

No. ____

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority in Canada has reviewed this Offering Memorandum or has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not to be construed as a prospectus or advertisement or a public offering of these securities.

Continuous Offering

October 5, 2010

DKAM FINANCIAL SERVICES VENTURE FUND LP

Limited Partnership Units

DKAM Financial Services Venture Fund LP (the “**Partnership**”) is an Ontario limited partnership formed to invest in securities. The investment objective of the Partnership is to maximize absolute returns on investments. The Partnership intends to accomplish its set objective through superior securities selection and the use of leverage.

The Partnership was formed on October 19, 2007 and will continue until it is dissolved. DKAM FSV GenPar Inc. (the “**General Partner**”) is the general partner of the Partnership. **The Partnership is a related issuer of Donville Kent Asset Management Inc. (the “Investment Manager”), the investment manager of the Partnership and an affiliate of the General Partner.** The Investment Manager will earn fees from the Partnership. Also, the General Partner will be entitled to receive distributions from the Partnership. See “Conflicts of Interest”. These securities are speculative. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership.

Purchasers of Units become Limited Partners of the Partnership and will be bound by the terms of a Limited Partnership Agreement governing the Partnership.

**INITIAL SUBSCRIPTION PRICE: \$100 PER UNIT
SUBSEQUENT SUBSCRIPTIONS PRICE: NET ASSET VALUE
MINIMUM INITIAL INVESTMENT: \$150,000 OR
\$50,000 FOR ACCREDITED INVESTORS**

An unlimited number of Class A and Class F limited partnership units in the Partnership (collectively, the “**Units**”) are being offered hereby. The Units are only being distributed to investors resident in Ontario, Quebec, Alberta and British Columbia, pursuant to available prospectus and registration exemptions under applicable securities laws. Subscriptions may be accepted on the last business day of each month and on such other dates as the General Partner may prescribe, and Units will be issued on the next business day. For each Class, Units will be issued in series and, on the first closing, Units designated by the General Partner as Series 1 Units will be issued at

a Net Asset Value per Unit of \$100. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be determined by the General Partner. Units may be redeemed on a semi-annual basis, on the last business day of June and December of each calendar year, upon not less than 60 days written notice. This offering is not subject to any minimum aggregate subscription level, and therefore any funds invested are available to the Partnership and need not be refunded to the subscriber.

There is no market through which the Units may be sold and none is expected to develop. The Units are also subject to resale restrictions under the Partnership's Limited Partnership Agreement and applicable securities legislation. Persons who receive this Offering Memorandum must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of Units under applicable securities legislation. Redemptions will be suspended if there is insufficient liquidity in the Partnership. There are certain additional risk factors associated with investing in the Units. Investors should consult their own professional advisers to assess the income tax, legal and other aspects of the investment. Please see "Risk Factors" and "Resale Restrictions".

The securities offered hereby are offered exclusively by the Partnership on a private placement basis in reliance upon exemptions from the prospectus and registration requirements of applicable securities laws. Prospective investors must be "accredited investors" as defined under applicable securities laws unless another exemption from the prospectus and registration requirements can be relied on. No person is authorized to give away any information or to make any representation not contained in this Offering Memorandum and any information or representation, other than that contained in this Offering Memorandum, must not be relied upon. This Offering Memorandum is a confidential document furnished solely for the use of prospective purchasers who, by acceptance hereof, agree that they shall not transmit, reproduce or make available this document or any information contained in it.

Subscribers are urged to consult with an independent legal adviser prior to signing the subscription agreement for the Units and to carefully review the Limited Partnership Agreement attached to this Offering Memorandum.

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SUMMARY

This summary is qualified by the more detailed information appearing elsewhere in this Offering Memorandum. Capitalized terms used but not defined in this summary are defined elsewhere in this Offering Memorandum.

- The Partnership:** DKAM Financial Services Venture Fund LP (the “**Partnership**”), a limited partnership formed under the laws of the Province of Ontario.
- General Partner:** DKAM FSV Genpar Inc. (the “**General Partner**”), a corporation incorporated under the laws of the Province of Ontario. The General Partner is responsible for the management and control of the business and affairs of the Partnership on a day-to-day basis. In exchange for its services, the General Partner will receive a share of Partnership profits. See “The General Partner” and “Summary of Limited Partnership Agreement – Allocation of Profit and Loss”.
- Investment Manager:** Donville Kent Asset Management Inc. (the “**Investment Manager**”), a corporation incorporated under the laws of Canada. See “The Investment Manager”.
- Investment Objectives and Strategies**
- The investment objective of the Partnership is to maximize returns on investments. The Partnership intends to accomplish its set objective through superior securities selection and the use of leverage.
- To achieve its investment objective, the Partnership will invest primarily in micro-cap and small cap financial services stocks listed on North American exchanges.
- The Partnership intends to utilize leverage but may do so only to a maximum of 130%, in the aggregate (at the time of leverage), of the Partnership’s Net Asset Value. The Partnership may borrow or purchase securities on margin. The Partnership may take short sale positions up to a limit of 10% of the Net Asset Value of the Partnership.
- See “Investment Objectives and Strategies of the Partnership”.
- The Offering:** The Partnership is permitted to create an unlimited number of limited partnership units (the “**Units**”) issuable in an unlimited number of classes and series. Currently, two classes of Units have been created: Class A and F. Each class will be charged a different management fee. A new series of Units will be issued on each successive Subscription Date on which Units are issued. Class F Units are available to investors who purchase through a fee based account, while Class A Units are available to all other investors. Units are available to all investors who meet the minimum investment criteria. See “The Offering”, “Summary of Limited Partnership Agreement – The Units” and “Investment Management Agreement”.

Minimum Individual Subscription:

The Units are being distributed only pursuant to available exemptions in Ontario, Quebec, Alberta and British Columbia to investors (a) who are accredited investors under National Instrument 45-106, (b) except in Alberta, who invest a minimum of \$150,000 in the Partnership, or (c) to whom Units may otherwise be sold. The minimum initial investment is \$150,000 but may be reduced for accredited investors to such lesser amount as may be accepted by the General Partner.

Each additional investment must be not less than \$10,000 and, for investors who initially acquired Units of the Partnership under the minimum amount exemption, at the time of the additional investment, the Units held by the investor must have an acquisition cost or a Net Asset Value equal to at least \$150,000.

At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the General Partner the covenants and representations contained in the Subscription Agreement delivered by the investor to the General Partner at the time of the initial investment.

Subscriptions:

Subscriptions will be accepted on a monthly basis, being on the last business day in each month or on such other date as the General Partner may permit (each, a “**Valuation Date**”), subject to the General Partner’s discretion to refuse subscriptions in whole or in part. (Units will be issued as of the next business day.) On the first closing, Units of a class designated by the General Partner as Series 1 Units will be issued at a Net Asset Value per Unit of \$100. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be determined by the General Partner. See “The Offering” and “Subscriptions”.

Redemptions:

Redemptions will be permitted on a semi-annual basis, being on the last business day of each of June and December in each year or on such other dates as the General Partner may permit (each, a “**Redemption Date**”) pursuant to written notice that must be received by the Partnership at least 60 days prior to the applicable Redemption Date. The redemption price shall equal the Net Asset Value per Unit of the applicable series of Units being redeemed, determined as of the close of business on the relevant Redemption Date. There will be deducted from redemption proceeds otherwise payable and retained by the Partnership an amount equal to 3% (the “**Redemption Expense Deduction**”) of the Net Asset Value of such Units if those Units are tendered for redemption within 3 months of purchase, as well as an amount equal to a distribution payable to the General Partner on such date (to the extent not already reflected in Net Asset Value of the redeemed Units) as further described under “Profit Allocation”. Units held by a redeeming Limited Partner will be redeemed on a first-in, first-out basis. The Redemption Expense Deduction shall be retained by the Partnership. See “Redemptions”.

The General Partner will not permit redemptions (either in whole or in part) at any time where the General Partner is of the opinion, in its sole

discretion, that there are insufficient liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be to the detriment of the Partnership generally.

The General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the designated Redemption Date, which right may be exercised by the General Partner in its absolute discretion.

Transfer or Resale:

Units may only be transferred with the consent of the General Partner and transfers will generally not be permitted. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation. See “Resale Restrictions”.

Investment Manager’s Fees:

The Investment Manager will receive a monthly management fee (the “**Management Fee**”) in arrears, on the last Valuation Date in each month, equal to 1/12 of 2% for Class A Units, and equal to 1/12 of 1% for Class F Units, on the respective Net Asset Value of such Class of the Partnership as at the first business day of such month. See “Investment Management Agreement” and “Net Asset Value.”

Management fees payable by the Partnership are subject to GST and will be deducted as an expense of the Partnership in the calculation of the Net Asset Value of the Partnership.

Payment of Expenses:

The Partnership shall be responsible for, and the General Partner shall be entitled to reimbursement from the Partnership for, all costs and operating expenses actually incurred in connection with the business of the Partnership, including but not limited to:

- (i) administrative fees and expenses of the Partnership, which include General Partner’s fees, Investment Manager’s fees, accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, all Limited Partner communication expenses, organizational and set-up expenses, the cost of maintaining the Partnership’s existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and
- (ii) fees and expenses relating to the Partnership’s portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

See “Limited Partnership Agreement – Expenses”.

Net Profit Allocation:

The General Partner will share in the net profits of the Partnership by receiving incentive distributions on the last Valuation Date in each year and upon the redemption each Class A Unit or Class F Unit based on the increase, if any, in the Net Asset Value of such Class A Unit or Class F Unit. Such distributions are equal to 20% of the increase, if any, in the Net Asset Value of each Unit in excess of a 10% annualized minimum increase (the “**Minimum Return**”) in the Net Asset Value of such Unit, calculated from the last Valuation Date in the previous year (after payment of all fees and other adjustments) or its date of issue, whichever is later (the “**Reference Date**”).

Limited Partners will, therefore, effectively share in net profits and net losses of the Partnership by increases or decreases in the Net Asset Value of their Units on the following basis:

- (a) any increase in Net Asset Value of such Unit up to the Minimum Return first accrues to the benefit of the holder of such Unit,
- (b) any increase in such Net Asset Value in excess of the Minimum Return will accrue as to 80% to the holder of the Unit and the remaining 20% will be distributed to the General Partner.

Any distribution paid to the General Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the respective Unit. See “Profit Allocation”.

Allocations for Tax Purposes:

Net income for taxation purposes, dividends and taxable capital gains of the Partnership in each fiscal year will be allocated as at the last day of such year to (i) the General Partner generally equal to the distributions received by it payable in that year, and (ii) to Limited Partners who hold Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year) based on the number, class and series held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each class and series of Units, the fees paid or payable in respect of each class and series of Units, distributions if any paid to the General Partner in respect of each class and series of Units, the tax basis of such Units, and the date of realization of each such item of income, gain or loss, as the case may be. The Limited Partners will be allocated 99.999% of net losses; the remaining 0.001% shall be allocated to the General Partner. See “Summary of Limited Partnership Agreement - Allocation of Income and Loss”.

Distributions to Limited Partners:

Distributions of allocated income may be made to Limited Partners from time to time at the discretion of the General Partner. See “Summary of Limited Partnership Agreement – Distributions”.

Fiscal Year End:

December 31 in each year

- Term:** The Partnership has no fixed term. Dissolution may only occur on 30 days written notice by the General Partner to each Limited Partner, or 60 days following the removal of the General Partner (unless the Limited Partners vote to appoint a replacement General Partner and continue the Partnership).
- Financial Reporting:** Upon request, audited financial statements will be provided within ninety (90) days of each fiscal year end and unaudited financial information respecting the Net Asset Value per Unit will be provided on a monthly basis. See “Summary of Limited Partnership Agreement – Reports to Limited Partners”.
- Tax Considerations:** Persons investing in a limited partnership such as the Partnership should be aware of the tax consequences of investing in, holding and/or redeeming Units. **Investors are urged to consult with their tax advisers to determine the tax consequences of an investment in the Partnership.**
- Limited Liability:** The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership will be limited to the amount of the capital contributed by the Limited Partner, unless the Limited Partner takes part in the control of the business of the Partnership. See “Summary of Limited Partnership Agreement – Liability” and “Risk Factors”.
- Risk Factors:** Investors should consider a number of factors in assessing the risks associated with investing in Units including those generally associated with the investment techniques used by the Investment Manager. See “Risk Factors”.
- Sales Commission:** There is no commission payable by the purchaser to the General Partner or the Investment Manager upon the purchase of the Units; however, purchasers may pay a negotiated fee of up to 3% on Class A Units if purchasing through a dealer. There is no commission payable by the purchaser if purchasing Class F Units. Subject to applicable law, the Investment Manager may pay, out of the fees payable to the Investment Manager by the Partnership, a negotiated referral fee or trailing commission to dealers or other persons in connection with a sale of Class A Units. No such referral fee or trailing commission is applicable to Class F Units.
- Legal Counsel:** AUM Law Professional Corporation, Toronto, Ontario
- Auditors:** SGGG LLP, Toronto, Ontario

THE PARTNERSHIP

DKAM Financial Services Venture Fund LP (the “**Partnership**”) was formed under the laws of Ontario and became a limited partnership by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) (the “**LP Act**”) on October 19, 2007. An amended Declaration, changing the name of the Partnership to DKAM Financial Services Venture Fund LP, was filed December 1, 2007. The Partnership is governed by an amended and restated limited partnership agreement dated as of **November 16, 2009** (the “**Limited Partnership Agreement**”), made between the General Partner and Jane E. Donville (the “**Initial Limited Partner**”). The principal place of business of the Partnership and of the general partner of the Partnership, DKAM FSV GenPar Inc. (the “**General Partner**”), is 36 King Street East, Suite 810, Toronto, Ontario, Canada M5E 1E5. See “Summary of Limited Partnership Agreement”.

The interest of each limited partner of the Partnership (the “**Limited Partner**”) will represent the same proportion of the total interest of all Limited Partners as the Net Asset Value of Units held by such Limited Partner is of the total Net Asset Value of the Partnership.

THE GENERAL PARTNER

The General Partner was incorporated under the *Business Corporations Act* (Ontario) on October 4, 2007. The General Partner may act as general partner of other limited partnerships, but does not presently carry on any other business operations and currently has no significant assets or financial resources. Harold Kent and Jason Donville are directors and officers of the General Partner and of the Investment Manager. The General Partner is a wholly-owned subsidiary of the Investment Manager. The General Partner may also become a Limited Partner by purchasing Units. The General Partner is responsible for the management and control of business and affairs of the Partnership on a day-to-day basis in accordance with the terms of the Limited Partnership Agreement, and has engaged the Investment Manager to carry out certain administrative and investment management functions.

THE INVESTMENT MANAGER

The General Partner has engaged Donville Kent Asset Management Inc. (the “**Investment Manager**”) to provide investment management and certain administrative services to the Partnership. The Investment Manager was incorporated under the laws of Canada on August 13, 2007. The principal place of business of the Investment Manager is 36 King Street East, Suite 810, Toronto, Ontario, Canada M5E 1E5. The following are the directors and officers of the Investment Manager:

<u>Name and Municipality of Residence:</u>	<u>Office with the Investment Manager</u>
Jason P. Donville Oakville, Ontario	President
Ali Jaffer Toronto, Ontario	Chief Financial Officer

Set out below are the particulars of the relevant experience of each director and officer:

Jason P. Donville

Jason P. Donville has accumulated over 15 years of experience in the investment industry. Following graduation from the Ivey School of Business at the University of Western Ontario in 1992, Mr. Donville relocated to Singapore and, shortly thereafter, was employed as an equity analyst with Vickers Ballas Securities. A year later, he joined Credit Lyonnais Securities Asia (CLSA), a rapidly expanding investment bank and Asia’s leading investment research firm. Over the course of four years, Mr. Donville was promoted from analyst to senior analyst and eventually Head of Research for Indonesia. While in

Indonesia, he achieved a third place ranking in the Institutional Investor Magazine All Asia Research team. After nearly five years with CLSA, Mr. Donville subsequently moved to CSFB where he was initially employed as the Head of Research for Indonesia and, thereafter, became the Director of Research in Singapore.

In 1999, Jason returned to Canada for family reasons and was employed in a variety of research roles in Calgary. In early 2003, he moved to Toronto to join Sprott Securities (now Cormark) where Jason became the firm's first dedicated financial services analyst. At Sprott, Mr. Donville covered close to 20 financial services stocks which spanned the spectrum of the financial services industry and included banks (Canadian Western Bank, Laurentian Bank), Bourses (the TSX Group), Trust Companies (B2B Trust, Home Capital, The Equitable Group, Grey Horse Capital), Broker/Dealers (GMP, Cannacord), Asset Management Companies (SEAMARK, Addenda, Sceptre, Gluskin Scheff) and property and casualty companies (ING Canada, Northbridge Financial, Kingsway Financial, EGI Financial). During his time at Sprott/Cormark Mr. Donville was consistently ranked as one of the top financial services analysts in the country. In 2004 and 2005, Mr. Donville was ranked in all three financial services research categories (banks, insurance and diversified financial services) in the annual Brendan Woods surveys. Mr. Donville was also recognized as the "Top Stock Picker" in Diversified Financial Services in the 2004 and 2005 National Post/Starline surveys, and ranked number 3 for forecast accuracy in 2004 in the same survey.

Ali Jaffer

Ali Jaffer has over 15 years of financial and administrative management experience in the software, alternative energy and real estate sectors, working in both public and private companies. Following graduation from the Northern Alberta Institute of Technology in 1994, Ali began working as a corporate accountant for a private real estate development firm, while pursuing his Certified Management Accountant (CMA) designation. After receiving his CMA designation in 1997, Ali worked as a financial analyst and Controller for various private sector companies in Edmonton, Alberta and Toronto, Ontario, where he has been residing since 2004. Prior to joining Donville Kent Asset Management Inc. in January 2010, Ali was the Chief Financial Officer of a software company ranked as one of North America's Fastest Growing Companies in Deloitte's Fast 500 program.

Ali completed his Master of Business Administration in Investment Management from the Goodman Institute, Concordia University in 2008 and passed Level II of the Chartered Financial Analyst program in June 2007.

INVESTMENT OBJECTIVES AND STRATEGIES OF THE PARTNERSHIP

Investment Objective

The investment objective of the Partnership is to maximize absolute returns on investments. The Partnership intends to accomplish its set objective through superior securities selection and the use of leverage.

Investment Strategy

To achieve its investment objective, the Partnership will invest primarily in micro-cap and small cap financial services stocks listed on North American exchanges.

Investment Process

The partnership intends to invest in the publicly listed shares of a concentrated group (approximately 8-12) of micro-cap and small-cap financial services companies. These companies will

typically be run by a strong management team that has a significant ownership stake in the companies they run. These companies will also be characterised as having a track record of earning high returns on shareholders equity. These companies will also be capable of generating high returns on equity for many years to come without the addition of significant amounts of equity capital other than that which is being generated internally.

In executing this strategy, the manager will focus on investments that meet the following criteria:

- all investments other than cash will consist of long investments in securities that the Investment Manager believes are currently undervalued in the securities markets. Typically, this would include, but is not limited to, companies with improving fundamentals, strong balance sheets, superior earnings growth potential, solid business models and quality management teams. The Investment Manager may also engage, from time to time, in short-sales of securities which are believed to be extremely overvalued and where a catalyst has been identified to realize this value, as well as in circumstances whereby such activity is perceived to benefit the overall value of the portfolio, over the medium term, by improving liquidity, risk management, or by any other measure deemed appropriate.
- all investments other than cash will consist of financial services companies engaged in such areas of focus as banking, insurance, financial services, transactional services, e-commerce, bourses, electronic funds transfer, credit card services, factoring, trust services, specialty lending, financial services software, investment management, broker/dealers and any other business that the manager believes is related to the financial services industry
- the manager will focus on early stage companies with market capitalization's under \$1.0 billion and ideally less than \$100 million at time of initial investment
- the manager will focus on investments that the manager expects to hold for more than 12 months
- the manager will focus on investing in companies that have a return on equity (ROE) that is substantially higher than its cost of equity. ROE is used as a general indication of the company's efficiency; more specifically, how much profit it is able to generate given the resources provided by its stockholders. Cost of equity involves evaluating a security by examining the company, especially its operations and financial condition, and involves other valuation methods and financial ratios.

Use of Leverage

The Partnership intends to use leverage on a routine basis and has no restriction on doing so to a maximum of 130% in the aggregate (at the time of leverage) of the Partnership's Net Asset Value.

Cash Positions

The Investment Manager may hold cash in short term debt instruments, money market funds or similar temporary investments pending full investment of the Partnership's capital and at any time deemed appropriate by the Investment Manager.

Short Positions

The Partnership may not commit more than 10% of its equity to short positions. The Investment Manager anticipates that short positions will rarely be used by the Partnership.

The Partnership will seek to sell securities which are believed to be extremely overvalued and where a catalyst has been identified to realize this value over the medium term.

The Partnership will short-sell companies and industries which are overvalued with respect to a business' growth and projected prospects and which may face financial distress, competitive pressure or fraud.

Investment Restrictions

The Partnership may not place more than 20% of its portfolio, as measured in cost, in any single long or short position, subject to any other investment restriction that may apply.

The Partnership is expected to employ leverage, and it may borrow, or employ other forms of leverage in an aggregate amount not to exceed 130% of the Net Asset Value of the Partnership at the time of borrowing or other transactions entered into.

General

There can be no assurances that the Partnership will achieve its investment objective.

The Investment Manager may at any time adopt new strategies or deviate from the foregoing guidelines as market conditions dictate. In the event of any material deviation from its current intended strategies, the Investment Manager will advise the General Partner immediately and the General Partner will thereafter advise the Limited Partners in writing. While the Investment Manager typically will try to minimize risk in selecting investments, it should be understood that the risk management techniques utilized by the Investment Manager cannot provide any assurance that the Partnership will not be exposed to risks of significant investment losses. Please refer to "Risk Factors" for more information.

Statutory Caution

The foregoing disclosure of the Investment Manager's investment strategies and intentions may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the Investment Manager's intended course of conduct and future operations of the Partnership. These statements are based on assumptions made by the Investment Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Investment Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Investment Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Investment Manager's intended strategies as well as its actual course of conduct. Investors are urged to read "Risk Factors" below for a discussion of other factors that will impact the operations and success of the Partnership.

THE OFFERING

Class A and Class F Units offered hereby are being offered to investors resident in Ontario, Quebec, Alberta and British Columbia, pursuant to exemptions from prospectus and registration requirements contained in National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106"). Units are being offered to investors who meet the minimum investment criteria. A new series of Units will be issued on each successive Valuation Date on which Units are issued. Class F Units are available to investors who purchase through a fee based account, while Class A Units are available to all other Unitholders.

Subscriptions may be accepted at the discretion of the General Partner on the last business day of each month or on such other date as the General Partner may approve (each, a "**Valuation Date**"), subject

to applicable law, provided a duly completed subscription form and subscription proceeds are received by the General Partner by the close of business on the business day prior to the relevant Valuation Date. Units will be issued on the business day next following the Valuation Date on which the subscription is accepted. Units of each class will be issued in series and, on the first closing, Units designated by the General Partner as Series 1 Units will be issued at a Net Asset Value per Unit of \$100. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be determined by the General Partner. It is in the discretion of the General Partner to change this policy.

The offering is restricted to persons who have the capacity and competence to enter into and be bound by the Limited Partnership Agreement.

The Partnership is permitted to create an unlimited number of limited partnership units (the “Units”) issuable in an unlimited number of classes and series. Currently, two classes of Units have been created: Class A and F. Each class will be charged a different management fee. A new series of Units will be issued on each successive Subscription Date on which Units are issued. Class F Units are available to investors who purchase through a fee based account, while Class A Units are available to all other investors.

MINIMUM INDIVIDUAL SUBSCRIPTIONS

The minimum initial investment is \$150,000 but may be reduced for accredited investors to such lesser amount as may be accepted by the General Partner.

Each additional investment must be not less than \$10,000 and, for investors who initially acquired Units of the Partnership under the minimum amount exemption, at the time of issuance of the additional investment, the Units held by the investor must have an acquisition cost or a Net Asset Value equal to at least \$150,000. At the time of making each additional investment, unless a new Subscription Agreement is executed, each investor will be deemed to have repeated and confirmed to the General Partner the covenants and representations contained in the Subscription Agreement delivered by the investor to the General Partner at the time of the initial investment. Subsequent additional investments are subject to acceptance or rejection by the General Partner.

These minimums are net of any front end commissions paid by an investor to his or her agent.

WHO SHOULD INVEST

The Partnership is designed to attract investment capital which is surplus to an investor’s basic financial requirements.

Whether the subscriber for Units is purchasing through their own dealer or directly from the Investment Manager (in its capacity as an exempt market dealer), the dealer through whom the Units are purchased has an obligation under applicable securities laws to determine suitability of the investment for such purchaser, unless the purchaser is a "permitted client" and either waives such requirement or the dealer is otherwise exempt from such requirement. Subscribers purchasing directly from the Investment Manager will be required to provide certain information in the subscription agreement (referred to as know-your-client information) on which the Investment Manager will rely in determining such suitability.

The following persons and entities may not invest in this Partnership:

- (a) “non-residents”, partnerships other than “Canadian partnerships”, “tax shelters”, “tax shelter investments”, or any entities an interest in which is a “tax shelter investment”, or in which a “tax shelter investment” has an interest, within the meaning of the *Income Tax Act* (Canada); and
- (b) a partnership which does not have a prohibition against investment by the foregoing persons.

Any Limited Partner whose status changes with respect to the foregoing or who fails to provide evidence satisfactory to the General Partner of such status when requested to do so from time to time, shall be removed as a Limited Partner by the redemption of his Units at the end of the month in which such status changes.

In addition, any Limited Partner that is or becomes a “financial institution” within the meaning of Section 142.2 of the ITA (as same may be amended or replaced from time to time) shall disclose such status to the General Partner at the time of subscription (or when such status changes) and the General Partner may restrict the participation of any such Limited Partner or require any such Limited Partner to redeem all or some of such Limited Partner’s Units.

SUBSCRIPTIONS

Subscriptions for Units must be made by completing and executing the subscription and power of attorney form provided by the General Partner and by forwarding to the Investment Manager such form together with a cheque (or other form of funds transfer acceptable to the General Partner) representing payment of the subscription price. Subscription funds provided prior to a Valuation Date will be kept in a segregated account. Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner in its sole discretion. In the event a subscription for Units is rejected, any subscription funds forwarded by the subscriber will be returned without interest or deduction. Purchasers may forward completed subscriptions directly to the Investment Manager.

The Limited Partnership Agreement and the subscription and power of attorney form (required to be executed by an investor) include an irrevocable power of attorney authorizing the General Partner on behalf of the holder of the Unit to execute any amendments to the Limited Partnership Agreement and all instruments necessary to reflect the formation of, amendment to or dissolution of the Partnership or the registration of the Partnership in any jurisdiction as well as any elections, determinations or designations under the *Income Tax Act* (Canada) or other taxation legislation or laws of like import with respect to the affairs of the Partnership or a Limited Partner’s interest in the Partnership.

By executing the Subscription and Power of Attorney Form, each Limited Partner represents to the General Partner and to all other Limited Partners that, among other things, the Limited Partner is not a “non-resident”, partnership other than a “Canadian partnership”, “tax shelter” or “tax shelter investment”, or any entity an interest in which would be a “tax shelter investment”, or in which a “tax shelter investment” has an interest, within the meaning of the *Income Tax Act* (Canada), or a partnership that does not have a prohibition against investment by the foregoing persons.

Prospectus Exemptions

Units are being sold under available exemptions from the prospectus and registration requirements under NI 45-106, which has been adopted by the securities regulatory authorities in each of Ontario, Quebec, Alberta and British Columbia. The Units are being distributed only to investors (a) who are “accredited investors” as defined in NI 45-106, (b) except in Alberta, who invest a minimum of

\$150,000 in the Partnership (the “**Minimum Amount Exemption**”), or (c) to whom Units may otherwise be sold. Purchasers will be required to make certain representations in the Subscription Agreement and the General Partner will rely on such representations to establish the availability of the exemptions from prospectus requirements described above. Investors, other than individuals, that are not accredited investors, or are accredited investors solely on the basis that they have net assets of at least \$5,000,000, must also represent to the General Partner (and may be required to provide additional evidence at the request of the General Partner to establish) that such investor was not formed solely in order to make private placement investments which may not have otherwise been available to any persons holding an interest in such investor. **The so-called “Offering Memorandum Exemption” is not being relied on, nor is the Minimum Amount Exemption being relied on in Alberta, and investors do not have the benefit of certain additional protections that NI 45-106 gives to investors when an issuer relies on the Offering Memorandum Exemption.**

No subscription will be accepted unless the General Partner is satisfied that the subscription is in compliance with applicable securities laws.

Limited Partners who are not resident in Alberta and who previously invested in and continue to hold Units of the same Class or series in reliance on the Minimum Amount Exemption, having an acquisition cost or current net asset value equal to \$150,000 will be permitted to make subsequent “top up” investments in any amount (provided a new Subscription Agreement is executed each time).

Accredited Investors

The Investment Manager has determined that the minimum investment for persons who meet the definition of “accredited investor” (as defined in NI 45-106) is \$50,000. A list of accredited investors is set out in the Subscription Agreement delivered with this Offering Memorandum, but generally includes individuals who have net investment assets of at least \$1,000,000, or personal income of at least \$200,000 or combined spousal income of at least \$300,000 (in the previous two years with reasonable prospects of same in the current year).

REDEMPTIONS

A Limited Partner shall be entitled to redeem Units as at a Valuation Date that falls on the last business day of June or December of each calendar year, or such other date as the General Partner, in its absolute discretion, may determine (each a “**Redemption Date**”). Redemption requests will only be considered if the General Partner receives a written request for such redemption at least 60 days prior to the proposed Redemption Date.

Upon redemption of a Unit, the Limited Partner will receive proceeds of redemption equal to the Net Asset Value of such Unit as at the close of business on the designated Redemption Date. There will be deducted from redemption proceeds otherwise payable and retained by the Partnership an amount equal to 3% (the “**Redemption Expense Deduction**”) of the Net Asset Value of such Units if those Units are tendered for redemption within 3 months of purchase. The Redemption Expense Deduction shall be retained by the Partnership to compensate the Partnership for disposition expenses (including brokerage fees and/or market spread) incurred to enable the Partnership to fund such redemption. If a redeeming Limited Partner owns Units of more than one series, Units will be redeemed on a “first in, first out” basis, meaning that Units of the earliest series of the applicable class owned by the Limited Partner will be redeemed first, at the redemption price for Units of such series, until such Limited Partner no longer owns Units of such series (although this policy may be amended depending on tax considerations). If Units are redeemed on a Redemption Date that is not the last business day of a fiscal year, the General Partner may receive a distribution from the Partnership and the amount of such distribution will be deducted from the redemption proceeds otherwise payable to the Limited Partner (see “Summary of Limited Partnership Agreement - Distributions”).

The General Partner will not permit redemptions (either in whole or in part) at any time where the General Partner is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be to the detriment of the Partnership generally.

The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on a requested Redemption Date. Redemption requests which are rejected as at a Redemption Date will be accepted on the next Redemption Date on which redemption requests are honoured in priority to redemption requests made after the deadline for redemption requests in respect of such earlier Redemption Date. Partial redemptions on a Redemption Date will be made on a pro rata basis. Redemption requests are irrevocable unless they are not honoured on a Redemption Date, in which case they may be withdrawn within 15 days following such Redemption Date.

The General Partner has the right to require a Limited Partner to redeem some or all of the Units owned by such Limited Partner on a Redemption Date designated by the General Partner at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least 30 days before the designated Redemption Date, which right may be exercised by the General Partner in its absolute discretion.

TRANSFER OR RESALE

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements of applicable securities legislation, the resale of these securities by investors is subject to restrictions. An investor should refer to applicable provisions in consultation with a legal adviser. Furthermore, no transfers of Units may be effected unless the General Partner, in its sole discretion, approves the transfer and the proposed transferee. There is no market for these Units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the Units.

Subscribers are advised to consult with their advisers concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation and the Limited Partnership Agreement.

NET ASSET VALUE

The Net Asset Value of the Partnership and the Net Asset Value Per Unit of each class and series of Units will be determined as of 4:00 p.m. (Toronto time) on the last business day of each month (each a “**Valuation Date**”) by the General Partner in accordance with the Limited Partnership Agreement.

The Net Asset Value of each series will generally increase or decrease proportionately with the increase or decrease in the Net Asset Value of the Partnership (subject to adjustment for fees and expenses applicable to a single series), and the Net Asset Value per Unit shall be determined by dividing the Net Asset Value of each series by the number of Units of such series outstanding.

Valuation Principles

The value of the assets and the amount of the liabilities of the Partnership shall be calculated in such manner as the General Partner, or any third party engaged by the General Partner, shall determine from time to time, subject to the following:

- (a) The value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, dividends receivable (if such dividends are declared and the date of record is before the date as of which the Net Asset Value of the Partnership is being determined) and interest accrued and not yet received, shall be deemed to be the full

amount thereof, unless the General Partner determines that any such deposit, bill, demand note, account receivable, prepaid expense, dividend receivable or interest accrued and not yet received is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the General Partner determines to be the reasonable value thereof.

- (b) The value of any security which is listed or dealt in upon a public securities exchange will be valued at the last available trade price on the Valuation Date or, if the Valuation Date is not a business day, on the last business day preceding the Valuation Date. If no sales are reported on such day, such security will be valued at the average of the current bid and asked prices. If the closing price is outside of the closing bid-ask range, then the closest bid or ask to the last trade will be used. Securities that are listed or traded on more than one public securities exchange or that are actively traded on over-the-counter markets while being listed or traded on such securities exchanges or over-the-counter markets will be valued on the basis of the market quotation which, in the opinion of the General Partner, most closely reflects their fair value.
- (c) Any securities which are not listed or dealt in upon any public securities exchange will be valued at the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the General Partner such value does not reflect the value thereof and in which case, the latest offer price or bid price as best reflects the value thereof should be used), as at the Valuation Date.
- (d) The value of any restricted security shall be the lesser of (i) the value thereof based on any available reported quotations in common use and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, warranty or agreement or by law, equal to the percentage that the acquisition cost thereof was of the market value of such securities at the time of acquisition thereof.
- (e) All Partnership property valued in a foreign currency and all liabilities and obligations of the Partnership payable by the Partnership in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the General Partner or to the third party engaged by the General Partner to calculate Net Asset Value.
- (f) Each transaction of purchase or sale of portfolio securities effected by the Partnership will be reflected in the computation of the Net Asset Value of the Partnership on the trade date.
- (g) The value of any security or property to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no price or yield equivalent quotations are available or for any other reason), shall be the fair value thereof determined in such manner as the General Partner may from time to time determine based on standard industry practice.
- (h) Short positions will be marked-to-market, i.e. carried as a liability equal to the cost of repurchasing the securities sold short applying the same valuation techniques described above.
- (i) All other liabilities shall include only those expenses paid or payable by the Partnership, including accrued contingent liabilities; however (A) organizational and start-up expenses will be amortized by the Partnership over a 5 year period; and (B) expenses and

fees allocable only to a class and series of Units shall not be deducted from the Net Asset Value of the Partnership prior to determining the Net Asset Value of each class and series, but shall thereafter be deducted from the Net Asset Value so determined for each such class and series.

The General Partner and the Investment Manager may determine such other rules as they deem necessary from time to time, which rules may deviate from Canadian GAAP.

INVESTMENT MANAGEMENT AGREEMENT

In order to set out the duties of the Investment Manager, the Partnership has entered into an Investment Management Agreement (the “**Investment Management Agreement**”) with the Investment Manager dated January 2, 2008 and amended as of November 16, 2009. The Investment Management Agreement provides that, in addition to providing portfolio management services, the Investment Manager shall also provide administrative and distribution support to the General Partner.

Pursuant to the Investment Management Agreement, the Investment Manager will receive a monthly management fee (the “**Management Fee**”) in arrears, on the last Valuation Date in each month, equal to 1/12 of 2% for Class A Units, and equal to 1/12 of 1% for Class F Units, on the respective Net Asset Value of such Class of the Partnership as at the first business day of such month. See “Investment Management Agreement” and “Net Asset Value.”

The Investment Management Agreement may be terminated by either the General Partner or the Investment Manager on 30 days notice to the other, or immediately in the event of the dissolution or insolvency or bankruptcy of the other party or the termination of the Limited Partnership Agreement.

PROFIT ALLOCATION

For each class of Units, the General Partner will share in the net profits of the Partnership by receiving incentive distributions on the last Valuation Date in each year and upon the redemption of a Unit based on the increase, if any, in the Net Asset Value of the Unit. Such distributions are equal to 20% of the increase, if any, in the Net Asset Value of each Unit in excess of a 10% annualized minimum increase (the “**Minimum Return**”) in the Net Asset Value of such Unit, calculated from the last Valuation Date in the previous year (after payment of all fees and other adjustments) or its date of issue, whichever is later (the “**Reference Date**”).

Limited Partners will, therefore, effectively share in net profits and net losses of the Partnership by increases or decreases in the Net Asset Value of their Units on the following basis:

- (a) any increase in Net Asset Value of such Unit up to the Minimum Return first accrues to the benefit of the holder of such Unit,
- (b) any increase in such Net Asset Value in excess of the Minimum Return will accrue as to 80% to the holder of the Unit and the remaining 20% will be distributed to the General Partner.

Any distribution paid to the General Partner will be deducted from the Net Asset Value (or redemption proceeds, as the case may be) of the Unit.

SUMMARY OF LIMITED PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners are governed by the Limited Partnership Agreement (as amended from time to time) and the LP Act. The following is a summary of the Limited Partnership Agreement entered into by the General Partner and the Initial Limited Partner. **This**

summary is not intended to be complete and each investor should carefully review the Limited Partnership Agreement itself for full details of these provisions.

The Units

The Partnership may issue an unlimited number of Units. Currently, two classes of Units have been created: Class A Units and Class F Units. Class F Units are available to investors who purchase through a fee based account, while Class A Units are available to all other investors. Each Class of Units will be charged a different management fee, and Class A Units maybe subject to transfer fees. Units may be designated by the General Partner as being Units of a series, and the opening Net Asset Value of each such series may be determined by the General Partner. Each issued and outstanding Unit of a series shall be equal to each other Unit of the same series with respect to all matters. The respective rights of the holders of Units of each series will be proportionate to the Net Asset Value of such series relative to the Net Asset Value of each other series. Each Unit carries with it a right to vote, with one vote for each \$1.00 of Net Asset Value attributed to such Unit (the Net Asset Value of all Units held by a Limited Partner shall be aggregated for the purpose of determining voting rights.) Fractional Units may be issued. A person wishing to become a Limited Partner shall subscribe for Units by means of a subscription form and power of attorney. The acceptance of any such subscription in whole or in part shall be subject to the General Partner in its sole discretion. See Article 3 - The Units in the Limited Partnership Agreement.

On the first closing, Units of a class designated by the General Partner as Series 1 Units will be issued at a Net Asset Value per Unit of \$100. On each successive Valuation Date on which Units are issued, a new series of Units will be issued at a Net Asset Value per Unit to be determined by the General Partner. All changes in Net Asset Value (i.e. all income and expenses, and all unrealized gains and losses) of the Partnership shall be borne proportionately by each class and series of Units based on their respective Net Asset Values, except as follows: (i) subscription proceeds received by the Partnership in respect of a series of Units shall accrue to the Net Asset Value of such series; (ii) all redemption proceeds paid out by the Partnership in respect of a Unit of a series shall be deducted from the Net Asset Value of such series; and (iii) fees paid in respect of a Unit of a series shall be deducted from the Net Asset Value of such series. The Net Asset Value per Unit of each class and series shall be calculated by dividing the Net Asset Value of such respective classes and series by the number of Units of such classes and series then outstanding.

The General Partner may in its discretion create different classes of Units. Each class may be subject to different management fees, may have a profit-sharing arrangement with the General Partner, and may have such other features as the General Partner may determine. As at the date hereof, the General Partner has designated only one class of Units, having the attributes described in this Offering Memorandum. The General Partner may redesignate a Limited Partner's Units from one class to another (and amend the number of such Units so that the Net Asset Value of the Limited Partner's aggregate holdings remains unchanged). The General Partner also has the discretion to subdivide or consolidate Units of one or more series from time to time, in a manner different than other series, provided that the Net Asset Value per Unit for such series is adjusted such that the aggregate Net Asset Value for such series is unchanged.

Allocation of Income and Loss

Income and loss for taxation purposes, as well as taxable capital gains and allowable losses, of the Partnership in each fiscal year will generally be allocated to the Partners according to the following guidelines:

- (i) Limited Partners who redeemed Units in the year will be allocated a portion of income and taxable capital gains as will result in such Limited Partners having an adjusted cost

base for such redeemed Units as near as possible (but not exceeding) redemption proceeds thereof;

- (ii) the General Partner will be allocated a portion of income, dividends and taxable capital gains in a total amount generally equal to the distributions received by the General Partner payable in such year (the General Partner may choose to receive some or all of the distributions received by it in a year as a loan, which amount shall be payable as a distribution in the next following year);
- (iii) Limited Partners will be allocated the remaining income, dividends and taxable capital gains based on the number, class and series of Units held by such Limited Partners, the dates of purchase and/or redemption, the respective Net Asset Values of each class and series of Units, the tax basis of such Units, the fees paid or payable and distributions payable to the General Partners in respect of each class and series of Units, and the date of realization of each such item of income, gain or loss, among other factors deemed by the General Partner to be relevant; and
- (iv) net losses will be allocated as to (i) 0.001%, to the General Partner, and (ii) 99.999%, to Limited Partners who hold Units at any time during such year (and in certain cases to Limited Partners who held Units at any time in the previous fiscal year).

The General Partner may adopt and amend an allocation policy from time to time intended to fairly and equitably allocate income or loss in the circumstances. See “Section 4.7 - Allocations in the Limited Partnership Agreement”.

Distributions

The General Partner will receive distributions from the Partnership based on the increase in the Net Asset Value of each Unit on the last Valuation Date in each year and upon the redemption of such Unit, as more fully described above under “Profit Allocation”. Such distributions will be deducted from the Net Asset Value of such Unit (or, in the case of a redemption, from the redemption proceeds). The General Partner will not be required to repay any distributions if distributions received on a redemption of Units in a fiscal year exceed the Partnership’s net profits in that year.

Net profit of the Partnership allocated to the Partners for any fiscal period may be distributed in whole or in part from time to time or at any time in the sole discretion of the General Partner. No payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to persons who are not the General Partner or a Limited Partner.

Redemptions

Redemption rights are described above under the heading “Redemptions”. Also, see Article 5 - Redemption in the Limited Partnership Agreement.

Authority and Duties of the General Partner

The General Partner has the full power and authority to do such acts and things and to execute and deliver such documents as it considers necessary or desirable in connection with the offering and sale of the Units and for carrying on the business of the Partnership for the purposes summarized herein and described more fully in the Limited Partnership Agreement.

The General Partner shall exercise the powers and discharge its duties honestly, in good faith, and with a view to the best interests of the Partnership and in connection therewith shall exercise the degree of

care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. See Article 6 - Management of Limited Partnership in the Limited Partnership Agreement.

Expenses

The Partnership is responsible for all costs incurred by it in connection with the activities of the Partnership, including but not limited to:

- (a) administrative fees and expenses of the Partnership, which include the Investment Manager's fees, accounting and legal costs, insurance premiums, custodial fees, registrar and transfer agency fees and expenses, Limited Partner communication expenses, organizational expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, and all reasonable extraordinary or non-recurring expenses; and
- (b) fees and expenses relating to the Partnership's portfolio investments, including the cost of securities, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, and banking fees.

To the extent that such expenses are borne by the General Partner or Investment Manager, the General Partner or Investment Manager, as the case may be, shall be reimbursed by the Partnership from time to time. See Section 6.2 – Expenses in the Limited Partnership Agreement.

Management Fee

The Partnership shall pay to the Investment Manager an ongoing management fee (the “**Management Fee**”) calculated and payable as a percentage of the Net Asset Value of the Partnership, or of any class of Units, as the General Partner may determine (and as the Investment Manager may agree). The Investment Manager must give to the Limited Partners not less than 60 days' notice of any proposed change to the method of calculation of the Management Fee, if, as a result of such change, the Management Fee will be paid more frequently or could result in increased fees being paid by the Partnership. See “Investment Management Agreement” below and Section 7.2 – “Administrative and Performance Fees” in the Limited Partnership Agreement.

Liability

Subject to the provisions of the LP Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner. A Limited Partner may lose his, her or its status as a limited partner and the benefit of limited liability if such Limited Partner takes part in the control of the business of the Partnership or if certain other provisions of the LP Act are contravened.

Where a Limited Partner has received the return of all or part of the Limited Partner's “Contributed Capital” (as defined in the Limited Partnership Agreement), the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Contributed Capital. Furthermore, if after a distribution the General Partner determines that a Limited Partner was not entitled to all or some of such distribution, the Limited Partner shall be liable to the Partnership to return the portion improperly distributed, together with interest at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers if repayment of such excess amount is not

made by the Limited Partner within fifteen (15) days of receiving notice of such overpayment. The General Partner may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by a predecessor of such Limited Partner. See Section 4.12 - Repayments and Section 8.2 - Limited Liability of Limited Partners in the Limited Partnership Agreement.

The General Partner shall be liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the LP Act and as set forth in the Limited Partnership Agreement to the extent that Partnership assets are insufficient to pay such liabilities.

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of such Limited Partner not having unlimited liability as set out in the Limited Partnership Agreement, other than any liability caused by or arising out of any act or omission of such Limited Partner. See Article 8 - Liabilities of Partners in the Limited Partnership Agreement.

Reports to Limited Partners

Upon request, within 90 days after the end of each fiscal year, the General Partner will forward to each Limited Partner an annual report for such fiscal year consisting of (i) audited financial statements for such fiscal year; (ii) a report of the Auditors on such financial statements; (iii) a report on allocations to the Limited Partners' Contributed Capital accounts and taxable income or loss and distributions of cash to the General Partner and the Limited Partners for such fiscal period; and (iv) tax information to enable each Limited Partner to properly complete and file his or her tax returns in Canada in relation to an investment in Units.

The General Partner will forward to each Limited Partner, upon request, unaudited interim financial statements for the first six months of each fiscal year within 60 days after the end of such period. Upon request, the General Partner will forward to each Limited Partner quarterly unaudited financial information respecting the Net Asset Value per Unit within 30 days after the end of each fiscal quarter. See Article 11 "Books, Records and Financial Information" in the Limited Partnership Agreement.

Fiscal Year

The fiscal year of the Partnership shall end on December 31 in each calendar year.

Amendment

The General Partner may, without prior notice or consent from any Limited Partner, amend the Partnership Agreement (i) in order to protect the interests of the Limited Partners, if necessary; (ii) to cure any ambiguity or clerical error or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner; (iii) to reflect any changes to any applicable legislation; or (iv) in any other manner, if such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner. The Limited Partners may by Special Resolution (which must include the consent of the General Partner), amend the Limited Partnership Agreement. See Article 13 - Amendment of Agreement in the Limited Partnership Agreement.

Term

The Partnership has no fixed term. Dissolution may only occur (i) at any time on 30 days written notice by the General Partner to each Limited Partner, or (ii) on the date which is 60 days following the removal of the General Partner, unless the Limited Partners agree by Ordinary Resolution to appoint a

replacement General Partner and the Partnership. See Article 12 - Termination of the Partnership in the Limited Partnership Agreement.

CANADIAN INCOME TAX CONSIDERATIONS AND CONSEQUENCES

Investors are urged to consult with their tax advisers respecting the purchase, holding and disposition of Units of the Partnership. Investors should be aware of the tax considerations and consequences associated with an investment in a limited partnership generally and in an actively managed investment pool in particular.

RISK FACTORS

Investment in Units involves certain risk factors, including risks associated with the Partnership's investment strategies. The following risks should be carefully evaluated by prospective investors.

Risks Associated with an Investment in the Partnership

Investment Risk

An investment in the Partnership may be deemed to be speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Partnership. Investors should review closely the investment objective and investment strategies to be utilized by the Partnership as outlined herein to familiarize themselves with the risks associated with an investment in the Partnership.

Marketability and Transferability of Units

There is no market for the Units and their resale, transfer and redemption are subject to restrictions imposed by the Limited Partnership Agreement and applicable securities legislation. See "Resale Restrictions". Consequently, holders of Units may not be able to liquidate their investment in a timely manner and the Units may not be readily accepted as collateral for a loan.

Reliance on Investment Manager and Track Record

The success of the Partnership will be primarily dependent upon the efforts of the Investment Manager and its principals. Although persons involved in the management of the Partnership and the service providers to the Partnership have had long experience in their respective fields of specialization, the Partnership has no operating or performing history upon which prospective investors can evaluate the Partnership's likely performance. Investors should be aware that the past performance by those involved in the investment management of the Partnership should not be considered as an indication of future results.

Tax Liability

Net Asset Value of the Partnership and Net Asset Value per Unit will be marked to market and therefore calculated on the basis of both realized trading gains and losses and accrued, unrealized gains and losses. In computing each Limited Partner's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption of Units by a Limited Partner in a fiscal year, will be taken into account. Therefore, the change in Net Asset Value of a Limited Partner's Units may differ from his share of income and loss for tax purposes.

Furthermore, investors may be allocated income for tax purposes and not receive any cash distributions from the Partnership.

Possible Loss of Limited Liability

Under the LP Act, the General Partner has unlimited liability for the debts, liabilities, obligations and losses of the Partnership to the extent that they exceed the assets of the Partnership. The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Partnership. In accordance with the LP Act, if a Limited Partner has received a return of all or part of the Limited Partner's contribution to the Partnership, the Limited Partner is nevertheless liable to the Partnership, or where the Partnership is dissolved, to its creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims arose before the return of the contribution. **The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Partnership.**

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Units held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership's capital is reduced and the Partnership is unable to pay its debts as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

Using Borrowed Funds to Invest

The use of leverage may not be suitable for all investors. Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If an investor borrows money to purchase securities, the investor's responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the securities purchased declines.

Income

An investment in the Partnership is not suitable for an investor seeking an income from such investment, as the Partnership may not, or may be unable to, distribute income earned by it.

Not a Public Mutual Fund

The Partnership is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Partnership's portfolio.

Custody Risk

The Partnership does not control the custodianship of all of its securities. The banks or brokerage firms selected to act as custodians may become insolvent, causing the Partnership to lose all or a portion of the funds or securities held by those custodians. Consequently, the Partnership and therefore, the Limited Partners, may suffer losses.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Partnership, employees of the Investment Manager may make "trading errors" — i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular

strategy; or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are an intrinsic factor in any complex investment process, and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are, therefore, distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by employees of the Investment Manager. Consequently, the Investment Manager will (unless the Investment Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Partnership, unless they are the result of conduct by the Investment Manager which is inconsistent with the Investment Manager's standard of care.

Changes in Investment Strategy

The Investment Manager may alter its strategy without prior approval by the Limited Partners if the General Partner and the Investment Manager determine that such change is in the best interest of the Partnership.

Valuation of the Partnership's Investments

While the Partnership is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Partnership's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Partnership could be adversely affected. Independent pricing information may not at times be available regarding certain of the Partnership's securities and other investments. Valuation determinations will be made in good faith in accordance with the Limited Partnership Agreement.

Although the Partnership generally will invest in exchange-traded and liquid over-the-counter securities, the Partnership may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Partnership to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Limited Partner who redeems all or part of its Units while the Partnership holds such investments will be paid an amount less than such Limited Partner would otherwise be paid if the actual value of such investments is higher than the value designated by the Partnership. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the General Partner in respect of a redemption. In addition, there is risk that an investment in the Partnership by a new Limited Partner (or an additional investment by an existing Limited Partner) could dilute the value of such investments for the other Limited Partners if the actual value of such investments is higher than the value designated by the General Partner. Further, there is risk that a new Limited Partner (or an existing Limited Partner that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the General Partner. The Partnership does not intend to adjust the Net Asset Value of the Partnership retroactively.

Potential Indemnification Obligations

Under certain circumstances, the Partnership might be subject to significant indemnification obligations in favour of the General Partner, the Investment Manager, other service providers to the Partnership or certain persons related to them. The Partnership will not carry any insurance to cover such potential obligations and, to the General Partner's knowledge, none of the foregoing parties will be insured for losses for which the Partnership has agreed to indemnify them. Any indemnification paid by the Partnership would reduce the Partnership's Net Asset Value.

Possible Effect of Redemptions

Substantial redemptions of Units could require the Partnership to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units remaining outstanding.

Possible Effect of General Partner Distributions

The General Partner will receive distributions based on net realized and unrealized income and gains in a year, which distributions might theoretically exceed taxable income and taxable capital gains in such year. The Partnership will not be entitled to claim such difference as an expense nor will the General Partner have an obligation to the Partnership to repay any such distribution, having an adverse effect on the Net Asset Value of the Units.

Charges to the Partnership

The Partnership is obligated to pay administration fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Partnership realizes profits. In addition, the Partnership may make a distribution to the General Partner upon a mid-year redemption in a fiscal year in which there is a net loss for such year.

Lack of Independent Experts Representing Limited Partners

Each of the Partnership, the General Partner and the Investment Manager has consulted with a single legal counsel regarding the formation and terms of the Partnership and the offering of Units. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Partnership, the Limited Partners or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisers regarding the desirability of purchasing Units and the suitability of investing in the Partnership.

No Involvement of Unaffiliated Selling Agent

The General Partner and Investment Manager are under common control and ownership. Consequently, no outside selling agent unaffiliated with such parties has made any review or investigation of the terms of this offering, the structure of the Partnership or the background of the General Partner and Investment Manager.

Possible Negative Impact of Regulation of Hedge Funds

The regulatory environment for hedge funds is evolving and changes to it may adversely affect the Partnership. To the extent that regulators adopt practices of regulatory oversight in the area of hedge funds that create additional compliance, transaction, disclosure or other costs for hedge funds, returns of the Partnership may be negatively affected. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action that may adversely affect the value of the investments held by the Partnership. The effect of any future regulatory or tax change on the portfolio of the Partnership is impossible to predict.

Risks Associated with the Partnership's Underlying Investments

General Economic and Market Conditions

The success of the Partnership's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Partnership's investments. Unexpected volatility or illiquidity could impair the Partnership's profitability or result in losses.

Concentration

The Partnership intends to concentrate its investments in a relatively limited number of investments (approximately 8-12) and thus the Partnership's returns could be adversely affected by the performance of one or two investments.

Investment Focus

The Partnership will focus its investments on issuers in the financial services industry. The lack of diversification to other industries could increase volatility of the performance of the Partnership's investments, as the Partnership's returns will be affected by the general economic condition of that industry alone.

Small to Medium Capitalization Companies

The Partnership may invest a portion of its assets in the stocks of companies with small- to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Liquidity of Underlying Investments

Some of the securities in which the Partnership intends to invest may be thinly traded. There are no restrictions on the investment of Partnership assets in illiquid securities. It is possible that the Partnership may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Partnership is required to transact in such securities before its intended investment horizon, the performance of the Partnership could suffer.

Shorting

Selling a security short ("**shorting**") involves borrowing a security from an existing holder and selling the security in the market with a promise to return it at a later date. Should the security increase in value during the shorting period, losses will incur to the Partnership. There is in theory no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Partnership must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Partnership may have to bid up the price of the security in order to cover the short, resulting in losses to the Partnership.

Trading Costs

The Partnership may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Partnership.

Currency and Exchange Rate Risks

The Partnership's cash assets may be held in currencies other than the Canadian dollar, and gains and losses in securities transactions may be in currencies other than the Canadian dollar. Accordingly, a portion of the income received by the Partnership may be denominated in non-Canadian currencies. The Partnership nevertheless will compute and distribute its income in Canadian dollars. Thus changes in currency exchange rates may affect the value of the Partnership's portfolio and the unrealized appreciation or depreciation of investments. Further, the Partnership may incur costs in connection with conversions between various currencies.

Counterparty Risk

To the extent that any counterparty with or through which the Partnership engages in trading and maintains accounts does not segregate the Partnership's assets, the Partnership will be subject to a risk of loss in the event of the insolvency of such person. Even where the Partnership's assets are segregated, there is no guarantee that in the event of such an insolvency, the Partnership will be able to recover all of its assets.

Leverage

The Partnership may use financial leverage by borrowing funds against the assets of the Partnership. Leverage increases both the possibilities for profit and the risk of loss for the Partnership. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. The combination of these two factors can result in leveraged strategies being required to sell positions typically at highly disadvantageous prices in order to meet margin requirements, contributing to a general decline in a wide range of different securities. Illiquidity can be particularly damaging to leveraged strategies because of the essentially discretionary ability of dealers to raise margin requirements, requiring leveraged strategy to attempt to sell positions to comply with such requirements at a time when there are effectively no buyers in the market at all or at any but highly distressed prices. These market conditions have in the past resulted in major losses to a substantial number of private investment funds. Such conditions, although unpredictable, can be expected to recur.

The foregoing statement of risks does not purport to be a complete explanation of all the risks involved in purchasing the Units. Potential investors should read this entire Offering Memorandum and consult with their legal, tax and financial advisers, before making a decision to invest in the Units.

CONFLICTS OF INTEREST

Securities regulation in Ontario requires that potential conflicts of interest be fully disclosed in this offering memorandum. Such potential conflicts are perceived to arise whenever a registrant such as the Investment Manager participates in the distribution of securities of a related or connected issuer.

In this case, because the Investment Manager is an affiliate of the General Partner and because the Investment Manager earns fees from the ongoing management of the Partnership's investment portfolio, the Partnership is considered both a related issuer and a connected issuer of the Investment Manager. Details of this relationship and the fees earned by the Investment Manager are fully disclosed elsewhere in this offering memorandum.

CONFLICTS OF INTEREST POLICY

Statement of Policies Concerning Conflicts of Interest with Related Issuers and Connected Issuers

The Investment Manager may engage in activities as a portfolio manager and exempt market dealer in respect of securities of related issuers but will do so only in compliance with Part XIII of the Regulation under the *Securities Act* (Ontario).

The securities laws of the Province of Ontario require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser.

In Ontario, the Investment Manager will be acting as an adviser and exempt market dealer. As a result, potential conflicts of interest could arise in connection with the Investment Manager acting in both capacities. As an exempt market dealer, the Investment Manager intends only to sell interests in related limited partnerships and other pooled funds organized by the Investment Manager and will not be remunerated by the related partnership or other fund for acting in that capacity. Accordingly, there is no opportunity for a potential conflict to arise as there would be if, for example, the Investment Manager also sold or sought investors for, securities of unrelated issuers. The Investment Manager's relationship with such partnerships and other pooled funds will be fully disclosed to all potential investors.

Each of the Partnership and DKAM Capital Ideas Fund LP (the "**Funds**") is a related and connected issuer of the Investment Manager. The general partner of each Fund is an affiliate of the Investment Manager, which is a subsidiary of Donville Kent Financial Corp., a corporation controlled by the officers and directors of the Investment Manager and of the general partner of each Fund. The Investment Manager receives fees from the Funds, and the general partner of each Fund shares in profits of the Fund. See "Investment Management Agreement" and "Profit Allocation" above.

Fairness Policy

As an investment counsel and portfolio manager, the Investment Manager and its employees shall conduct themselves with integrity and honesty and act in an ethical manner in all of their dealings with its clients, including the Partnership.

The Investment Manager shall not knowingly participate or assist in the violation of any statute or regulation governing securities and investment matters.

The responsible persons shall exercise reasonable supervision over subordinate employees subject to their control to prevent any violation by such persons of applicable statutes or regulations.

The Investment Manager shall exercise diligence and thoroughness on taking an investment action on a client's behalf and shall have a reasonable and adequate basis for such actions, supported by appropriate research and investigations.

Before initiating an investment transaction for the Partnership, the Investment Manager will consider its appropriateness and suitability.

The Investment Manager shall ensure that the Partnership's account is supervised separately and distinctly from all other clients' accounts.

It may be determined that the purchase or sale of a particular security is appropriate for more than one client account, i.e. that particular client orders should be aggregated or “bunched”, such that in placing orders for the purchase or sale of securities, the Investment Manager may pool the Partnership’s order with that of another client or clients. Simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, when bunching orders, and allocating block purchases and block sales, it is the Investment Manager’s policy to treat all clients fairly and to achieve an equitable distribution of bunched orders. All new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of the Investment Manager’s clients in a manner it considers to be fair and equitable.

In the course of managing a number of discretionary accounts, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all clients. Under such conditions, as a general policy, and to the extent that no client will receive preferential treatment, the Investment Manager will ensure:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally on the amount of equity of each client’s account;
- where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis;
- in the case of hot issues and IPOs, participation is split equally between clients based proportionately on the equity in each account;
- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a *pro rata* basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, and
- trading commissions for block trades are allocated on a *pro rata* basis, in accordance with the foregoing trade allocation policies.

Whichever method is chosen, it must be followed in the future where similar conditions exist. Where it is impossible to achieve uniform treatment, every effort shall be made by the Investment Manager and its employees to compensate at the next opportunity in order that every client, large or small, over time, receives equitable treatment in the filling of orders.

In allocating bunched orders, the Investment Manager uses several criteria to determine the order in which participating client accounts will receive an allocation thereof. Criteria for allocating bunched orders include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities.

Some of the Investment Manager’s clients have selected a dealer to act as custodian for the clients’ assets and direct the Investment Manager to execute transactions through that dealer. It is not the Investment Manager’s practice to negotiate commission rates with such dealers. For clients who grant the Investment Manager brokerage discretion, the Investment Manager will Block orders and all client transactions will be done at the same standard institutional per share commission rate

The Investment Manager may purchase or sell securities from or to other managed accounts provided that the transaction is effected through an independent broker at the current market price of the security or at the mid-point of the current market bid/ask price, unless a deviation is permitted in writing by the Chief Investment Officer.

Transactions for clients shall have priority over personal transactions so that personal transactions do not act adversely to the Partnership's interest.

The Investment Manager will at all times preserve confidentiality of information communicated by a client concerning matters within the scope of a confidential relationship.

Personal Trading

The Investment Manager has adopted a policy to limit, monitor and, in certain instances, restrict personal trading by the employees of the Investment Manager in order to ensure that there is no conflict between such personal trading and the interests of the Partnership and the Investment Manager's other clients.

Referral Arrangements

The Investment Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Investment Manager or to one of the funds it manages. No such payment will be made unless all applicable securities laws are complied with.

Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Investment Manager. In effecting portfolio transactions, the Investment Manager will seek to obtain best execution of orders as required by applicable securities regulations.

To the extent that the terms offered by more than one dealer are considered by the Investment Manager to be comparable, the Investment Manager may, in its discretion, choose to purchase and sell portfolio securities from and to or through dealers who provide research, statistical and other services to the Investment Manager in respect of their management of the Partnership. The Investment Manager will only enter into such arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all brokerage arrangements will benefit all clients at all times.

The Investment Manager does not have any agreements or arrangements in place with any dealer for portfolio transactions regarding the Partnership. However, the Investment Manager is provided with research, from time to time, from the dealers with whom it places trades for the Partnership, as well as for its other clients. The Investment Manager does not take into account the research it receives in determining dealers through whom it will place portfolio transactions for the Partnership. Names of the dealer(s) that provided the Investment Manager with such research services in connection with the portfolio transactions for the Partnership during the last financial year of the Partnership will be provided on request by contacting the Investment Manager.

Statement of Related Registrants

Ontario securities legislation also requires securities dealers and advisers to inform their clients if the dealer or adviser has a principal shareholder, director or officer that is a principal shareholder, director

or officer of another dealer or adviser and of the policies and procedures adopted by the dealer or adviser to minimize the potential for conflicts of interest that may result from this relationship.

At this time, the Investment Manager has no related registrants.

PROCEEDS OF CRIME (MONEY LAUNDERING) LEGISLATION

In order to comply with Canadian legislation aimed at the prevention of money laundering, the General Partner and/or the Investment Manager may require additional information concerning investors.

If, as a result of any information or other matter which comes to the Investment Manager's attention, any director, officer or employee of the Investment Manager, or its professional advisers, knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

FINANCIAL REPORTING

The Partnership is not a reporting issuer for the purpose of applicable securities legislation. See "Reports to Limited Partners."

Regular financial disclosure will be provided to each Limited Partner by the Limited Partner's dealer. For example, if the Investment Manager is the dealer through whom Units are purchased, the Investment Manager must provide a statement at least quarterly (monthly, if requested or if a transaction occurred during the month) showing, for each transaction made for the Limited Partner during the period: (i) the date of the transaction; (ii) whether the transaction was a purchase, sale or transfer; (iii) the number of Units purchased or sold; (iv) the price per Unit paid or received by the Limited Partner; and (v) the total value of the transaction. The statement must also show, as at the end of the period: (i) the number of Units held, (ii) the price per Unit and (iii) the total value of the Units held.

STATUTORY RIGHTS OF ACTION AND RESCISSION

Rights of Action for Damages or Rescission

Securities legislation in certain of the provinces of Canada provides subscribers with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Offering Memorandum and any amendment thereto contains a misrepresentation. However, such rights must be exercised by the subscriber within the prescribed time limits. Subscribers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser. The following is a summary of the rights of rescission or damages, or both, available to subscribers under the securities legislation of Ontario.

Rights for Purchasers in Ontario

Securities legislation in Ontario provides subscribers resident in Ontario with, in addition to any other right they may have at law, rights of rescission or damages where the Offering Memorandum and any amendment thereto contains a misrepresentation. However, such rights must be exercised by the subscriber within specified time limits

If the Offering Memorandum, together with any amendment or supplement thereto, delivered to a purchaser of Units resident in Ontario contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (herein called a "**misrepresentation**") and

it was a misrepresentation at the time of purchase, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a right of action, either for damages or alternatively for rescission, against the Partnership while still the owner of any of the Units offered hereunder, provided that:

- (a) the Partnership shall not be held liable pursuant to such right of action if the Partnership proves the investor purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the Partnership is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the investor as a result of the misrepresentation relied upon;
- (c) the Partnership will not be liable for a misrepresentation in forward-looking information if the Partnership proves that:
 - (i) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Partnership has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the price at which the Units were offered to the investor; and
- (e) no action may be commenced to enforce such right of action more than,
 - (i) in the case of an action for rescission 180 days after the date of the acceptance of the subscription by the Partnership; or
 - (ii) in the case of an action for damages, the earlier of
 - (A) 180 days after the investor has knowledge of the misrepresentation, or
 - (B) three years after the date of the acceptance of the subscription by the General Partner.

For the purposes of this section, a “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. The contractual rights discussed above are in addition to and without derogation from any other rights or remedies available at law to the subscriber.

The rights discussed above are in addition to and without derogation from any other rights or remedies available at law to the subscriber.

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