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No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. These securities are not and will not be offered or sold in the U.S., or to or for the account of U.S. persons as defined by U.S. securities laws. Each purchaser of these securities will be deemed to represent that such purchaser is not a U.S. person, is not receiving the securities in the U.S., and is not acquiring the securities for the account of a U.S. person.

PRELIMINARY PROSPECTUS

Initial Public Offering

October 31, 2023

2028 INVESTMENT GRADE BOND TRUST

\$• Maximum (• Class A Units and/or Class F Units)

\$25,000,000 Minimum (2,500,000 Class A Units and/or Class F Units)

2028 Investment Grade Bond Trust (the “**Fund**”) is a closed-end investment fund established under the laws of the Province of Ontario that proposes to issue Class A Units and Class F Units at a price of \$10.00 per Class A Unit and \$10.00 per Class F Unit (together with the Class A Units, the “**Units**”).

The Fund will seek to: (i) preserve capital; and (ii) target an internal rate of return (“**IRR**”) of 6.25-6.75% (after annual fees and expenses) by investing primarily in corporate debt securities. See “Investment Objectives”. To achieve its investment objectives, the Fund will acquire a portfolio (the “**Portfolio**”) comprised primarily of debt securities of Canadian companies (“**Eligible Debt Securities**”). At least 75% of the Portfolio will be invested in Investment Grade Securities (as defined herein) and up to 25% of the Portfolio may be invested in High Yield Debt Securities (as defined herein). The Portfolio is expected to be comprised primarily of Eligible Debt Securities that have an average maturity of five (5) years or less and it is expected that the securities generally will be held by the Fund until their respective maturities. The Fund has a five-year term and is expected to be terminated on or about •, 2028.

Next Edge Capital Corp. (“**Next Edge**” or the “**Manager**”) is the investment fund manager and promoter of the Fund. Next Edge is also the trustee (the “**Trustee**”) of the Fund. The Manager is responsible for creating, structuring, managing and promoting the Fund. The Manager has retained Ridgewood Capital Asset Management Inc. (the “**Adviser**”) to provide portfolio management services to the Fund. See “Organization and Management Details of the Fund”.

Price: \$10.00 per Class A Unit Minimum Purchase: 100 Class A Units	Price \$10.00 per Class F Unit Minimum Purchase: 100 Class F Units
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	<u>Price to the Public⁽¹⁾</u>	<u>Agents’ Fees</u>	<u>Net Proceeds to the Fund⁽²⁾</u>
Per Class A Unit	\$10.00	\$0.30	\$9.70
Per Class F Unit	\$10.00	\$0.13	\$9.87
Total Minimum Offering ⁽³⁾	\$25,000,000	\$537,500	\$24,462,500
Total Maximum Offering ⁽⁴⁾	\$•	\$•	\$•

Notes:

- (1) The price of the Class A Units and the Class F Units was established by negotiation between the Manager, on behalf of the Fund, and the Agents (as defined herein).
- (2) Before deducting the expenses of the Offering (estimated to be \$●) which, subject to a maximum 1.0% of the gross proceeds of the Offering, together with the Agents' fees, will be paid out of the gross proceeds of the Offering. The Manager will bear any expenses of the Offering (which does not include the Agents' fees) in excess of 1.0% of the gross proceeds of the Offering. See "Fees and Expenses".
- (3) There will be no closing unless an aggregate minimum of 2,500,000 Class A Units and/or Class F Units are sold. If subscriptions for such minimum have not been received within 90 days of a final receipt for this prospectus being issued, the Offering may not continue and subscription proceeds will be returned to subscribers, without interest or deduction, unless an amendment to this prospectus is filed. The amounts presented in the Total Minimum Offering assume that 50% of the Units sold are Class A Units and 50% of the Units sold are Class F Units.
- (4) The Fund has granted to the Agents an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, for a period of 30 days following the closing of the Offering, to purchase additional Class F Units, at a price of \$10.00 per Class F Unit, in an amount up to 15% of the aggregate number of Class A Units and Class F Units issued at Closing on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fees and the proceeds to the Fund will be \$●, \$● and \$●, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of Class F Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class F Units forming part of the Agents' over-allocation position acquires such Class F Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution". The amounts presented in the Total Maximum Offering assume that only Class F Units are sold.

There is no guarantee that an investment in the Fund will earn any positive return in the short or long-term, nor is there any guarantee that the net asset value per Unit will appreciate or be preserved. An investment in the Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. See "Risk Factors" for a discussion of certain factors that should be considered by prospective investors in Units, including with respect to the Fund's use of leverage.

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Class A Units and Class F Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act (Canada)* and are not insured under provisions of that Act or any other legislation.

The Class F Units are designed for fee-based and/or institutional accounts. The Class A Units are available to all investors but will not be listed on a stock exchange. The Class A Units offered under this prospectus will be reclassified as Class F Units immediately following the closing of the Offering based on their respective NAV per Unit. See "Description of Units – Reclassification of Class A Units".

Following closing of the Offering, a holder of Units may convert Units of a class into whole Units of another class of Units of the Fund on a monthly basis based on their respective NAV per Unit. It is expected that liquidity for the Class A Units will be largely obtained by means of conversion into Class F Units and the sale of those Class F Units through the facilities of the stock exchange. See "Description of the Units – Conversion of Units".

In order to enhance liquidity and provide market support for the Class F Units, the Fund expects to undertake a mandatory market purchase program (the "**MMPP**") pursuant to which the Fund will offer to purchase any Class F Units offered in the market at a price that is 97% or less of the latest NAV per Class F Unit; provided that the maximum number of Class F Units that may be purchased under the MMPP: (i) in any month shall be equal to 1% of the number of Class F Units outstanding as of the first day of that month, and (ii) on any given trading day in that month shall be equal to the maximum number of Class F Units that may be purchased in that month less any Class F Units purchased under the MMPP in that month prior to that day divided by the number of trading days remaining in that month and subject to the terms set out in the Declaration of Trust (as defined herein). Notwithstanding the MMPP, the Class F Units may trade at a significant discount to the NAV per Class F Unit.

National Bank Financial Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Wellington-Altus Private Wealth Inc., IA Private Wealth Inc., Raymond James Ltd., Richardson Wealth Limited, Desjardins Securities Inc., Echelon Wealth Partners Inc., Manulife Securities Incorporated and Research Capital Corporation (collectively, the "**Agents**") have agreed to conditionally offer the

Class A Units and the Class F Units, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of the Fund and Fasken Martineau DuMoulin LLP on behalf of the Agents. The Agents may over-allot and effect transactions to cover their over-allocation position. See “Plan of Distribution”.

Subscriptions will be received for the Class A Units and the Class F Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing is expected to occur on or about ●, 2023, but, in any event, not later than 90 days after a receipt for the final prospectus is issued. Registrations and transfers of Units will be effected only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership. See “Plan of Distribution” and “Description of the Units – Book-Entry Only System”.

Capitalized terms used, but not defined, in the foregoing are defined under “Glossary of Terms” herein.

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GLOSSARY OF TERMS

In this prospectus, the following terms shall have the meanings set forth below, unless otherwise indicated:

“**Adviser**” means Ridgewood Capital Asset Management Inc. and any successor thereto.

“**affiliate**” has the meaning ascribed thereto in the *Business Corporations Act* (Ontario).

“**Agency Agreement**” means an agreement dated as of ●, 2023 among the Fund, the Manager, the Adviser and the Agents.

“**Agents**” means, collectively, National Bank Financial Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Wellington-Altus Private Wealth Inc., IA Private Wealth Inc., Raymond James Ltd., Richardson Wealth Limited, Desjardins Securities Inc., Echelon Wealth Partners Inc., Manulife Securities Incorporated and Research Capital Corporation.

“**Average Market Price**” means, in respect of a Class F Unit on a Monthly Redemption Date, the weighted average trading price of the Class F Units on the TSX (or such other stock exchange on which the Class F Units are listed), for the 10 trading days immediately preceding such Monthly Redemption Date.

“**Business Day**” means any day on which the TSX is open for business.

“**Capital Gains Refund**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Fund”.

“**Class A Unitholder**” means a holder of Class A Units.

“**Class A Units**” means the units of the Fund designated as “Class A Units”.

“**Class F Unitholder**” means a holder of Class F Units.

“**Class F Units**” means the units of the Fund designated as “Class F Units”.

“**Closing**” means the closing of the Offering.

“**Closing Date**” means the date of Closing, which is expected to be on or about ●, 2023, or such later date as the Fund and the Agents may agree, but, in any event, not later than 90 days after a receipt for the final prospectus is issued.

“**Closing Market Price**” in respect of a Class F Unit on a Monthly Redemption Date means (i) the closing price of the Class F Units on the TSX on such Monthly Redemption Date (or such other principal stock exchange on which the Class F Units are listed) if there was a trade on the applicable Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of the Class F Units on the TSX on such Monthly Redemption Date (or such other principal stock exchange on which the Class F Units are listed) if there was trading on the applicable Monthly Redemption Date and the market provides only the highest and lowest prices of the Class F Units traded on a particular day; or (iii) the average of the last bid and the last asking prices of the Class F Units on the TSX on such Monthly Redemption Date (or such other principal stock exchange on which the Class F Units are listed) if there was no trading on the applicable Monthly Redemption Date.

“**CRA**” means Canada Revenue Agency.

“**CRS**” has the meaning ascribed thereto under “International Information Exchange”.

“**Custodian**” means RBC Investor Services Trust, the custodian of the assets of the Fund, and its successors or assigns.

“**Custodian Agreement**” means the master custodial services agreement dated as of May 7, 2016 among the Manager, on behalf of the Fund, and the Custodian, as it may be amended from time to time.

“**DBRS**” means DBRS Limited.

“**Declaration of Trust**” means the declaration of trust dated as of ●, 2023 establishing the Fund under the laws of the Province of Ontario.

“**Depository**” means CDS Clearing and Depository Services Inc. and includes any successor thereto or any other depository subsequently appointed by the Fund as the depository in respect of the Units.

“**Distribution Payment Date**” has the meaning ascribed thereto under “Distribution Policy”.

“**Distribution Record Date**” has the meaning ascribed thereto under “Distribution Policy”.

“**Eligible Debt Securities**” means debt securities of Canadian companies, including, without limitation, bonds, notes, debentures and term loans.

“**FATCA**” has the meaning ascribed thereto under “International Information Exchange”.

“**FHSA**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**Fitch**” means Fitch Ratings, a division of Fitch Ratings, Inc.

“**Fund**” means 2028 Investment Grade Bond Trust.

“**High Yield Debt Securities**” means Eligible Debt Securities that are not Investment Grade Securities at the time of investment.

“**IFRS**” means International Financial Reporting Standards.

“**Independent Review Committee**” or “**IRC**” means the independent review committee of the Fund.

“**Indicative Portfolio**” means the Portfolio Securities that would have been included in the Portfolio if it had been formed and fully invested on October 19, 2023, as described under “Investment Strategies – Indicative Portfolio”.

“**International Information Exchange Legislation**” has the meaning ascribed thereto under “International Information Exchange”.

“**Investment Grade**” in respect of a security (or loan) means a security (or loan), and in respect of issuer means an issuer, which, at the time of investment, is rated at least BBB- by S&P, at least Baa3 by Moody’s, at least BBB- by Fitch, or at least BBB (low) or Pfd-2 (low) by DBRS, or a similar rating from another “designated rating organization” as defined in NI 81-102 or which is unrated but judged by the Adviser to be of comparable quality.

“**Investment Grade Securities**” means Eligible Debt Securities and other securities of issuers which, at the time of investment, are Investment Grade.

“**IRR**” means internal rate of return.

“**Management Fee**” has the meaning ascribed thereto under “Fees and Expenses – Management Fee”.

“**Manager**” means Next Edge Capital Corp., in its capacity as investment fund manager of the Fund, and any successor thereto.

“**MMPP**” means the mandatory market purchase program of the Fund described under “Description of the Units – Mandatory Market Purchase Program”.

“**Monthly Redemption Amount**” has the meaning ascribed thereto under “Redemptions – Monthly Redemptions of Units”.

“**Monthly Redemption Date**” means the second to last Business Day of each month.

“**Moody’s**” means Moody’s Investor Services, Inc.

“**Net Asset Value of the Fund**” or “**NAV of the Fund**” on a particular date will be equal to (i) the aggregate fair value of the assets of the Fund, less (ii) the aggregate fair value of the liabilities of the Fund.

“**Net Asset Value per Class A Unit**” or “**NAV per Class A Unit**” means, on any date, the number obtained by dividing the NAV of the Fund attributable to the Class A Units on such date by the total number of Class A Units outstanding on such date.

“**Net Asset Value per Class F Unit**” or “**NAV per Class F Unit**” means, on any date, the number obtained by dividing the NAV of the Fund attributable to the Class F Units on such date by the total number of Class F Units outstanding on such date.

“**Net Asset Value per Unit**” or “**NAV per Unit**” means, for a class of Units on any date, the number obtained by dividing the NAV of the Fund attributable to the class of Units on such date by the total number of Units of the class outstanding on such date.

“**NI 81-102**” means National Instrument 81-102 *Investment Funds*, as amended from time to time.

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure*, as amended from time to time.

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds*, as amended from time to time.

“**Offering**” means collectively, the offering of Class A Units at a price of \$10.00 per Class A Unit and Class F Units at a price of \$10.00 per Class F Unit as contemplated by this prospectus.

“**Over-Allotment Option**” means the option granted by the Fund to the Agents, exercisable, in whole or in part, and from time to time for a period of 30 days following the Closing Date, to purchase additional Class F Units in an amount up to 15% of the aggregate number of Class A Units and Class F Units issued at Closing at a price of \$10.00 per Class F Unit.

“**Participant**” means a participant in the Depositary.

“**Permitted Merger**” has the meaning ascribed thereto under “Unitholder Matters – Permitted Mergers”.

“**Plan Participant**” has the meaning ascribed thereto under “Distribution Policy - Distribution Reinvestment Plan”.

“**Portfolio**” means the portfolio of the Fund, which is expected to be comprised primarily of Eligible Debt Securities, as more fully described under “Investment Objectives” and “Investment Strategies”.

“**Portfolio Management Agreement**” means the portfolio management agreement dated ●, 2023, as it may be amended from time to time, among the Fund, the Manager and the Adviser.

“**Portfolio Securities**” means the assets included in the Portfolio.

“**Proxy Voting Policy**” means the proxy voting policy established by the Manager.

“**Redemption Payment Date**” means the Business Day that is on or before the 15th Business Day in the month following a Monthly Redemption Date.

“**Registered Plan**” means a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan, a tax-free savings account and a first home savings account.

“**Reinvestment Plan**” has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

“**RDSP**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**RESP**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**RIB**” has the meaning ascribed thereto under “Organization and Management Details of the Fund – Adviser of the Fund – Ridgewood Canadian Investment Grade Bond Fund”.

“**RRIF**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**RRSP**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as may be amended from time to time.

“**Tax Proposals**” means all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

“**Termination Date**” has the meaning ascribed thereto under “Termination of the Fund”.

“**TFSA**” has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

“**Total Assets**” means the aggregate value of the assets of the Fund determined in accordance with the terms of the Declaration of Trust.

“**Transfer Agent**” means TSX Trust and any successor thereto.

“**Trustee**” means Next Edge Capital Corp., in its capacity as trustee of the Fund under the Declaration of Trust, and any successor thereto.

“**TSX**” means the Toronto Stock Exchange.

“**U.S.**” means the United States of America, its territories and possessions, any state thereof and the District of Columbia.

“**U.S.\$**” means the lawful currency of the U.S.

“**Unitholders**” means holders of the Units.

“**Units**” means the Class A Units and Class F Units of the Fund.

“**Valuation Agent**” means such person as may from time to time be appointed by the Manager to calculate the Net Asset Value per Unit and the Net Asset Value of the Fund. The initial Valuation Agent will be RBC Investor Services Trust.

“**Valuation Date**” has the meaning ascribed thereto under “Calculation of Net Asset Value”.

“**Valuation Time**” has the meaning ascribed thereto under “Calculation of Net Asset Value”.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Certain capitalized terms used, but not defined in this summary, are defined in the “Glossary of Terms”. Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars.

Issuer: 2028 Investment Grade Bond Trust (the “**Fund**”) is a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust. See “Overview of the Legal Structure of the Fund”.

Offering: The Fund is offering Class A Units and Class F Units.

The Class F Units are designed for fee-based and/or institutional accounts and the Agents’ fees payable on the issuance of the Class F Units are lower than those payable on the issuance of the Class A Units. The Class F Units are expected to be listed on a stock exchange.

The Class A Units are available to all investors and will not be listed on a stock exchange but will be reclassified as Class F Units immediately upon the closing of this Offering. Accordingly, subscribers for Class A Units under this Offering will, upon closing of this Offering, have their Class A Units reclassified as Class F Units. Each Class A Unit issued under this Offering will be reclassified into such number of Class F Units equal to the Net Asset Value per Class A Unit divided by the Net Asset Value per Class F Unit.

See “Description of the Units”.

Price: \$10.00 per Class A Unit.

\$10.00 per Class F Unit.

Maximum Issue: \$● (● Class A Units and/or Class F Units)

Minimum Issue: \$25,000,000 (2,500,000 Class A Units and/or Class F Units)

Minimum Purchase: 1,000 Class A Units (\$10,000)

1,000 Class F Units (\$10,000)

Investment Objectives: The Fund will seek to: (i) preserve capital; and (ii) target an internal rate of return (“**IRR**”) of 6.25-6.75% (after annual fees and expenses) by investing primarily in corporate debt securities.

See “Investment Objectives”.

Investment Strategies: To achieve its investment objectives, the Fund will acquire a portfolio (the “**Portfolio**”) comprised primarily of debt securities of Canadian companies (“**Eligible Debt Securities**”). At least 75% of the Portfolio will be invested in Investment Grade Securities and up to 25% of the Portfolio may be invested in High Yield Debt Securities. The Portfolio is expected to be comprised primarily of Eligible Debt Securities that have an average maturity of five (5) years or less and it is expected that the securities generally will be held by the Fund until their respective maturities. Notwithstanding the foregoing, the Fund may sell or transfer Eligible Debt Securities prior to their maturity.

The Manager believes North American bond markets currently present opportunities for attractive long-term capital appreciation on both an absolute and relative basis. This is driven by the interest rate environment, recent steepening of the yield curve indicating a

market preference for shorter term bonds, and the relative attractiveness of corporate credit.

Term: The Fund has a five-year term and is expected to be terminated on or about ●, 2028 (the “**Termination Date**”); provided that if in the opinion of the Manager, it would be in the best interests of the Fund to extend the Termination Date, the Manager may, in its sole discretion and upon not less than 30 days’ prior written notice to Unitholders, extend the Termination Date once for up to an additional 90 days, which date shall then become the Termination Date.

In addition, pursuant to the Declaration of Trust and in accordance with applicable securities laws, the Fund may be terminated at any time by the Manager provided that, in the opinion of the Manager, it is no longer economically practical to continue the Fund or it would be in the best interests of the Fund to terminate the Fund.

Currency Hedging: The Portfolio may include Eligible Debt Securities denominated in U.S. dollars and, in such case, the Fund would be exposed to changes in the value of the U.S. dollar relative to the Canadian dollar. In such circumstances, the Fund may hedge some or substantially all of the Fund’s exposure to changes in the value of U.S. dollar relative to the Canadian dollar from time to time, in the Adviser’s discretion, through the use of derivatives, including currency forward contracts.

Use of Leverage: The Fund may utilize leverage through borrowings (such as a prime brokerage facility), the use of derivatives or a combination of both for investment purposes in an amount not to exceed 50% of the NAV of the Fund (the maximum amount of leverage that the Fund would employ for investment purposes is 1.50:1). The Manager initially intends to borrow approximately 40% of the NAV of the Fund for investment purposes.

If at any time borrowings exceed the 50% limit, the Manager will, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 50% or less of the NAV of the Fund.

See “Investment Strategies – Use of Leverage”.

Use of Derivatives: The Fund may use a variety of derivative instruments (both long and short positions) for both investment and risk management purposes. The Fund may use various derivatives transactions to add leverage to the Portfolio. Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to, among others, individual debt instruments, interest rates, currencies or currency exchange rates, commodities and related indexes.

See “Investment Strategies – Use of Derivatives”.

Distributions: The Fund does not have a fixed quarterly distribution amount. The Fund intends to make quarterly cash distributions to Unitholders of record on the last Business Day of each March, June, September and December (each, a “**Distribution Record Date**”). Distributions will be paid on a Business Day designated by the Manager that will be no later than the 15th day of the following month for which the distribution is payable (each, a “**Distribution Payment Date**”).

While the Fund will not have a fixed distribution amount, distributions are initially targeted to be approximately \$0.125 per Unit per quarter for the Fund’s first four quarters of operation or \$0.50 for the Fund’s first year of operation (approximately 5.0% on the subscription price of \$10.00 per Unit). The initial cash distribution is expected to be payable to Unitholders of record on March 31, 2024.

The Fund intends to, beginning in December 2024, determine and announce expected quarterly distributions for the following calendar year based on the Manager's and the Adviser's estimate of distributable cash flow in the Fund and assessment of portfolio and market conditions, including without limitation, the costs of any leverage obtained by the Fund (including interest or other expenses on any borrowings). As portfolio and market conditions change, the rate of distributions on the Units and the Fund's distribution policy could change.

Assuming (i) gross proceeds of the Offering of \$60,000,000, (ii) the use of leverage of 40% of NAV, and (iii) the fees and expenses described under "Fees and Expenses", the assets in the Portfolio would have to generate income of 5.87% in order to pay the annual expenses of the Fund and distributions at the initial targeted level without returning a portion of the capital of the Fund to Unitholders. Based on the current price and yield of the assets included in the Indicative Portfolio (which may vary from the actual Portfolio), the assets in the Indicative Portfolio are not expected to generate interest and other income (net of any applicable withholding taxes) sufficient to pay the expenses of the Fund and to pay distributions at the initial targeted level without incrementally borrowing from the leverage facility or returning a portion of the capital of the Fund to Unitholders. As at October 19, 2023, the gross yield to expected maturity on the Indicative Portfolio was approximately 7.10% per annum. **If the total return on the Portfolio is less than the amount necessary to fund the quarterly distributions and all expenses of the Fund, and if the Manager chooses to nevertheless ensure that the quarterly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders, and accordingly, NAV per Unit would be reduced. The amount of quarterly distributions may fluctuate from quarter to quarter and there can be no assurance that the Fund will make any distribution in any particular quarter or quarters. The amount of quarterly distributions may vary if there are changes in any of the factors that affect the net cash flow on the Portfolio, including the amount of leverage employed by the Fund and the other assumptions noted above.** See "Investment Strategies – Use of Leverage", "Distribution Policy" and "Risk Factors".

Based on the Indicative Portfolio, the weighted average purchase price of the bonds included therein is approximately \$89.50 based on a par value of \$100.00. Assuming the bonds in the Indicative Portfolio either converge to or mature at par upon the termination of the Fund, it is expected that approximately 50% of the Fund's target IRR would be capital gains.

Amounts distributed on the Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder's adjusted cost base of the Units for tax purposes. See "Income Tax Considerations".

If the Fund's net income for tax purposes, including net realized capital gains, for any taxation year exceeds the aggregate amount of the regular quarterly distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions (in Units and/or cash), by the end of the calendar year (in the case of a taxation year ending on December 15 of such calendar year) and by the end of such taxation year (in any other case), to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). See "Income Tax Considerations".

**Distribution
Reinvestment:**

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

Redemptions: Units will be redeemable on a monthly basis, on a Monthly Redemption Date at the applicable Monthly Redemption Amount. See “Redemptions – Monthly Redemptions of Units”.

Mandatory Market Purchase Program: In order to enhance liquidity and provide market support for the Class F Units, the Declaration of Trust provides that the Fund may undertake a mandatory market purchase program (the “MMPP”) pursuant to which the Fund will offer to purchase any Class F Unit offered in the market at a price that is 97% or less of the latest NAV per Class F Unit provided that the maximum number of Class F Units that may be purchased under the MMPP: (i) in any month, shall be equal to 1% of the number of Class F Units outstanding as of the first day of that month, and (ii) on any given trading day in that month, shall be equal to the maximum number of Class F Units that may be purchased in that month less any Class F Units purchased under the MMPP in that month prior to that day divided by the number of trading days remaining in that month and subject to the terms set out in the Declaration of Trust. Notwithstanding the MMPP, the Class F Units may trade at a significant discount to the NAV per Class F Unit. See “Description of the Units – Mandatory Market Purchase Program”.

Use of Proceeds: The proceeds from the sale of Class A Units and Class F Units (prior to the exercise of the Over-Allotment Option) will be as follows:

	<u>Maximum Offering</u> ⁽¹⁾⁽²⁾	<u>Minimum Offering</u> ⁽¹⁾
Gross proceeds to the Fund	\$●	\$25,000,000
Agents’ fees ⁽³⁾⁽⁴⁾	\$●	\$537,500
Estimated Expenses of the Offering ⁽³⁾	\$●	\$●
Net Proceeds to the Fund	\$●	\$●

Notes:

- (1) There will be no Closing unless an aggregate minimum of 2,500,000 Class A Units and/or Class F Units are sold. The minimum and maximum Offering assume that 50% of the Units sold are Class A Units and 50% of the Units sold are Class F Units. If subscriptions for an aggregate minimum of 2,500,000 Class A Units and/or Class F Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, this Offering may not continue unless an amendment to this prospectus is filed.
- (2) The Fund has granted to the Agents an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, for a period of 30 days following the closing of the Offering, to purchase additional Class F Units, at a price of \$10.00 per Class F Unit, in an amount up to 15% of the aggregate number of Class A Units and Class F Units issued at Closing on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents’ fees and the proceeds to the Fund will be \$●, \$● and \$●, respectively, assuming no Class A Units are sold under this Offering. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of Class F Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class F Units forming part of the Agents’ over-allocation position acquires such Class F Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.
- (3) Before deducting the expenses of the Offering (estimated to be \$●) which, subject to a maximum 1.0% of the gross proceeds of the Offering, together with the Agents’ fees, will be paid out of the gross proceeds of the Offering. The Manager will bear any expenses of the Offering (which does not include the Agents’ fees) in excess of 1.0% of the gross proceeds of the Offering. See “Fees and Expenses”.
- (4) Assuming no Class A Units are sold under the Offering.

The Fund will use the proceeds of the Offering (including any proceeds from the exercise of the Over-Allotment Option) to acquire Portfolio Securities. See “Use of Proceeds”.

Reclassification of Class A Units:

The Class A Units will be reclassified as Class F Units upon the closing of this Offering based on their respective NAV per Unit. Each Class A Unit issued under this Offering will be reclassified into such number of Class F Units equal to the Net Asset Value per Class A Unit divided by the Net Asset Value per Class F Unit.

Accordingly, purchasers who subscribe for Class A Units are deemed to have requested that the Fund reclassify such Class A Units as Class F Units immediately following the closing of the Offering and holders of Class A Units will, upon the closing of this Offering, have their Class A Units reclassified as Class F Units.

See “Description of Units – Reclassification of Class A Units”.

Conversion of Units:

In accordance with the Declaration of Trust, a holder of Units may convert Units of a class into whole Units of another class of Units of the Fund. It is expected that liquidity for Class A Units will be mainly obtained by means of conversion into Class F Units and the sale of those Class F Units through the facilities of the TSX.

Units may be converted in any month on the second last Business Day of such month (each, a “**Conversion Date**”) by delivering a notice and surrendering such Units by 5:00 p.m. (Toronto time) at least 10 Business Days prior to the Conversion Date. For each Unit of a class so converted, a holder will receive that number of Units of the class into which such Unit is being converted as is equal to the NAV per Unit of the class of Units being converted divided by the NAV per Unit of the class into which such Unit is being converted, each as of the close of trading on the Conversion Date. No fractions of Units will be issued upon any conversion of Units. Any remaining fraction of a Unit will be redeemed.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units and a conversion of Class A Units into whole Class F Units will not constitute a disposition of the Class F Units or Class A Units, as applicable, for the purposes of the Tax Act. The redemption of any fraction of a Class A Unit or a Class F Unit will result in a capital gain (or capital loss) for the redeeming holder.

See “Description of the Units – Conversion of Units”.

Eligibility for Investment:

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund, and Fasken Martineau DuMoulin LLP, counsel to the Agents, based on the current provisions of the Tax Act, provided that the Fund qualifies, and continues at all times to qualify, as a “mutual fund trust” within the meaning of the Tax Act, or, in respect of the Class F Units only, the Class F Units are listed on a “designated stock exchange” (which includes the TSX), the Class A and/or Class F Units (as the case may be) would be qualified investments for trusts governed by Registered Plans. Holders, annuitants and subscribers, as the case may be, of trusts governed by RRSPs, RRIFs, RDSPs, RESPs, TFSAs or FHSAs should consult their own tax advisors to ensure that Units would not be a “prohibited investment” (as defined in the Tax Act) for such accounts in their particular circumstances. See “Income Tax Considerations – Taxation of Registered Plans”.

Income Tax Considerations:

A Unitholder who is resident in Canada generally will be required to include in computing income for a taxation year that part of the net income of the Fund, including net taxable capital gains, if any, that is paid or becomes payable to the Unitholder by the Fund in the year, whether in cash or in Units or reinvested in Units pursuant to the Reinvestment Plan.

Distributions by the Fund to a Unitholder in excess of the Unitholder’s share of the Fund’s net income and net realized capital gains generally will not result in an income inclusion, but will reduce the adjusted cost base of the Unitholder’s Units held on capital account. To the extent that the adjusted cost base of a Unit held on capital account would otherwise

be less than zero, the Unitholder will be deemed to have realized a capital gain (or capital loss) to the extent that the proceeds of disposition (which do not include any amounts of capital gains made payable by the Fund which are allocated to the Unitholder and represent capital gains realized by the Fund in connection with its disposition of assets in order to fund the redemption) exceed (or are less than) the aggregate of the adjusted cost base of the Unit disposed of and any reasonable costs of disposition.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Class A or Class F Units by obtaining advice from his or her tax advisor. See “Income Tax Considerations”.

Risk Factors

An investment in Class A Units or Class F Units will be subject to certain risk factors. See “Risk Factors”.

ORGANIZATION AND MANAGEMENT OF THE FUND

<u>Management of the Fund</u>	<u>Name and Municipality of Residence</u>	<u>Services Provided to the Fund</u>
Trustee, Manager and Promoter	Next Edge Capital Corp. 1 Toronto Street, Suite 200 Toronto, Ontario M5C 2V6	Next Edge Capital Corp. (“ Next Edge ” or the “ Manager ”) is the investment fund manager and promoter of the Fund. Next Edge also acts as the trustee (the “ Trustee ”) of the Fund in accordance with the Declaration of Trust. The Manager will retain the Adviser to manage the portfolio of the Fund.
Adviser	Ridgewood Capital Asset Management Inc. 55 University Avenue, Suite 1020 Toronto, Ontario M5J 2H7	Ridgewood Capital Asset Management Inc. (the “ Adviser ”) serves as the adviser for the Fund pursuant to the Portfolio Management Agreement between the Fund, the Manager and the Adviser. Subject to the Portfolio Management Agreement, the Adviser has full investment discretion and makes all determinations with respect to the investment of the Fund’s assets.
Custodian	RBC Investor Services Trust Toronto, Ontario	Providing custodial services to the Fund.
Auditor	Deloitte LLP Toronto, Ontario	Providing auditing services to the Fund.
Registrar and Transfer Agent	TSX Trust Toronto, Ontario	Maintaining the securities register and the register of transfers of Units.

AGENTS

National Bank Financial Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Wellington-Altus Private Wealth Inc., IA Private Wealth Inc., Raymond James Ltd., Richardson Wealth Limited, Desjardins Securities Inc., Echelon Wealth Partners Inc., Manulife Securities Incorporated and Research Capital Corporation (collectively, the “**Agents**”) conditionally offer the Class A Units and the Class F Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Fund and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of the Fund and Fasken Martineau DuMoulin LLP on behalf of the Agents.

The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to purchase additional Class F Units, at a price of \$10.00 per Class F Unit, in an amount up to 15% of the aggregate number of Class A Units and Class F Units issued at Closing on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fees and the proceeds to the Fund will be \$●, \$● and \$● respectively, assuming no Class A Units are sold under the Offering. See "Plan of Distribution".

<u>Agents' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	● Class F Units	Within 30 days following the Closing	\$10.00 per Class F Unit

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable in connection with the Fund. Some of these fees and expenses will be paid for or incurred by the Fund, which will therefore reduce the value of your investment in the Fund. For further particulars, see "Fees and Expenses".

Fees and Expenses Payable by the Fund

<u>Type of Fee</u>	<u>Amount and Description</u>
Agents' Fees:	\$0.30 per Class A Unit sold (3.00%) and \$0.13 per Class F Unit sold (1.30%). The Agents' fees will be paid by the Fund out of the proceeds of the Offering. The Agents' fees payable by the Fund upon an exercise of the Over-Allotment Option will be \$0.13 per Class F Unit.
Expenses of the Offering:	The Fund will, together with the Agents' fees, pay the expenses incurred in connection with the Offering (including the costs of creating the Fund, the costs of preparing and printing the prospectus, legal and auditor fees and expenses, Agents' out-of-pocket expenses and marketing expenses). The Manager has agreed to pay all expenses (which does not include the Agents' fees) incurred in connection with the Offering that exceed 1.0% of the gross proceeds of the Offering. See "Fees and Expenses – Fees and Expenses Payable by the Fund".
Management Fee:	An annual management fee (the " Management Fee ") equal to 0.70% of the Net Asset Value of the Fund will be paid to the Manager, calculated daily and payable monthly in arrears, plus applicable taxes. The Manager is responsible for paying the fees payable to the Adviser out of the Management Fee.
Ongoing Fees and Expenses:	The Fund will be responsible for all expenses incurred in connection with the operation and administration of the Fund. It is expected that the expenses of the Fund will include, as applicable, without limitation: borrowing, interest and portfolio execution costs, taxes, expenses of complying with governmental requirements and applicable laws including securities regulatory authorities' participation fees, extraordinary expenses and any new fees or expenses payable by the Fund after the Closing Date, fees and expenses payable to the IRC, fees payable to third party service providers, the Fund's proportionate share of premiums for directors' and officers' insurance coverage for the directors and officers of the Manager and members of the IRC, costs of reporting to Unitholders, website maintenance costs and any costs and expenses relating to the issuance of additional Units, including without limitation, additional Units issued pursuant to an "at-the-market distribution". Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which officers and/or directors of the Manager or the IRC is entitled to indemnity by the Fund.

INFORMATION REGARDING PUBLIC ISSUERS

Certain information contained in this prospectus relating to publicly traded securities, the issuers of those securities and the industry in which the Fund will invest is taken from and based solely upon information published by those issuers. None of the Manager, the Adviser, the Fund or the Agents has independently verified the accuracy or completeness of any such information.

FORWARD-LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”, and similar expressions to the extent they relate to the Manager, the Adviser or the Fund. Forward-looking statements are not historical facts but reflect current expectations regarding future results or events, including results of the Fund. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including but not limited to the matters discussed under “Risk Factors” and in other sections of this prospectus.

These and other factors should be considered carefully and readers should not place undue reliance on the Fund’s forward-looking statements. The Manager, the Adviser and the Fund do not undertake to update any forward-looking statement that is contained in this prospectus.

OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

2028 Investment Grade Bond Trust (the “**Fund**”) is a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to the Declaration of Trust. The trustee, manager and promoter of the Fund is Next Edge Capital Corp. (“**Next Edge**”, the “**Manager**” or the “**Trustee**”). The principal office of the Fund, the Manager and the Trustee is located at 1 Toronto Street, Suite 200, Toronto, Ontario M5C 2V6.

The adviser of the Fund is Ridgewood Capital Asset Management Inc. (the “**Adviser**”). Subject to the Portfolio Management Agreement, the Adviser has full investment discretion and makes all determinations with respect to the investment of the Fund’s assets. The principal office of the Adviser is located at 55 University Ave., Suite 1020, Toronto, Ontario M5J 2H7.

The Fund is a non-redeemable investment fund under the securities legislation of the provinces and territories of Canada. Consequently, the Fund is not subject to the various policies and regulations that apply to mutual funds under such legislation.

The beneficial interest in the net assets and net income of the Fund is divided into units of such classes as the Manager may determine from time to time. Initially, two classes of Units (the Class A Units and the Class F Units) have been authorized for issuance and the Fund is authorized to issue an unlimited number of Class A Units and an unlimited number of Class F Units.

The Fund has a five-year term and is expected to be terminated on or about ●, 2028 (the “**Termination Date**”); provided that if in the opinion of the Manager, it would be in the best interests of the Fund to extend the Termination Date, the Manager may, in its sole discretion and upon not less than 30 days’ prior written notice to Unitholders, extend the Termination Date once for up to an additional 90 days, which date shall then become the Termination Date.

INVESTMENT OBJECTIVES

The Fund will seek to: (i) preserve capital; and (ii) target an internal rate of return (“**IRR**”) of 6.25-6.75% (after annual fees and expenses) by investing primarily in corporate debt securities.

INVESTMENT STRATEGIES

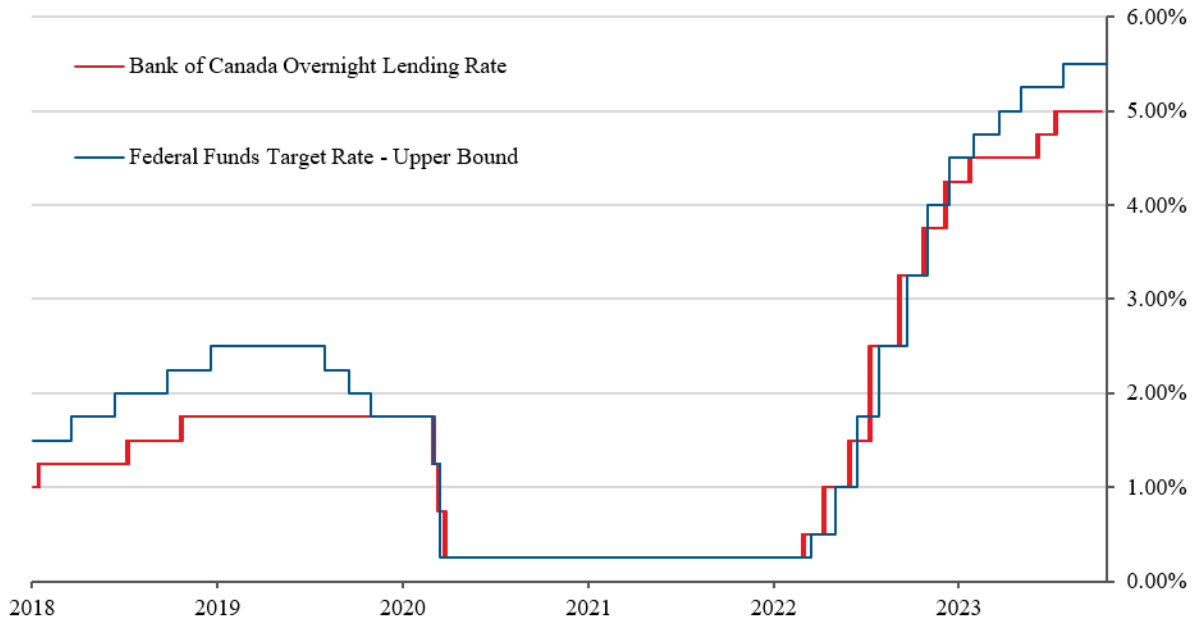
To achieve its investment objectives, the Fund will acquire a portfolio (the “**Portfolio**”) comprised primarily of debt securities of Canadian companies (“**Eligible Debt Securities**”). At least 75% of the Portfolio will be invested in Investment Grade Securities and up to 25% of the Portfolio may be invested in High Yield Debt Securities. The Portfolio is expected to be comprised primarily of Eligible Debt Securities that have an average maturity of five (5) years or less and it is expected that the securities generally will be held by the Fund until their respective maturities. Notwithstanding the foregoing, the Fund may sell or transfer Eligible Debt Securities prior to their maturity.

Investment Rationale

The Manager believes North American bond markets currently present opportunities for attractive long-term capital appreciation on both an absolute and relative basis. This is driven by the interest rate environment, recent steepening of the yield curve indicating a market preference for shorter term bonds, and the relative attractiveness of corporate credit.

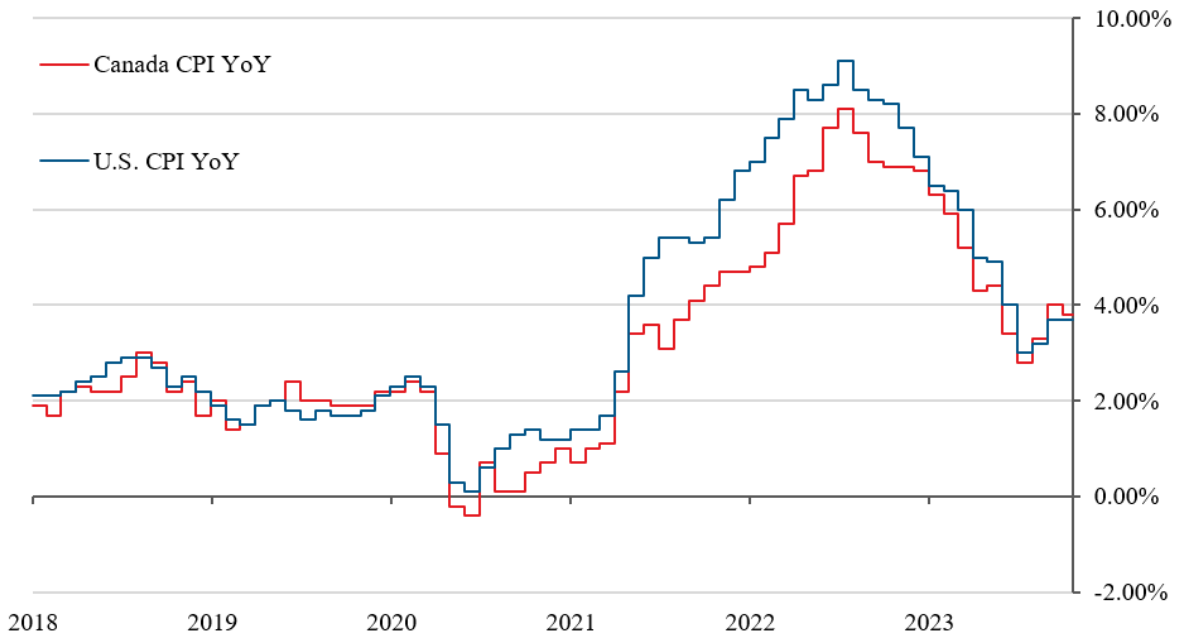
Interest Rate Environment

Beginning in March 2022, the Bank of Canada and the United States Federal Reserve implemented the tightening of monetary policy by swiftly raising overnight interest rates to combat growing inflation concerns in the aftermath of the COVID-19 pandemic. To date, a total of 10 hikes in Canada and 11 hikes in the U.S. brought the overnight rate from an upper target of 0.25% during the preceding 2 years to 5.00% and 5.50%, respectively.



Source: Bloomberg. For the period starting January 1, 2018 and ending October 19, 2023.

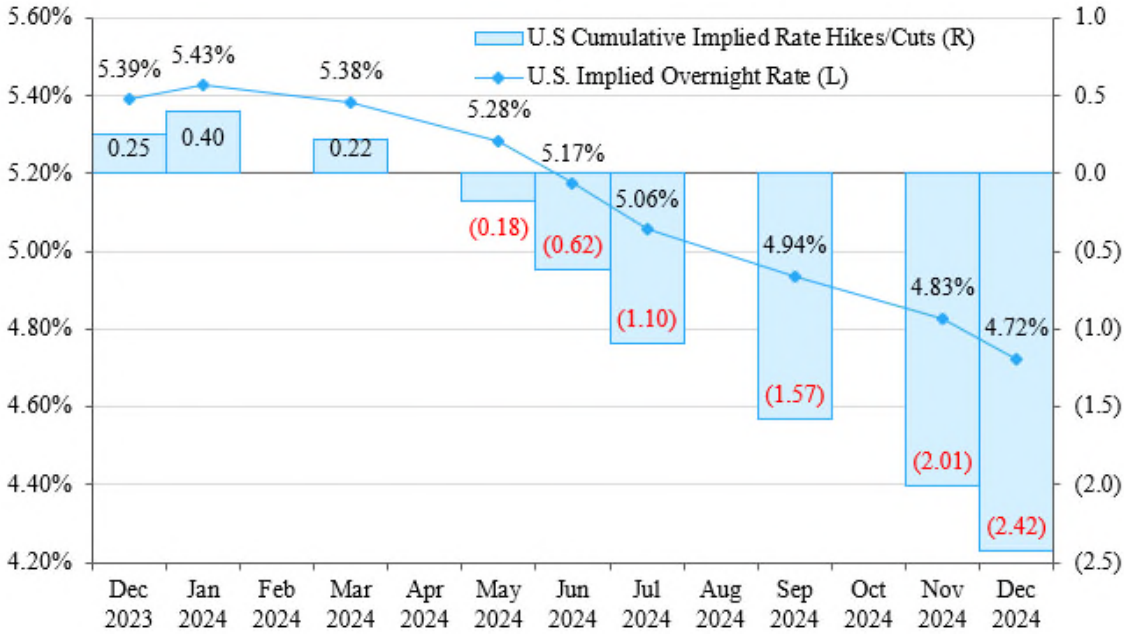
The impacts of tightening monetary policy have begun to take hold, with inflation retreating from the peaks seen in the middle of 2022.



Source: Bloomberg. For the period starting January 1, 2018 and ending October 19, 2023.

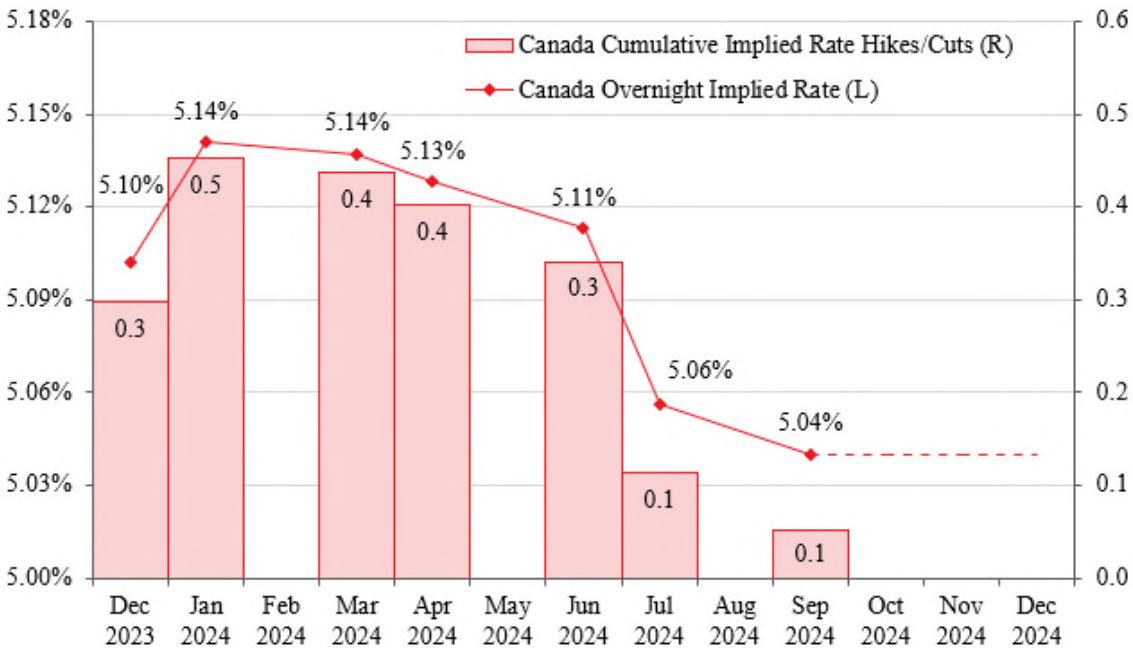
Meanwhile, recessionary concerns have begun to rise driven by slowing growth and global geopolitical tensions. The Manager believes that North American central banks will soon begin to slow or even stop the pace of rate hikes, and market participants are pricing in expectations of rate cuts beginning in 2024.

Bloomberg World Interest Rate Probability: US Target Rate Futures Model



Source: Bloomberg. For the period starting December 1, 2023 and ending December 31, 2024. As of October 19, 2023.

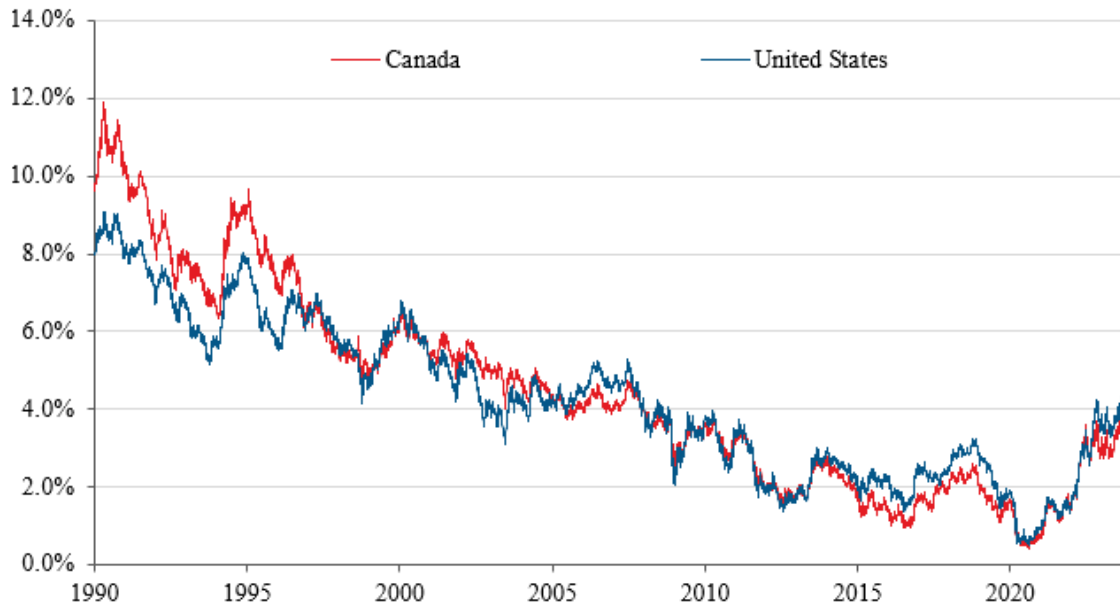
Bloomberg World Interest Rate Probability: Canadian OIS Model



Source: Bloomberg. For the period starting December 1, 2023 and ending December 31, 2024. As of October 19, 2023.

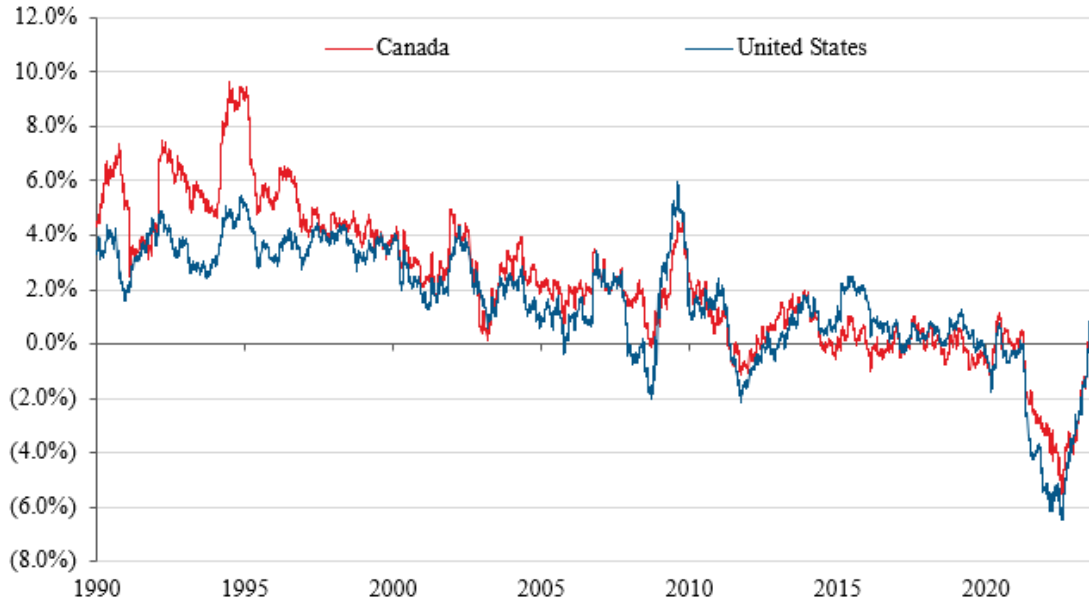
With nominal and real rates at levels not seen in the last decade, the Manager believes that the stabilizing higher-for-longer rate environment is now an attractive entry point for investing in fixed income.

Nominal Interest Rates



Source: Bloomberg, NBF. For the period starting January 1, 1990 and ending October 19, 2023. Based on the Bloomberg Canadian Government Bond 10-year Note Index and Bloomberg U.S. Generic Government 10-year Index.

Real Interest Rates



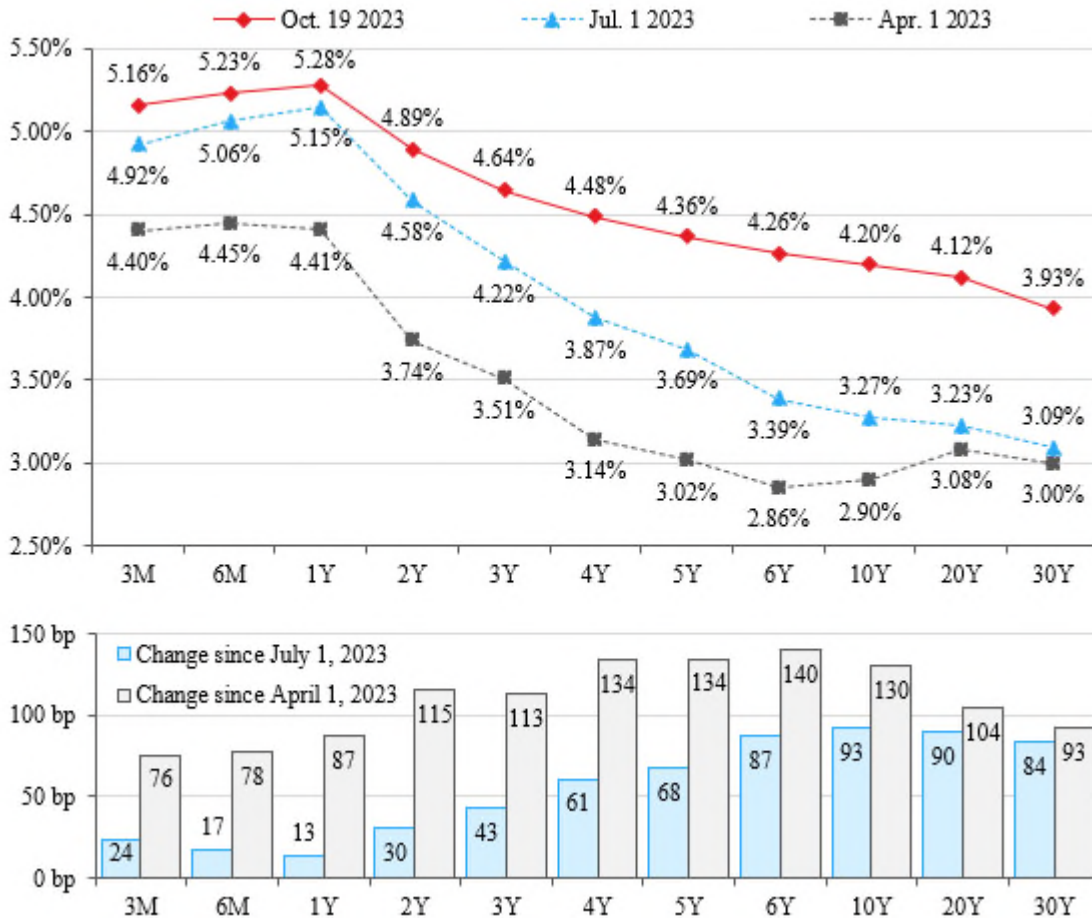
Source: Bloomberg, NBF. For the period starting January 1, 1990 and ending October 19, 2023. Based on the Bloomberg Canadian Government Bond 10-year Note Index, Statistics Canada CPI YoY NSA Index, Bloomberg U.S. Generic Government 10-year Index, and Bureau of Labor Statistics US CPI Urban Consumers YoY NSA Index

Recent Yield Curve Steepening

At first, central bank rate hikes caused the yield curve to invert sharply, meaning interest rates on short-dated debt were meaningfully higher than interest rates on longer-dated debt. Cash alternatives such as savings accounts, money market funds, and guaranteed investment certificates became an attractive safe haven for short-term returns.

Over the past 6 months, the yield curve has steepened with the middle and long-end rising. As of the date hereof, this steepening has brought 5-year rates up above 4% to within 1% of short-term rates. The Manager believes that this is an increasingly attractive environment within which to invest in longer-dated bonds to lock in higher yields for longer.

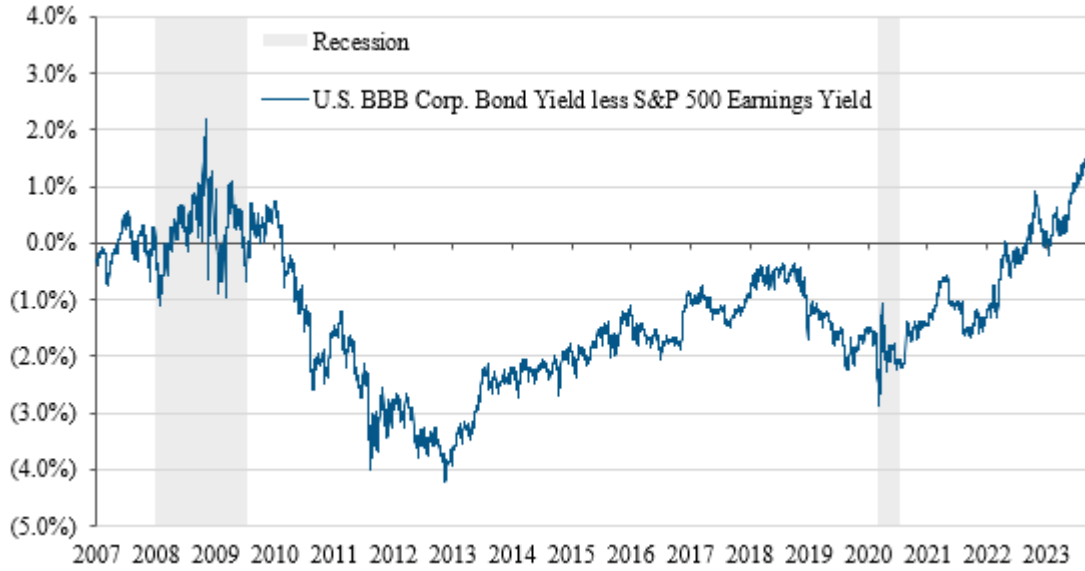
Canadian Yield Curve



Source: Bloomberg. As of April 1, 2023; July 1, 2023; and October 19, 2023. Based on the Bloomberg I7 CAD Canada Sovereign Curve.

Relative Attractiveness of Corporate Credit

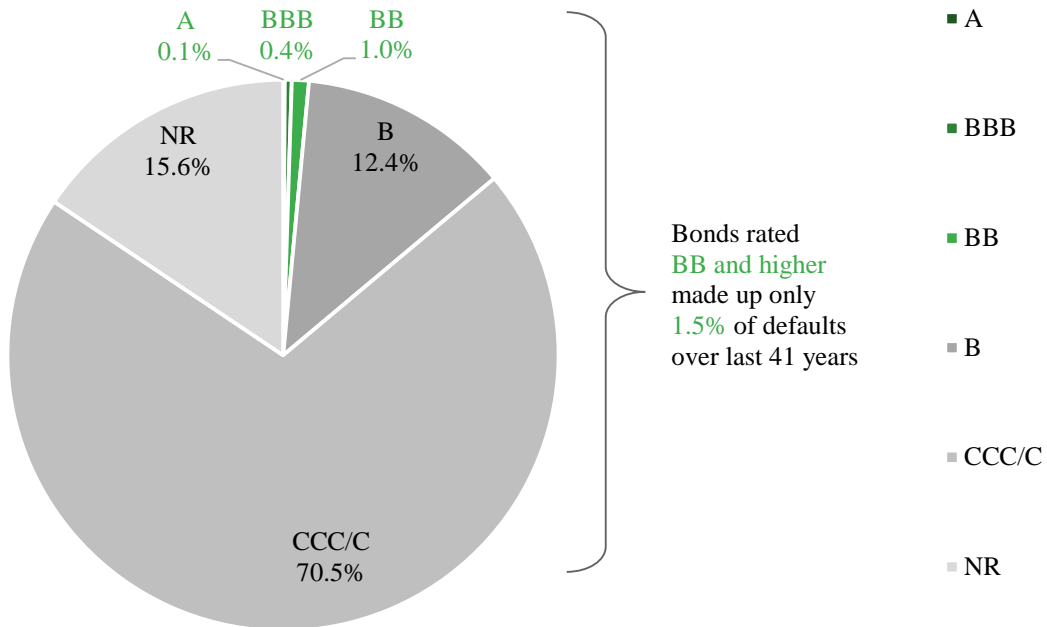
The Manager believes investment grade corporate credit is historically attractive, with BBB- rated bond yields exceeding the S&P 500 earnings yield for the first time since the wake of the 2007-2008 financial crisis.



Source: Bloomberg, NBF. For the period starting January 1, 2007 and ending October 19, 2023. Based on the Bloomberg U.S. Aggregate: Baa Index and S&P 500 Index.

Meanwhile, investment-grade debt and higher credit-quality BB-rated speculative-grade debt have accounted for a small fraction of historical defaults. The Indicative Portfolio is predominantly composed of bonds rated BB and higher with an average rating of BBB. Bonds of this credit quality account for a small fraction of historical defaults.

Distribution of Defaults by Rating from 1981 – 2022



Source: "Default, Transition, and Recovery: 2022 Annual Global Corporate Default And Rating Transition Study", published on April 25, 2023 by S&P Global Ratings. For the period starting 1981 and ending 2022.

The Manager believes investing in investment grade corporate bonds is relatively more attractive than investing in benchmark government bonds as: (1) issuer sector selection can be used to diversify or concentrate economic exposure, (2) corporate credit spreads offer an attractive boost to yield-to-maturities, and (3) higher coupon rates on existing issuance increases the distributable cashflow of the Fund.

Relative Attractiveness of Discount Bonds

When a bond is purchased at a discount below its par value and held to maturity to be repaid at par, the bond investor will realize the built-in price appreciation equal to the difference between purchase price and par value. This difference is generally treated as a capital gain for tax purposes. If the total return of the discount bond is composed of both interest income from coupon payments and capital gains from the maturity payment, then the discount bond will provide a higher after-tax return than comparable bonds with the same yield-to-maturity purchased at par value or at a premium to par value.

The Manager believes there is currently a large and attractive investable universe of discount bonds as existing bonds previously issued in low interest rate environments begin trading below par value in the current elevated interest rate environment.

	Discount Bond		Par Value Bond		Premium Bond	
Term	5 years		5 years		5 years	
Price paid (par value \$100)	\$85.03		\$100.00		\$105.00	
Coupon rate	3.35%		7.00%		8.22%	
Pre-tax yield-to-maturity	7.00%		7.00%		7.00%	
Total over life of bond	Interest	Capital Gain	Interest	Capital Gain	Interest	Capital Gain
Income / capital gain or loss	\$16.75	\$14.97	\$35.00	-	\$41.10	(\$5.00)
Taxes	(\$8.97)	(\$4.01)	(\$18.74)	-	(\$22.00)	\$1.34
After-tax income	= \$7.78	= \$10.96	= \$16.26	-	= \$19.10	= (\$3.66)
Total after-tax income	\$18.74		\$16.26		\$15.44	
Average after-tax annual income	4.41%		3.25%		2.94%	

Pre-tax equivalent annual income	9.49%	7.00%	6.33%
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Notes: The examples presented above are for illustrative purposes only and assume one coupon payment per year. Capital gains are assumed to be taxed at half of Ontario's highest marginal income tax rate of 53.53%, for a 26.765% effective tax rate. Capital losses are assumed to be used to offset other realized capital gains.

Indicative Portfolio

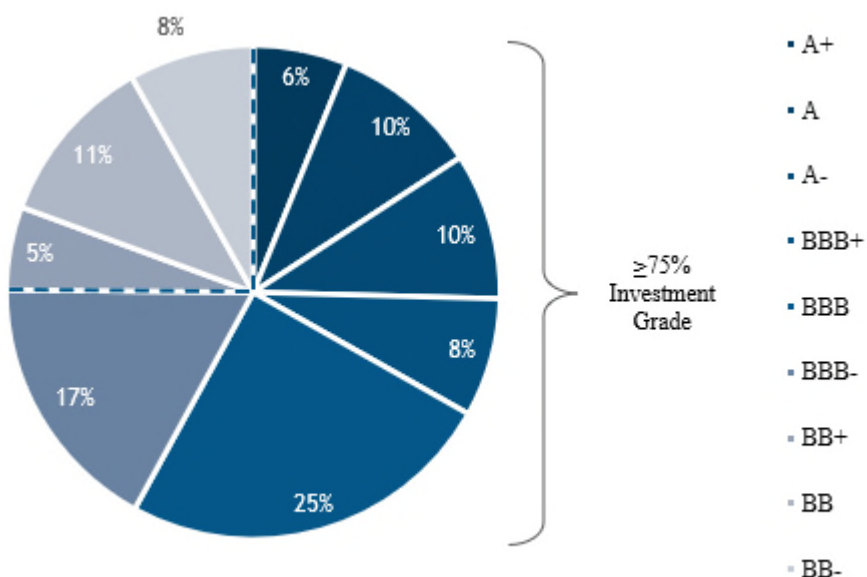
The following charts illustrate the percentage composition of the initial Portfolio in respect of the structure and geography on an indicative basis if the initial Portfolio had existed on October 19, 2023 (the “**Indicative Portfolio**”) and other characteristics of the Indicative Portfolio. At closing of the Offering, the Indicative Portfolio is expected to have a weighted average term to maturity of approximately 4.4 years and a weighted average credit rating of BBB. Based on the Adviser’s assessment of bond market conditions as of October 19, 2023, the weighted average market price of the Indicative Portfolio is \$89.50 and the weighted average yield to maturity is 7.1%, which represents the

yield from (i) the interest generated by the Portfolio Securities until their maturities and (ii) the difference between the market price of such securities and the face value thereof, as sourced from Bloomberg.

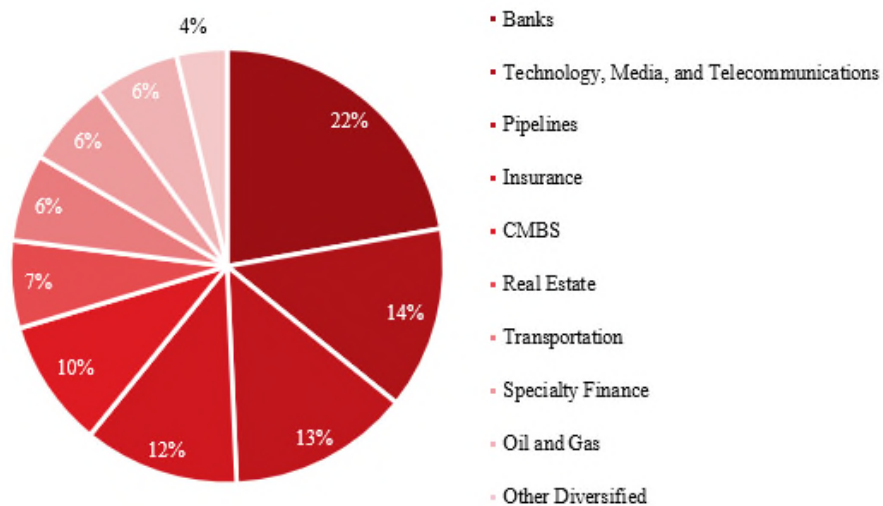
Indicative Portfolio	
Average Market Price	\$89.50
Average Yield-to-Maturity	7.1%
Average Term to Maturity	4.4 years
Average Credit Rating	BBB

Credit Profile

Credit Profile



Industry Breakdown



Top 10 Indicative Holdings by Issuer

Issuer Name	Weight
Rogers Communications Inc.	4.3%
Mattamy Group Corp.	3.8%
Canadian Western Bank	3.5%
TELUS Corp.	3.4%
CT REIT	3.3%
Heathrow Funding Ltd.	3.3%
TransCanada PipeLines Ltd.	3.3%
Real Estate Asset Liquidity Trust, Series 2017, Class B	3.3%
Canadian National Railway Company	3.3%
Pembina Pipeline Corp.	3.3%
Top 10 Indicative Holdings by Issuer	34.7%

The information contained in this section is historical and is not intended to be, nor should it be construed to be, an indication as to the assets that will comprise the Portfolio from time to time. The Portfolio may or may not include securities and issuers considered in compiling the foregoing analysis and will include securities of issuers that were not included in compiling this analysis. As such, the composition of the Portfolio and the characteristics of the securities in the Portfolio will differ. The composition of the Portfolio may vary from time to time based on the Adviser's assessment of market conditions and other factors.

Currency Hedging

The Portfolio may include Eligible Debt Securities denominated in U.S. dollars and, in such case, the Fund would be exposed to changes in the value of the U.S. dollar relative to the Canadian dollar. In such circumstances, the Fund may hedge some or substantially all of the Fund's exposure to changes in the value of U.S. dollar relative to the Canadian dollar from time to time, in the Adviser's discretion, through the use of derivatives, including currency forward contracts.

Use of Leverage

The Fund may utilize leverage through borrowings (such as a prime brokerage facility), the use of derivatives or a combination of both for investment purposes in an amount not to exceed 50% of NAV of the Fund (the maximum amount of leverage that the Fund would employ for investment purposes is 1.50: 1). The Manager initially intends to borrow approximately 40% of the NAV of the Fund.

If at any time borrowings exceed the 50% limit, the Manager will, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 50% or less of the Fund's NAV.

Use of Derivatives

The Fund may use a variety of derivative instruments (both long and short positions) for both investment and risk management purposes. The Fund may use various derivatives transactions to add leverage to its portfolio. Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to, among others, individual debt instruments, interest rates, currencies or currency exchange rates, commodities and related indexes.

Securities Lending and Repurchase Transactions

In order to generate additional returns, the Fund may enter into securities lending and repurchase transactions in accordance with applicable securities legislation pursuant to a written agreement. The Manager will appoint the

Custodian or a sub-custodian to act as the agent of the Fund to enter into securities lending and repurchase transactions. The agency agreement will provide for the types of transactions that may be entered into by the Fund, types of portfolio assets that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agency agreement will provide for, and the agent will develop, policies and procedures which are acceptable to the Fund and provide that securities lending and repurchase transactions will be entered into in accordance with the standard investment restrictions and practices set out above. Further, the agent will:

- ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102% of the value of the securities;
- invest any cash collateral in accordance with the investment restrictions specified in the agency agreement; and
- invest no more than 50% of the net asset value of the Fund in securities lending or repurchase transactions at any one time.

Repurchase transactions of the Fund will have a maximum term, before any extension or renewal, of 30 days.

OVERVIEW OF THE SECTORS THE FUND INVESTS IN

Corporate Debt Markets

Corporate debt is issued by companies to finance growth and operations or refinance existing debt maturities. This debt generally pays interest quarterly or semi-annually and repays principal on the maturity date. Corporate debt is typically issued for terms of two to 30 years and generally ranks higher in the capital structure than equity and therefore ranks higher in priority for payment. Bonds are traded “over the counter”, which makes liquidity and transparency a concern for individual investors. In addition to this, new issue bonds are usually sold almost entirely to professional investors, pension/endowment funds and mutual funds, making it difficult for individuals to directly participate in the primary bond market.

Investment grade debt securities and issuers generally are those with credit ratings at or above BBB- from S&P, Baa3 from Moody’s or BBB (low) from DBRS.

High yield debt securities and issuers generally are those with credit ratings at or below BB+ from S&P, Ba1 from Moody’s or BB (high) from DBRS.

INVESTMENT RESTRICTIONS

The Fund is subject to certain investment restrictions and practices contained in Canadian securities legislation, including NI 81-102 (subject to any exemptions), and the additional investment restrictions set out below that, among other things, limit the securities that the Fund may acquire for the Portfolio. The Fund’s investment restrictions provide that the Fund may not:

- (i) invest more than 20% of Total Assets, determined at the time of investment, in securities of any one borrower or issuer (excluding U.S. and Canadian Government securities);
- (ii) invest less than 75% of Total Assets, determined at the time of investment, in Investment Grade Securities;
- (iii) invest more than 25% of Total Assets, determined at the time of investment, in High Yield Debt Securities or securities that are unrated but determined by the Adviser to be of comparable quality to securities so rated;

- (iv) invest in securities of an issuer if, as a result of such investment, the Fund would be required to make a take-over bid that is a “formal bid” for purposes of the *Securities Act* (Ontario) or the equivalent provision of applicable securities laws of any other jurisdiction;
- (v) employ leverage in amounts exceeding 50% of the NAV. If at any time leverage exceeds the 50% limit, the Manager will, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed to 50% or less of the Fund’s NAV;
- (vi) engage in securities lending or repurchase agreements that do not constitute a “securities lending arrangement” for purposes of the Tax Act;
- (vii) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Fund (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or pursuant to any amendments to such provisions);
- (viii) make any investment or conduct any activity that would result in the Fund failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act;
- (ix) acquire or hold any property that would be “taxable Canadian property” within the meaning of the Tax Act if the definition were read without reference to paragraph (b) thereof (or any amendments to that definition) if the fair market value of such property exceeds 10% of the fair market value of all property owned by the Fund;
- (x) enter into any arrangement (including the acquisition of securities for the Portfolio) where the result is a “dividend rental arrangement” for the purposes of the Tax Act;
- (xi) make or hold any investments that would result in the Fund itself being a SIFT Trust for purposes of the SIFT Rules;
- (xii) make or hold any investments in entities that would be “foreign affiliates” of the Fund for purposes of the Tax Act; or
- (xiii) invest in any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act.

The Fund may also hold cash and cash equivalents from time to time.

If a percentage restriction on investment or use of assets or borrowing or financing arrangements set forth above as an investment restriction is adhered to at the time of the transaction, later changes to the market value of the investment or Total Assets will not be considered a violation of the investment restrictions (except for the restrictions in paragraphs (v), (viii) and (xi) above, which must be complied with at all times and which may necessitate the selling of investments from time to time). If the Fund receives from an issuer subscription rights to purchase securities of that issuer, and if the Fund exercises those subscription rights at a time when the Fund’s holdings of securities of that issuer would otherwise exceed the limits set forth above, the exercise of those rights will not constitute a violation of the investment restrictions if, prior to the receipt of securities of that issuer on exercise of these rights, the Fund has sold at least as many securities of the same class and value as would result in the restriction being complied with.

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

FEES AND EXPENSES

Agents' Fees

The Agents will be paid a fee of \$0.30 per Class A Unit sold (3.00%) and \$0.13 per Class F Unit sold (1.30%). The Agents' fees will be paid by the Fund out of the proceeds of the Offering. The Agents' fees payable by the Fund upon the exercise of the Over-Allotment Option will be \$0.13 per Class F Unit.

Expenses of the Offering

The Fund will pay the expenses incurred in connection with the Offering (including the costs of creating the Fund, the costs of preparing and printing the prospectus, legal and auditor fees and expenses, Agents' out-of-pocket expenses and marketing expenses). The Manager has agreed to pay all expenses (which does not include the Agents' fees) incurred in connection with the Offering that exceed 1.0% of the gross proceeds of the Offering. See "Use of Proceeds".

Management Fee

An annual management fee (the "**Management Fee**") equal to 0.70% of the Net Asset Value of the Fund will be paid to the Manager, calculated daily and payable monthly in arrears, plus applicable taxes. The Manager is responsible for paying the fees payable to the Adviser out of the Management Fee.

Ongoing Fees and Expenses

The Fund will be responsible for all expenses incurred in connection with the operation and administration of the Fund. It is expected that the expenses of the Fund will include, as applicable, without limitation: borrowing, interest and portfolio execution costs, taxes, expenses of complying with governmental requirements and applicable laws including securities regulatory authorities' participation fees, extraordinary expenses and any new fees or expenses payable by the Fund after the Closing Date, fees and expenses payable to the IRC, fees payable to third party service providers, the Fund's proportionate share of premiums for directors' and officers' insurance coverage for the directors and officers of the Manager and members of the IRC, costs of reporting to Unitholders, website maintenance costs and any costs and expenses relating to the issuance of additional Units, including without limitation, additional Units issued pursuant to an "at-the-market distribution". Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which officers and/or directors of the Manager or the IRC is entitled to indemnity by the Fund.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units which prospective investors should consider before purchasing such Units:

No Prior History

The Fund is a newly organized, closed-end investment fund with no history of operations. There is currently no public market for the Units and there can be no assurance that an active public market for the Units will develop or be sustained after completion of the offering.

No Assurances of Achieving Investment Objectives or Making Distributions

There is no assurance that the Fund will be able to achieve its investment objectives, including being able to pay distributions to Unitholders in an amount equal to the targeted distribution or at all. If the return on the Portfolio or the increase in the value of the Portfolio is less than the amount necessary to fund the quarterly distributions and all expenses of the Fund and if the Manager chooses to nevertheless pay the quarterly distributions to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders and, accordingly, Net Asset Value per Unit would be reduced. Changes in the relative weightings between the various types of securities making up the Portfolio can affect the overall yield to Unitholders. The amount of quarterly distributions may vary if there are changes in any of the factors that affect the net cash flow on the Portfolio, including the amount of leverage employed

by the Fund and the other assumptions noted under “Distribution Policy”. The Fund will attempt to achieve its investment objectives through its investment strategies as described above under the heading “Investment Strategies”.

Loss on Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss on their investment and who can withstand the effect of a distribution not being made in any period.

General Risks of Investing in Bonds

Generally, bonds will decrease in value when interest rates rise and increase in value when interest rates decline. The NAV of the Fund will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of bonds is also affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer’s creditworthiness. Corporate bonds may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Most of the bonds that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have recently experienced a significant repricing that may result in an enhanced likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Market Discount Risk

The price of the Units will fluctuate with market conditions and other factors. If you sell your Units, the price received may be more or less than your original investment. The Units are designed for long-term investors and should not be treated as trading vehicles. Units of closed-end investment funds, including in particular investment funds that offer limited redemption rights such as the Fund frequently trade at a discount from their net asset value. The Units may trade at a price that is less than the initial offering price.

Limited Term Risk

Unless the scheduled Termination Date of ●, 2028 is amended by Unitholders in accordance with the Declaration of Trust or extended by the Manager as described herein, the Fund will terminate on or about the Termination Date. Because the assets of the Fund will be liquidated in connection with the termination, the Fund will incur transaction costs in connection with dispositions of portfolio securities. The Fund does not limit its investments to securities having a maturity date prior to the Termination Date and may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favourable, which may cause the Fund to lose money. During the wind-down period, the Fund may begin liquidating all or a portion of the Portfolio, and the Fund may deviate from its investment strategy and may not achieve its investment objectives.

Passive Investment Strategy

It is expected that securities will generally be held by the Fund until their maturities. As the Portfolio will generally not be actively managed, the Adviser will not sell a Portfolio Security due to current or projected underperformance of a security, industry or sector. The Fund will not take defensive positions under any market conditions, including conditions that are adverse to the performance of the Fund.

Performance of the Portfolio

The NAV per Unit will vary as the fair value of the Portfolio Securities varies. The Fund, the Manager and the Adviser have no control over the factors that affect the fair value of the Portfolio Securities, including factors that affect the debt and equity markets generally, such as general economic and political conditions and fluctuations in interest rates, global or local inflation and factors unique to each issuer included in the Portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies and other events that may affect the value of its securities. Some global economies are experiencing significantly diminished growth and some may suffer or have suffered a recession. No assurance can be given that diminished availability of credit and significant equity devaluations will not adversely affect the markets into which the Fund will invest in the near to medium term.

Sensitivity to Interest Rates

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

When market interest rates rise, the market values of such securities generally will fall. The Fund seeks to mitigate these risks by generally holding its Portfolio Securities until their maturities and distributing the principal amounts received therefrom to Unitholders (net of repayment of borrowings used as leverage for the purchase of (or the acquisition of exposure to) such matured Portfolio Securities and less amounts used to fund the redemption of Units). Longer-term fixed rate securities are generally more sensitive to interest rate changes. The Fund's investment in such securities means that the NAV of the Fund and market price of Units will tend to decline if market interest rates rise.

Sensitivity to Duration

Duration measures the time-weighted expected cash flows of a security, which can determine the security's sensitivity to changes in the general level of interest rates (or yields). Securities with longer durations tend to be more sensitive to interest rate (or yield) changes than securities with shorter durations. Duration differs from maturity in that it considers potential changes to interest rates, and a security's coupon payments, yield, price and par value and call features, in addition to the amount of time until the security matures. Various techniques may be used to shorten or lengthen the duration of Portfolio Securities. The duration of a security will be expected to change over time with changes in market factors and time to maturity. Because the Fund intends to buy and hold Portfolio Securities until their maturities, the Adviser will not be managing the duration of the Portfolio.

Portfolio Concentration

It is contemplated that the Portfolio will be concentrated in debt securities of Canadian companies. Accordingly, this Portfolio concentration may have a negative impact on the value of the Units and the general risk of the Portfolio may be increased as a result of such concentration.

The Portfolio Securities may not be diversified by country or industry. It is expected that a majority of the initial Portfolio will be from Canadian issuers denominated in Canadian dollars. The NAV of the Fund may be more volatile than the net asset value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative effect on the value of the Units and the Fund's capital return objectives. The value of such securities and the operations and profitability of such issuers will be affected by Canadian and global economic and political factors such as unemployment, inflation levels, the amount of consumer spending, business investment, government spending, the volatility and strength of Canadian, U.S. and global capital markets and political instability. Any downturn in the Canadian, U.S. or global economies or political instability, which may result in higher unemployment, lower family income, lower corporate earnings, lower business investment and/or lower consumer spending, may adversely impact the performance and/or financial condition of the issuers whose securities comprise the Portfolio and the NAV of the Fund.

Credit Risk

Credit risk is the risk that one or more of the Fund's investments in debt securities or other instruments will decline in price, or fail to pay interest, liquidation value, principal or other obligation, either when due or at all, because the issuer of the obligation or the issuer of a reference security experiences an actual or perceived decline in its financial status. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Debt securities issued by companies or governments in emerging markets often have higher credit risk (a lower credit rating assigned by specialized credit rating agencies), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (a higher credit rating). A downgrade in an issuer's credit rating can negatively affect a debt security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security and a change in the market perception of the creditworthiness of the security. Lower rated and

unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss if the borrower defaults on payment. Investments in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term. Measures such as average credit quality may not accurately reflect the true credit risk of the Fund. This is especially the case if the Fund consists of securities with widely varying credit ratings. Credit risk is greater to the extent the Fund uses leverage or derivatives in connection with the management of the Fund.

Distressed Company Risk

The Fund's investments in securities of distressed companies may be subject to greater levels of credit, issuer and liquidity risk than a fund that does not invest in such securities. Debt securities of distressed companies are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. Issuers of distressed company securities may also be involved in restructurings or bankruptcy proceedings that may not be successful. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities (liquidity risk). If the issuer of a debt security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

High Yield Risk

The Fund's investments in High Yield Debt Securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities at an advantageous time or price. An economic downturn would generally lead to a higher non-payment rate and a High Yield Debt Security may lose significant market value before a default occurs. High Yield Debt Securities structured as zero-coupon bonds or pay-in-kind securities tend to be especially volatile as they are particularly sensitive to downward pricing pressures from rising interest rates or widening spreads and may require the Fund to make taxable distributions of imputed income without receiving the actual cash currency. Issuers of High Yield Debt Securities may have the right to "call" or redeem the issue prior to maturity, which may result in the Fund having to reinvest the proceeds in other High Yield Debt Securities or similar instruments that may pay lower interest rates.

The Fund may also be subject to greater levels of liquidity risk than funds that do not invest in High Yield Debt Securities. In addition, the High Yield Debt Securities in which the Fund invests may not be listed on any exchange and a secondary market for such securities may be comparatively illiquid relative to markets for other more liquid fixed income securities. Consequently, transactions in High Yield Debt Securities may involve greater costs than transactions in more actively traded securities. A lack of publicly available information, irregular trading activity and wide bid/ask spreads among other factors, may, in certain circumstances, make High Yield Debt Securities more difficult to sell at an advantageous time or price than other types of securities or instruments. These factors may result in the Fund being unable to realize full value for these securities and/or may result in the Fund not receiving the proceeds from a sale of a High Yield Debt Security for an extended period after such sale, each of which could result in losses to the Fund. Because of the risks involved in investing in High Yield Debt Securities, an investment in the Fund should be considered speculative.

Derivatives Risk

The Fund may use a variety of derivative instruments (both long and short positions), including swaps, options, futures, forward contracts and options on future contracts, in seeking to achieve its investment objectives. The Fund may invest in such derivatives for both currency hedging (i.e. risk management), or investment (i.e. speculative) purposes, subject to compliance with the applicable provisions of NI 81-102. There is no guarantee that any derivatives strategy employed by the Fund will be successful in either hedging risk or enhancing returns, as the return on a derivative is based on future events which may or may not occur or even if they do occur may not have the anticipated effects. The cost to the Fund of entering into derivative instruments will reduce the assets available to the Fund for direct investments in securities for the Portfolio. Certain derivatives may require the Fund to post margin or collateral to the derivative counterparty on an ongoing basis depending on fluctuations in the value of the derivative instrument. In the event that the Fund is required to post collateral in excess of its cash position, it may be required to sell Portfolio

securities or wind down the derivative instrument, either of which may have a negative impact on the value of the Portfolio and the trading price of the Class F Units.

Infrastructure Risk

To the extent the Fund invests in infrastructure entities, projects and assets, the Fund may be sensitive to adverse economic, regulatory, political or other developments. Infrastructure entities may be subject to a variety of events that adversely affect their business or operations, including service interruption due to environmental damage, operational issues, access to and the cost of obtaining capital, and regulation by various governmental authorities. There are substantial differences between regulatory practices and policies in various jurisdictions, and any given regulatory authority may take actions that affect the regulation of instruments or assets in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Infrastructure entities, projects and assets may be subject to changes in government regulation of rates charged to customers, government budgetary constraints, the imposition of tariffs and tax laws, and other regulatory policies. Additional factors that may affect the operations of infrastructure entities, projects and assets include innovations in technology that affect the way a company delivers a product or service, significant changes in the use or demand for infrastructure assets, terrorist acts or political actions, and general changes in market sentiment towards infrastructure assets. The Fund may invest in entities and assets that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose instruments may react similarly to various events that are unforeseeable.

Real Estate Risk

The Fund may invest in real estate-linked debt and derivative instruments, and is therefore subject to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in real estate-linked debt or a real estate-linked derivative instrument that is linked to the value of a real estate investment trust (“REIT”) is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify as a real estate investment trust for purposes of the Tax Act or qualify for tax-free pass-through of income under the U.S. tax laws. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming.

Financial Services Company Risk

A financial services company is one that is primarily involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance or financial investments. Investments in financial services companies include the following risks: (a) financial services companies may suffer a setback if regulators change the rules under which they operate; (b) unstable interest rates can have a disproportionate effect on the financial services sector; (c) financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that sector; and (d) financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies. The value of financial services company securities and the operations and profitability of such issuers will be affected by Canadian, U.S. and global economic and political factors such as unemployment, the amount of consumer spending, business investment, government spending, the volatility and strength of Canadian, U.S. and global capital markets, political instability and inflation. Any downturn in the Canadian, U.S. or global economies or political instability, which may result in higher unemployment, lower family income, lower corporate earnings, lower business investment and/or lower consumer spending, may adversely impact the performance and/or financial condition of the issuers whose securities comprise the Portfolio and the Fund’s NAV.

Issuer Risk

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

Call Risk

Call risk refers to the possibility that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security in which the Fund has invested, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Foreign Currency Risk

The Fund may engage in practices and strategies that will result in exposure to fluctuations in foreign exchange rates, in which case the Fund will be subject to foreign currency risk. The Units are priced in Canadian dollars and the distributions paid by the Fund to Unitholders are paid in Canadian dollars. However, because a portion of the Fund's assets may be denominated directly in U.S. dollars or in securities that trade in, or receive revenues in, U.S. dollars, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk that the U.S. dollar will decline in value relative to the Canadian dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, rates of inflation, balance of payments and governmental surpluses or deficits, intervention (or the failure to intervene) by Canada or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in Canada or abroad. These fluctuations may have a significant adverse impact on the value of the Fund's Portfolio and/or the level of distributions made to Unitholders. The Fund may hedge some or substantially all of the Fund's exposure to changes in the value of U.S. dollar relative to the Canadian dollar from time to time, in the Adviser's discretion, through the use of derivatives, including currency forward contracts. The practice of hedging can reduce the risk of loss due to fluctuations in currency exchange rates relative to the Canadian dollar. The use of hedges involves special risks, including, to the extent the Adviser's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Fund if the Adviser's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Valuation Risk

When market quotations are not readily available or are deemed to be unreliable, the Fund values its investments at fair value as determined in good faith pursuant to the Manager's obligations under the Declaration of Trust. Fair value pricing may require subjective determinations about the value of a security or other asset. As a result, there can be no assurance that fair value pricing will result in adjustments to the prices of securities or other assets, or that fair value pricing will reflect actual market value, and it is possible that the fair value determined for a security or other asset will be materially different from quoted or published prices, from the prices used by others for the same security or other asset and/or from the value that actually could be or is realized upon the sale of that security or other asset.

Risks Relating to the Mandatory Market Purchase Program

Pursuant to the Declaration of Trust, the Fund will undertake the MMPP pursuant to which the Fund will purchase any Class F Units offered in the market at a price that is 97% or less of the latest NAV per Class F Unit provided that the maximum number of Class F Units that may be purchased under the MMPP: (i) in any month, shall be equal to 1% of the number of Class F Units outstanding as of the first day of that month, and (ii) on any given trading day in that month, shall be equal to the maximum number of Class F Units that may be purchased in that month less any Class F Units purchased under the MMPP in that month prior to that day divided by the number of trading days remaining in that month and subject to the terms set out in the Declaration of Trust. The Fund may need to liquidate a portion of the Portfolio in order to fund the purchases under the MMPP. In addition, if a significant number of Class F Units are purchased and cancelled, the expenses of the Fund would be spread among fewer Units resulting in a potentially lower distribution per Unit. The Manager has the ability to terminate the Fund at any time without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the Fund and/or it would be in the best interests of the Unitholders to terminate the Fund. If the Fund is terminated as a consequence of market purchases and/or redemptions, it may be terminated before the Manager would otherwise choose to do so and the return to Unitholders may be less than anticipated as the Manager will need to liquidate the Portfolio prior to such time.

Trading Price of Class F Units

Notwithstanding the MMPP, the Class F Units may trade at a significant discount to the NAV per Class F Unit. There can be no assurance that purchases of Class F Units by the Fund will result in Class F Units trading at a price which is equal or higher than the NAV per Class F Unit. The market price of the Class F Units will be determined by, among other things, the relative demand for Class F Units and the Fund, the performance of the Portfolio and investor perception of the Fund's overall attractiveness as an investment as compared with other investment alternatives. This risk is separate and distinct from the risk that the NAV per Unit may decrease and is subject to factors beyond the control of the Fund, the Manager and the Adviser.

Leverage Risk

The Fund's use of leverage creates the opportunity for increased returns but also creates risk for the Fund. To the extent used, there is no assurance that the Fund's leveraging strategies will be successful. Leverage is a speculative technique that may expose the Fund to greater risk and increased costs. The net proceeds that the Fund obtains from its use of borrowings will be invested in accordance with the Fund's investment objectives and policies as described in this prospectus. Generally, so long as the Fund's Portfolio Securities provide a higher rate of return (net of applicable Fund expenses) than the interest expenses and other costs to the Fund of such leverage, the investment of the proceeds thereof will generate more income than will be needed to pay the costs of the leverage. If so, and all other things being equal, the excess may be used to pay higher distributions to Unitholders than if the Fund were not so leveraged. If, however, shorter-term interest rates rise relative to the rate of return on the Fund's Portfolio, the interest and other costs to the Fund of leverage could exceed the rate of return on the debt obligations and other investments held by the Fund, thereby reducing returns to Unitholders. In addition, fees and expenses of any form of leverage used by the Fund will be borne entirely by the Fund and will reduce the investment return of the Fund. Therefore, there can be no assurance that the Fund's use of leverage will result in a higher yield on the Units, and it may result in losses. The Fund is also subject to the risk that material drop in the value of the Portfolio (even if due to temporary market conditions) or increased collateral posting obligations under its borrowing arrangements could result in the Fund being required to liquidate a portion of its investments at a time when bond values are depressed.

Inflation/Deflation Risk

Inflation risk is the risk that the value of assets or income from the Fund's investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of the Fund's Portfolio could decline. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's Portfolio and the Units.

Risk of Regulatory Changes

To the extent that legislation or national or sub-national bank or other regulators in Canada, the U.S. or other relevant foreign jurisdictions impose additional requirements or restrictions on the ability of certain financial institutions to make loans, particularly in connection with highly leveraged transactions, the availability of such investments may be reduced and such legislation or regulation could depress the market value of investments held by the Fund.

Liquidity Risk

The Fund may invest in illiquid investments, provided that immediately after the purchase, not more than 20% of the Fund's net asset value would be comprised of illiquid assets. The Fund is not permitted to hold for a period of 90 days or more, more than 25% of its net asset value in illiquid assets. If more than 25% of the Fund's net asset value is made up of illiquid assets, the Fund will as quickly as commercially reasonable, take all necessary steps to reduce the percentage of its net asset value made up of illiquid assets to 25% of net asset value or less.

Liquidity risk exists when particular investments are difficult to purchase or sell at the time that the Fund would like or at the price that the Fund believes such investments are currently worth. Illiquid investments may become harder to value, especially in changing markets. The Fund's investments in illiquid investments may reduce the returns of the Fund because it may be unable to sell the illiquid investments at an advantageous time or price or possibly require the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations, which could

prevent the Fund from taking advantage of other investment opportunities. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer.

Canadian Tax Risk

The Fund will be subject to certain tax risks generally applicable to investment funds that hold Canadian and/or non-Canadian securities, including the following.

If the Fund fails to or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects. In particular, if the Fund does not qualify as a mutual fund trust throughout a taxation year, it would not be entitled to the Capital Gains Refund, it may be subject to the “mark-to-market” rules under the Tax Act if more than 50% of the fair market value of the Units are held by “financial institutions” within the meaning of the Tax Act, and it may also be subject to alternative minimum tax. Pursuant to certain Tax Proposals released in connection with the 2023 Federal Budget (Canada), trusts that have a class of units listed on a “designated stock exchange” or that qualify as “investment funds” for purposes of the “loss restriction event” rules are generally proposed to be exempt from alternative minimum tax for taxation years commencing after January 1, 2024.

Generally, subject to the DFA Rules discussed below, the Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, including certain short sales of securities, except where such derivatives (or short sales) are used to hedge Portfolio Securities held on capital account provided there is sufficient linkage, and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. The taxation of certain investments in the Fund may be (i) uncertain under Canadian tax law as to amount and timing of recognition of income, gains or losses and characterization of income; and (ii) less favourable to the Fund or Class A and Class F Unitholders as Canadian taxpayers than to taxpayers in the jurisdiction of the investment having regard to, among other things, tax credits or subsidies, withholding tax or the fact that the investment structure is designed with investors resident in the jurisdiction of the investment in mind and not Canadian resident investors like the Fund. Certain investments of the Fund may result in a deemed accrual or receipt of income even if the Fund does not receive the income on a current basis or in cash. This may result in the Fund having to sell other investments, including when it is not advisable to do so. The Fund may also use derivative instruments to hedge the value of the Portfolio denominated in non-Canadian currency back to the Canadian dollar. Gains or losses realized on derivatives by virtue of the fluctuation of foreign currencies against the Canadian dollar will, where there is sufficient linkage, be treated and reported for purposes of the Tax Act on capital account if the securities in the Portfolio are capital property to the Fund and designations with respect to the Fund’s capital gains will be made and reported to Class A and Class F Unitholders on this basis.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain derivatives). If the DFA Rules were to apply to derivatives utilized by the Fund the gains in respect of which would otherwise be capital gains, gains realized in respect of such derivatives could be treated as ordinary income rather than capital gains. The Tax Act includes rules which clarify that the DFA Rules generally should not apply to currency hedges in relation to investments held on capital account.

If some or all of the transactions undertaken by the Fund in respect of derivatives and securities in the Portfolio are reported on capital account but are subsequently determined to be on income account, the net income of the Fund for tax purposes and the taxable component of distributions to Class A and Class F Unitholders could increase. Any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to Class A and Class F Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV of the Fund, NAV per Class A or Class F Unit and/or the trading prices of the Class A Units.

The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

In certain circumstances interest on money borrowed to repurchase Units may not be fully deductible to the Fund, increasing the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders.

The Fund is formed to provide investors with exposure to portfolio investments and is subject to investment restrictions intended to ensure that it will not be a SIFT Trust (as defined in the Tax Act). If the Fund were to qualify as a SIFT Trust within the meaning of the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal and provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. For example, in August 2023, the Department of Finance Canada released for public comment revised draft legislative proposals which, if enacted, may limit the deductibility of net interest and financing expenses for Canadian tax purposes. The draft legislative proposals are generally intended to apply in respect of taxation years that begin on or after October 1, 2023. These legislative proposals have not yet been enacted. To the extent that such proposals were to apply to the Fund, the Fund would be required to make larger taxable distributions to its unitholders.

As the Portfolio may include securities issued by foreign issuers, distributions and interest received by the Fund on the securities in the Portfolio and gains realized on dispositions of securities in the Portfolio may be subject to foreign withholding tax. The return on the Portfolio will be net of such foreign withholding tax unless the terms of the securities in the Portfolio require the issuers of such securities to “gross-up” distributions and gains, as applicable, so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) distributions, interest and gains on securities held in the Portfolio will not be subject to foreign withholding tax, or (ii) the terms of securities held in the Portfolio will provide for the gross-up referred to above.

The Tax Act contains “loss restriction event” (“**LRE**”) rules that are broadly drafted and could potentially apply to certain trusts including the Fund. In general, a LRE occurs to the Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an “investment fund” which requires the Fund to satisfy certain investment diversification rules. There can be no assurance that the Fund will not be subject to the loss restriction rules and there can be no assurance regarding when or to whom the distributions resulting from such a loss restriction event will be made, or that the Fund will not be required to pay tax notwithstanding such distributions.

Securities Lending Risk

There may be risks of delay and costs involved in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. These delays and costs could be greater with respect to foreign securities. Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral should the borrower fail to return the securities loaned or become insolvent. The Fund may pay lending fees to the party arranging the loan. The Fund bears the risk of investments made with the cash collateral received by the Fund in securities lending transactions. Investments of cash collateral may lose value and/or become illiquid, although the Fund remains obligated to return the collateral amount to the borrower upon termination or maturity of the securities loan and may realize losses on the collateral investments and/or be required to liquidate other portfolio assets in order to satisfy its obligations. Due to continuing adverse conditions in the mortgage and credit markets, liquidity and related problems in the broader markets for commercial paper and other factors, any investments of securities lending collateral by the Fund, including investments in asset-backed commercial paper and notes issued by structured investment vehicles, would present increased credit and liquidity risks. To the extent the Fund invests collateral in instruments that become illiquid, efforts to recall securities and return collateral may force the Fund to liquidate other Portfolio holdings in an effort to generate cash.

Operational Risk

An investment in the Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third-party service providers. The occurrence of any of these failures, errors or breaches could result in a loss of information, regulatory scrutiny, reputational damage or other events, any of which could have a material adverse effect on the Fund. While the Fund seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Fund.

Use of a Prime Broker to Hold Assets

Some or all of the assets of the Fund may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the assets of the Fund in such accounts, which may result in a potential loss of such assets. As a result, the assets of the Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Fund.

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 and informational security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may, among other things, cause the Fund to lose proprietary information, suffer data corruption and/or destruction, lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. 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 involving the Fund's third party service providers (including but not limited to advisers, sub-advisers, administrators, transfer agents, custodians, distributors and other third parties), trading counterparties or issuers in which the Fund invests can also subject the Fund to many of the same risks associated with direct cyber security breaches. Moreover, cyber security breaches involving trading counterparties or issuers in which the Fund invests could adversely impact such counterparties or issuers and cause the Fund's investments to lose value.

Cyber security failures or breaches may result in financial losses to the Fund and its Unitholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with the Fund's ability to calculate the NAV of the Fund, process Unitholder transactions or otherwise transact business with Unitholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; additional compliance and cyber security risk management costs and other adverse consequences. In addition, substantial costs may be incurred in an attempt to prevent any cyber incidents in the future.

There is also a risk that cyber security breaches may not be detected. The Fund and its Unitholders could be negatively impacted as a result.

Market Disruption Risk

War and occupation, terrorism, pandemics and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held in the Portfolio from time to time.

Significant Redemptions Risk

If Unitholders of a substantial number of Units exercise their redemption rights, the number of Units outstanding and the NAV of the Fund could be significantly reduced. A significant number of redemptions would increase the management expense ratio of the Fund. The Manager may terminate the Fund upon notice to Unitholders if, in the opinion of the Manager, it is no longer economically practical to continue the Fund or it would be in the best interest of the Fund and the Unitholders to terminate the Fund.

Reliance on the Manager and the Adviser

Unitholders will be dependent on the ability of the Manager to effectively manage the Fund in a manner consistent with the investment objectives, strategy and restrictions of the Fund. Performance of the investments in the Portfolio will be dependent on the Adviser, which provides investment advisory services to the Fund. There is no certainty that the individuals who are principally responsible for providing administration and investment advisory services to the Fund will continue to be employed by the Manager and the Adviser, respectively.

Conflicts of Interest

The Manager and the Adviser, and their respective directors and officers engage in the promotion, management or investment management of one or more accounts, funds or trusts with similar investment objectives and strategies to those of the Fund. Although none of the directors or officers of the Manager or the Adviser will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager and the Adviser will devote as much time as is necessary to perform their duties. The staff of the Manager and the Adviser may have conflicts in allocating their time and services among the Fund and other funds managed by the Manager and advised by the Adviser.

Status of the Fund for Securities Law Purposes

The Fund is a “non-redeemable” investment fund for securities law purposes. As a result, some of the protections provided to investors in “mutual funds” under such laws will not be available to investors in the Units and restrictions imposed on mutual funds under Canadian securities laws will not apply to the Fund.

Custodian

Although the Custodian of the Portfolio is in Canada and some of the assets of the Fund may be held in Canada, some of the Fund’s assets may be held in accounts with sub-custodians in other jurisdictions and, accordingly, there may be additional defences available to any judgment obtained by the Fund in Canada which may affect enforcement in any such jurisdiction.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

Nature of Units

The Units are neither fixed-income nor equity securities of a company. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the assets included in the Portfolio. Unitholders will not own the assets held by the Fund. Unitholders will have no recourse or rights against the assets of the Fund.

Absence of an Active Market for Class F Units and Lack of Operating History

Although the Fund may, subject to satisfying the TSX's original listing requirements, be listed on the TSX, there is no assurance the TSX will approve the listing application or that an active public market for Class F Units will develop or be sustained. The Fund is a newly organized investment trust with no previous operating history. New and smaller funds may require a period of time before they are invested in securities that meet their investment objectives and policies and achieve a representative portfolio composition. Fund performance may be lower or higher during this "ramp-up" period, and may also be more volatile, than would be the case after the fund is fully invested. Similarly, a new or smaller fund's investment strategy may require a longer period of time to show returns that are representative of the strategy. New funds have limited performance histories for investors to evaluate and new and smaller funds may not attract sufficient assets to achieve investment and trading efficiencies. If a new or smaller fund were to fail to successfully implement its investment strategies or achieve its investment objectives, performance may be negatively impacted, and any resulting liquidation could create negative transaction costs for the fund and tax consequences for investors.

DISTRIBUTION POLICY

The Fund does not have a fixed quarterly distribution amount. The Fund intends to make quarterly cash distributions to Unitholders of record on the last Business Day of each March, June, September and December (each, a "**Distribution Record Date**"). Distributions will be paid on a Business Day designated by the Manager that will be no later than the 15th day of the following month for which the distribution is payable (each, a "**Distribution Payment Date**").

While the Fund will not have a fixed distribution amount, distributions are initially targeted to be approximately \$0.125 per Unit per quarter for the Fund's first four quarters of operation or \$0.50 for the Fund's first year of operation (approximately 5.0% on the subscription price of \$10.00 per Unit). The initial cash distribution is expected to be payable to Unitholders of record on March 31, 2024.

The Fund intends to, beginning in December 2024, determine and announce expected quarterly distributions for the following calendar year based on the Manager's and the Adviser's estimate of distributable cash flow in the Fund and assessment of portfolio and market conditions, including without limitation, the costs of any leverage obtained by the Fund (including interest or other expenses on any borrowings). As portfolio and market conditions change, the rate of distributions on the Units and the Fund's distribution policy could change.

Assuming (i) gross proceeds of the Offering of \$60,000,000, (ii) the use of leverage of 40% of the NAV of the Fund, and (iii) the fees and expenses described under "Fees and Expenses", the assets in the Portfolio would have to generate income of 5.87% in order to pay the expenses of the Fund and distributions at the initial targeted level without returning a portion of the capital of the Fund to Unitholders. Based on the current price and yield of the assets included in the Indicative Portfolio (which may vary from the actual Portfolio), the assets in the Indicative Portfolio are not expected to generate interest and other income (net of any applicable withholding taxes) sufficient to pay the expenses of the Fund and to pay distributions at the initial targeted level without incrementally borrowing from the leverage facility or returning a portion of the capital of the Fund to Unitholders. As at October 19, 2023, the gross yield to maturity on the Indicative Portfolio was approximately 7.10% per annum. **If the total return on the Portfolio is less than the amount necessary to fund the quarterly distributions and all expenses of the Fund, and if the Manager chooses to nevertheless ensure that the quarterly distributions are paid to Unitholders, this will result in a portion of the capital of the Fund being returned to Unitholders, and accordingly, NAV per Unit would be reduced. The amount of quarterly distributions may fluctuate from quarter to quarter and there can be no assurance that the Fund will make any distribution in any particular quarter or quarters. The amount of quarterly distributions may vary if there are changes in any of the factors that affect the net cash flow on the Portfolio, including the amount of leverage employed by the Fund and the other assumptions noted above.** See "Investment Strategies – Use of Leverage", "Distribution Policy" and "Risk Factors".

Based on the Indicative Portfolio, the weighted average purchase price of the bonds included therein is approximately \$89.50 based on a par value of \$100.00. Assuming the bonds in the Indicative Portfolio either converge to or mature at par upon the termination of the Fund, it is expected that approximately 50% of the Fund's target IRR would be capital gains.

Amounts distributed on the Units that represent returns of capital are generally non-taxable to a Unitholder but reduce the Unitholder's adjusted cost base of the Units held on capital account for tax purposes. See "Income Tax Considerations".

If the Fund's net income for tax purposes, including net realized capital gains, for any taxation year exceeds the aggregate amount of the regular quarterly distributions made in the year to Unitholders, the Fund will also be required to pay one or more special distributions (in Units and/or cash), by the end of the calendar year as is necessary to ensure that the Fund will not be liable for income tax on such amounts under the Tax Act (after taking into account all available deductions, credits and refunds). Where the Fund has validly elected to have a taxation year that ends on December 15, amounts paid or payable by the Fund to a Unitholder after December 15 and before the end of the calendar year are deemed to have been paid or payable to the Unitholder on December 15. Immediately after a *pro rata* distribution of Units to the Unitholders of a class in satisfaction of any non-cash distribution, the number of Units of such class will be consolidated automatically such that each holder of Units of a class will hold, after the consolidation, the same number of Units of that class as the Unitholder held before that distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. See "Income Tax Considerations".

Distribution Reinvestment Plan

The Fund intends to adopt a distribution reinvestment plan (the "**Reinvestment Plan**") which will provide that all cash distributions made by the Fund shall, at the election of each holder of Class F Units, be automatically reinvested in additional Class F Units on each Unitholder's behalf in accordance with the terms of the Reinvestment Plan and the distribution reinvestment plan services agreement to be entered into by the Fund, the Manager and TSX Trust, in its capacity as agent under the Reinvestment Plan (the "**Plan Agent**") to establish the Reinvestment Plan. Notwithstanding the foregoing, Unitholders who are non-residents of Canada for purposes of the Tax Act or that are partnerships which are not "Canadian partnerships" (as defined in the Tax Act) will not be able to participate in the Reinvestment Plan and Unitholders who cease to be resident in Canada for purposes of the Tax Act or cease to be Canadian partnerships (as defined in the Tax Act) will be required to terminate such Unitholders' participation in the Reinvestment Plan.

Subject to the foregoing, all cash distributions will be automatically reinvested in additional Class F Units on behalf of those Unitholders who are residents of Canada for purposes of the Tax Act or that are Canadian partnerships (as defined in the Tax Act) and elect to participate in the Reinvestment Plan (each such Unitholder being a "**Plan Participant**"). Such distributions due to Plan Participants will be paid to the Plan Agent and applied to the purchase of Class F Units on behalf of Plan Participants in the following manner. If the trading price of the Class F Units on the TSX (or such other exchange or market on which the Units are then listed and primarily traded) (the "**Market Price**") on the relevant Distribution Payment Date plus estimated brokerage fees and commissions is below the NAV per Class F Unit determined on the previous Business Day, the Plan Agent will purchase the Class F Units on the TSX (or such other exchange or market on which the Class F Units are trading) except the Plan Agent will endeavor to terminate purchases in the open market and cause the Fund to issue the remaining Class F Units if, following commencement of the purchases, the Market Price, plus brokerage fees and commissions, exceeds the NAV per Class F Unit determined on the previous Business Day. Provided the Plan Agent can terminate purchases on the open market, the remaining Class F Units will be issued by the Fund from treasury at a price equal to the greater of (i) the NAV per Class F Unit on the relevant Distribution Payment Date or (ii) 95% of the Market Price on the Distribution Payment Date. It is possible that the average purchase price per Class F Unit paid by the Plan Agent may exceed the Market Price at the relevant Distribution Payment Date, resulting in the purchase of fewer Class F Units than if the distribution had been paid entirely by Class F Units issued by the Fund. Applicable brokerage fees and commissions incurred in connection with purchases of Units made in the market pursuant to the Reinvestment Plan will be paid by and from the accounts of Plan Participants.

The Class F Units purchased in the market or from the Fund will be allocated on a pro rata basis to the Plan Participants. The Plan Agent will credit a Plan Participant's account in respect of Class F Units acquired on behalf of such Plan Participant under the Reinvestment Plan. The Fund will not issue fractional Class F Units. Accordingly, Plan Participants will not be permitted to reinvest the portion of a cash distribution that would otherwise result in fractional Class F Units being issued. In such circumstances, the Plan Participants will be paid the portion of the cash distribution that is not reinvested. No certificates representing Class F Units issued or purchased pursuant to the Reinvestment

Plan will be issued. **The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions.** See “Income Tax Considerations”.

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

To participate in the Reinvestment Plan, beneficial holders may elect to participate under the Reinvestment Plan by notifying their investment advisor, or any other broker, dealer, bank or trust company through which they hold their Class F Units. Holders of Class F Units should consult their Participant to determine the procedures for participation in the Reinvestment Plan. The administrative practices of Participants may vary and, accordingly, the various dates by which actions must be taken and the required documentation may not be the same.

Participants, on behalf of holders of Class F Units, must notify CDS of a Unitholder’s intention to participate in the Reinvestment Plan no later than the Distribution Record Date (and by the cut-off time on the Distribution Record Date established by CDS in its sole discretion) in order for the cash distribution to which such Distribution Record Date relates to be reinvested under the Reinvestment Plan. CDS must, in turn, notify the Plan Agent by no later than 2:00 p.m. (Toronto time) on the Business Day immediately following the Distribution Record Date of such Unitholder’s participation in the Plan. Otherwise, reinvestment will not occur for such period. Holders of Class F Units who wish to participate in the Reinvestment Plan will need their Participant to elect to participate on their behalf every distribution period. A failure to elect will result in withdrawal of participation in respect of such distribution. Some Participants will automatically continue participation in the Reinvestment Plan by a holder of Class F Units unless otherwise instructed by the Unitholder. A holder of Class F Units should confirm with its Participant regarding its particular practice.

Holders of Class F Units should consult their Participant to determine the procedures for terminating participation in the Reinvestment Plan. The administrative practices of Participants may vary and, accordingly, the various dates by which actions must be taken and required documentation may not be the same.

The Manager will be able to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days’ notice to the Plan Participants (via the Participants through which the holders of Class F Units hold their Class F Units) and the Plan Agent. The Manager will also be able to amend, modify or suspend the Reinvestment Plan at any time in its sole discretion, provided that it gives notice of that amendment, modification or suspension to the holders of Class F Units, which notice may be given by the Fund by issuing a press release. All amendments to the Reinvestment Plan are subject to pre-approval of the TSX. The Fund will not be required to issue Class F Units into any jurisdiction where that issuance would be contrary to applicable laws.

PURCHASES OF UNITS

Prospective purchasers may purchase Class A Units and/or Class F Units through any one of the Agents or any member of a sub-agency group that the Agents may form. Prospective purchasers may acquire Class A Units and/or Class F Units by cash payment only. Closing of the Offering will take place on or about ●, 2023, or such later date as may be agreed upon by the Fund and the Agents, but, in any event, not later than 90 days after a receipt for the final prospectus is issued. The offering price was determined by negotiation between the Agents and the Fund. See “Plan of Distribution”.

REDEMPTIONS

Monthly Redemptions of Units

Units may be redeemed on a Monthly Redemption Date, subject to the Fund’s right to suspend redemptions in certain circumstances, and in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last Business Day of the month preceding the month in which the Monthly Redemption Date falls. Payment of the redemption price will be made on or before the 15th day following the applicable Monthly Redemption Date.

Holders surrendering a Class F Unit will receive a redemption price equal to the lesser of (i) 94% of the Average Market Price and (ii) 100% of the Closing Market Price of a Class F Unit on the applicable Monthly Redemption Date (the “**Monthly Redemption Amount**”), in each case subject to a maximum redemption price per Class F Unit equal to the NAV per Class F Unit on the applicable Monthly Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption.

Holders surrendering a Class A Unit for redemption will receive an amount equal to the product of (i) the Monthly Redemption Amount, and (ii) a fraction, the numerator of which is the most recently calculated NAV per Class A Unit and the denominator of which is the most recently calculated NAV per Class F Unit.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges thereunder must do so by causing a Participant to advise the Depository on behalf of the Unitholder of the Unitholder’s intention to redeem Class A Units and/or Class F Units. A Unitholder who desires to redeem the Units should ensure that the Participant is provided with notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the relevant notice date so as to permit the Participant to deliver notice to the Depository and so as to permit the Depository to deliver notice to the registrar and transfer agent of the Fund in advance of the required time. Any expense associated with the preparation and delivery of such notice will be for the account of the Unitholder exercising the redemption privilege.

Except as provided under “Suspension of Redemptions”, by causing a Participant to deliver to the Depository a notice of the owner’s intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his or her Units for redemption and appointed such Participant to act as his or her exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

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

Any and all Units which have been properly surrendered to the Fund for redemption are deemed to be outstanding until (but not after) the close of business on the applicable Valuation Date, unless the redemption proceeds are not paid on or before the applicable payment date in which event such Units will remain outstanding.

The Fund may, in its discretion, determine what portion, if any, of the amount paid to a redeeming Unitholder on a redemption of Units is an allocation and designation to the Unitholder of net realized capital gains of the Fund that were realized by the Fund to facilitate the redemption of Units. Any such allocation and designation will reduce the redemption price otherwise payable to the redeeming Unitholder. As per the Tax Act, an amount so allocated and designated to a redeeming Unitholder will only be deductible to the Fund to the extent of the gain that would otherwise be realized by the Unitholder on the redemption of Units.

Suspension of Redemptions

The Manager or the Trustee may suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on stock exchanges or other markets on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the Fund and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund or (ii) for a period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The

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

INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Fund, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to investors who acquire Units pursuant to this prospectus.

This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act, is resident or is deemed to be resident in Canada, deals at arm's length with the Fund and the Agents, is not affiliated with the Fund or the Agents and holds Units as capital property. Generally, Units will be considered to be capital property to a Unitholder provided the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units and all other "Canadian securities" owned or subsequently owned by them treated as capital property by making an irrevocable election in accordance with the Tax Act.

This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to any Units.

This summary is also based on the facts set out in this prospectus and the assumption that the Fund will at all times comply with its investment restrictions. This summary assumes that the Fund will at no time be a SIFT Trust as defined in the Tax Act. This summary is also based on a certificate of the Manager and of the Agents respecting certain factual matters.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of CRA made publicly available prior to the date hereof and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals being referred to as the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as currently proposed, although no assurance can be given that the Tax Proposals will be enacted as currently proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental or judicial action; nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumptions that the Fund will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act, that the Fund will elect under the Tax Act to be a mutual fund trust from the date it was established and that the Fund will not reasonably at any time be considered to be established or maintained primarily for the benefit of non-resident persons unless, at that time, substantially all of its property consists of property other than property that would be "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition). If the Fund were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.

To qualify as a mutual fund trust (i) the Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units (the “**minimum distribution requirements**”). In this regard, the Manager intends to (i) cause the Fund to qualify as a unit trust throughout the existence of the Fund, and (ii) ensure that the Fund’s undertaking conforms with the above-mentioned restrictions for mutual fund trusts. The Manager has advised counsel that it has no reason to believe that, following the Closing, the Fund will not comply with the minimum distribution requirements at all material times. The Manager has advised counsel that it intends to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust no later than the Closing Date and at all times thereafter and to file the necessary election so that the Fund will qualify as a mutual fund trust from the date it was established.

Provided that the Fund qualifies as a mutual fund trust within the meaning of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Registered Plans. In addition, the Class F Units will also be qualified investments if they are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSX). See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Registered Plans.

Taxation of the Fund

The Fund intends to elect to have a taxation year that ends on December 15 of each calendar year.

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Manager has advised counsel that the Fund intends to make distributions to Unitholders as described under “Distribution Policy” and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the capital gains refund mechanism.

The Fund will be required to include in its income for each taxation year all interest on indebtedness that accrues to it or is deemed to accrue to it to the end of the year, or becomes receivable or is received by it before the end of the year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing its income for a preceding taxation year or is otherwise excluded from income and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Fund. Upon the actual or deemed disposition of indebtedness, the Fund will be required to include in computing its income for the year of disposition all interest that accrued on such indebtedness from the last interest payment date to the date of disposition except to the extent such interest was included in computing the Fund’s income for that or another taxation year and such interest will not be included in the proceeds of disposition for purposes of computing any capital gain or loss. Certain investments of the Fund may result in a deemed accrual or receipt of income even though the Fund will not receive the income on a current basis or in cash.

The Fund will enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities in the Portfolio. The cost and proceeds of disposition of securities, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rate on the date of the transactions determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Fund may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the Portfolio will likely constitute capital gains and capital losses to the Fund if the securities in the Portfolio are capital property to the Fund and there is sufficient linkage.

The Fund will derive income and capital gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid has not been deducted in computing the Fund’s income, and, in the case of income from property, does not exceed 15% of such income, the Fund may designate foreign source income in respect of a Unitholder so that such income and a corresponding portion

of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Fund on income from property exceeds 15% of such income, such excess may generally be deducted by the Fund in computing its income for the purposes of the Tax Act.

The Manager has informed counsel that, generally, subject to the DFA Rules discussed below, the Fund will include gains and deduct losses on income account in connection with investments made through derivative securities, including certain short sales of securities that are not “Canadian securities” (as defined in the Tax Act), except where such derivatives (or short sales) are used to hedge Portfolio Securities held on capital account and there is sufficient linkage, and will recognize such gains and losses for tax purposes at the time they are realized.

The DFA Rules in the Tax Act target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain derivatives). If the DFA Rules were to apply to derivatives utilized by the Fund the gains in respect of which would otherwise be capital gains, gains realized in respect of such derivatives could be treated as ordinary income rather than capital gains. The Tax Act includes rules which clarify that the DFA Rules generally should not apply to currency hedges in relation to investments held on capital account.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act, which may include interest paid on money borrowed to invest in securities in the Portfolio. Subject to the following sentence, the Fund may deduct the costs and expenses of the Offering paid by the Fund and not reimbursed at a rate of 20% per year, pro-rated where the Fund’s taxation year is less than 365 days. Notwithstanding the foregoing, the Manager will pay any costs and expenses of the Offering (which does not include the Agents’ fees) that exceed 1.0% of the gross proceeds of the Offering. The amount of such costs and expenses paid by the Manager may be included in the Fund’s income for purposes of the Tax Act, except that the Fund may reduce or eliminate such income inclusion subject to correspondingly reducing its costs and expenses of the Offering that may be deducted by it as described in the previous sentence. The Fund expects to so reduce or eliminate any income inclusion in respect of costs and expenses paid by the Manager, as a result of which its deductible costs and expenses of the Offering will be correspondingly reduced or eliminated, to the extent possible under the Tax Act. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules in the Tax Act.

Upon the actual or deemed disposition of a security included in the Portfolio, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition, net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the Fund will purchase securities in the Portfolio with the objective of receiving distributions and income thereon and will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses. The Manager has also advised counsel that the Fund will elect under subsection 39(4) of the Tax Act (if available) so that all securities included in the Portfolio that are Canadian securities are deemed to be capital property to the Fund. Such an election will ensure that gains and losses realized by the Fund on the sale of Canadian securities, including short sales of such Canadian securities, are taxed as capital gains and capital losses.

The Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when the Fund, or a person affiliated with the Fund, acquires a property (a “substituted property”) that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund, or a person affiliated with the Fund, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund’s capital gains until the substituted property is sold and is not reacquired within 30 days before and after the sale.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount

determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other disposition of securities included in the Portfolio in connection with the redemption of Units.

One-half of the amount of any capital gain (a “taxable capital gain”) realized by the Fund in a taxation year on the disposition of securities in the Portfolio that are capital property of the Fund must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “allowable capital loss”) realized by the Fund in a taxation year must be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Fund to the extent and under the circumstances described in the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units or reinvested in additional Units pursuant to the Reinvestment Plan) in the taxation year. Provided that the Fund has made a valid election to have a taxation year that ends on December 15, amounts paid or payable by the Fund to a Unitholder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Unitholder on December 15. The non-taxable portion of the Fund’s net realized capital gains for a taxation year paid or payable to a Unitholder in that taxation year, the taxable portion of which was designated to the Unitholder in that taxation year, will not be included in the Unitholder’s income for the year. Any other amount in excess of the Unitholder’s share of the Fund’s net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder’s income, but will generally reduce the adjusted cost base of the Unitholder’s Units. Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year. This will enable the Fund to utilize, in a taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder’s income. However, the adjusted cost base of the Unitholder’s Units will be reduced by such amount. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Based in part on the current published administrative policies and assessing practices of the CRA, the reclassification or conversion of Class A Units into Class F Units will not constitute a disposition of the Class A Units for purposes of the Tax Act, and the conversion of Class F Units into Class A Units will not constitute a disposition of the Class F Units for the purposes of the Tax Act.

Provided that appropriate designations are made by the Fund, such portion of (i) the net realized taxable capital gains of the Fund and (ii) the foreign source income of the Fund, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act and, in the case of foreign source income, the related foreign taxes will be regarded as having been paid by the Unitholder for foreign tax credit purposes. Any loss incurred by the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

On the disposition or deemed disposition of a Unit, including on a redemption of a Unit and a disposition that has occurred under the MMPP, a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder’s proceeds of disposition (which do not include any amounts of capital gains made payable by the Fund to the Unitholder which represent capital gains realized by the Fund in connection with its disposition of assets in order to fund the redemption) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition.

For the purpose of determining the adjusted cost base to a Unitholder of a Unit, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all other Units of that class, as the case may be, owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains will generally be equal to the amount of the distribution. A consolidation of

Units of a class following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units of that class.

Any additional Units acquired by a Unitholder as a distribution or on the reinvestment of distributions will generally have a cost equal to the amount reinvested. If a Unitholder participates in the Reinvestment Plan and the Unitholder acquires a Unit from the Fund at a price that is less than the then fair market value of the Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Unit will be correspondingly increased.

Pursuant to the Declaration of Trust, the Fund may, in its discretion, determine what portion, if any, of the amount paid to a redeeming Unitholder on a redemption of Units is an allocation and designation to the Unitholder of net realized capital gains of the Fund that were realized by the Fund to facilitate the redemption of Units. Any such allocation and designation will reduce the redemption price otherwise payable to the redeeming Unitholder, and therefore, the Unitholder's proceeds of disposition. As per the Tax Act, an amount so allocated and designated to a redeeming Unitholder will only be deductible to the Fund to the extent of the gain that would otherwise be realized by the Unitholder on the redemption of Class A Units.

If, at any time, the Fund delivers Portfolio Securities to any Unitholder upon a redemption of a Unitholder's Units on the termination of the Fund, the Unitholder's proceeds of disposition of the Units will generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost of any property distributed by the Fund in specie will generally be equal to the fair market value of such property at the time of the distribution less any amount that is deductible as interest accrued on such property to the date of distribution and not yet due. Such distributed property may or may not be a qualified investment for Registered Plans. If such distributed property is not a qualified investment for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences.

One-half of any capital gain ("taxable capital gain") realized on the disposition of Units or a taxable capital gain designated by the Fund in respect of a Unitholder for a taxation year of the Unitholder will be included in the Unitholder's income and one-half of any capital loss (an "allowable capital loss") realized by the Unitholder in a taxation year of the Unitholder must be deducted from taxable capital gains realized by the Unitholder in the taxation year or designated by the Fund in respect of the Unitholder for the taxation year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the provisions of the Tax Act.

Taxation of Registered Plans

Amounts of income and capital gains distributed by the Fund to a Registered Plan and capital gains realized by a Registered Plan on the disposition of Units are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for such Registered Plan. A Unitholder that is a Registered Plan will not be entitled to a foreign tax credit or deduction under the Tax Act in respect of any foreign tax that is deemed paid by the Registered Plan as a result of a designation by the Fund to the Registered Plan in respect of its foreign source income. Unitholders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments" for a trust governed by a tax-free savings account ("TFSA"), a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), or first home savings account ("FHSA"), each as respectively defined in the Tax Act, the holder of the TFSA, RDSP or FHSA, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Units will generally not be a "prohibited investment" for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP, unless the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act or (ii) has a "significant interest" as defined in the Tax Act in the Fund. A holder, subscriber, or annuitant, as the case may be, will not have a significant interest in the Fund unless the holder, subscriber, or annuitant, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value

of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, subscriber, or annuitant, as the case may be, does not deal at arm's length. In addition, the Units will not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RRSF, RRIF, RESP, FHSA or RDSP.

Holders, subscribers, or annuitants should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be "excluded property" as defined in the Tax Act.

Tax Implications of the Fund's Distribution Policy

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units, including on a distribution in the form of Units or a reinvestment in additional Units pursuant to the Reinvestment Plan, may become taxable on the Unitholder's share of such income and gains of the Fund notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units. In particular, where a Unitholder acquires Units in a calendar year after December 15 of such year, such Unitholder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year (where the Fund has validly elected a December 15 taxation year-end) but that had not been made payable before the Units were acquired. The consequences of acquiring Units late in a calendar year will generally depend on whether an additional distribution is necessary late in the calendar year to ensure that the Fund will not be liable for non-refundable income tax under Part I of the Tax Act.

INTERNATIONAL INFORMATION EXCHANGE

The Tax Act includes provisions which implement the Organization for Economic Co-operation and Development Common Reporting Standard ("CRS") and the Canada-United States Enhanced Tax Information Exchange Agreement ("FATCA", and together with CRS, the "International Information Exchange Legislation"). Pursuant to the International Information Exchange Legislation, certain "Canadian financial institutions" (as defined in the International Information Exchange Legislation) are required to have procedures in place to identify accounts held by tax residents of foreign countries or by certain entities the "controlling persons" of which are tax resident in a foreign country (or, in the case of the United States, of which the holder or any such controlling person is a tax resident or citizen) and to report required information to the CRA. Such information is exchanged on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is tax resident (or of which such holder or person is a citizen, where applicable), where such countries (including the United States) have agreed to a bilateral information exchange with Canada to which the International Information Exchange Legislation applies. Under the International Information Exchange Legislation, Unitholders may be required to provide certain information regarding their tax status for the purpose of such information exchange unless the investment is held within a Registered Plan other than an FHSA. The Department of Finance (Canada) has released certain Tax Proposals which would also exempt FHSAs from the International Information Exchange Legislation implementing CRS; however there can be no assurance that such Tax Proposals will be enacted as proposed. The CRA has indicated that FHSAs are under consideration for being exempt from FATCA, and that information regarding investments held within FHSAs is not required to be reported for FATCA purposes at this time.

ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

Manager and Trustee of the Fund

Next Edge is the investment fund manager, trustee and promoter of the Fund. Its principal place of business is located at 1 Toronto Street, Suite 200, Toronto, Ontario M5C 2V6.

Next Edge is a leader in the structuring and distribution of alternative, private credit and value-added fund products in Canada. The firm is led by an experienced management team that has launched numerous investment solutions in a variety of product structures for over two decades. Next Edge was founded in 2014 and has approximately \$875 million in assets under management.

Duties and Services to be Provided by the Manager

Pursuant to the Declaration of Trust, the Manager will be appointed as the manager of the Fund.

Under the terms of the Declaration of Trust, the Manager is responsible for providing, or causing to be provided, management, portfolio management and administrative services and facilities to the Fund, including, without limitation (a) being responsible for formulating the investment objectives and overall investment policies of the Fund, including any restrictions or guidelines in addition to those required by applicable securities laws; (b) being responsible for determining the terms under which the Fund shall be offered to the public and the fees and expenses payable by the Fund; (c) determining the contents of the offering documents of the Fund; (d) providing or causing to be provided to the Fund all services required by the Fund, including portfolio management, custody, valuation, accounting, taxation, marketing and distribution, registry and transfer agency, dividend and distribution crediting services; (e) coordinating, monitoring and supervising the services of any person, firm or corporation engaged by the Manager to provide services to or on behalf of the Fund; (f) supervising compliance by the Fund with applicable laws; (g) preparing or causing to be prepared, sent or filed, all reports to Unitholders and regulators of the Fund, in accordance with applicable laws; (h) supervising compliance by the Fund with applicable laws; (i) maintaining or causing to be maintained books and records for the Fund as required by applicable laws; (j) causing the financial statements of the Fund to be prepared and audited; (k) establishing an IRC for the Fund, appointing the initial members of the IRC, settling the initial arrangements between the Fund and the members of the IRC in relation to compensation, expenses and other costs and liabilities, recommending a charter to the IRC and, on an ongoing basis, interacting with, and assisting the IRC with respect to its mandate and duties and all other matters in relation thereto, all as required by NI 81-107, as amended from time to time; and (l) providing, or causing to be provided, to the Fund all other services necessary or desirable to conduct and operate the day-to-day business of the Fund.

The Manager may delegate certain of its duties to others. The Manager intends to appoint the Adviser and enter into the Portfolio Management Agreement with the Adviser.

The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Declaration of Trust provides that the Manager will not be liable in any way for any default, failure or defect of the assets of the Fund if it has satisfied its standard of care, set forth above. The Manager shall at all times be indemnified and saved harmless by the Fund from and against all claims whatsoever, including costs (including but not limited to legal costs), charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about in relation to the execution of its duties as Manager under the Declaration of Trust, including any loss or diminution in the NAV of the Fund and also from and against all other costs, charges and expenses it may sustain or incur in or about or in relation to the Affairs of the Fund, except if the Fund is prohibited from doing so by law or because the Manager has not satisfied the standard of care required by it.

In consideration for these services, the Fund will pay to the Manager the Management Fee plus applicable taxes. The fee payable to the Adviser will be paid by the Manager out of the Management Fee.

The appointment of the Manager continues in effect until the termination of the Fund unless terminated earlier in accordance with the Declaration of Trust. The Manager may resign as investment fund manager of the Fund at any time upon such prior notice as is required under applicable securities law and under the constating documents of the Fund. The Manager is deemed to have resigned in the event the Manager ceases to be resident in Canada for the purposes of the Tax Act or carry out its functions of managing the Fund in Canada. If the Manager resigns, or is deemed to have resigned, and no replacement Manager is appointed, the Fund will terminate. Upon termination, the Manager is entitled to the payment of its fee up to the date of its termination.

Officers and Directors of the Manager

The board of directors of the Manager currently consists of two members. Directors are appointed to serve on the board of directors until such time as they retire or are removed and their successors are appointed.

The names and municipalities of residence of the directors and executive officers of the Manager, their principal occupations over the past five years, and the positions and offices held with the Manager are as follows:

Name and Municipality of Residence	Position with Next Edge	Principal occupation in the past five years
Robert H. Anton Oakville, Ontario	Acting Chief Executive Officer, Managing Director, President and Director	Managing Director and President, Next Edge
David A. Scobie Toronto, Ontario	Ultimate Designated Person, Managing Director, Chief Operating Officer and Director	Managing Director and Chief Operating Officer, Next Edge
Michael Lawrence Guy Georgetown, Ontario	Chief Compliance Officer and Managing Director	Managing Director and Chief Compliance Officer, Next Edge Vice President, Purpose Investments

Adviser of the Fund

Ridgewood Capital Asset Management Inc. (the “**Adviser**”) is an independent investment manager that manages approximately \$1.3 billion in assets for a diversified client base of high-net-worth individuals, foundations / endowments, First Nation mandates and institutional accounts, of which approximately \$1.0 billion is invested in fixed income assets. The Adviser manages both fixed income and equity assets for these clients. Ridgewood was incorporated under the *Canada Business Corporations Act* on April 14, 2008.

Mark Carpani will serve as the lead portfolio manager and will be primarily responsible for the day-to-day portfolio management of the Fund.

Mark Carpani – Mark Carpani, CFA, is Senior Vice President of the Adviser and is one of the partners in the firm and has over 20 years investment experience. He is responsible for management of fixed income at the Adviser. Prior to joining the Adviser in September 2008, Mr. Carpani was Vice President Fixed Income at Mulvihill Capital Management for 10 years where he was principally responsible for the portfolio management of all fixed income assets. Prior to this, he was at RGA (Reinsurance Group of America) as Vice President Portfolio/Risk Manager and then Chief Operating Officer managing the team involved in hedging and risk management for insurance clients. Prior thereto, Mr. Carpani was a fixed income trader at Canada Trust and its investment subsidiary, CT Investment Counsel Inc.

Ridgewood Canadian Investment Grade Bond Fund

The Adviser provides investment management services to Ridgewood Canadian Investment Grade Bond Fund (“**RIB**”), a closed-end investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of November 27, 2009, as it may be amended and/or restated from time to time. The Adviser is the manager, portfolio advisor and trustee of RIB. RIB was created to invest in an actively managed portfolio comprised primarily of investment grade bonds of Canadian issuers.

The following tables set out: (i) the 1-year, 3-year, 5-year, 10-year, and since inception annualized returns of RIB and (ii) total returns for the 12-month period from October 1-September 30 in each year presented since RIB’s inception, each as compared to the annualized returns of RIB’s benchmark, the FTSE Canada Universe Bond Index.

**Annualized Returns of RIB
(Reported as at September 30, 2023)**

	1-Year	3-Year	5-Year	10-Year	Since Inception ⁽³⁾
RIB – Units ⁽¹⁾	-1.23%	-3.26%	2.14%	4.65%	5.65%
FTSE Canada Universe Bond Index ⁽²⁾	-1.36%	-5.14%	0.05%	1.64%	2.49%

Source: Ridgewood Capital Asset Management Inc.

(1) Performance shown is net of fees and expenses incurred by RIB, and reflects the net asset value of units of RIB for the periods indicated. The performance figures do not take into account sales, redemption, distribution or other optional charges that could have reduced returns or performance. Past performance is not indicative of future results. Returns of the Fund may be different than those of RIB.

(2) The FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. The index is designed to track the performance of marketable government and corporate bonds outstanding in the Canadian market.

(3) Inception on December 18, 2009.

**Total Returns
(Reported as at September 30, 2023)**

	2010 ⁽¹⁾	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
RIB	5.74	3.16	11.72	10.87	13.56	7.52	6.66	3.03	5.57	14.31	7.44	7.44	-14.68	-1.23
Index ⁽²⁾	7.34	6.67	5.46	-1.28	6.33	5.29	6.30	-2.97	1.66	9.67	7.07	-3.34	-10.47	-1.36

Source: Ridgewood Capital Asset Management Inc.

(1) December 18, 2009 to September 30, 2010.

(2) FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. The index is designed to track the performance of marketable government and corporate bonds outstanding in the Canadian market.

The performance of the Fund may differ materially from the performance of RIB. There are important differences between the Fund and RIB, including those differences described above. The information above is historical and is not intended to be, nor should it be construed to be, a forecast or an indication as to the future performance of the Fund. The information is provided for illustrative purposes only, does not reflect future performance of the Fund and should not be construed as a forecast or projection. There can be no assurance that the performance of the Fund will equal or exceed the performance of RIB. The investments of the Fund and RIB will not be identical and may differ significantly. Past performance does not guarantee future results.

Details of the Portfolio Management Agreement

The Adviser will provide investment advisory and portfolio management services to the Fund with respect to the Portfolio pursuant to a portfolio management agreement (the “**Portfolio Management Agreement**”) to be entered into on or prior to the Closing between the Fund, the Manager and the Adviser. Decisions regarding the purchase and sale of Portfolio Securities and the execution of transactions for the Portfolio will be made by the Adviser, in accordance with and subject to the terms of the Portfolio Management Agreement. Subject to the terms of the Portfolio Management Agreement, the Adviser will implement the investment strategies of the Portfolio on an ongoing basis. Under the Portfolio Management Agreement, the Adviser will covenant to act at all times on a basis which is fair and reasonable to the Manager and the Fund, to act honestly and in good faith with a view to the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Portfolio Management Agreement will provide that the Adviser will not be liable in any way under the Portfolio Management Agreement for any default, failure or defect in any of the securities comprising the Portfolio if it satisfied the standard of care, diligence and skill set forth above.

Pursuant to the Portfolio Management Agreement, the Adviser and its officers, directors and employees shall be indemnified by the Trustee, from the assets of the Fund, against all losses (other than loss of profits), expenses, costs, claims, actions, damages or liabilities (including legal costs on a solicitor-and-client basis) which they may suffer or incur as a result of the wilful misconduct, fraud, negligence, breach or reckless disregard of the duties of the Fund, the Manager or its directors, officers or employees under the Portfolio Management Agreement or a material breach of the Fund's and/or the Manager's obligations under the Portfolio Management Agreement.

The Portfolio Management Agreement, unless terminated as described below, will continue until (i) the effective date of the termination of Next Edge as the trustee and the manager of the Fund; or (ii) the date of termination of the Fund. The Adviser may terminate the Portfolio Management Agreement: (i) in the event that either the Fund or the Manager is in material breach of the Portfolio Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Manager; (ii) if Next Edge or the Fund becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of Next Edge or the Fund or a substantial portion of its respective assets; and (iii) if the assets of the Fund become subject to seizure or confiscation by any public or governmental organization. The Manager may terminate the Portfolio Management Agreement (i) in the event that the Unitholders vote to remove the Adviser; (ii) in the event that the Adviser is in material breach of the Portfolio Management Agreement and the material breach has not been cured within 30 Business Days notice thereof to the Adviser; (iii) if the Adviser becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Adviser or a substantial portion of the assets of the Adviser; (iv) if the assets of the Adviser become subject to seizure or confiscation by any public or governmental organization; (v) if the Adviser has lost any required registration, license or other authorization or is otherwise deemed legally unable to perform its obligations under the Portfolio Management Agreement; or (vi) if the Adviser has breached its standard of care or acted with wilful misconduct, fraud or negligence. In the event that the Portfolio Management Agreement is terminated as provided above, Next Edge shall promptly appoint one or more successor investment advisors to carry out the activities of the portfolio manager of the Fund.

Conflicts of Interest

The services of the Manager and its affiliates are not exclusive to the Fund and nothing in the Declaration of Trust prevents the Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies or criteria are similar to those of the Fund) or from engaging in other activities.

The Declaration of Trust acknowledges that the Manager may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from arm's length parties for comparable services.

Securities held directly or indirectly by the Fund may also be held by other funds or clients for which the Manager or its affiliates provide investment advice. Because of different investment objectives or other factors, a particular security may be bought for one or more funds or clients when one or more other funds or clients are selling the same security. If opportunities for purchase or sale of securities by the Manager for the Fund or for other funds or clients for which the Manager renders investment advice arise for consideration at or about the same time, transactions in such securities will be effected, insofar as feasible, for the respective funds or clients on an equitable basis, in accordance with the Manager's trade allocation policy in effect from time to time.

Independent Review Committee

NI 81-107 requires all publicly offered investment funds to establish an independent review committee to whom the manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the manager of public funds to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the independent review committee in carrying out its functions.

The IRC is required to be comprised of a minimum of three independent members and, pursuant to NI 81-107, is required to conduct regular assessments and provide reports to the Manager and the Unitholders in respect of its functions. The current members of the IRC are Eamonn McConnell, Anthony Cox and Geoff Salmon. Mr. McConnell

will serve as the Chair of the IRC. These individuals also serve on the independent review committee of the other investment funds managed by Next Edge (together with the Fund, the “**Next Edge Funds**”).

In performing their duties, members of the IRC are required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The IRC conducts regular assessments and prepares, at least annually, a report of its activities for Unitholders and the Manager makes such reports available on the Fund’s designated website at www.nextedgecapital.com. The report may also be obtained by Unitholders, upon request and at no cost, by contacting the Manager at 1-877-860-1080 or by email at info@nextedgecapital.com.

The fees and other reasonable expenses of members of the IRC, as well as premiums for insurance coverage for such members, will be paid by the Fund and other applicable funds managed by the Manager. The chair of the IRC receives \$● and each of the other IRC members receives \$● as an annual retainer for their services. These fees and other reasonable expenses of the IRC will be paid *pro rata* out of the assets of the Fund, as well as out of the assets of the other Next Edge Funds for which the IRC acts as the independent review committee.

The Trustee

Next Edge is the trustee of the Fund. The Trustee is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust.

Pursuant to the Declaration of Trust, the Trustee is required to exercise its powers and carry out its functions, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that the Trustee would exercise in dealing with its own assets.

The Trustee shall at all times be indemnified and saved harmless by the Fund from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about in relation to the execution of its duties as Trustee under the Declaration of Trust, including against all other costs, charges (other than fees) and expenses it may sustain or incur in or about or in relation to the affairs of the Fund, except where there has been a breach of the standard of care required of it under the Declaration of Trust.

The Trustee may resign by giving written notice to the Fund and the Manager not less than 30 days prior to the date when such resignation shall take effect, unless prior to that date a successor Trustee has been appointed in accordance with the terms of the Declaration of Trust. If, after notice of resignation has been received from the Trustee or a vacancy occurs in the office of the Trustee, no successor has been appointed by the Manager within 30 days after the notice is given or the vacancy occurs, the Manager shall call a meeting of Unitholders within 30 days thereafter for the purpose of appointing a successor Trustee. If upon the expiry of the further 30-day period, the Unitholders have not appointed a successor Trustee, the Fund shall be terminated forthwith. In addition, the Manager may remove the Trustee at any time, without Unitholder approval, by notice in writing delivered to the trustee not later than 90 days prior to the date that the removal is to take effect and appoint a successor. The Trustee is deemed to have resigned in the event the Trustee ceases to (i) be resident in Canada for the purposes of the Tax Act or (ii) exercise the main powers and discretions of the trustee in respect of the Fund in Canada.

The Trustee is entitled to receive fees from the Manager as described under “Fees and Expenses – Management Fee” and to be reimbursed by the Manager for all expenses which are reasonably incurred by the Trustee in connection with the activities of the Fund.

The Custodian

RBC Investor Services Trust (the “**Custodian**”), at its principal offices in Toronto, Ontario, will be appointed the custodian of the Fund’s assets on or prior to the Closing Date pursuant to the Custodian Agreement. The Custodian may employ sub-custodians as considered appropriate in the circumstances.

The Custodian shall exercise the same degree of care, diligence and skill in the safekeeping of the Fund’s accounts and providing the services described under the Custodian Agreement that a reasonably prudent person would exercise

in the circumstances, or, if higher, the degree of care, diligence and skill that the Custodian uses in respect of its own property of a similar nature in its custody.

The Fund shall indemnify and hold harmless the Custodian from and against any direct loss, liability, judgments and amounts paid in settlement, claim or expense (including reasonable legal fees and disbursements) reasonably suffered or incurred by the Custodian arising from or in connection with the performance of its duties under the Custodian Agreement; provided, however, that such indemnity shall not apply to any liability or expense occasioned by or resulting from the fraud, willful default, negligence, breach of the standard of care set forth above or wrongful act of the Custodian or any of its employees, directors or officers in the performance of the Custodian's duties under the Custodian Agreement.

The Custodian shall indemnify and hold the Fund harmless from and against all direct losses, damages, fines, penalties, charges or expenses, including an amount paid to settle an action or to satisfy a judgment and all reasonable legal fees relating thereto resulting from or caused by reason of the fraud, willful default, negligence, breach of the Custodian's standard of care set forth above or wrongful act of the Custodian or its employees, directors or officers in the performance of the Custodian's duties under the Custodian Agreement.

The Manager or the Custodian may terminate the Custodian Agreement without any penalty upon at least 90 days' written notice or such lesser notice as the other may agree to.

Auditor

The auditor of the Fund is Deloitte LLP, at its principal address at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario M5H 0A9.

Transfer Agent and Registrar

TSX Trust will be appointed the registrar, transfer agent and distribution agent for the Units on or prior to the Closing Date. The register and transfer ledger for the Units will be kept by the Transfer Agent, at their principal offices located in Toronto, Ontario.

Promoter

Next Edge has taken the initiative in founding and organizing the Fund and accordingly may be considered to be a "promoter" of the Fund within the meaning of applicable securities legislation of certain provinces and territories of Canada. Except as otherwise described herein, Next Edge will not receive any benefits, directly or indirectly, from the issuance of the Units offered hereunder. See "Fees and Expenses".

CALCULATION OF NET ASSET VALUE

The NAV of the Fund on a particular date will be equal to the aggregate fair value of the assets of the Fund less the aggregate fair value of the liabilities of the Fund expressed in Canadian dollars. The NAV per Unit of a particular class on any day will be obtained by dividing the NAV of the Fund attributable to that class on such day by the number of Units of the applicable class then outstanding.

NI 81-106 requires the Fund to calculate its net asset value by determining the fair value of its assets and liabilities. In doing so, the Fund calculates the fair value of its assets and liabilities on the basis of the valuation principles described below. The financial statements of the Fund are required to be prepared in accordance with IFRS. The Fund's accounting policies for measuring the fair value of their investments under IFRS are similar to those used in measuring the net asset value under NI 81-106. However, if the closing sale price of a security falls outside of its bid-ask spread, it may be adjusted by the Manager for financial reporting purposes to a point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. As a result of this potential adjustment, the fair value of investments of the Fund reported in the financial statements may differ.

The NAV of the Fund and NAV per Unit will be calculated as of 4:00 p.m. (Toronto time), or such other time as the Manager deems appropriate (the "**Valuation Time**"), on each Business Day and any other day on which the Manager elects, in its discretion, to calculate the NAV per Unit (each, a "**Valuation Date**"). Information that becomes known

after the net asset value has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the net asset value determined earlier that day.

Valuation Policies and Procedures of the Fund

For the purposes of calculating the NAV of the Fund, the value of any security or property held by the Fund or any of its liabilities will be determined in the following way:

- 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 the valuation agent determines that any such deposit or call loan is not worth the face amount thereof, in which event the value will be deemed to be such value as the valuation agent determines to be the reasonable value thereof;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices at such times as the valuation agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- the value of a security listed on a stock exchange will generally be the latest available closing sale price prior to the calculation of the net asset value. If the security was not sold on that day, the valuation agent will average the latest available ask price and the latest available bid price to determine the value of the security. If the stock exchange was not open on that day, then the value of the security will be the latest available sale price on the most recent day on which the stock exchange was open. A security listed on more than one stock exchange will generally be valued on the exchange where the greatest trading volume normally occurs;
- the value of any security which is traded on an over-the-counter market will be the average of the closing bid and the closing ask price, as reported by the financial press;
- the value of any security, the resale of which is restricted or limited, will be the lesser of the value thereof 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;
- purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof;
- the value of a futures contract, or a forward contract, shall 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 shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- if, in the opinion of the valuation agent, stock exchange or over-the-counter prices do not properly reflect the prices which would be received upon the sale of such securities, the Trustee may value the securities at prices as appear to the Trustee to most closely reflect the fair value of the securities;
- all of the Fund's assets 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 valuation agent;
- all expenses or liabilities (including any applicable fees payable to the Manager) of the Fund will be calculated on an accrual basis;
- the value of any security or other property for which no price quotations are available will be its fair market value as calculated in a manner determined by the Trustee or valuation agent of the Fund; and

- where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Fund shall be reflected as a derivative liability that shall 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 of such options shall 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 shall be valued at their current market value.

If the value of an investment cannot be determined according to these rules, value will be determined according to what is deemed fair and reasonable by the Manager.

For the purposes of the foregoing rules, quotations may be obtained from any report in common use, or from a reputable broker or other financial institution, provided that RBC Investor Services Trust, as valuation agent, shall retain the discretion to use such information and methods as it considers necessary or desirable for valuing the assets of the Fund, including the use of a formula computation.

Reporting of Net Asset Value

The NAV of the Fund and the NAV per Unit will be calculated as of the Valuation Time on each Valuation Date. Such information will be provided to Unitholders at no cost via the internet, at www.nextedgcapital.com.

DESCRIPTION OF THE UNITS

The Offering consists of a minimum of 2,500,000 Class A Units and/or Class F Units and a maximum of • Class A Units and/or Class F Units, excluding any additional Class F Units issued pursuant to the Over-Allotment Option. The following is a summary of the material attributes and characteristics of the Class F Units and the Class A Units as set out in the Declaration of Trust. This summary does not purport to be complete and is subject to, and qualified by, the terms of the Declaration of Trust.

Description of the Units Distributed

The Fund is authorized to issue an unlimited number of transferable, redeemable units, issuable in such classes as the Manager may determine, which evidence the proportionate ownership interest of a Unitholder in the capital of the Fund. Initially, only Class A Units and Class F Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Class A Units and an unlimited number of Class F Units.

The Class A Units and Class F Units are freely transferable, except as restricted in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or other requirements imposed by any stock exchange or other applicable regulatory authorities. The number of Class A Units and Class F Units may be consolidated or subdivided on the direction of the Manager.

Except as provided under “Unitholder Matters – Non-Resident Unitholders”, each Unit of a class entitles the Unitholder of such class to the same rights and obligations as a holder of any other Unit of such class and no Unitholder of a class is entitled to any privilege, priority or preference in relation to any other Unitholder of such class. Each Unit of a class entitles the Unitholder to one vote at all meetings of all Unitholders and at all meetings of Unitholders of that class. Each Unitholder of a class is entitled to participate equally with respect to any and all distributions to that class made by the Fund, including distributions of net income and net realized capital gains, if any. Any special distributions of net income and/or realized net capital gains payable in Class A or Class F Units will increase the aggregate adjusted cost base of a Class A or Class F Unitholder’s Units. See “Income Tax Considerations” and “Unitholder Matters – Matters Requiring Unitholder Approval”.

No holder of a fraction of a Unit, as such, is entitled to notice of, or to attend or to vote at, meetings of Unitholders, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Units are transferable and, in certain circumstances, redeemable at the option of the Fund. Unitholders have rights of redemption and will be entitled to receive distributions declared by the Fund. See “Redemption of Units” and “Distribution Policy”.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises (i) the trust is a reporting issuer under the *Securities Act* (Ontario) and (ii) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act* (Ontario) and it is governed by the laws of Ontario as a result of the provisions of the Declaration of Trust.

Reclassification of Class A Units

The Class A Units will be reclassified as Class F Units upon the closing of this Offering based on their respective NAV per Unit. Each Class A Unit issued under this Offering will be reclassified into such number of Class F Units equal to the Net Asset Value per Class A Unit divided by the Net Asset Value per Class F Unit.

Conversion of Units

A holder of Units may convert Units of a class into whole Units of another class of Units of the Fund in accordance with the Declaration of Trust and it is expected that liquidity for Class A Units will be mainly obtained by means of conversion into Class F Units and the sale of those Class F Units through the facilities of the exchange. Units may be converted in any month on the second last Business Day of such month (each, a “**Conversion Date**”) by delivering a notice and surrendering such Units by 5:00 p.m. (Toronto time) at least 10 Business Days prior to the Conversion Date. For each Unit of a class so converted, a holder will receive that number of Units of the class into which such Unit is being converted as is equal to the NAV per Unit of the class of Units being converted divided by the NAV per Unit of the class into which such Unit is being converted, each as of the close of trading on the Conversion Date. No fractions of Units will be issued upon any conversion of Units. Any remaining fraction of a Unit will be redeemed.

Based in part on the current published administrative policies and assessing practices of the CRA, a conversion of Class F Units into whole Class A Units and Class A Units into whole Class F Units will not constitute a disposition of the Class F Units or Class A Units, as applicable, for the purposes of the Tax Act. The redemption of any fraction of a Class A Unit or a Class F Unit, as applicable, will result in a capital gain (or capital loss) for the redeeming holder. See “Income Tax Considerations”.

Mandatory Market Purchase Program

To enhance liquidity and to provide market support for the Class F Units, the Fund will undertake the MMPP pursuant to which the Fund will, subject to the following exceptions and compliance with applicable regulatory requirements, be obligated to purchase any Class F Units offered on the market if, at any time, the price at which the Class F Units are offered on the TSX is 97% or less of the NAV per Class F Unit as at the close of business in Toronto, Ontario on the immediately preceding Business Day. The maximum number of Class F Units that may be purchased by the Fund pursuant to the MMPP: (i) in any month, shall be equal to 1% of the number of Class F Units outstanding as of the first day of that month, and (ii) on any given trading day in that month, shall be equal to the maximum number of Class F Units that may be purchased in that month less any Class F Units purchased under the MMPP in that month prior to that day divided by the number of trading days remaining in that month and subject to the terms set out in the Declaration of Trust. In addition, the Fund will not be obligated to make such purchases if, among other things: (i) the Manager reasonably believes that the Fund would be required to make an additional distribution in respect of the year to Unitholder of record on or before December 31 of that year in order that the Fund will generally not be liable to pay income tax after making of such purchase; (ii) in the opinion of the Manager, the Fund lacks the cash, debt capacity or other resources to make such purchases; or (iii) in the opinion of the Manager, such purchases would adversely affect the ongoing activities of the Fund or the remaining Unitholders. In addition, the Fund will have the right (but not the obligation), exercisable in its sole discretion, at any time to purchase additional Units in the market, subject to any applicable regulatory requirements and limitations.

Given the procedures and rules of the TSX relating to the placement of purchase and sell order and the filling of such orders, and with the objective of avoiding arbitrage in the market detrimental to Unitholders, the Fund may place bids on the Class F Units at 97% of the NAV of the Class F Units even if the trading price is lower. As the purchases made under the MMPP will be effected at a maximum of 97% of the NAV per Class F Unit (calculated as at the last Valuation Date), such purchases should be accretive to the Fund and the Unitholders.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Class A Units and not less than 90% of the aggregate of the Class A Units (but not including any Class A Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Class A Units held by Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Book-Entry Only System

Registration of interests in, and transfers of, the Units will be made only through non-certificated interests issued under the Book-Entry Only System. On the Closing Date, non-certificated interests representing the aggregate number of Units subscribed for under the Offering will be recorded in the name of the Depositary, or its nominee, on the register of the Fund maintained by the Transfer Agent. Units must be purchased, converted, transferred and surrendered for redemption through a Participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by, the Depositary or the Participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholder will receive only a customer confirmation from the registered dealer which is a Participant and from or through which the Units are purchased.

The Fund, the Manager, and the Agents will not have any liability for (i) records maintained by the Depositary relating to the beneficial interests in the Units or the book-based entry accounts maintained by the Depositary, (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests or (iii) any advice or representation made or given by the Depositary and made or given with respect to the rules and regulations of the Depositary or any action taken by the Depositary or at the direction of the Participants.

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

UNITHOLDER MATTERS

The following description of the Declaration of Trust does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the Declaration of Trust.

Meetings of Unitholders

A meeting of Unitholders may be convened by the Manager at any time and must be convened if requisitioned by Unitholders holding not less than 10% of the Units then outstanding entitled to vote on the matter by a written requisition specifying the purpose of the meeting. The Trustee or the Manager may convene a meeting of a specific class if the nature of the business to be transacted at that meeting is only relevant to Unitholders of the applicable class.

Not less than 21 days' and not more than 50 days' notice will be given of any meeting of Unitholders. The quorum at any such meeting is one or more Unitholders present in person or by proxy holding not less than 5% of the outstanding Units entitled to vote on the matter. If no quorum is present at such meeting when called, the meeting, if called on the requisition of Unitholders, will be terminated and otherwise will be adjourned for not more than 10 days and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum. At any such meeting, each Unitholder will be entitled to one vote for each whole Unit registered in the Unitholder's name.

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

Matters Requiring Unitholder Approval

Pursuant to the Declaration of Trust, the following matters require the approval of Unitholders:

- (i) a change in the investment objectives of the Fund as described under "Investment Objectives" or any a change in the investment restrictions of the Fund as described under "Investment

Restrictions”, unless such change is necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

- (ii) any change in the basis of calculating fees or other expenses that are charged to the Fund which could result in an increase in charges to the Fund other than a fee or expense charged by a person or company that is at arm’s length to the Fund;
- (iii) a change in the Manager of the Fund, other than a change resulting in an affiliate of such person assuming such position;
- (iv) the removal of the Trustee, other than a change resulting in an affiliate of such person assuming such position or as otherwise permitted by the Declaration of Trust;
- (v) the liquidation, dissolution or early termination of the Fund, other than in accordance with the provisions of the Declaration of Trust;
- (vi) a reorganization (other than a Permitted Merger (as defined herein)) with, or transfer of assets to, another issuer, if:
 - (a) the Fund ceases to continue after the reorganization or transfer of assets; and
 - (b) the transaction results in Unitholders becoming securityholders in the other issuer;
- (vii) a reorganization (other than a Permitted Merger) with, or acquisition of assets of, another issuer, if:
 - (a) the Fund continues after the reorganization or acquisition of assets;
 - (b) the transaction results in the securityholders of the other issuer becoming Unitholders; and
 - (c) the transaction would be a material change to the Fund;
- (viii) any material amendment, modification or variation in the provisions or rights attaching to the Units; and
- (ix) a reduction in the frequency of calculating the NAV per Unit.

The Unitholders will also be permitted to vote on any modification, amendment, alteration or deletion of rights, privileges or restrictions attaching to the Units that would have a material adverse effect on the interest of the Unitholders. No amendment may be made to the Declaration of Trust which would have the effect of reducing the expenses reimbursable to the Manager or terminating the Manager unless the Manager, in its sole discretion, consents.

Permitted Mergers

The Fund may, without obtaining Unitholder approval, enter into a merger or other similar transaction which has the effect of combining the Fund or its assets on a tax-deferred basis (a “**Permitted Merger**”) with any other investment fund or funds managed or advised by the Manager or an affiliate thereof that has or have investment objectives and investment strategies that are substantially the same as the Fund’s on an exchange ratio based on the relative NAVs of such funds, subject to NI 81-102 which requires, among other things:

- (i) approval of the Permitted Merger by the Fund’s IRC;
- (ii) written notice to Unitholders at least 60 days before the effective date of the Permitted Merger;
- (iii) a special redemption right allowing Unitholders to redeem Units at 100% of the NAV per Unit if they so choose prior to the Permitted Merger (subject to any applicable costs and expenses incurred by the Fund in order to fund such redemption); and

(iv) the merging funds bearing none of the costs associated with the Permitted Merger.

If the Manager determines that a Permitted Merger is appropriate and desirable, the Manager can effect the merger, including any required changes to the Declaration of Trust, without seeking Unitholder approval for the merger or such amendments. While the funds to be merged will have similar investment objectives, the funds may have different investment strategies, guidelines and restrictions and, accordingly, the units of the merged funds will be subject to different risk factors.

Amendments to the Declaration of Trust

Notwithstanding the foregoing, the Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders, to:

- (i) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;
- (ii) make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (iii) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not in the opinion of the Manager adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;
- (iv) maintain the status of the Fund as a “mutual fund trust” for the purposes of the Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof;
- (v) add additional classes of units whose rights and privileges are not greater than the existing classes of units of the Fund; or
- (vi) provide added protection or benefit to Unitholders,

provided that such amendments may be made only if they will not materially adversely affect the interest of any Unitholder.

Reporting to Unitholders

The Fund will furnish to Unitholders such financial statements (including interim unaudited and annual audited financial statements, accompanied by management reports of fund performance) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders’ tax returns under the Tax Act and equivalent provincial legislation. Such financial statements and reports will also be available on the Manager’s website at www.nextedgecapital.com.

The Fund will comply with all of the continuous disclosure requirements applicable to it as a reporting issuer under applicable securities laws. Prior to any meeting of Unitholders, the Fund will provide to Unitholders (along with notice of such meeting) all such information as is required by applicable law to be provided to Unitholders.

Accounting and Reporting

The Fund’s fiscal year will be the calendar year. The annual financial statements of the Fund shall be audited by the Fund’s auditor in accordance with Canadian Generally Accepted Auditing Standards. The auditor will be asked to report on the fair presentation of the annual financial statements which have been prepared in accordance with IFRS. The Manager will ensure that the Fund complies with all applicable reporting and administrative requirements, including preparing and issuing unaudited interim financial statements.

The Manager will keep adequate books and records reflecting the activities of the Fund. A Unitholder or his or her duly authorized representative will have the right to examine the books and records of the Fund during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Fund.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships, or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units (on a number of Units or a fair market value basis) and the Manager shall inform the Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units then outstanding (on a number of Units or a fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent the Manager may make a public announcement thereof. If the Manager determines that 45% or more of the Units (on a number of Units or a fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units, or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

TERMINATION OF THE FUND

In accordance with the Fund's Declaration of Trust, the Fund is currently scheduled to terminate on or about ●, 2028 (the "**Termination Date**"); provided that if in the opinion of the Manager, it would be in the best interests of the Fund to extend the Termination Date, the Manager may, in its sole discretion and upon not less than 30 days' prior written notice to Unitholders, extend the Termination Date once for up to an additional 90 days, which date shall then become the Termination Date.

In addition, pursuant to the Declaration of Trust, the Fund may be terminated at any time by the Manager provided that, in the opinion of the Manager, it is no longer economically practical to continue the Fund or it would be in the best interests of the Fund to terminate the Fund. Upon termination, the net assets of the Fund will be distributed to Unitholders on a pro rata basis. Immediately prior to the termination of the Fund, including on the Termination Date, the Manager will, to the extent possible, convert the assets of the Fund to cash and after paying or making adequate provision for all of the Fund's liabilities, distribute the net assets of the Fund to the Unitholders as soon as practicable after the Termination Date. Any unliquidated assets may be distributed in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. See "Description of the Units" and "Unitholder Matters—Matters Requiring Unitholder Approval".

The Declaration of Trust provides that prior to the Termination Date, the Manager will dispose of all of the Fund's assets and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust provides that the Manager may, in its discretion and upon not less than 30 days' prior written notice to Unitholders, postpone any Termination Date by a period of up to 90 days if the Manager determines that it will be unable to convert all of its assets to cash prior to any Termination Date and the Manager determines that it would be in the best interests of Unitholders to do so.

USE OF PROCEEDS

Following the reclassification of Class A Units into Class F Units following the closing of the Offering, the proceeds from the sale of Class A Units and the Class F Units (prior to the exercise of the Over-Allotment Option) will be as follows:

	Maximum Offering⁽¹⁾⁽²⁾	Minimum Offering⁽¹⁾⁽²⁾
Gross Proceeds of the Offering	\$●	\$25,000,000
Agents' Fee ⁽³⁾	\$●	\$537,500
Expenses of the Offering ⁽⁴⁾	\$●	\$●
Net Proceeds to the Fund	\$●	\$●

- (1) There will be no Closing unless an aggregate minimum of 2,500,000 Class A Units and/or Class F Units are sold. The maximum Offering assumes only Class A Units are sold. If subscriptions for an aggregate minimum of 2,500,000 Class A Units and/or Class F Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, this Offering may not continue unless an amendment to this prospectus is filed.
- (2) The Fund has granted to the Agents an Over-Allotment Option, exercisable for a period of 30 days from the Closing Date, to purchase additional Class F Units, at a price of \$10.00 per Class F Unit, in an amount up to 15% of the aggregate number of Class F Units and Class A Units issued at Closing on the same terms as set forth above solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fee and the proceeds to the Fund will be \$●, \$● and \$●, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of Class F Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class F Units forming part of the Agents' over-allocation position acquires such Class F Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".
- (3) Assumes that 50% of the Units sold are Class A Units and 50% of the Units sold are Class F Units.
- (4) Subject to a maximum of 1.0% of the gross proceeds of the Offering. See "Fees and Expenses".

The Fund will use the proceeds of the Offering (including any proceeds from the exercise of the Over-Allotment Option), together with any borrowings, to acquire Portfolio Securities in accordance with the investment objectives and restrictions of the Fund as soon as possible after Closing.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to conditionally offer the Units for sale, as agents of the Fund, on a best efforts basis, if, as and when issued by the Fund. The Agents will receive a fee equal to \$0.30 per Class A Unit sold and \$0.13 per Class F Unit sold and will be reimbursed for reasonable out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units that are not sold.

The Offering price of \$10.00 per Unit was established by negotiation between the Agents and the Manager.

The Fund has granted the Agents an option (the "**Over-Allotment Option**"), exercisable for a period of 30 days following the Closing, to purchase additional Class F Units in an amount up to 15% of the aggregate number of Class A Units and Class F Units issued at the Closing on the same terms set forth above. No assurance can be given that an equal number of Class F Units will be outstanding following the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, under the maximum Offering, the price to the public, the Agents' fees and the net proceeds to the Fund before deducting the expenses of the Offering, will be \$●, \$● and \$●, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Class F Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Class F Units forming part of the over-allocation position acquires those Class F Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

If subscriptions for a minimum of 2,500,000 Class A Units and/or Class F Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed for Units on or before such date. Under the terms

of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Proceeds from subscriptions will be held by the Agents until Closing. If the minimum Offering is not achieved and the necessary consents are not obtained or if the Closing does not occur for any reason, subscription proceeds received from prospective purchasers will be held in trust by the applicable Agent and will be returned to such purchasers promptly without interest or deduction. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about ●, 2023, but, in any event, not later than 90 days after a receipt for the final prospectus is issued. The Agents may over-allot and effect transactions to cover their over-allotted position.

Pursuant to the Agency Agreement, the Fund and the Manager have agreed to indemnify the Agents and their controlling persons, directors, officers and employees against certain liabilities.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Each of the Manager and the Adviser will receive fees for its services and will be reimbursed for all reasonable expenses and liabilities incurred in connection with the operation and management of the Fund. The Manager is responsible for paying the fees payable to the Adviser out of the Management Fee. See “Fees and Expenses”.

BROKERAGE ARRANGEMENTS

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made on behalf of the Fund by the Manager.

The Manager will make reasonable efforts to achieve best execution for portfolio transactions executed on behalf of the Fund. The best net price, as represented by brokerage commissions, spreads, and other costs, is an important factor in the selection of a broker or dealer, but a number of other factors are considered, including: the size of the transaction, the nature of the market of the security, the timing and impact of the transaction taking into account market prices and trends, confidentiality, speed and certainty of execution, clearance and settlement capabilities as well as the reputation, experience and financial stability of the broker or dealer, the quality of services rendered by the broker or dealer in other transactions and the permitted research goods and services to be provided to the Fund.

The Manager may in its discretion allocate brokerage transactions of the Fund involving client brokerage commissions in return for “permitted” research goods and services which directly add value to an investment or trading decision, which are to the benefit of the Fund and which provide the Fund with reasonable benefit considering the use of the services provided by the broker or dealer and the amount of brokerage commissions paid. Any such allocations shall be pursuant to arrangements whereby the Manager will allocate a specific number of trades to a particular broker or dealer in return for order execution services and specified permitted research goods and services. The Manager has no outstanding contractual obligation to allocate the Fund’s brokerage transactions to any specific brokerage firm.

“Permitted” research goods and services and order execution goods and services, as defined in National Instrument 23-102 – *Use of Client Brokerage Commissions*, include: (i) advice as to the value of the securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends; and (iii) electronic tools, such as databases or software, that support (i) and (ii).

In certain circumstances, order execution and research goods and services may be provided to the Manager in a bundled form and may include items that are not considered “permitted” research goods and services. In such cases, the Manager will ensure the costs of such mixed-use services are unbundled and it will directly pay for those non-permitted goods and services.

The Manager receives research goods and services in the nature of electronic tools, such as databases or software, from brokers and dealers in return for directing brokerage transactions involving client brokerage commissions. Please call us, toll free, at 1-877-860-1080 or send us an email at info@nextedgcapital.com for a list of brokers and dealers to which brokerage transactions involving client brokerage commissions were directed by the Manager in exchange for any good or services.

The Manager is not affiliated with any broker or dealer.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager is responsible for all securities voting in respect of securities held by the Fund and exercising responsibility with the best economic interests of the Fund and the Unitholders. The Manager has established proxy voting policies, procedures and guidelines (the “**Proxy Voting Policy**”) for securities held by the Fund to which voting rights are attached. The Proxy Voting Policy is intended to provide for the exercise of such voting rights in accordance with the best interests of the Fund.

The Proxy Voting Policy sets out the guidelines and procedures that the Manager will follow to determine whether and how to vote on any matter for which the Fund receives proxy materials. Issuers’ proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans, and to amend the capitalization of the company.

Although the Proxy Voting Policy allows for the creation of a standing policy for voting on certain routine matters, other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

The Fund may limit its voting on foreign holdings in instances where the issues presented are unlikely to have a material impact on shareholder value, since the costs of voting (e.g., custodian fees, vote agency fees) in foreign markets may be substantially higher than for Canadian holdings.

If the potential for conflict of interest arises in connection with proxy voting and if deemed advisable to maintain impartiality, the Proxy Voting Policy provides that the Manager may choose to seek out and follow the voting recommendation of an independent proxy search and voting service.

The Proxy Voting Policy is available on request, at no cost, by calling the Manager at 416-775-3600 or toll-free at 1-877-860-1080 or emailing the Manager at info@nextedgcapital.com.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

- (a) the Declaration of Trust described under “Organization and Management Details of the Fund”, “Description of the Units” and “Unitholder Matters”;
- (b) the Agency Agreement described under “Plan of Distribution”;
- (c) the Portfolio Management Agreement described under “Organization and Management Details of the Fund – Adviser of the Fund – Details of the Portfolio Management Agreement”; and
- (d) the Custodian Agreement described under “Organization and Management Details of the Fund”.

Copies of the foregoing documents, after the execution thereof, may be inspected during business hours at the principal office of the Fund during the course of distribution of the units offered hereby. Any of the foregoing contracts that are not executed prior to the filing of this prospectus will be filed with the securities regulatory authorities forthwith after such contract is entered into.

EXPERTS

The matters referred to under “Income Tax Considerations” and certain other legal matters relating to the securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Fund and Fasken Martineau DuMoulin LLP, on behalf of the Agents. The partners and associates of each of Blake, Cassels & Graydon LLP and Fasken Martineau DuMoulin LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any class of security of the Fund.

The auditor of the Fund is Deloitte LLP, who have prepared an independent auditor's report dated ●, 2023 on the statement of financial position of the Fund as of ●, 2023. Deloitte LLP is independent with respect to the Fund in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

Independent Auditor's Report

To the Trustee of
2028 Investment Grade Bond Trust

Opinion

We have audited the statement of financial position of 2028 Investment Grade Bond Trust (the "Fund"), which comprises the statement of financial position as at ●, 2023, and notes to the financial statement, including material accounting policy information (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at ●, 2023 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
●, 2023

2028 INVESTMENT GRADE BOND TRUST
STATEMENT OF FINANCIAL POSITION

As at ●, 2023

ASSETS

Current Assets

Cash	\$10.00
Total Assets	\$10.00

NET ASSETS ATTRIBUTABLE TO THE HOLDER OF THE UNIT

Class A Unit	\$10.00
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NET ASSETS ATTRIBUTABLE TO THE HOLDER OF THE UNIT PER CLASS A UNIT

\$10.00

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

2028 INVESTMENT GRADE BOND TRUST

NOTES TO STATEMENT OF FINANCIAL POSITION

1. GENERAL INFORMATION

2028 Investment Grade Bond Trust (the “**Fund**”) is a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated as of ●, 2023. The manager and promoter of the Fund is Next Edge Capital Corp. (“**Next Edge**” or the “**Manager**”). The principal office of the Fund and the Manager is located at 1 Toronto Street, Suite 200, Toronto, Ontario M5C 2V6. The beneficial interest in the net assets and net income of the Fund is divided into units. Initially, only Class A Units and Class F Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Class A Units and Class F Units. On ●, 2023 the Fund was settled and issued one Class A Unit for \$10 cash to a director of the Manager. The trustee of the Fund is Next Edge Capital Corp.

The Fund’s investment objectives are to (i) preserve capital; and (ii) target an internal rate of return (“**IRR**”) of 6.25 – 6.75% (after annual fees and expenses) by investing at least 75% of its assets in corporate debt securities that, at the time of investment, are rated investment grade. The Fund’s portfolio will be comprised of debt securities that have an average maturity of five (5) years or less.

Ridgewood Capital Asset Management Inc. (the “**Adviser**”) will provide portfolio management services to the Fund pursuant to a portfolio management services agreement. Subject to this agreement, the Adviser has full investment discretion and makes all determinations with respect to the investment of the Fund’s assets. The Fund has retained RBC Investor Services Trust (the “**Custodian**”) under a custodial services agreement between the Manager and the Custodian, as it may be amended from time to time.

The statement of financial position as at ●, 2023 was authorized for issue by Next Edge, on behalf of the Fund, on ●, 2023.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this financial statement are set out below.

Basis of Presentation:

The statement of financial position of the Fund has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) relevant to preparing such a statement of financial position. The statement of financial position has been prepared under the historical cost convention.

Functional and Presentation Currency:

The financial statement is presented in Canadian dollars, which is the Fund’s functional currency.

Financial Instruments:

The Fund recognizes financial instruments at fair value upon initial recognition. Regular way purchases and sales of financial assets are recognized on the trade date.

Cash is comprised of a deposit with the Custodian.

The Fund’s obligation for net assets attributable to the holder of the redeemable Class A Unit is presented at the redemption amount of \$10.

Classification of Redeemable Unit:

International Accounting Standard 32: Financial Instruments: Presentation (“**IAS 32**”) outlines the accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The Fund’s Class A Unit’s entitlements include multiple

redemption features, and therefore there are multiple contractual obligations. Consequently, the Fund's Class A Unit is classified as a financial liability in accordance with the requirements of IAS 32.

3. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the Fund's obligation for net assets attributable to the holder of the redeemable unit approximate their fair values.

4. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

Credit Risk:

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at ●, 2023, the credit risk is considered limited as the cash balance represents a deposit with the Custodian.

Liquidity Risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund maintains sufficient cash on hand to fund anticipated redemptions.

Capital Risk Management:

Units issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific capital requirements on the subscription and redemption of units, other than a minimum subscription requirement of 1,000 Class A Units or 1,000 Class F Units for units purchased under the initial public offering of Class A and Class F Units.

5. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of transferable, redeemable units, issuable in such classes as the Manager may determine, which evidence the proportionate ownership interest of a Unitholder in the capital of the Fund. Initially, only Class A Units and Class F Units have been authorized for issuance and the Fund is authorized to issue an unlimited number of Class A Units and Class F Units. As of the date of this financial statement, no Class F Units are issued and outstanding.

The Class A Units are being offered at \$10.00 per Class A Unit and the Class F Units are being offered at \$10.00 per Class F Unit but a lower agents' fee will be paid on the Class F Units. As a result, the net asset value per Class A Unit and the net asset value per Class F Unit immediately following the closing of the Offering will be different.

6. RELATED PARTY TRANSACTIONS

An annual management fee (the "**Management Fee**") equal to 0.70% of the Net Asset Value of the Fund attributable to the units will be paid to the Manager, calculated daily and payable monthly in arrears, plus applicable taxes. The Manager is responsible for paying the fees payable to the Adviser out of the Management Fee.

CERTIFICATE OF THE FUND, THE MANAGER AND THE PROMOTER

Dated: October 31, 2023

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

2028 Investment Grade Bond Trust, by its Manager and Promoter, Next Edge Capital Corp.

(Signed) “Robert H. Anton”

Acting Chief Executive Officer, Director, President

(Signed) “David A. Scobie”

Managing Director and Chief Operating Officer
(signing in his capacity as Chief Financial Officer)

On behalf of the Board of Directors of
Next Edge Capital Corp.

(Signed) “David A. Scobie”

Director

(Signed) “Robert H. Anton”

Director

CERTIFICATE OF THE AGENTS

Dated: October 31, 2023

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

NATIONAL BANK FINANCIAL INC.

(Signed) "Gavin Brancato"

SCOTIA CAPITAL INC.

(Signed) "Dil Mann"

CIBC WORLD MARKETS INC.

(Signed) "Richard Finkelstein"

RBC DOMINION SECURITIES INC.

(Signed) "Valerie Tan"

BMO NESBITT BURNS INC.

(Signed) "Rob Turnbull"

CANACCORD GENUITY CORP.

(Signed) "Michael Shuh"

**WELLINGTON-ALTUS PRIVATE
WEALTH INC.**

(Signed) "Mike Macdonald"

IA PRIVATE WEALTH INC.

(Signed) "Richard Kassabian"

RAYMOND JAMES LTD.

(Signed) "Matthew Cowie"

RICHARDSON WEALTH LIMITED

(Signed) "Nargis Sunderji"

**DESJARDINS SECURITIES
INC.**

(Signed) "Naglaa Pacheco"

**ECHELON WEALTH
PARTNERS INC.**

(Signed) "Melissa Tan"

**MANULIFE SECURITIES
INCORPORATED**

(Signed) "Stephen Arvanitidis"

**RESEARCH CAPITAL
CORPORATION**

(Signed) "David Keating"