

**THE CONFIDENTIAL EXPLANATORY MEMORANDUM**

**CENTURION APARTMENT REIT CAYMAN**

**(A CAYMAN ISLANDS EXEMPTED COMPANY)**

**SEPTEMBER 2023**

This confidential explanatory memorandum (**Memorandum**) does not constitute an offer or solicitation in any state or other jurisdiction in which an offer or solicitation is not lawful or authorized or in which the person making such offer or solicitation is not qualified to do so. This Memorandum constitutes an offer only if delivery of this Memorandum is properly authorized by Centurion Apartment REIT Cayman (**Fund**) and complies with the law of the country in which the offeree resides.

No securities commission or similar regulatory authority has reviewed the Memorandum or has in any way passed upon the merits of the participating shares (**Shares**) offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any authority other than the Cayman Islands Monetary Authority (**Monetary Authority**) in connection with the Shares offered hereunder. The Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the Shares offered hereby and is not to be construed as a prospectus or advertisement or a public offering of the Shares.

The Fund is a regulated mutual fund for the purposes of the Mutual Funds Act (Revised) of the Cayman Islands (**Mutual Funds Act**). The Fund is registered with the Monetary Authority pursuant to section 4(3) of the Mutual Funds Act and the prescribed details in respect of, and a copy of this Memorandum has been filed with the Monetary Authority. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of Shares hereunder. For a summary of the continuing regulatory obligations of the Fund and a description of the regulatory power of the Monetary Authority, see section 20 of this Memorandum.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND. FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

**GENERAL INFORMATION**

This Memorandum has been prepared by the Fund solely for the benefit of investors interested in the proposed purchase of Shares, and any reproduction of this Memorandum, in whole or in part, or the divulgence of any of its contents, without the prior written consent of the fund, is prohibited. Notwithstanding the foregoing, an offeree may, without the consent of the Fund, provide a copy of this Memorandum (or any portion thereof) to such offeree's legal or tax advisors or to any taxing authority.

No offering literature or advertising in any form whatsoever shall be employed in the offering of the Shares except for this Memorandum. No person has been authorized to make any representation or warranty or provide any information with respect to the Shares except such information as is contained in this Memorandum. Neither the delivery of this Memorandum nor any sales made hereunder shall under any circumstances create an implication that there has been no change in the matters discussed herein since the date hereof.

Each investor in the Shares offered hereby must acquire such Shares solely for the investor's own account, for investment purposes only and not with an intention of distribution, transfer or resale, either in whole or in part.

The contents of this Memorandum should not be construed as investment, legal or tax advice. Each prospective investor is urged to seek independent investment, legal and tax advice concerning the consequences of investing in the Fund.

All references herein to "dollars" or "\$" are to U.S. dollars.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

Neither this Memorandum nor the Shares described in it have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of mutual fund equity interests or other securities. The distribution of this Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Memorandum or the agreement to subscribe for Shares (**Subscription Agreement**) in any such jurisdiction may treat this Memorandum or the Subscription Agreement as constituting an offer or invitation to them to subscribe for the Shares, nor should they in any event use the Subscription Agreement, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Agreement could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Memorandum and any persons wishing to apply for the Shares pursuant to this Memorandum to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Fund may not make an invitation to the public in the Cayman Islands to subscribe for Shares unless the Shares are listed on the Cayman Islands Stock Exchange. As at the date of this Memorandum, no such listing is anticipated to be made. For these purposes, "public" has the same meaning as "public in the Islands" as defined in the Mutual Funds Act. Apart from this restriction, persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands may beneficially own Shares.

None of the Shares have been or will be registered under the US Securities Act of 1933 (**1933 Act**). Consequently, none of the Shares may be offered or sold, directly or indirectly, in the U.S. or to U.S. Persons (as defined under Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act. Further, the Fund is not, and will not be registered as, an investment company under the U.S. Investment Company Act of 1940 in reliance upon an exemption from registration under that Act, nor is it intended that any of its investment subsidiaries established in the United States be so registered.

The Fund is a "Non-EU AIF" as defined in article 4(1)(aa) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the **AIFMD**). Potential investors located in the EEA should review the entirety of this Memorandum, and the Articles (as defined below) in connection with any decision to invest in the Fund, including all risk factors associated with making an investment in the Fund and the restrictions on the types of shareholders.

In relation to each member state of the EEA (each a **Relevant State**) which has implemented the AIFMD and/or as AIFMD forms part of local law of the Relevant State, this Memorandum may only be distributed and Shares may only be offered or placed in a Relevant State to the extent that: (1) the Fund is permitted

to be marketed to professional investors in the Relevant State in accordance with AIFMD (as implemented and as it forms part of the local law and regulations of the Relevant State); or (2) this Memorandum may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Relevant State (including at the initiative of the investor).

In relation to each Relevant State which, at the date of this Memorandum, has not implemented AIFMD, this Memorandum may only be distributed and Shares may only be offered or placed to the extent that this Memorandum may be lawfully distributed and the Shares may lawfully be offered or placed in that Relevant State (including at the initiative of the investor).

As of the date of this Memorandum, the Fund does not intend to market its shares to investors based in a Relevant State.

The Fund will not receive subscription from EU retail investors. Hence a PRIIPs key information document will not be issued pursuant to the Regulation (EU) N°1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).

The mandatory investor disclosures in accordance with article 23 of the AIFMD can be found in Appendix 1 of this Memorandum.

## DIRECTORY

<b>Registered Office</b>	Ogier Global (Cayman) Limited 89 Nexus Way Camana Bay Grand Cayman KY1-9009 Cayman Islands
<b>Investment Manager</b>	Centurion Asset Management Inc. 25 Sheppard Avenue West, Suite 1800 Toronto, Ontario, M2N 6S6 Canada
<b>Administrator</b>	NAV Fund Services (Cayman) Ltd. 5 <sup>th</sup> Floor, Harbour Place PO Box 30464 Grand Cayman KY1-1202 Cayman Islands
<b>NAV Calculation Agent</b>	NAV Consulting, Inc. 1 Trans Am Plaza Drive Suite 400 Oak Brook Terrace IL 60181 USA
<b>Auditor</b>	RSM Cayman Ltd Zephyr House, Mary Street George Town P.O. Box 10311 Grand Cayman, KY1-1003 Cayman Islands
<b>Legal Counsel</b>	Ogier (Cayman) LLP 89 Nexus Way Camana Bay Grand Cayman KY1-9009 Cayman Islands
<b>Custodian / Depository</b>	CIBC Bank USA 120 S. LaSalle Street Chicago, Illinois 60603

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## CONFIDENTIAL EXPLANATORY MEMORANDUM

This Confidential Explanatory Memorandum (**Memorandum**) is to provide prospective investors in Centurion Apartment REIT Cayman (**Fund**) with information relating to the Fund. This Memorandum incorporates in its entirety (except as modified by this Memorandum) the Confidential Private Offering Memorandum of Centurion Apartment Real Estate Investment Trust (**Canada CPOM**), a copy of which is attached hereto. This Memorandum should be reviewed in conjunction with the Canada CPOM. In the case of any conflict between this Memorandum and the Canada CPOM, the terms of this Memorandum will prevail. Capitalised terms used but not defined in this Memorandum shall have the meanings ascribed to such terms in the Canada CPOM. This Memorandum is also qualified by the terms of the memorandum and articles of association of the Fund, as may be amended from time to time (**Articles**).

### 1 The Fund

The Fund is an exempted company incorporated with unlimited duration under the laws of the Cayman Islands on 15 December 2022. The registered office of the Fund is at Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, Cayman Islands KY1-9009.

The Fund has been structured as an open-ended investment fund to allow shareholders of the Fund (**Shareholders**) to collectively invest in pursuit of the investment objective set out in this Memorandum. Centurion Asset Management Inc. (**Investment Manager**) has been appointed as the investment manager of the Fund.

Substantially all of the Fund's assets will be invested through a 'master-feeder' fund structure in Class F and Class I Units of the Canadian real estate investment trust, Centurion Apartment Real Estate Investment Trust (**Canadian Master Fund**).

The Investment Manager is also the investment manager of the Canadian Master Fund and is responsible for all investment decisions relating to the Canadian Master Fund. Unless otherwise indicated, references to the Fund in this Memorandum include the Fund and, as the context may permit, the Canadian Master Fund.

### 2 The Offering

The Fund has an authorised share capital of US\$50,000 which is made up of 100 management shares of US\$0.01 par value each (**Management Shares**) and 4,999,900 participating shares of US\$0.01 par value, each which may be issued in different classes, sub-classes and series. The Management Shares are held by the Manager.

The Fund is offering two classes of participating shares pursuant to this Memorandum, Class F Shares and Class I Shares (collectively, the **Shares**). The proceeds from the issue of Class F Shares will be invested in Class F Units of the Canadian Master Fund and the proceeds from the issue of Class I Shares will be invested in Class I Units of the Canadian Master Fund. Class I Shares are being offered to investors introduced to the Fund through Advisors (defined below). Class F Shares and Class I Shares are otherwise offered on the same terms.

The minimum Initial investment in Shares is \$100,000, which amount may be reduced in the discretion of the Fund's board of directors (**Directors**) but not below the statutory minimum, which is currently \$100,000 (or such other amount as may be required under Cayman Islands law). The minimum subsequent amount for subscription in Shares is \$5,000.00, which amount may be reduced in the discretion of the Directors.

### 3 Investment objective and strategy

The Fund seeks to achieve capital appreciation and capital preservation by investing and trading primarily in Class F Units and Class I Units of the Canadian Master Fund. See "BUSINESS OF CENTURION

APARTMENT REAL ESTATE INVESTMENT TRUST AND OTHER INFORMATION AND TRANSACTIONS" in the Canada CPOM for a description of the investment objective and investment strategy of the Fund.

#### **4 Leverage**

The Fund will not employ leverage. The Canadian Master Fund may employ leverage. See "BORROWING" in the Canada CPOM for further information.

As a general matter, under the AIFMD and implementing regulations, "leverage" is defined as any method by which an AIFM is exposed to certain risks (including, by increasing the volatility of the net asset value of an alternative investment fund (AIF) or amplifying a loss in the value with respect to an AIF's assets. A leverage (as defined by the AIFMD) of 100% relative to the net asset value of an AIF means a leverage-free portfolio. Pursuant to the AIFMD, the Investment Manager will not employ leverage for the Fund as further disclosed in Appendix 1 of this Memorandum.

#### **5 Risk factors**

An investment in the Fund is speculative and involves substantial risks, including the risk of loss of an investor's entire investment. Please see "RISK FACTORS" in the Canada CPOM for a detailed discussion of the risks associated with an investment in the Fund.

**Absence of regulatory oversight.** Although the Fund is a regulated mutual fund under the Mutual Funds Act, it is not required to, nor does it intend to, register under the laws of any other jurisdiction. As a consequence, the securities laws of other jurisdictions (which may provide certain regulatory safeguards to investors) generally will not apply. Accordingly, Shareholders may not have the benefit of all the protections afforded to them by the securities laws of their home jurisdiction or other relevant jurisdictions.

**Lack of operating history.** The Fund is a newly formed entity. As such there is no operating history that a prospective investor can evaluate before making an investment in the Fund. The investment results of the Fund are reliant upon the success of the Investment Manager and no guarantee or representation is made in this regard. There can be no assurance that the Fund will achieve its investment objective.

**Dependence on key personnel.** The investment performance of the Fund will be substantially dependent on the expertise of the Investment Manager, its principals and employees. In particular, the departure for any reason of the key individuals who will be primarily responsible for managing the investment of the assets of the Fund may have a materially adverse affect on the performance of the Fund.

**Illiquidity of Shares.** It is not anticipated that there will be an active secondary market for the Shares and it is not expected that such a market will develop. Shares are not transferable without the approval of the Directors. Consequently, Shareholders may not be able to dispose of their Shares except by means of redemption. Redemptions may be suspended in certain circumstances. The Fund may effect redemptions in specie or may establish a liquidating trust, account or entity to hold the relevant investments until they are liquidated at a later date. As such, a Shareholder may not receive cash proceeds on redemption or in the event that the Fund is terminated or may not receive cash proceeds in a timely manner.

**No separate counsel; No independent verification.** Ogier (Cayman) LLP (Ogier) acts as legal counsel to the Investment Manager and the Fund as to matters of Cayman Islands laws. The Directors and the Fund do not have counsel separate and independent from counsel to the Investment Manager. Ogier does not represent investors in the Fund, and no independent counsel has been retained to act on behalf of the Shareholders or any Directors. Ogier is not responsible for any acts or omissions of the Investment Manager, the Fund (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Investment Manager or the Fund. This Memorandum

is based on information furnished by the Directors and Investment Manager. Ogier has not independently verified that information.

**Side letters.** From time to time the Fund may enter into agreements (**Side Letters**) with certain prospective or existing holders of Shares, under which those holders receive advantages not appearing in this Memorandum. A Side Letter with a prospective or existing Shareholder may, for example give that Shareholder: (i) special rights to make future investments in the Fund, other investment vehicles or managed accounts; (ii) special redemption rights relating to frequency, period of notice, redemption fees payable (whether in the form of a reduction or rebate) or other terms, or any combination of these; (iii) rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Shareholders (including, without limitation, more detailed information regarding portfolio positions); and (iv) such other rights as may be negotiated by the Fund and that Shareholder. These rights may enhance that Shareholder's ability to (i) redeem Shares (including of a particular class or sub-class) or (ii) make a determination as to whether to redeem Shares of that class or sub-class, and may put other holders of Shares of that class or sub-class who are in the same position at a material disadvantage in connection with the exercise of their redemption rights. The terms of any Side Letters are in the sole discretion of the Fund. They may be based on amongst other things: (i) the size of the Shareholder's investment in the Fund; (ii) an undertaking by the Shareholder to maintain its investment in the Fund for a significant period of time; or (iii) some other similar undertaking by the Shareholder to the Fund. In accordance with the AIFMD requirements, the Fund and the Investment Manager will provide for the fair treatment of all investors and act with due diligence and in a manner it believes in good faith to be in the best interests of the Fund entities and investors, in each case taken as a whole.

**Cybersecurity.** The operations of the Investment Manager and the Fund are dependent on technology information and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt the Investment Manager's operations and those of the Fund. The service providers of the Investment Manager and the Fund are subject to the same cyber-security threats as the Investment Manager and the Fund. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the Fund, the Fund's operations and personal information relating to Shareholders may be lost, damaged or corrupted or improperly accessed, used or disclosed. Any system failure, security breach or cyber-attack on the Investment Manager or the Fund, or any of their service providers, could cause the Investment Manager and/or the Fund to suffer, among other things, financial loss, disruption to its business, including its trading capabilities and the ability of the Fund to transmit payments, including to Shareholders, increased operating costs, liability to third parties, regulatory intervention and reputational damage and could have a material adverse effect on the Fund and Shareholders' investments in the Fund.

**Master-feeder fund structure.** The Fund invests through a 'master-feeder' structure. The Fund contributes substantially all of its assets to the Canadian Master Fund. The master-feeder fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in a master fund may be materially affected by the actions of larger investment vehicles investing in the master fund. For example, if a larger investment vehicle withdraws from a master fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, a master fund may become less diverse due to a redemption by a larger investment vehicle, resulting in increased portfolio risk.

**Cross Class liability.** Separate records will be established in the books of the Fund for each Class for the purpose of allocating assets and liabilities of the Fund to the relevant Class. However, the Fund is a single legal entity and there is no limited recourse protection of any Class. Accordingly, if the liabilities attributable to a Class exceed its assets, creditors of the Fund may have recourse to the assets attributable to other Classes.

**European Economic Risks - AIFM Directive.** On July 21, 2011 the AIFMD to regulate "managers of alternative investment funds" or "AIFM" (as these terms are defined in the AIFMD) came into force. Member states of the EU were required to implement the AIFMD into national legislation by July 22, 2013. If the Shares are marketed within the EU, the entity designated as the "AIFM" will be required to procure that the



Fund complies with certain restrictions and/or meets certain conditions which may include, depending upon the structure adopted by the Fund and the marketing activities undertaken with respect to a Portfolio, restrictions and/or conditions as to their liquidity profile and redemption policy and use of leverage, transparency, the appointment of a depositary and disclosure obligations concerning the acquisition of major holdings and control of unlisted companies. Such restrictions and/or conditions may result in the restructuring of the Fund and/or its respective relationships with service providers and are likely to increase the on-going costs borne, directly or indirectly, by the relevant portfolios.

Accordingly, investors of the Fund will bear the cost of the Investment Manager for complying with the AIFMD and any additional requirements imposed by European Securities and Markets Authority or individual Member States. Additional requirements and compliance costs (including with respect to reporting obligations) may be imposed on the Investment Manager as regulatory authorities implement the AIFMD and as best practices develop. It should be noted that the interpretation and application of the AIFMD is subject to change as a result of, e.g., the issuance of further national guidance by a member state, the issuance of binding guidelines by the European Securities and Markets Authority and further EU legislation amending the AIFMD. The AIFMD may expose the Fund or the Investment Manager to conflicting regulatory requirements and may require the restructuring of the Fund, the Investment Manager and/or the relations among them.

In case the assets of the Fund will be deposited with a depositary, such assets will be clearly identified as belonging to the Fund. In case of default of the depositary (although the AIFMD provide for segregation requirements through the custody chain), there might be problems in achieving the segregation of the Fund's assets from those of other parties. This might create substantial losses for the relevant investors of the Fund. Due to the fact that the Fund's assets may be held in custody by the depositary, the Fund may become the depositary's unsecured creditor. In the event of insolvency of the depositary, the Fund may not be able to fully or partially recover the assets under custody.

**Custody Risk** The Fund maintains a custody account with CIBC Bank USA. Although the Fund monitors this entity and believes that it is an appropriate custodian, there is no guarantee that the custodian will not become insolvent. While various U.S. legislation seeks to protect customer property in the event of a failure, insolvency or liquidation of a custodian, there is no certainty that, in the event of a failure of a custodian that has custody of Fund assets, the Fund would not incur losses due to its assets being unavailable for a period of time, ultimately less than full (or no) recovery of its assets, or both.

## **6 Conflicts of interest**

Significant actual and potential conflicts of interest exist in the structure and operation of the Fund's business. See "POTENTIAL CONFLICTS OF INTEREST" in the Canada CPOM for a detailed discussion of such conflicts of interest.

### **Service providers**

The Directors, the Investment Manager, the Administrator, any broker or custodian and their respective directors, officers and employees appointed by or in respect of the Fund may, from time to time, act as director, promoter, manager, investment manager, investment adviser, registrar, administrator, transfer agent, trustee, custodian, broker, distributor or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Fund. Consequently, any of them may, in the course of their business, have potential conflicts of interests with the Fund. Each will at all times have regard to its obligations to the Fund and will endeavour to resolve such conflicts fairly.

### **The Investment Manager**

The Investment Manager and/or any of its associates may invest, directly or indirectly, in assets which may also be purchased or sold by the Fund. Neither the Investment Manager nor any of its associates shall be

under any obligation to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction. The Fund has been established and promoted at the request of the Investment Manager. Accordingly, the selection of the Investment Manager and the terms of its appointment under the Investment Management Agreement, are not the result of arms-length negotiations. However, the Directors believe that such terms are consistent with typical market terms for investment funds of a similar type to the Fund.

## **The Directors**

The Directors are affiliated with the Investment Manager which receives fees in respect of its services as asset manager of the Canadian Master Fund. The fiduciary duties of the Directors may complete with or be different from the interests of the Investment Manager.

The duties of the Directors to the Fund may compete with or be different from the interests of its service providers. Only the Directors may terminate the services of any service provider. Furthermore, the Directors may also serve as directors of other investment vehicles and, to the extent that the interests of the Fund and such other investment vehicles are inconsistent, such Directors may have a conflict of interest.]

At all times so far as practicable the Directors will have regard to their obligations to act in the best interests of the Fund and its Shareholders and will seek to ensure that any conflict of interest is resolved fairly. In addition, the Directors will seek to ensure that such conflicts of interest will be identified and managed in accordance with applicable laws and regulations (including the conflicts of interest provisions set forth in the AIFMD).

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is otherwise interested. The Director will not be liable to account to the Fund for any profit such director derives from such a transaction or arrangement provided the nature and extent of any material interest has been disclosed to the other Directors.

A Director who has an interest in any particular business to be considered at a meeting of the Directors may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting provided that the interest has been disclosed.

Save as disclosed in this Memorandum, no Director has any interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or leased to, the Fund. Save as disclosed in this Memorandum, no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.

## **7 The board of directors**

The affairs of the Fund are managed by its Directors. The Directors, who serve in a non-executive capacity, have delegated the day-to-day operation of the Fund to service providers including the Investment Manager and the Administrator. The Directors and their business experience are as follows:

**Gregory Romundt** – Mr. Romundt is the founder and President of Centurion Asset Management Inc., Centurion Apartment REIT and Centurion Financial Trust which collectively manage over \$6.2 billion of assets. He has been engaged in investment in residential real estate since 1997 and investments and financial markets since 1991. He has real estate investment experience in Singapore, Britain, Australia, China and Canada. From 1991 to 1997, he worked for Citibank in Toronto, New York and Singapore as a financial derivatives trader in interest rate derivatives, major and emerging currencies and exotic derivatives. From 1997 to 2001, he worked for AIG International Group in Hong Kong, Britain and Singapore as head of emerging market derivatives and then as Senior Vice President and Partner (Emerging Markets). He was the group risk manager, overseeing all of the firm's positions in emerging markets and was a member of the risk management committee. Mr. Romundt founded Centurion Asset Management Inc. in 2003, which is a

diversified alternative investment manager focused primarily on real asset strategies with interests in multi-residential apartments, student housing, medical offices, mortgages and corporate lending, and apartment development. Mr. Romundt was a member of the Board of Directors for NEMA (National Exempt Market Association) and of the PCMA (Private Capital Markets Association of Canada). He graduated from the Richard Ivey School of Business at the University of Western Ontario with an HBA in 1991. Mr. Romundt was nominated for and was a finalist in, the Ernst & Yong 2014 Entrepreneur of the Year award. He was named CEO of the Year in 2015 by Canadian Apartment Magazine.

Under Mr. Romundt's leadership, Centurion Asset Management Inc. has not only delivered strong returns to investors, and provided homes to tens of thousands of residents, but it has been recognized for its strong and inclusive corporate culture. Some such recognitions include for having the happiest employees in the finance industry in 2020, being on the 2021 and 2022 list of Best Workplaces in Canada and winning Silver for the Best Talent Management Strategy in 2020.

**Aaron Elniski** – Based in the Cayman Islands, Aaron Elniski is the Chief Investment Officer of the family office Sentinel Inc, which he helped launch in 2022. Prior to that he spent seven years at Dart Management Services Ltd, an institutionally sized family office headquartered in the Cayman Islands. At the time of his departure, he was a Vice President in the investment group, assisting in the management of a large public equity portfolio. Mr. Elniski spent 5 years as the Chief Financial Officer for two subsidiaries of Cayman National Corporation, a full-service financial investment company which trades on the Cayman Islands Stock Exchange. He began his professional career with PricewaterhouseCoopers, working in offices in Edmonton, Canada and the Cayman Islands.

Having graduated with a Bachelor of Commerce Degree in Accounting from the University of Alberta, Mr. Elniski then completed his articling with PricewaterhouseCoopers and achieved his Chartered Accountant designation in 2008. He went on to complete his Chartered Financial Analyst designation in 2016 after having worked in the finance industry for over 7 years. Mr. Elniski is a member in good standing with the Cayman Islands Institute of Professional Accountants, the CFA Society of the Cayman Islands, and the Chartered Professional Accountants of Canada.

The Directors do not receive an annual fee for services. The Fund may reimburse the Directors for expenses incurred by them in the performance of their duties (including reasonable traveling, hotel and other related expenses properly incurred by them in attending meetings of the Directors or any committee of the Directors or any general meeting or any meeting held in connection with the business of the Fund).

The Articles provide that every director (including any alternate director appointed pursuant to the provisions of the articles), managing director, agent, secretary or other officer for the time being and from time to time of the Fund and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Fund against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities of whatsoever nature and howsoever arising, incurred or sustained by such person, otherwise than by reason of such person's own Gross Negligence (as defined in the Articles) or wilful default in or about the conduct of the Fund's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Fund, its business or its affairs in any court whether in the Cayman Islands or elsewhere.

The Articles further provide that the Fund may advance to a director, alternate director, managing director, agent, secretary or other officer of the Fund, reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action or proceeding that arises out of such person's conduct of the Fund's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions. the director, alternate director, managing director, agent, secretary or other officer of the Fund must reimburse the Fund for any such advanced fees, costs and expenses to the extent that it is subsequently determined that the director, alternate director, managing director, agent or other officer of the Fund was not entitled to indemnification under the Articles in the performance of his or her duties.

For the purposes of this Memorandum, the address of all the Directors is the registered office of the Fund.

## **8 Investment Manager**

The Fund has appointed Centurion Asset Management Inc. (**Investment Manager**), a Canadian corporation, as the investment manager of the Fund pursuant to an investment management agreement (**Investment Management Agreement**).

See “MANAGEMENT OF CENTURION APARTMENT REIT” and “THE ASSET MANAGER” in the Canada CPOM for details of the Investment Manager’s operators and regulatory status, as well material provisions of the services agreements such as fees and expenses payable to the Investment Manager by the Canadian Master Fund.

Pursuant to the Investment Management Agreement, the Investment Manager has full discretion to manage, invest and reinvest the assets of the Fund in pursuit of the investment objective and in accordance with the investment strategies and restrictions described in this Memorandum. The Investment Manager may delegate certain of its powers under the Investment Management Agreement to any other person or persons as the Investment Manager considers appropriate.

The Fund will not pay any fees to the Investment Manager under the Investment Management Agreement but will be required to reimburse the Investment Manager for any expenses in accordance with the terms of the Investment Management Agreement.

The Investment Management Agreement provides that in the absence of gross negligence (as defined in the Investment Management Agreement), wilful default or fraud, on the part of the Investment Manager, the Investment Manager is not liable for any loss, damage, liability, outgoing, cost or that arises from errors by it of fact or judgment or from any action taken (or omitted to be taken) by it.

The Investment Management Agreement provides further that the Fund shall indemnify the Investment Manager and its directors, officers and employees (each, an **Investment Manager Party**) for any and all liabilities, losses, damages, claims, costs and expenses which may be incurred by or asserted against the Investment Manager or any Investment Manager Party in the performance of any obligation or duty under the Investment Management Agreement unless such liability, obligation, loss, damage, suit or expense arises out of or in connection with the Investment Manager's gross negligence, wilful default or fraud.

The Investment Management Agreement may be terminated by any party on 90 days' written notice and, in certain circumstances, may be terminated immediately. The Investment Management Agreement is governed by the laws of the Cayman Islands.

## **9 NAV Calculation Agent and Administrator**

NAV Consulting, Inc. has been engaged as the NAV calculation agent of the Fund (**NAV Calculation Agent**) pursuant to a service agreement entered into with the Fund (**NAV Calculation Agreement**). The NAV Calculation Agent is responsible for, among other things, calculating the Fund’s net asset value and performing certain other accounting, back-office, data processing and related professional services all as described in the NAV Calculation Agreement.

NAV Fund Services (Cayman) Ltd. (**Administrator**) acts as the Administrator of the Fund pursuant to a service agreement entered into with the Fund (**Administration Agreement**, the Administrative Agreement and the NAV Calculation Agreement referred to collectively as the **NAV Agreements**). The Administrator is responsible for, among other things: (i) maintaining the register of Shareholders of the Fund and processing the issuance and transfer of Shares of the Fund; (ii) disseminating financial information to Shareholders; (iii) processing requests for transfers and redemption of Shares; (iv) keeping books and records of the Fund;

and (v) performing other services in connection with the administration of the Fund as described in the Administration Agreement.

The NAV Agreements provide that the NAV Calculation Agent and the Administrator (referred to collectively as **NAV**) shall not be liable to the Fund, any Shareholder or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV. Furthermore, the Fund shall indemnify and hold harmless the NAV Calculation Agent, the Administrator, their affiliates, and their respective officers, directors, shareholders, employees, agents and representatives (collectively, **NAV Parties**) from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, **Loss** and collectively, **Losses**) arising from, related to, or in connection with the services provided to the Fund pursuant to the NAV Agreements, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of NAV. In no event shall NAV have any liability to the Fund, any Shareholder or any other person or entity which seeks to recover alleged damages or losses in excess of the fees paid to NAV by the Fund in the one year preceding the occurrence of any loss, nor shall NAV be liable for any indirect, incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if NAV has been advised of the possibility of such damages or such damages were foreseeable. Any claim brought against NAV in connection with the NAV Agreements will be barred unless it is initiated within one year of the earlier of the disclosure of the event which is the subject of such claim or the date that the party advancing such claim knew or could with due inquiry have known of such event.

NAV shall not be liable to the Fund, any Shareholder or any other person for the actions or omissions of any agent, contractor, consultant or other third party performing any portion of the services under the NAV Agreements absent a finding of gross negligence or fraud on the part of NAV in appointing such agent, contractor, consultant or other third party.

NAV shall not be liable to the Fund, any Shareholder or any other person for actions or omissions made in reliance on instructions from the Fund or advice of legal counsel.

The services provided by NAV are purely administrative in nature. NAV has no responsibilities or obligations other than the services specifically listed in the NAV Agreements. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against NAV. NAV does not provide tax, legal or investment advice. NAV has no duty to communicate with Shareholders other than as set forth in Exhibit A of the NAV Agreements. NAV does not have custody of Fund's assets, it does not verify the existence of, n or does it perform any due diligence on the Fund's underlying investments, including, investments in or via related or affiliated entities. In connection with the payment processing functions, NAV shall not be responsible for performance of the due diligence on payment recipients other than in connection with payments for Shareholders' redemptions from the Fund, which are subject to anti -money laundering review functions of the services.

The NAV Agreements also provide that it is the obligation of the Fund's management, and not of NAV, to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering documents, including, without limitation, with its valuation policy or the Fund's stated investment strategy, and with laws and regulations applicable to its activities. Moreover, the Fund's management's responsibility for the management of the Fund, including without limitation, the valuation of the Fund's assets and liabilities, including, defining and maintaining the valuation policy and for fair valuing the Fund's assets, the oversight of the services provided by NAV and the review of output delivered by NAV shall not be affected by or limited by any of the services provided by NAV.

The NAV Agreements provides that NAV is entitled to rely on any information, including valuation information, received by NAV from the Fund, the Fund's management or other parties, including without limitation, broker -dealers and data vendors and NAV shall not be liable to the Fund, any Shareholder or any other persons for losses suffered as a result of NAV relying on incorrect information. NAV has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the valuation information. NAV may accept such information as accurate and complete

without independent verification. Furthermore, NAV shall not be liable to the Fund, any Shareholder or any other person for any loss incurred as a result of an error or inaccuracy of any valuation information received from the Fund or from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by NAV.

Where the Fund makes investments via related entities, to produce net asset value calculation, NAV will use the valuation information of such intermediate, related entities. The valuation information of the intermediate, related entities may be provided by the Investment Manager or the manager of the intermediate, related entities. NAV is not responsible for performing any due diligence on any of the Fund's investments, including, the intermediate, related entities and for verifying the existence of the end investments. The Fund is responsible for the completeness of records, documents and information provided to NAV to perform the services under the NAV Agreements.

The NAV Agreements provide that the services, including the anti -money laundering services provided by NAV, do not encompass monitoring of Fund's trading activity for the purposes of detecting or preventing money laundering. NAV is not responsible for monitoring transactions effected by the Fund's management to ensure compliance with the applicable AML laws and regulations. NAV does not monitor the Fund's trading activities for the purposes of assuring compliance with OFAC sanctions programs.

The information on investor statements and other reports produced by NAV shall not be considered an offer to sell or a solicitation of an offer to purchase any Shares, nor may it be used to induce or recommend the purchase or holding of Shares.

The NAV Agreements bar non-parties from asserting third party beneficiary claims against NAV.

The Fund pays NAV fees out of the Fund's assets, generally based upon the size of the Fund, in accordance with NAV's standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the NAV Agreements on 180 days' prior written notice as well as on the occurrence of certain events.

Shareholders may review the NAV Agreements by contacting the Fund; provided, that NAV reserves the right not to disclose the fees payable thereunder.

NAV is not responsible for the preparation of this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in any other section of this Memorandum.

Within the meaning of the applicable data protection laws, NAV acts as a Processor of Fund's Personal Data. NAV engages its affiliate, Back Office IT Solutions, Pvt. Ltd. to perform some of the services under the NAV Agreements, which may include, processing of Fund's Personal Data. As NAV Consulting, Inc. is located in the United States and Back Office IT Solutions Pvt. Ltd. in India, Fund's Personal Data is exported to and processed in the United States and India. For more information about how NAV collects, processes, uses and secures the Fund's Personal Data, please reference NAV's Privacy Notice at: [https://www.navconsulting.net/Privacy -Policy](https://www.navconsulting.net/Privacy-Policy).

The Administration Agreement is governed by the laws of Illinois, USA.

## **10 Advisers**

The Fund and/or the Investment Manager may enter into arrangements with one or more advisers, distributors or placement agents (**Advisers**) who will source investors to subscribe for Shares. Investors introduced to the Fund by an Adviser will be issued Class I Shares. The Advisor may directly charge the investor a fee with respect to the subscription for Class I Shares which would be separately disclosed to such investor. The Canadian Master Fund may pay an Adviser the relevant trailer, fees and any related

commissions, in relation to any Class I Units. In no case shall the Fund be required to pay any fees to any Advisers.

## **11 Custodian**

The Fund has entered into a treasury management services agreement (**TMSA**) with CIBC Bank USA pursuant to which CIBC Bank USA will provide certain custody and banking services to the Fund. CIBC Bank USA's primary business is custody and banking and it is regulated by Federal Deposit Insurance Corporation. CIBC Bank USA is paid its customary fee under the terms of the TMSA. Under the TMSA, the Fund agrees to a liability cap for CIBC Bank USA and to exculpate and indemnify CIBC BANK USA in certain circumstances except where CIBC has not acted with ordinary care or has acted with willful misconduct or gross negligence in performing the services.

## **12 Fees and expenses**

No management fees or performance fees are payable in respect of the Shares. See the Canada CPOM and particularly, "ASSET MANAGER'S FEES AND CARRY ALLOCATION", for details on the fees, carry allocation and expenses payable by the Canadian Master Fund.

Legal Counsel have received fees calculated on a combination of a fixed fee and time spent basis in connection with the formation and launch of the Fund and may continue to receive fees on such basis in connection with ongoing legal and regulatory advice.

## **13 Subscription procedure**

### **Subscription Price and issuance**

Shares are being offered for subscription during the Initial Offering Period at a fixed price of US\$100 per Share. Following the close of the Initial Offering Period, Shares will be available for subscription on the first Business Day of each month (**Subscription Day**) at the Net Asset Value per Share as at the Valuation Point on the Valuation Day immediately preceding the Subscription Day on which the application is effective (**Subscription Price**).

The **Initial Offering Period** is the period determined by the Directors during which Shares are first offered for subscription, which will commence at 9:00 a.m. (Cayman Islands time) on 5 July 2023 and end at 5:00 p.m. (Cayman Islands time) on or the last Business Day in the month in which an application for Shares is accepted, if later, or such other day or time as the Directors may determine.

A **Business Day** is a day (other than a Saturday or a Sunday) on which banks in Cayman Islands are authorised to open for normal banking business and/or such other day or days as the Directors may determine, either generally or in any particular case.

The **Valuation Point** is the close of business in the last market relevant to the Fund to close on each Valuation Day or such other time as the Directors may determine.

A **Valuation Day** is the last Business Day of each calendar month and/or such other day or days as the Directors may determine, either generally or in any particular case.

The Directors may with respect to any Subscription Day (either generally or in a particular case) determine to make a conditional allotment of Shares conditional only upon receipt by the Fund of the Subscription Price relating to such Shares (**Provisional Allotment**). To the extent the Fund has not received the Subscription Price for the Shares that are subject to the Provisional Allotment within five Business Days of the Subscription Day (subject to extension by the Directors in their sole discretion), the Provisional Allotment shall automatically be void ab initio. To the extent the Fund does receive the Subscription Price for the Shares that are subject to the Provisional Allotment within five Business Days of the Subscription Day

(subject to extension by the Directors in their sole discretion), the Shares shall be automatically allotted and issued, and such Shares shall be treated for all purposes (including as to economic effect) as having been issued with effect from the relevant Subscription Day in accordance with this Memorandum and the Articles, notwithstanding that the Fund's register of members may not be updated until after the Subscription Day. Where a subscription for Shares is accepted, the Shares will, subject to the terms of this Memorandum and the Articles relating to a Provisional Allotment, be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Shares may not be entered in the Fund's register of members until after the relevant Subscription Day. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day.

### **Minimum Investment**

The minimum initial investment per subscriber is US\$100,000. The minimum amount of any subsequent subscription is US\$5,000 or such lesser amount as the Directors may determine, either generally or in any particular case. These requirements will not apply to subscriptions by the Investment Manager or any of its directors, employees, shareholders, related entities or connected persons if they do not meet the definition of "investor" under the Mutual Funds Act.

### **Payment**

Payment for Shares must be made in cash by electronic transfer, net of bank charges, and is due in cleared funds in USD. In the event that subscription monies are received in any currency other than the operational currency of the Shares, conversion into the operational currency will be arranged by the Administrator at the risk and expense of the subscriber. Any bank charges incurred in respect of electronic transfers will be deducted from subscriptions monies and only the net amount will be invested in Shares.

All subscription monies must originate from an account held in the name of the subscriber. No third party payment will be permitted. Interest on subscription monies will accrue to the Fund.

### **Eligible Investors**

Each subscriber for Shares will be required to represent and warrant to the Fund that, amongst other things: (i) it is able to acquire and hold Shares without breaching the law or requirements of any country, regulatory body or government authority; (ii) it has the knowledge, expertise and experience in financial matters to evaluate the risks associated with investing in the Fund; (iii) it is aware of the risks inherent in investing in the types of assets in which the Fund will invest and the method by which these assets will be held and/or traded; and (iv) it can bear the loss of its entire investment in the Fund.

Shares will not be issued or transferred to any person in circumstances which, in the opinion of the Directors, would or may cause an undue risk of adverse tax, regulatory or other consequences to the Fund or any Shareholders.

Shares may not be issued or transferred to or for the account of a US Person:

The Directors may from time to time in their sole discretion permit persons meeting the above requirements (**Eligible Investors**) on such terms and using such definition as they may determine.

### **Subscription Procedure**

Subscribers for Shares must send their completed Subscription Agreement, together with any supporting documents, so as to be received by the Administrator by no later than 5:00 p.m. (Cayman Islands time) on the Business Day which is five (5) Business Days before the applicable Subscription Day.

Should a prospective investor not receive an acknowledgement within 5 days of submitting the request or a trade confirmation thereafter, it is the prospective investor's responsibility to contact the Administrator to



ascertain the status of its subscription as it cannot assume its successful subscription until it receives an acknowledgement and thereafter, a trade confirmation. If the subscription is not accepted, payment will be returned without deduction or interest. Subject to the provisions of this Memorandum and the Articles relating to a Provisional Allotment, cash subscription monies must be sent by electronic transfer, net of bank charges, so that cleared funds are received in the bank account of the Fund by the same time.

Notwithstanding the method of communication, the Fund and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, the subscriber will be required to re-send the documents. Note that the subscriber must use the form document provided by the Fund in respect of the subscription, redemption or transfer, unless such condition is waived by the Fund and/or the Administrator. Messages sent via email must contain a duly signed document as an attachment.

If the completed Subscription Agreement, all documents required for the purposes of verifying the identity of the subscriber and source of the subscriber's funds and, subject to the provisions of this Memorandum and the Articles relating to a Provisional Allotment, subscription monies in cleared funds are not received by the applicable time referred to above, the application will be held over to the Subscription Day following receipt of the outstanding documentation, information and/or subscription monies, as the case may be. Shares will then be issued at the relevant Subscription Price on that Subscription Day. The Directors may waive the requirements specified above, either generally or in any particular case.

Shares are deemed to be issued at the beginning of business on the relevant Subscription Day.

Subscription Agreements may be sent by email provided the original follows promptly. None of the Directors, the Fund, the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Subscription Agreement sent by email, or for any loss caused by or as a result of any action taken in connection with email instructions believed in good faith to have originated from properly authorised persons.

Once a completed Subscription Agreement has been received by the Administrator it is irrevocable. Written confirmation detailing the Shares which have been issued will be sent to successful subscribers as soon as practicable after the relevant Subscription Day.

Shares will be issued to two decimal places. Any smaller fraction of a Share that would otherwise arise will be rounded down, with the relevant subscription monies being retained for the benefit of the Fund.

The Fund may reject any application in whole or part and without giving any reason for doing so. If an application is rejected, the subscription monies paid, or the balance thereof in the case of a partial rejection, will be returned (without interest) as soon as practicable to the account from which the subscription monies were originally remitted, at the risk and cost of the subscriber.

Although Shares will not be issued until the relevant Subscription Day, subscription monies are immediately deposited into the Fund and kept in custodial status without interest. Prior to the issuance of Shares, the Administrator may release subscription proceeds to ensure that investments can be effected on the relevant Subscription Day. None of the Directors, the Fund or the Administrator will be liable for any loss which a subscriber may suffer as a result of the release of subscription proceeds in such circumstances.

### **Anti-money laundering procedures**

To ensure compliance with applicable statutory requirements relating to anti-money laundering and anti-terrorism initiatives, the Fund, or the Administrator on behalf of the Fund, will require such information and documentation as it considers necessary to verify the identity, address and/or source of funds of all prospective investors. Depending on the circumstances of each application and the anti-money laundering policies and procedures of the Administrator, a detailed verification might not always be required. The Fund or the Administrator also reserves the right to request such verification evidence in respect of a transferee of Shares and before making a distribution or redemption payment.

In the event of delay or failure by the prospective investor or transferee to produce any evidence required for verification purposes, the Fund, or the Administrator on its behalf, may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which such funds were originally debited.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands (**FRA**) or a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands), if the disclosure relates to criminal conduct or money laundering, or (ii) the FRA or a police constable or a nominated officer, pursuant to the Terrorism Act (Revised), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property; and such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing for Shares, subscribers consent to the disclosure by the Fund, the Investment Manager, the Administrator and their delegates, agents and affiliates, of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

Each subscriber for Shares will be required to make such representations as may be required by the Fund in connection with anti-money laundering programmes, including, without limitation, representations that such subscriber is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control (**OFAC**) website or on the sanctions lists adopted by the United Nations, the European Union or the United Kingdom to such extent such sanctions are extended by the UK Government to the Cayman Islands by virtue of Order in Council passed by the UK Government, as such lists may be amended from time to time (**Sanctions Lists**), that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes or on any Sanctions List and is not operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, the European Union or the United Kingdom apply or otherwise subject to such sanctions. . Each subscriber will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene Cayman Islands, United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

None of the Fund, the Investment Manager, the Administrator or their respective delegates, agents and affiliates will be liable for any loss suffered by a subscriber arising as a result of a refusal of, or a delay in processing, an application for Shares if such information and documentation as has been requested by the Fund, or the Administrator on behalf of the Fund, has not been provided by the subscriber in a timely manner.

## **14 Redemptions and transfers**

### **Procedure for redemption of Shares**

Subject to the requirements relating to redemptions, a Shareholder may redeem all or any part of its Shares on 15<sup>th</sup> day of each and every month (**Redemption Day**). If the 15<sup>th</sup> day is not a Business Day, the Redemption Day for the month will be the next succeeding Business Day.

A completed request for redemption of Shares (**Redemption Request**) must be received by the Administrator no later than 5:00 p.m. (Cayman Islands time) on a Business Day falling at least 35 calendar days (or such lesser period as the Directors may permit, either generally or in any particular case) prior to the relevant Redemption Day. Shares will be redeemed at the Net Asset Value per Share as at 5:00 p.m.

(Cayman Islands time) on Redemption Day (**Redemption Price**). Information as to the Redemption Price and repurchase price may be obtained from the Administrator.

If a Shareholder redeeming Shares has subscribed for Shares at different times and is not redeeming all of his Shares, those Shares which have been in issue for the longest period of time will be redeemed first unless determined otherwise by the Directors.

If a Redemption Request is received which would, if satisfied, result in the aggregate Net Asset Value of the Shareholder's Shares being reduced to less than US\$100,000 (**Minimum Holding**), the Fund may treat such Redemption Request as a request for a partial redemption only up to the Minimum Holding or as a redemption request in respect of all the Shares held by the Shareholder.

A request for a redemption of Shares with an aggregate Net Asset Value per Share of less than US\$1,000 will be refused, unless otherwise agreed by the Directors.

The Administrator will use reasonable efforts to confirm in writing all Redemption Requests which are received in good order. A Shareholder failing to receive such written confirmation from the Administrator within three business days should contact the Administrator to obtain the same. Failure to obtain such a written confirmation from the Administrator may render the request void, unless otherwise permitted by the Fund.

#### **Payment of redemption proceeds**

In general, the Redemption Price of the redeemed Shares as of the date of redemption will be paid on the Redemption Day.

#### **Redemption fee**

A redemption fee of 3% of the Redemption Price will be deducted from the redemption proceeds payable on the redemption of Shares which have been in issue for less than 6 calendar months.

#### **Compulsory redemption**

The Fund may, with or without cause and without giving any reasons, by notice in writing to a Shareholder, redeem all or any of such Shareholder's Shares on any day designated by the Directors, provided that not less than five (5) days' notice of such redemption shall be given.

When the Fund becomes aware that (a) a Shareholder has ceased to be an Eligible Investor; or (b) a Shareholder is holding Shares in breach of any law or requirements of any country, regulatory body or government authority; or (c) the continued holding of Shares by a Shareholder, would or may in the opinion of the Directors, cause an undue risk of an adverse tax, regulatory or other consequences to the Fund or any other Shareholders; or (d) the Directors determine that any of the representations given by any holder of Shares as set forth in the Subscription Agreement were not true or have ceased to be true, the Directors may redeem all or any part of the Shares held by such Shareholder. Shareholders are required to notify the Fund and the Administrator immediately if at any time they become aware that any of the above circumstances apply to them. Subject to applicable law, payment will be made in accordance with the procedure applicable to Shares that are redeemed at the request of the holder.

Where any fees, payment, withholding or deduction becomes payable by the Fund because of a particular Shareholder, the Fund may redeem a portion of such Shareholder's Shares in order to pay such amount. In such circumstances, the redemption proceeds may be paid directly by the Fund to the relevant third party and not paid to the Shareholder.

#### **Transfers**

Shares may not be transferred without the prior written consent of the Directors. The Directors may withhold their consent without giving any reason for doing so.

Shareholders wishing to transfer Shares must complete a transfer request, which shall be in such form as the Directors may from time to time approve. The completed transfer request, duly stamped, if applicable, together with such evidence as the Directors may require to show the right of the transferor to make the transfer, must be sent to the Administrator. If the transferee is not already a Shareholder, the transferee will be required to complete a Subscription Agreement and comply with all eligibility and identification requirements for a subscriber for Shares.

The transfer will take effect upon the registration of the transferee in the register of Shareholders.

The Directors may decline to register a transfer without giving any reason for doing so. No transfer will be registered if, as a consequence of such transfer, the Shares retained by the transferor or registered in the name of the transferee would be less than the Minimum Holding.

## **15 Net Asset Value**

### **NAV Calculation Policy**

This section details the Fund's Net Asset Value calculation policy (**NAV Calculation Policy**) for the purposes of CIMA's Rule regarding the "Calculation of Asset Values – Regulated Mutual Funds" dated July 2020. Any material changes to the NAV Calculation Policy will be reflected in updates or supplements to this Memorandum as soon as reasonable practicable following such changes.

#### **Calculation and publication**

The Directors have delegated responsibility for the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund and each Class and the Net Asset Value per Share to the NAV Calculation Agent, in accordance with the principles and methodologies described below. Notwithstanding such delegation the Directors have ultimate responsibility for oversight of the valuation process and shall review and approve the NAV Calculation Policy at least annually.

The Net Asset Value and the Net Asset Value per Share will be calculated as at the Valuation Point on each Valuation Day in accordance with International Financial Reporting Standards (**IFRS**) and the Articles by deducting from the assets attributable to the Fund or Class, as applicable, the liabilities attributable to it. Such liabilities will include:

- (a) the fees and expenses of the Investment Manager, NAV and other service providers to the Fund including accrued but unpaid fees and expenses;
- (b) amortization for organizational costs;
- (c) an allowance for the Fund's estimated annual audit and legal fees;
- (d) accrued interest expenses and commitment fees on loans, repurchase agreements fees, and debit balances;
- (e) withholding taxes, transfer taxes and other governmental charges and duties;
- (f) any reserve determined to be required for contingencies;
- (g) any other liabilities or expenses to be borne by the Fund; and
- (h) the par value of the Management Shares.

For the purposes of determining the Net Asset Value of a class, a separate record with its own distinct designation will be established in the books of the Fund in respect of each class. An amount equal to the proceeds of issue of each Share will be credited to the record for the relevant class. Any increase or decrease in the Net Asset Value (disregarding for these purposes any increase in the Net Asset Value due to new subscriptions, any decreases in the Net Asset Value due to redemptions or the payment of dividends and any designated adjustments (as described below)) will be allocated to the record for each class based on the respective percentage of the Net Asset Value represented by each record as at the Valuation Day. There will then be allocated to the record of each class the designated adjustments being those costs, expenses, losses, dividends, profits, gains and income (including the costs and any benefit of hedging the foreign currency exposure of any class denominated in a currency other than the base currency) which the Directors determine relate solely to that class.

The Net Asset Value per Share on any Valuation Day will be calculated by dividing the Net Asset Value of the relevant Class by the number of participating shares of such class in issue as at the close of business on that Valuation Day.

The Net Asset Value of the Fund and the Net Asset Value per Share will be communicated to Shareholders, promptly following completion of the Net Asset Value calculations by the NAV Calculation Agent, by way of investor statements issued by the NAV Calculation Agent on a monthly basis. The methodology employed for the communication of reports to Shareholders shall ensure that such communication is, effectively, provided directly to Shareholders (i.e. neither the Investment Manager nor the Fund shall have any opportunity to modify such reports).

### **Valuation of assets**

In this section, fair value refers to the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants in the principal or most advantageous market applicable to such investment.

The value of the net assets of the Fund at any date will be determined on the accrual basis of accounting utilising IFRS as a guideline and denominated in U.S. Dollars, and in accordance with the principles summarised below with reference to the NAV Calculation Agent's pricing matrix (**Pricing Matrix**), a copy of which is available upon request.

- (a) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued on the Valuation Day as at the time and at the price quoted by the pricing source listed in the Pricing Matrix, generally being at its last traded price as at the close of the relevant market or, if no trades occurred on such day, at the mean between the representative "bid" and the representative "asked" prices on the date of determination, or if no such prices were quoted on such date, on the most immediate prior date on which such prices were quoted;
- (b) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available will be valued on the Valuation Day as at the time and at the price quoted by the pricing source listed in the Pricing Matrix, generally being at the last traded price or the mean between the representative "bid" and the representative "asked" prices on the date of determination, or if no such prices were quoted on such date, on the most immediate prior date on which such prices were quoted;
- (c) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued as at the time and at the price quoted by the pricing source listed in the Pricing Matrix, generally by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price as at the close of the relevant market on which such investments are or can be dealt in or traded, provided that where such

investments are dealt in or traded on more than one market, the NAV Calculation Agent may determine which market shall prevail;

- (d) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued as at the time and at the price quoted by the pricing source listed in the Pricing Matrix, generally by reference to the valuation obtained from an independent pricing source, but where no such valuation is available for a particular investment, the investment will be valued by comparing the latest available valuation provided by the relevant counterparty against the valuation provided by such other counterparties as the NAV Calculation Agent deems appropriate. In the event that the valuations provided respectively by the relevant counterparty and the other counterparties differ to an extent that the NAV Calculation Agent considers to be material, the investment shall be valued on the basis of the average of all of the valuations but otherwise will be valued on the basis of the valuation provided by the relevant counterparty;
- (e) investments in other investment funds or vehicles will be valued at the prices provided by the administrators of such entities. Where definitive prices are not available on the applicable Valuation Day, the last definitive or estimated available prices, provided by the administrators of such entities, may be used and no adjustment shall be made, notwithstanding any subsequent adjustment to the definitive or estimated valuation provided in respect of the underlying investment fund or vehicle;
- (f) deposits will be valued at their cost plus accrued interest; and
- (g) any value (whether of a security or cash) otherwise than in base currency of the Fund will be converted into the base currency at the rate (whether official or otherwise) which the NAV Calculation Agent deems appropriate to the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange.

The Fund values its securities by giving priority to unadjusted market prices (i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market on the Valuation Date that is directly observable and in a market accessible by the Fund), and for any securities for which there is no market price (hard-to-value securities), priority shall be given to valuation inputs that are directly observable (i.e. those derived from market data, including publicly available information about events and transactions or reflective of assumptions that market participants would use) with the lowest priority being given to inputs that are unobservable (i.e. where market data is not available regarding the assumptions that market participants would use). In valuing hard-to-value securities, all information shall be taken into account which is reasonably available on the applicable Valuation Date that would be considered by a relevant market participant, but without the need to undertake exhaustive efforts to obtain such information.

Although the Fund is not generally expected to invest in hard-to-value securities, certain of the Fund's assets and liabilities may cease to have readily observable market prices and the valuation of such assets may rely on quoted prices in inactive markets or models that have observable inputs. Where any assets or liabilities of the Fund cease to have readily observable market prices, the Investment Manager shall immediately disclose such circumstances to the Shareholders and, thereafter, the valuation of each hard-to-value securities shall constitute a deviation from the Fund's NAV Calculation Policy.

In connection with the determination of the value of the assets of the Fund, the NAV Calculation Agent may consult with and is entitled to rely upon the advice of the Investment Manager and other service providers of the Fund.

To the extent required, the involvement of the Investment Manager in valuing hard-to-value securities is an integral part of the NAV Calculation Policy as there are circumstances in which the Investment Manager is party to information regarding the Fund's assets that is not generally available or because there is no publicly available information upon which the NAV Calculation Agent may rely. This is particularly the case with hard-to-value securities in respect to which subjective assumptions may be key to mark to model valuation. In such

cases, the Investment Manager will supply the NAV Calculation Agent with all documentation generated in, or relied upon, in connection with valuing any hard-to-value securities. In no event and under no circumstances will the Directors, the NAV Calculation Agent or the Investment Manager incur any individual liability or responsibility for any determination made, advice given or other action taken or omitted by them in good faith with respect to the determination of the value of the Fund's assets or the Net Asset Value per Share, as the case may be.

The NAV Calculation Agent will apply all methodologies associated with the calculation of Net Asset Value on a consistent basis and take steps that are reasonable and proportionate to the risk of material error or bias to verify the facts on which the prices are determined and the appropriateness of the provided price to the extent reasonably possible.

Prospective investors should be aware that situations involving uncertainties as to the valuation of the Fund's assets could have an adverse effect on Net Asset Value, if judgments regarding appropriate valuations made by the NAV Calculation Agent should prove incorrect. Absent bad faith or manifest error, the determination of Net Asset Value by the NAV Calculation Agent will be conclusive and binding on all investors. The Net Asset Values may be adjusted under certain circumstances (such as to correct an error resulting from an incorrect calculation or quotation).

The Fund may establish reserves for future, contingent, unknown, or unfixed debts, liabilities, or obligations of the Fund (including legal fees and indemnification expenses), as the Directors may deem advisable or appropriate. The amount of any such reserve will be determined by the Directors in their sole discretion, is not required to be made in accordance with IFRS, and will be conclusive and binding on all Shareholders and former Shareholders.

## **16 Suspensions**

The Directors may declare a temporary suspension of any or one or more of: (a) the issue of Shares of any class or sub-class and may (but need not) combine such a suspension with a simultaneous suspension of the determination of the Net Asset Value per Share of such class or sub-class; (b) the redemption by a Shareholder of Shares of any Class or Sub-Class and may (but need not) combine such a suspension with a simultaneous suspension of the determination of the Net Asset Value per Share of such class or sub-class; (c) the determination of the Net Asset Value per Share of any class or sub-class and may (but need not) combine such a suspension with a simultaneous suspension of the redemption of Shares by a Shareholder of such class or sub-class; or (d) the payment of redemption proceeds to a former Shareholder in respect of shares of any class or sub-class,

The Directors may declare any such suspension in such circumstances as they may deem appropriate, including (but not limited to) in respect of the whole or any part of a period:

- (a) during which any securities exchange or similar electronic system on which a substantial part of the assets of the Fund are traded is closed, otherwise than for ordinary holidays, or dealings on such securities exchange or similar electronic system are restricted or suspended;
- (b) during which the disposal of a substantial part of the assets of the Fund would not be reasonably practicable;
- (c) during which it is not reasonably practicable to accurately determine the value of a material portion of the assets of the Fund;
- (d) during which none of the Redemption Requests which have been made may lawfully be satisfied by the Fund in the operational currency of the relevant class of Shares;
- (e) during which there is a breakdown in the means of communication or the systems normally used to determine the prices of a material portion of the assets of the Fund or the Net Asset Value;

- (f) during which the business operations of the Investment Manager or NAV are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God;
- (g) during which the proceeds of the sale or redemption of Shares cannot be transmitted to or from the Fund's account;
- (h) during which the underlying fund has suspended or restricted redemptions.
- (i) after the passing of a resolution to wind-up the Fund.

Any suspension will take effect at the earlier of: (i) the time the Directors specify in their declaration; and (ii) the close of business on the Business Day immediately following the day on which the Directors declare the suspension. The suspension will continue until the Directors declare that it is ended. The holders of Shares will be notified of any suspension as soon as practicable after the declaration of such suspension. Such Shareholders will also be notified when the period of such suspension has ended.

Applications for Shares for a Subscription Day falling within a period when the issue of Shares is suspended will be acted upon on the first Subscription Day after the suspension has ended. A subscriber may withdraw his or her application for Shares during a period of suspension provided that a withdrawal notice is actually received by the Administrator before the suspension is ended.

Unless the Directors otherwise determine, any Redemption Requests received prior to the commencement of a period of suspension will be carried forward to the next earliest relevant Redemption Day occurring after the suspension has ended and will be given priority over Redemption Requests received during a period of suspension. A Shareholder may withdraw his Redemption Request during a period of suspension provided that a withdrawal notice is actually received by the Administrator before the suspension is ended.

While such suspensions may be temporary, the circumstances giving rise to the decision to suspend may continue for a prolonged period of time such that the Directors, in consultation with the Investment Manager, consider that it is appropriate that the suspension be declared permanent, and the investments of the Fund be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund.

## **17 Share capital**

The Directors are authorised under the Articles to resolve from time to time the class to which Shares are to be designated and/or redesignated. Subject to the provisions of the Articles and the Companies Act of the Cayman Islands (**Companies Act**), the Fund may increase or reduce its authorised share capital, divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount.

The Articles provide that unissued participating shares are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. Specifically, the Directors are authorized, without providing prior notice to, or receiving consent from, existing Shareholders, to establish and issue additional classes of participating shares that are subject to different terms, including, without limitation, voting rights, fees, minimum subscription amounts, redemption rights, information rights, capacity rights and other rights, as determined from time to time by the Directors.

All Shares will be issued in registered form only. There are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on the holders of Shares or Management Shares. No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option.



## **Rights of the Management Shares**

The Management Shares are held by the Investment Manager. The Fund is not offering Management Shares to investors. The Management Shares do not participate in the profits and losses of the Fund and carry no right to dividends. On the winding up of the Fund, the holder of the Management Shares is only entitled to receive its paid-up capital of US\$0.01 per Management Share. Management Shares are not redeemable. Except as described under 'Modification of rights attaching to a Class' below, the holders of the Management Shares have the exclusive right to vote (to the exclusion of the holders of the Shares) in respect of all matters relating to the Fund. Each holder of Management Shares is entitled to one vote for each Management Share held by it.

## **Rights of the Shares**

The Shares are entitled to receive, to the exclusion of the holder of the Management Shares, any dividends that may be declared by the Fund. Shares within each Class carry an equal right to such dividends as the Directors may declare. On a winding-up of the Fund, the Shares are entitled to the full amount of the assets of the Fund other than the paid-up capital of US\$0.01 per Management Share. The surplus assets of the Fund attributable to each Class will be distributed among the holders of Shares of that Class according to the number of such Shares held by each of them.

Except as described under 'Modifications of rights attaching to a Class' below, the holders of Shares have no right to vote.

## **General meetings**

As a Cayman Islands exempted company, the Fund is not required to hold scheduled annual general meetings of Shareholders. General meetings may be called by the Directors and will be called upon the written request of 50 per cent or more of the holders of shares entitled to vote on the matters to be considered. Unless agreed otherwise in accordance with the Articles, those meetings require seven days' prior notice which may be given by hand, mail or email, or alternatively, where the recipient has agreed, by posting the notice on a secure nominated website.

The vote of the person first named in the register of Shareholders shall be accepted as the vote of joint Shareholders, to the exclusion of the votes of the other joint holders. Votes may be cast in person or by proxy.

Unless the Articles or the Companies Act requires a special resolution (being a resolution passed by a two-thirds majority of votes cast or a unanimous written resolution of all holders of shares entitled to vote and expressed to be a special resolution), all decisions of the holders of shares entitled to vote on the matters to be considered will be made by a simple majority on condition that a quorum of the holders of one-third of shares entitled to vote on the matters to be considered is present in person or by proxy. Any matter may also be adopted by resolution in writing of all the holders of shares entitled to vote on the matters to be considered.

## **Modification of rights attaching to a class**

The rights attaching to participating shares of any class may be varied or abrogated either whilst the Fund is a going concern or during or in contemplation of a winding up without the consent of the holders of the issued shares of that class where such variation is considered by the Directors not to have a material adverse effect upon such holders' rights attaching to those shares; otherwise, any such variation may be made with the consent in writing of Shareholders holding two-thirds of the votes entitled to be cast by holders of shares at a general meeting of the class affected by the proposed modification or with the sanction of a resolution of such Shareholders holding not less than two-thirds of the votes which could be cast by holders of shares of that class at a general meeting. For the purpose of soliciting consent in writing, the Directors may cause notice of the proposed variation or abrogation to be given to all affected Shareholders with objections to be received prior to a date falling not less than 14 days after notice is given or provide all

affected Shareholders with an opportunity to redeem their shares prior to the variation or abrogation becoming effective; in either case a Shareholder who fails to object or redeem within the relevant timeframe shall be deemed to have consented. For such purposes the Directors may treat one or more classes as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate classes. At a general meeting of the holders of the shares of the relevant class, all voting will be by poll and each holder who is present in person or by proxy will have one vote for every \$1.00 of the aggregate Net Asset Value per share of its shares.

### **Amendments to the Articles**

Except as described under 'Modification of rights attaching to a Class' above, the holders of the Management Shares may, by special resolution, amend the Articles.

### **Winding up and termination**

Under the Companies Act and the Articles, the Fund may be wound up by a special resolution of the holders of the voting shares in the Fund, or if the Fund is unable to pay its debts as they fall due, by an ordinary resolution of the holders of the voting shares of the Fund. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

The Articles provide that the Fund's business shall continue for so long as the Fund holds assets, irrespective of whether the Directors have determined that the Fund shall not acquire any further investments. Accordingly, the investments of the Fund may be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund (**Realisation**). Unless the Directors consider it is in the best interests of the Fund that it be placed into liquidation under the Companies Act, the Realisation shall be managed by the Directors, together with, if the Directors so determine, the Investment Manager. If the Directors determine that the Investment Manager is to manage the Realisation, the appointment of the Investment Manager will continue on the terms of the Investment Management Agreement then in force unless the Directors determine otherwise.

### **18 Distribution policy**

The Fund intends to reinvest any monthly income received from the Canadian Master Fund into the Canadian Master Fund. Subject to Cayman Islands law, the directors intend to declare an annual dividend on the Shares, which investors can elect in the Subscription Agreement to reinvest in the Fund. See "DISTRIBUTION POLICY" in the Canada CPOM for further details.

### **19 Term**

The Fund will continue to operate until wound up in accordance with the Articles and the Companies Act. The Fund may be wound up by the passing of a special resolution of the Shareholders.

### **20 Regulatory matters**

#### **Mutual Funds Act**

The Fund is registered as a mutual fund under section 4(3) of the Mutual Funds Act and is therefore regulated under that law. The Fund specifies that the minimum aggregate equity interest purchasable by a potential investor in the Fund is at least US \$100,000 or its equivalent in any other currency. Consequently, the Fund qualifies for registration under that section without the need to be licensed or administered by a licensed mutual fund administrator.

The Fund has ongoing obligations under the Mutual Funds Act following its initial registration with the Cayman Islands Monetary Authority (**Monetary Authority**). These include: (i) to file with CIMA prescribed details of

any changes to this Memorandum; (ii) to file annually with CIMA accounts audited by an approved auditor and a fund annual report; and (iii) to pay a prescribed annual fee.

As a regulated mutual fund, the Fund is subject to the supervision of the Monetary Authority. The Monetary Authority may instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within a specified time. Failure to comply with any supervisory request by the Monetary Authority may result in substantial fines.

The Monetary Authority has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a regulated mutual fund: (i) is or is likely to become unable to meet its obligations as they fall due; or (ii) has contravened any provision under the Mutual Funds Act or of the Anti-Money Laundering Regulations (Revised); (iii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; (iv) is not being managed in a fit and proper manner; or (v) has persons appointed as director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority include, amongst others: (i) the power to require a Director and/or the Investment Manager to be replaced; (ii) the power to appoint a person, at the expense of the Fund to advise the Fund on the proper conduct of its affairs; (iii) the power to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund; and (iv) the power to cancel or impose conditions on any mutual fund registration granted under the Mutual Funds Act. The Monetary Authority also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions and requiring the Fund to re-organise its affairs in a manner specified by the Monetary Authority.

The Monetary Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of certain regulatory laws and regulations of the Cayman Islands including the Mutual Funds Act and the Anti-Money Laundering Regulations (Revised) of the Cayman Islands and upon any director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

## **Data Protection Act**

For the purposes of the Cayman Islands Data Protection Act (Revised) (**Data Protection Act**), the data controller in respect of any personal data provided in respect of Shareholders and their respective representatives, directors, officers, agents or beneficial owners in respect of whom personal data is provided in relation to the Fund is the Fund. Personal data shall be processed in accordance with the Fund's privacy notice set out in the Subscription Agreement (**Privacy Notice**). The Privacy Notice sets out the purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, Shareholders' rights in respect of such data, as well as other matters.

The Fund has engaged NAV to act as data processor, as defined in the Data Protection Act. Pursuant to the Administration Agreement, NAV, as data processor, is permitted to do the following, including but not limited to, processing personal data (as defined in the Data Protection Act and the Administration Agreement) in order to provide services under the NAV Agreements and to carry out anti-money laundering checks and related actions; disclose or transfer the personal data to its affiliates, employees, agents, delegates, subcontractors, credit reference agencies, professional advisors or competent authorities for the provision of the services; and report tax or regulatory related information to competent bodies or authorities.

NAV, as data processor, shall, among others, only act on and process such personal data in accordance with the documented instructions of the Fund, unless otherwise prevented or required by applicable laws; ensure that all persons who have access to personal data have committed themselves to appropriate obligations of confidentiality; and upon termination of the Administration Agreement, the personal data shall, at the Fund's option, be destroyed or returned to the Fund, unless applicable laws prevent the return or deletion of such personal data.

## Data Protection for investors resident in the EU/EEA

Any information relating to an identified or identifiable natural person that an investor or potential investor provides to the Fund and the Investment Manager including but not limited to its representatives, contact persons, directors, employees and beneficial owners (each a data subject) in or further to a subscription agreement or in any other way and by whatever means (which includes by way of telephonic and/or electronic data) (personal data) in relation to an application to become or continue as an investor in the Fund will be held and controlled by the Fund and the Investment Manager under the means Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing directive 95/46/EC (**GDPR**), as amended from time to time in confidence and in accordance with its obligations under the GDPR.

Personal data shall be processed in accordance with the Privacy Notice. The Privacy Notice sets out the purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, data subjects' rights in respect of such data, as well as other matters.

Investors should review the Privacy Notice carefully as it contains information about the treatment of their personal data and their rights under the GDPR.

## **Tax Information Exchange Obligations**

The Foreign Account Tax Compliance Act (**FATCA**) provisions of the Hiring Incentives to Restore Employment Act (**HIRE Act**) provide that the Fund must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and the Cayman Islands (**US IGA**) and implementing legislation and regulations which have been adopted by the Cayman Islands. If the Fund fails to comply with these requirements, then a 30% withholding tax will be imposed on certain payments to the Fund of United States source income. Although the Fund will attempt to satisfy the obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. In this regard, the Fund may require investors to provide any documentation or other information regarding the investors and their beneficial owners that the Fund determines is necessary or desirable for the Fund to avoid the withholding tax and otherwise comply with the HIRE Act. If the Fund becomes subject to a withholding tax as a result of the HIRE Act, the value of Shares held by all Shareholders may be materially affected. The Cayman Islands legislation requires the Fund to make an annual report to the Cayman Islands Tax Information Exchange Authority (**Cayman TIA**). Any information provided by the Fund to the Cayman TIA will be shared with the Internal Revenue Service of the United States (**IRS**).

It is possible that further inter-governmental agreements (**future IGAs**) similar to the US IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries' fiscal authorities.

Over 100 countries have signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (**CRS**) for the implementation of the automatic exchange of tax information based on the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The CRS is similar in form and substance to the US IGA and applies in respect of each "participating jurisdiction" (as identified in a list published by the Cayman TIA). The implementation in the Cayman Islands is governed by the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (Revised) (**CRS Regulations**). As a result of this, Cayman Islands financial institutions, including the Fund, have substantially expanded international tax compliance obligations and substantially expanded reporting obligations.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that: (i) the Fund (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment; (ii) the Cayman TIA may

be required to automatically exchange information as outlined above with the IRS, HM Revenue & Customs, the United Kingdom tax authority (**HMRC**) and other fiscal authorities (**Competent Authorities**) of CRS “participating jurisdictions”; (iii) the Fund (or its agent or delegate) may be required to disclose to the IRS, HMRC and other Competent Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent or delegate directly) with further enquiries; (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA; (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund’s or its investors’ being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and (vi) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent or delegate) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with any of the US IGA, the CRS Regulations or any future IGAs or agreements, laws or regulations entered into or implemented by the Cayman Islands for the purpose of ensuring and/or enhancing international tax transparency.

It is possible that certain dividends, interest and other income received by the Fund from sources within certain countries may be subject to withholding taxes imposed by such countries. The Fund may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict in advance the rate of tax that will be paid since the amount of the assets of the Fund to be invested in various countries is uncertain.

### **Companies Act**

The Fund was incorporated as an exempted company with limited liability under the Companies Act. A Cayman Islands exempted company:

- (a) is a company that conducts its business mainly outside the Cayman Islands;
- (b) is prohibited from trading in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands (and for this purpose can effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands);
- (c) does not have to hold an annual general meeting;
- (d) does not have to make its register of members open to inspection by shareholders of that company;
- (e) may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands; and
- (f) may register as a segregated portfolio company.

**Inspection of Books and Records.** Holders of Shares have no general right under the Companies Act to inspect or obtain copies of the Fund’s register of members or the Fund’s corporate records.

**General Meetings.** As a Cayman Islands exempted company, the Fund is not obligated by the Companies Act to call shareholders’ annual general meetings.

**Register of Members.** Under the Companies Act, the Fund must keep a register of members and there should be entered therein the names and addresses of the Fund’s Shareholders, a statement of the number and category of shares held by each Shareholder, and of the amount paid or agreed to be considered as paid, on the shares of each Shareholder; whether each relevant category of shares held by a Shareholder carries voting rights under the Articles and, if so, whether such voting rights are conditional, the date on which the name of any person was entered on the register as a Shareholder; and the date on which any person ceased

to be a Shareholder. Under the Companies Act, the register of members of the Fund is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a Shareholder registered in the register of members is deemed as a matter of the Companies Act to have legal title to the Shares as set against its name in the register of members.

**Dissolution; Winding Up.** Under the Companies Act and the Articles, the Fund may be wound up by a special resolution of the Fund's Shareholders, or if the Fund is unable to pay its debts as they fall due, by an ordinary resolution of the Fund's Shareholders. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

### **Beneficial Ownership Regime**

The Fund is registered as a mutual fund and therefore does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Act (**Beneficial Ownership Regime**). The Fund is required to confirm its out-of-scope status to the relevant Cayman authority and failure to do so may result in an administrative fine payable by the Fund. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. Neither the beneficial ownership registers nor any information provided is publicly available.

## **21 Variation of offering terms and side letters**

### **Variation of offering terms**

Subject to applicable law, the Fund may amend this Memorandum without the approval of Shareholders, to vary the offering terms applicable to any Shares (as distinct from the modification of the rights attaching to a Class, as discussed above) in any of the following ways:

- (a) by making any change that, in the opinion of the Directors, will not adversely affect the Shareholders in any material respect; or
- (b) by making a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any relevant regulator, court of competent jurisdiction, government or government entity, including any tax authority, provided that such change is made in a manner that minimises, to the extent practicable, any adverse effect on the Shareholders; or
- (c) by making any change that the Directors consider may or is likely to adversely affect the Shareholders in a material respect (including amendments to the trading program, fees charged to the Fund by the Investment Manager and the liquidity terms of the Shares), provided that any such amendment does not become effective until after the affected Shareholders have been given written notice of the change and have had the opportunity to redeem any Shares so affected.

The Fund may amend this Memorandum to vary the offering terms applicable to any Shares with the consent of the Shareholders owning a majority by value of all outstanding Shares at the time of the amendment provided that such amendment does not discriminate amongst Shareholders. A meeting convened to consider such an amendment will generally follow the provisions of the Articles relating to general meetings. If the Fund seeks such approval from Shareholders, then following the giving of notice of the proposed amendment, the Fund shall request a response for or against the proposed amendment. The Fund shall deem a lack of response from a Shareholder to constitute the consent of such Shareholder to the amendment.

## Side Letters

The Fund may enter into any side letters that bind the Fund and that contain any terms the effect of which provide an investor with more favourable treatment than other holders of the same class of Shares that enhance that investor's ability to (i) redeem equity interest of that class or (ii) make a determination as to whether to redeem equity interests of that class, and which in either case might reasonably be expected to put other holders of Shares of that class who are in the same position at a material disadvantage in connection with the exercise of their redemption rights.

## 22 Fiscal year; Auditors and books and records

The fiscal year of the Fund ends on December 31 of each year.

The base currency of the Fund is the US Dollar and the financial statements of the Fund will be presented in US Dollars. The Fund's financial statements will be prepared using IFRS as a guideline, unless otherwise deemed appropriate in the sole discretion of the Directors. Organizational expenses, for net asset value purposes, may be amortized over a period of up to 3 years from the date the Fund commences operations because the Fund believes that such treatment is more equitable than expensing the entire amount during the first year of operations, as is required by IFRS.

The NAV Calculation Agent will provide to each Shareholder, audited year-end financial statements annually, monthly statement of investments and quarterly unaudited performance information issued by the Canadian Master Fund with respect to the Class F Units and the Class I Units, for which the investments will be invested in.

RSM Cayman Ltd (**Auditors**) will act as auditors for the Fund and have consented in writing to their appointment as such. The Directors may replace the Auditors without prior notice to the Shareholders. Cayman Islands law does not restrict the ability of auditors to limit their liability and the engagement letter or agreement the Fund has entered into with the Auditors may contain exculpation provisions and provisions requiring the Fund to indemnify the Auditors under certain circumstances. The Auditors will be paid their customary fee for acting as auditors for the Fund, pursuant to their terms of engagement.

As a regulated mutual fund under Cayman Islands law, the Fund is required to file its audited financial statements with the Monetary Authority within six months of the end of its fiscal year.

Copies of the Articles and the audited financial statements may be inspected and obtained at the offices of the Investment Manager.

## APPENDIX 1 AIFMD – ARTICLE 23 DISCLOSURES

This disclosure statement sets out the information required to be disclosed to investors pursuant to AIFMD in respect of an investment in CENTURION APARTMENT REIT CAYMAN (the Fund). It is supplemental to the Fund's confidential explanatory memorandum (the Memorandum) and is provided on the same basis.

In this disclosure statement, unless otherwise defined, capitalised terms have the meanings given in the Memorandum.

Article in the AIFMD	Requirement	Reference in the Memorandum
<b>23.1(a)</b>	A description of the investment strategy and objectives of the AIF.	The Fund's investment objective and strategy is set out in section 3 "Investment objective and strategy and Policy" and in item "Description of Centurion Apartment REIT" in Appendix "I" of the Canada CPOM
	Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds.	N/A.
	A description of the types of assets in which the AIF may invest.	The description of types of assets in which the Fund may invest is set out in section 3 "Investment objective, and strategy" and in item "Description of Centurion Apartment REIT" in Appendix "I" of the Canada CPOM.
	The techniques it may employ and all associated risks.	The techniques use by the Fund and all associated risks are set out in section 5 "Risk factors".
	Any applicable investment restrictions.	Please refer to section 3 "Investment objective and strategy" and in item "Description of Centurion Apartment REIT" in Appendix "I" of the Canada CPOM.



Article in the AIFMD	Requirement	Reference in the Memorandum
	The circumstances in which the AIF may use leverage.	Please refer to section 4 "Leverage" and in item "Borrowing" in Appendix "I" of the Canada CPOM.
	The types and sources of leverage permitted and the associated risks.	The Fund does not expect to utilise such arrangements.  Please refer to section 4 "Leverage" and in item "Borrowing" in Appendix "I" of the Canada CPOM.
	Any restrictions on the use of leverage and any collateral and asset reuse arrangement.	The Fund does not expect to utilise such arrangements.  Please refer to section 4 "Leverage" and in item "Borrowing" in Appendix "I" of the Canada CPOM.
	The maximum level of leverage which the AIFM are entitled to employ on behalf of the AIF.	N/A.
<b>23.1(b)</b>	A description of the procedures by which the AIF may change its investment strategy or investment policy, or both.	Please refer to section 21 "Variation of offering terms".
<b>23.1(c)</b>	A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including:	
	Information on jurisdiction.	The Fund's documents are subject to the jurisdiction of the Cayman Islands.
	On the applicable law.	The Memorandum is based on the law and practice currently in force in the Cayman Islands and is subject to changes therein.
	On the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established.	There is not currently in force any Cayman Islands statute which provides for automatic recognition or enforcement of judgments obtained in a foreign court (other than judgments rendered by an Australian superior court.

Article in the AIFMD	Requirement	Reference in the Memorandum
<b>23.1(d)</b>	The identity of the AIFM.	Centurion Asset Management Inc. has been appointed as alternative investment fund manager of the Fund.
	The identity of the AIF's depository.	CIBC Bank USA
	The identity of the auditor.	RSM Cayman Ltd Zephyr House, Mary Street, has been appointed as auditor of the Fund.
	The identity of the Investment Adviser and a description of its duties.	No investment adviser has been appointed for the Fund.
	The identity of the Administrator and a description of its duties.	<p>NAV Fund Services (Cayman) Ltd. has been appointed by the Fund as the Fund's administrator pursuant to the terms of an agreement between the Fund and the Administrator dated March 28, 2023.</p> <p>Please refer to section 9 "NAV Calculation Agent and Administrator" in order to have a full description of the Administrator's duties.</p>
	A description of investors' rights.	Investors have no direct contractual rights of action against any of the service providers listed above. In the event that the actions or omissions of any service provider were to result in an adverse impact on investors, this may give rise to contractual rights for the Fund (or the AIFM on behalf of the Fund); however, any such rights would need to be exercised by the Fund on behalf of investors as a whole.
<b>23.1(e)</b>	<p>A description of how the AIFM covers professional liability risks, being either:</p> <ul style="list-style-type: none"> <li>• to have additional own funds which are appropriate to cover potential liability risks arising from professional negligence</li> </ul>	The Investment Manager has a Financial Institution Bond insurance and Directors & Officers insurance in place

Article in the AIFMD	Requirement	Reference in the Memorandum
	<p><b>or</b></p> <ul style="list-style-type: none"> <li>to hold a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered</li> </ul>	The Fund also has Directors & Officers insurance in place.
<b>23.1(f)</b>	<p>A description of any delegated management function as referred to in Annex I by the AIFM.</p> <hr/> <p>A description of any safe-keeping function delegated by the depositary.</p> <hr/> <p>The identification of the delegate.</p> <hr/> <p>The identification of any conflicts of interest that may arise from such delegations.</p>	N/A.
<b>23.1(g)</b>	A description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard to-value assets.	Please refer to section 15 " Net Asset Value".
<b>23.1(h)</b>	A description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors.	<p>The Investment Manager maintains a documented risk management policy &amp; procedures manual.</p> <p>Please refer to item "Illiquidity of Shares" in section 5 " Risk factors".</p>
<b>23.1(i)</b>	A description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	Please refer to section 12 "Fees and Expenses" and to item "Asset Manager's Fees and Carry Allocation" in Appendix "I" of the Canada CPOM.
<b>23.1(j)</b>	A description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM.	The constitutive document of the Fund is made available for review by prospective investors, such that each prospective investor is informed about its rights and obligations under such constitutive document. The AIFM seeks to ensure the fair treatment of all Shareholders by complying with the terms of the Fund's

Article in the AIFMD	Requirement	Reference in the Memorandum
		<p>constitutive document, the Memorandum and applicable laws.</p> <p>Please also refer to item "Side Letters" in section 5 "Risk factors" and in item "Side Letters" in section 21 "Variation of offering terms and side letters".</p>
23.1(k)	The latest annual report.	The Fund will make available to the investors the latest annual report as per article 22 of the AIFMD (if any).
23.1(l)	The procedure and conditions for the issue and sale of units or shares.	Please refer to section 13 "Subscription procedure".
23.1(m)	The latest net asset value of the AIF or the latest market price of the unit or share of the AIF.	It is anticipated that to the extent the net asset value of the Fund (if any) is available, it shall be made available to the Shareholders and potential investors upon request from the Administrator.
23.1(n)	Where available, the historical performance of the AIF.	Copies of the annual audited financial statements will be provided and the latest annual reports of the Master Fund will be available online.
23.1(o)	The identity of the prime broker.	<p>No prime broker has been appointed.</p> <p>The Fund may appoint one or more prime brokers and/or custodians to provide it with prime brokerage and/or custody services. Such services normally include, without limitation, margin financing, execution, clearing, settlement, safe custody, stock borrowing facilities and foreign exchange facilities.</p>
	A description of any material arrangements of the AIF with its prime brokers.	
	A description of the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and re-use of AIF assets.	
	Information about any transfer of liability to the prime broker that may exist.	

Article in the AIFMD	Requirement	Reference in the Memorandum
23.1(p)	A description of how and when the information required under paragraphs 23.4 and 23.5 will be disclosed.	Any periodic disclosures that may be required will be made in the Fund's annual report.
23.2	The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability. The AIFM shall also inform investors of any changes with respect to depositary liability without delay.	Please refer to section 11 "Custodian".
23.3	Where the AIF is required to publish a prospectus in accordance with Directive 2003/71/EC or in accordance with national law, only such information referred to in 23.1 and 23.2 which is in addition to that contained in the prospectus needs to be disclosed separately or as additional information in the prospectus.	N/A.