

Annual Information Form

**Arcs of Fire Tactical Balanced Fund™**

Series A, Series F, and Series I Units



No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Fund and the units of the Fund are not registered with the U.S. Securities and Exchange Commission and may be offered and sold in the United States only pursuant to an exemption from registration.

October 17, 2017

---

## TABLE OF CONTENTS

	<u>Page</u>
<b>GLOSSARY</b> .....	<b>1</b>
<b>NAME, FORMATION, AND HISTORY OF THE FUND</b> .....	<b>2</b>
<b>INVESTMENT RESTRICTIONS</b> .....	<b>2</b>
<b>DESCRIPTION OF THE UNITS OF THE FUND</b> .....	<b>2</b>
<b>HOW WE CALCULATE UNIT VALUES</b> .....	<b>3</b>
<b>HOW TO PURCHASE OR REDEEM UNITS</b> .....	<b>5</b>
PURCHASES .....	6
REDEMPTIONS .....	7
<b>RESPONSIBILITY FOR MUTUAL FUND OPERATIONS</b> .....	<b>8</b>
TRUSTEE OF THE FUND .....	8
PROMOTER OF THE FUND.....	9
MANAGER OF THE FUND.....	10
PORTFOLIO MANAGER OF THE FUND .....	11
BROKERAGE.....	12
CUSTODIAN .....	12
AUDITOR .....	12
TRANSFER AGENT AND REGISTRAR .....	12
SECURITIES LENDING AGENT .....	12
<b>PRINCIPAL HOLDERS OF SECURITIES</b> .....	<b>13</b>
<b>FUND GOVERNANCE</b> .....	<b>14</b>
<b>MANAGEMENT AND ADVISORY FEE REDUCTION PROGRAMS</b> .....	<b>17</b>
<b>INCOME TAX CONSIDERATIONS</b> .....	<b>17</b>
<b>REMUNERATION OF DIRECTORS AND OFFICERS</b> .....	<b>20</b>
<b>MATERIAL CONTRACTS</b> .....	<b>20</b>

## GLOSSARY

In this Annual Information Form:

**"Arcs of Fire Investments™"** means Arcs of Fire Investments Inc., the promoter of the Fund.

**"Business Day"** means a day that the TSX is open for trading.

**"Cumberland"** means Cumberland Associates Investment Counsel Inc., the adviser and portfolio manager of the Fund.

**"Fund"** means Arcs of Fire Tactical Balanced Fund.

**"Independent Review Committee"** or **"IRC"** means the independent review committee for the Fund as contemplated under NI 81-107.

**"Manager"** means Norrep Capital Management Ltd., the investment fund manager of the Fund.

**"NI 81-102"** means National Instrument 81-102 - *Investment Funds*.

**"NI 81-107"** means National Instrument 81-107 - *Independent Review Committee for Investment Funds*.

**"Portfolio Manager"** means Cumberland Associates Investment Counsel Inc., the adviser and portfolio manager of the Fund.

**"Promoter"** means Arcs of Fire Investments Inc., the promoter of the Fund.

**"Registered Plan"** means a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account, or a deferred profit sharing plan (all as defined for purposes of the Tax Act).

**"Tax Act"** means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, all as amended from time to time.

**"Trust Agreement"** means the Master Trust Agreement between the Manager, the Promoter, and the Trustee dated effective as of October 16, 2017, as may be amended and/or restated from time to time.

**"Trustee"** means the trustee of the Fund, Computershare Trust Company of Canada.

**"TSX"** means the Toronto Stock Exchange.

**"We", "us", and "our"** means the Fund, the Manager, the Trustee, the Portfolio Manager, and/or the Promoter, as applicable.

**"You" and "your"** means the person who invests in the Fund.

#### **NAME, FORMATION, AND HISTORY OF THE FUND**

The address of the head office of the Arcs of Fire Tactical Balanced Fund, is the same as the Manager's address: Suite 1100, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta, T2P 1T1. The telephone number of the Manager is (403) 531-2650 or 1-877-531-9355 (toll free). The e-mail address of the Manager is [info@norrep.com](mailto:info@norrep.com).

The Fund was established as a trust under the laws of the Province of Alberta pursuant to a Master Trust Agreement between the Manager, the Promoter, and the Trustee dated effective as of October 16, 2017 (the "Trust Agreement").

#### **INVESTMENT RESTRICTIONS**

The Fund is subject to certain restrictions and practices contained in securities legislation, including NI 81-102. This legislation is designed, in part, to ensure that the investments of the Fund are diversified and relatively liquid, and to ensure the proper administration of the Fund. The Fund is managed in accordance with these restrictions and practices.

Any change to the investment objectives of the Fund requires the approval of the holders of units of the Fund by two-thirds of the votes cast at a meeting of unitholders called for the purpose of considering the change.

Provided the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the units of the Fund will be "qualified investments" under the Tax Act for Registered Plans. See ***Income Tax Considerations*** for more details.

#### **DESCRIPTION OF THE UNITS OF THE FUND**

The Fund may issue an unlimited number of units. The units of the Fund are issued in the following series: Series A units, Series F units, and Series I units.

Each series of the Fund has the right to participate in distributions the Fund makes. Each unit has the right to one vote at a meeting of unitholders of the Fund. Fractions of units may be issued and have the same rights as whole units although these rights are prorated in accordance with the fraction (except voting rights, which may only be exercised in whole numbers). After payment of the liabilities of the Fund, each registered unitholder is entitled to receive its proportionate share of the value of the Fund upon termination of the Fund, based on its respective series net asset value. You may redeem units of the Fund. See ***Redemptions*** for details.

Unitholders of each series of the Fund are permitted to vote on all matters that require unitholder approval under NI 81-102 or under the constating documents of the Fund. These matters include:

- a change in the basis of the calculation of a fee or expense that is charged to the Fund or directly to its unitholders in a way that could result in an increase in charges to the Fund or its unitholders;
- the introduction of a fee or expense that is charged to the Fund or directly to its unitholders that could result in an increase in charges to the Fund or its unitholders;
- a change in the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the net asset value per mutual fund unit of the Fund;

- where the Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, and the Fund ceases to continue after the reorganization or transfer of assets, and the transaction results in the unitholders of the Fund becoming securityholders in the other mutual fund; or
- where the Fund undertakes a reorganization with, or acquires assets from, another mutual fund, continues after the reorganization or acquisition of assets, and the transaction results in the securityholders of the other mutual fund becoming unitholders of the Fund, and the transaction would be a significant change to the Fund.

In some cases only the holders of a series will vote on a particular matter stated above and in other cases holders of all series will vote on such matter.

These rights can only be changed in accordance with the provisions of the securities legislation applicable to the units of the Fund and the provisions of the Trust Agreement.

#### **HOW WE CALCULATE UNIT VALUES**

The purchase and redemption price for a series of units of the Fund will be the series net asset value per unit of the Fund, next calculated after the receipt of a purchase or redemption order in good order (see **How to Purchase or Redeem Units**). We usually calculate the net asset value per unit or series net asset value per unit at the close of business on each Business Day. In unusual circumstances, we may suspend the calculation of Fund prices. During any period of suspension of redemptions, there will be no calculation of net asset value or series net asset value. See **Suspension of Redemption Rights** for details. The series net asset values per unit of the Fund are made available to the public, at no cost, on our website at [www.norrep.com](http://www.norrep.com), or by contacting the Manager at the address indicated on the back cover of this Annual Information Form.

The value of the assets held by the Fund is determined as follows:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to shareholders of record on a date before the date as of which the net asset value of the Fund is being determined), and interest accrued and not yet received, is deemed to be the full amount thereof unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received, or interest is not worth the full amount thereof, in which event the value thereof is deemed to be such value as the Manager determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations is determined by taking the last price of such security at 4:00 p.m. (Toronto Time). Short-term investments including money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security that is listed or dealt in upon a stock exchange is determined by: (i) in the case of a security that was traded on the day as of which the net asset value of the Fund is being determined, the last traded price; or (ii) in the case of a security that was not traded on the day as of which the net asset value of the Fund is being determined, the last traded price of the security on the trading day immediately before such date will be used for the purpose of calculating the net asset value of the Fund. The value of interlisted securities is computed in accordance with directions laid down from time to time by the Manager. If, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices that would be received by the Fund upon the disposal of shares or securities necessary to effect any redemptions of shares, the Manager may place such value upon such shares or securities as appears to it to most closely reflect the fair value of such shares or securities;

- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Manager or such other person as the Manager chooses;
- (e) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking, or agreement by the Fund or by a predecessor in title is determined using an economic model taking into account various factors including risk free rate of interest, volatility, market value, and length of the restriction;
- (f) the value of all assets of the Fund valued in terms of a currency other than Canadian currency and liabilities payable in a currency other than Canadian currency are translated to Canadian currency using the applicable closing rate of exchange as quoted by customary banking sources on the date of valuation;
- (g) each transaction of purchase or sale of portfolio securities effected by the Fund is reflected in the computation of the net asset value or series net asset value of the Fund not later than the first computation of the net asset value or series net asset value of the Fund made after the date on which the transaction becomes binding;
- (h) the issue or redemption of units of the Fund is reflected in the computation of the net asset value or series net asset value of the Fund not later than the next computation of the net asset value or series net asset value of the Fund made after the time as at which the net asset value or series net asset value is determined for the purpose of the issue or redemption of the units of the Fund;
- (i) for long positions in covered options, options on futures, over-the-counter options, debt-like securities, and listed warrants, the current market value is used;
- (j) the premium received when a covered option, option on futures or over-the-counter option is written is shown as a deferred credit. The value of the deferred credit is equal to the current market value of an option that would have the effect of closing the position. Any difference resulting from the revaluation is treated as an unrealized gain or loss. The deferred credit is deducted when the Manager calculates the net asset value or series net asset value of the Fund;
- (k) for futures contracts, forward contracts, or swaps, the current market value of the underlying interest is used, if daily limits are in effect. If daily limits are not in effect, the gain or loss realized if, on valuation day, the position of the contract were closed out, is used;
- (l) margin paid or deposited for futures and forward contracts is shown as an account receivable. Margin consisting of assets other than cash is shown as cash;
- (m) the fair value of investments in purchase share warrants is determined using a recognized economic model taking into account various factors including risk free rate of interest, dividend rates, volatility, market value, and trading volume of the underlying stock; and
- (n) the statement of net assets of the Fund records the securities sold short as a liability with the Fund's assets deposited as security with borrowing agents for securities sold short recorded as an asset. The dividends and other income received on borrowed securities in connection with securities sold short are shown as an expense on the statement of comprehensive income of the Fund.

The liabilities of the Fund are deemed to include:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued;
- (c) all obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- (d) all securities sold short, if applicable;
- (e) all allowances authorized or approved for taxes or contingencies; and
- (f) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding shares.

The series net asset value of each series of the Fund is calculated by:

- adding up the assets of the Fund and determining the share of assets of each series;
- subtracting the liabilities of the Fund that are common to all series of the Fund and determining the share of liabilities of each series; and
- subtracting the liabilities of the Fund that are attributable solely to the series, such as management and advisory fees payable.

The series net asset value per unit is equal to the series net asset value of the relevant series divided by the number of units of that series then outstanding.

#### **HOW TO PURCHASE OR REDEEM UNITS**

The Fund offers the following series of units, as indicated on the cover page of this Annual Information Form:

- **Series A** – Series A units are available for purchase to all investors and are subject to a sales charge.
- **Series F** – Series F units may only be purchased by investors who are participants in a fee-for-service or wrap account program sponsored by certain securities dealers, or at the Manager’s discretion. Series F units are not subject to a sales charge.
- **Series I** – Series I units are available to certain investors at the Manager’s discretion. To qualify to purchase Series I units, you must have entered into an agreement with the Manager relating to your Series I units.

If you are no longer eligible to hold certain Series of units, we may automatically sell or redesignate your units to units of another Series. Please see ***Automatic Sales or Redesignations*** for details.

You can buy or sell units of the Fund through your mutual fund or securities dealer. Selling your units is also known as redeeming. All transactions are based on the Fund’s series net asset value per unit next determined after we receive your purchase or sale request in good order.

We calculate the net asset value of each series by adding up the assets attributable to the series and subtracting the liabilities attributable to the series. The series net asset value per unit is equal to the series net asset value divided by the number of units of that series outstanding. See ***How We Calculate Unit Values*** for more details.

## **PURCHASES**

Orders to purchase units must be placed with your mutual fund dealer or securities dealer. Your units must continue to be held in a dealer's account. Units are not currently available to residents of Quebec or the territories of Canada. The Fund is not registered with the U.S. Securities and Exchange Commission and may be offered and sold in the United States only pursuant to an exemption from registration.

Unless the Manager otherwise agrees:

- The minimum initial investment in Series A units is \$500 of Series A units of the Fund per account and any additional investments (other than reinvestments) must be at least \$100 of Series A units of the Fund per account.
- The minimum initial investment in Series F units is \$500 of Series F units of the Fund per account and any additional investments (other than reinvestments) must be at least \$100 of Series F units of the Fund per account.
- The minimum initial investment in Series I units is \$500,000 of Series I units of the Fund per account and any additional investments (other than reinvestments) must be at least \$100 of Series I units of the Fund per account.

The Manager may, in its discretion, close the Fund to new and additional purchases.

The Fund is available in different series. This choice may require the investor to pay different fees and expenses and may affect the compensation paid to your dealer by us. Your dealer is the company that your financial advisor works for. No commission or servicing charge is payable to the Manager for the purchase of Series F units or Series I units.

Trailing commissions may be payable to your dealer in respect of the purchase of Series A units of the Fund. With respect to purchases of Series I units of the Fund, you may pay a negotiated trailer fee to your representative's firm under the terms of your arrangement with your representative's firm. This fee may be paid through the redemption of units. The trailing commissions are described in the Simplified Prospectus of the Fund.

The purchase price for units is the series net asset value per unit of the Fund calculated on the same Business Day if the purchase order is received by the Fund before 4:00 p.m. (Toronto Time). If the purchase order is received after 4:00 p.m. (Toronto Time) on a Business Day or on a day that is not a Business Day, it will be processed on the next Business Day. Unless the calculation of Fund prices has been suspended, we calculate the net asset values at 4:00 p.m. (Toronto Time) every Business Day.

We reserve the right to reject a purchase of units within one Business Day after receipt by the Fund of the order. In such case, we will refund all cash received immediately in the same currency in which you ordered the units.

If, for any reason we do not receive payment on or before the second Business Day following the date on which the purchase order was processed, the units that were purchased may be redeemed on the next Business Day in the same currency in which you bought the units.

If the proceeds of the redemption exceed the purchase price, the Fund will be entitled to retain the difference. If the proceeds of redemption are less than the purchase price, the Manager will pay the difference to the Fund and will be entitled to collect such amount, together with all costs, charges, and expenses in so doing, from the dealer or the investor from whom the purchase order was received. A dealer may make provision in its arrangements with an investor to be entitled to collect such amount, together with its costs, charges, and expenses in so doing, and interest thereon, from the investor who has failed to settle the order in question. An administration fee of \$45.00 is charged to an investor in respect of any dishonoured cheque submitted in payment for a purchase order.



The Fund will initially be sold on a best efforts basis and its purchase price during its initial distribution period will be \$25 per unit. Following its initial distribution period, the Fund will begin issuing and redeeming its units based on the net asset value per unit determined each Business Day.

#### **REDESIGNATION BETWEEN SERIES**

You may change your units of one series of the Fund into units of a different series of the Fund if you are eligible to purchase the new series, subject to certain restrictions set out below. This change is processed as a redesignation, and should not be considered a disposition for tax purposes. Accordingly, you should not realize a capital gain or loss. For a further discussion of the tax consequences, see **Income Tax Considerations**.

Here are some things to keep in mind about changing between series:

- You may change to Series F units of the Fund, provided you meet the eligibility requirements for the Series F units.
- A redesignation from one series of the Fund to another series of the Fund will likely result in a change in the number of units of the Fund you hold since each series of the Fund generally has a different net asset value per unit.
- Generally, you may change your units on any Business Day by delivering a written request to your mutual fund or securities dealer that specifies the number and series of units to be changed.

#### **AUTOMATIC SALES OR REDESIGNATIONS**

If the Manager is notified that you no longer meet the eligibility criteria for Series F, we will sell or redesignate your Series F units in accordance with the instructions from your representative. In the absence of instructions, we may automatically sell your Series F units or redesignate them to Series A. There may be tax implications arising from any sale. See **Income Tax Considerations** for more details.

If you are no longer eligible to hold Series I units, we may automatically redesignate your units into Series F units. We will monitor your account on a quarterly basis to determine if an automatic redesignation of your units is appropriate. No fees will be charged in connection with automatic redesignations of Series I units to Series F units.

#### **REDEMPTIONS**

You may redeem units of the Fund on any Business Day by delivering a written request to your mutual fund or securities dealer that specifies the number and series of units to be redeemed. The redemption price of the units of the Fund is based on the series net asset value per unit of the Fund next determined after the receipt by the Fund of the redemption order. The redemption price will be paid in the currency in which you bought the units.

When you redeem units, we reserve the right to charge the short-term redemption fee as described under **Fees and Expenses** in the Simplified Prospectus of the Fund. The amount of the short-term redemption fee depends primarily on the amount of your original investment and the length of time you own the units. See **Fees and Expenses** in the Simplified Prospectus and **Short-Term Trading** below for more information about these fees.

You will pay no short-term redemption fee in respect of redemptions of reinvested units due to distribution payments by the Fund or other adjustments we make.

A redemption request received by the Fund before 4:00 p.m. (Toronto time) on a Business Day will be processed at the series net asset value per unit calculated at the close of business on that Business Day. A redemption request received after 4:00 p.m. (Toronto time) on a Business Day, or on a day that is not a Business Day, will be processed in the same way on the next Business Day.

If we have not received all required documents on or before the second Business Day following the date on which your redemption request was received, we will notify you that your order is incomplete. If we still have not received all required documents by the tenth Business Day following the date on which your redemption request was received, the Fund will buy back the units as of the close of business on the tenth Business Day in the same currency in which you bought the units. If the cost is less than the proceeds of redemption, the Fund will be entitled to retain the difference. If the cost is greater than the proceeds of redemption, we will pay the difference to the Fund and will be entitled to collect such amount, together with all costs, charges, and expenses in so doing, from the dealer from whom the redemption request was received. A dealer may make provision in its arrangements with an investor to be entitled to collect such amount, together with its costs, charges, and expenses in so doing, and interest thereon, from the investor who has failed to settle the order in question.

Unless redemptions are suspended (as described below), payment of the redemption price for units tendered for redemption will be made (less any fees and tax required to be withheld), upon the direction of the Fund, by the registrar and transfer agent in the same currency in which you bought the units within two Business Days of the date of processing such redemption.

If redemptions are suspended as described below, you may either withdraw your redemption request or receive payment based on the series net asset value per unit next determined after the termination of the suspension.

Due to the high cost of maintaining small accounts, we reserve the right to redeem Fund holdings with a current value of less than \$500 upon ten days' notice to you.

#### ***SUSPENSION OF REDEMPTION RIGHTS***

Under extraordinary circumstances, we may suspend your right to require the Fund to redeem your units. Examples of these circumstances include during any period when normal trading is suspended on the TSX or any other stock exchange within or outside Canada on which securities owned by the Fund or any underlying fund, directly or indirectly, are listed and traded, if those securities represent more than 50% of the net asset value of the Fund before allowance for liabilities. In addition, we may, with the consent of the Alberta Securities Commission, from time to time suspend your right to redeem any units during any period in which we determine that conditions exist that render impractical the sale of the assets of the Fund or impair our ability to determine the value of the assets held by the Fund.

Any suspension shall take effect at such time as we declare and thereafter no units of the Fund will be redeemed until we declare the suspension at an end, except that the suspension will terminate in any event on the first day after the circumstances that gave rise to the suspension cease to exist. All redemptions that would have taken place during the period of suspension will be deemed to occur at the close of business on the first Business Day after the termination of such suspension unless, prior to such time, you have withdrawn your request for the redemption of such units.

#### **RESPONSIBILITY FOR MUTUAL FUND OPERATIONS**

##### **TRUSTEE OF THE FUND**

Computershare Trust Company of Canada is the Trustee of the Fund. The head office of Computershare Trust Company of Canada is in Toronto, Ontario.

The Trustee acts as trustee of the Fund pursuant to the Trust Agreement and holds all property and assets of the Fund in trust for the Fund. Under the Trust Agreement, the Trustee receives an annual fee for its services. The Trust Agreement sets out the material attributes of the Fund and its units, and also sets out the role and responsibilities of the Manager, as described below under ***Manager of the Fund***. The Trustee may be removed by the Manager on 60 days' prior notice in accordance with the conditions in the Trust Agreement. The Trustee or the Manager may resign on 90 days' notice to unitholders and the other parties to the agreement. The Trust Agreement or the Fund may be terminated by the Manager upon provision of reasonable notice to the unitholders

and Trustee, and may also be terminated upon failure to appoint a successor trustee or manager or upon the bankruptcy or insolvency of or material breach of the agreement by the Manager. The Manager may be removed as manager of the Fund only in the circumstances and following the procedures set out in the Trust Agreement.

**PROMOTER OF THE FUND**

Arcs of Fire Investments™ took the initiative in forming and organizing the Fund and is the promoter of the Fund. Under the terms of the Fund Promoter Agreement between the Fund, the Manager, and Arcs of Fire Investments dated effective as of October 16, 2017, Arcs of Fire Investments is responsible for formulating and overseeing the execution of the overall strategy of the Fund. In that role, Arcs of Fire Investments provides the Fund with its vision and direction and determines how and to whom the Fund is marketed. It is not a portfolio manager, and Arcs of Fire Investments has no involvement in the day-to-day advisory and portfolio management of the Fund. The head office of Arcs of Fire Investments is in Ottawa, Ontario.

In addition to the above, under the Fund Promoter Agreement, all marketing responsibilities in respect of the Fund and certain investor relations services, including certain communications with unitholders of the Fund, have been delegated to Arcs of Fire Investments by the Manager. Under the agreement, Arcs of Fire Investments is responsible for designing and implementing the giving program discussed below. In consideration of the services provided by Arcs of Fire Investments, Arcs of Fire Investments will receive a certain percentage of the total management and advisory fee payable by the Fund, net of any trailing fees. The agreement has an initial term of one year, which will be automatically renewed for successive one year terms, and may be terminated by any party with at least 90 days' written notice prior to the expiry of the applicable term. In addition, the Manager or Arcs of Fire Investments may terminate the agreement upon 90 days' written notice. The agreement may also be terminated immediately in the event of fraud, negligence, or breach of the agreement by Arcs of Fire Investments or in the event of the bankruptcy or insolvency of Arcs of Fire Investments.

The Simplified Prospectus describes the giving program, where Arcs of Fire Investments has secured a commitment from the Portfolio Manager to donate up to 33% of the net portfolio management fee to organizations and not-for-profit entities established and operated to support active and retired members of the Canadian Armed Forces and their families. Arcs of Fire Investments will administer this program and will oversee the disbursement of funds, working closely with some of Canada's most respected veterans' charities and organizations. Arcs of Fire Investments will issue a yearly report to the public outlining how the funds were spent, and the benefit they have generated for veterans and their families. For greater certainty, any amounts so donated through this giving program are paid by the Portfolio Manager out of the advisory fee received from the Fund and is not, in any way, an additional expense to the Fund. See the Simplified Prospectus for more details.

Here is a list of the directors and officers of the Promoter. We have included their names, the city and province in which they live, titles, length of service, and business experience for the last five years.

Name and Municipality of Residence	Title	Previous Positions in Last Five Years
Capt (Ret'd) Bruce Poulin, CD	Chief Executive Officer	20+ years served in the Canadian Armed Forces. 2002 – April 2017: Service Officer, Manager of Communications with the Royal Canadian Legion Dominion Command.
David Pierce Ottawa, Ontario	Chairman	2012 to 2015: Various roles including Deputy Chief of Staff and Director to the Minister of Veterans Affairs Canada. 2015-Present: Consultant at the Research Bureau.

Name and Municipality of Residence	Title	Previous Positions in Last Five Years
Tom Gillespie, CPA, CA Vancouver, British Columbia	Chief Financial Officer	2007-2011: Audit Manager, Investments and Banking, KPMG Bermuda; 2011-2012: Professional Standards Advisor; Chartered Professional Accountants of British Columbia (“CPABC”) 2012-2015: Associate Director of Practice Review/Licensing, CPABC; 2015-Present: Partner at Clearline Consulting and Clearline CPA.
John Collymore Etobicoke, Ontario	Corporate Secretary	2009-2012: Business Development, RBC Wealth Management; 2014-2016: Corporate and Institutional Business Development, Velocity Trade; 2011-Present: Event Personnel, Maple Leaf Sports & Entertainment.
Lt.Gen (Ret’d) Walter Semianiw, CD Ottawa, Ontario	Director	30+ years served in the Canadian Armed Forces including Command in Afghanistan. 2011 – 2014, Assistant Deputy Minister, Veterans Affairs; 2007-2011, Chief of Military Personnel, Canadian Armed Forces.
Maj. Cybéle Wilson Chelsea, Quebec	Director	20+ years served in the Canadian Armed Forces. 1993-Present: Department of National Defence; 2015, Director of Stakeholder Outreach to the Minister of Veterans Affairs.
Cpl. Michael Quinn Kingston, Ontario	Director	5 years served in the Canadian Armed Forces. Deployed to Afghanistan 2006 to 2013; 2015-Present: Canadian Armed Forces Tactical Psychological Operations Specialist; 2013-2015: Manager of Stakeholder Relations for the Minister of Veterans Affairs. 2016-Present: Outreach Advisor, Team Rubicon Canada.
Ward Elcock Ottawa, Ontario	Director	1994-2004: Director of the CSIS; 2004-2007: Deputy Minister of National Defence; 2007-2015: Special Advisor to the Privy Council Office.
Dave Beaton Waterloo, Ontario	Director	2007-2016: President and CEO of ChangeIT; 2014 – 2016: Chair ASCEnt; 2014-2016: Board Member of Magnusmode Ltd.

#### MANAGER OF THE FUND

Norrep Capital Management Ltd. is the investment fund manager of the Fund and is a private corporation incorporated under the laws of the Province of Alberta. Under the terms of the Trust Agreement, the Manager is responsible for managing the business operations of the Fund, including the day-to-day administration of the Fund. The head office of the Manager is Suite 1100, 606 – 4th Street S. W., Calgary, Alberta, T2P 1T1.

The Trust Agreement permits the Manager to delegate all or any part of its duties pursuant to the terms of the Trust Agreement. Certain of the Manager’s duties have been delegated to the Promoter. See **Promoter of the Fund**.

Here is a list of the directors and officers of the Manager. We have included their names, the city and province in which they live, titles, length of service, and business experience for the last five years.

Name and Municipality of Residence	Title	Previous Positions in Last Five Years
Alexander M. Sasso, CFA Mississauga, Ontario	Chief Executive Officer, Portfolio Manager, and Director	May 2009 to Present, Chief Executive Officer and Portfolio Manager, Norrep Capital Management Ltd.
Keith J. Leslie, CFA Calgary, Alberta	Vice-President, Chief Risk Officer, Portfolio Manager, Interim Chief Compliance Officer, and Director	January 2014 to Present, Vice President, Chief Risk Officer, and Portfolio Manager, Norrep Capital Management Ltd.; November 2007 to January 2014, Vice President, Chief Compliance Officer, and Portfolio Manager, Norrep Capital Management Ltd.
Craig J. Millar, CFA Oakville, Ontario	Vice-President, Chief Investment Officer, Portfolio Manager, and Director	September 2010 to Present, Vice President, Chief Investment Officer, and Portfolio Manager, Norrep Capital Management Ltd.
Sonia Maloney Calgary, Alberta	Chief Operating Officer and Interim Chief Financial Officer	August 2014 to Present, Chief Operating Officer and Interim Chief Financial Officer, Norrep Capital Management Ltd., August 2009 to July 2014, Director of Operations, Mawer Investment Management Ltd.

**PORTFOLIO MANAGER OF THE FUND**

Cumberland Associates Investment Counsel Inc. is the portfolio manager of the Fund and provides advisory portfolio management services to the Fund pursuant to the Investment Advisory Agreement dated October 16, 2017 between the Fund, the Manager, and the Portfolio Manager. The Portfolio Manager has authority to manage and direct the investment of the assets of the Fund, including the execution of portfolio transactions and the selection of the markets through which such transactions will be undertaken. The head office of the Portfolio Manager is in Toronto, Ontario.

In consideration of the services provided by the Portfolio Manager, the Portfolio Manager will receive an advisory fee equal to a certain percentage of the total management and advisory fee payable by the Fund, net of any trailing fees. The agreement has an initial term of one year, which will be automatically renewed for successive one year terms, and may be terminated by any party with at least 90 days' written notice prior to the expiry of the applicable term. In addition, the Manager or the Portfolio Manager may terminate the agreement upon 90 days' written notice. The agreement may also be terminated immediately in the event of the bankruptcy or insolvency of or breach of the agreement by the Portfolio Manager or the Fund.

Potential investment decisions relating to the Fund are identified by the Portfolio Manager. Except as noted, specific investment decisions are not subject to the oversight, approval, or ratification of a committee, but are made under the general oversight of Cumberland's Ultimate Designated Person and Chief Compliance Officer. The following is a brief description of the individual with Cumberland who is responsible for the investment decisions in respect of the Fund at the date hereof.

*MR. JOHN B. POULTER, CFA*

Prior to 2012, Mr. Poulter was a founder and partner of Cumberland Partners Limited. He worked as a portfolio manager and the Chief Investment Officer at Cumberland Private Wealth Management, Inc. (CPWM), the sister company of the Portfolio Manager. Mr. Poulter also led the establishment of investment policy and supervised a team of professionals responsible for CPWM's proprietary central model platform. Client accounts managed under the central model platform have their portfolio risk modified by adjusting the balance between allocations to fixed income and equity. Mr. Poulter was also responsible for the firm's outside fund relationships, which included sub-advising prospectus qualified mutual funds and private funds.

In 2012 Mr. Poulter joined Gravitas Securities Inc. (GSI), formerly known as Portfolio Strategies Securities Inc. In this role he was registered with IIROC as a portfolio manager. Mr. Poulter was also one of the firm's major shareholders and a partner at the firm. Mr. Poulter was central in the creation and management of The Foundation Funds, a group of mutual funds with five separate mandates. Mr. Poulter oversaw the management of all of the firm's discretionary client accounts using a central model platform. His primary role at GSI was as Chief Investment Officer.

Mr. Poulter joined Cumberland Associates Investment Counsel Inc. as a portfolio manager in 2017.

#### **BROKERAGE**

All decisions about the purchase and sale of securities and decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation, where applicable, of commissions are made by the Portfolio Manager. In the purchase and sale of securities, the Portfolio Manager seeks to obtain prompt execution of orders on favourable terms. To the extent that the executions and prices offered by more than one dealer are comparable, the Portfolio Manager may choose to effect portfolio transactions with dealers who provide research, statistical, and other services to the Portfolio Manager and/or the Fund.

Neither the Fund nor the Portfolio Manager has contractual brokerage arrangements with any person or company in relation to the purchase or sale of securities on behalf of the Fund. In addition, there is no formal policy in respect of the allocation of brokerage business but the past practice has been, and the expected future practice is expected to be, that brokerage business will be allocated based generally on a combination of research and statistical assistance received by the Fund from, and block trading inventories of, the particular broker.

It is expected and anticipated that the Portfolio Manager will trade securities for the fund through a related entity, Cumberland Private Wealth Management Inc. The Portfolio Manager will employ the same process described above when determining whether to select Cumberland Private Wealth Management Inc. as dealer for any portfolio transactions.

#### **CUSTODIAN**

CIBC Mellon Trust Company ("**CIBC Mellon**") is the custodian of the Fund, appointed pursuant to an Amended and Restated Custodial Services Agreement last amended on or around October 17, 2017, as may be further amended from time to time, pursuant to which it holds the cash and securities of the Fund. The Custodial Services Agreement will continue from year to year and may be terminated in accordance with its terms on written notice by the Manager or the Custodian. CIBC Mellon also provides fund accounting services to the Fund. The Custodian receives a fee pursuant to the Custodial Services Agreement for the services provided in respect of the Fund. The head office of CIBC Mellon is in Toronto, Ontario.

#### **AUDITOR**

KPMG LLP, Calgary, Alberta, is the auditor of the Fund.

#### **TRANSFER AGENT AND REGISTRAR**

CIBC Mellon Global Securities Services Company is the registrar and transfer agent of the Fund. The registers of units of the Fund are kept in Toronto, Ontario.

#### **SECURITIES LENDING AGENT**

The Fund does not currently engage in securities lending and, as a result, no securities lending agent has been retained. However, as further discussed in the Simplified Prospectus of the Fund, the Fund may engage in securities lending transactions from time to time. In such circumstances, a securities lending agent will be retained.

**PRINCIPAL HOLDERS OF SECURITIES**

***OF THE FUND***

As at October 17, 2017, the Portfolio Manager held, beneficially and of record, 3,000 Series A units and 3,000 Series F units of the Fund, representing 100% of the issued and outstanding units of the Fund.

***OF THE MANAGER***

This table shows the holders who own, beneficially or of record, directly or indirectly, more than 10% of the voting securities of the Manager as at October 17, 2017. In aggregate, directors, officers, and employees of the Manager own 30.7% of the voting securities of Norrep Investment Management Group Inc. ("**NIMG**"), which owns 100% of the outstanding voting securities of the Manager.

Name and Municipality of Residence	Issuer of Securities Held	Class of Securities	Number of Securities	Percentage of Class
Norrep Investment Management Group Inc.	Norrep Capital Management Ltd.	Common Shares	100	100%
Gary Perron Calgary, Alberta	Norrep Investment Management Group Inc.	Class A Common Shares	69,300	69.3%

Any conflicts of interest that arise involving the Fund and the Manager shall be dealt with on a basis consistent with the objectives of the Fund and the duties of the Manager to deal honestly, in good faith, and in the best interest of the Fund. See ***Independent Review Committee***.

Gary Perron is a director of NIMG and the holder of a majority of its outstanding common shares. Mr. Perron is also the Chief Executive Officer, majority owner, and an advising representative of Perron & Partners Wealth Management Corp., which is a registered investment dealer in four provinces of Canada and is a member of the Investment Industry Regulatory Organization of Canada (IIROC). Mr. Perron will receive the benefit of commissions received by Perron & Partners Wealth Management Corp. with respect to purchases of the Fund by his clients, and will benefit as an owner in the revenues generated by Perron & Partners Wealth Management Corp. He will also benefit, as a shareholder, from dividends or other distributions of profit from NIMG, which is the parent company of the Manager. The directors, officers, and employees of the Manager own 30.7% of the outstanding common shares of NIMG.

***OF THE PORTFOLIO MANAGER***

This table shows the holders who own, beneficially or of record, directly or indirectly, more than 10% of the voting securities of Cumberland Associates Investment Counsel Inc. as at October 17, 2017.

Name and Municipality of Residence	Issuer of Securities Held	Class of Securities	Number of Securities	Percentage of Class
Cumberland Partners Limited	Cumberland Associates Investment Counsel Inc.	Common Shares	100	100%

Any conflicts of interest that arise involving the Fund and Cumberland shall be dealt with on a basis consistent with the objectives of the Fund and the duties of Cumberland to deal honestly, in good faith, and in the best interest of the Fund. See ***Independent Review Committee***.

Cumberland Partners Limited also owns 100% of Cumberland Private Wealth Management Inc. (“CPWM”), which is a registered investment dealer in a number of provinces of Canada and is a member of the Investment Industry Regulatory Organization of Canada (IIROC). Cumberland Partners Limited will receive the benefit of commissions received by CPWM with respect to brokerage transactions conducted by the Fund and may also receive a benefit of purchases of the Fund by CPWM clients.

#### **INDEPENDENT REVIEW COMMITTEE**

As at October 17, 2017, members of the Independent Review Committee do not beneficially own, directly or indirectly, in aggregate in excess of 10% of the units outstanding of the Fund, nor do they own any securities of the Manager, or any other person that provides services to the Fund or the Manager.

#### **OTHER**

As at October 17, 2017, other than as disclosed above, the directors and senior officers of each of the Fund and the Manager do not beneficially own, directly or indirectly, in aggregate in excess of 10% of the units outstanding of the Fund, nor do they own any securities of the Manager, or any other person that provides services to the Fund or the Manager.

#### **AFFILIATED ENTITIES**

There is no person or company that provides services to the Fund or the Manager, in relation to the Fund, that is an affiliated entity of the Manager.

#### **FUND GOVERNANCE**

The Manager has the responsibility to oversee all activities of the Fund. In particular, the Manager has authority over the assets of the Fund and over the business and affairs of the Fund. The Portfolio Manager has responsibility for the investment decisions with respect to the Fund.

The names, residences, present positions, and principal occupations during the five preceding years of the current directors and officers of the Manager can be found under ***Responsibility for Mutual Fund Operations***.

The policies, practices, or guidelines applicable to the Fund relating to business practices, sales practices, risk management controls, and internal conflicts of interest are disclosed in this Annual Information Form under the headings: ***Name, Formation and History of the Fund, Investment Restrictions, How to Purchase or Redeem Units, Responsibility for Mutual Fund Operations, and Principal Holder Of Securities***.

The Portfolio Manager has adopted a Code of Ethics, which reflects the Code of Ethics & Standards of Professional Conduct of the CFA Institute. The Code of Ethics has been adopted with the aim of ensuring that all employees of the Portfolio Manager carry out their responsibilities with integrity and professional competence, and that client interests are always placed above personal interests.

Derivatives may be used by the Fund to effect its investment objectives and strategies as disclosed in *Investment Strategies* under the sub-heading *What Does the Fund Invest In?* in Part B of the Fund profile in the Simplified Prospectus of the Fund. A description of the common types of derivatives and their corresponding risks is found in *Derivative Risk* under the sub-heading *What are the risks of investing in a mutual fund?* in Part A of the Simplified Prospectus of the Fund. Derivatives may be used in compliance with the requirements established by Canadian securities authorities. Derivative exposure is monitored as part of an overall compliance monitoring program and periodic reports are provided to the Chief Compliance Officer of the Portfolio Manager. When required, margins required for derivative transactions are held by independent third parties with whom the Portfolio Manager has appropriate arrangements.

The Portfolio Manager has established written policies and procedures designed to manage the risks associated with the use of derivatives and designed to monitor and assess compliance with applicable legislation. In



establishing these policies, the Portfolio Manager considered the use of derivatives in conjunction with the provisions of NI 81-102 and the Chief Risk Officer or designate is responsible for establishing and ensuring that all trading limits or other controls are complied with. The Chief Risk Officer is required to report any instances of non-compliance to the Chief Compliance Officer, the Ultimate Designated Person, and to the Board of Directors of the Portfolio Manager. The policies and procedures are reviewed on an as-needed basis, with at least one annual review.

Risk measurement procedures or simulations to test the derivatives portfolio of the Fund under stress have not been used.

#### **SHORT-TERM TRADING**

Excessive trading can harm the Fund's performance by forcing the Portfolio Manager to keep more cash in the Fund than would be otherwise needed or to sell investments at an inappropriate time. In order to deter short-term trading, the Manager reserves the right to charge a short-term redemption fee of 2.00% if you invest in units of the Fund for a 90 day period or less. CIBC Mellon Global Securities Services Company, on behalf of the Manager, monitors and detects short-term trading and automatically charges a 2.00% short-term redemption fee on units of the Fund invested for a 90 day period or less. The Manager assesses the short-term redemption fee charged to an investor on a case by case basis and may, at its absolute discretion, reverse a short-term redemption fee that has been charged to an investor. See **Fees and Expenses** in the Simplified Prospectus of the Fund for more details.

#### **INDEPENDENT REVIEW COMMITTEE**

The Independent Review Committee (IRC) of the Fund considers conflict of interest matters relating to the Fund that have been referred to it by the Manager for review or approval in accordance with the requirements in NI 81-107. The mandate of the Independent Review Committee is to review all conflict of interest matters relating to the Fund referred to it by the Manager and to approve or withhold its approval from such matters in accordance with its written charter, NI 81-107, and applicable securities laws.

As required by NI 81-107, the Manager has established written policies and procedures for dealing with conflict of interest matters and will maintain records in respect of these matters and provide assistance to the Independent Review Committee in carrying out its functions.

The Manager reports to the Independent Review Committee regularly on the operation of the Fund and periodically on compliance with its policies and procedures for dealing with conflict of interest matters and on reliance on standing instructions granted by the Independent Review Committee.

The members of the Independent Review Committee are:

**James B. Rooney, Q.C.** is legal counsel with Dentons Canada LLP. Mr. Rooney is a graduate of the University of Western Ontario and earned his Law Degree from Dalhousie University (1970). His practice is primarily based on securities litigation and regulation issues. He represents three national investment banks on litigation and regulatory issues, has chaired Alberta Securities Commission inquiries, and has previously been a public member of the Investment Dealers Association (now IIROC).

**Michael J. Robinson C. M.** is the CEO of the Bill Reid Trust and Director of the Bill Reid Gallery of Northwest Coast Art in Vancouver. He is also the principal of Michael Robinson Consulting, a management practice advising boards and senior management in the cultural sector. Mike attended Oxford University as a Rhodes Scholar, and has degrees in law and anthropology. During his 30 year career history in Calgary, Mike was a senior regulatory compliance officer in the oil patch, and a professor and research institute director at the University of Calgary and CEO and President of the Glenbow Museum. In 2004 he became a Member of the Order of Canada.

**Ian T. Brown, BSc, P.Geol, ICD.D** is the Chairman of the Board for Nuance Energy Ltd., which is an exploration company. He was the exploration advisor and a director of TUSK Energy Corporation, up until its takeover by Polar

Star on April 9, 2009. Ian started his career in April 1970 with The Texaco Exploration Company in Calgary. Since then he has worked for a number of exploration and production companies of various sizes in the junior sector such as Midas Resources Ltd. (1992 to 1998), Petrorep Resources Ltd. (1998 to 2000), and TUSK Energy Inc. (2000 to 2004). From November 2004 to November 2005, Ian was the President and Chief Executive Officer of TUSK Energy Corporation and Vice President Exploration of TKE Energy Trust.

#### **PROXY VOTING GUIDELINES**

We believe the right to vote is one of the most effective tools for promoting good corporate governance. Promoting sound corporate governance policies in the companies in which the Fund invests is a responsibility the Fund takes very seriously. The Fund sees strong corporate governance as an essential element in the realization of the growth potential of companies which, ultimately, increases shareholder value.

The Fund has developed guidelines regarding how it intends to vote on both routine issues and on issues that are not routine and, in fact, may be potentially contentious. Generally, the Fund attempts to vote all proxies as follows:

- On routine or commonly raised issues, the Fund will vote according to management's recommendations, unless the Fund believes there is sufficient and worthy reason to suspect that the management recommendation should not be supported because a vote in favour of management's recommendation is not in the best interests of the shareholders of that particular company. In such instances, the matter will be considered by the portfolio manager, who will make the decision.
- On non-routine issues and issues that may be potentially contentious, the matter is delegated to the portfolio manager for the Fund for detailed consideration. The portfolio manager will then decide whether to consult with, and obtain the opinion of, external industry experts or independent proxy research services in respect of the vote. Ultimately, the portfolio manager will be responsible for making the judgment as to how to vote or to refrain from voting.

The Fund's proxy voting guidelines are not viewed as a strict set of rules but, rather, are utilized as a directive regarding the Fund's treatment of most issues that result in a vote. Ultimately, these guidelines communicate the Fund's general voting practice on most matters.

If there is a conflict of interest, the Fund will vote in the best interests of the Fund on a matter. Where appropriate, conflict of interest matters are referred to the Independent Review Committee.

Lastly, with the aim of ensuring that the Fund's guidelines are adhered to, the Manager's Chief Compliance Officer reviews the proxy voting record on an annual basis.

The policies and procedures the Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-877-531-9355 or by writing to:

Norrep Capital Management Ltd.  
Suite 1100  
606 – 4<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 1T1

The Fund's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any unitholder of the Fund upon request at any time after August 31 of that year. The proxy voting record is also available at [www.norrep.com](http://www.norrep.com).

#### **MANAGEMENT AND ADVISORY FEE REDUCTION PROGRAMS**

In certain circumstances, the Manager may agree to a reduction in the management and advisory fees charged in order to achieve management and advisory fees that are competitive for such investments. Any reduction in management and advisory fees is fully negotiable between the Manager and you. The negotiated fees may vary from investor to investor and may be determined based on a variety of factors, including the size of the investment in the Fund, the expected level of account activity, and the assets under administration, at the Manager's sole discretion. The Manager will confirm in writing to your dealer the details of any such reduction to the management and advisory fee. The Manager may, in its sole discretion, make changes to or discontinue this practice at any time and without notice to investors.

#### **INCOME TAX CONSIDERATIONS**

The following is a general summary of the principal Canadian federal income tax considerations as of the date of this Annual Information Form, generally applicable to the acquisition, ownership, and disposition of units of the Fund by you if, for the purposes of the Tax Act, you are an individual (other than a trust that is not a Registered Plan) resident in Canada, you hold your units as capital property, and you deal at arm's length and are not affiliated with the Fund.

This summary is based on the current provisions of the Tax Act and the current published administrative policies and assessing practices of the Canada Revenue Agency, and takes into account all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as proposed. However, there is no assurance that the Tax Proposals will be enacted in the form proposed or at all, or that the CRA will not change its administrative policies or assessing practices. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative, or judicial action. Furthermore, this summary is not exhaustive of all possible income tax considerations and, in particular, does not take into account provincial or foreign income tax legislation or considerations.

**This summary is not exhaustive of all possible Canadian Federal income tax considerations applicable to an investment in units of the Fund. The income and other tax consequences of acquiring, holding, or disposing of units of the Fund vary according to your status, the province or provinces in which you reside or carry on business, and, generally, your own particular circumstances. The following description of income tax matters is, therefore, of a general nature only, does not address all of the tax considerations relating to the taxation of the Fund or you and is not intended to constitute specific advice to you. You should seek independent advice regarding the tax consequences of investing in units of the Fund, based upon your own particular circumstances.**

This summary is based on the assumption that the Fund will qualify, and will continue to qualify at all material times, as a "mutual fund trust" (as defined in the Tax Act). If the Fund were to fail or cease to qualify as a "mutual fund trust", the tax considerations discussed below would in some respects be materially and adversely different.

This summary is also based on the assumption that the Fund will not, at any time, be a "SIFT trust" as defined in the rules in the Tax Act relating to the tax for SIFT trusts and SIFT partnerships. One of the conditions for a trust to be a SIFT trust is that investments in the trust must be listed or traded on a stock exchange or other public market, which includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded, but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition, or cancellation by the issuer. The units of the Fund will not be listed or traded on a stock exchange and it is not expected that the units will trade on any other trading system or organized facility. On this basis, the Fund should not be a SIFT trust.

#### **TAXATION OF THE FUND**

The Fund intends to distribute its net income for tax purposes and net realized capital gains, if any, for each taxation year of the Fund to unitholders to such an extent that the Fund generally will not be liable in any taxation

year for income tax under Part I of the Tax Act on such net income and net realized capital gains (after taking into account any applicable losses of the Fund and any capital gains refunds to which the Fund is entitled).

The Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar or other relevant currency relative to the Canadian dollar. Gains and losses in connection with derivative activities will be on capital account or income account depending on the particular circumstances, including whether the derivatives are used for hedging or non-hedging purposes.

## **TAXATION OF UNITHOLDERS**

### ***TAXABLE UNITHOLDERS OF THE FUND***

A unitholder will generally be required to include in income for tax purposes for any year the amount (computed in Canadian dollars) of income and net taxable capital gains, if any, paid or payable by the Fund to the unitholder in the year (including by way of management fee distributions), whether or not such amounts are paid in cash or are reinvested in additional units of the Fund and regardless whether the income and capital gains accrued to the Fund or were realized by the Fund before the unitholder acquired the units of the Fund.

Any amount received by a unitholder in excess of the unitholder's share of the net income of the Fund generally will not be required to be included in the unitholder's income but, except to the extent that it constitutes the unitholder's share of the non-taxable portion of capital gains realized by the Fund and designated to the unitholder, generally will reduce the adjusted cost base of the unitholder's units. To the extent that the adjusted cost base of a unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of the unit and the unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

The Fund will designate to the extent permitted by the Tax Act the portion of the net income distributed to unitholders as may reasonably be considered to consist of taxable dividends received by the Fund on shares of taxable Canadian corporations and net taxable capital gains of the Fund. Any such designated amount will be deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. In the case of a unitholder who is an individual, the dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to amounts so designated as taxable dividends.

Capital gains designated by the Fund will be subject to the general rules relating to the taxation of capital gains described below. In addition, the Fund will similarly make designations in respect of its income from foreign sources, if any, so that, for the purpose of computing any foreign tax credit available to a unitholder, the unitholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Fund to that country that is equal to the unitholder's share of the Fund's income from sources in that country.

Unitholders will be informed each year of the composition of the amounts distributed to them (in taxable dividends, net taxable capital gains, foreign source income and returns of capital, and other trust income where applicable) and of the amount designated by the Fund as taxable dividends on shares of taxable Canadian corporations and taxable capital gains and of the amount of any foreign taxes paid by the Fund in respect of which the unitholder may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

Any loss of the Fund for tax purposes cannot be allocated to the unitholders of the Fund.

Generally, fees paid by a unitholder on Series I units are generally not deductible for tax purposes.

### **CAPITAL GAINS AND TAXABLE UNITHOLDERS**

Upon the actual or deemed disposition of units, including on the redemption of units by the Fund, a capital gain (or capital loss) will generally be realized by the holder to the extent that the proceeds of disposition of the units exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of the units and any reasonable costs of disposition.

For the purpose of determining the adjusted cost base to a holder of units, when a unit of the Fund is acquired, whether on the reinvestment of distributions or otherwise, the adjusted cost base of each of the holder's units is determined by averaging the cost of the newly-acquired unit with the adjusted cost base to the holder of all other such units of the Fund held by the holder immediately before that time.

Generally, one-half of a capital gain (a "**taxable capital gain**") realized or considered to be realized by a holder will be included in the holder's income and one-half of a capital loss (an "**allowable capital loss**") realized by a holder may be deducted from the holder's taxable capital gains subject to the detailed rules of the Tax Act.

### **MINIMUM TAX**

Individuals are subject to an alternative minimum tax. Amounts designated as taxable dividends from taxable Canadian corporations and net realized capital gains paid or payable to a unitholder by the Fund or realized on the disposition of units of the Fund may increase the unitholder's liability for alternative minimum tax.

### **NON-TAXABLE UNITHOLDERS**

In general, the amount of distributions paid to a Registered Plan from the Fund, and proceeds of disposition from dispositions of units of the Fund held in a Registered Plan, will not be taxable under the Tax Act while such amounts are held in the Registered Plan. However, withdrawals from a tax-free savings account are not taxable, and withdrawals from registered education savings plans and registered disability savings plans are subject to special rules.

### **ELIGIBILITY FOR INVESTMENT FOR REGISTERED PLANS**

Provided that the Fund qualifies as a "mutual fund trust" under the Tax Act at all relevant times, units of the Fund will be qualified investments under the Tax Act for Registered Plans.

Notwithstanding the foregoing, if units of the Fund are "prohibited investments" for a registered retirement savings plan, registered retirement income fund or a tax-free savings account, the annuitant or holder of such Registered Plan will be subject to a penalty tax. Provided that the holder or annuitant of a tax-free savings account, registered retirement savings plan or registered retirement income fund does not have a "significant interest" (within the meaning of the Tax Act) in the Fund and that such holder deals at arm's length with the Fund, or provided that the units of the Fund are "excluded property" (within the meaning of the Tax Act) for the tax-free savings account, registered retirement savings plan or registered retirement income fund, the units of the Fund will not be a "prohibited investment" under the Tax Act for the particular tax-free savings account, registered retirement savings plan or registered retirement income fund. If certain Tax Proposals are enacted as proposed, the prohibited investment rules will extend to registered education savings plans and registered disability savings plans effective March 23, 2017. Investors should consult their own tax advisors on whether or not units of the Fund are, or may become, a "prohibited investment" for their Registered Plan.

### **TAX RECORDS**

The Fund will provide you each year with income tax information necessary to allow you to complete your income tax returns. Unitholders should keep records of the cost of units acquired and other relevant information so that any capital gain or loss on redemption or other disposition can be accurately determined for tax purposes.

#### **INTERNATIONAL INFORMATION REPORTING**

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention and related Canadian legislation found in Part XVIII of the Tax Act, unitholders will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number. If a unitholder does not provide the information or is identified as a U.S. citizen or U.S. resident, details of the unitholder's investment in the Fund will generally be reported to the CRA, unless the investment is held within a Registered Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, in order to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standard (the "**CRS**"), Canadian financial institutions are required to have procedures in place to identify accounts held by residents of foreign countries that have agreed to bilateral information exchange with Canada under the CRS ("**Participating Jurisdictions**") or by certain entities any of whose "controlling persons" are resident in a Participating Jurisdiction and to report required information to the CRA. Such information is to be exchanged beginning in 2018 on a reciprocal, bilateral basis with the Participating Jurisdictions in which the account holders or such controlling persons are resident. Under the CRS Rules, unitholders will be required to provide required information regarding their investment in the Fund to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan.

#### **REMUNERATION OF DIRECTORS AND OFFICERS**

None of the directors or officers of the Manager receive any direct compensation for carrying out the management function on behalf of the Fund.

#### ***INDEPENDENT REVIEW COMMITTEE***

Individual IRC members are compensated by way of a quarterly retainer fee and a meeting attendance fee, as well as being reimbursed for expenses associated with IRC duties. The Chairman is paid an additional fee to compensate him for the additional duties associated with the Chairman role. These costs are allocated amongst the Fund and the funds within the Norrep Funds™, a group of mutual funds managed by the Manager.

As at the date hereof, none of the individual IRC members have been compensated from the Fund because the Fund is new.

#### ***TRUSTEE***

The Trustee of the Fund is compensated by way of an annual maintenance fee. As at the date hereof, no compensation has been earned by Computershare Trust Company of Canada, as Trustee, because the Fund is new.

#### **MATERIAL CONTRACTS**

The following contracts are material to the Fund:

- The Trust Agreement between the Trustee, the Manager, and the Promoter, described under ***Name, Formation, and History of the Fund, Trustee of the Fund, and Manager of the Fund.***
- The Investment Advisory Agreement between the Fund, the Manager, and the Portfolio Manager, described under ***Portfolio Manager of the Fund.***
- The Fund Promoter Agreement between the Fund, the Manager, and the Promoter, described under ***Promoter of the Fund.***

- The Amended and Restated Custodial Services Agreement between the Manager and CIBC Mellon Trust Company, described under ***Custodian***.

You can review any of the foregoing during regular business hours at this address:

Norrep Capital Management Ltd.  
Suite 1100, 606 – 4<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 1T1

CERTIFICATE OF THE FUND

AND OF THE MANAGER OF THE FUND

This Annual Information Form, together with the Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true, and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador and do not contain any misrepresentations.

Dated October 17, 2017

*"Alexander M. Sasso"*

\_\_\_\_\_  
Alexander M. Sasso  
Chief Executive Officer

*"Sonia Maloney"*

\_\_\_\_\_  
Sonia Maloney  
Interim Chief Financial Officer

On Behalf of the Board of Directors of Norrep Capital Management Ltd. on behalf of the Fund and as Manager of the Fund.

*"Keith J. Leslie"*

\_\_\_\_\_  
Keith J. Leslie  
Director

*"Craig J. Millar"*

\_\_\_\_\_  
Craig J. Millar  
Director



CERTIFICATE OF THE PROMOTER

This Annual Information Form, together with the Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true, and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador and do not contain any misrepresentations.

Dated October 17, 2017

*"Bruce Poulin"*

\_\_\_\_\_  
Bruce Poulin  
Chief Executive Officer

*"Tom Gillespie"*

\_\_\_\_\_  
Tom Gillespie  
Chief Financial Officer

On Behalf of the Board of Directors of Arcs of Fire Investments Inc. as Promoter of the Fund.

*"Cybele Wilson"*

\_\_\_\_\_  
Cybele Wilson  
Director

*"David Pierce"*

\_\_\_\_\_  
David Pierce  
Chairman

# ANNUAL INFORMATION FORM

## Respecting:

### **Arcs of Fire Tactical Balanced Fund™**

(Series A, Series F, and Series I Units)

Additional information about the Fund is available in the Fund Facts, management reports of fund performance, and financial statements.

You can get a copy of these documents, at your request, and at no cost, by calling Norrep Capital Management Ltd. toll free at 1-877-531-9355, or from your dealer or by e-mail at [info@norrep.com](mailto:info@norrep.com). These documents are also available at [www.norrep.com](http://www.norrep.com).

These documents and other information about the Fund, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).

The Manager of the Fund is:

#### **Norrep Capital Management Ltd.**

Suite 1100, 606 – 4<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 1T1  
(403) 531-2650

Suite 4330, 77 King Street West  
Toronto, Ontario M5K 1H6  
(416) 640-6718

Arcs of Fire Investments™, Arcs of Fire Tactical Balanced Fund™, and the Arcs of Fire Investments™ logo are trademarks of Arcs of Fire Investments Inc.

Norrep Capital Management™, Norrep Funds™, Norrep Investments™, and the Norrep Investments™ logo are trademarks of Norrep Capital Management Ltd.