gross proceeds of the Offering.

The Fund will use the net proceeds of this Offering (including any net proceeds from the exercise of the Over-Allotment Option), together with any leverage employed by the Fund, to: (i) invest in securities of Sustainable Real Estate Issuers, in accordance with the Fund’s investment objectives, strategy and restrictions as described herein as soon as practicable after the closing of this Offering, and (ii) fund the ongoing fees and expenses of the Fund as described under “Fees and Expenses”.

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

See “Use of Proceeds”.

Income Tax Considerations:

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

A Unitholder who is an individual resident in Canada generally will be required to include in computing income for a taxation year that part of the net income, and the taxable portion of the net realized capital gains, of the Fund, if any, that is paid or becomes payable to the Unitholder by the Fund in that year (whether in cash or Units). To the extent that amounts payable to a Unitholder are designated by the Fund as (i) taxable dividends from taxable Canadian corporations, (ii) the taxable portion of net realized capital gains and (iii) foreign source income, those amounts will retain their character

and be treated as such in the hands of the Unitholder. Distributions by the Fund to a Unitholder in excess of the Unitholder's share of the Fund's net income and net realized capital gains will not be taxable but will reduce the adjusted cost base of the Unitholder's Units.

A Unitholder who disposes of Units held as capital property will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base of the Units disposed of.

A purchaser who disposes of securities of an Exchange Eligible Issuer pursuant to the Exchange Option and holds such securities as capital property will realize a capital gain (or a capital loss) in the taxation year of the purchaser in which the disposition of the securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the purchaser's adjusted cost base of such securities.

Investors should satisfy themselves as to the federal, provincial, territorial and other tax consequences of an investment in Units by obtaining advice from their tax advisors. See "Income Tax Considerations".

**Eligibility
for Investment:**

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

Risk Factors

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

- (i) there being no assurance that the Fund will be able to achieve its objectives, including being able to pay distributions to Unitholders in an amount equal to the Target Distribution Amount or at all, or to provide enhanced long-term total return;
- (ii) general risks of investing in equity securities;
- (iii) general risks associated with the industries in which Sustainable Real Estate Issuers operate;
- (iv) risks related to the COVID-19 global pandemic;
- (v) risks related to an investment strategy that includes ESG considerations;
- (vi) general risks associated with the geographic regions in which the Fund invests;
- (vii) the NAV and the market price of the Units will vary depending on a number of factors which are not within the control of the Fund, including performance of the Portfolio, which performance will be affected by various factors impacting the performance of the securities in which the Fund invests including performance of equity markets generally and interest rate fluctuations;
- (viii) risks relating to foreign currency exposure; and
- (ix) the use of leverage by the Fund may result in capital losses or a decrease in distributions to Unitholders.

The foregoing provides only a summary of certain of the risks that may be involved in an investment in Units. For further information regarding these risks and other risks that may be involved in an investment

in Units, see “Risk Factors”. You should carefully consider the risk factors set out above and under “Risk Factors” and whether your financial condition and/or retirement savings objectives permit you to invest in the Fund. An investment in Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Organization and Management of the Fund

<u>Management of the Fund</u>	<u>Services Provided to the Fund</u>	<u>Municipality of Residence</u>
Manager and Trustee:	Middlefield Limited is the trustee (in such capacity, the “Trustee”) and the Manager of the Fund. See “Organization and Management Details of the Fund – Manager of the Fund”.	1 First Canadian Place, 100 King Street West, 58 th Floor, P.O. Box 192 Toronto, Ontario, M5X 1A6
Advisor:	The advisor to the Fund is Middlefield Capital Corporation . See “Organization and Management Details of the Fund – The Advisor”.	Toronto, Ontario
Promoter:	Middlefield Limited is the promoter of the Fund. See “Organization and Management Details of the Fund – Promoter”.	Toronto, Ontario
Custodian:	RBC Investor Services Trust is the custodian of the assets of the Fund. See “Organization and Management Details of the Fund – Custodian”.	Calgary, Alberta
Registrar and Transfer Agent; Exchange Agent:	Middlefield Capital Corporation is the registrar and transfer agent for the Units and the exchange agent for the Exchange Option. See “Organization and Management Details of the Fund – Registrar and Transfer Agent; Exchange Agent”.	Toronto, Ontario
Auditor:	Deloitte LLP is the auditor of the Fund. See “Organization and Management Details of the Fund – Auditor”.	Toronto, Ontario
Valuation Agent:	RBC Investor Services Trust and MFL Management Limited are the Fund’s joint valuation agent and will calculate the NAV. See “Calculation of Net Asset Value”.	Calgary, Alberta (RBC Investor Services Trust) Toronto, Ontario (MFL Management Limited)
Securities Lending Agent:	RBC Investor Services Trust is the Fund’s securities lending agent. See “Organization and Management Details of the Fund – Securities Lending Agent”.	Calgary, Alberta

Summary of Fees and Expenses

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

Fees and Expenses Payable by the Fund

<u>Type of Fee</u>	<u>Description</u>
Fees payable to the Agents:	\$0.45 per Unit (4.5%).
Expenses of Offering:	In addition to the Agents’ fees, the Fund will pay the expenses incurred in connection with the Offering, estimated to be \$500,000 (and subject to a maximum of 1.5% of the gross proceeds of the Offering).
Management Fee:	Annual management fee of 1.25% of the NAV calculated and payable monthly, based on the average NAV for that month, plus applicable taxes, provided that the management fee payable to the Manager shall not be paid in respect of the NAV attributable to any assets invested in the securities of any investment funds (including mutual funds) managed by the Manager or an affiliate of the

Manager. The management fee will be paid in cash. The Manager, and not the Fund, will pay an advisory fee to the Advisor pursuant to the advisory agreement among the Fund, the Manager and the Advisor to be entered into at or prior to completion of the Offering. See “Fees and Expenses – Fees and Expenses Payable by the Fund – Management Fee”.

Operating expenses of the Fund: The Fund will pay all expenses incurred in connection with its operation and administration, estimated to be \$200,000 per annum. The Fund also will be responsible for commissions and other costs of Portfolio transactions, debt service and costs relating to any loan facility or prime brokerage facility entered into by the Fund and all liabilities and any extraordinary expenses which it may incur from time to time. See “Fees and Expenses – Fees and Expenses Payable by the Fund – Operating Expenses of the Fund”.

Fees and Expenses Payable by Unitholders

Redemption Expenses: In connection with the redemption of Units, any costs associated with the redemption, or, if the Manager determines that it is not practicable or necessary for the Fund to sell Portfolio securities to fund such redemption then the aggregate of all brokerage fees, commissions and other transaction costs that the Manager estimates would have resulted from such a sale, will be deducted from the applicable redemption price payable to the Unitholder exercising the redemption privilege. The amount of any such redemption costs will depend on the circumstances at the time of the redemption, including the NAV, the number of Units surrendered for redemption, the available cash of the Fund, the interest rate under any loan facility or prime brokerage facility entered into by the Fund, the current market price of the securities of each issuer included in the Portfolio at the time of the redemption and the actual or estimated brokerage fees, commissions and other transaction costs as set out above. As a result of the foregoing variables, the amount of redemption costs payable by a Unitholder upon the redemption of Units may vary from time to time.

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

Caution Regarding Forward-Looking Information

Certain statements and information set forth in this prospectus including under the heading “Overview of the Sector in which the Fund Invests”, and statements with respect to benefits of the Fund’s investment strategy and the expected initial Portfolio composition, constitute forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. When used in this prospectus, the words “expects”, “anticipates”, “intends”, “plans”, “may”, “believes”, “seeks”, “estimates”, “appears” and similar expressions (including negative and grammatical variations) generally identify forward-looking information. In developing the forward-looking information contained herein related to the Fund, the Fund has made assumptions with respect to, among other things, the outlook for the Canadian and global economies, including, in particular, the industries in which Sustainable Real Estate Issuers operate. These assumptions are based on the Fund’s perception of historical trends, current conditions and expected future developments, as well as other factors believed to be relevant. Although the Fund believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information contained herein will prove to be accurate. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward looking information include, but are not limited to: general economic, political, tax, market and business factors and conditions; interest rate and foreign exchange rate fluctuations; volatility in Canadian or global equity and capital markets; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other factors set out under the heading “Risk Factors”. Readers are cautioned that the foregoing list of factors is not exhaustive and readers should not place undue reliance on forward-looking information due to the inherent uncertainty of such information. All forward-looking information in this prospectus is qualified by the

foregoing caution. The Fund undertakes no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

About this Prospectus

This prospectus contains statistical data, market research and industry forecasts that were obtained, unless otherwise indicated, from independent industry and government publications and reports or based on estimates derived from such publications and reports and the Advisor's knowledge of, and experience in, the sectors in which the Fund plans to invest. While the Fund believes this data and information to be reliable, market and industry data and information is subject to variation and cannot be and therefore has not been verified due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Fund has not participated in the preparation of such information contained herein. **The contents of any website referenced in this prospectus are for informational purposes only and are not incorporated by reference herein.**

OVERVIEW OF THE STRUCTURE OF THE FUND

Sustainable Real Estate *Dividend Fund* (“the “Fund”) is an investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated as of February 25, 2022 (the “Declaration of Trust”). The Fund hereby offers its trust units (the “Units”) at a price of \$10.00 per Unit (the “Offering”).

The manager of the Fund is Middlefield Limited (in such capacity, the “Manager”). The investment advisor to the Fund is Middlefield Capital Corporation (the “Advisor”). Middlefield Limited also is the trustee of the Fund (in such capacity, the “Trustee”). The Trustee and the Manager (or any replacement thereof) will at all times be a resident of Canada for the purposes of the *Income Tax Act* (Canada) (the “Tax Act”) and will manage the affairs of the Fund from a place or places within Canada. The address of the Fund is 1 First Canadian Place, 100 King Street West, 58th Floor, P.O. Box 192 Toronto, Ontario, M5X 1A6.

The Fund will be considered to be a non-redeemable investment fund under the securities legislation of the provinces of Canada and consequently will be subject to the various policies and regulations that apply to non-redeemable investment funds pursuant to National Instrument 81-102 – *Investment Funds* (“NI 81-102”), as it may be amended from time to time. NI 81-102 also governs mutual funds, albeit in a manner distinct from non-redeemable investment funds. The Fund will differ from a mutual fund in a number of respects, most notably as follows: (i) the Units will be redeemable only on the second last business day of every month at an amount that is calculated with reference to either the net asset value (“NAV”, as calculated in the manner described under the heading “Calculation of Net Asset Value”) of the Units in the case of a redemption on the second last business day of March commencing in 2024, or to the market price of the Units in the case of a redemption on the second last business day of any other month (see “Redemptions of Securities”), whereas the securities of most open-end mutual funds are redeemable daily at the net asset value of the securities; (ii) the Units are to have a stock exchange listing whereas the securities of most open-end mutual funds do not; (iii) unlike most open-end mutual funds, the Units will not be offered on a continuous basis; and (iv) the Fund intends to use leverage, and may sell securities short and/or purchase derivatives, which practices are not permitted for mutual funds under section 2.1(1), 2.4(1), 2.6(a), 2.6(c), 2.7 and 2.8, respectively, of NI 81-102, other than in limited circumstances.

INVESTMENT OBJECTIVES

The Fund’s investment objectives are to provide holders of Units (“Unitholders”) with:

- (i) stable monthly cash distributions; and
- (ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio (the “Portfolio”),

through a diversified, actively managed portfolio comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from business models that are creating and transforming the green property and related sectors by employing or developing sustainable property management practices or materials. The Advisor will integrate environmental, social and governance considerations to complement fundamental analysis in selecting such issuers for the Portfolio that the Advisor believes have competitive advantages (collectively, “Sustainable Real Estate Issuers”).

INVESTMENT STRATEGY

The Fund has been designed to provide investors with a diversified, actively managed portfolio comprised primarily of dividend paying securities of international issuers focused on, involved in, or that derive a significant portion of their revenue from business models that are creating and transforming the green property and related sectors, including those whose operations may be related to:

- **sustainably managed REITs**, as the Advisor believes that greener properties are more likely to have a lower average cost of capital, attract high-quality tenants and have a positive impact on local communities, and REITs with a sustainable focus will benefit from institutional and professional ESG investor interest;

- **building efficiency**, as the Advisor believes companies dedicated to optimal building design and equipment upgrades help property owners maximize efficiency and cut operating costs, and strong demand for these technologies is supported by major sustainability goals set by governments and corporations; and
- **sustainable building materials**, as the Advisor believes organizations are prioritizing the use of environmentally friendly building inputs that align with higher ESG standards, and demand for these innovative materials continues to grow as regulators and investors put more emphasis on climate-related disclosures.

The Advisor considers REITs to be sustainably managed if actions have been taken in respect of their portfolio of properties, such as to reduce the properties' carbon footprints, enhance human health or promote sustainable material cycles and/or their properties have been recognized for their green initiatives, including being the recipient of widely recognized certifications such as the LEED Platinum or LEED Gold. Investments in issuers operating in the building efficiency and building materials spaces are considered sustainable if the issuers offer products or services that reduce carbon emission from the production and integration of their products (e.g. green steel, concrete alternative, efficient HVAC, etc.).

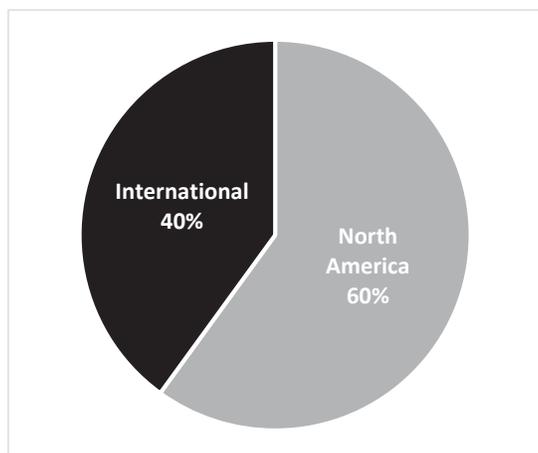
As set forth below under "ESG Screening Process", the Advisor intends to consider and incorporate environmental, social and governance ("ESG") criteria in its investment process to help screen and evaluate such issuers for potential inclusion in the Portfolio.

The Advisor believes that investments in Sustainable Real Estate Issuers will provide excellent diversification and attractive long-term returns for Canadian investors. The Advisor expects sustainable real estate assets to benefit from higher tenant and investor interest because of lower average operating expenses, increased market rents, fewer vacancies and lower environmental impact resulting in higher valuations over the long term. In addition, real estate has historically shown low-to-moderate correlation with other major asset classes and has outperformed the broader market during recent periods of high inflation, as is the case presently.

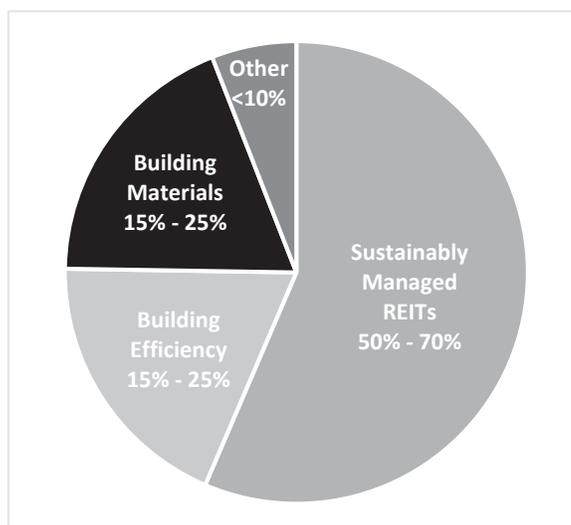
In order to seek to achieve the Fund's investment objectives, the Fund will endeavor to initially invest the net proceeds of the Offering, together with borrowings under the Fund's loan facility or prime brokerage facility described under "Investment Strategy – Leverage", in an actively managed, diversified, global portfolio comprised primarily of Sustainable Real Estate Issuers. The Fund will employ a tactical asset allocation strategy by actively adjusting the Portfolio's asset allocation across sectors and sub-sectors based upon the Advisor's outlook with the intention of offering the best combination of capital appreciation potential and income, in all cases subject to the terms of the Fund's investment restrictions.

Expected Portfolio Allocation

High-Conviction Portfolio (30 to 40 Holdings) of Global Companies with a Focus on Sustainability and Quality



Global Fund



Providing significant exposure to hard-to-access real estate investments outside of North America

The foregoing expected Portfolio allocations are provided for informational purposes only. The composition of the Portfolio will vary from time to time based on the Advisor's outlook for Sustainable Real Estate Issuers generally, and such other factors as may be applicable.

The Company intends to build upon the Manager's proven track record of raising funds and managing equity income portfolios in the real estate and related sectors as well as strategies focused on sustainable investing, including implementing investment ideas, developed from its management of such investment funds as Middlefield REIT INDEXPLUS ETF, Middlefield Global Real Estate Class (F Series), Middlefield Can-Global REIT *Income Fund*, Global Real Estate & E-Commerce *Dividend Fund* and Real Estate Split Corp.

Middlefield's Proven Track Record of Real Estate Investing

Fund	Inception Date	1Y	3Y	5Y	10Y	Since Inception
Middlefield REIT INDEXPLUS ETF	April 20, 2011	35.4%	16.4%	12.3%	11.0%	10.4%
Middlefield Global Real Estate Class (F Series)	September 30, 2011	35.8%	16.3%	13.4%	12.1%	12.5%
Middlefield Can-Global REIT Income Fund	November 19, 2012	32.3%	11.2%	9.9%	-	10.1%
Global Real Estate & E-Commerce Dividend Fund	October 25, 2018	20.5%	27.4%	-	-	24.2%
Real Estate Split Corp. (Class A)	November 20, 2020	54.8%	-	-	-	46.3%

Annualized total returns, assuming the reinvestment of distributions and net of fees. Prepared by Middlefield as at December 31, 2021, in accordance with section 15.10 of NI 81-102.

The past performance of the above noted funds may not be repeated and may not be indicative of future performance of the Fund.

Middlefield's ESG Policy

Middlefield Group ("Middlefield") employs a disciplined investment process in respect of its investment funds that seeks to identify attractive investment opportunities and evaluate material risks that could impact portfolio returns. Middlefield believes that ESG factors have become an important component of a thorough investment analysis and that the integration of ESG factors will result in a more comprehensive understanding of a company's strategy, culture and sustainability. Consistent with these objectives, Middlefield integrates ESG considerations into its investment process and these considerations are significant factors in selecting portfolio companies for its ESG-focused mandates, including the Fund.

ESG considerations are integral to Middlefield's investment decision-making, as well as the ongoing portfolio monitoring process in respect of its investment funds. Middlefield's current ESG integration process includes the following:

1. Middlefield incorporates ESG scores and other ESG data in its multi-disciplined investment process to evaluate investments. Middlefield's methodology includes a qualitative review and assignment of ESG scores to individual holdings. Each company is analyzed on an absolute basis and measured relative to its peers. The ESG scores and other ESG data are not the sole factors that govern investment decisions, however, but rather constitute part of the information reviewed and considered alongside fundamental, quantitative and qualitative research.
2. Middlefield's ESG scoring framework considers the average ESG scores from several reputable third-party data providers. The data providers incorporated into Middlefield's ESG analysis currently are Sustainalytics, S&P, Bloomberg and Refinitiv. In addition, Middlefield cross-references potential investments with the constituents of relevant ESG indexes to assess their eligibility in ESG-focused mandates.
3. Negative screening is implemented in ESG-focused mandates to exclude companies that operate in ethically-contentious industries (e.g. tobacco products and military weapons) as well as those involved in severe business controversies.
4. Positive screening is used to select companies that possess positive ESG characteristics. This process involves analyzing sustainability data provided by reputable third-parties to determine how companies are ESG-rated and ranked relative to peers.
5. ESG considerations also are integrated into Middlefield's investment process by, among other things:
 - reviewing companies' public disclosure, including annual reports, proxy circulars, and, if available, sustainability or ESG reports;
 - conducting research and analysis on companies' ESG policies and practices;
 - obtaining third party research on companies;
 - engaging with companies, including from time to time having discussions with management teams (both before purchasing shares for the portfolios and while portfolios own such shares) on topics such as what initiatives and strategies have been put in place by the companies to deal with ESG considerations material to such companies; and
 - monitoring shareholder meetings and voting proxies.

Many countries have established or are in the process of establishing standardized ESG disclosure requirements for corporate issuers. When enacted, these are expected to enhance the efficiency of Middlefield's ongoing review and monitoring of a company's ESG practices.

Middlefield's approach to ESG integration may evolve over time as more ESG and sustainability research and data become available.

ESG Screening Process

In seeking to achieve its investment objectives, the Fund intends to target investments in issuers that have positive ESG characteristics, as identified by the Advisor through the implementation of Middlefield's ESG Policy described above and the ESG screening process described in this section.

In implementing Middlefield's ESG Policy in respect of potential Portfolio investments, the Advisor will apply a multi-disciplined investment process (including qualitative, quantitative and fundamental research and from time to time engagement with management teams) to select securities. The specific steps implemented in respect of the review of each potential Portfolio investment will vary in the discretion of the Advisor having regard to the specific circumstances of the applicable issuer. The Advisor will make its determinations based on the totality of the analysis, meaning that no single factor in its analysis will be determinative.

The Advisor will apply the following considerations to potential issuers for inclusion in the Portfolio in an effort to identify those with positive ESG characteristics:

Third Party ESG Scores. The Advisor will, as an input into its positive screening process, consider the average ESG scores from several reputable third-party data providers. The data providers incorporated into Middlefield's ESG analysis currently are Sustainalytics, S&P, Bloomberg and Refinitiv. Sustainalytics is an industry leader in part due to their robust risk rating metrics that provide an in-depth measure of an issuer's industry-specific material ESG risks and how well an issuer is managing those risks by breaking down issuer's total ESG risk exposure into manageable and unmanageable risk. S&P Global ESG Scores are uniquely informed by a combination of verified company disclosures, media and stakeholder analysis, and in-depth company engagement via the S&P Global Corporate Sustainability Assessment, providing unparalleled access to ESG insights before they reach others. Bloomberg has an expansive ESG database of over 11,800 global issuers, providing coverage on issuers not commonly covered by other data providers. Refinitiv provides easy to understand score ranges that encapsulate over 450 issuer-level ESG metrics it collects across 10 unique categories within environmental, social, and governance. The foregoing descriptions of the third party data providers' methodologies has been taken from publicly available information relating to such third party data providers.

Third Party Data and Indices. The Advisor will, as an input into its positive screening process, consider issuer-specific sustainability reports as well as reports of third-party data providers, such as Bloomberg, Sustainalytics, S&P and Refinitiv, which provide an independent and objective rating as an input to overall investment analysis and risk assessment of an issuer. As outlined above, firms such as Bloomberg are independent and well recognized as leaders in their independent research, including setting up parameters on ESG issuers which the Advisor will review and consider when making decisions for inclusion of securities in the Portfolio. The Advisor will also, as an input into its positive screening process and as a supplement to third party ESG scores, consider whether a particular issuer is included as a constituent in any third party ESG indices to assess their eligibility in ESG-focused mandates. An example of such indices is the Vanguard World ESG Index (the "Vanguard Index"). The Vanguard Index employs a passive management approach and is comprised of nearly 4,500 issuers across industries, geographies, and market capitalizations. The Vanguard Index excludes companies that are engaged or involved in controversies, as defined by the United Nations Global Compact Principles, non-renewable energy, vice products, such as alcohol and tobacco products, and weapons.

Negative Screening. The Advisor will, on a best efforts basis, seek to exclude securities of issuers involved in severe business controversies, meaning controversies the Advisor believes will negatively impact the issuer's reputation from an ESG perspective and/or the value of an investment in the issuer.

Positive Screening. This qualitative screening process will evaluate issuers' ESG policies and practices in areas that include, but are not limited to:

- community and society: an examination of how an issuer manages relationships with employees, suppliers, customers, and the communities where it operates.
- corporate governance: an examination of an issuer's board structure, board diversity and board independence, executive compensation, and information disclosure.

- environment: a measure of an issuer's impact on the natural or physical environment, which could be related to use of natural resources, policies on business travel or how the issuer reduces waste in its operations.
- business ethics: an examination of whether an issuer acts in a lawful and ethical manner in its dealings with its stakeholders.
- human rights: an examination of an issuer's involvement with modern slavery, corporate security, diversity, employee relations, supply chain sustainability, consumer relations and personal data protection.

The intent of the qualitative screening process is to remove issuers that have a poor score (bottom third) relative to their industry peers based on the above factors.

Direct Issuer Research. The Advisor will review issuers' public disclosure, including annual reports, proxy circulars, and, if available, sustainability or ESG reports. The Advisor will also engage directly with issuers, including from time to time having discussions with management teams (both before purchasing securities for the Portfolios and while the Portfolio own such securities) on topics such as what initiatives and strategies have been put in place by the issuers to deal with ESG considerations material to such issuers. The Fund will generally engage with management teams and other senior members of issuers on general ESG matters (e.g. board diversity, inclusion, human rights, etc.) as well as matters that are material to specific industries (e.g. energy, water & waste water management, etc.). The successes of the Fund's engagement will be measured through on-going fundamental analysis of the issuers' public disclosures and the expected versus actual outcome of the actions of the issuers. Issuers that fail to meet their expected outcomes may be subject to divestment.

In addition, as part of the Advisor's Portfolio monitoring process, the Manager has contracted the services of Glass Lewis to add an additional level of analysis, including consideration of environmental, social and governance practices. The Fund's proxy guidelines will be regularly reviewed by the Manager, which guidelines are designed to mitigate issuers' ESG risks.

The Fund will generally have its proxies voted at shareholder meetings with a focus on board diversity, inclusion, tenure and refreshment, and expects that in most cases it will support governance-related shareholder proposals and environmental and social shareholder proposals aimed at enhancing an issuer's policies and performance or increasing an issuer's disclosures with respect to such issues.

The successes of the Fund's proxy policy will be measured through periodic reviews of the Fund's voting record by the Manager and the expected versus actual outcome of the relevant corporate actions. The periodic reviews will seek to confirm that the issuers held in the Fund act in accordance with widely-accepted ESG practices.

Leverage

Following the closing of this Offering, the Fund will enter into a loan facility (the "Loan Facility") or a prime brokerage facility (the "Prime Brokerage Facility") with one or more Canadian chartered banks or affiliates thereof (the "Lender"). The Lender will be at arm's length to the Fund, the Trustee and the Manager and their respective affiliates and associates but may be affiliated with one of the Agents (as defined under "Plan of Distribution") other than Middlefield Capital Corporation.

The Loan Facility or Prime Brokerage Facility, as applicable, will permit the Fund to borrow an amount from 0% up to 25% of the value of the total assets of the Fund, including leverage obtained through short selling and net notional exposure under derivatives, which borrowing may be used for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units and maintaining liquidity. The interest rates, fees and expenses under the Loan Facility or Prime Brokerage Facility, as applicable, will be typical of credit facilities of this nature and the Fund expects that the Lender will require the Fund to provide a security interest in favour of the Lender over the assets of the Fund to secure such borrowings. In order to ensure that the total amount borrowed by the Fund under the Loan Facility or Prime Brokerage Facility, as applicable, does not exceed at any time 25% of the value of the total assets of the Fund, the Manager will take appropriate steps with the Portfolio which may include liquidating certain of the Portfolio assets and using the proceeds thereof to reduce the amount outstanding under the Loan Facility or Prime Brokerage Facility, as applicable. The Fund initially intends to borrow approximately 23.5% of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio. The Fund will monitor its use of leverage and, based on factors such as changes in interest rates, the Advisor's economic

outlook and the composition of the Portfolio, the Fund may from time to time alter the amount of leverage it employs. The maximum amount of aggregate leverage that the Fund may employ through a loan facility, prime brokerage facility and short sales is 1.33 to 1 (maximum total assets divided by the NAV (as defined under “Calculation of Net Asset Value”). For greater certainty, short selling and derivatives used by the Fund solely for hedging purposes will not be included in leverage. See “Risk Factors - Risks Related to the Structure of the Fund - Use of Leverage by the Fund”. The Loan Facility or Prime Brokerage Facility, as applicable, will contain provisions to the effect that in the event of a default under the Loan Facility or Prime Brokerage Facility, as applicable, the Lender’s recourse will be limited solely to the assets of the Fund. Such provisions are intended to ensure that Unitholders will not be liable for the obligations of the Fund under the Loan Facility or Prime Brokerage Facility, as applicable. Other than borrowing by the Fund under the Loan Facility or Prime Brokerage Facility, as applicable, the Fund does not contemplate engaging in other borrowings.

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

Short Selling

The Fund may engage in short selling as permitted by securities laws, up to a maximum of 10% of the NAV. This 10% limit, however, does not apply to short sales of securities or short positions maintained by the Fund for the purposes of hedging (as defined in NI 81-102) the exposure of the Portfolio to equity securities that are to be received by the Fund in connection with (i) the exercise by the Fund of a right to acquire such securities pursuant to a conversion or (ii) the exercise by the issuer of a right to issue such securities at maturity. The Fund may engage in short selling and may do so as a complement to the Fund’s investment strategy in circumstances where the Advisor expects that the securities of an issuer will decrease in market value.

Currency Hedging

The Portfolio will include securities which are denominated in currencies other than the Canadian dollar (any such currencies being “foreign currencies”) and, accordingly, the Fund will be exposed to foreign currency risk. The Fund initially intends to hedge the majority of its exposure to foreign currencies back to the Canadian dollar. The decisions as to whether the Fund’s exposure to foreign currencies will be hedged back to the Canadian dollar, and the amount of such exposure to be hedged, will depend on such factors as exchange rates, the Advisor’s outlook for the economy both in Canada and globally and for the industries in which Sustainable Real Estate Issuers operate, and a comparison of the costs associated with such hedging transactions against the benefits expected to be obtained therefrom.

Use of Derivative Instruments

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

Subject to the Fund’s investment restrictions, the Fund also may invest in or use derivative instruments for non-hedging purposes consistent with its investment objectives to a maximum of 10% of the NAV. While the Fund does not currently intend to invest in or use derivative instruments for non-hedging purposes, in the event the Fund elects to do so it may, for example, write covered call options on some or all of the securities comprising the Portfolio or write cash covered put options. The holder of a covered call option purchased from the Fund will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Fund at the exercise price per security determined at the time of writing the call option. In addition, the Fund may from time to time engage in writing cash covered put options based on a portion of the Fund’s assets held in cash, cash equivalents

and cash cover. The Fund may utilize such cash, cash equivalents and cash cover to provide cover in respect of the writing of cash covered put options, which are intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the cash covered put options. The holder of a put option purchased from the Fund will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Fund at the exercise price per security. By selling covered call options and/or cash covered put options, the Fund will receive option premiums.

Securities Lending

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

OVERVIEW OF THE SECTOR IN WHICH THE FUND INVESTS

The Fund has been designed to provide investors with a diversified, actively managed portfolio comprised primarily of dividend paying securities of Sustainable Real Estate Issuers, including those whose operations may be related to sustainable building materials, building efficiency, and sustainably managed REITs.

The Advisor believes that sustainable solutions are playing critical roles in the green property economy, and in particular:

Investing in Global Real Estate Companies that are Prioritizing ESG Initiatives		
Building Efficiency	Sustainably Managed REITs	Sustainable Building Materials
<ul style="list-style-type: none"> Companies dedicated to optimal building design and equipment upgrades help property owners maximize efficiency and cut operating costs Strong demand for these technologies is supported by major sustainability goals set by governments and corporations 	<ul style="list-style-type: none"> Greener properties are more likely to have a lower average cost of capital, attract high-quality tenants and have a positive impact on local communities REITs with a sustainable focus are benefiting from institutional and professional ESG investor interest 	<ul style="list-style-type: none"> Organizations are prioritizing the use of environmentally friendly building inputs that align with higher ESG standards Demand for these innovative materials continues to grow as regulators and investors put more emphasis on climate-related disclosures

Why Should Investors Own Green Real Estate?

- The Advisor believes that sustainable real estate benefits from higher tenant and investor interest because of lower average operating expenses, higher market rents, fewer vacancies and lower environmental impact (Source: *A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties*; Aalto University; March 31, 2020; <https://www.mdpi.com/2071-1050/12/7/2729>)

Powerful Secular Trends:

- Green buildings are commanding higher rents than non-green properties, reflecting a “sustainability premium” (Source: *ESG and Real Estate: The Top 10 Things Investors Need to Know*; CBRE; October 18, 2021; <https://www.cbre.com/insights/reports/esg-and-real-estate-the-top-10-things-investors-need-to-know>)
- ESG factors have become increasingly important in identifying leading real estate investment opportunities (Source: *ESG and Real Estate: The Top 10 Things Investors Need to Know*; CBRE;

October 18, 2021; <https://www.cbre.com/insights/reports/esg-and-real-estate-the-top-10-things-investors-need-to-know>)

High Income and Significant Growth Potential:

- Global REITs generate yields that are significantly higher than the broader index (Source: Bloomberg; January 2022)
- REITs focused on Corporate Social Responsibility have a lower average cost of capital and higher price targets (Source: *ESG and Real Estate: The Top 10 Things Investors Need to Know*; CBRE; October 18, 2021; <https://www.cbre.com/insights/reports/esg-and-real-estate-the-top-10-things-investors-need-to-know>)

Hedge against Inflation and Higher Interest Rates:

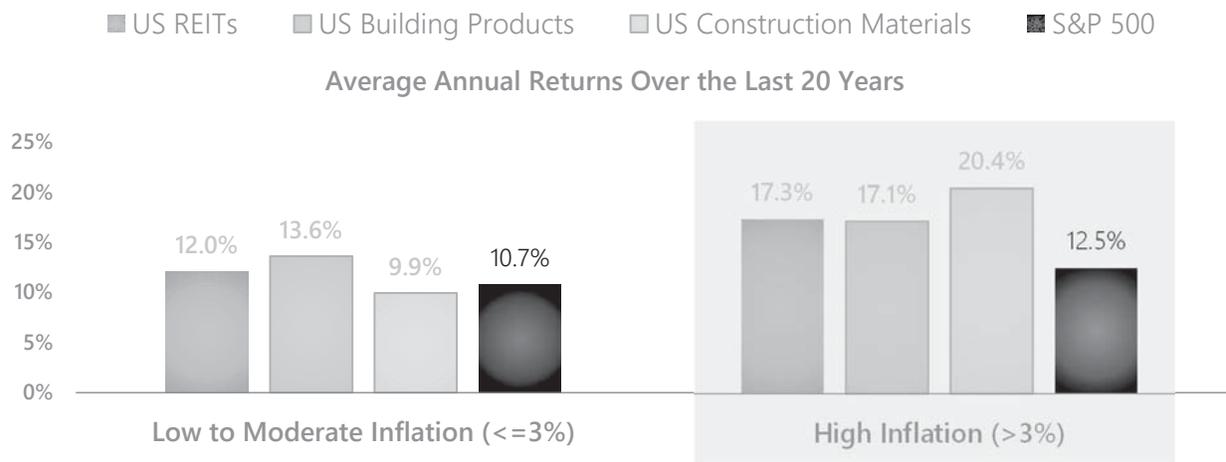
- Real estate owners have the ability to pass-through rising costs via higher rents and property prices (Source: *Which equity sectors can combat higher inflation?*; Schoders; March 24, 2021; <https://www.schroders.com/en/insights/economics/which-equity-sectors-can-combat-higher-inflation/>)
- REITs generated positive total returns in 84% of months with rising Treasury yields between Q1 1993 to Q2 2021 (Source: *REITs and Interest Rates*; Nareit; December 2021; <https://www.reit.com/investing/reits-and-interest-rates>)

Diversification Benefits:

- Real estate has historically shown low-to-moderate correlation with the stock market, bonds and other assets (Source: *REITs and Diversification*; Nareit; December 2021; <https://www.reit.com/investing/investment-benefits-reits/reits-and-diversification>)
 - Approximately 60% of professionally managed global real estate investments are outside North America (Source: *Real Estate Market Size 2020/2021*; MSCI; 2021; <https://www.msci.com/documents/10199/a4535e8e-3b0d-f34d-4a0b-dc73058f7469>)
- As shown in the charts below, U.S. REITs, U.S. Building Products and U.S. Construction Materials have outperformed the S&P 500 over the past 20 years during times of high inflation

Sustainable Real Estate: Built for the Current Investment Climate

REITs and Building Products & Materials Have Outperformed During Years of High Inflation



Source: Bloomberg. Total returns in USD
For the Period December 31, 2001 to December 31, 2021

Investment Opportunities

Sustainably Managed REITs
(Initial Allocation of 50% to 70%)

Sustainability Targets, Renewable Power Usage and Green Bond Issuers

Examples of issuers include Alexandria Real Estate Equities Inc., AvalonBay Communities Inc., SEGRO plc, Vonovia SE, and Digital Realty Trust Inc.

The Advisor believes that:

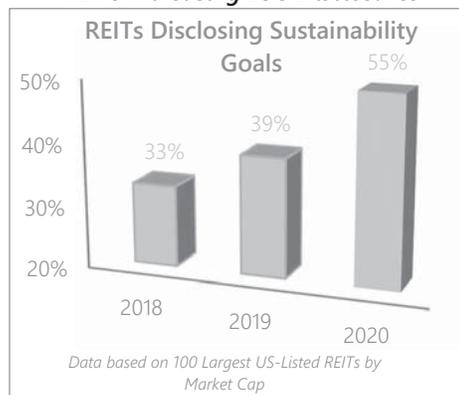
- On average, green certification increases rental income, occupancy and sales prices by 6.3%, 6.0% and 14.8%, respectively, while reducing operating costs by 0.4% (Source: *A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties*; Aalto University; March 31, 2020; <https://www.mdpi.com/2071-1050/12/7/2729>)
- 83% of industry executives expect growing demand for sustainable buildings from tenants (Source: *Real Estate's Role in the Environmental, Social and Governance (ESG) Agenda*; CBRE; September 16, 2021; <http://cbre.vo.llnwd.net/grgservices/secure/ESG-Occupier-2021.pdf?e=1642633661&h=2a774ac404d012ecffe36ece5e5bf269>)
- 34% of global commercial tenants have green lease clauses, which provide incentives to be more environmentally conscious. An additional 40% plan to sign them by 2025 (Source: *How are green leases supporting real estate's decarbonization drive?*; JLL; October 21, 2021; <https://www.jll.ca/en/trends-and-insights/workplace/how-are-green-leases-supporting-real-estates-decarbonization-drive>)
- From 2019 to 2020, NAREIT member GRESB participants reduced greenhouse gas emissions by 430k tonnes, representing a 5% decline and reduced energy consumption by 2% (Sources: *2021 REIT Industry ESG Report*; Nareit; June 2021; https://www.reit.com/sites/default/files/2021-06/Nareit_ESG_Report_2021_Final.pdf)
- 55% of the 100 largest U.S. REITs disclosed carbon targets and sustainability goals in 2020, up from 33% in 2018 (Source: *REIT ESG Dashboard*; Nareit; January 15, 2022; <https://www.reit.com/investing/reits-sustainability/reit-esg-dashboard>)
- In 2020, 98 of the 100 largest REITs in the United States publicly report on ESG (Sources: *2021 REIT Industry ESG Report*; Nareit; June 2021; https://www.reit.com/sites/default/files/2021-06/Nareit_ESG_Report_2021_Final.pdf)
- Green bond proceeds grew to 16% of total U.S. REIT debt offerings through September of 2021, up from 10% in 2020 (Source: *Green bonds growing as a share of REIT debt issuance*; S&P Global; September 13, 2021; <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/green-bonds-growing-as-a-share-of-reit-debt-issuance-66559830>)

Green Certification Improves Cash Flow

Financial Metric	Effect
Rental Income	+6.3%
Occupancy	+6%
Sales Price	+14.8%
Operating Costs	-0.4%

Source: *A Review of the Impact of Green Building Certification on the Cash Flows and Values of Commercial Properties*, Aalto University, March, 2020

REITs Increasing ESG Disclosures



Source: *REIT ESG Dashboard*, Nareit, Accessed January, 2022

Sustainable Building Materials
(Initial Allocation of 15% to 25%)

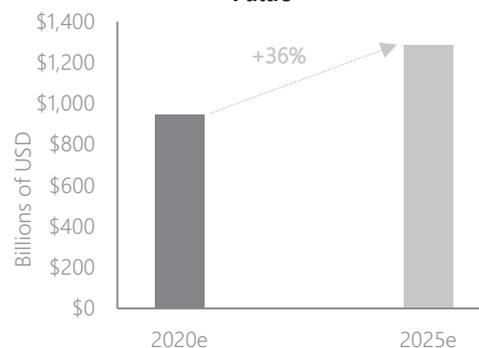
Concrete Alternatives, Green Steel, Low-Carbon Commodities

Examples of issuers include CRH plc and EVRAZ plc.

The Advisor believes that:

- The global market for construction & building materials is expected to grow to U.S.\$1.28 trillion by 2025, up from U.S.\$946 billion in 2020 (Source: *Global Construction & Building Materials Market Research Report (2021 to 2025)*; 360iResearch; October 28, 2021; <https://www.globenewswire.com/news-release/2021/10/28/2322464/0/en/Global-Construction-Building-Materials-Market-Research-Report-2021-to-2025-by-Material-Building-Type-and-Region.html>)
- Demand for alternative construction materials such as cross-laminated timber, concrete alternatives, papercrete and hempcrete is rising as they are high quality substitutes and more environmentally friendly (Source: *HUB International 2022 Outlook Construction Industry*; Hub International; December 2021; <https://www.hubinternational.com/insights/outlook-2022/construction/>)
- Significant barriers and restrictive environmental laws are deterring new entrants from entering the industry, resulting in limited competition and sustainable pricing power. The top 8 incumbents currently control approximately 90% of volume (Source: *Moody's Reports Positive Outlooks for U.S. Building Materials and Homebuilding*; Moody's Investors Service; September 23, 2020; <https://www.forconstructionpros.com/business/news/21195282/moodys-reports-positive-outlooks-for-building-materials-and-homebuilder-sectors>)

Construction and Building Materials Market Value



Source: *Source: Construction and Building Materials Report*, Research and Markets, October, 2021

Building Efficiency
(Initial Allocation of 15% to 25%)

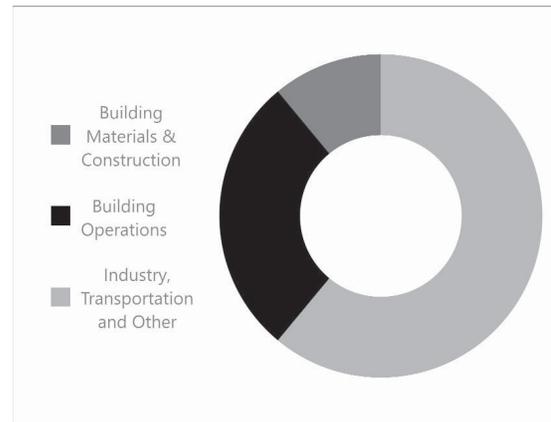
Efficient HVAC, Natural Ventilation, Smart Lighting

Examples of issuers include Assa Abloy AB and Kingspan Group plc.

The Advisor believes that:

- Buildings generate nearly 40% of global CO₂ emissions through operations and materials & construction (Source: *Why the Building Sector; Architecture 2030; 2021*; <https://architecture2030.org/why-the-building-sector/>)
- Upgrading insulation in walls, roofs, floors and glazing with materials such as fiberglass, polystyrene and glass can reduce energy demand by approximately 30% over the course of 50 years (Source: *Call for action: Seizing the decarbonization opportunity in construction; McKinsey & Company; July 14, 2021*; <https://www.mckinsey.com/industries/engineering-construction-and-building-materials/our-insights/call-for-action-seizing-the-decarbonization-opportunity-in-construction>)
- Buildings can improve energy efficiency by nearly 20% by switching to renewable heating technologies such as solar thermal, geothermal heat pumps, biogas or hydrogen boilers (Source: *Call for action: Seizing the decarbonization opportunity in construction; McKinsey & Company; July 14, 2021*; <https://www.mckinsey.com/industries/engineering-construction-and-building-materials/our-insights/call-for-action-seizing-the-decarbonization-opportunity-in-construction>)

Annual Global CO₂ emissions



Source: *Why the Building Sector, Architecture 2030, Accessed January, 2022*

INVESTMENT RESTRICTIONS

The Fund cannot engage in any undertaking other than the investment of its assets in accordance with its investment objectives and strategy and in compliance with the investment restrictions set out in NI 81-102 that are applicable to non-redeemable investment funds from time to time. In addition, the Fund shall be subject to the following investment restrictions pursuant to which the Fund will not:

- (a) for a period of more than 30 consecutive days have:
 - (i) less than 75% of the value of the total assets of the Fund (excluding cash and cash equivalents) comprised of the securities of Sustainable Real Estate Issuers;
 - (ii) more than 25% of the value of the total assets of the Fund (excluding cash and cash equivalents) comprised of the securities of issuers having a market capitalization of less than Cdn.\$1 billion; or
 - (iii) more than 15% of the value of the total assets of the Fund (excluding cash and cash equivalents) comprised of securities of issuers from countries which meet MSCI's definition of "emerging market country" and which are listed in MSCI's Emerging Market Index (which countries are selected on an annual basis);

- (b) own more than 10% of any class of securities of any one issuer or purchase the securities of an issuer for the purpose of exercising control over management of any issuer;
- (c) borrow an amount exceeding 25% of the value of the total assets of the Fund, including leverage obtained through short selling and net notional exposure under derivatives (for greater certainty, short selling and derivatives used by the Fund solely for hedging purposes will not be included in leverage), or guarantee the obligations of any person other than the Manager, and then only in respect of the activities of the Fund;
- (d) invest in or use derivative instruments other than for hedging purposes in a manner consistent with its investment objectives, or invest in or use derivative instruments for non-hedging purposes other than in a manner consistent with its investment objectives to a maximum of 10% of the NAV;
- (e) purchase securities on margin or make short sales of securities or maintain short positions, in each case in excess of 10% of the NAV. This 10% limit, however, does not apply to short sales of securities or short positions maintained by the Fund for the purposes of hedging (as defined in NI 81-102) the exposure of the Portfolio to equity securities that are to be received by the Fund in connection with (i) the exercise by the Fund of a right to acquire such securities pursuant to a conversion or (ii) the exercise by the issuer of a right to issue such securities at maturity;
- (f) make or hold any investment or undertake any activity that would result in the Fund failing to qualify as a “mutual fund trust” within the meaning of the Tax Act;
- (g) make or hold any investments that would result in the Fund itself being subject to the tax for SIFT trusts as provided for in section 122 of the Tax Act (the “SIFT Rules”), including the following restrictions:
 - (i) the Fund must not hold “securities” of a “subject entity”, other than a “portfolio investment entity”, (as defined in the SIFT Rules) if such securities have a fair market value that is greater than 10% of the equity value in such subject entity for the purposes of the Tax Act;
 - (ii) the Fund must not hold “securities” of a “subject entity”, other than a “portfolio investment entity”, (as defined in the SIFT Rules) if, together with all of the securities that the Fund holds of entities affiliated with the particular subject entity, such securities have a total fair market value that is greater than 50% of the equity value of the Fund for the purposes of the Tax Act; and
 - (iii) the Fund must not acquire any property that is a “Canadian real, immovable or resource property” for purposes of the Tax Act if at any time in the taxation year the total fair market value of such property held by the Fund is greater than 50% of the equity value of the Fund for the purposes of the Tax Act;
- (h) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act, or (iii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act;
- (i) invest in any security that is a “tax shelter investment” within the meaning of section 143.2 of the Tax Act;
- (j) make or hold any investment that would be “taxable Canadian property” of the Fund (as such term is defined in the Tax Act (if the definition were read without reference to paragraph (b) thereof)) if it would result in the Fund owning such properties having a fair market value greater than 10% of the fair market value of all of its property;

- (k) with the exception of securities of the Fund’s own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager or the Advisor or any of their respective affiliates, with any officer, director or shareholder of any of them, with any person, trust, firm or corporation managed by the Manager or the Advisor or any of their respective affiliates or with any firm or corporation in which any officer, director or shareholder of the Manager or the Advisor may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any such purchase or sale of securities, the purchase price approximates the prevailing market price and such transaction is otherwise in accordance with applicable laws;
- (l) engage in securities lending that does not constitute a “securities lending arrangement” for purposes of the Tax Act; or
- (m) enter into any arrangement where the result is a “dividend rental arrangement” for purposes of the Tax Act.

The Fund will not be considered to have breached the investment restrictions set forth above and will not be required to dispose of any security in the Portfolio as a result of later changes to the value of such security, the Portfolio or the total assets of the Fund as a whole (except for the restrictions in paragraphs (f) to (j) above which must be complied with at all times and which may necessitate the sale of Portfolio securities from time to time) so long as any percentage restriction on investment or use of assets set forth above was adhered to at the time of purchase. If the Fund receives from an issuer subscription rights to purchase Portfolio securities of that issuer, and if the Fund exercises those subscription rights at a time when the Fund’s holdings of Portfolio securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of Portfolio securities on exercise of those rights, the Fund has sold at least as many Portfolio securities of the same class and value as would result in the Fund complying with the restriction.

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

FEES AND EXPENSES

Fees and Expenses Payable by the Fund

Initial Expenses

The expenses of the Offering (including the costs of creating and organizing the Fund, the costs of printing and preparing this prospectus, legal expenses of the Fund, marketing expenses, certain expenses incurred by the Agents and certain other expenses) will, together with the Agents’ fees, be paid from the gross proceeds of the Offering. The initial expenses (excluding the Agents’ fees) are estimated to be \$500,000 and are subject to a maximum of 1.5% of the gross proceeds of the Offering.

Management Fee

Pursuant to the terms of the Management Agreement (as defined under “Organization and Management Details of the Fund – Manager of the Fund”), the Manager is entitled to a management fee at an annual rate of 1.25% of the NAV, plus applicable taxes, provided that the management fee payable to the Manager shall not be paid in respect of the NAV attributable to any assets of the Fund invested in the securities of any investment funds (including mutual funds) managed by the Manager or an affiliate of the Manager. The management fee payable to the Manager will be calculated and payable monthly based on the average NAV for that month. The management fee will be paid in cash.

The Manager’s duties include, among others: maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; handling securities trades on behalf of the Fund; preparing financial statements, income tax forms and financial and accounting information as required by the Fund; calculating or arranging for the calculation of the NAV; providing Unitholders with financial statements and other reports as are required by applicable law from time to time; monitoring the Fund’s compliance with regulatory

requirements; preparing the Fund's reports to Unitholders and the Canadian securities regulatory authorities; determining the amount of distributions, if any, to be paid by the Fund; and negotiating contractual agreements with third-party providers of services, including the Fund's auditor and its printers. See "Organization and Management Details of the Fund – Duties and Services to be Provided by the Manager".

Pursuant to the terms of the Advisory Agreement (as defined under "Organization and Management Details of the Fund – The Advisor"), the Advisor is entitled to an advisory fee (the "Advisory Fee") which will be payable by the Manager, and not the Fund. The Manager and the Advisor will be reimbursed by the Fund for all reasonable out-of-pocket costs and expenses incurred by them on behalf of the Fund in connection with the operation and management of the Fund as described under "Fees and Expenses – Operating Expenses of the Fund" (see "Organization and Management Details of the Fund – Details of the Management Agreement" and see "Organization and Management Details of the Fund – Details of the Advisory Agreement").

Trustee Fee

So long as the Trustee is the same person as the Manager, the Trustee will not be entitled to receive any fee but will be reimbursed by the Fund for all expenses and liabilities properly incurred in connection with its duties.

Operating Expenses of the Fund

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

Additional Services

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

Fees and Expenses Payable by Unitholders

Any expenses associated with the redemption of Units, including expenses associated with the preparation and delivery of redemption notices and expenses associated with the selling of Portfolio securities to fund such

redemption, will be for the account of the Unitholder exercising the redemption privilege. See “Redemptions of Securities”.

RISK FACTORS

An investment in the Fund involves risks. Certain risk factors relating to the Fund and the Units are described below. Additional risks and uncertainties not currently known to the Manager, Advisor or that are currently considered immaterial, may also impair the operations of the Fund. An investment in the Fund is appropriate only for investors who have the capacity to absorb a partial or full loss on their investment and who can withstand the effect of potentially having no distribution being paid in any period. As the value of the Units of the Fund will be based upon the value of the Portfolio, risks relating to the Portfolio will affect investors in the Fund. In addition to the matters set out elsewhere in this prospectus, the following are certain risk factors and considerations related to the Fund which prospective investors should consider before purchasing Units:

Risks Related to Investment Objectives and Strategy

No Assurances of Achieving Objectives

There is no assurance that the Fund will be able to achieve its investment objectives, including being able to pay distributions to Unitholders in an amount equal to the Target Distribution Amount or at all, or to provide enhanced long-term total return. In addition, in the event the Fund varies the amount of leverage it employs and/or the composition of the Portfolio, the rate of return required to be generated by the Portfolio in order to achieve the Target Distribution Amount from time to time also may vary. In the event the Fund does not employ leverage, the Fund may adjust the composition of the Portfolio, revise the Target Distribution Amount or may be required to return capital to Unitholders in order to achieve the Target Distribution Amount. The Fund will attempt to achieve its investment objectives through its investment strategy as described above under the heading “Investment Strategy”. In the event that the Units are listed for trading on the Toronto Stock Exchange (the “TSX”) or any other exchange, it is possible that the Units will trade at a premium or at a discount to NAV.

COVID-19

The COVID-19 outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. COVID-19 has caused governments across the globe to impose restrictions, such as quarantines, closures, cancellations and travel restrictions on its citizens. Normal commercial activities across many industries and individual companies have been negatively affected by such actions, leading to volatility in the global financial markets and disruptions in the global economy. COVID-19 as well as other epidemics and pandemics that may arise in the future could negatively affect the worldwide economy, including Sustainable Real Estate Issuers, which could adversely affect the value of the securities in the Portfolio and in turn, the Net Asset Value of the Units.

Risks Related to the Portfolio Securities

Risks Related to Issuers Operating in the Real Estate Sector

Investments in issuers operating in the real estate sector will be subject to the general risks associated with real property investments, including that the value of real property can fluctuate. Real property investments are affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available properties, fluctuations in occupancy rates, operating expenses and various other factors. The value of real property and any improvements thereto, in particular income-producing real property, also may depend on the creditworthiness and financial stability of the borrowers and/or tenants. The income of an issuer operating in the real estate sector that is available for payment to its unitholders or shareholders, as the case may be, would be adversely affected if a significant number of tenants were to become unable to meet their obligations, or if the issuer was unable to lease a significant amount of available space in its properties on economically favourable lease terms. Changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting the ability of the borrower to service the debt and/or repay the loan based on the property income.

ESG Risk

The Advisor will consider ESG factors as part of the investment process for the Fund. These considerations may vary over time and may include consideration of third-party research and third party ESG indexes as well as consideration of proprietary research across the ESG risks and opportunities regarding an issuer. The Advisor will consider those ESG factors it deems relevant or additive when making investment decisions for the Fund. The ESG factors utilized in the Fund's investment process are anticipated to evolve over time and one or more factors may not be relevant with respect to all issuers that are eligible for investment. ESG factors are not the sole considerations when making investment decisions for the Fund.

The use of an ESG investment strategy may limit the types and number of investment opportunities available to the Fund and, as a result, the Fund may underperform other funds that do not have an ESG focus. The Fund's ESG investment strategy may result in the Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG factors. The companies selected based on ratings and indexes of ESG companies as demonstrating ESG factors may not be the same companies selected by other rating providers or indexes that use their own ESG screens. The methodology of a rating or index may change from time to time at the discretion of the provider of the rating or index for any reason, including as a result of changes to ESG principles generally. Investors can differ in their views of what constitutes positive or negative ESG factors. As a result, the Fund may invest in issuers that do not reflect the beliefs and values of any particular investor.

Risks Related to Investments in Geographic Regions Outside of Canada

The Portfolio may include the securities of issuers that are domiciled in or derive a significant portion of their revenue from geographic regions globally. Accordingly, the performance of the Portfolio is expected to be closely tied to social, political and economic conditions within the geographic regions in which the Fund has invested.

Risks of Portfolio Concentration

The assets of the Fund will consist of securities of Sustainable Real Estate Issuers. Accordingly, the Fund's Portfolio will have relatively narrow diversification in that its investments will be limited only to certain industries. The securities of Sustainable Real Estate Issuers are likely to be adversely impacted by any downturns in the global or any local economy that impact the real estate and related sectors in particular. Accordingly, this Portfolio concentration may have a negative impact on the value of the Units and the general risk of the Portfolio may be increased as a result of such sector and/or technology concentration.

Fluctuations in Net Asset Value and Market Price of Units

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

Sensitivity to Interest Rates

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

General Risks of Equity Investments

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

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

The securities of the issuers in which the Fund invests may be cease-traded by order of the relevant securities regulatory authority or halted from trading by the relevant stock exchange. If a material number of issuers whose securities comprise the Portfolio are cease-traded or halted, the Fund may be unable to trade in such securities or rebalance the Portfolio.

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

Risk Related to Investments in Emerging Markets

The Fund may invest up to 15% of the Portfolio in securities of issuers from countries which meet MSCI's definition of "emerging market country" and which are listed in MSCI's Emerging Market Index (which countries are selected on an annual basis).

Risks of investing in emerging markets issuers include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. In addition, the currencies of emerging market countries may experience significant declines against the Canadian dollar, and devaluation may occur subsequent to investments in these currencies by the Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries. Certain emerging markets also may face other significant internal or external risks, including a heightened risk of war, and ethnic, religious and racial conflicts. In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth, and which may in turn diminish the value of the companies in those markets.

Risks Related to the Structure of the Fund

Foreign Currency Exposure

The Portfolio will include securities denominated and paying distributions in foreign currencies, including the U.S. dollar. As the NAV will be calculated in Canadian dollars, to the extent the Fund's exposure to foreign currencies has not been hedged back to the Canadian dollar, the NAV will be affected by changes in the value of those foreign currencies against the Canadian dollar. While the Fund initially intends to hedge its exposure to foreign currencies back to the Canadian dollar, it may not be fully hedged at all times. Distributions received on Portfolio

securities will not be hedged and any hedging strategy of the Fund may not be successful. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors.

Distributions

The Fund initially intends to pay monthly distributions on all Units in an amount equal to \$0.04167 per Unit. The Manager will review such distribution policy from time to time and the distribution amount may change. If the returns on the Portfolio (including net realized capital gains from the sale of securities in the Portfolio) are less than the amount necessary to fund the monthly distributions, the Manager may return a portion of the capital of the Fund to Unitholders to ensure the distribution is paid and, accordingly, the NAV per Unit would be reduced.

Reliance on the Advisor

The Advisor will provide investment advice regarding the Portfolio in a manner consistent with the Fund's investment objectives, strategy and restrictions. Although the employees of the Advisor who are primarily responsible for providing such advice in respect of the Portfolio have extensive experience in managing investment portfolios, there is no certainty that such individuals will continue to be employees of the Advisor throughout the life of the Fund or that the Advisor will continue to be engaged as advisor to the Fund.

Use of Leverage by the Fund

The use of leverage by the Fund may result in capital losses or a decrease in distributions to Unitholders. If the value of the Portfolio decreases such that the amount borrowed by the Fund exceeds 25% of the value of the total assets of the Fund, the Fund may be required to sell assets in order to comply with such investment restriction. Such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the returns to the Fund. The interest expense and banking and other fees incurred in respect of any loan facility or prime brokerage facility entered into by the Fund will decrease the value of the assets of the Fund, thereby reducing the amounts available to pay distributions on the Units. In addition, the Fund may not be able to renew any borrowings on acceptable terms or at all. There can be no assurance that the borrowing strategy employed by the Fund will assist the Fund in achieving its objectives.

Hedging Strategy

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

No Guaranteed Returns

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

Loss of Investment

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

Illiquid Securities

There is no assurance that an adequate market will exist for the securities held in the Portfolio, including any that are not listed on a securities exchange. The Fund cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their respective net asset values, if applicable. If the market for a specific security is particularly illiquid, the Fund may be unable to dispose of such securities or may be unable to dispose of such securities

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

Risks of Short Sales and Margin Purchases

The Fund may engage in short selling securities or maintain short positions to a maximum of 10% of the NAV, provided that such 10% limit does not apply to short sales of securities or short positions maintained for purposes of hedging (as defined in NI 81-102) the Portfolio's exposure to the equity securities to be received by the Fund in connection with the exercise of the right to acquire such securities pursuant to a conversion or in connection with the exercise by the issuer of the right to issue such securities at maturity. A short sale of a security may expose the Fund to losses if the price of the security sold short increases because the Fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the Fund wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price, which particularly may be the case with respect to illiquid securities as a lesser number of such securities will be available for borrowing and then only at a higher cost. In the event that numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

Purchasing securities on margin exposes the Fund to the risk of increased losses if the value of the securities purchased on margin decreases sufficiently, as the Fund will be required to repay its securities dealer for the margin used to purchase securities and may therefore be required to sell assets in order to maintain the margin requirements of its trading account. In addition, if the value of securities purchased on margin exceeds 10% of the NAV, the Fund may sell assets in order to comply with its investment restrictions. In either case, such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the returns to the Fund.

Use of Derivative Instruments

The Fund may utilize derivatives for hedging purposes and, to a limited extent, non-hedging purposes. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include, without limitation: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Fund wants to complete the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Fund from completing the derivative contract; (iv) the Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and (v) if the Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer. In circumstances where there is an interest rate hedge employed, total returns on the Portfolio may be higher with the hedge than without it when interest rates rise significantly, but total returns may be lower than it otherwise would be in a stable to falling interest rate environment.

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

Securities Lending

The Fund may engage in securities lending. Although the Fund will receive collateral for the loans, and such collateral is marked to market, the Fund will be exposed to the risk of loss should the borrower default on its obligation

to return the borrowed securities and should the collateral be insufficient to reconstitute the portfolio of loaned securities. In addition, the Fund will bear the risk of loss of any investment of cash collateral.

Trading Price of Units

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

In recognition of the possibility that the Units may trade at a discount, the terms and conditions attaching to the Units have been designed to attempt to reduce or eliminate a market value discount from the NAV per Unit by way of mandatory and optional purchases of Units by the Fund, as described under “Attributes of Securities – Market Purchases”. There can be no assurance that purchases of Units by the Fund will result in the Units trading at a price which is equal to the NAV per Unit. The Fund anticipates that the market price of the Units will in any event vary from the NAV per Unit. The market price of the Units will be determined by, among other things, the relative demand for and supply of Units in the market, the performance of the Portfolio and investor perception of the Fund’s overall attractiveness as an investment as compared with other investment alternatives. The NAV per Unit and the market price of the Units is subject to factors beyond the control of the Fund, the Manager, the Trustee and the Advisor.

If the Units are thinly traded, purchases made in the market under the Reinvestment Plan may significantly affect the market price of the Units. Depending on market conditions, a direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan.

Marketability and Operating History

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

Availability of Leverage

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

Risks Related to Redemptions

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

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

Status of the Fund

The Fund is not a mutual fund under Canadian securities legislation and therefore will not be subject to the various policies and regulations that apply to mutual funds. The Fund is a non-redeemable investment fund under Canadian securities legislation and, as such, will be subject to NI 81-102 and NI 81-106, in each case as a non-redeemable investment fund.

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

Conflicts of Interest

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

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

Nature of Units

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

No Ownership Interest

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

Foreign Market Exposure

The Portfolio may, at any time, include securities of issuers established in jurisdictions outside Canada or the United States. Although most such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than there would be with respect to a Canadian or U.S. company. Volume and liquidity in some foreign stock markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded.

Exchange Option

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

under “Purchase of Securities – Determination of Exchange Ratio”), the Fund will, in effect, have paid more to acquire the security of the Exchange Eligible Issuer than it would have paid if it had acquired the same security in the market at that time.

Taxation of the Fund

There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of mutual fund trusts or in general will not be changed in a manner that adversely affects the Fund and the Unitholders.

It is anticipated that the Fund will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act but no assurance can be given in this regard. If the Fund were to cease to qualify as a mutual fund trust, the income tax considerations as described under “Income Tax Considerations” would be materially different and in some respects adverse.

In determining its income for tax purposes, the Fund generally will treat gains or losses on the disposition of securities in the Portfolio as capital gains and losses (see “Income Tax Considerations - Taxation of the Fund”). In addition, in accordance with the published administrative practice of CRA (as defined below), derivatives used to hedge capital items will be treated and reported for purposes of the Tax Act on capital account and designations with respect to its income and capital gains will be made and reported to Unitholders on this basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these dispositions or transactions of the Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase.

The Fund will be a SIFT trust (and effectively taxed as a public Canadian corporation) in a given taxation year for the purposes of the SIFT Rules if at any time in the taxation year it holds “non-portfolio property”. The Fund should not be a SIFT trust for the purposes of the SIFT Rules because the Fund should not hold “non-portfolio property” based on its investment objectives and investment restrictions, as described under the headings “Investment Objectives” and “Investment Restrictions”, respectively.

Portfolio assets received by Unitholders as a result of an in kind distribution by the Fund on termination, if any, may not be qualified investments for Registered Plans.

The Tax Act contains “loss restriction event” (“LRE”) rules that are broadly drafted and could potentially apply to certain trusts including the Fund. In general, a LRE occurs to the Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an “investment fund” which requires the Fund to satisfy certain investment diversification rules. The Fund expects to be an “investment fund”.

The Tax Act contains rules (the “DFA Rules”) that target certain financial arrangements (referred to as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would otherwise have the character of ordinary income to a capital gain. The DFA Rules are broadly drafted and could apply to other agreements or transactions. If the DFA Rules were to apply to derivatives used by the Fund, returns realized in respect of such derivatives would be treated as ordinary income or losses rather than capital gains and capital losses.

The after-tax return from an investment in Units to a Unitholder resident in Canada for the purposes of the Tax Act will depend in part on the Unitholder’s ability to recognize for purposes of the Tax Act foreign taxes paid by the Fund and designated to the Unitholder through foreign tax credits under the Tax Act (see “Income Tax Considerations”). A Unitholder’s ability to recognize foreign taxes through foreign tax credits may be affected where the Unitholder does not have sufficient taxes otherwise payable under Part I of the Tax Act or sufficient foreign source income in the taxation year the foreign taxes are paid or where the Unitholder has other foreign sources of income or losses or has paid other foreign taxes. Furthermore, foreign tax credits will be dependent upon the Canadian federal

and provincial tax rates and foreign tax rates that will prevail in future years to apply to applicable sources of income. Unitholders are therefore advised to consult their own tax advisors in regard to foreign tax credits. A Unitholder that is a Registered Plan will not be entitled to a foreign tax credit under the Tax Act in respect of any foreign tax paid by the Fund and designated in respect of the Registered Plan. As a result, the after tax return from an investment in Units to a Unitholder that is a Registered Plan may be adversely affected.

U.S. Withholding Tax Risks

The U.S. Foreign Account Tax Compliance Act (“FATCA”) requires a “foreign financial institution” (“FFI”), the broad definition of which would include an investment fund established outside of the United States, to undertake certain due diligence, reporting, withholding and certification obligations with respect to its direct and certain indirect investors. Failure to comply with FATCA could subject an FFI or its account holders to certain sanctions including a 30% U.S. withholding tax on certain payments to them, unless an exemption is met.

The Canadian government entered into an intergovernmental agreement with the United States (the “Canada-U.S. IGA”) which generally took effect on July 1, 2014. Under the Canada-U.S. IGA, Canadian FFIs, including the Fund, must comply with certain due diligence and reporting obligations on “U.S. Reportable Accounts”. Information provided to the CRA regarding US Reportable Accounts will be exchanged by the CRA with the U.S. Internal Revenue Service in accordance with the provisions of the Canada-U.S. tax treaty. A Canadian FFI that complies with the requisite due diligence and reporting requirements of the Canada-U.S. IGA will generally be relieved from certain obligations that would otherwise have been applicable under FATCA, including the obligation to withhold on payments to, or to close accounts of, individual account holders who do not provide requested information to permit the FFI to establish whether they are U.S. Reportable Accounts.

The Fund expects to qualify for relief under the Canada-U.S. IGA so as to avoid the imposition of the 30% withholding tax. The Fund (or the Manager, if it elects to be the sponsoring entity of the Fund) will be required under the Canada-U.S. IGA to register with the U.S. Internal Revenue Service. As long as Units continue to be registered in the name of CDS, the Fund should not have any U.S. Reportable Accounts. As a result, the Fund should not be required to provide information to the CRA under the Canada- U.S. IGA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Unitholders may be requested to provide information to their dealer to identify U.S. persons (including U.S. citizens) holding Units or that are certain entities the “controlling persons” of which are U.S. persons. If a Unitholder is a U.S. person or such an entity or if a Unitholder does not provide the requested information and indicia of U.S. status is identified, Part XVIII of the Tax Act will generally require information about the Unitholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within certain Registered Plans. The CRA is expected to provide that information to the U.S. Internal Revenue Service. See “Securityholder Matters - Exchange of Tax Information”.

Changes in Legislation

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

DISTRIBUTION POLICY

The Fund intends to provide Unitholders with monthly cash distributions to be declared payable to Unitholders of record on the last day of each month or such other date as the Trustee may set from time to time (any such date being the “Record Date”) and to be paid on or before the last business day of the following month (the “Distribution Date”). The Fund will at least annually determine and announce (commencing in April 2023) a target monthly distribution amount (the “Target Distribution Amount”) based upon prevailing market conditions and the estimate by the Manager of distributable cash flow for the period to which such Target Distribution Amount pertains. The initial Target Distribution Amount for the period ending April 30, 2022 is \$0.04167 per Unit per month (corresponding to an annualized distribution of \$0.50 per Unit per annum and representing an annualized yield of 5.0% per annum based on the original subscription price). The initial distribution is expected to be declared payable to Unitholders of record on May 31, 2022 and to be paid on or before the last business day of the following month. Assuming (i) the gross proceeds of the Offering are \$100 million, (ii) the fees and expenses are as described herein,

(iii) leverage of 23.5% of the total assets of the Fund is employed, which is the Fund's initial intention, and (iv) no change in exchange rates between the Canadian dollar and foreign currencies, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax) of approximately 3.6% per annum. The Portfolio would be required to generate an additional return of approximately 1.9% per annum (net of applicable withholding tax), including from dividend growth and realized capital appreciation, in order for the Fund to maintain its initially targeted distribution level and a stable NAV per Unit. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distributions at the Target Distribution Amount and all expenses of the Fund, and if the Fund pays the monthly distributions at such amount, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, the NAV per Unit would be reduced.

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

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

Distribution Reinvestment Plan

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

Subject to the foregoing, all monthly cash distributions will be automatically reinvested in additional Units on behalf of those Unitholders who are residents of Canada and who elect to participate in the Reinvestment Plan (each such Unitholder being a "Beneficial Plan Participant"). A Unitholder may become a Beneficial Plan Participant by notifying his, her or its broker, dealer, bank or other financial institution or other entity through which it holds Units ("CDS Participant"), which in turn will notify the Plan Agent through CDS, that the Unitholder wishes to become a Beneficial Plan Participant. Beneficial Plan Participants should note that (i) the Plan Agent is authorized to deal exclusively with CDS for the purposes of the Plan with respect to Units issued pursuant to the Reinvestment Plan that are registered in the name of CDS or its nominee, (ii) the rights of Beneficial Plan Participants whose Units are registered in the name of CDS or its nominee shall be exercised only indirectly through CDS, and (iii) Beneficial Plan

Participants will not be recognized by the Fund or the Plan Agent as registered holders of Units issued pursuant to the Reinvestment Plan.

Distributions due to Beneficial Plan Participants will be paid to the Plan Agent and applied to the purchase of Units on behalf of Beneficial Plan Participants in the following manner. If the weighted average trading price of the Units on the TSX (or such other exchange or market on which the Units are then listed and primarily traded) for the 10 trading days immediately preceding the relevant Distribution Date (the “Market Price”) plus estimated brokerage fees and commissions is greater than or equal to the NAV per Unit as at such Distribution Date, the Plan Agent will, after the relevant Distribution Date, apply distributions to the purchase of Units from the Fund at a price equal to NAV per Unit as at the Distribution Date, provided that if the NAV per Unit as at the Distribution Date is less than 95% of the Market Price per Unit as at the Distribution Date, then Units will be purchased from the Fund at a price equal to 95% of the Market Price as at the Distribution Date (the “Treasury Purchase Procedure”). No fees will be paid to the Plan Agent in connection with the Treasury Purchase Procedure. Otherwise, if the Market Price plus estimated brokerage fees and commissions is less than the NAV per Unit as at the Distribution Date, purchases of Units will be made in the market during the 10 trading days following the relevant Distribution Date, on any business day when the Market Price plus estimated brokerage fees and expenses is less than the NAV per Unit as at such Distribution Date, and on the 11th trading day after the Distribution Date the unused part (if any) of the distributions paid to the Plan Agent for the benefit of Beneficial Plan Participants will be applied to a purchase of Units from the Fund in accordance with the Treasury Purchase Procedure. Applicable brokerage fees and commissions incurred in connection with purchases of Units made in the market pursuant to the Reinvestment Plan will be borne on a *pro rata* basis by each Beneficial Plan Participant. Purchases of Units in the market pursuant to the Reinvestment Plan will not have a dilutive effect on the NAV per Unit.

The Units purchased in the market or from the Fund will be notified to CDS for allocation by CDS Participants on a *pro rata* basis among the Beneficial Plan Participants. The Plan Agent will credit the account of CDS with the appropriate number of Units purchased under the Reinvestment Plan. Units purchased will be credited by CDS for the benefit of a Beneficial Plan Participant to the account of the applicable CDS Participant through whom a Beneficial Plan Participant holds Units. No fractional Units will be issued under the Reinvestment Plan. Rather, a cash adjustment for any fractional Units will be paid by the Plan Agent to CDS on a monthly basis, based on the NAV per Unit on the last business day prior to the date of any such cash adjustment. No certificates representing Units issued or purchased pursuant to the Reinvestment Plan will be issued. **The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Beneficial Plan Participants of any income tax applicable to such distributions.** See “Income Tax Considerations”.

If the Units are thinly traded, purchases made in the market under the Reinvestment Plan may significantly affect the market price of the Units. Depending on market conditions, a direct reinvestment of cash distributions by Unitholders in the market may be more, or less, advantageous than the reinvestment arrangements under the Reinvestment Plan. The Plan Agent’s fees for administering the Reinvestment Plan will be paid by the Fund.

Beneficial Plan Participants will be able to terminate their participation in the Reinvestment Plan by providing notice to his, her or its CDS Participant. Such notice, if actually received by the CDS Participant prior to a Record Date, will have effect in respect of the distribution to be made as of such date. Thereafter, distributions to such Unitholders will be in cash. The Manager will be able to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to CDS and the Plan Agent. The Manager will also be able to amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to CDS, which notice may be given by the Fund by issuing a press release or by publishing an advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada or in any other manner the Manager determines to be appropriate. The Fund will not be required to issue Units into any jurisdiction where that issuance would be illegal.

PURCHASE OF SECURITIES

Method to Purchase Units

Prospective purchasers may acquire Units either by: (a) cash payment; or (b) an exchange (the “Exchange Option”) of freely tradeable securities of one or more of those issuers set forth below under the heading “Purchase of Securities – Exchange Eligible Issuers” (collectively, the “Exchange Eligible Issuers”) in accordance with the

procedure described below. Prospective purchasers may subscribe for Units through one of the Agents or any member of a sub-agency group that the Agents may form. Closing of this Offering is expected to occur on or about March 30, 2022 and, in any event, no later than 90 days after the issuance of a receipt for the final prospectus relating to the Offering. Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time.

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

Procedure

A prospective purchaser of Units who elects to pay for such Units by using the Exchange Option (the “Exchange Option Election”) must do so by means of a book-entry deposit of the securities of Exchange Eligible Issuers through CDS Clearing and Depository Services Inc. (“CDS”). Prospective purchasers who utilize the Exchange Option must deposit their securities of Exchange Eligible Issuers with Middlefield Capital Corporation (in such capacity, the “Exchange Agent”) through CDS prior to 5:00 p.m. (Toronto time) on February 24, 2022. Such book-entry deposits must be made by a participant in CDS (“CDS Participant”) which may have an earlier deadline for receiving instructions from their clients to deposit securities of Exchange Eligible Issuers under the Exchange Option. Once submitted to the Exchange Agent through CDS, a deposit of securities of an Exchange Eligible Issuer (including the transfers authorized thereby) is, subject to the completion of this Offering, irrevocable unless withdrawn as described below under the heading “Purchase of Securities – Withdrawal of Exchange Option Elections”. By authorizing a deposit of securities of an Exchange Eligible Issuer through CDS, a prospective purchaser has authorized the transfer to the Fund of each security of the Exchange Eligible Issuers so deposited and represents and warrants that the prospective purchaser has full right and authority to transfer the securities of the Exchange Eligible Issuers covered thereby and is the beneficial owner of such securities, that such securities have not previously been conveyed, that the transfer of such securities is not prohibited by laws applicable to the prospective purchaser and that such securities are free and clear of all liens, encumbrances and adverse claims. Such representations and warranties will survive the issuance of Units in exchange for such securities of Exchange Eligible Issuers. The Fund’s interpretation of the terms and conditions of the Exchange Option will be final and binding. The Fund reserves the right to waive any conditions of the Exchange Option and any irregularities in the deposit of securities of Exchange Eligible Issuers pursuant to the Exchange Option and to accept the deposit of securities of Exchange Eligible Issuers in exchange for less than an aggregate of 100 Units. Neither the Fund, the Agents nor the Exchange Agent shall be under any duty to notify a prospective purchaser of irregularities related to its deposit of securities of Exchange Eligible Issuers under the Exchange Option and will not incur any liability for failure to give such notification.

If for any reason securities of an Exchange Eligible Issuer deposited pursuant to the Exchange Option are not acquired by the Fund, the holders of such securities will be notified of such fact as soon as practicable following the closing or the termination of this Offering, as the case may be, and such securities will be re-credited to their accounts through CDS.

Determination of Exchange Ratio

The number of Units issuable for each class of security of an Exchange Eligible Issuer (the “Exchange Ratio”) will be determined for common shares, income trust units and preferred shares by dividing the weighted average trading price of such security on the TSX (or such other exchange or market on which such security is then listed) during the period of three consecutive trading days ending on March 9, 2022 (the “Pricing Period”), as adjusted to reflect distributions declared by any Exchange Eligible Issuer that will not be received by the Fund, by \$10.00. The Exchange Ratio for any such securities that do not trade in Canadian dollars will be determined by converting the weighted average trading price on the applicable exchange of such securities into Canadian dollars based on the Bank of Canada daily exchange rate of exchange on the last day of the Pricing Period. Holders of securities of Exchange Eligible Issuers (“Exchange Eligible Holders”) who deposited such securities pursuant to the Exchange Option will continue to be holders of record up to but not including the date of the closing of this Offering and will be entitled to receive distributions in respect of such securities of Exchange Eligible Issuers that are declared up to but not including such date. Each Exchange Ratio will be rounded down to five decimal places. The Fund will not issue fractional Units pursuant to the Exchange Option. Entitlement to fractional Units will be determined on the basis of the aggregate number of securities of each Exchange Eligible Issuer acquired pursuant to the Exchange Option and the Fund will issue to CDS cash in lieu thereof. Allocations by CDS of cash in lieu of fractional Units to participants in CDS will be at the discretion of CDS and the allocation of cash in lieu of fractional Units to purchasers who have authorized the deposit of securities of Exchange Eligible Issuers through CDS will be at the discretion of the CDS participants.

Delivery of Final Prospectus

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

The Fund will issue a press release as soon as practicable after the close of business on March 9, 2022 announcing for each of the Exchange Eligible Issuers, the name of the Exchange Eligible Issuer, the ticker symbol, the CUSIP number, the ISIN, the volume weighted average trading price of the securities during the Pricing Period and the Exchange Ratio.

Withdrawal of Exchange Option Elections

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

Maximum Offering

The maximum Offering (prior to the exercise of the Over-Allotment Option), comprised of the aggregate cash subscriptions and securities of the Exchange Eligible Issuers (based on the applicable Exchange Ratio and excluding that number of securities of Exchange Eligible Issuers deposited and not acquired as a result of such securities causing the Fund to hold more than the Maximum Ownership Level of the outstanding securities of an Exchange Eligible Issuer), shall not be more than \$75,000,000. If the maximum Offering (prior to the exercise of the Over-Allotment Option) is exceeded, the Fund will accept cash subscriptions first and will then accept securities of Exchange Eligible Issuers on a *pro rata* basis or such other reasonable basis that it may determine appropriate until the maximum Offering size of \$75,000,000 is achieved, subject to the conditions set forth above under the heading “Purchase of Securities – Method to Purchase Units”.

Exchange Eligible Issuers

The following table lists the names of the Exchange Eligible Issuers whose securities will be accepted by the Fund pursuant to the Exchange Option, as well as the ticker symbol, CUSIP number and ISIN of the applicable securities. The list below includes the securities of certain Canadian and U.S.-listed issuers that have CDS as their depository and clearing system and which may be included in the Portfolio. To the extent that securities of Exchange Eligible Issuers are acquired pursuant to the Exchange Option, the Fund will consider such securities in light of the Fund's investment objectives, strategy and restrictions and also in light of the Advisor's outlook for the issuers of such securities and the sectors in which such issuers operate and the Advisor's targeted initial Portfolio allocation. In the event the Fund determines to sell any such securities based on the foregoing considerations, the timing and manner of any such sales will be made having regard to maximizing value for the Fund. The Fund will ensure that all securities of Exchange Eligible Issuers acquired pursuant to the Exchange Option are held in compliance with the investment restrictions of the Fund set out under "Investment Restrictions".

Sustainably Managed REITs

Alexandria Real Estate Equities Inc	ARE	015271109	US0152711091
Allied Properties Real Estate Investment Trust	AP-U	019456102	CA0194561027
American Hotel Income Properties REIT LP	HOT-U	026695106	CA0266951064
Artis Real Estate Investment Trust	AX-U	04315L105	CA04315L1058
Atrium Mortgage Investment Corp	AI	04964G100	CA04964G1000
Automotive Properties Real Estate Investment Trust	APR-U	05329M104	CA05329M1041
AvalonBay Communities Inc	AVB	053484101	US0534841012
Boardwalk Real Estate Investment Trust	BEI-U	096631106	CA0966311064
Boston Properties Inc	BXP	101121101	US1011211018
BSR Real Estate Investment Trust	HOM/U	05585D103	CA05585D1033
Canadian Apartment Properties REIT	CAR-U	134921105	CA1349211054
Chartwell Retirement Residences	CSH-U	16141A103	CA16141A1030
Choice Properties Real Estate Investment Trust	CHP-U	17039A106	CA17039A1066
Cominar Real Estate Investment Trust	CUF-U	199910100	CA1999101001
Crombie Real Estate Investment Trust	CRR-U	227107109	CA2271071094
Crown Castle International Corp	CCI	22822V101	US22822V1017
CT Real Estate Investment Trust	CRT-U	126462100	CA1264621006
Digital Realty Trust Inc	DLR	253868103	US2538681030
Dream Industrial Real Estate Investment Trust	DIR-U	26153W109	CA26153W1095
Dream Office Real Estate Investment Trust	D-U	26153P104	CA26153P1045
Duke Realty Corp	DRE	264411505	US2644115055
Equinix Inc	EQIX	29444U700	US29444U7000
Equity Residential	EQR	29476L107	US29476L1070
European Residential Real Estate Investment Trust	ERE-U	29880W103	CA29880W1032
Extencicare Inc	EXE	30224T863	CA30224T8639
Firm Capital Apartment Real Estate Investment Trust	FCA-U	31833L101	CA31833L1013
Firm Capital Mortgage Investment Corp	FC	318323102	CA3183231024
Firm Capital Property Trust	FCD-U	318326105	CA3183261054
First Capital Real Estate Investment Trust	FCR-U	31890B103	CA31890B1031
Flagship Communities REIT	MHC/U	33843T108	CA33843T1084
Granite Real Estate Investment Trust	GRT-U	387437114	CA3874371147
H&R Real Estate Investment Trust	HR-U	403925407	CA4039254079

InterRent Real Estate Investment Trust	IIP-U	46071W205	CA46071W2058
Invitation Homes Inc	INVH	46187W107	US46187W1071
Killam Apartment Real Estate Investment Trust	KMP-U	49410M102	CA49410M1023
Mainstreet Equity Corp	MEQ	560915100	CA5609151009
Melcor Real Estate Investment Trust	MR-U	58546R109	CA58546R1091
Minto Apartment Real Estate Investment Trust	MI-U	60448E103	CA60448E1034
Morguard Corp	MRC	617577101	CA6175771014
Morguard Real Estate Investment Trust	MRT-U	617914106	CA6179141065
Nexus Real Estate Investment Trust	NXR-U	65342N315	CA65342N3159
NorthWest Healthcare Properties Real Estate Investment Trust	NWH-U	667495105	CA6674951059
Plaza Retail REIT	PLZ-U	72820F103	CA72820F1036
PRO Real Estate Investment Trust	PRV-U	742694300	CA7426943006
Prologis Inc	PLD	74340W103	US74340W1036
Public Storage	PSA	74460D109	US74460D1090
RioCan Real Estate Investment Trust	REI-U	766910103	CA7669101031
SBA Communications Corp	SBAC	78410G104	US78410G1040
Sienna Senior Living Inc	SIA	82621K102	CA82621K1021
Simon Property Group Inc	SPG	828806109	US8288061091
Slate Grocery REIT	SGR-U	831062203	CA8310622037
Slate Office REIT	SOT-U	831021100	CA8310211005
SmartCentres Real Estate Investment Trust	SRU-U	83179X108	CA83179X1087
StorageVault Canada Inc	SVI	86212H105	CA86212H1055
Summit Industrial Income REIT	SMU-U	866120116	CA8661201167
Sun Communities Inc	SUI	866674104	US8666741041
Tricon Residential Inc	TCN	89612W102	CA89612W1023
Ventas Inc	VTR	92276F100	US92276F1003
Welltower Inc	WELL	95040Q104	US95040Q1040

Building Efficiency

Aecon Group Inc	ARE	00762V109	CA00762V1094
Bird Construction Inc	BDT	09076P104	CA09076P1045
Builders FirstSource Inc	BLDR	12008R107	US12008R1077
Canadian Tire Corp Ltd	CTC/A	136681202	CA1366812024
Carrier Global Corp	CARR	14448C104	US14448C1045
Caterpillar Inc	CAT	149123101	US1491231015
CBRE Group Inc	CBRE	12504L109	US12504L1098
Colliers International Group Inc	CIGI	194693107	CA1946931070
DIRTT Environmental Solutions	DRT	25490H106	CA25490H1064
DR Horton Inc	DHI	23331A109	US23331A1097
DREAM Unlimited Corp	DRM	26153M507	CA26153M5072
FirstService Corp	FSV	33767E202	CA33767E2024
Hardwoods Distribution Inc	HDI	412422107	CA4124221074
Home Depot Inc/The	HD	437076102	US4370761029
Johnson Controls International plc	JCI	n/a	IE00BY7QL619

Lennar Corp	LEN	526057104	US5260571048
Lowe's Cos Inc	LOW	548661107	US5486611073
Masco Corp	MAS	574599106	US5745991068
Richelieu Hardware Ltd	RCH	76329W103	CA76329W1032
SNC-Lavalin Group Inc	SNC	78460T105	CA78460T1057
Stantec Inc	STN	85472N109	CA85472N1096
Toromont Industries Ltd	TIH	891102105	CA8911021050
Trane Technologies plc	TT	n/a	IE00BK9ZQ967

Sustainable Building Materials

Canfor Corp	CFP	137576104	CA1375761048
First Quantum Minerals Ltd	FM	335934105	CA3359341052
Hudbay Minerals Inc	HBM	443628102	CA4436281022
Interfor Corp	IFP	45868C109	CA45868C1095
Lundin Mining Corp	LUN	550372106	CA5503721063
Resolute Forest Products Inc	RFP	76117W109	US76117W1099
Russel Metals Inc	RUS	781903604	CA7819036046
Sherritt International Corp	S	823901103	CA8239011031
Teck Resources Ltd	TECK/A	878742303	CA8787423034
West Fraser Timber Co Ltd	WFG	952845105	CA9528451052
Western Forest Products Inc	WEF	958211203	CA9582112038
Weyerhaeuser Co	WY	962166104	US9621661043

Other

Brookfield Asset Management Inc	BAM/A	112585104	CA1125851040
Canadian Pacific Railway Ltd	CP	13645T100	CA13645T1003
Royal Bank of Canada	RY	780087102	CA7800871021
Shopify Inc	SHOP	82509L107	CA82509L1076
Toronto-Dominion Bank/The	TD	891160509	CA8911605092

REDEMPTIONS OF SECURITIES

Subject to the Fund's right to suspend redemptions, a Unit may be surrendered for redemption at least 45 business days prior to the second last business day of the applicable month in order to be redeemed on such date (a "Valuation Date"). Redemptions shall be effected by the redeeming Unitholder causing its CDS Participant to deliver to CDS on behalf of the Unitholder a written notice of the Unitholder's intention to redeem by 5:00 p.m. (Toronto time) on a date that is at least 45 business days prior to a Valuation Date in order for the Unit to be redeemed on such Valuation Date. A Unitholder who desires to redeem Units should ensure that the CDS Participant is provided with notice of the intention to exercise the redemption privilege sufficiently in advance of the notice deadline so as to permit the CDS Participant to deliver notice to CDS by the required time. The form of redemption notice will be available from a CDS Participant or from CDS. Any expense associated with the preparation and delivery of redemption notices will be for the account of the Unitholder exercising the redemption privilege. A Unitholder who properly surrenders a Unit for redemption will receive payment on or before the 15th business day following such Valuation Date (the "Redemption Payment Date").

Except as provided under "Suspension of Redemptions" below, by causing a CDS Participant to deliver to CDS a notice of the Unitholder's intention to redeem Units, the Unitholder shall be deemed to have irrevocably surrendered such Units for redemption and appointed such CDS Participant to act as the exclusive settlement agent

with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

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

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

Each Unit properly surrendered for redemption on the March Valuation Date commencing in 2024 (each, an "Annual Valuation Date") will be redeemed at an amount, if any, equal to the Redemption Price per Unit as of the Annual Valuation Date.

For this purpose, "Redemption Price per Unit" means the amount which is equal to (A) the NAV per Unit as at the Annual Valuation Date less (B) any costs associated with the redemption or, if the Manager determines that it is not practicable or necessary for the Fund to sell Portfolio securities to fund such redemption, then the aggregate of all brokerage fees, commissions and other transaction costs that the Manager estimates would have resulted from such a sale ("Redemption Costs"). The amount of any such Redemption Costs will depend on the circumstances at the time of the redemption, including the NAV, the number of Units surrendered for redemption, the available cash of the Fund, the interest rate under the Loan Facility, the current market price of the securities of each issuer included in the Portfolio at the time of the redemption and the actual or estimated brokerage fees, commissions and other transaction costs as set out above. As a result of the foregoing variables, the amount of Redemption Costs payable by a Unitholder upon the redemption of Units may vary from time to time. Any estimated Redemption Costs that are deducted by the Fund but not incurred in connection with any redemption of Units will remain as part of the total assets of the Fund upon such redemption. For the purpose of calculating the Redemption Price per Unit, the Manager, in its sole discretion, may value any security which is listed or traded on a stock exchange (or if more than one, on the principal stock exchange where the security primarily trades) by taking the volume weighted average trading price of the security on such exchange during the three most recent trading days ending on and including such Valuation Date, or lacking any sales during such period or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the fair market value as determined by the Manager shall be used). The Manager may exercise such discretion where, for example, it believes that the NAV calculated in accordance with the procedures outlined under "Calculation of Net Asset Value" does not accurately reflect the value of any security held in the Portfolio, including among other circumstances, due to there being no active market for such security. For the purpose of the foregoing, the Manager may consider prices and volumes as reported by any means in common use.

Each Unit properly surrendered for redemption on a Valuation Date other than an Annual Valuation Date will be redeemed at an amount, if any, equal to the Monthly Redemption Price per Unit as of the relevant Valuation Date. For this purpose, the "Monthly Redemption Price per Unit" means the amount equal to the lesser of (A) 94% of the weighted average trading price of the Units on the principal market on which the Units are quoted for trading during the 15 trading days preceding the applicable Valuation Date, and (B) the "closing market price" of the Units on the principal market on which the Units are quoted for trading on the applicable Valuation Date, less, in either case, applicable Redemption Costs. The "closing market price" means an amount equal to (i) the closing price of the Units if there was a trade on the applicable Valuation Date and such principal market provides a closing price; (ii) the average of the highest and lowest prices of the Units if there was trading on the applicable Valuation Date and such principal market provides only the highest and lowest prices of the Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the Units on such principal market if there was no trading on the applicable Valuation Date. Under no circumstance shall the Monthly Redemption Price exceed the NAV per Unit on the applicable Valuation Date.

Any unpaid distribution declared payable to Unitholders the record date for which is on or before the Valuation Date in respect of Units redeemed on the Valuation Date will be paid to the Unitholder redeeming such Unit on the applicable date on which such distribution is payable to Unitholders. The Fund has the authority to distribute, allocate and designate net income and net realized capital gains of the Fund to a Unitholder who has redeemed Units during the year in an amount equal to the Unitholder's share, at the time of redemption, of the Fund's net income and net realized capital gains for the year, or such other amount that the Manager in its sole discretion determines to be reasonable in the circumstances.

In addition, the Manager may, at its sole discretion and subject to receipt of any necessary regulatory approvals, allow additional redemptions (an "Additional Redemption") from time to time of Units for such redemption proceeds as may be determined by the Manager, provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by the Manager or an affiliate thereof then being offered to the public by prospectus. Notice of any such Additional Redemption will be provided by the Manager.

The Fund will enter into an agreement (the "Recirculation Agreement") with Middlefield Capital Corporation (in such capacity, the "Recirculation Agent") whereby the Recirculation Agent will agree to use commercially reasonable efforts to find purchasers for any Units surrendered for redemption prior to the relevant Redemption Payment Date. The Fund may, but is not obligated to, require the Recirculation Agent to seek such purchasers. In such event, the amount to be paid to the Unitholder on or before the Redemption Payment Date will be an amount equal to the proceeds of the sale thereof less any applicable commission. Such amount will not be less than the Redemption Price per Unit or Monthly Redemption Price per Unit (as the case may be) otherwise payable.

Suspension of Redemptions

The Manager may suspend the redemption of Units for the whole or part of a period during which normal trading is suspended on one or more stock exchanges on which more than 50% of the Fund's assets (by value) are listed and traded. The suspension may apply to all requests for redemption received prior to the suspension, but for which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders who have requested redemptions shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first business 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. If the Fund is unable to pay for all of the Units properly surrendered for redemption on or before a Redemption Payment Date, it will redeem such Units as soon as practicable after the date on which it is able to do so. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

In addition, in circumstances where the Fund has suspended redemptions as described in the preceding paragraph, if it is not possible to sell the assets of the Fund due to the cessation or suspension of trading of the assets, the Fund will sell those assets which can then be sold and the applicable portion of the proceeds from such sale will be paid on or before the Redemption Payment Date and the remaining assets required to be sold to fund the redemption of the relevant Units will be sold by the Fund as soon as practicable following the resumption of trading of such assets and the applicable portion of the proceeds therefrom paid within five business days following such sale.

INCOME TAX CONSIDERATIONS

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

property may, in certain circumstances, be entitled to have their Units and all other “Canadian securities” owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

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

This summary is also based on the assumption that Units will be listed on the TSX.

This summary is also based on the assumption that the Fund will at all times comply with its investment restrictions and that it will at no time be a SIFT trust as defined in the SIFT Rules. Provided that the Fund does not hold “non-portfolio property” as defined in the SIFT Rules, it will not be a SIFT trust. This summary is also based on the assumptions that none of the issuers of the securities held by the Fund will be a foreign affiliate of the Fund or of any Unitholder, and that none of the securities held by the Fund will be a “tax shelter investment” within the meaning of the Tax Act, or an offshore investment fund property that would require the Fund to include significant amounts in the Fund’s income pursuant to section 94.1 of the Tax Act, or an interest in a non-resident trust other than an “exempt foreign trust” within the meaning of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act.

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

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor’s particular circumstances including the province(s) or territory(ies) in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular investor. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units based on their particular circumstances and consider the information under “Risk Factors - Risks Related to the Structure of the Fund - Taxation of the Fund”.

Status of the Fund

It is assumed that the Fund will be a “mutual fund trust” for purposes of the Tax Act.

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

Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act in each taxation year on its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount payable to Unitholders in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. Pursuant to the Declaration of Trust, the Trustee intends to make sufficient income, including net realized taxable capital gains of the Fund, payable to Unitholders in each taxation year so that the Fund is not liable to pay tax under Part I of the Tax Act for the taxation year, other than tax on net realized taxable capital gains that would be refunded to it with respect to such taxation year.

An amount paid or made payable by the Fund to a Holder who has redeemed Units in a year will only be deductible in computing the Fund's income for the year if such amount is in respect of the Fund's taxable capital gains (rather than ordinary income), is paid on the redemption, and is excluded from the Holder's proceeds of disposition. Such deduction may not exceed 50% of the taxable capital gain that would otherwise be realized by the Holder on the redemption of Units.

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

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

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

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

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

In determining the income of the Fund, gains or losses realized upon dispositions of Portfolio securities of the Fund which are not the subject of short sales will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on an investment

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

Gains and losses made through derivative securities and in respect of short sales of securities (other than “Canadian securities”, as defined in the Tax Act) will generally be treated as being on income account except where the derivative is used to hedge securities held on capital account. The Tax Act contains rules (the “DFA Rules”) that target certain financial arrangements (referred to as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would otherwise have the character of ordinary income to a capital gain. The DFA Rules are broadly drafted and could apply to other agreements or transactions. If the DFA Rules were to apply to derivatives used by the Fund, returns realized in respect of such derivatives would be treated as ordinary income or losses rather than capital gains and capital losses. Pursuant to the Tax Act, an election to realize gains and losses on “eligible derivatives” (as defined in the Tax Act) of the Fund on a mark-to-market basis may be available if the Fund so desires.

Premiums received on covered call options and cash covered put options written by the Fund that are not exercised prior to the end of a year will constitute capital gains of the Fund in the year received, unless such premiums are received by the Fund as income from a business of buying and selling securities or the Fund has engaged in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the Fund will purchase the Portfolio with the objective of earning distributions and income from the Portfolio securities over the life of the Fund and will write covered call options with the objective of increasing the yield on the securities beyond the dividends or income received on such securities and write cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options. Based on the foregoing and in accordance with the CRA’s published administrative practices, transactions undertaken by the Fund in respect of securities comprising the Portfolio and options on such securities will be treated and reported by the Fund as arising on capital account. Premiums received by the Fund on covered call (or cash covered put) options that are subsequently exercised will be added in computing the proceeds of disposition (or cost) to the Fund of the securities disposed of (or acquired) by the Fund upon the exercise of such options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Fund in the previous year, the Tax Act provides that such capital gain may be reversed.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (“capital gains refund”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest on any loan facility or prime brokerage facility entered into by the Fund generally to the extent borrowed funds are used to purchase Portfolio securities. The Fund may not deduct interest on any loan facility or prime brokerage facility entered into by the Fund to the extent that borrowed funds are used to fund redemptions. The Fund may deduct rateably over a five year period (subject to reduction in any taxation year that is less than 365 days) the Agents’ fees and other expenses of this Offering that are paid by the Fund and not reimbursed. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Tax Act contains “loss restriction event” (“LRE”) rules that are broadly drafted and could potentially apply to certain trusts including the Fund. In general, a LRE occurs to the Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs

(i) the Fund will be deemed to have a year-end for tax purposes, (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an “investment fund” which requires the Fund to satisfy certain investment diversification rules. The Manager has advised counsel that it expects that the Fund will satisfy such rules.

Taxation of Holders

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

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

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

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

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

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

three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the provisions of the Tax Act.

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

Taxation of Registered Plans

Registered Plans will generally not be subject to tax under Part I of the Tax Act on amounts of income and capital gains received from the Fund or on capital gains realized on the disposition of Units, provided that the Units are qualified investments for the Registered Plan. See "Income Tax Considerations – Status of the Fund" and "Income Tax Considerations – Eligibility for Investment". Holders should consult their own advisors with respect to other tax considerations that are relevant to Registered Plans that invest in Units, including the taxation of amounts withdrawn from a Registered Plan.

Eligibility for Investment

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

Notwithstanding that Units may be qualified investments for a trust governed by a tax-free savings account ("TFSA"), a registered education savings plan ("RESP"), a registered disability savings plan ("RDSP"), a registered retirement savings plan ("RRSP") or a registered retirement income fund ("RRIF"), the holder of a TFSA or RDSP, an annuitant of a RRSP or RRIF, or a subscriber of a RESP, as the case may be, will be subject to a penalty tax if such Units are a "prohibited investment" for the particular TFSA, RDSP, RESP, RRSP or RRIF. Units will generally be a "prohibited investment" if the holder, subscriber, or annuitant, as the case may be, of the particular Registered Plan (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Fund. In addition, the Units generally will not be a "prohibited investment" if such Units are "excluded property" (as defined in the Tax Act). Holders of a TFSA or a RDSP, subscribers of a RESP and annuitants of a RRSP or RRIF should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

Tax Implications of the Fund's Distribution Policy

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

Exchange Option

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

To the extent that a Holder has received distributions on certain securities of Exchange Eligible Issuers which were in excess of the Holder's share of the net income and net realized capital gains of the relevant Exchange Eligible Issuer (i.e. returns of capital), those distributions may have resulted in a reduction of the Holder's adjusted cost base of such securities.

For commentary on the taxation of capital gains and losses see the discussion of "Income Tax Considerations – Taxation of Holders" above.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Manager of the Fund

Middlefield Limited is the manager of the Fund pursuant to a management agreement dated February 25, 2022 (the "Management Agreement"). The municipal address of the Manager is 1 First Canadian Place, 100 King Street West, 58th Floor, P.O. Box 192 Toronto, Ontario, M5X 1A6. The Fund does not have a board of directors or officers. The Manager shall have exclusive authority to manage the affairs of the Fund. The names, municipalities of residence, positions held with the Manager and principal occupations of the directors and officers of the Manager are listed in the following table. The backgrounds of such officers and directors are described below.

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation for Past Five Years</u>
DEAN ORRICO Vaughan, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director	President and Chief Executive Officer of Middlefield Capital Corporation
JEREMY BRASSEUR Toronto, Ontario	Executive Chairman and Director	Executive Chairman of Middlefield Group
CRAIG ROGERS Toronto, Ontario	Chief Operating Officer, Chief Compliance Officer and Director	Chief Operating Officer, Chief Compliance Officer and Director of Middlefield Limited
POLLY TSE Toronto, Ontario	Chief Financial Officer, Vice President & Secretary	Managing Director and Chief Financial Officer of Middlefield Capital Corporation

Mr. Orrico, Mr. Brasseur and Mr. Rogers were all first appointed as directors of the Manager on July 14, 2021. The term of each director's appointment expires at the next annual meeting of the shareholders of the Manager.

Dean Orrico is the President, Chief Executive Officer, Ultimate Designated Person and Director of the Manager and is the President and Chief Executive Officer of Middlefield Group and has been employed by Middlefield since 1996. Mr. Orrico is responsible for overseeing the business development and expansion of Middlefield's asset management business and is lead manager of Middlefield's real estate strategies. Mr. Orrico is an MBA graduate of the Schulich School of Business (York University).

Jeremy Brasseur is the Executive Chairman and Director of the Manager and Executive Chairman of Middlefield Group and has been employed by Middlefield since 2002. Mr. Brasseur is responsible for overseeing Middlefield's business operations, including the development and structuring of all of Middlefield's investment funds. Mr. Brasseur is an MBA graduate of the Kellogg School of Management (Northwestern University of Chicago) and the Schulich School of Business (York University).

Craig Rogers is the Chief Operating Officer, Chief Compliance Officer and Director of the Manager and Managing Director of Middlefield Capital Corporation. Mr. Rogers joined Middlefield in 2014 after several years as a Vice President of an independent investment dealer and Chief Financial Officer of a publicly listed investment company. In addition to overseeing the Manager's compliance department, Mr. Rogers is responsible for the day-to-day operations for all of Middlefield's Canadian Funds. Mr. Rogers graduated with an Honours Bachelor of Commerce in Finance degree from the University of Ottawa in 2006 and holds the Chartered Professional Accountant, Certified General Accountant, and Chartered Financial Analyst designations.

Polly Tse is a Managing Director and the Chief Financial Officer of Middlefield Capital Corporation and has been employed by Middlefield since 1999. Ms. Tse is responsible for the financial and tax reporting for Middlefield. Ms. Tse graduated with an Honours Bachelor of Commerce in Accounting degree from York University and holds the Chartered Professional Accountant, Certified General Accountant in Canada, Certified Public Accountant and Chartered Global Management Accountant in the United States.

The directors and executive officers of the Manager beneficially own, control or direct, directly or indirectly, 100% of the common shares of the Manager.

Duties and Services to be Provided by the Manager

Pursuant to the Management Agreement, the Manager has been given the authority to manage the activities and day-to-day operations of the Fund, including providing and arranging for the provision of marketing and administrative services required by the Fund. The Manager's duties include, among others: maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; handling securities trades on behalf of the Fund; preparing financial statements, income tax forms and financial and accounting information as required by the Fund; calculating or arranging for the calculation of the NAV; providing Unitholders with financial statements and other reports as are required by applicable law from time to time; monitoring the Fund's compliance with regulatory requirements; preparing the Fund's reports to Unitholders and the Canadian securities regulatory authorities; determining the amount of distributions, if any, to be paid by the Fund; and negotiating contractual agreements with third-party providers of services, including the Fund's auditor and its printers.

Details of the Management Agreement

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent person in the circumstances. The Manager may, pursuant to the terms of the Management Agreement, delegate certain of its duties to third parties where in the discretion of the Manager it would be in the best interests of the Fund and the Unitholders to do so. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect in the securities comprising the Portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or by any material breach or default by it of its obligations under the Management Agreement.

Unless the Manager resigns or is removed as described below, the Manager will continue as manager until the termination of the Fund. The Manager may resign if the Fund is in breach or default of the provisions of the Management Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days' notice of such breach or default to the Fund. The Manager is deemed to have resigned if the Manager becomes bankrupt or insolvent or in the event the Manager ceases to be resident in Canada for the purposes of the Tax Act. The Manager may not be removed other than by an Extraordinary Resolution (as defined under "Securityholder Matters – Matters Requiring Securityholder Approval"). In the event that the Manager is in material breach or default of the provisions of the Management Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days' notice of such breach or default to the Manager, the Trustee shall give notice thereof to Unitholders and Unitholders may direct the Trustee to remove the Manager and appoint a successor manager.

The Manager is entitled to fees for its services under the Management Agreement as described under "Fees and Expenses" and will be reimbursed by the Fund for all reasonable costs and expenses incurred by the Manager on behalf of the Fund. In addition, the Manager and each of its directors, officers, employees, shareholders and agents will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Manager, or any of its directors, officers, employees, shareholders or agents, in the exercise of its duties as manager, except those resulting from the Manager's wilful misconduct, bad faith, negligence, disregard of the Manager's standard of care or material breach or default by the Manager of its obligations under the Management Agreement.

Officers and Directors of the Manager of the Fund

The names, municipalities of residence, offices held with the Manager and principal occupations of the directors and officers of the Manager are set out above under “Organization and Management Details of the Fund – Manager of the Fund”.

Middlefield Capital Corporation will act as advisor to the Fund pursuant to the terms of an advisory agreement to be entered into at or prior to completion of the Offering (the “Advisory Agreement”). Middlefield Capital Corporation was incorporated under the *Canada Business Corporations Act* on November 3, 1986, is registered as an investment dealer under the securities laws of Alberta, Ontario and Nova Scotia and is a member of the Investment Industry Regulatory Organization of Canada.

Middlefield Capital Corporation and the Manager are each members of Middlefield. Formed in 1979, Middlefield creates equity income mandates designed to balance risk and return to meet the demanding requirements of Financial Advisors and their clients. These financial products include TSX-Listed IPOs and ETFs, Mutual Funds, Split Share Corporations, Flow Through LPs and Real Estate Investment Funds and Partnerships. Middlefield has approximately 50 employees with offices located in Toronto, Calgary, San Francisco and London, England. Clients include Canadian and international financial institutions, corporations and individuals. Its services are provided in Canada primarily through Middlefield Limited, which is registered as an investment fund manager with the Ontario Securities Commission, and Middlefield Capital Corporation (which is a member of the Investment Industry Regulatory Organization of Canada (IIROC), the Canadian organization that regulates investment dealers) and internationally through Middlefield International Limited in London, England (which is registered as a member firm with The Financial Conduct Authority in the United Kingdom). In addition to asset and investment management, the services provided by Middlefield include corporate finance, financial advisory, real estate investment and property management, and securities placement activities.

Middlefield’s role in its fund management business includes the creation and structuring of investment vehicles, the completion of offerings to investors, the identification, selection and monitoring of suitable investments, acting as registrar and transfer agent, monitoring regulatory compliance and providing reports to investors on operating and financial performance and for income tax purposes. Middlefield has focused on and developed investment management expertise in real estate, healthcare, equity income securities, sustainable investing as well as natural resources.

Middlefield advises several TSX-listed funds, including MINT *Income Fund*, which will celebrate its 25th year of being listed on the TSX in March 2022. Middlefield has expanded its advisory offerings by raising over \$2 billion in IPOs since the beginning of 2014, including over \$400 million raised since the beginning of 2020 for strategies focused on sustainable investing. This Fund intends to build upon the Manager’s proven track record of raising assets and managing equity income portfolios with strategies focused on equity income and the technology sector.

Stephen Erlichman serves as Middlefield’s Chair, ESG. Mr. Erlichman is considered one of the foremost experts on governance and ESG in Canada. From 2011 to 2018, Mr. Erlichman was the Executive Director of the Canadian Coalition for Good Governance (CCGG) where he created and debated public policy positions in relation to ESG issues and led engagement meetings between CCGG and boards of public companies across Canada. Mr. Erlichman also sits on the board of Canada’s Responsible Investment Association (“RIA”) and he is a member of the Global Stewardship Committee of the International Corporate Governance Network (ICGN). Mr. Erlichman has practiced corporate and securities law throughout his career at major law firms in New York and Toronto. In addition to his law degrees from University of Toronto (LLB) and New York University (LLM) and business degree from Harvard University (MBA), Mr. Erlichman holds the Responsible Investment Professional Certification (RIPC) issued by the RIA and the certificate in Sustainable Capitalism & ESG issued by UC Berkeley Law.

Middlefield is an associate member of the RIA. The RIA is a national, membership-based organization that is committed to advancing responsible investment, which refers to the incorporation of ESG factors into the selection and management of investments. Membership in the RIA includes asset managers, asset owners, advisors, and service providers who support the mandate of promoting responsible investment in Canada’s retail and institutional markets. RIA members collectively manage over \$20 trillion in assets. Middlefield believes that the commitment to integrating

ESG criteria into investment selection and management across platforms will help deliver better outcomes for our clients and the world.

Middlefield employs a disciplined investment process that seeks to identify attractive investment opportunities and evaluate material risks that could impact portfolio returns. Consistent with these objectives, Middlefield integrates ESG considerations into its investment process because Middlefield believes that ESG factors have become an important component of a thorough investment analysis and that the integration of ESG factors will result in a more comprehensive understanding of a company’s strategy, culture and sustainability.

ESG considerations are integral to Middlefield’s investment decision-making, as well as its ongoing portfolio monitoring process. Many countries have established or are in the process of establishing standardized ESG disclosure requirements for corporate issuers. When enacted, these are expected to enhance the efficiency of Middlefield’s ongoing review and monitoring of a company’s ESG practices. Middlefield’s approach to ESG integration may evolve over time as more ESG and sustainability research and data become available.

In addition to Middlefield’s integration of ESG considerations into its investment process, Middlefield has also adopted stewardship principles in order to effectively steward the assets Middlefield manages for its clients. Middlefield’s stewardship activities, carried out in accordance with such principles, are complementary to Middlefield’s ESG integration process.

Middlefield launched its platform of actively managed ETFs in 2019 by converting successful closed-end funds managed by Middlefield. The objective of the platform is to provide value-added solutions to investors and financial advisors through unique, actively managed strategies which investors would have difficulty replicating with passive investment products. In December 2021, Middlefield announced the expansion of its ETF platform with the proposed conversions of Global Innovation *Dividend Fund*, Sustainable Infrastructure *Dividend Fund* and Global Dividend Growers *Income Fund*, which is expected to bring Middlefield’s ETF assets under management to approximately \$500 million.

In the real estate sector, Middlefield has been involved since its founding in all aspects of the industry. Activities have encompassed land acquisition, project design, construction, financing and leasing of real estate projects. Upon project acquisition or completion, ongoing property management services have been provided through one of Middlefield’s affiliates.

The Advisor

The officers and directors of Middlefield Capital Corporation who are primarily responsible for providing services to the Fund are listed in the following table. The backgrounds of such officers and directors are described below.

<u>Name and Municipality of Residence</u>	<u>Position with Middlefield Capital Corporation and Principal Occupation</u>
DEAN ORRICO Vaughan, Ontario	President and Chief Executive Officer
ROBERT F. LAUZON, CFA..... Toronto, Ontario	Chief Investment Officer and Managing Director, Trading
JEREMY BRASSEUR..... Toronto, Ontario	Executive Chairman of Middlefield Group
SHANE OBATA, CFA..... Toronto, Ontario	Executive Director, Investments and Portfolio Manager
ROBERT MOFFAT, CFA Toronto, Ontario	Director, Investments and Portfolio Manager
MALLIKA VERMA..... Toronto, Ontario	Investment Analyst

Dean Orrico is the President, Chief Executive Officer, Ultimate Designated Person and Director of the Manager and is the President and Chief Executive Officer of Middlefield Group and has been employed by

Middlefield since 1996. Mr. Orrico is responsible for overseeing the business development and expansion of Middlefield's asset management business and is lead manager of Middlefield's real estate strategies. Mr. Orrico is an MBA graduate of the Schulich School of Business (York University).

Robert F. Lauzon is the Chief Investment Officer and Managing Director, Trading of Middlefield Capital Corporation and has been employed by Middlefield Capital Corporation since 2002. Mr. Lauzon is the lead portfolio manager on a number of investment funds, including funds focusing on the infrastructure, consumer and technology sectors. Mr. Lauzon is an MBA graduate of the Rotman School of Management (University of Toronto) and holds the Chartered Financial Analyst designation.

Jeremy Brasseur is the Executive Chairman and Director of the Manager and Executive Chairman of Middlefield Group and has been employed by Middlefield since 2002. Mr. Brasseur is responsible for overseeing Middlefield's business operations, including the development and structuring of all of Middlefield's investment funds. Mr. Brasseur is an MBA graduate of the Kellogg School of Management (Northwestern University of Chicago) and the Schulich School of Business (York University).

Shane Obata is an Executive Director, Investments and Portfolio Manager of Middlefield Capital Corporation and is responsible for covering global equities across Middlefield's funds. Prior to joining Middlefield in 2018, he was with Richardson GMP's asset management team. Mr. Obata holds the Chartered Financial Analyst designation and a Master of Finance from Wilfrid Laurier University, where he was awarded the gold medal of academic excellence.

Robert Moffat is a Director, Investments and Portfolio Manager at Middlefield Capital Corporation covering global equities across Middlefield's funds and has experience researching the renewable energy industry. Prior to joining Middlefield in 2017, he held a research position with a wealth management team at Richardson GMP. Mr. Moffat holds a Bachelor of Management and Organizational Studies from Western University and holds the Chartered Financial Analyst designation.

Mallika Verma is an Investment Analyst at Middlefield Capital Corporation, covering global equities and conducting ESG analysis across Middlefield's funds. Prior to joining Middlefield in 2021, she worked as a financial advisor with the client advisory team at Scotiabank. Ms. Verma is currently pursuing a Masters in Finance from Wilfrid Laurier University and is a CFA Level 2 candidate.

Details of the Advisory Agreement

Pursuant to the Advisory Agreement, the Advisor will provide investment management advice to the Manager in a manner consistent with the investment objectives, strategy and restrictions of the Fund. The Advisor will be paid the Advisory Fee by the Manager and not by the Fund. Investment decisions will be implemented by the Manager. In the purchase and sale of securities for the Fund, the Manager will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Advisory Agreement, the Advisor is required to act at all times on a basis which is fair and reasonable to the Fund, to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Advisory Agreement provides that the Advisor will not be liable in any way for any default, failure or defect in any of the securities of the Fund, nor will it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. The Advisor may, however, incur liability in cases of wilful misconduct, bad faith, negligence, disregard of the Advisor's standard of care or material breach or default by the Advisor of its obligations under the Advisory Agreement.

The Advisory Agreement, unless terminated as described below, will continue in effect until the Fund is terminated. The Manager may terminate the Advisory Agreement if the Advisor has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and, if capable of being cured, such breach has not been cured within 30 days after notice thereof has been given to the Advisor and the Trustee by the Manager.

The Advisor may terminate its obligations under the Advisory Agreement if the Fund is in material breach or default of the provisions thereof and, if capable of being cured, such breach or default has not been cured within 30 days of notice of same to the Manager and to the Trustee or if there is a material change in the investment objectives or strategy of the Fund. If the Advisory Agreement is terminated, the Manager will promptly appoint one or more successor investment managers to carry out the activities of the Advisor.

The Advisor is entitled to fees for its services which are payable by the Manager (and not the Fund) under the Advisory Agreement as described under “Fees and Expenses” and will be reimbursed by the Fund for all reasonable costs and expenses incurred by the Advisor on behalf of the Fund. In addition, the Advisor, and its directors, officers, employees and agents, will be indemnified by the Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against, the Advisor, or any of its officers, directors, employees or agents, in the exercise of its duties as an investment advisor, except those resulting from the Advisor’s wilful misconduct, bad faith, negligence, disregard of the Advisor’s standard of care or material breach or default by the Advisor of its obligations under the Advisory Agreement.

Conflicts of Interest

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

The Advisor is engaged in a wide range of investment management, investment advisory and other business activities. The services of the Advisor under the Advisory Agreement are not exclusive and nothing in the Advisory Agreement prevents the Advisor or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives or strategies are similar to those of the Fund) or from engaging in other activities. The Advisor’s investment advice regarding the Portfolio and decisions with respect to the composition of the Portfolio will be made independently of those made for its other clients and independently of its own investments. On occasion, however, the Advisor may decide on the same investment for the Fund and for one or more of its other clients. If the Fund and one or more of the other clients of the Advisor are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In addition, pursuant to the Advisory Agreement, the Advisor may from time to time receive commissions or other fees for acting as the Fund’s broker in connection with the purchase or sale of Portfolio securities. Any such arrangement shall be on terms that are no less favourable to the Fund than those available from third parties for comparable services.

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

See also “Relationship Between Investment Fund and Agents” and “Risk Factors – Risks Related to the Structure of the Fund – Conflicts of Interest”.

Independent Review Committee

An independent review committee (the “Independent Review Committee”) has been established by the Fund in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”) and is comprised of four members, each of whom is independent. The Independent Review Committee deals with conflict of interest matters presented to it by the Manager in accordance with NI 81-107. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Fund and the other investment funds managed by it, and request input from the Independent Review Committee on how it manages those conflicts of

interest. NI 81-107 also requires the Manager to establish written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee will provide its recommendations or approvals, as required, to the Manager with a view to the best interests of the Fund. The Independent Review Committee will report annually to Unitholders as required by NI 81-107. The reports of the Independent Review Committee will be available free of charge from the Manager on request by contacting the Manager at invest@middlefield.com and will be posted on the Manager's website at www.middlefield.com.

The members of the Independent Review Committee are paid an annual fee for serving on the independent review committee of the investment funds in the Middlefield family of investment funds. Each investment fund, including the Fund, is responsible for a portion of that fee which is allocated by the Manager among the various funds. The annual fee payable to the members of the Independent Review Committee is currently \$110,000 in the aggregate plus \$1,500 per Independent Review Committee member per meeting. Expenses incurred by the members of the Independent Review Committee in connection with performing their duties are also the responsibility of the investment funds, including the Fund.

The following individuals are the members of the Independent Review Committee:

Bernard I. Ghert is Chairman of the Independent Review Committee. He was previously Chairman of Mount Sinai Hospital from 1997 to 2002, having been on the board of directors since 1974. During that time he was President of Stelworth Investments Inc. He was a director at various times of numerous organizations including Canada Deposit Insurance Corporation, CT Financial, Canada Trust and Canada Trustco and President and CEO of Cadillac Fairview Corporation Limited. He was an advisory director of the Office of the Superintendent of Financial Institutions. Mr. Ghert was appointed as a Member of the Order of Canada in July 2002.

George S. Dembroski was Vice-Chairman of RBC Dominion Securities Limited until January 31, 1998. Mr. Dembroski also holds the Chartered Professional Accountant designation.

H. Roger Garland was Vice Chairman of Four Seasons Hotels Inc., having joined the company in 1981 as Senior Vice President, Finance. Prior to Four Seasons, he was Vice President, Corporate Banking with Citibank, N.A. in Canada and Switzerland. Mr. Garland sits on the boards of several companies. Mr. Garland also holds the Chartered Professional Accountant designation.

Edward V. Jackson was Managing Director and Co-Head of the Investment Funds Group, RBC Capital Markets until December 31, 2015 and was President and CEO of Advantage Preferred Share Trust, a TSX listed closed-end fund from 2011-2015. Mr. Jackson currently sits on the Advisory Board of Enertech Capital and is a member of the Hearing Committee of the Investment Industry Regulatory Organization of Canada.

The Trustee

Middlefield Limited is the trustee of the Fund under the Declaration of Trust. The address of the Trustee is 1 First Canadian Place, 100 King Street West, 58th Floor, P.O. Box 192 Toronto, Ontario, M5X 1A6.

The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties thereunder except in cases of wilful misconduct, bad faith, negligence or material breach or default by the Trustee of its obligations under the Declaration of Trust or in cases where the Trustee fails to act honestly and in good faith and in the best interests of Unitholders to the extent required by laws applicable to trustees, or fails to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee or any successor trustee may resign upon 30 days' written notice to the Manager or such lesser notice as the Manager may accept. The Trustee may be removed with the approval of a majority of the votes cast at a meeting of Unitholders called for such purpose. Any such resignation or removal shall become effective only upon the acceptance of the appointment of a successor trustee. If the Trustee resigns or is removed, its successor may be appointed by the Manager. If the Trustee is removed by the Unitholders, the appointment of its successor must be approved by Unitholders. If, after the resignation or removal of the Trustee, no successor has been appointed within

90 days, the Trustee, the Manager or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee.

The Trustee will receive no fee for acting as trustee of the Fund but is entitled to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with its duties. In the event the Trustee and the Manager are not the same person, the Trustee may be entitled to a fee from the Fund as may be negotiated with the Manager.

Custodian

RBC Investor Services Trust (the “Custodian”) is the custodian of the assets of the Fund and may employ sub-custodians as considered appropriate in the circumstances. The address of the Custodian is 335 8th Avenue S.W., 23rd Floor, Calgary, Alberta, T2P 1C9. Pursuant to an agreement between the Manager and the Custodian (the “Custodian Agreement”), the Custodian will provide safekeeping and custodial services in respect of the assets of the Fund.

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

Auditor

The independent auditor of the Fund is Deloitte LLP. The address of the auditor is Suite 200, Bay Adelaide Centre, 8 Adelaide Street West, Toronto, Ontario M5H 0A9. Although the approval of Unitholders will not be obtained prior to making any change in auditor of the Fund, Unitholders will be sent a written notice at least 60 days prior to the effective date of any such change.

Registrar and Transfer Agent; Exchange Agent

Middlefield Capital Corporation is the registrar and transfer agent for the Units and the exchange agent for the Exchange Option at its principal office in Toronto, Ontario.

Valuation Agent

Pursuant to a valuation services agreement to be entered into on or before the closing of the Offering, RBC Investor Services Trust and MFL Management Limited will be appointed by the Manager as the joint valuation agent (the “Valuation Agent”) of the Fund. The Valuation Agent will provide, among other things, valuation services to the Fund and will calculate the NAV in the manner described under the heading “Calculation of Net Asset Value”. The valuation services agreement may be terminated by the Manager or the Valuation Agent on 60 days’ notice, and immediately by the Manager or the Valuation Agent on written notice if either party is declared bankrupt or becomes insolvent, the assets or the business of either party becomes liable to seizure or confiscation by any public or governmental authority, or the Manager’s powers and authorities to act on behalf of or represent the Fund have been revoked or terminated.

Promoter

The Manager (located in Toronto, Ontario) may be considered as the promoter of the Fund by reason of its initiative in forming and establishing the Fund and taking the steps necessary for the public distribution of the Units. The Manager also acts as manager and thereby receives certain fees as described herein. The Manager will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than as described under “Fees and Expenses” and “Interest of Manager and Others in Material Transactions”.

Securities Lending Agent

RBC Investor Services Trust (in such capacity, the “Securities Lending Agent”) serves as the securities lending agent for the Fund pursuant to a securities lending agency agreement (the “SLA Agreement”) dated as of April 15, 2011, which is expected to be amended at or prior to closing of the Offering to include the Fund. The Securities Lending Agent’s head office is located in Toronto, Canada. The Securities Lending Agent is not affiliated with the Manager. Pursuant to the SLA Agreement, the Fund is required to receive collateral of at least 105% of the value of the securities on loan. Collateral is generally comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its agencies. Collateral may also be comprised of securities that are convertible into, or exchangeable for, securities of the same issuer as the securities that are on loan. Pursuant to the SLA Agreement, the Securities Lending Agent has agreed to indemnify the Manager against any direct loss suffered or incurred that is the result of negligence, fraud, or wilful misconduct on the part of the Securities Lending Agent in the performance of its obligations, subject to limitations within the SLA Agreement. The Manager and the Securities Lending Agent each have the right to terminate the SLA Agreement upon five (5) business days’ written notice.

CALCULATION OF NET ASSET VALUE

The NAV calculation on a particular date will be equal to the aggregate value of the assets of the Fund less the aggregate value of the liabilities of the Fund, including all bank indebtedness of the Fund and any income, capital gains or other amounts payable to Unitholders on or before such date. If, on any date upon which NAV is being calculated, the Fund may be entitled to a refund of refundable taxes, such refundable taxes will be included in determining NAV if such refundable taxes constitute an asset of the Fund under applicable accounting guidance. The basic NAV per Unit on any Valuation Date is calculated by dividing the NAV on such date by the total number of Units issued and outstanding on such date, the result being rounded to the nearest whole cent. The NAV per Unit will be calculated in Canadian dollars.

Valuation Policies and Procedures

In determining the NAV at any time:

- (a) the value of any cash on hand or on deposit, bills and demand notes, accounts receivable, prepaid expenses, dividends and distributions receivable, other receivables and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining 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 this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); (ii) any interest or other amount due in respect of an obligation in respect of which an issuer has ceased paying interest on or has otherwise defaulted shall be excluded from such calculation; and (iii) if the Manager has determined that any such deposit, bill, demand note or receivable is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager reasonably determines to be the fair value thereof;
- (b) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the stock exchange in which the security primarily trades, as determined by the Manager) shall be determined by taking the latest available sale price of recent date on the stock exchange in which the security primarily trades, or lacking any recent sales or any record thereof, the simple average of the latest available ask price and the latest available bid price (unless in the opinion of the Manager any such price does not reflect the value thereof and in which case the Manager will value such securities on such reasonable basis as it may determine to be appropriate), as at the day as of which the NAV is being determined, all as reported by any means in common use, or by using such price as may otherwise be prescribed by applicable regulations or rules (including pursuant to International Financial Reporting Standards if so required);

- (c) the value of any security, which is not listed or traded on a stock exchange or the resale of which is restricted by reason of a representation, undertaking or agreement by the Fund (or by the Fund's predecessor in title) or by law shall be determined on the basis of such price or yield equivalent quotations (which may be public quotations or may be obtained from major market makers or other third parties) as the Manager reasonably determines best reflects fair value;
- (d) the value of a forward contract or a futures contract shall be the gain or loss with respect thereto that would be realized if, on the day as of which NAV is being determined, the position in the forward contract or the futures contract, as the case may be, were to be closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- (e) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable, and margin consisting of assets other than cash shall be noted as held as margin;
- (f) the value of any bonds, debentures and other debt obligations will be determined by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities at consistent times on a Valuation Date. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- (g) if the day as of which NAV is being determined is not a business day, then the securities comprising the Portfolio and other Fund property will be valued as if such day were the preceding business day; and
- (h) the value of all assets of the Fund quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Fund in foreign currency and the value of all liabilities and contractual obligations payable by the Fund in foreign currency shall be determined using the prevailing rate of exchange as determined by the Manager, on the day as of which NAV is being determined.

If an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager, after consultation with the Advisor, to be inappropriate under the circumstances, then notwithstanding such rules, the Manager, after consultation with the Advisor, will make such valuation as it considers fair and reasonable and, if there is an industry practice, in a manner consistent with industry practice for valuing such investment. Certain determinations made by the Valuation Agent in calculating NAV in accordance with the foregoing will require prior consultation with and/or agreement of the Manager.

Reporting of Net Asset Value

The NAV per Unit will be calculated at the close of trading on the TSX on every business day. The NAV per Unit so determined will remain in effect until the time at which the next determination of NAV per Unit is made. The calculated NAV per Unit will be made available on the Internet at www.middlefield.com.

ATTRIBUTES OF SECURITIES

Description of the Securities

The Fund is authorized to issue an unlimited number of Units, each of which represents an equal, undivided interest in the net assets of the Fund. Fractions of Units may be issued that will have the same rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit, except that fractional Units will not have the right to vote. Units are transferable, except as otherwise restricted by the Trustee or the Manager in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or to obtain, maintain or renew any licenses, rights, status or powers pursuant to any applicable laws, regulations or other requirements imposed by any stock exchange or other applicable regulatory authorities.

Each Unit entitles the holder thereof to the same rights and obligations as a holder of any other Unit and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder. Each Unitholder is entitled to one vote for each whole Unit held and each Unit is entitled to participate equally with respect to any and all distributions made by the Fund to Unitholders (as described under “Distribution Policy”), including distributions of net income and capital gains, if any. Units are redeemable as described under “Redemptions of Securities” and have the rights on termination of the Fund as described under “Termination of the Fund”. The rights attaching to the Units may be modified as described under “Securityholder Matters”.

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

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

Market Purchases

To enhance liquidity and to provide market support for the Units, the Fund will have a mandatory market purchase program under which the Fund will, subject to the following exceptions and to compliance with any applicable regulatory requirements, be obligated to purchase any Units offered on the TSX (or such other exchange or market on which the Units are then listed and primarily traded) if, at any time, the price at which Units are then offered on the TSX (or such other exchange or market on which the Units are then listed and primarily traded) is less than 95% of the NAV per Unit as at the close of business in Toronto, Ontario on the immediately preceding business day. The maximum number of Units to be purchased by the Fund pursuant to such mandatory market purchase program in any calendar quarter will be 1.25% of the number of Units outstanding at the beginning of such period. In addition, the Fund will not be obligated to make such purchases, if among other things: (i) the Manager reasonably believes that the Fund would be required to make an additional distribution in respect of the year to Unitholders of record on the December Record Date of a year in order that the Fund will generally not be liable to pay income tax after the making of such purchase, (ii) in the opinion of the Manager, the Fund lacks the cash, debt capacity or other resources to make such purchases, or (iii) in the opinion of the Manager, such purchases would adversely affect the ongoing activities of the Fund or the remaining Unitholders. In addition, the Fund will have the right (but not the obligation), exercisable in its sole discretion, at any time to purchase additional Units in the market, subject to any applicable regulatory requirements and limitations. Following the closing of this Offering, the Fund may submit an application to the Canadian securities regulatory authorities to obtain the necessary regulatory approvals in order that the Fund may arrange for one or more securities dealers to find purchasers for any such Units. There is no guarantee that the Fund will make such application or, if made, receive the necessary regulatory approvals.

Book-Entry Only System

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

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

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

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

SECURITYHOLDER MATTERS

Meetings of Securityholders

The Trustee may, at any time, convene a meeting of Unitholders and will be required to convene a meeting on receipt of a request, in writing, by the Manager or by Unitholders holding in aggregate 10% or more of the outstanding Units. The Trustee will convene such meeting within 60 days of receipt of said request. The Manager will call Unitholder meetings and give notice thereof in such manner as may from time to time be required by applicable law.

A quorum for any meeting of Unitholders will consist of two or more persons present in person or by proxy (including by telephone if permitted by the Trustee) and representing not less than 5% of the Units outstanding. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting will be cancelled if convened pursuant to a request of Unitholders, but otherwise will be adjourned and will be held at the same time and place on the day which is 14 days later (or if that date is not a business day, the first business day prior to that date). At a reconvened meeting, Unitholders present in person or represented by proxy will constitute a quorum. Each Unitholder is entitled to one vote per Unit held.

The Fund does not intend to hold annual meetings of Unitholders.

Matters Requiring Securityholder Approval

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Extraordinary Resolution or unanimous approval of Unitholders as discussed under "Securityholder Matters – Amendments to the Declaration of Trust", will require the approval of Unitholders by a resolution passed by holders of more than 50% of the Units voting thereon (an "Ordinary Resolution") at a meeting duly convened for the consideration of such matter.

Notwithstanding the foregoing, certain matters will require the approval of Unitholders by extraordinary resolution (an "Extraordinary Resolution"). An Extraordinary Resolution is a resolution passed by holders of not less than 66²/₃% of the Units voting thereon at a meeting duly convened for the consideration of such matter. The following matters may be undertaken only with the approval of Unitholders by an Extraordinary Resolution:

- (a) any change in the fundamental investment objectives or investment restrictions of the Fund as set forth under "Investment Objectives" and "Investment Restrictions", respectively, unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (b) any change of the Manager (other than to an affiliate) or termination of the Management Agreement except in accordance with its terms;
- (c) any change of the Advisor (other than to an affiliate) or termination of the Advisory Agreement other than in circumstances where the Advisor has been removed by the Manager on behalf of the Fund pursuant to the Advisory Agreement;
- (d) any increase in the annual rate of the management fee payable to the Manager;
- (e) any material amendment to the Declaration of Trust, other than any material amendment that requires either unanimous Unitholder approval or the consent of the Manager or does not require

Unitholder approval as set forth under the heading “Securityholder Matters – Amendments to the Declaration of Trust”;

- (f) the sale of all or substantially all of the assets of the Fund other than (i) in the ordinary course of its activities, or (ii) in connection with the termination of the Fund as otherwise set forth under the heading “Termination of the Fund” or “Securityholder Matters - Potential Fund Mergers and Conversions”; and
- (g) any amendment, modification or variation in the provisions or rights attaching to the Units.

Subject to the requirements of NI 81-102, a resolution in writing signed by Unitholders holding that number of Units which represent, in the aggregate, not less than the minimum number of votes that would be necessary to carry the resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders.

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

Amendments to the Declaration of Trust

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

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

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions in this prospectus or any provisions of any law or regulation applicable to or affecting the Fund;
- (b) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) bring the Declaration of Trust into conformity with (i) applicable laws, rules and policies of Canadian securities regulators or (ii) current practice within the securities or investment fund industries, provided that any amendment contemplated by (ii) does not adversely affect the pecuniary value of the interests of the Unitholders;
- (d) maintain the status of the Fund as a “unit trust” and “mutual fund trust” for the purposes of the Tax Act or to respond to amendments (including proposed amendments) to such Act or to the interpretation thereof;
- (e) terminate the Fund without Unitholder approval as set forth under the heading “Termination of the Fund”;
- (f) effect a Merger or Conversion as described under the heading “Potential Fund Mergers and Conversions”, including any amendments that the Trustee deems necessary in order to comply with applicable law, including NI 81-102;
- (g) create one or more new class or classes of securities of the Fund having rights or privileges inferior to or equal to the outstanding securities of any class and make consequential amendments to the Declaration of Trust related thereto;
- (h) change the name of the Fund; or

- (i) provide added protection or benefit to Unitholders or to the Fund.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which require neither approval of nor prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Trustee at the request of the Manager upon not less than 30 days' prior written notice to Unitholders. Such written notice may be given by the Fund by issuing a press release or by publishing an advertisement containing a summary description of the amendment in at least one major daily newspaper of general and regular paid circulation in Canada, or in any other manner the Manager determines to be appropriate.

Potential Fund Mergers and Conversions

Subject to applicable law, which may require Unitholder or regulatory approval, the Manager may merge or otherwise combine or consolidate the Fund (a "Merger") with any one or more other funds managed by the Manager or an affiliate thereof (including a fund formed after the date of this prospectus), provided that:

- (a) the funds to be merged have similar investment objectives as set forth in their respective governing instruments, as determined by the respective managers of such funds in their good faith (for greater certainty, if a fund's investment objectives include providing monthly cash distributions and long-term total return through capital appreciation through investments in securities of Sustainable Real Estate Issuers (as determined by the Manager in good faith), then the fund would have "similar investment objectives" to those of the Fund);
- (b) the managers of the funds to be merged have determined that there is likely to be a reduction in the aggregate general and administrative expenses attributed to the combined fund as a result of the Merger as compared to those of the funds prior to the Merger;
- (c) the Merger of the funds is done on a relative NAV per unit basis; and
- (d) the Merger of the funds is capable of being accomplished on a tax-deferred "rollover" basis under the Tax Act for unitholders of each of the merging funds or otherwise without adverse income tax consequences to the unitholders of each of the merging funds.

On or about the date that is 24 months from the closing of the Offering, the Manager intends to re-evaluate the Fund, its performance to date, and its structure and may, where it determines that to do so would be in the best interests of Unitholders, merge or convert the Fund with or into a listed exchange traded mutual fund, an open end mutual fund, a split trust fund, an alternative mutual fund, or another type of non-redeemable investment fund (any such transaction being a "Conversion"). Any such Conversion would be subject to applicable law, which may require Unitholder or regulatory approval. Additionally, if the Manager determines that it is in the best interests of Unitholders to effect a Merger or Conversion with an entity that is a mutual fund under securities laws, the Manager may be required to seek exemptive relief in order to maintain the Fund's current investment strategy.

Where required by applicable law, the Fund will provide notice by press release of any such Merger or Conversion to Unitholders not less than 60 days prior to the expected completion date thereof.

Information and Reports to Unitholders

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

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

Exchange of Tax Information

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

Pursuant to Part XIX of the Tax Act, the Fund (or dealers through which Unitholders hold their Units) must have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are resident in such foreign countries and to report required information to the CRA. Such information will be exchanged on a reciprocal, bilateral basis with the foreign jurisdictions in which the account holders or such controlling persons are resident. Under these rules, Unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans. An information return will be filed with the CRA annually in respect of such information for the immediately preceding calendar year.

TERMINATION OF THE FUND

The Fund does not have a fixed termination date. However, the Manager may, subject to applicable laws, cause the Fund to be terminated, without the approval of Unitholders, if the Manager, in its sole discretion, determines to terminate the Fund because the Manager believes it is no longer economically practical to continue the Fund or because the Manager believes that it would be in the best interests of Unitholders to terminate the Fund. The Fund also may be terminated pursuant to a merger, combination, conversion, or other consolidation, as described under “Securityholder Matters – Potential Fund Mergers and Conversions”. Any such merger, combination, conversion, or other consolidation pursuant to which the Fund is terminated will be with an entity that is a reporting issuer and, if such entity is a mutual fund, it will be a mutual fund subject to NI 81-102. Additionally, if the Manager determines that it is in the best interests of Unitholders to effect a Merger or Conversion with an entity that is a mutual fund under securities laws, the Manager may be required to seek exemptive relief in order to maintain the Fund’s current investment strategy.

In the event of the termination of the Fund, the Manager will provide no less than 30 and no more than 90 days’ notice of the date of the termination of the Fund and will issue a press release at least 30 days in advance of the Fund’s termination. The date of termination of the Fund is the “Termination Date”.

Upon termination of the Fund, the net assets of the Fund (after all liabilities of the Fund have been satisfied or appropriately provided for) will be distributed *pro rata* to the Unitholders. Prior to the Termination Date, the Manager will, to the extent practicable and other than in the event that the Fund is terminated pursuant to a merger, combination, other consolidation or conversion, convert the assets of the Fund to cash. Should the liquidation of certain securities not be practicable or should the Manager consider such liquidation not to be appropriate prior to the Termination Date, such securities may be distributed to Unitholders in kind rather than in cash subject to compliance with any securities or other laws applicable to such distributions. In the case of termination pursuant to a merger, combination, other consolidation or conversion, the distribution may be made in the securities of the resulting or continuing investment fund. Following any such distribution, the Fund will be terminated.

USE OF PROCEEDS

The net proceeds from the sale of the Units (prior to the exercise of the Over-Allotment Option) will be as follows:

	<u>Maximum Offering</u>	<u>Minimum Offering</u>
Gross proceeds to the Fund.....	\$75,000,000	\$15,000,000
Agents' fees.....	\$3,375,000	\$675,000
Estimated expenses of issue ⁽¹⁾	<u>\$500,000</u>	<u>\$225,000</u>
Net proceeds to the Fund.....	\$71,125,000	\$14,100,000

Note:

(1) Subject to a maximum of 1.5% of the gross proceeds of the Offering.

The Fund will use the net proceeds of this Offering (including any net proceeds from the exercise of the Over-Allotment Option), together with any leverage employed by the Fund, to: (i) invest in securities of Sustainable Real Estate Issuers, in accordance with the Fund's investment objectives, strategy and restrictions as described herein as soon as practicable after the closing of this Offering, and (ii) fund the ongoing fees and expenses of the Fund as described under "Fees and Expenses".

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

PLAN OF DISTRIBUTION

Pursuant to an agency agreement dated as of February 25, 2022 (the "Agency Agreement") among the Fund, the Manager, the Advisor and CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Raymond James Ltd., TD Securities Inc., iA Private Wealth Inc., National Bank Financial Inc., Manulife Securities Incorporated, Echelon Wealth Partners Inc., Hampton Securities Limited, Middlefield Capital Corporation, Richardson Wealth Limited, Research Capital Corporation and Wellington-Altus Private Wealth Inc. (collectively, the "Agents"), the Agents have agreed to offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. As negotiated between the Agents and the Manager, the Units will be issued at a price of \$10.00 per Unit (payable in cash or securities of Exchange Eligible Issuers pursuant to the Exchange Option) with a minimum purchase of 100 Units. The price per Unit was established by negotiation between the Fund and the Agents. In consideration for their services in connection with this Offering, the Agents will be paid a fee of \$0.45 per Unit sold (either for cash or for securities of Exchange Eligible Issuers deposited pursuant to the Exchange Option) under this Offering and will be reimbursed by the Fund for reasonable out-of-pocket expenses incurred by them. The Agents' fees and expenses will be paid by the Fund out of the proceeds of this Offering. The Agents may form a sub-agency group including other qualified dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase any Units that are not sold. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement and withdraw all subscriptions for Units on behalf of subscribers.

The Fund has granted to the Agents an option (the "Over-Allotment Option"), exercisable for a period of 30 days from the closing of this Offering, to offer additional Units in an amount up to 15% of the aggregate number of Units sold on the closing of this Offering on the same terms as set forth above. To the extent that the Over-Allotment Option is exercised, the additional Units will be offered at the Offering price hereunder and the Agents will be paid a fee of \$0.45 per Unit sold pursuant to the exercise of the Over-Allotment Option. This prospectus qualifies the grant of the Over-Allotment Option and the distribution of Units issuable upon the exercise of the Over-Allotment Option.

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this Offering is expected to occur on or about March 30, 2022 and, in any event, no later than 90 days after the issuance of a receipt for the final prospectus

relating to the Offering. The closing of the Offering is conditional upon receipt of subscriptions for the minimum aggregate number of 1,500,000 Units. If subscriptions for an aggregate minimum of 1,500,000 Units (or \$15,000,000 including securities of Exchange Eligible Issuers deposited and accepted pursuant to the Exchange Option and based on the applicable Exchange Ratio) have not been received within a period of 90 days following the date of issuance of a final receipt for the final prospectus relating to the Offering, the Offering may not continue unless an amendment to this prospectus has been filed and a receipt therefor obtained. The Agents will hold funds received from subscribers and if the closing of the Offering has not occurred within 90 days after the issuance of a receipt for the final prospectus relating to the Offering, the Offering may be withdrawn in which case subscription proceeds received from prospective purchasers in respect of this Offering will be returned by the Agents to such purchasers promptly without interest or deduction. The maximum aggregate number of Units which will be sold pursuant to this Offering, excluding any Units issued should the Over-Allotment Option be exercised, is an aggregate of 7,500,000 Units.

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

The Toronto Stock Exchange has conditionally approved the listing of the Units. Listing is subject to the Fund fulfilling all of the requirements of the Toronto Stock Exchange on or before May 17, 2022.

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

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

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

RELATIONSHIP BETWEEN INVESTMENT FUND AND AGENTS

Middlefield Limited, which is the Trustee, the Manager and promoter of the Fund, is an affiliate of Middlefield Capital Corporation, which is one of the Agents and the Advisor. Middlefield Limited and Middlefield Capital Corporation are both members of the Middlefield group of companies. Therefore, the Fund may be considered to be a “connected issuer” and a “related issuer” of Middlefield Capital Corporation under Canadian securities legislation. Middlefield Capital Corporation was involved, together with the other Agents, in the decision of the Fund to undertake the Offering and the determination of the terms of the distribution. Middlefield Capital Corporation will receive no benefit in connection with the Offering other than receiving from the Manager the Advisor’s fee and receiving from the Fund a portion of the Agents’ fee described under “Fees and Expenses” and brokerage commissions or other fees in connection with Portfolio transactions as described under “Organization and Management Details of the Fund - Conflicts of Interest”. See “Plan of Distribution”, “Organization and Management Details of the Investment Fund – Conflicts of Interest” and “Fees and Expenses”.

Affiliates of one of the Agents (other than Middlefield Capital Corporation) have been requested to provide the Fund with the Loan Facility or Prime Brokerage Facility, as applicable; the borrowings under such facility may be used by the Fund for various purposes, including purchasing additional securities for the Portfolio, effecting market purchases of Units and maintaining liquidity. Accordingly, if any such affiliate provides such financing, the Fund may be considered to be a “connected issuer” of such Agent. The Loan Facility or Prime Brokerage Facility, as applicable, will permit the Fund to borrow an amount not exceeding 25% of the total assets of the Fund, including leverage obtained through short selling and net notional exposure under derivatives (for greater certainty, short selling and derivatives used by the Fund solely for hedging purposes will not be included in leverage). The interest rates, fees and expenses under the Loan Facility or Prime Brokerage Facility, as applicable, will be typical of credit facilities of that nature and the Fund expects that the Lender will require the Fund to provide a security interest in favour of the Lender over the assets held by the Fund to secure such borrowings. See “Investment Strategy — Leverage”.

INTEREST OF MANAGER AND OTHERS IN MATERIAL TRANSACTIONS

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

PROXY VOTING POLICY

The Fund has adopted written policies on how its securities are voted. Generally, these policies prescribe that voting rights should be exercised with a view to the best interests of the Fund and its Unitholders. The Manager will implement such policies on behalf of the Fund. The following is a summary of such policies.

The proxy voting policies that have been developed by the Fund are general in nature and cannot contemplate all possible proposals with which the Fund may be presented. The Fund will exercise its voting rights in respect of all securities held by the Fund. When exercising voting rights, the Fund generally will vote with management of the issuer. The Fund will incorporate research and consider recommendations provided by its proxy advisor in exercising its voting rights. Proxy voting is a key element of Middlefield’s stewardship of the assets it manages, which is an adjunct to the integration of ESG factors into its investment process. The Fund, being one of Middlefield’s sustainable-focused funds, generally will vote with a greater attention to ESG issues and will place increased emphasis on its proxy advisor’s ESG research and recommendations. Where appropriate in the circumstances, including with respect to any situations in which the Fund is in a conflict of interest position, the Fund will seek the advice of the Independent Review Committee prior to casting its vote.

The Fund’s proxy voting record for the period from the date of the closing of the Offering to June 30, 2022 will be available at no cost to any Unitholder upon request at any time after August 31, 2022. The proxy voting records for the Fund also will be available at www.middlefield.com after August 31, 2022.

MATERIAL CONTRACTS

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

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

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

EXPERTS

The matters referred to under “Income Tax Considerations” and certain other legal matters relating to the securities offered hereby will be passed upon by Fasken Martineau DuMoulin LLP on behalf of the Fund and McCarthy Tétrault LLP on behalf of the Agents. As of the date of this prospectus, none of these professional firms has any registered or beneficial interest, direct or indirect, in the Units.

Deloitte LLP has issued an independent auditor’s report dated February 25, 2022 on the statement of financial position of the Fund as at February 25, 2022. Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

INDEPENDENT AUDITOR'S REPORT

To the Trustee of Sustainable Real Estate *Dividend Fund*

Opinion

We have audited the financial statement of Sustainable Real Estate *Dividend Fund* (the "Fund"), which comprises the statement of financial position as at February 25, 2022, and notes to the financial statement including a summary of significant accounting policies (referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at February 25, 2022, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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 Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"Deloitte LLP"
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 25, 2022

Sustainable Real Estate *Dividend Fund*
STATEMENT OF FINANCIAL POSITION
As at February 25, 2022

Assets

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

Unitholder's Equity

Unitholder's equity (Notes 1 and 3)	<u>\$10</u>
	<u>\$10</u>

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

Approved by the Manager

By: (signed) Dean Orrico
Director

By: (signed) Jeremy Brasseur
Director

Sustainable Real Estate *Dividend Fund*

NOTES TO STATEMENT OF FINANCIAL POSITION

February 25, 2022

1. FORMATION OF THE FUND

Sustainable Real Estate *Dividend Fund* (“the “Fund”) is an investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated February 25, 2022. The manager of the Fund is Middlefield Limited (in such capacity, the “Manager”). Middlefield Limited also is the trustee of the Fund (in such capacity, the “Trustee”). Middlefield Capital Corporation (the “Advisor”), will provide investment management advice, including advice in respect of asset mix and securities selection for the Portfolio (as defined below), subject to the Fund’s investment restrictions. The Fund is authorized to issue an unlimited number of units (the “Units”). On February 25, 2022, the Fund issued one Unit for \$10.00 cash.

The Fund’s investment objectives include providing holders of Units (“Unitholders”) with:

- (i) stable monthly cash distributions; and
- (ii) enhanced long-term total return through capital appreciation of the Fund’s investment portfolio (the “Portfolio”).

The Fund is permitted to borrow an amount not exceeding 25% of the value of the total assets of the Fund, including leverage obtained through short selling and net notional exposure under derivatives (for greater certainty, short selling and derivatives used by the Fund solely for hedging purposes will not be included in leverage), which borrowing may be used for various purposes including purchasing additional securities for the Portfolio, effecting market purchases of Units and maintaining liquidity.

The Fund initially intends to borrow, pursuant to a loan facility or prime brokerage facility to be entered into by the Fund with one or more Canadian chartered banks, an amount equal to approximately 23.5% (and not exceeding 25%) of the value of the total assets of the Fund for the purpose of purchasing additional securities for the Portfolio.

The financial statement was authorized for issuance by the Manager on February 25, 2022. The statement of financial position has been prepared in accordance with International Financial Reporting Standards, issued and effective as of February 25, 2022.

2. MANAGEMENT FEES AND OTHER EXPENSES

The Manager, as the manager of the Fund, is responsible for managing the business and day-to-day operations of the Fund and is entitled to a management fee at an annual rate of 1.25% of the net asset value of the Fund (“NAV”), plus applicable taxes, calculated and payable monthly based on the average NAV for that month, provided that the management fee payable to the Manager shall not be paid in respect of the NAV attributable to any assets invested in the securities of any investment funds (including mutual funds) managed by the Manager or an affiliate of the Manager. The management fee will be paid in cash.

The Fund also will be responsible for commissions and other costs of Portfolio transactions, debt service and costs relating to any loan facility or prime brokerage facility, as applicable, entered into by the Fund and all liabilities and any extraordinary expenses which it may incur from time to time. Fees to the Advisor will be payable by the Manager, and not the Fund.

3. RELATED PARTY TRANSACTIONS

Middlefield Capital Corporation, which is an agent for the initial public offering of Units and the Advisor, is under common control with the Manager. Middlefield Capital Corporation will receive from the Manager an advisory fee and from the Fund a portion of the agents’ fees payable in connection with the initial public offering of Units and brokerage commissions or other fees in connection with certain Portfolio transactions. As referred to and subject to the limitations regarding the payment of management fees outlined in Note 2 above, the Fund will be permitted to invest in any investment fund managed by the Manager or an affiliate of the Manager.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: February 25, 2022

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

**Sustainable Real Estate *Dividend Fund*
By: Middlefield Limited**

(signed) Dean Orrico
Chief Executive Officer

(signed) Polly Tse
Chief Financial Officer

**On Behalf of the Board of Directors of
MIDDLEFIELD LIMITED**

(signed) Dean Orrico
Director

(signed) Jeremy Brasseur
Director

(signed) Craig Rogers
Director

**The Manager
MIDDLEFIELD LIMITED**

(signed) Dean Orrico
Chief Executive Officer

(signed) Polly Tse
Chief Financial Officer

**On Behalf of the Board of Directors of
MIDDLEFIELD LIMITED**

(signed) Dean Orrico
Director

(signed) Jeremy Brasseur
Director

(signed) Craig Rogers
Director

**The Promoter
MIDDLEFIELD LIMITED**

(signed) Dean Orrico
Chief Executive Officer

CERTIFICATE OF THE AGENTS

Dated: February 25, 2022

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

CIBC WORLD MARKETS INC.

By: (signed) Richard Finkelstein

RBC DOMINION SECURITIES INC.

By: (signed) Valerie Tan

SCOTIA CAPITAL INC.

By: (signed) Robert Hall

BMO NESBITT BURNS
INC.

By: (signed) Rob Turnbull

IA PRIVATE WEALTH INC.

By: (signed) Richard Kassabian

CANACCORD
GENUITY CORP.

By: (signed) Michael
Sardo

MANULIFE SECURITIES
INCORPORATED

By: (signed) William Porter

RAYMOND JAMES
LTD.

By: (signed) Matthew
Cowie

NATIONAL BANK FINANCIAL INC.

By: (signed) Gavin Brancato

TD SECURITIES
INC.

By: (signed) Adam
Luchini

RICHARDSON
WEALTH LIMITED

By: (signed) Nargis
Sunderji

ECHELON WEALTH
PARTNERS INC.

By: (signed) Beth Shaw

HAMPTON
SECURITIES LIMITED

By: (signed) Andrew M.
Deeb

MIDDLEFIELD
CAPITAL
CORPORATION

By: (signed) Jeremy
Brasseur

RESEARCH
CAPITAL CORPORATION

By: (signed) David Keating

WELLINGTON-ALTUS
PRIVATE WEALTH INC.

By: (signed) Trevor Coates

MIDDLEFIELD®