

April 1, 2021

CONFIDENTIAL OFFERING MEMORANDUM

The securities referred to in this Offering Memorandum are being offered on a private placement basis. This Offering Memorandum constitutes an offering of securities only in those jurisdictions, and to those persons where and to whom they may be lawfully offered for sale. The Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. The securities offered under this Offering Memorandum qualify for distribution in the jurisdictions in which they are offered pursuant to exemptions under securities laws in those jurisdictions.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisers, this Offering Memorandum or any information contained therein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation that is given or received must not be relied upon. The Maxam Diversified Strategies Fund may be considered under applicable securities laws to be a “connected issuer” of Maxam Capital Management Ltd.

In this Offering Memorandum, “Fund” means the Maxam Diversified Strategies Fund, “you”, “your” and “unitholder” mean you and all other investors in units of the Fund; “we”, “us”, “our”, “Maxam” and the “Manager” mean Maxam Capital Management Ltd., the manager, portfolio advisor and promoter of the Fund, and the “Trustee” means Computershare Trust Company of Canada as Agent for Valiant Trust Company, the trustee of the Fund. “Units” means the Series A, Series B, Series C, Series F, Series I and/or Series M units of the Fund as the context requires.

The Issuer

Continuous Offering

MAXAM DIVERSIFIED STRATEGIES FUND

902 – 510 Burrard Street, Vancouver, BC V6C 3A8

Tel: 604-685-0201 Fax: 604-685-9970

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SERIES A, SERIES B, SERIES C, SERIES F, SERIES I AND SERIES M TRUST UNITS

The Maxam Diversified Strategies Fund is an open-end investment fund established under the laws of British Columbia as a trust. **Units of the Fund do not trade on any exchange or market.** The Fund is not a reporting issuer under applicable securities laws and does not file documents electronically via SEDAR.

The Offering

Series A, Series B, Series C, Series F, Series I and Series M units of the Fund are offered for sale as a continuous offering on a private placement basis. See the section below called *Description of Units*. The price per unit will be based on the Series A, Series B, Series C, Series F, Series I and Series M net asset value per unit, as the case may be, on the purchase date. See the section below called *Summary of the Trust Agreement – Net Asset Value*.

There is no minimum number of units of any series that will be sold as part of this offering. This means that you may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives. There is also no maximum number of units of any series that may be issued as part of this offering.

MINIMUM INVESTMENT AMOUNT:

See the section below called *Investing in Units – Minimum Investment Amounts*

Each investor must invest an amount equal to the minimum investment amount established by us from time to time. The minimum investment amount will typically be \$25,000, however, this amount may be higher depending on the jurisdiction where you live and whether you qualify as an “accredited investor” within the meaning of applicable securities laws, and will be set out in the instructions that accompany your

subscription agreement. For subsequent investments, in most cases the minimum investment amount is \$10,000, depending on the jurisdiction where you live and, for certain jurisdictions, the net asset value of your existing investment at the time you make the additional investment and whether you qualify as an “accredited investor” within the meaning of applicable laws. See the section below called *Investing in Units – Minimum Investment Amounts*.

We may in our discretion waive the minimum investment amounts established by us, accept investments in other minimum investment amounts permitted under applicable securities laws, or require higher minimum investments than those described above. You must pay the full subscription price for the units by certified cheque (or other means acceptable to us) at the time of your purchase. Units of the Fund are sold on a continuous basis and may be purchased on the last business day of each month. However, we may close the Fund to new investors from time to time. See section below called *Investing in Units – Minimum Investment Amounts*.

There are important tax consequences associated with an investment in units of the Fund. See the section below called *Canadian Federal Income Tax Considerations*.

We have not hired any agent or underwriter to sell units on our behalf. However, in certain jurisdictions units may be sold through registered dealers.

Resale Restrictions

You will be restricted from selling your units to other investors for an indefinite period. However, you will be able to require the Fund to redeem your units at certain times if you follow the procedures we have established. See the section below called *Resale Restrictions*.

Purchasers’ Rights

You have two business days to cancel your agreement to purchase units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the purchase agreement. See the section below called *Purchasers’ Rights*.

No securities regulatory authority has assessed the merits of the securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See the section below called *Risk Factors*.

TABLE OF CONTENTS

SUMMARY	1
FORWARD-LOOKING STATEMENTS	7
USE OF PROCEEDS	7
THE FUND	7
INVESTMENT OBJECTIVE, STRATEGIES, POLICIES AND RESTRICTIONS.....	8
Investment Objective.....	8
Investment Strategies.....	8
Investment Policies and Restrictions	9
Changes in Investment Objective, Strategies, Policies and Restrictions.....	10
PAST PERFORMANCE	10
MATERIAL AGREEMENTS	10
SUMMARY OF THE TRUST AGREEMENT	10
Division of the Fund into Units and Classes or Series of Units	11
Net Asset Value	11
Fees.....	12
Expenses	12
Meetings of Unitholders	13
Amendment of the Trust Agreement	13
Termination of the Fund.....	14
MANAGEMENT OF THE FUND	14
Powers of the Manager	14
Fees.....	14
Expenses	17
Resignation and Removal of the Manager	17
Compensation and Securities Held.....	17
Management Experience	19
Penalties, Sanctions and Bankruptcy.....	20
Loans	20
OTHER SERVICE PROVIDERS	20
Prime Brokerage Services	20
Record Keeping and Valuation Services.....	20
Auditor.....	20
Legal Counsel.....	20
CAPITAL STRUCTURE	21
Outstanding Securities of the Fund	21
Prior Sales.....	22
DESCRIPTION OF UNITS.....	23
Distributions	24
Redemption of Units.....	25
Short Term Trading Fee	25
Suspension of Redemptions	25
Consolidation, Subdivision and Redesignation	25
Transfer of Units and Reclassification	26
INVESTING IN UNITS	26
Minimum Investment Amounts.....	26
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	27
Taxation of the Fund	27
Taxation of Unitholders.....	28
Registered Plans	28

Tax Information Reporting.....	29
COMPENSATION PAID TO SELLERS AND FINDERS.....	29
Sales Commission	29
Service Fee	30
Other Fees.....	30
RISK FACTORS	30
REPORTING OBLIGATIONS TO UNITHOLDERS	36
Financial Statements.....	36
Income Tax Statements	36
RESALE RESTRICTIONS	36
PURCHASERS' RIGHTS	37
DISCLOSURE REGARDING CONFLICTS OF INTEREST	D-1
AUDITED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020	F-1
CERTIFICATE	C-1

SUMMARY

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum.

The Fund	The Maxam Diversified Strategies Fund is an open-end investment fund established under the laws of British Columbia as a trust. See the section called <i>The Fund</i> .
Management of the Fund	Maxam Capital Management Ltd. (“ Maxam ”) is the manager and portfolio advisor of the Fund. See the section called <i>The Fund</i> .
Investment Objective	The fundamental investment objective of the Fund is to maximize long term investment returns by profiting from investment opportunities identified by us. See the section called <i>Investment Objective, Strategies, Policies and Restrictions – Investment Objective</i> .
Investment Strategies	We employ an active and opportunistic investment strategy. Our focus is on event driven situations, unique trading opportunities and undervalued securities. We intend to invest primarily in small, mid and large-capitalization companies trading on North American exchanges – however we may choose to invest in compelling opportunities outside of these parameters. See the section called <i>Investment Objective, Strategies, Policies and Restrictions – Investment Strategies</i> .
Investment Policies and Restrictions	We are required to adhere to certain investment policies and restrictions in implementing the investment objective and strategies of the Fund. See the section called <i>Investment Objective, Strategies, Policies and Restrictions – Investment Policies and Restrictions</i> .
Units	Your investment in the Fund will be represented by Series A, Series B, Series C, Series F, Series I, or Series M units, depending on which series of units you purchase. Each unit of a series represents an equal undivided beneficial interest in the net assets of that series. A holder of any series of units is entitled to one vote for each whole unit on matters for which separate approval of the series is sought at any meeting of the unitholders and one vote for each whole unit held on matters for which approval is sought from all unitholders, voting together as a group, at any meeting of the unitholders. Units are not transferable, except in very limited circumstances. However, unitholders have the right to redeem their units at certain times if they follow the procedures we have established. See the section called <i>Description of Units</i> .
Investing in the Fund	You may invest in the Fund by purchasing units. Series A, Series B, Series C, Series F, Series I, or Series M units of the Fund are offered for sale in reliance on exemptions from the prospectus requirements of applicable securities laws. You will only be permitted to purchase units if your purchase qualifies for one of these exemptions. Units may be purchased on the last business day of any month. The price of each unit you purchase will be equal to the applicable series net asset value per unit at the close of business on the purchase date. The minimum investment amounts and documentation required to purchase units are described below. See the section called <i>Investing in Units – Minimum Investment Amounts</i> .

Management Fee

As consideration for the services we provide as the manager of the Fund, the Fund pays us a monthly management fee, based on the net asset value of each series of units of the Fund on the last business day of each month. The management fee may vary from series to series and will be deducted as an expense of the Fund in the calculation of the net asset value of the Fund. The management fee for each of the existing series of units is calculated monthly as follows:

Series A 1/12 of 2% (2% per annum) of the net asset value of the Series A units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

Series B 1/12 of 2% (2% per annum) of the net asset value of the Series B units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

Series C 1/12 of 2% (2% per annum) of the net asset value of the Series C units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

Series F 1/12 of 1% (1% per annum) of the net asset value of the Series F units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

Series I The Fund does not pay a management fee with respect to Series I units. The management fee paid by investors in Series I units is negotiated with us and paid directly by each investor and not by the Fund.

Series M 1/12 of 2% (2% per annum) of the net asset value of the Series M units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

The management fee is calculated prior to, and without taking into account, the performance fee. See the section called *Management of the Fund – Fees*.

Performance Fee

In addition to the management fee payable in respect of each series of units, we are entitled to receive a performance fee for our services as portfolio advisor. The performance fee is calculated at the unit level but is charged to the Fund.

The performance fee for each of the existing series of units is calculated monthly as follows:

Series A and Series B

The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of each series or sub-series of Series A or Series B units over the relevant period in excess of a 5% annualized minimum increase, subject to a “high watermark” that ensures that any decline in the net asset value of the series or sub-series has to be recouped before performance fees will be charged in respect of the series or sub-series in any subsequent period, plus applicable taxes such as GST or HST. The “high watermark” for a Series A or Series B sub-series, or series, is the greater of:

- (A) the purchase price of the series or sub-series; or
- (B) if a performance fee has been paid in respect of the series or sub-series, the net asset value of the series or sub-series following the last date on which a performance fee was so paid.

Immediately following payment of performance fees to us, we may redesignate units of one or more sub-series as units of that same series (for example, by redesignating all outstanding sub-series of Series A units as “Series A” units), provided that all such redesignated sub-series have achieved their high watermark. This redesignation will occur on a pro-rata basis, based on the relative net asset value of each applicable sub-series. The use of sub-series and the periodic redesignation of outstanding sub-series in this manner enables us to more equitably charge performance fees based on the actual performance attained since the date on which the units were purchased.

Series C and Series F

The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of Series C and Series F units over the previous high watermark for each applicable series of units, plus applicable taxes such as GST or HST. The performance fee for Series C and Series F units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Series C or Series F units, the accrued portion of the performance fee allocated to the redeemed units will be payable by the Fund following the end of the month in which the units were redeemed.

The highest quarter-end net asset value per unit for Series C and Series F units from time to time establishes a high watermark for Series C and Series F units which must be exceeded in subsequent quarters for the performance fee applicable to Series C and Series F units to be payable.

Series I

The Fund does not pay a performance fee with respect to Series I units. The performance fee paid by investors in Series I units is negotiated with us and paid directly by each investor and not by the Fund.

Series M

The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of Series M units over the previous high watermark, plus applicable taxes such as GST or HST. The performance fee for Series M units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Series M units, the accrued portion of the performance fee allocated to the redeemed units will be payable by the Fund following the end of the month in which the units were redeemed.

The highest quarter-end net asset value per unit for Series M units from time to time establishes a high watermark for Series M units which must be exceeded in subsequent quarters for the performance fee applicable to Series

M units to be payable.

Although performance fees are calculated at the unit level, the aggregate of these performance fees is deducted as an expense of the Fund and borne indirectly by all unitholders because the performance fees impact the net asset value of the Fund. Performance fees are calculated monthly on the last business day of each month and carried as a liability of the Fund until paid to us at the end of each calendar quarter, or on redemption of units in respect of which such performance fees are payable. See the section called *Management of the Fund – Fees*.

Sales Commission

The sales commission for each of the existing series of units is as follows:

Series A Series A units are available to investors that purchase directly from us or through registered dealers. No sales commission is payable to us or to the dealer in respect of Series A units purchased. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series B Series B units are available to investors that purchase units through registered dealers (but not through us) on a Sales Charge basis.

Under the Sales Charge option, registered dealers may, at their discretion, charge purchasers a front-end commission of up to 5% of the net asset value of Series B units purchased. Any such fee will be negotiated between the dealer and the purchaser and will be payable by the purchaser to the dealer. The sales charge is deducted from the amount you invest in the Fund and only the net amount is invested. No fee is payable when you redeem Series B units purchased under the Sales Charge option, except with respect to short term trading fees as described in the section called *Description of Units – Redemption of Units – Short Term Trading Fee*. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series C Series C units are available to investors that purchase units through registered dealers (but not through us) on a Sales Charge basis.

Under the Sales Charge option registered dealers may, at their discretion, charge purchasers a front-end commission of up to 5% of the net asset value of Series C units purchased. Any such fee will be negotiated between the dealer and the purchaser and will be payable by the purchaser to the dealer. The sales charge is deducted from the amount you invest in the Fund and only the net amount is invested. No fee is payable when you redeem Series C units purchased under the Sales Charge option, except with respect to short term trading fees as described in the section called *Description of Units – Redemption of Units – Short*

Term Trading Fee. See the section called *Compensation Paid to Sellers and Finders – Sales Commission.*

Series F There are no sales commissions with respect to Series F units. No fee is payable when you redeem Series F units except with respect to short term trading fees as described in the section called *Description of Units – Redemption of Units – Short Term Trading Fee.*

Series I There are no sales commissions with respect to Series I units, other than those that may be negotiated with us.

Series M Series M units are available to investors that purchase directly from us. No sales commission is payable to us in respect of Series M units purchased. See the section called *Compensation Paid to Sellers and Finders – Sales Commission.*

Service Fee Under the Sales Charge option we may pay your dealer a service fee of up to 1% per annum of the net asset value of the Series B units and Series C units held in your dealer account. See the section called *Compensation Paid to Sellers and Finders.*

Finder's Fee We reserve the right to appoint one or more agents to sell Series B, Series C, Series F and Series M units offered hereunder and to pay commissions or other fees to such agents in connection with the purchase of Series B, Series C, Series F and Series M units, in any manner we choose. See the section called *Compensation Paid to Sellers and Finders – Sales Commission.*

Expenses All of the expenses related to the administration and operation of the Fund are paid by the Fund. See the section called *Summary of the Trust Agreement – Expenses.*

Risk Factors There are a number of risks associated with an investment in units of the Fund. See the section called *Risk Factors.*

Income Tax Considerations Generally, a unitholder must include in computing income for a year the portion of the net income, and the taxable portion of the net realized capital gains, of the Fund that is paid or payable to the unitholder in the year. When a unitholder disposes of units, the unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less any associated costs of disposition, are greater (or less) than the adjusted cost base of the units. Redesignating units of one series or sub-series of the Fund as units of another series of the Fund will not result in a disposition. See the section called *Certain Canadian Federal Income Tax Considerations.*

Year End December 31

Trustee Computershare Trust Company of Canada as Agent for Valiant Trust Company

Prime Brokerage Services TD Securities Inc.

**Record Keeping and
Valuation Services**

SGGG Fund Services Inc. (“SGGG”)

Auditor

KPMG LLP

Legal Counsel

Borden Ladner Gervais LLP

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements with respect to the Fund. In particular, the information contained in the section called *Investment Objective, Strategies, Policies and Restrictions* may constitute “forward-looking information” for the purpose of securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by us about the success of the Fund’s investment strategies in certain market conditions, relying on the experience of our officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions we make and the success of our investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of our intended strategies as well as the Fund’s actual course of conduct. Investors are urged to read the section called *Risk Factors* for a discussion of other factors that will impact the Fund.

USE OF PROCEEDS

There is no maximum and no minimum number of units that will be sold as part of this offering. No selling commissions or fees will be paid by the Fund in connection with the sale of units under this Offering Memorandum; however, we may pay the compensation described in the section below called *Compensation Paid to Sellers and Finders* to authorized dealers, salespersons of authorized dealers, and other persons involved in the sale of units of the Fund.

The costs associated with the sale of units under this Offering Memorandum will be paid by us, other than the filing fees payable to securities regulators with respect to the issuance of units which will be paid by the Fund and the costs that are considered operating expenses of the Fund which will be paid by the Fund as described below in the section called *Summary of the Trust Agreement – Expenses*. Filing fees payable to securities regulators vary depending on the jurisdiction in which the investor resides.

The money the Fund receives from the sale of units will be used to invest in securities in the manner described below in the section called *Investment Objective, Strategies, Policies and Restrictions*, to pay the fees payable to us as described below in the section called *Management of the Fund – Fees*, and to pay the other expenses of the Fund described below in the section called *Summary of the Trust Agreement – Expenses*.

THE FUND

The Fund is an open-end investment fund established under the laws of the Province of British Columbia as a trust. The Fund was established on September 26, 2008. The Fund is considered to be a “mutual fund” within the meaning of applicable securities laws. The Fund is a “mutual fund trust” within the meaning of the *Income Tax Act* (Canada).

Maxam Capital Management Ltd. is manager, portfolio advisor and promoter of the Fund. Travis Dowe provides investment advice to the Fund on behalf of Maxam.

The head office of the Fund (which is also our head office) is located at 902 – 510 Burrard Street, Vancouver, British Columbia, V6C 3A8. You can contact us by telephone at 604-685-0201, by facsimile at 604-685-9970 or by e-mail at info@maxamcm.com.

INVESTMENT OBJECTIVE, STRATEGIES, POLICIES AND RESTRICTIONS

Investment Objective

The fundamental investment objective of the Fund is to maximize long term investment returns by profiting from investment opportunities identified by us.

Investment Strategies

We employ an active and opportunistic investment strategy. Our focus is on event driven situations, unique trading opportunities and undervalued securities. We intend to invest primarily in small, mid and large-capitalization companies trading on North American exchanges – however we may choose to invest in compelling opportunities outside of these parameters.

We intend to concentrate the Fund's holdings in the securities of companies that we believe are:

- expected to benefit from a transformational event or catalyst;
- undervalued relative to our assessment of their prospects for growth;
- run by high quality management teams;
- exhibiting, or in our view capable of, strong earnings growth;
- protected by meaningful barriers to entry; and
- misunderstood or contain hidden assets.

In order to capitalize on identified investment opportunities, we will seek to maximize returns and protect against loss by using some or all of the investment strategies, tools and techniques referenced below.

Long Positions

Long positions involve the purchase of an asset with the expectation that the asset will rise in value. We may establish long positions in stocks, option contracts, commodities, currencies and other financial assets that we judge as suitable and appropriate to achieve the investment objective of the Fund.

Short Sales

Short sales involve the sale of a borrowed asset, typically a stock, with the expectation that the asset will fall in value. The Fund must eventually return the borrowed stock by buying it back on the open market. If the stock falls in price, the Fund will be able to buy it for less than it sold it for, thus making a profit.

The practice of short-selling securities is relatively uncommon compared to purchasing long positions. This is primarily due to restrictions on short-selling securities in the policies of many investment funds, a lack of proficiency amongst amateur investors and a perception that short-selling is very risky. Because short-selling is an uncommon practice, there are inefficiencies that we believe we can profitably exploit in the capital markets that other investors cannot, or will not, take advantage of.

We intend to short-sell, on an exceptional and opportunistic basis, securities that we believe are fundamentally flawed or overvalued and have demonstrably begun to fall out of favour with investors. We will also use short positions to hedge away unwanted risks or to protect an offsetting long position from a potential decline in price.

Options and Derivatives

An option is a financial derivative that represents a contract sold by one party to another party. The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at a pre-determined price during a certain period of time or on a specific date.

Options can be used to take an artificial long or short position in an underlying security in a very cost-effective manner. Option contracts can also be used as tools for hedging away risk or protecting existing investment positions. We primarily intend to use options to hedge certain risks and to protect existing investment positions. On a select and opportunistic basis, we may also use options to mimic long or short positions in securities we believe will rise or fall in value. The use of options implies the use of leverage.

Risk Arbitrage

Risk arbitrage can be broadly described as the practice of investing in three types of situations: (a) merger and acquisition arbitrage which involves the simultaneous purchase of a company being acquired and the short-sale of the stock of the acquiring company – the goal is to exploit the spread between the acquirer and the company being acquired in a low risk manner; (b) liquidation arbitrage involves the exploitation of a difference between a company's current value and its estimated liquidation value; and (c) pairs trading, which is the exploitation of a difference between two very similar companies in the same industry that have historically been highly correlated. When the two companies' values diverge to a historically high level you can take an offsetting position in each (e.g., go long in one and short the other) with the goal of profiting as they become more similarly valued.

There are a number of different risk arbitrage techniques that may be used, and we may choose to invest in select situations as opportunities arise after considering the risk and reward characteristics of the investment.

Investment Policies and Restrictions

We are required to adhere to the following investment policies and restrictions in implementing the investment objective and strategies of the Fund:

- The Fund may not engage in any undertaking other than the investment of the Fund's assets in accordance with the investment objective and investment strategies described above.
- The Fund may not purchase a security of an issuer if, immediately after the purchase, the total amount invested by the Fund in such issuer would exceed 15% of the net assets of the Fund. This restriction does not apply to investments in securities issued or guaranteed by a sovereign nation or a jurisdiction thereof.
- The Fund may not invest more than 10% of the net assets of the Fund (measured at the time of purchase) in securities that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which such securities are valued.
- The use of leverage will be limited to a maximum of 50% of the net asset value of the Fund.
- The Fund may not make direct investments in real estate.
- "Naked" option activity will be limited to a maximum of 10% of the net asset value of the Fund.
- Net short sales will be limited to no more than 25% of the net asset value of the Fund.

Other than as described above, we are not subject to any restrictions on the investments we may make for the Fund.

Changes in Investment Objective, Strategies, Policies and Restrictions

We may, from time to time, amend the investment strategies, policies and restrictions of the Fund without your approval, provided that the investment strategies, policies and restrictions remain consistent with the fundamental investment objective of the Fund. A change in the fundamental investment objective of the Fund requires the approval of the unitholders. See the section below called *Summary of the Trust Agreement – Amendment of the Trust Agreement*.

PAST PERFORMANCE

Historical performance information may be obtained by contacting us at the address, telephone number or e-mail address set out above in the section called *The Fund*.

MATERIAL AGREEMENTS

The following material agreements have been entered into by the Fund since its formation:

- (a) The Master Trust Agreement made as of September 26, 2008, as amended from time to time, pursuant to which the Fund was established and Computershare Trust Company of Canada as Agent for Valiant Trust Company has agreed to act as trustee of the Fund (see section called *Summary of the Trust Agreement*).
- (b) The Prime Brokerage Services Agreement dated as of September 26, 2008, as amended from time to time, pursuant to which TD Securities Inc. agreed to provide certain prime brokerage and other services to the Fund (see the section called *Other Service Providers – Prime Brokerage Services*).

You may request a copy of the agreements referred to above by contacting us at the address, telephone number or e-mail address set out above in the section called *The Fund*.

SUMMARY OF THE TRUST AGREEMENT

The Fund is governed by the terms of a Master Trust Agreement made as of September 26, 2008 and last amended and restated on February 1, 2015, as amended from time to time, between Maxam, as manager, and Computershare Trust Company of Canada as Agent for Valiant Trust Company, as trustee (the “**Trust Agreement**”). The Trust Agreement sets out the rights, duties and obligations of Computershare Trust Company of Canada as Agent for Valiant Trust Company, in its capacity as the trustee of the Fund, and the rights and restrictions that are attached to each unit of the Fund.

Under the Trust Agreement, the Trustee has full, absolute and exclusive power, control and authority over the assets of the Fund to the same extent as if it were the sole owner of those assets, subject only to the specific limitations contained in the Trust Agreement. However, as manager of the Fund, the Trust Agreement specifically provides us with full authority and responsibility for managing the business and affairs of the Trust and makes it clear that the Trustee has no responsibility for portfolio advisory services provided to the Trust (other than for carrying out instructions given to it in accordance with the Trust Agreement). See the section entitled *Management of the Fund*.

The following is a summary only of certain provisions of the Trust Agreement not otherwise summarized in this Offering Memorandum and is not necessarily complete. You should review the Trust Agreement for complete details of its terms. You may request a copy of the Trust Agreement by contacting us at the address, numbers or e-mail address set out above in the section called *The Fund*.

Division of the Fund into Units and Classes or Series of Units

Interests in the Fund are divided into units of one or more class or series. The Fund currently has six series of units - Series A, Series B, Series C, Series F, Series I and Series M. A summary of the rights and restrictions attached to units is set out below in the section called *Description of Units*.

Net Asset Value

The Fund maintains a separate net asset value for each series (and sub-series) of units of the Fund, as if such series (and sub-series) were a separate fund. However, the assets of the Fund constitute a single pool for investment purposes. The net asset value per unit of each series is the basis for calculating the purchase price and redemption price for buying or redeeming units of the Fund.

The net asset value of the Fund is determined at 1:00 p.m. (Vancouver time) on the last business day of each month, or such other date or dates as may be determined by us from time to time. The net asset value of the Fund is the fair market value of the Fund's assets less its liabilities. The net asset value of each series (or sub-series) is the net asset value of the Fund that is attributed to such series (or sub-series). The portion of the net asset value attributable to each series (or sub-series) is determined in accordance with the Trust Agreement. The series (or sub-series) net asset value per unit is the net asset value of the series (or sub-series) divided by the number of units of that series (or sub-series) outstanding at the applicable time.

The market value of the assets of the Fund are determined by us or our agent in accordance with the Trust Agreement, applicable laws and procedures adopted by us, and generally, by applying the following guidelines:

- (a) The value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, will be deemed to be the face amount thereof, unless we or our agent determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof will be deemed to be such value as we or our agent determines to be the reasonable value thereof.
- (b) The value of any bonds, debentures, and other debt obligations will be valued by taking the average of the bid and ask prices on a valuation day at such times as we or our agent in our discretion, deems appropriate. If both a bid and an ask price are not available, the procedures set forth in paragraph (d) below shall apply. Short-term investments (those under 365 days), including notes and money market instruments, will be valued at current market price.
- (c) The value of any security, index futures or index options thereon which is listed on any recognized exchange will be determined by the closing sale price at the valuation time or, if there is no closing sale price, the value will be the last traded price available at the valuation time. If there is no last traded price available, the value will be the average between the closing bid and the closing asked price on the valuation day on which the net asset value is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that valuation day, then the value will be determined based on the last previous valuation day on which such stock exchange was open for trading.
- (d) The value of any security or other asset for which a market quotation is not readily available will be its fair market value as determined by us or our agent.
- (e) The value of any security, the resale of which is restricted or limited, will be the lesser of the value based on reported quotations in common use; and, that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into

account of the actual value of the securities may be made where the date on which the restriction will be lifted is known.

- (f) Purchased or written clearing corporations options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof.
- (g) Where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option will be valued at their then current market value.
- (h) The value of a futures contract, or a forward contract, will be the gain or loss with respect thereto that would be realized if, at the valuation time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value will be based on the current market value of the underlying interest.
- (i) Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as margin.
- (j) All property of the Fund valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency will be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the custodian including, but not limited to, the custodian or any of its affiliates.
- (k) If in our opinion or that of our agent, (i) the above valuation principles cannot be applied (whether because price or yield equivalent quotations are not available or for any other reason) to determine the value of any security or other property or (ii) the value of any security or other property determined using the above valuation principles does not represent the fair value of the security or other property, we or our agent will determine the fair value of the security or other property in such manner as we or our agent from time to time provide. When fair value pricing is used, the prices of securities or other property held by the Fund may differ from the quoted or published prices for the same securities or other property on their primary markets or exchanges.

The Trust Agreement outlines the method for determining the value of liabilities to be deducted in determining the net asset value of the Fund.

For the purposes of determining the net asset value of the Fund and the net asset value per unit of each series in connection with purchases and redemptions of units, the market value of assets of the Fund is determined in accordance with the Trust Agreement and the valuation principles described above.

Fees

The Trustee receives a fee from the Fund for its services as trustee. We negotiate the amount of this fee on behalf of the Fund.

Expenses

In addition to the fees described above, the Fund is responsible for payment of all expenses relating to the operation of the Fund and the carrying on of its business. These expenses include, but are not limited to, management fees payable to the Manager; performance or other incentive fees payable to the Manager for

its services as portfolio advisor; fees and expenses associated with any investment advisor, foreign advisor and permitted derivative advisor; brokerage fees and other fees and disbursements directly relating to the implementation of transactions for the portfolios of the Fund; any taxes payable by the Fund or to which the Fund may be subject; interest expenses, if any; any performance measurement fees payable by the Fund; custody and safekeeping charges of the Fund and any securities borrowing costs and other fees and expenses of the custodian of the Fund, whether acting in its capacity as custodian of the Fund or as prime broker or otherwise; costs relating to providing information to unitholders including annual and interim financial reports; audit and legal fees relating to the Fund; costs of preparing any offering memorandum, prospectus or other qualifying disclosure document and forwarding these documents to unitholders in compliance with applicable laws; expenses of conducting unitholder meetings; costs of bookkeeping, fund accounting, registry and transfer agent services; expenses incurred upon termination of the Fund; legal, accounting and audit fees and fees and expenses of the Trustee, custodian or any sub-custodian which are incurred in respect of matters not in the normal course of the Fund's activities; fees and expenses of or associated with any person retained to provide services to the Fund with respect to the selection of the Fund's investments, exercise of voting rights attached to the Fund's investments or related matters; participation fees payable by the Manager of the Fund pursuant to Ontario Securities Commission Rule 13-502 (and other similar fees payable under applicable laws); and costs, fees and expenses reasonably incurred in connection with the activities of any independent review committee overseeing matters related to the Fund including, without limitation, compensation paid to, and expenses incurred by its members and any amounts payable to an independent review committee member pursuant to an indemnity from the Fund. We may allocate such expenses to the units of any series of the Fund in our sole discretion. We may, from time to time, choose to pay or otherwise absorb certain of the Fund's expenses; however, we are not obligated to do so and if at any time we choose to do so, we will not be obligated to do so in the future.

Meetings of Unitholders

Although the Fund does not hold regular meetings, we may hold meetings to obtain your approval on certain matters. You will receive at least 21 days' notice of any meeting of unitholders at which you are entitled to vote. Unless otherwise required by applicable securities laws, the quorum for any meeting is a nominee of the Manager and at least two unitholders entitled to vote at such meeting present in person or represented by proxy. The number of votes you will have on any question submitted to any meeting will be equal to the number of units then held by you.

We also may seek your approval by way of a mail poll rather than by holding a meeting of unitholders.

Amendment of the Trust Agreement

Unless otherwise required under applicable securities laws, any provision of the Trust Agreement may be amended, deleted, expanded or varied by the Manager without the consent of unitholders of the Fund, provided that (i) the amendment, deletion, expansion or variation is acceptable to the Manager and the Trustee acting reasonably, and (ii) if, in the opinion of the Manager, the amendment, deletion, expansion or variation is a change that would be considered important by a reasonable unitholder in determining whether to continue to hold units of the Fund, and is prejudicial to the interests of unitholders as a group, notice of the amendment, deletion, expansion or variation is provided to unitholders not less than 30 days prior to the date the amendment, deletion, expansion or variation is made effective.

Where approval of unitholders is required by applicable securities laws, an amendment to the Trust Agreement must be duly approved by at least a majority of votes cast (or such lesser percentage as may be permitted by applicable securities laws) by unitholders entitled to vote and present in person or represented by proxy at a meeting of unitholders which has been duly called for that purpose. If (a) we elect to seek unitholder approval of an amendment to the Trust Agreement or any other matter and such approval is not required by applicable securities laws or (b) we are required to obtain unitholder approval but are not required to obtain that approval at a meeting of unitholders, we may seek that approval by way of a mail

poll rather than holding a meeting of unitholders, in which case such amendment or approval must be approved by at least a majority of votes cast (or such lesser percentage as may be permitted by applicable securities laws) by unitholders entitled to vote on such matter.

Termination of the Fund

We may terminate and dissolve a Fund or a class or series within a Fund by giving you and the Trustee written notice of our intention to terminate at least 90 days before the date on which that Fund or class or series, as the case may be, is to be terminated. During the period after the giving of such notice, your right to require payment for all or any of your units, if any, will be suspended and we will make appropriate arrangements for converting the assets of the Fund into cash. After payment of the liabilities of the Fund, you will be entitled to receive from the Trustee your proportionate share of the remaining assets of the Fund.

MANAGEMENT OF THE FUND

We are responsible for managing the business and affairs of the Fund, including providing the Fund with all necessary administrative and portfolio advisory services. We may also be considered to be a “promoter” of the Fund within the meaning of applicable securities laws because we took the initiative in organizing the Fund. The rights, duties and obligations of Maxam, in its capacity as manager and portfolio advisor of the Fund, are set out in the Trust Agreement.

Powers of the Manager

As the manager, we have full authority and responsibility to manage the business and affairs of the Fund and to administer or arrange for the administration of the day-to-day operations of the Fund. In addition, we are also responsible for the distribution of units of the Fund, either directly in reliance on exemptions from applicable dealer registration requirements or through registered dealers.

As portfolio advisor, we are responsible for providing the Fund with all necessary portfolio advisory services. Travis Dowle provides investment advice to the Fund on behalf of Maxam.

Our duties as portfolio advisor also include responsibility for exercising the voting rights attributable to securities held in the portfolio of the Fund. These voting rights will generally be exercised through the execution and delivery of proxies relating to securities held by the Fund. We will exercise these rights in accordance with the policies and procedures we adopt from time to time. Our policy is to exercise all voting rights in a manner that we determine is in the best interests of the Fund and is consistent with the Fund’s investment objectives and strategies. We have established general guidelines with respect to the voting of proxies and will generally vote proxies in accordance with these guidelines. However, these guidelines serve as a framework only and we may vote contrary to these guidelines in circumstances where we determine that it is in the best interests of the Fund to do so. In addition, to the extent that these guidelines do not address a potential voting issue, we will vote on such issue in a manner that we determine is consistent with the spirit of the guidelines and that we determine would be in the best interests of the Fund. In addition, we may also determine to not to exercise certain voting rights where we conclude that the costs of doing so outweigh any benefits or we otherwise conclude that it is the best interests of our clients to refrain from exercising such rights. You may request a copy of our proxy voting policies and procedures established by us by contacting us at the address, numbers or e-mail address set out above in the section called *The Fund*.

Fees

For our services as manager and portfolio advisor of the Fund, we are entitled to receive the management fees and performance fees described below. We will provide unitholders with at least 60 days notice of any

changes to the fees payable to us. We may, from time to time, choose to waive all or a portion of our fees; however, we are not obligated to do so and if at any time we choose to do so, we will not be obligated to do so in the future.

Management fees

As consideration for the services we provide as the manager of the Fund, the Fund pays us a monthly management fee, based on the net asset value of each series of units of the Fund on the last business day of the preceding month. The management fee may vary from series to series and will be deducted as an expense of the Fund in the calculation of the net asset value of the Fund.

The management fee for each of the existing series of units is calculated monthly as follows:

<u>Series</u>	<u>Management Fee</u>
Series A	1/12 of 2% (2% per annum) of the net asset value of the Series A units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.
Series B	1/12 of 2% (2% per annum) of the net asset value of the Series B units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.
Series C	1/12 of 2% (2% per annum) of the net asset value of the Series C units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.
Series F	1/12 of 1% (1% per annum) of the net asset value of the Series F units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.
Series I	The Fund does not pay a management fee with respect to Series I units. The management fee paid by investors in Series I units is negotiated with us and paid directly by each investor and not by the Fund.
Series M	1/12 of 2% (2% per annum) of the net asset value of the Series M units of the Fund on the last business day of each month, plus any applicable taxes such as GST or HST.

The management fee is calculated prior to, and without taking into account, the performance fee. See the section below called *Fees – Performance fee*. The management fee is subject to applicable taxes, including GST and HST.

Performance fee

In addition to the management fee payable in respect of each series of units, we are entitled to receive a performance fee for our services as portfolio advisor. The performance fee is calculated at the unit level but is charged to the Fund.

The performance fee for each of the existing series of units is calculated monthly as follows:

Series	Performance Fee
Series A and Series B	<p>The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of each series or sub-series of Series A or Series B units over the relevant period in excess of a 5% annualized minimum increase, subject to a “high watermark” that ensures that any decline in the net asset value of the series or sub-series has to be recouped before performance fees will be charged in respect of the series or sub-series in any subsequent period. The “high watermark” for a Series A or Series B sub-series, or series, is the greater of:</p> <ul style="list-style-type: none"> (A) the purchase price of the sub-series; or (B) if a performance fee has been paid in respect of the sub-series, the net asset value of the sub-series following the last date on which a performance fee was so paid. <p>Immediately following payment of performance fees to us, we may redesignate units of one or more sub-series as units of that same series (for example, by redesignating all outstanding sub-series of Series A units as “Series A” units), provided that all such redesignated sub-series have achieved their high watermark. This redesignation will occur on a pro-rata basis, based on the relative net asset value of each applicable sub-series. The use of sub-series and the periodic redesignation of outstanding sub-series in this manner enables us to more equitably charge performance fees based on the actual performance attained since the date on which the units were purchased.</p>
Series C and Series F	<p>The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of Series C and Series F units over the previous high watermark for each applicable series of units. The performance fee for Series C and Series F units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Series C or Series F units, the accrued portion of the performance fee allocated to the redeemed units will be payable by the Fund following the end of the month in which the units were redeemed.</p> <p>The highest quarter-end net asset value per unit for Series C and Series F units from time to time establishes a high watermark for Series C and Series F units which must be exceeded in subsequent quarters for the performance fee applicable to Series C and Series F units to be payable.</p>
Series I	<p>The Fund does not pay a performance fee with respect to Series I units. The performance fee paid by investors in Series I units is negotiated with us and paid directly by each investor and not by the Fund.</p>
Series M	<p>The Fund will pay us a performance fee equal to 20% of the increase in the net asset value of Series M units over the previous high watermark. The performance fee for Series M units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Series M units, the accrued portion of the performance fee allocated to the redeemed units will be</p>

Series	Performance Fee
	<p>payable by the Fund following the end of the month in which the units were redeemed.</p> <p>The highest quarter-end net asset value per unit for Series M units from time to time establishes a high watermark for Series M units which must be exceeded in subsequent quarters for the performance fee applicable to Series M units to be payable.</p>

Although performance fees are calculated at the unit level, the aggregate of these performance fees is deducted as an expense of the Fund and borne indirectly by all unitholders because the performance fees impact the net asset value of the Fund. Performance fees are calculated monthly on the last business day of each month and carried as a liability of the Fund until paid to us at the end of each calendar quarter, or on redemption of units in respect of which such performance fees are payable. Performance fees are subject to applicable taxes, including GST and HST.

Expenses

We are responsible for the payment of all advertising and promotional expenses incurred in respect of the Series A, Series B, Series C, Series F, Series I and Series M units. The Fund is responsible for all other expenses relating to the operation of the Fund and the carrying on of its business. We may, from time to time, choose to pay or otherwise absorb certain of the Fund's expenses; however, we are not obligated to do so and if at any time we choose to do so, we will not be obligated to do so in the future. See the section above called *Summary of the Trust Agreement – Expenses*.

Resignation and Removal of the Manager

We may resign as manager of the Fund by giving at least 90 days notice in writing to you and the Trustee. In addition, we may be removed as the manager of the Fund (and the Trust Agreement terminated) if:

- (a) in the opinion of the Trustee, we are in material default of our obligations under the Trust Agreement and such default continues for 120 days from the date we receive written notice of such material default from the Trustee;
- (b) we are declared bankrupt or insolvent or have entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction);
- (c) we make a general assignment for the benefit of creditors or otherwise acknowledge our insolvency; or
- (d) our assets have become subject to seizure or confiscation by any public or governmental authority.

Compensation and Securities Held

The following table outlines certain information regarding Maxam, each director and officer of Maxam, and each person who as at April 1, 2021 directly or indirectly, beneficially owned or controlled 10% or more of the units of the Fund.

Name and municipality of principal residence	Position held / Date of obtaining that position	Compensation paid by the Fund in the year ended December 31, 2020	Number / % of units held as at April 1, 2021	Number / % of units expected to be held after this Offering
MAXAM CAPITAL MANAGEMENT LTD.	Manager, portfolio advisor and promoter September 2008	\$1,081,510 ⁽¹⁾	Nil	- ⁽²⁾
TRAVIS DOWLE Vancouver, BC	President, Fund Manager and Director April 2008	Nil ⁽³⁾	Series A Units: 58,298.38 / 3.7% Series C Units: 8,775.70 / 2.0%	- ⁽²⁾
SEAN MORRISON Vancouver, BC	Director October 2011	Nil ⁽³⁾	Series A Units: 46,719.76 / 3.0% Series B Units: 13,327.35 / 7.7% Series C Units: 11,582.10 / 2.6%	- ⁽²⁾
BEN MACFADYEN Vancouver, BC	Chief Operating Officer and Chief Compliance Officer April 2020	Nil	Series C Units: 4,096.29 / 0.9%	- ⁽²⁾
INVESTOR A ⁽⁴⁾	-	Nil	Series A Units: 540,031.39 / 34.5%	-
INVESTOR B ⁽⁴⁾	-	Nil	Series A Units: 328,781.62 / 21.0%	-
INVESTOR C ⁽⁴⁾	-	Nil	Series B Units: 130,439.29 / 75.6%	-
INVESTOR D ⁽⁴⁾	-	Nil	Series B Units: 19,206.68 / 11.1%	-
INVESTOR E ⁽⁴⁾	-	Nil	Series F Units: 87,724.59 / 12.1%	-
INVESTOR F ⁽⁴⁾	-	Nil	Series I Units: 400,876.09 / 49.2%	-
INVESTOR G ⁽⁴⁾	-	Nil	Series I Units: 279,482.86 / 34.3%	-
INVESTOR H ⁽⁴⁾	-	Nil	Series I Units: 134,969.79 / 16.6%	-
INVESTOR I ⁽⁴⁾	-	Nil	Series M Units: 107,156.94 / 84.6%	-
INVESTOR J ⁽⁴⁾	-	Nil	Series M Units: 15,045.30 / 11.9%	-

⁽¹⁾ This amount is comprised of the management fee and performance fee paid to Maxam for its services. See the sections called *Fees* and *Expenses* above.

⁽²⁾ Maxam and the directors and officers of Maxam may acquire units under this Offering Memorandum; however, the number of units, if any, which may be acquired is not known.

⁽³⁾ This individual is a director of Maxam. Although he does not receive compensation from the Fund, Maxam does receive a management fee and performance fee for its services. See the sections called *Fees* and *Expenses* above.

⁽⁴⁾ To protect the privacy of investors in the Fund, we have omitted the name of the beneficial owner(s). If you have questions regarding these positions, please contact us using the contact information in the section called *The Fund*.

Management Experience

The following table discloses the principal occupations of the directors, senior officers and portfolio managers of Maxam for the past five years.

<u>Name and Municipality of Principal Residence</u>	<u>Principal Occupations and Related Experience</u>
TRAVIS DOWLE, CFA Vancouver, BC	<p>Travis Dowle is the President, Fund Manager and a director of Maxam and is responsible for providing investment advice to the Fund on behalf of Maxam.</p> <p>Previously, Mr. Dowle was Vice President, Portfolio Investments at Gibralt Capital and Second City Capital, both Vancouver-based private equity groups. Prior to that Mr. Dowle was a portfolio manager for HSBC Global Asset Management. Prior to that, Mr. Dowle held various investment and research positions with HSBC and M.K. Wong & Associates.</p> <p>Mr. Dowle has over 20 years of experience in the capital markets and investment industry, is a graduate of the University of Western Ontario and holds the Chartered Financial Analyst (CFA) designation.</p>
SEAN MORRISON, CA Vancouver, BC	<p>Sean Morrison is a director of Maxam. Mr. Morrison is also the President and Chief Executive Officer of Diversified Royalty Corp. and serves on the board of goeasy Ltd. Previously, Mr. Morrison was partner at Capital West Partners, advising companies across Canada with respect to capital raising (senior debt, subordinated debt and private equity), IPOs, debt restructurings, asset sales, acquisitions, valuations and fairness opinions.</p> <p>Mr. Morrison has over 20 years of experience in the capital markets and investment industry, is a graduate of the University of British Columbia with a Bachelor Degree in Commerce and holds the Chartered Accountant designation.</p>
BRIAN HIKISCH, CFA North Vancouver, BC	<p>Brian Hikisch is a Portfolio Manager with Maxam. As a member of Maxam's investment team Mr. Hikisch supports the firm's research process, monitors existing holdings, conducts security analysis and helps generate new ideas. Prior to joining Maxam, Mr. Hikisch worked as an investment analyst for a value-oriented investment fund, an Equity Research Associate with Raymond James Ltd. and an Investment Banking Analyst with National Bank Financial.</p> <p>Mr. Hikisch has over 10 years of experience in the capital markets and investment industry, is a graduate of the University of British Columbia with a degree in Commerce and holds the Chartered Financial Analyst (CFA) designation.</p>
BEN MACFADYEN, CFA Vancouver, BC	<p>Ben Macfadyen is the Chief Operating Officer and Chief Compliance Officer of Maxam. Mr. Macfadyen is responsible for managing day-to-day operations and assisting with client support, and marketing for the firm. As the firm's Chief Compliance Officer Mr. Macfadyen is also responsible for managing Maxam's compliance responsibilities and obligations. Prior to joining Maxam, Mr. Macfadyen served as Chief Operating Officer for a Toronto-based event driven hedge fund and more recently as an institutional equity trader with CIBC World Markets in Vancouver.</p>

Mr. Macfadyen has over 10 years of experience in the capital markets and investment industry, is a graduate of the University of British Columbia with a degree in Commerce and holds the Chartered Financial Analyst (CFA) designation.

Penalties, Sanctions and Bankruptcy

To the best of our knowledge, no director or senior officer of Maxam, and no control person of the Fund, or of any issuer of which any of the foregoing persons has been a director or senior officer during the last 10 years, has been subject to any penalty or sanction, or any cease trade order that has been in effect for a period of more than 30 consecutive days or has been subject to any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement, or compromise with creditor or appointment of a receiver or receiver manager or trustee to hold assets that has been in effect during the last 10 years.

Loans

There are no debenture or loans due to or from the directors, management, promoters and principal holders as at April 1, 2021.

Other Service Providers

Prime Brokerage Services

TD Securities Inc. (“**TDSI**”) provides prime brokerage services to the Fund. As part of these services, TDSI holds the assets of the Fund. The Fund’s assets are held as collateral rather than under a custodial arrangement; however rules of the self-regulatory body that governs TDSI require it to segregate fully paid or excess margin securities and identify them as being held in trust (although such assets may be held in bulk with assets of its other clients). Liquid assets not required for margin or as security, including cash, are not segregated and may be used by TDSI in the ordinary conduct of its business, with the result that the Fund stands as creditors in respect of such assets. TDSI will also provide the Fund with financing lines and short-selling facilities. These services are provided pursuant to a Prime Brokerage Services Agreement dated as of September 26, 2008 between the Fund and TDSI. TDSI receives fees for its services that are negotiated by us. These fees are paid by the Fund.

Record Keeping and Valuation Services

SGGG Fund Services Inc. acts as the record keeper of the Fund. As record keeper, it keeps track of who owns units of the Fund, maintains a record of all purchases and redemptions of units, and prepares and maintains certain other records required by the Fund. SGGG Fund Services Inc. is also responsible for calculating the net asset value of the Fund and each series of units of the Fund.

Auditor

KPMG LLP acts as the auditor for the Fund. As auditor, KPMG LLP examines the financial statements of the Fund annually to determine whether they are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting principles.

Legal Counsel

Borden Ladner Gervais LLP acts as our legal counsel. As our legal counsel, Borden Ladner Gervais LLP provides us with advice on legal matters relating to the Fund and our role as manager of the Fund.

CAPITAL STRUCTURE

Outstanding Securities of the Fund

The table below describes the outstanding securities of the Fund as at April 1, 2021.

Description of Security ⁽¹⁾	Number Authorized to be Issued	Number of Units Outstanding as at April 1, 2021 ⁽³⁾	Number of Units Outstanding after Offering ⁽²⁾
Series A units	Unlimited	1,565,494.89	Unknown
Series B units	Unlimited	172,452.51	Unknown
Series C units	Unlimited	448,131.60	Unknown
Series F units	Unlimited	722,448.94	Unknown
Series I units	Unlimited	815,328.74	Unknown
Series M units	Unlimited	126,712.63	Unknown

⁽¹⁾ The Fund may offer additional series of units in the future.

⁽²⁾ There is no minimum or maximum number of units to be issued as part of this offering. The Fund will continue to issue additional units on an on-going basis.

⁽³⁾ Number of units outstanding includes the reclassification of sub-series units to master series units upon achievement of certain performance fee objectives, which results in a decrease in the Fund's outstanding units versus units issued disclosed in the section *Prior Sales* below.

Prior Sales

The table below discloses information regarding the units of the Fund that were issued during the twelve months ended March 31, 2021.

Date of Issuance	Series A		Series C		Series F		Total Funds Received
	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	
2020							
April	7,762.25	\$9.15- 10.00	903.06	\$13.56	-	-	\$89,475
May	762.91	\$9.57-10.45	-	-	-	-	\$7,561
June	763.58	\$9.66-10.55	-	-	5,751.58	\$14.69	\$92,136
July	764.25	\$10.24-11.18	-	-	-	-	\$8,105
August	764.92	\$10.55-11.52	-	-	-	-	\$8,359
September	765.59	\$10.62- 11.60	-	-	-	-	\$8,422
October	766.26	\$10.78- 11.77	-	-	-	-	\$8,554
November	757.63	\$11.66- 12.73	-	-	279.79	\$17.81	\$14,122
December	757.85	\$13.15- 14.36	-	-	-	-	\$10,311
2021							
January	758.47	\$13.83- 15.10	495.30	\$20.19	1,279.91	\$20.71	\$47,361
February	758.88	\$14.66- 16.01	-	-	-	-	\$11,511
March	1,568.28	\$14.67- 16.02	-	-	134.13	\$21.81	\$26,728

The table below discloses information regarding the units of the Fund that were redeemed during the twelve months ended March 31, 2021.

Date of Redemption	Series A		Series B		Series C		Series F		Series I		Total Funds Paid
	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	
2020											
April	-	-	-	-	19,953.92	\$13.56	32,465.32	\$13.90	367.55	\$9.44-10.05	\$725,534
May	33,789.92	\$20.52	-	-	4,725.65	\$14.18	55,657.84	\$14.55	367.23	\$9.88-10.53	\$1,573,984
June	1,610.28	\$20.71	-	-	11,567.94	\$14.31	50,133.75	\$14.69	366.90	\$9.99-10.64	\$939,181
July	-	-	-	-	59,292.85	\$15.18	32,104.23	\$15.59	366.58	\$10.61-11.30	\$1,404,388
August	-	-	67,120.60	\$13.41	3,738.14	\$15.64	55,898.70	\$16.08	366.26	\$10.95-11.67	\$1,861,583
September	-	-	-	-	1,691.44	\$15.74	18,827.24	\$16.20	365.94	\$11.05-11.76	\$335,825
October	124,238.68	\$9.02-23.12	-	-	20,395.72	\$15.97	11,078.37	\$16.46	365.62	\$11.23-11.96	\$2,558,797
November	-	-	-	-	54,943.20	\$17.27	14,809.22	\$17.81	365.30	\$12.16-12.95	\$1,217,300
December	17,732.95	\$28.20	-	-	13,966.00	\$19.40	6,138.79	\$19.89	364.98	\$13.75-14.64	\$898,111
2021											
January	3.54	\$29.66	-	-	48,207.29	\$20.19	2,310.37	\$20.71	364.66	\$14.48-15.42	\$1,026,648
February	20,680.37	\$11.54-31.44	-	-	6,754.39	\$21.16	4,179.44	\$21.72	364.34	\$15.38-16.38	\$539,393

Date of Redemption	Series A		Series B		Series C		Series F		Series I		Total Funds Paid
	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	Number of Units	Price per Unit	
March	-	-	-	-	33,172.08	\$21.23	18,879.12	\$21.81	1,576.97	\$15.47-16.48	\$1,140,900

DESCRIPTION OF UNITS

Interests in the Fund are divided into units of one or more series. The Fund currently has six series of units - Series A, Series B, Series C, Series F, Series I and Series M. A description of each series is set out below. Each unit of a series represents an equal, undivided interest in the net assets of the Fund represented by that series. However, the assets of all series of the Fund are combined in a single pool to create one portfolio for investment purposes.

Except for the fees payable in respect of each series of units, the rights and attributes of each series will be identical. A holder of any series of units is entitled to one vote for each whole unit on matters for which separate approval of the series is sought at any meeting of the unitholders and one vote for each whole unit held on matters for which approval is sought from all unitholders, voting together as a group, at any meeting of the unitholders. Gains and losses of the Fund will be allocated to each series of units in proportion to the net asset value of the series relative to the other series. See the section called *Summary of the Trust Agreement – Net Asset Value*. Units are not transferable, except in very limited circumstances. If the Fund is terminated, a holder of any series of units on the termination date will be entitled to a proportionate share of the net assets of the Fund attributable to that series of units.

Each Series A, Series B and Series I unit can be further sub-divided into sub-series. We anticipate that a new sub-series will be established on each date that units of Series A, Series B and/or Series I are issued. Each sub-series of units of a series will be identical in all respects to other sub-series of that series. The use of sub-series enables us to better track the performance of units issued on a particular date.

Each series of units pays its proportionate share of common expenses, as well as any expenses that relate specifically to that series. The differences in expenses and fees between series (and sub-series) means that each series (and sub-series) has a different net asset value per unit.

Series A units

Series A units are available to investors that purchase units directly from Maxam or through registered dealers. The management and performance fees paid to us with respect to Series A units are described in the section called *Management of the Fund – Fees*. You may also be required to pay a fee if you redeem your Series A units early. See the section below called *Description of Units – Redemption of Units – Short Term Trading Fee*. You will not be charged a commission or fee by us or by your dealer when you acquire your Series A units.

Series B units

Series B units are available to investors that purchase units through authorized dealers (but not through us) on a Sales Charge basis. The sales charges payable by you on Series B units purchased pursuant to the Sales Charge Option are described in the section called *Compensation Paid to Sellers and Finders – Sales Commission*. The management and performance fees paid to us with respect to Series B units are described in the section called *Management of the Fund – Fees*. You may also be required to pay a fee if you redeem your Series B units early. See the section below called *Description of Units – Redemption of Units – Short Term Trading Fee*.

We reserve the right to appoint one or more agents to sell Series B units offered hereunder and to pay commissions or other fees to such agents in connection with the purchase of Series B units. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series C units

Series C units are available to investors that purchase units through authorized dealers (but not through us) on a Sales Charge basis. The sales charges payable by you on Series C units purchased pursuant to the Sales Charge Option are described in the section called *Compensation Paid to Sellers and Finders – Sales Commission*. The management and performance fees paid to us with respect to Series C units are described in the section called *Management of the Fund – Fees*. You may also be required to pay a fee if you redeem your Series C units early. See the section below called *Description of Units – Redemption of Units – Short Term Trading Fee*.

We reserve the right to appoint one or more agents to sell Series C units offered hereunder and to pay commissions or other fees to such agents in connection with the purchase of Series C units. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series F units

Series F units are available to investors that purchase units through authorized dealers (but not through us). There are no sales commissions with respect to Series F units. No fee is payable when you redeem Series F units except with respect to Short Term Trading Fees as described in the section below called *Description of Units – Redemption of Units – Short Term Trading Fee*.

We reserve the right to appoint one or more agents to sell Series F units offered hereunder and to pay commissions or other fees to such agents in connection with the purchase of Series F units. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series I units

Series I units are generally available only for institutional or other large investors who have entered into an agreement with us and meet certain other conditions. No management or performance fees are charged to the Fund with respect to Series I units. Instead, each investor in Series I units negotiates a separate management fee and performance fee that is paid directly to us.

Series M units

Series M units are available to investors that purchase units directly from Maxam. The management and performance fees paid to us with respect to Series M units are described in the section called *Management of the Fund – Fees*. You may also be required to pay a fee if you redeem your Series M units early. See the section below called *Description of Units – Redemption of Units – Short Term Trading Fee*. You will not be charged a commission or fee by us when you acquire your Series M units.

Distributions

Sufficient net income and net realized capital gains of the Fund will be distributed to unitholders in each year to ensure that the Fund will not be subject to tax under Part I of the *Income Tax Act* (Canada) (other than alternative minimum tax). Any distribution received by you as a unitholder will be automatically reinvested in additional units of the same series at the applicable series net asset value per unit on the date of the distribution.

From time to time, we may accept reduced management fees from the Fund in connection with certain unitholders who make substantial investments in the Fund. If we accept reduced fees in respect of your

investment, you will receive a “management fee distribution” from the Fund equal to the amount of such fee reduction. This management fee distribution will be paid first out of the net income and net realized capital gains of the Fund, and thereafter out of capital, and will be automatically reinvested in additional units.

Redemption of Units

On the last business day of each month, you may redeem all or a portion of your units if you give us at least 15 business days prior written notice. The redemption price of your units will be the applicable series net asset value per unit determined as at the close of business on the redemption date, less the applicable redemption charge described below. You will be paid the redemption price within fifteen business days of the redemption date.

Short Term Trading Fee

An investment in the Fund should generally be considered a longer term investment. Due to the cost of portfolio transactions, frequent trading can also negatively impact the performance of the Fund and all its unitholders. If you redeem Series A, Series B, Series C, Series F, or Series M units within six months of the date of purchase, you may be charged a 3% short term trading fee by the Fund. For the purposes of determining whether short term trading has occurred, units will be considered to be redeemed on a first-in first-out basis. The purpose of the early redemption charge is to discourage short-term investors from acquiring units in the Fund. Maxam retains the right to apply or waive the short term trading fee in its sole discretion.

Suspension of Redemptions

In exceptional circumstances, we may temporarily suspend your right to redeem your units or your right to payment for units previously tendered for redemption. We will only do this where we determine that conditions exist that render impractical the sale of the Fund’s assets or impair our ability to determine the value of assets of the Fund.

If you have requested redemption and a suspension occurs, you will be notified of the suspension and will have the right to withdraw your request prior to the end of the suspension period, or receive payment based on the net asset value per unit of the applicable series of units next calculated after the termination of the suspension.

We also have the right, exercisable at any time at our discretion, to require you to redeem your units.

Consolidation, Subdivision and Redesignation

Units may automatically be consolidated in certain circumstances described in the Trust Agreement. In addition, we may consolidate or subdivide units of any class or series if we give holders of units of that class or series and the Trustee at least 14 days’ notice of our intention to subdivide or consolidate. We may also redesignate units of any series or sub-series as units of a different series based on the applicable series or sub-series net asset value per unit of the two series or sub-series on the date of the redesignation without notice to you, but upon two days’ prior written notice to the Trustee. However, we will not redesignate any series or sub-series of units held by you without your consent if the redesignation is a material change to, or adversely affects the pecuniary value of, your interest, or if the redesignation would have an adverse tax consequence to you.

Transfer of Units and Reclassification

Units are transferable only in very limited circumstances. You may only transfer your units with our prior written consent, or as required by law in connection with a bankruptcy or insolvency or upon death, and then only to your legal representatives. See the section below called *Resale Restrictions*.

At our discretion, you may switch between different series of units of the Fund, which is called a reclassification.

INVESTING IN UNITS

You may invest in the Fund by purchasing units. Series A, Series B, Series C, Series F, Series I and Series M units of the Fund are offered for sale in reliance on exemptions from the prospectus requirements of applicable securities laws. You will only be permitted to purchase units if your purchase qualifies for one of these exemptions. We rely on the representations you make in your subscription agreement to ensure that your purchase qualifies for these exemptions and to ensure that you are otherwise eligible to purchase units.

You may acquire units as at the close of business on the last business day of a month if we receive a duly completed subscription agreement, payment for the units being subscribed for (in an amount not less than the required minimum investment amount as described below) and any other documentation or information required by us, by no later than 1:00 p.m. (Pacific Standard Time) on that business day. The purchase price for units being subscribed for may be paid by a certified cheque payable to “**Maxam Diversified Strategies Fund**”, wire transfer (details are available from the Manager upon request) or by any other means approved by us. You may obtain a copy of the required subscription agreement, and confirm the other documentation and information required by us, the minimum investment amount applicable to you and the acceptable manner of payment for units being subscribed for, by contacting us by telephone at 604-685-0201, by facsimile at 604-685-9970 or by e-mail at info@maxamcm.com.

The purchase price of the units will be based on the applicable series net asset value determined as at the close of business on the last business day of the month in which we accept your subscription. See the section above called *Summary of the Trust Agreement – Net Asset Value*.

Any subscription funds received by us prior to the last business day of the month will be held in the Fund’s general bank account until the last business day, at which time the units subscribed for will be issued (if we have accepted your subscription). These funds will not be segregated for your account. You will not be entitled to any interest on any subscription funds delivered to us prior to the last business day of the month. Any interest earned on such funds will belong to the Fund.

You will become a unitholder after we accept your subscription agreement and the Fund has received the purchase price for your units. We will hold your subscription monies in trust for you until the later of: (i) midnight on the second business day after you sign your agreement to purchase units, and (ii) the day you become a unitholder.

You and your professional advisors should review all subscription documents before you purchase units.

Minimum Investment Amounts

Minimum investment amounts have been established for initial investments and additional investments. The terms of the prospectus exemptions which we rely upon to issue units to you may require a higher minimum investment amount or minimum additional investment amount depending on the jurisdiction where you live and whether you qualify as an “accredited investor” within the meaning of applicable

securities laws, and will be set out in the instructions that accompany your subscription agreement. As at the date of this Offering Memorandum, the applicable minimum investment amounts are set out in the table below. We may in our discretion waive the minimum investment amounts established by us, accept investments in other minimum amounts permitted under applicable securities laws, or require higher minimum investments than those set out below.

	<u>Initial Investment</u>	<u>Additional Investment</u>
Series C and F	\$25,000	\$10,000
Series A, B and M	\$500,000	\$10,000
Series I	\$5,000,000	Negotiable

Additional investments in the Fund are generally permitted, provided that the unitholder's initial investment was equal to a minimum of \$150,000 and the additional investment is for the same class as the initial investment and the unitholder, as at the date of the subsequent trade, holds securities of the Fund that have an acquisition cost of not less than \$150,000 or a net asset value of not less than \$150,000.

We may in our discretion, refuse to accept your subscription to purchase units even if you provide us with the documentation and information prior to the deadline listed above. For example, we may refuse your subscription if we do not believe an investment in the Fund is appropriate for you. We may also close the Fund to new investors from time to time. If we have decided not to accept your subscription, we will notify you of our decision within five business days of receiving the required documentation and information from you.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes the principal Canadian federal income tax considerations as of the date hereof generally applicable to the Fund and to an individual unitholder (other than a trust) who acquires units under this offering memorandum and who, for the purposes of the Income Tax Act (Canada) (“**Tax Act**”), is resident in Canada and holds units of the Fund as capital property. This summary is based on the current provisions of the Tax Act and the regulations made under the Tax Act (the “**Regulations**”), specific proposals to amend the Tax Act and the Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the published administrative practices and assessing policies of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign or provincial income tax legislation or considerations. This summary assumes that the Fund will qualify as a “mutual fund trust” under the Tax Act throughout its current taxation year and at all times thereafter, Maxam expects that the Fund will so qualify.

This summary is of a general nature only and is not intended to constitute legal or tax advice to any particular investor. You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you.

Taxation of the Fund

Generally, the Fund is subject to tax under Part I of the Tax Act on its taxable income for each year (including taxable capital gains), less the portion thereof that is paid or payable to unitholders in the year. Provided that, in each year, the Fund distributes to unitholders sufficient of its net income and net realized capital gains, it will not be liable for tax under Part I of the Tax Act, other than alternative minimum tax. The Fund is not entitled to capital gains refunds under the Tax Act and may be subject to alternative

minimum tax. Gains and losses in respect of short sales and investments in derivatives will generally be on income account, rather than capital gains and losses. However, if the Fund makes an election under s. 39(4) of the Tax Act, gains and losses on short sales of “Canadian securities” under the Tax Act will be taxed as capital gains and capital losses. In certain circumstances, losses of the Fund may be suspended or restricted under the Tax Act, and therefore would not be available to shelter capital gains or income.

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

Taxation of Unitholders

A unitholder of the Fund must include in computing his or her income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or payable to him or her in the year by the Fund. A unitholder must include such distributions in income whether they are paid in cash or they are reinvested in additional units of the Fund. Provided that the Fund makes the appropriate designations, to the extent permitted under the Tax Act, the amount of any net taxable capital gains, taxable dividends received on shares of taxable Canadian corporations and foreign source income of the Fund that is paid or payable to a unitholder will effectively retain its character in the hands of the unitholder for tax purposes. An enhanced dividend tax credit is available for certain eligible dividends from Canadian corporations. When a unitholder acquires units of the Fund, the net asset value of the units may reflect amounts on account of accrued but undistributed income, realized but undistributed capital gains, and accrued but unrealized capital gains. When these amounts are distributed to unitholders, they must be included in the unitholder’s income even though they accrued to the Fund or were realized by the Fund prior to the time that the unitholder acquired units of the Fund.

To the extent that distributions to a unitholder by the Fund in a year exceed the unitholder’s share of the net income and net realized capital gains of the Fund for the year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder’s units in the Fund. Where the adjusted cost base of units in the Fund is reduced to less than zero the unitholder will be deemed to have realized a capital gain equal to the negative amounts and the adjusted cost base of the units will be credited to nil.

Management fees and performance fees paid by holders of Series I units will not be deductible for tax purposes.

Upon a disposition of a unit (including a deemed disposition and a redemption), the unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base to the unitholder of the unit. Generally one-half of a capital gain is included in determining a unitholder’s income. A redesignation of units of one series or sub-series as units of another series should not result in a disposition of the redesignated units for these purposes.

Under the alternative minimum tax provisions of the Tax Act, capital gains realized, and Canadian dividends received, by an individual may give rise to a liability for minimum tax.

Registered Plans

The Fund currently qualifies as a “mutual fund trust” under the Tax Act. Provided that the Fund continues to qualify as a “mutual fund trust” under the Tax Act at all material times, units will be “qualified investments” under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs. Annuitants of RRSPs and RRIFs, and holders of TFSAs and RDSPs, and subscribers of RESPs, should consult with their own tax advisors as to whether units of the Fund would constitute a “prohibited investment” under the Tax Act in their particular circumstances.

Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”), and related Canadian legislation, the Fund and/or registered dealers are required to report certain information with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other “U.S. Persons” as defined under the IGA (excluding registered plans such as RRSPs), to the Canada Revenue Agency. It is expected that the Canada Revenue Agency will then exchange the information with the U.S. Internal Revenue Service.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Repository Standard (“CRS”), the Fund and/or registered dealers are required under Canadian legislation to identify and report to the CRA certain information relating to certain unitholders in the Fund (excluding certain registered plans such as RRSPs) who are resident in a country outside of Canada and the U.S. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

COMPENSATION PAID TO SELLERS AND FINDERS

Units may be distributed by registered dealers. We will provide the compensation described below to authorized dealers, salespersons of authorized dealers, and other persons involved in the sale of units of the Fund.

Sales Commission

Series A units

Series A units are available to investors that purchase units directly from Maxam or through registered dealers. The management and performance fees paid to us with respect to Series A units are described in the section called *Management of the Fund – Fees*. You may also be required to pay a fee if you redeem your Series A units early. You will not be charged a commission or fee by us or by your dealer when you acquire your Series A units.

Series B units

Series B units are available to investors that purchase units through authorized dealers (but not through us). The management and performance fees paid to us with respect to Series B units are described in the section called *Management of the Fund – Fees*. See the section called *Description of Units – Redemption of Units*.

Sales Charge Option – Registered dealers may, at their discretion, charge purchasers a front-end commission of up to 5% of the net asset value of Series B units purchased (the “**Sales Charge Option**”). Any such fee will be negotiated between the dealer and the purchaser and will be payable by the purchaser to the dealer. The sales charge is deducted from the amount you invest in Series B units of the Fund and only the net amount is invested. No fee is payable when you redeem Series B units purchased under the Sales Charge Option, except with respect to Short Term Trading Fees as described in the section called *Description of Units – Redemption of Units – Short Term Trading Fee*. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series C units

Series C units are available to investors that purchase units through authorized dealers (but not through us). The management and performance fees paid to us with respect to Series C units are described in the section called *Management of the Fund – Fees*. See the section called *Description of Units – Redemption of Units*.

Sales Charge Option – Registered dealers may, at their discretion, charge purchasers a front-end commission of up to 5% of the net asset value of Series C units purchased (the “**Sales Charge Option**”). Any such fee will be negotiated between the dealer and the purchaser and will be payable by the purchaser to the dealer. The sales charge is deducted from the amount you invest in Series C units of the Fund and only the net amount is invested. No fee is payable when you redeem Series C units purchased under the Sales Charge Option, except with respect to Short Term Trading Fees as described in the section called *Description of Units – Redemption of Units – Short Term Trading Fee*. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

Series F, I and M units

There are no sales commissions with respect to Series F, Series I and Series M units (other than those that may be negotiated with us for Series I or Series M units).

Service Fee

We may pay a service fee (sometimes also referred to as a “**trailer fee**”) to authorized dealers with client assets invested in the Fund of not less than a minimum amount determined by us or that meet other conditions established by us. A service fee is paid to authorized dealers for ongoing advice and service provided by the dealer to their clients who have invested in the Fund. Service fees are paid by us and not by the Fund.

Service fees will be based on the aggregate value of the clients’ investments in the Fund at the end of each month equal to 1/12 of 1% of the net asset value of the Series B and Series C units held by the clients on the last business day of that month. Service fees will be paid to authorized dealers on a quarterly basis. No service fees are paid for Series A, Series F, Series I or Series M units. We may modify or discontinue the service fees at any time.

Other Fees

We reserve the right to appoint one or more agents to sell Series A, Series B, Series C, Series F and Series M units offered hereunder and to pay commissions or other fees to such agents in connection with the purchase of Series A, Series B, Series C, Series F and Series M units. See the section called *Compensation Paid to Sellers and Finders – Sales Commission*.

In addition, we may from time to time elect to share with certain authorized dealers up to 20% of our performance fee in respect of units of the Fund held by clients of the dealers. This portion of the performance fee would be paid annually, semi-annually or quarterly, at the discretion of the Manager, based on the aggregate net asset value of units held by clients of the applicable dealer at the end of the applicable period, as long as the applicable dealer’s aggregate client assets meet a minimum threshold established by us.

The purpose of sharing performance fees is to ensure that the Manager, dealers and investors all have a common interest in the Fund performing well. We may modify or discontinue the sharing of performance fees at any time.

RISK FACTORS

The purchase of units involves a number of significant risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, you should consider the following:

No assurance

There is no assurance that the Fund will achieve its investment objective.

Net asset value fluctuation

The net asset value of the Fund will fluctuate with changes in the market value of the Fund's investments. These changes in market value may occur as the result of various factors, including general economic and market conditions, international currency fluctuations and international developments. Accordingly, the net asset value per unit at any valuation date may be more or less than your original purchase price.

Dependence on Maxam and Travis Dowle

The Fund relies upon the good faith and expertise of Maxam in providing investment advice and other services to the Fund. Travis Dowle is primarily responsible for providing investment advice to the Fund on behalf of Maxam. If for any reason Mr. Dowle is unable or unwilling to provide investment advice to the Fund, there could be significant adverse consequences to the Fund.

Lack of portfolio diversification and liquidity

The Fund's portfolio will not necessarily be widely diversified. As a consequence, the portfolio of the Fund may be subject to more rapid change in value than if the Fund were required to maintain a wide diversification among companies, securities and types of securities. In addition, by reason of the Fund's investment strategies and policies, the Fund's portfolio may include a significant number of securities that are not actively and widely traded or which are subject to transfer restrictions or for which there is no market. Consequently, it may be relatively difficult for the Fund to dispose of investments rapidly at favourable prices, in connection with redemption requests, adverse market developments or other factors. The sale of such investments may also be subject to delays and additional costs and may only be possible at substantial discounts. The securities of small or medium-sized companies in which the Fund may invest may involve greater risks than the securities of larger, better known companies. The Fund's investment policies permit certain investment techniques, such as concentration of investments in a small number of companies or sectors, borrowing funds for investment purposes, short selling, trading in futures or option writing, which may entail increased risks. Only persons who are willing to bear such risks should consider an investment in the Fund.

Concentration of individual investment positions

The Fund may, at times, invest as much as 15% of its total assets in a single investment with the result that a loss on such investment could have a material impact on the value of the Fund's assets. See the section above called *Investment Objective, Strategies, Policies and Restrictions – Investment Policies and Restrictions*.

Valuation of the Fund's investments

The net asset value of the units will vary directly with the market value and return of the investment portfolio of the Fund. The valuation of portfolio securities and other investments of the Fund may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the net asset value of the Fund and its units could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Agreement. See the section above called *Summary of the Trust Agreement – Net Asset Value*.

Although the Fund generally will invest in exchange-traded and liquid over-the-counter securities, the Fund may from time to time have some of its assets in investments that by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the net asset value per unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that if you redeem all or part of your units while the Fund holds such investments, you will be paid an amount less than you might have been paid if the actual value of such

investments is higher than the value designated by the Fund. Similarly, there is a risk that an investor might, in effect, be overpaid if the actual value of the investor's investments is lower than the value designated by the Fund in respect of a redemption. In addition, there is a risk that an investment in the Fund by a new investor (or an additional investment by an existing unitholder) could dilute the value of your investment if the actual value of such investments is higher than the value designated by the Fund. Further, there is a risk that a new unitholder (or an existing unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Fund. We do not intend to adjust the net asset value of the Fund retroactively.

Series risk

The Fund has different series of units. If the Fund cannot pay the fees and expenses attributable to one series of units using the proportionate share of the Fund's assets attributable to that series, the Fund will be required to pay those fees and expenses out of one or more of the other series' proportionate share of the Fund's assets. This may reduce the value of your investment in the Fund.

Illiquidity of units

Because units are not generally transferable, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. The units are issued pursuant to exemptions from the prospectus and registration requirements under applicable securities laws, and any disposition of units will require compliance with those laws. You may be able to dispose of your units only through redemption, and you must bear the risk of any decline in the value of the units during the period from the date a notice of redemption is given by you until the redemption date. In addition, the transfer of units may result in adverse tax consequences to you. See the section above called *Canadian Federal Income Tax Considerations*. You should only purchase units if you are able to maintain your investment and can afford the risk of loss associated with an investment in the Fund.

Redemptions may force early liquidation of investment positions

In order to pay the redemption price for unitholders who redeem their units, we may be required to liquidate investments earlier than we might otherwise choose. These liquidations may cause the Fund to incur losses and could substantially reduce the net asset value of the Fund if numerous redemptions are made at the same time. If one or more unitholders hold units representing a large portion of the net assets of the Fund, redemptions by such unitholders could have a material adverse effect on the Fund. Such asset liquidation may also trigger tax consequences, such as the characterization of certain profits as ordinary income or losses rather than as capital gains or capital losses.

Performance fee

The performance fee may provide us with an incentive to make investments that are riskier or more speculative than if there were no performance fee. Since the performance fee is calculated on a basis that includes both realized and unrealized appreciation of the Fund's assets, the fee may be greater than if it were based solely on realized gains. In addition, the ordinary income of the Fund (including dividends and interest received) is included in the calculation of the fee. See the section above called *Management of the Fund – Fees*.

Derivatives risk

The Fund will invest in and use derivative instruments for hedging and non-hedging purposes to the extent we consider appropriate. Derivatives are types of investments the value of which is based on, or derived from, the value or performance of another investment, such as a security, a currency, a commodity or a market index. There are many types of derivatives, including options, futures and forward contracts.

Investment funds often invest in derivatives to reduce the risks associated with other investments or to help offset losses on other investments. The use of derivatives in this way is referred to as “hedging”. Investment funds may also use derivatives for other reasons, including helping to achieve their investment objectives, increasing returns, reducing the transaction costs associated with direct investments and positioning the funds to profit from declining markets. Although the use of derivatives for hedging or other purposes can be effective, derivatives also have certain risks.

Here are some of the most common risks:

- There is no guarantee that the use of derivatives for hedging will be effective.
- Hedging does not prevent changes in the market value of the investments in a Fund’s portfolio or prevent losses if the market value of the investments falls.
- Hedging can prevent the Fund from making a gain if the value of the underlying security, currency, commodity or market index rises, or if interest rates fall.
- The Fund might not be able to place a hedge if other investors are expecting the same change.
- There is no guarantee that the Fund will be able to buy or sell a derivative to make a profit or limit a loss.
- There is no guarantee that the other party to a derivative contract will meet its obligations.
- Derivatives traded on foreign markets may be less liquid and have greater credit risk than similar derivatives traded on North American markets.
- Exchanges set daily trading limits on options and futures contracts, and these limits could prevent the Fund from completing a contract.

Leverage risk

The Fund may leverage its investment positions by borrowing funds. Leverage increases both the possibility for profit and the risk of loss on any investment position.

Foreign investment risk

The Fund may choose to invest a portion of its capital in foreign securities. As a result, income or losses may be affected by fluctuations in the rates of exchange between the Canadian dollar and the foreign currencies of the countries in which the Fund holds investments. We may or may not hedge the currency risks for significant investment transactions denominated in currencies other than Canadian dollars.

The values of foreign investments are affected by changes in currency rates or exchange control regulations, application of foreign tax laws, including withholding taxes, changes in governmental administration or economic or monetary policy (in Canada or abroad) or changed circumstances in dealings between nations. Costs are incurred in connection with conversions between various currencies. In addition, foreign brokerage commissions are generally higher than in Canada, and foreign securities markets may be less liquid, more volatile and less subject to governmental supervision than in Canada. Investments in foreign countries could be affected by other factors not present in Canada, including expropriation, confiscatory taxation, lack of uniform accounting and auditing standards, and potential difficulties in enforcing contractual obligations, and could be subject to extended settlement periods.

Conflicts of interest

Situations may arise in which the activities of Maxam's directors, officers and their affiliates on behalf of other clients may disadvantage the Fund, such as the inability of the market to fully absorb orders for the purchase or sale of particular investments placed for the Fund and other managed accounts at prices and in quantities which would be obtainable if the same were being placed only for the Fund. Important disclosure required under applicable securities laws is contained in our Disclosure regarding Conflicts of Interest, a copy of which is included on page D-1 and will be attached to the subscription agreement provided to each investor.

Allocation of investment opportunities

We may advise multiple funds. Whether this is the case, the size and mandate of funds may differ and the portfolios may not be identical. As a consequence, we may purchase or sell a security for one account prior to other accounts. This could occur, for example, as a result of the specific investment objectives of the account, different cash resources arising from contributions or withdrawals, or the purchase of a small position to assess the overall investment desirability of a security. If the availability of any particular security is limited and that security is appropriate for the investment objective of one or more other accounts, any purchase of that security will be allocated on an equitable basis in accordance with our Trade Allocation Policy. You may request a copy of this policy by contacting us at the address, numbers or e-mail address set out above in the section called *The Fund*.

Absence of regulatory oversight

As the Fund will only offer units by way of private placement, its activities will not be governed by National Instrument 81-102 *Investment Funds* of the Canadian Securities Administrators, which regulates the activities of mutual funds which have offered securities to the public pursuant to a prospectus.

Securities of companies in reorganization

If the restructuring of any company in reorganization does not succeed, the value of the assets by which that company's securities may be secured may not be great enough to repay the purchase price paid by the Fund for those securities.

No independent management

The Fund does not have independent management and will be relying on us for the day-to-day management and operations of the Fund, and to advise on the purchase and sale of securities for the Fund. We may have conflicts of interest in allocating management time, services and functions among the Fund and any other funds and portfolios which we organize, or provide management services to, as well as other business ventures in which we are or may become involved. Further, our officers and directors will devote only such time to the affairs of the Fund as they, within their sole discretion, exercised in good faith, determine to be necessary to carry out their obligations to the Fund.

Personal trading

Maxam and Travis Dowle may personally invest in the same securities as those invested in by the Fund. If this occurs, there may be a conflict between Maxam's and Mr. Dowle's interests and the interests of the Fund in terms of the timing of trades and the availability of investments. If such situations arise, Maxam and Mr. Dowle will be governed by our Personal Trading Policy. You may request a copy of this policy by contacting us at the address, numbers or e-mail address set out above in the section called *The Fund*.

Shareholder activism

From time to time we identify issuers with features that, in our opinion, depress the fundamental value of the issuer and its securities. In such circumstances, we may take a position in that issuer, sometimes a material position, and may initiate or work with other key shareholders in initiating corporate change. Although we will act prudently and in accordance with applicable laws, such shareholder activism opens Maxam, and possibly the Fund and other funds and managed accounts on whose behalf we act, to certain risks, including the risk of litigation by existing management or other shareholders, the risk that trading in such issuers' securities may become suspended, and the risk that the Fund's investment in such issuers will be treated as part of a larger control block and subject to statutory restrictions on liquidity.

Selection of dealers

We have pre-existing relationships with certain dealers. It is possible that we may be biased in our selection of dealers based on these past relationships, or by certain incentives offered by some dealers. This may result in the commissions paid by the Fund being somewhat higher than those that might be charged by different dealers. However, we will endeavour to select dealers to execute trades on behalf of the Fund based on their quality of research and ability to execute trades.

Lack of focus on ordinary income

Any interest and dividends earned by the Fund on its investments will be incidental to the accomplishment of its primary investment objectives. All income and capital gains distributions will be reinvested. An investment in the Fund is not suitable for unitholders seeking current returns for financial or tax-planning purposes, and should be considered only by persons who are financially able to maintain their investment in the Fund over an extended period.

Income trust risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such a business. To the extent that an underlying business is susceptible to industry risks, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust may be similarly affected. Although distributions and returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk. There is also a remote risk that where claims against an income trust are not satisfied by that trust, investors in that trust could be held liable for any outstanding obligations.

Lack of separate counsel

Legal counsel for the Fund in connection with this offering is also counsel to Maxam. Neither the unitholders, as a group, nor the holders of any series of units have been represented by separate counsel. Counsel for the Fund and Maxam does not purport to have acted for the unitholders or the holders of any series of units or to have conducted any investigation or review on their behalf.

Tax risk

If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund could be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-

interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Amendments to the rules have been proposed which would effectively make the rules inapplicable to the Fund provided that it adheres to certain investment restrictions.

Cyber security risk

As the use of technology has become more prevalent in the course of business, the Fund has become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Fund's third party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) or of issuers the Fund invests in can also subject the Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Fund does not directly control the cyber security systems of issuers or third party service providers.

REPORTING OBLIGATIONS TO UNITHOLDERS

The Fund is not a "reporting issuer" under applicable securities laws and the continuous reporting requirements under those laws, including those contained in National Instrument 81-106 *Investment Fund Continuous Disclosure*, do not apply to the Fund. Certain information relating to the Fund is available from the British Columbia Securities Commission website at www.bcsc.bc.ca. Copies of other public disclosure documents of the Fund will be available on the internet at www.SEDAR.com, if, as and when the Fund becomes a reporting issuer.

Financial Statements

As a Unitholder of the Fund, upon request you will be entitled to receive copies of the Fund's audited annual financial statements and unaudited interim financial statements for the first six months of each fiscal year of the Fund. The annual audited financial statements are expected to be available to unitholders within 120 days of the end of each fiscal year and the semi-annual unaudited financial statements are expected to be available to unitholders within 60 days of the end of the interim period. The Fund's fiscal year end is currently December 31st.

Income Tax Statements

On or before March 31st each year, we will provide you with the information you require regarding distributions and allocations to your units during the previous year in order to complete your income tax return for that year.

RESALE RESTRICTIONS

We are required to advise you that units are subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

However, we note that securities legislation in Canada does contain exemptions that will permit you to redeem your units. See the section above called *Description of Units – Redemption of Units*.

Unless permitted under securities legislation, you cannot trade units before the date that is four months and a day after the date that the Fund becomes a reporting issuer in any province or territory of Canada. For trades in Manitoba, unless permitted under securities legislation, you must not trade in the securities without the prior written consent of the regulator in Manitoba unless (a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest. Again, we note that securities legislation will permit you to redeem your units. See the section above called *Description of Units – Redemption of Units*.

PURCHASERS' RIGHTS

The securities laws in your jurisdiction may provide you with the right, in certain circumstances, to seek damages or to cancel your agreement to buy units. Most often, these rights are available if we make a misrepresentation in this Offering Memorandum, but in some jurisdictions, you may have these rights in other circumstances including if we fail to deliver the Offering Memorandum to you within the required time or if we make a misrepresentation in any advertisements or sales literature regarding units. Generally, a “misrepresentation” means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made. The meaning of “misrepresentation” may differ slightly depending on the law in your jurisdiction. In most jurisdictions there are defences available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or company that you sue, will not be liable if you knew of the misrepresentation when you purchased the securities.

If you purchase units, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

Two Day Cancellation Right for All Investors

You can cancel your agreement to purchase these units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the units.

Investors in Alberta, British Columbia, Manitoba, Prince Edward Island and Nova Scotia

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) to cancel your agreement to buy these units; or
- (b) for damages against the Fund and for damages against us, every person who was a director of Maxam at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the units were offered. There are various

defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

In each jurisdiction, defendants will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

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

Time limitations

If you intend to rely on the rights described above in paragraph (a) or (b), you must do so within strict time limitations.

In Alberta, British Columbia, Prince Edward Island and Nova Scotia, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

In Manitoba, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) two years after the day of the transaction.

Investors in New Brunswick and Ontario

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to:

- (a) cancel your agreement to buy these units; or
- (b) sue for damages against the Fund and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the units.

The defendant will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

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

the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

In Ontario, you must commence your action to cancel the agreement to purchase units within 180 days after you signed the agreement to purchase the units or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after you signed the agreement to purchase the units.

Investors in Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon Territory

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) to cancel your agreement to buy these units; or
- (b) for damages against the Fund, Maxam, every person who was a director of Maxam at the date of this Offering Memorandum, any other person who signed this Offering Memorandum and (other than in Newfoundland and Labrador) a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the units were offered. There are various defences available to the Fund should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the units.

The defendant will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

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

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In each of Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon Territory, you must commence your action to rescind your agreement to purchase units within 180 days after you signed the agreement to purchase the units or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

Investors in Saskatchewan

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, you have a statutory right to:

- (a) to cancel your agreement to buy these units; or
- (b) sue for damages against the Fund, Maxam (or any other “promoter” of the Fund), any director of Maxam (who was a director at the time the Offering Memorandum was delivered to you), any person who signed the Offering Memorandum, any person or company that sold units to you under this Offering Memorandum on behalf of the Fund or any selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the units were offered.

Statutory rights regarding advertising and sales literature

If there is a misrepresentation in any “advertising” or “sales literature” (as defined in *The Securities Act, 1988* (Saskatchewan)) that is disseminated in connection with your purchase of securities and it was a misrepresentation at the time you purchased your units, you will be deemed to have relied on that misrepresentation and you will have a right to sue the Fund, Maxam (or any other “promoter” of the Fund), any director of Maxam (who was a director at the time the advertisement or sales literature was disseminated) and any person who, at the time the advertisement or sales literature was disseminated, was selling securities on behalf of the Fund, or, if you still own your units, and you purchased your units directly from the Fund, you can elect to cancel your agreement instead of suing for damages.

If there is a misrepresentation in a verbal statement made to you about units of the Fund either before or at the time that you purchased your units and it was a misrepresentation at the time you purchased your units, you will be deemed to have relied on the misrepresentation and you will have a right to sue the person who made the statement to you for damages.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the units.

Statutory rights for failure to deliver the offering memorandum

If you reside in Saskatchewan and you do not receive a copy of this Offering Memorandum before you sign your subscription agreement, you have a right to sue for damages, or if you still own your units, you can choose to cancel your agreement instead of suing for damages.

Statutory rights if vendor not entitled to trade

If you reside in Saskatchewan and the person or company who sells you your units is selling in contravention of securities laws of Saskatchewan or in contravention of an order of the Saskatchewan Financial Services Commission, you may choose to void your contract or to recover all the money paid by you for your units.

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In Saskatchewan, you must commence an action to cancel your agreement not more than 180 days after the day you purchased your units or commence your action for damages within the earlier of: (i) one year from the date that you had knowledge of the facts giving rise to the cause of action; and (ii) six years after the transaction.

Investors in Québec

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, and regardless of whether you relied on this misrepresentation in making your purchase decision, you have a statutory right to:

- (a) a right of action against the Fund to cancel the purchase contract or revision of the price at which the units were sold to you; or
- (b) a right of action for damages against the Fund, every officer and director of Maxam, the dealer (if any) under contract to the Fund and any expert whose opinion, containing a misrepresentation, appeared with the expert's consent in this Offering Memorandum.

This statutory right to sue will be available to you whether or not you have relied on the misrepresentation. If you choose to rescind your purchase, such a choice is not prejudicial to any claim of damages. There are also various defences available to the Fund and other defendant parties should you exercise a right to sue. Specifically, no person or company will be liable to you if it proves that you purchased the units with knowledge of the misrepresentation, nor if that person or company acted prudently and diligently (except in an action brought against the Fund).

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

- (b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above, you will have to do so within strict time limitations.

In Québec, you will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. You will have to commence an action for damages within the earlier of (i) three years after you first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to your negligence) or (ii) five years after the filing of this Offering Memorandum with the *Autorité des marchés financiers*.

DISCLOSURE REGARDING CONFLICTS OF INTEREST

General

Under certain circumstances, we may deal with or for you in securities transactions where the issuer of the securities or the party to the transaction is a firm or a party having an ownership or business relationship with us. We recognize that these transactions may create a conflict between our interests and yours, and believe that it is important that you are fully informed regarding the circumstances in which we may enter into them. In addition, we are required by Canadian securities laws to take reasonable steps to identify and respond to existing and potential material conflicts of interest, and in certain circumstances, to provide you with certain information regarding these conflicts and also to obtain your prior consent before we engage in certain types of transactions. This document contains important information regarding certain of the conflicts of interest that we have identified. Please read it carefully.

Transactions or Arrangements with Certain Related Parties

In the course of providing services to you, we may from time to time advise you with respect to the purchase or sale of securities from or to, or issued by, persons or companies which are related or connected to us. These transactions and arrangements will give rise to conflicts of interest, and we have adopted policies and procedures to identify and respond to these conflicts. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws and where we believe they are in your best interests in the applicable circumstances.

Role as Manager, Advisor and Dealer for the Maxam Diversified Strategies Fund

We are the manager and portfolio advisor of the Maxam Diversified Strategies Fund (the “**Fund**”) and the Maxam Arbitrage Fund. We are also principally responsible for the sale of units of the Fund and may be considered to be the “promoter” of this Fund for the purposes of applicable securities laws. Our role in managing the business and affairs of the Diversified Strategies Fund and the Arbitrage Fund means that they are considered to be connected parties.

Our role in managing, advising and selling units of the Fund and other funds managed by us will inevitably give rise to certain conflicts between our interests and yours. To address this, we will ensure that our relationship to the funds is disclosed to you. Generally, this relationship will be made clear because the word “Maxam” is included in the name of the funds. In addition, to the extent possible, we will assist you in purchasing the securities of the funds through a dealer if that is your preference. Purchasing through a dealer will ensure that you receive independent advice regarding the suitability for you of an investment in the fund.

Relationships with Diversified Royalty Corp and goeasy Ltd

As at the date hereof, we are a connected party to each of Diversified Royalty Corp. (“**Diversified Royalty**”) and goeasy Ltd. (“**goeasy**”), each a public company that has its securities listed for trading on the Toronto Stock Exchange or TSX Venture Exchange. We are considered a connected party to Diversified Royalty because Sean Morrison, a director of Maxam, is the President and Chief Executive Officer of Diversified Royalty. We are considered a connected party to goeasy because Sean is a director of goeasy. As at the date hereof, the Maxam Diversified Strategies Fund holds securities of Diversified Royalty. In the future, we may, from time to time, purchase or dispose of securities of Diversified Royalty or goeasy for these funds or other funds we manage.

Sean’s positions with these companies will give rise to certain conflicts of interest. For example, as a director and officer of these companies, Sean may receive material undisclosed information. Any time that Sean is in possession of material undisclosed information relating to Diversified Royalty or goeasy, our funds may be prevented from buying or selling securities of the company until there has been full public disclosure of that information.

We may advise our clients with respect to the purchase or sale of securities of the related and/or connected issuers described above, or other issuers which may, from time to time, become related and/or connected issuers, but only if we are confident that such activities are in the best interests of our clients and are in compliance with all requirements imposed by applicable securities law.

Allocation of Investment Opportunities

We are the portfolio advisor of the Maxam Diversified Strategies Fund and Maxam Arbitrage Fund. The size and mandate of our funds and other accounts managed by us differs and the portfolios are not identical. As a consequence, we may purchase or sell a security for one account prior to other accounts. This could occur, for example, as a result of the specific investment objectives of the accounts, different cash resources arising from contributions or withdrawals, or the purchase of a small position to assess the overall investment desirability of a security. If the availability of any particular security is limited and that security is appropriate for the investment objective of one or more other accounts, any purchase of that security will be allocated on an equitable basis in accordance with our Policy for Fairness of Allocation of Investments.

Code of Ethics

We have a Code of Ethics, which sets out certain expected standards of conduct of our employees and includes restrictions and controls on outside activities of our employees and on personal trading of our employees. The Code of Ethics is designed to ensure that our employees act in accordance with applicable Canadian securities laws and other applicable laws, that they act in the best interests of Maxam Capital Management Ltd. and our clients, that they avoid actual or potential conflicts of interest, and that they do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact our clients.

Personal Trading Activities

Each of our employees, officers and directors put the interests of our clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of our funds, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of our clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to our clients or the public. These individuals are only allowed to make a personal trade if it falls within our Code of Ethics or if our compliance officer has determined that such trade will not conflict with the best interest of our clients.

Outside Activities

Individuals acting on behalf of us are prohibited from engaging in any outside activity, including acting as a director, which could interfere with the proper discharge of the individual's duties to us.

If you have any questions regarding these matters, please contact us at 604-685-0201.

**AUDITED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020**

(Financial statements available upon request)

CERTIFICATE

DATED April 1, 2021.

This Offering Memorandum does not contain a misrepresentation.

Maxam Capital Management Ltd., on behalf of the Maxam Diversified Strategies Fund and in its capacity as manager and promoter of the Maxam Diversified Strategies Fund

(Signed) TRAVIS DOWLE

Travis Dowle
President and Chief Executive Officer

On behalf of the board of directors of Maxam Capital Management Ltd., on behalf of the Maxam Diversified Strategies Fund and in its capacity as manager and promoter of the Maxam Diversified Strategies Fund

(Signed) TRAVIS DOWLE

Travis Dowle
Director

(Signed) SEAN MORRISON

Sean Morrison
Director