No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS

Initial Public Offering June 7, 2024

Quadravest Preferred Split Share ETF
(the "**Preferred ETF**")

This prospectus qualifies the distribution of CAD units ("**Units**") of the Preferred ETF, an actively managed exchange traded fund, established as a trust under the laws of the Province of Ontario. The Units of the Preferred ETF are denominated in Canadian dollars.

The investment objectives of the Preferred ETF are to provide Unitholders of the Preferred ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of preferred shares of split share corporations ("**Split Corp. Preferred Shares**"). See "Investment Objectives" and "Investment Strategies" for further information. Quadravest Capital Management Inc. (the "**Manager**") acts as trustee, promoter, manager and portfolio manager of the Preferred ETF and is responsible for the administration of the Preferred ETF. See "Organization and Management Details of the Preferred ETF – Trustee, Manager and Portfolio Manager".

The Preferred ETF is considered an "alternative mutual fund" within the meaning of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its net asset value in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

Purchases of Units

The Units of the Preferred ETF have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements, Units of the Preferred ETF will be listed on the TSX and investors will be able to buy or sell Units of the Preferred ETF on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units of the Preferred ETF. All orders to purchase Units directly from the Preferred ETF must be placed by Designated Brokers (as defined herein) or Dealers (as defined herein). See "Purchases of Units" for further information.

In the opinion of counsel, provided that the Preferred ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act (as defined herein) or the Units of the Preferred ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX), the Units of the Preferred ETF, if issued on the date hereof, would be on such date qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, first home savings accounts and tax-free savings accounts.

Additional Considerations

While the Preferred ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, the Preferred ETF has received exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See "Exemptions and Approvals".

No underwriter or dealer has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus. The Canadian securities regulators have provided the Preferred ETF with a decision exempting them from the requirement to include a certificate of an underwriter in this prospectus. See “Exemptions and Approvals”. The applicable designated broker and dealers are not underwriters of the Preferred ETF in connection with the distribution of Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the Preferred ETF, see “Risk Factors”.

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Documents Incorporated by Reference

Additional information about the Preferred ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the annual MRFP for the Preferred ETF, and the most recently filed ETF Facts for the Preferred ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

These documents are, or will be, publicly available on the Manager’s website at www.quadravest.com and may be obtained upon request, at no cost, by calling (416) 304-4443, or by contacting a registered dealer. These documents and other information about the Preferred ETF are, or will also be, publicly available on the website of SEDAR+ (the System for Electronic Document Analysis and Retrieval +) at www.sedarplus.com.

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GLOSSARY

Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

"2024 Budget Proposals" has the meaning ascribed thereto under "Risk Factors – Tax-Related Risks".

"Accounting & Administrative Services Agreement" means the accounting & administrative services agreement dated June 7, 2024 between the Manager and the Fund Administrator, as the same may be amended or amended and restated from time to time.

"ATR Rule" has the meaning ascribed thereto under "Exchange and Redemption of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders".

"Basket of Securities" means, in relation to the Preferred ETF, a group of securities and/or assets determined by the Manager from time to time representing the constituent securities of the portfolio of the Preferred ETF.

"Canadian Securities Legislation" means the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the Securities Regulatory Authorities, as the same may be amended, restated or replaced from time to time.

"Capital Gains Refund" has the meaning ascribed thereto under "Income Tax Considerations – Taxation of the Preferred ETF".

"Cash Creation Fee" has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers".

"Cash Exchange Fee" has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers".

"CDS" means CDS Clearing and Depository Services Inc.

"CDS Participant" means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

"Counterparty" has the meaning ascribed thereto under "Risk Factors – Counterparty Risk Associated with Securities Lending".

"CRA" means the Canada Revenue Agency.

"CRS Rules" has the meaning ascribed thereto under "International Information Reporting".

"Custodial Services Agreement" means the master custodial services agreement between the Preferred ETF and the Custodian dated as of June 7, 2024, as may be further supplemented, amended, and/or amended and restated from time to time.

"Custodian" means Natcan Trust Company or its successor, in its capacity as custodian of the Preferred ETF pursuant to the Custodial Services Agreement.

"Dealer" means a registered dealer (that may or may not be the Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the Preferred ETF, and that subscribes for and purchases Units from the Preferred ETF.

"Declaration of Trust" means the master declaration of trust governing the Preferred ETF dated June 7, 2024, as it may be amended and/or amended and restated from time to time.

"derivatives" means instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which may include, options, futures contracts, forward contracts, swaps or debt-like securities.

"Designated Broker" means the registered dealer that has entered into a designated broker agreement with the Manager, on behalf of the Preferred ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to the Preferred ETF.

"Designated Broker Agreement" means an agreement between the Manager, on behalf of the Preferred ETF, and a Designated Broker.

"DFA Rules" has the meaning ascribed thereto under "Risk Factors – Tax-Related Risks".

"Distribution Record Date" means, in relation to the Preferred ETF, a date determined by the Manager as a record date for the determination of the Unitholders of the Preferred ETF entitled to receive a distribution.

"DPSP" means a deferred profit sharing plan within the meaning of the Tax Act.

"Equity Repurchase Rules" has the meaning ascribed thereto under "Risk Factors – Tax-Related Risks".

"FHSA" means a first home savings account within the meaning of the Tax Act.

"Fund Administrator" means Natcan Trust Company or its successor, in its capacity as fund administrator of the Preferred ETF.

"GST/HST" means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

"Holder" has the meaning ascribed thereto under "Income Tax Considerations".

"IRC" or **"Independent Review Committee"** means the independent review committee of the Preferred ETF established by the Manager in accordance with NI 81-107.

"IRS" has the meaning ascribed thereto under "International Information Reporting".

"Lending Agent" means Natcan Trust Company, in its capacity as lending agent to the Preferred ETF pursuant to the Securities Lending Agreement.

"Management Fee" has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees".

"Management Fee Distributions" has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees".

"Manager" means Quadravest Capital Management Inc., or if applicable, its successor.

"minimum distribution requirements" has the meaning ascribed thereto under "Income Tax Considerations – Status of the Preferred ETF".

"MRFP" has the meaning ascribed thereto on the cover page.

"NAV" and **"NAV per Unit"** means, in relation to the Preferred ETF, the net asset value of the Preferred ETF and the net asset value per Unit of the Preferred ETF, calculated by the Fund Administrator as described under "Calculation of Net Asset Value".

"NI 41-101" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators (or any successor policy, rule or instrument), as amended, restated or replaced from time to time.

"NI 81-102" means National Instrument 81-102 *Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as amended, restated or replaced from time to time.

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as amended, restated or replaced from time to time.

"Non-Portfolio Income" has the meaning ascribed thereto under "Income Tax Considerations – Taxation of the Preferred ETF".

"Other Fund" means another investment fund, including another investment fund managed by the Manager.

"Permitted Mergers" has the meaning ascribed thereto under "Unitholder Matters – Permitted Mergers".

"PNU" or **"Prescribed Number of Units"** means, in relation to the Preferred ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"Prime Broker" means National Bank Independent Network (NBIN), a division of National Bank Financial Inc., which is an indirect, wholly owned subsidiary of National Bank of Canada, or any successor or any additional prime broker(s) appointed by the Manager from time to time.

"Quadravest" means Quadravest Capital Management Inc.

"Preferred ETF" means the exchange traded fund listed on the cover page of this prospectus.

"RDSP" means a registered disability savings plan within the meaning of the Tax Act.

"Reference Index" has the meaning ascribed thereto under "Investment Risk Classification Methodology".

"Registered Plans" means, collectively, RRSPs, RRIFs, DPSPs, RDSPs, RESPs, FHSAs and TFSAs.

"Registrar and Transfer Agent" means TSX Trust Company or its successor, in its capacity as transfer agent of the Preferred ETF.

"Reportable Jurisdictions" has the meaning ascribed thereto under "International Information Reporting".

"RESP" means a registered education savings plan within the meaning of the Tax Act.

"RRIF" means a registered retirement income fund within the meaning of the Tax Act.

"RRSP" means a registered retirement savings plan within the meaning of the Tax Act.

"Securities Lending Agreement" has the meaning ascribed thereto under "Organization and Management Details of the Preferred ETF – Securities Lending Agent".

"Securities Regulatory Authorities" means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

"SIFT Rules" has the meaning ascribed thereto under "Risk Factors – Tax-Related Risks".

"Split Corp. Preferred Shares" means, preferred shares issued by split share corporations.

"Substituted Property" has the meaning ascribed thereto under "Income Tax Considerations – Taxation of the Preferred ETF".

"Tax Act" means the *Income Tax Act* (Canada), as amended, or successor statutes, and shall include the regulations promulgated thereunder.

"Tax Amendment" means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

“Tax Treaties” has the meaning ascribed thereto under “Risk Factors – Tax-Related Risks”.

“TFSA” means a tax-free savings account within the meaning of the Tax Act.

“Total Assets” means the aggregate value of the assets of the Preferred ETF.

“Trading Day” means, for the Preferred ETF, unless otherwise agreed by the Manager, a day on which: (a) a regular session of the TSX (or any other marketplace on which the Units of the Preferred ETF are listed for trading) is held and (b) the primary market or exchange for the majority of securities held by the Preferred ETF is open for trading.

“TSX” means the Toronto Stock Exchange.

“Underlying Fund” has the meaning ascribed thereto under “Risk Factors – Tax-Related Risks”.

“Unit” means, a redeemable, transferable Canadian dollar denominated unit of the Preferred ETF which represents an equal, undivided interest in the net assets of the Preferred ETF.

“Unitholder” means a holder of Units of the Preferred ETF.

“Valuation Date” means each Trading Day or any other day designated by the Manager on which the NAV and NAV per Unit of the Preferred ETF is calculated.

“Valuation Time” means, in relation to the Preferred ETF, 4:00 p.m. (Toronto time) on a Valuation Date or such other time that the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuer:	**Quadravest Preferred Split Share ETF** (the "**Preferred ETF**") The Preferred ETF is an exchange traded mutual fund trust established under the laws of the province of Ontario. Quadravest Capital Management Inc. (the "**Manager**") is the manager, trustee, portfolio manager and promoter of the Preferred ETF. See "Overview of the Legal Structure of the Preferred ETF".
Offering:	The Preferred ETF offers one class of units denominated in Canadian dollars (the "**Units**").
Purchases of Units:	The Units of the Preferred ETF have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements, Units of the Preferred ETF will be listed on the TSX and investors will be able to buy or sell Units of the Preferred ETF on the TSX through registered brokers and dealers in the province or territory where the investor resides. The Preferred ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. All orders to purchase Units directly from the Preferred ETF must be placed by Designated Brokers or Dealers. The following sets out the TSX ticker symbol for the Preferred ETF: **TSX Ticker Symbol** **Quadravest Preferred Split Share ETF** — **PREF** Investors may incur customary brokerage commissions in buying or selling Units of the Preferred ETF. No fees are paid by investors to the Manager or the Preferred ETF in connection with the buying or selling of Units on the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded). Investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders. The Manager, in certain circumstances, will be able to create additional classes of units for issuance without requiring Unitholder approval. See "Purchases of Units – Continuous Distribution" and "Purchases of Units – Future Issuance of Units".
Investment Objectives:	The investment objectives of the Preferred ETF are to provide Unitholders of the Preferred ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of preferred shares of split share corporations ("**Split Corp. Preferred Shares**"). See "Investment Objectives".
Investment Strategies:	The investment strategy of the Preferred ETF is to primarily invest in an actively managed portfolio of Split Corp. Preferred Shares offered by Canadian split share corporations listed on a Canadian exchange. The Preferred ETF may also invest in

preferred shares of other issuers, exchange-traded funds, other investment funds, equities or income-generating securities, and securities that are convertible into any of the above noted securities provided such investments are consistent with the Preferred ETF's investment objectives.

The Preferred ETF is considered an "alternative mutual fund" within the meaning of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its net asset value ("**NAV**") in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

See "Investment Strategies".

General Investment Strategies:

Investment in Other Investment Funds – In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in securities directly, the Preferred ETF may also invest in one or more other investment funds, including other investment funds managed by the Manager (each, an "**Other Fund**"), provided that no management fees or incentive fees are payable by the Preferred ETF that, to a reasonable person, would duplicate a fee payable by any Other Fund for the same service. The Preferred ETF's allocation to investments in Other Funds, if any, will vary from time to time depending on the relative size and liquidity of the Other Fund, and the ability of the Manager to identify appropriate Other Funds that are consistent with the Preferred ETF's investment objectives and strategies.

Use of Derivative Instruments – The Preferred ETF may invest in or use derivative instruments, including futures contracts and forward contracts, from time to time, for hedging or non-hedging purposes provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objectives and strategies of the Preferred ETF.

Currency Hedging – The Preferred ETF may, at the discretion of the Manager, hedge substantially all of its direct foreign currency exposure back to the Canadian dollar through the utilization of currency forward agreements. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. A meeting of unitholders of the Preferred ETF will be called to approve any change to the fund's currency hedging strategy.

Securities Lending – The Preferred ETF may enter into securities lending transactions, repurchase and reverse purchase transactions in compliance with NI 81-102 to earn additional income for the Preferred ETF.

See "Investment Strategies – General Investment Strategies of the Preferred ETF".

Special Considerations for Purchasers:

The "early warning" reporting requirements do not apply in connection with the ownership of or control of securities issued by a mutual fund such as Units of the Preferred ETF. In addition, the Preferred ETF has obtained exemptive relief from the securities regulatory authorities to permit a Unitholder of the Preferred ETF to acquire more than 20% of the Units of a class of the Preferred ETF through purchases on the

TSX (or any other marketplace on which the Units of the Preferred ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

The Preferred ETF is considered an “alternative mutual fund” within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its NAV in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF’s investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

See “Purchases of Units – Special Considerations for Unitholders”.

Risk Factors: There are certain general risk factors inherent in an investment in Units of the Preferred ETF, including indirect risks that arise as a result of the Preferred ETF’s exposure to certain Other Funds.

See “Risk Factors”.

Income Tax Considerations: This summary of Canadian income tax considerations for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out in “Income Tax Considerations”.

A Unitholder of the Preferred ETF who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) will generally be required to include, in computing income for a taxation year, the amount of net income and net taxable capital gains of the Preferred ETF that is paid or becomes payable to the Unitholder by the Preferred ETF in that year and deducted by the Preferred ETF in computing its income (including such income that is paid in Units of the Preferred ETF or reinvested in additional Units of the Preferred ETF).

A Unitholder of the Preferred ETF who disposes of a Unit of the Preferred ETF, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Preferred ETF which represents capital gains allocated and designated to the redeeming Unitholder), net of costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Unitholder of that Unit.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units of the Preferred ETF by obtaining advice from his or her tax advisor.

See “Income Tax Considerations”.

Exchange and Redemption of Units: Unitholders may redeem Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for Baskets of Securities and cash or, in the discretion of the Manager, cash only.

See “Exchange and Redemption of Units – Redemption of Units of the Preferred ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of the Preferred ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” for further information.

Distributions: Distributions, if any, on Units will be payable monthly by the Preferred ETF. The Preferred ETF expects targeted distributions to be $0.65 for the Preferred ETF’s first year of operation. However, the Preferred ETF does not have a fixed distribution amount. The amount of ordinary distributions, if any, will be set at the Manager's sole discretion and may be based on the Manager's assessment of the prevailing market conditions, the Preferred ETF's ability to generate sufficient levels of distributable cash and any other factors that the Manager, in its discretion, may deem relevant. The date of any distribution of the Preferred ETF will be announced in advance by issuance of a press release. Subject to compliance with the investment objectives of the Preferred ETF, the Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release. In the event that the Preferred ETF expects its targeted distribution amount to change for any period subsequent to the Preferred ETF's first year of operation, the Manager shall determine and announce such change by way of press release.

If the total return on the portfolio of the Preferred ETF is less than the amount necessary to fund the monthly distributions and all expenses of the Preferred ETF, and if the Manager chooses to nevertheless ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the distributions paid to Unitholders being a return of the capital of the Preferred ETF back to Unitholders, and accordingly, the NAV per Unit will be reduced. The amount of monthly distributions may fluctuate from month to month and there can be no assurance that the Preferred ETF will make any distribution in any particular month or months. The amount of monthly distributions may vary if there are changes in any of the factors that affect the net cash flow on the portfolio of the Preferred ETF, including the assumptions noted above.

Depending on the underlying investments of the Preferred ETF, distributions on Units may consist of ordinary income, including foreign source income, if any, and taxable dividends from taxable Canadian corporations, sourced from dividends, distributions or interest received by the Preferred ETF but may also include net realized capital gains, in any case, less the expenses of the Preferred ETF and may include returns of capital.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

See "Distribution Policy".

Termination:

The Preferred ETF does not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust.

See "Termination of the Preferred ETF".

Eligibility for Investment:

Provided that the Preferred ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act or the Units of the Preferred ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX), the Units of the Preferred ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for trusts governed by Registered Plans. See "Income Tax Considerations".

Holders of TFSAs, FHSAs or RDSPs, subscribers of RESPs and annuitants of RRSPs or RRIFs should consult with their tax advisers as to whether Units would be a prohibited investment within the meaning of the Tax Act for such accounts or plans in their particular circumstances.

See "Income Tax Considerations – Taxation of Registered Plans".

Documents Incorporated by Reference:	Additional information about the Preferred ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance ("**MRFP**"), any interim MRFP filed after the annual MRFP for the Preferred ETF, and the most recently filed ETF Facts for the Preferred ETF. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See "Documents Incorporated by Reference" for further details. These documents are, or will be, publicly available on the Manager's website at www.quadravest.com and may be obtained upon request, at no cost, by calling (416) 304-4443, or by contacting a registered dealer. These documents and other information about the Preferred ETF are, or will also be, publicly available on the website of SEDAR+ (the System for Electronic Document Analysis and Retrieval +) at www.sedarplus.com. See "Documents Incorporated by Reference".

Organization and Management of the Preferred ETF

Trustee, Manager and Portfolio Manager:	Quadravest is the manager, trustee and portfolio manager of the Preferred ETF and is responsible for the operations of the Preferred ETF, including the management of the Preferred ETF's investment portfolio. The principal office of the Preferred ETF and the Manager is located at 200 Front Street West, Suite 2510, Toronto, Ontario, M5V 3K2. See "Organization and Management Details of the Preferred ETF – Trustee, Manager and Portfolio Manager".
Custodian:	Natcan Trust Company, at its principal office in Montreal, Quebec, is the Custodian of the assets of the Preferred ETF and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Preferred ETF. See "Organization and Management Details of the Preferred ETF – Custodian".
Auditor:	PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, is the auditor of the Preferred ETF. The auditor audits the Preferred ETF's annual financial statements and provides an opinion as to whether they present fairly the Preferred ETF's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The auditor is independent with respect to the Preferred ETF within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct. See "Organization and Management Details of the Preferred ETF – Auditor".
Registrar and Transfer Agent:	TSX Trust Company at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units of the Preferred ETF and maintains the register of registered Unitholders. The register of the Preferred ETF is kept in Toronto, Ontario. See "Organization and Management Details of the Preferred ETF – Registrar and Transfer Agent".
Fund Administrator	Natcan Trust Company, at its principal offices in Montreal, Quebec, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-

	to-day administration of the Preferred ETF, including NAV calculations, accounting for net income and net realized capital gains of the Preferred ETF and maintaining books and records with respect to the Preferred ETF. See “Organization and Management Details of the Preferred ETF – Fund Administrator”.
Securities Lending Agent:	Natcan Trust Company, at its principal offices in Montreal, Quebec, may act as the securities lending agent for the Preferred ETF pursuant to a securities lending authorization agreement. See “Organization and Management Details of the Preferred ETF – Securities Lending Agent”.
Prime Broker:	National Bank Financial Inc., through its National Bank Independent Network division, will act as prime broker to the Preferred ETF in respect of the Preferred ETF’s margin facilities. The Prime Broker provides margin lending to the Preferred ETF to acquire additional portfolio holdings. The Prime Broker is located in Toronto, Ontario. See “Organization and Management Details of the Preferred ETF – Prime Broker.”
Promoter:	The Manager has taken the initiative of founding and organizing or reorganizing the Preferred ETF and may be considered to be the promoter of the Preferred ETF within the meaning of securities legislation of certain provinces and territories of Canada. See “Organization and Management Details of the Preferred ETF – Promoter”.

Summary of Fees and Expenses

The following table lists the fees and expenses that an investor may have to pay if the investor invests in the Preferred ETF. An investor may have to pay some of these fees and expenses directly. The Preferred ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Preferred ETF. See “Fees and Expenses”.

Fees and Expenses Payable by the Preferred ETF

Type of Fee	Amount and Description
Management Fee:	The Preferred ETF pays an annual management fee (the **“Management Fee”**) to the Manager equal to 0.5% of the NAV of the Preferred ETF, calculated and payable monthly in arrears, plus applicable taxes. The Preferred ETF may, in accordance with its investment strategies and applicable Canadian securities legislation, invest in exchange traded funds, mutual funds or other public investment funds to obtain exposure to securities for its portfolio. The Preferred ETF’s returns on the portion of the Preferred ETF’s portfolio assets invested in any Other Funds will be reduced by management fees paid by the Other Fund, regardless of whether such Other Fund is managed by the Manager or a third-party manager. There will be no duplication of fees payable by the Preferred ETF and the Other Fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the split share corporation is in excess of the redemption value of the Split Corp. Preferred Shares. No sales fees or redemption fees are payable to the Preferred ETF in relation to purchases or redemptions of the securities of the Other Funds in which it invests if such Other Funds are managed by the Manager or an affiliate or associate of the Manager. Accordingly, no sales fees or redemption fees will be payable by the Preferred ETF in

	relation to its purchases or redemptions of securities of an Other Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Preferred ETF. See "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees".
Management Fee Distributions:	The Manager may, at its discretion, agree to charge a reduced Management Fee as compared to the Management Fee that it otherwise would be entitled to receive from the Preferred ETF provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Preferred ETF to the applicable Unitholders as a Management Fee Distribution. Any reduction will depend on a number of factors, including the amount invested, the Total Assets (as defined herein) of the Preferred ETF under administration, the NAV of the Preferred ETF and the expected amount of account activity. The availability, amount and timing of Management Fee Distributions with respect to Units of the Preferred ETF will be determined by the Manager, in its sole discretion, from time to time. See "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees".
Operating Costs and Expenses:	In addition to the payment of the Management Fee, the Preferred ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the Preferred ETF is established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Preferred ETF, including the fees payable to the Custodian, registrar and transfer agent, Fund Administrator and fees payable to other service providers. See "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF –Operating Costs and Expenses".
Investments in Other Investment Funds:	In the event the Preferred ETF invests in one or more Other Funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Preferred ETF that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service. The Preferred ETF will indirectly bear the operating expenses, if any (including operating, administrative and portfolio transaction costs) that are borne by each of the Other Funds in which it invests. See "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Investments in Other Investment Funds".

Fees and Expenses Payable by the Designated Broker and Dealers

Type of Fee	Amount and Description
Cash Creation Fee:	The Manager may, in its complete discretion, accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Preferred ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, the fee payable in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Preferred ETF

	incurs or expects to incur in purchasing securities on the market with such cash proceeds (the "**Cash Creation Fee**"). The Cash Creation Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Preferred ETF. See "Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers – Cash Creation Fee".
Cash Exchange Fee:	Upon the request of the Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the fee payable in connection with cash-only payments for exchange of a PNU of the Preferred ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Preferred ETF incurs or expects to incur in selling securities on the market to obtain the necessary cash for the exchange (the "**Cash Exchange Fee**"), if applicable. The Cash Exchange Fee, if any, will be specified from time to time at the discretion of the Manager. See "Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers – Cash Exchange Fee".
Administration Fee:	An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, of the Preferred ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Preferred ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded). See "Fees and Expenses – Fees and Expenses Payable by the Designated Broker and Dealers – Administration Fee" and "Exchange and Redemption of Units – Administration Fee".

OVERVIEW OF THE LEGAL STRUCTURE OF THE PREFERRED ETF

The Preferred ETF is an actively managed exchange traded mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The Units of the Preferred ETF have been conditionally approved for listing on the Toronto Stock Exchange (the "**TSX**"). Subject to satisfying the TSX's original listing requirements, Units of the Preferred ETF will be listed on the TSX and investors will be able to buy or sell Units of the Preferred ETF on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units of the Preferred ETF. All orders to purchase Units directly from the Preferred ETF must be placed by Designated Brokers or Dealers. See "Purchases of Units".

While the Preferred ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, it has been granted exemptive relief from certain provisions of Canadian Securities Legislation applicable to conventional mutual funds. See "Exemptions and Approvals".

The Preferred ETF is considered an "alternative mutual fund" within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its NAV in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

Quadravest is the promoter, manager, trustee and portfolio manager of the Preferred ETF, and in its capacity as manager, is responsible for the administration of the Preferred ETF. The principal office of the Manager and the Preferred ETF is located at 200 Front Street West, Suite 2510, Toronto, Ontario, M5V 3K2.

The following sets out the full legal name as well as the TSX ticker symbol for the Preferred ETF:

	TSX Ticker Symbol
Quadravest Preferred Split Share ETF	**PREF**

INVESTMENT OBJECTIVES

The investment objectives of the Preferred ETF are to provide Unitholders of the Preferred ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of Split Corp. Preferred Shares.

The investment objectives of the Preferred ETF may not be changed except with the approval of its Unitholders. See "Unitholder Matters" for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

INVESTMENT STRATEGIES

The investment strategy of the Preferred ETF is to primarily invest in an actively managed portfolio of Split Corp. Preferred Shares offered by Canadian split share corporations listed on a Canadian exchange. The Preferred ETF may also invest in preferred shares of other issuers, exchange-traded funds, other investment funds, equities or income-generating securities, and securities that are convertible into any of the above noted securities provided such investments are consistent with the Preferred ETF's investment objectives.

The Manager will manage the portfolio of the Preferred ETF to seek to meet the Preferred ETF's investment objectives and therefore the composition of the Preferred ETF's portfolio will vary from time to time based on the Manager's assessment of market conditions and other factors.

The Preferred ETF is considered an "alternative mutual fund" within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its NAV in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

General Investment Strategies of the Preferred ETF

Investment in Other Investment Funds

In accordance with applicable securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in securities directly, the Preferred ETF may also invest in one or more Other Funds, including Other Funds managed by the Manager, provided that no management fees or incentive fees are payable by the Preferred ETF that, to a reasonable person, would duplicate a fee payable by any Other Fund for the same service. Split Corp. Preferred Shares generally do not bear any management fees or operating expenses when the net asset value of the split share corporation is in excess of the redemption value of the Split Corp. Preferred Shares. The Preferred ETF's allocation to investments in Other Funds, if any, will vary from time to time depending on the relative size and liquidity of the Other Funds, and the ability of the Manager to identify appropriate Other Funds that are consistent with the Preferred ETF's investment objectives and strategies.

Use of Derivative Instruments

The Preferred ETF may use derivative instruments for hedging purposes (i.e., to hedge the foreign currency exposure of the securities included in the Preferred ETF's portfolio to the Canadian dollar) or for non-hedging purposes (i.e., as a substitute for investing directly in one or more securities). The Preferred ETF may use derivative instruments to reduce transaction costs and increase the liquidity and efficiency of trading. The Preferred ETF may, from time to time, use derivatives to hedge their exposure to equity, fixed income and hybrid securities. The Preferred ETF may invest in or use derivative instruments, including futures contracts and forward contracts, provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objectives and strategies of the Preferred ETF.

Currency Hedging

The Preferred ETF may, at the discretion of the Manager, hedge substantially all of its direct foreign currency exposure back to the Canadian dollar through the utilization of currency forward agreements. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. A meeting of Unitholders of the Preferred ETF will be called to approve any change to the fund's currency hedging strategy.

Securities Lending

The Preferred ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it in order to earn additional income for the Preferred ETF pursuant to the terms of a securities lending agreement between the Preferred ETF and a securities lending agent under which: (a) the borrower will pay to the Preferred ETF a negotiated securities lending fee and will make compensation payments to the Preferred ETF equal to any distributions received by the borrower on the securities borrowed; (b) the securities loans qualify as "securities lending arrangements" for the purposes of the Tax Act; and (c) the Preferred ETF will receive collateral security equal to at least 102% of the value of the portfolio securities loaned. The Lending Agent for the Preferred ETF will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the loaned securities and collateral on a daily basis, and ensure that the collateral at least equals the required margin percentage as set out in the Securities Lending Agreement.

OVERVIEW OF THE SECTORS THAT THE PREFERRED ETF INVESTS IN

The Preferred ETF primarily invests in preferred shares issued by Canadian split share corporations which are listed on an exchange in Canada.

A split share corporation aims to convert the risk and returns of a basket of conventional dividend-paying shares into the risk and returns of multiple classes of publicly traded shares within the split share corporation.

Typically, a split share corporation issues equal numbers of preferred and capital (or class A) shares, with the proceeds invested in conventional dividend-paying shares. Preferred shares offer a priority dividend yield, while capital shares generally provide participation in leveraged capital gains (or losses) of the underlying basket of shares.

The total market value of the split share corporation is tied to the value of the underlying basket of shares. Preferred shares take precedence in dividend payment and eventual return of the initial price (or such lesser amount if the market values of the underlying basket of securities held by the split share corporation declined below the amount that would be needed to return the initial price). The underlying basket may include shares from one or multiple corporations.

While the composition of the basket can be fixed or actively managed, the preferred and capital shares are usually issued in a fixed ratio, often in equal numbers. Adjusting this ratio affects risk, yield, and attractiveness to investors. To enhance income, split share corporations may employ covered call writing and cash-covered put writing when dividend income is insufficient.

INVESTMENT RESTRICTIONS

The Preferred ETF is subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Preferred ETF are diversified and relatively liquid and to ensure their proper administration. However, certain restrictions and practices that are applicable to conventional mutual funds are not applicable to the Preferred ETF because it is an “alternative mutual fund”. The Preferred ETF may not invest more than 20% of its NAV in the Split Corp. Preferred Shares of any split share corporation at the time of investment. See “Investment Strategies”.

A change to the fundamental investment objectives of the Preferred ETF would require the approval of the Unitholders of the Preferred ETF. See “Unitholder Matters – Matters Requiring Unitholder Approval”.

Subject to the following, and any exemptive relief that has been or will be obtained, the Preferred ETF is managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102. See “Exemptions and Approvals”.

Tax Related Investment Restrictions

The Preferred ETF will not make an investment or conduct any activity that would result in the Preferred ETF (i) failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act or (ii) becoming a “SIFT trust” for purposes of the Tax Act. In addition, the Preferred ETF will not (i) make or hold any investment in property that would be “taxable Canadian property” (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof) if more than 10% of the Preferred ETF’s property consisted of such property; (ii) invest in or hold (a) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Preferred ETF (or the partnership) would be required to include significant amounts in income pursuant to section 94.1 of the Tax Act, (b) an interest in a trust (or a partnership which holds such an interest) which would require the Preferred ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (c) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest); (iii) invest in any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; (iv) invest in any security of an issuer that would be a “foreign affiliate” of the Preferred ETF for purposes of the Tax Act; or (v) enter into any arrangement (including the acquisition of securities for the Preferred ETF’s portfolio) where the result is a “dividend rental arrangement” for purposes of the Tax Act (including any amendment to such definition).

FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the Preferred ETF. An investor may have to pay some of these fees and expenses directly. The Preferred ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Preferred ETF.

Fees and Expenses Payable by the Preferred ETF

Management Fees

The Preferred ETF pays an annual management fee (the "**Management Fee**") to the Manager equal to 0.50% of the NAV calculated and payable monthly in arrears, plus applicable taxes. See "Organization and Management Details of the Preferred ETF – Trustee, Manager and Portfolio Manager – Duties and Services to be Provided by the Manager" for a description of the services provided by the Manager.

The Preferred ETF may, in accordance with its investment strategies and applicable Canadian Securities Legislation, invest in Other Funds to obtain exposure to securities for its portfolio. The Preferred ETF's returns on the portion of the Preferred ETF's portfolio assets invested in such Other Funds will be reduced by the management fees paid by the applicable Other Fund regardless of whether such Other Fund is managed by the Manager or a third-party manager. There will be no duplication of fees payable by the Preferred ETF and the Other Fund for the same service.

No sales fees or redemption fees are payable to the Preferred ETF in relation to purchases or redemptions of the securities of the Other Funds in which it invests if such Other Funds are managed by the Manager or an affiliate or associate of the Manager. Accordingly, no sales fees or redemption fees will be payable by the Preferred ETF in relation to its purchases or redemptions of securities of an Other Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Preferred ETF.

The Manager may, at its discretion, agree to charge a reduced Management Fee as compared to the Management Fee that it otherwise would be entitled to receive from the Preferred ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Preferred ETF to the applicable Unitholders as a Management Fee Distribution. Any reduction will depend on a number of factors, including the amount invested, the Total Assets of the Preferred ETF under administration, the NAV of the Preferred ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Preferred ETF then out of capital gains of the Preferred ETF and thereafter out of capital.

The availability and amount of Management Fee Distributions with respect to Units will be determined by the Manager. Management Fee Distributions for the Preferred ETF will generally be calculated and applied based on a Unitholder's average holdings of Units over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the Preferred ETF generally will be borne by the Unitholders of the Preferred ETF receiving these distributions from the Manager.

Operating Costs and Expenses

In addition to the payment of the Management Fee, the Preferred ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST, the costs of complying with any new governmental or regulatory requirement introduced after the Preferred ETF is established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Preferred ETF, including the fees payable to the Custodian, Registrar and Transfer Agent, Fund Administrator and fees payable to other service providers.

Investments in Other Investment Funds

In the event the Preferred ETF invests in one or more Other Funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Preferred ETF that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service.

The Preferred ETF will indirectly bear the operating expenses (including operating, administrative and portfolio transaction costs) that are borne by each of the Other Funds in which it invests.

Fees and Expenses Payable by the Designated Broker and Dealers

Cash Creation Fee

The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Preferred ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, the fee payable in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Preferred ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds (the "**Cash Creation Fee**").

The Cash Creation Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Preferred ETF.

Cash Exchange Fee

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the Cash Exchange Fee.

The Cash Exchange Fee, if any, will be specified from time to time at the discretion of the Manager and will accrue to the Preferred ETF.

Administration Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, of the Preferred ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Preferred ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded).

See "Exchange and Redemption of Units – Administration Fee".

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units, including indirect risks that may arise as a result of the Preferred ETF's exposure to certain Other Funds, that prospective investors should consider before purchasing such Units:

No Assurance on Achieving Investment Objectives

There is no assurance that the Preferred ETF will achieve its investment objectives. The funds available for distribution to Unitholders will vary according to, among other things, the dividends and other distributions paid on the securities in the portfolio of the Preferred ETF and the value of the securities comprising the portfolio of each Preferred ETF.

Loss of Investment

Investment in the Preferred ETF carries with it the possibility that the investor will experience an investment loss or that distributions will not be made for any period of time. There is no guarantee that an investment in the Preferred ETF will earn any positive return in the short or long term.

Fund of Funds Investment Risk

The Manager expects that the Preferred ETF will invest in Split Corp. Preferred Shares offered by Canadian split share corporations (being closed-end funds), and may invest in Other Funds as part of its investment strategy. See the prospectus of the applicable Other Fund for risk factors related to that Other Fund and its investment strategy and portfolio. If the Preferred ETF invests in such Other Funds, its investment performance largely depends on the investment performance of the Other Funds in which it invests. The market price of such Other Fund will fluctuate over time based on the value of the securities held by such Other Fund which may be affected by changes in general economic conditions, expectations for future growth and profits, interest rates and supply and demand for the securities in which the Other Fund invests. Additionally, if an Other Fund suspends redemptions, the Preferred ETF may be unable to accurately value part of its investment portfolio and may be unable to redeem its Units. Other Fund in which the Preferred ETF may invest can be expected to incur fees and expenses for operations, such as investment advisory and administration fees, which would be in addition to those incurred by the Preferred ETF.

General Risks of Investments

The value of the underlying securities of the Preferred ETF, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities, the condition of equity and currency markets generally and other factors.

The risks inherent in investments in equity or debt securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate. Equity and debt securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

Asset Class Risk

The securities in the portfolio of the Preferred ETF may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Issuer Risk

Performance of the Preferred ETF depends on the performance of the individual securities to which the Preferred ETF has exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Concentration Risk

The Preferred ETF may have more of its net assets invested in one or more issuers and/or sectors than is permitted for many investment funds. In these circumstances, the Preferred ETF may be affected more by the performance of individual issuers in its portfolio, with the result that the NAV of the Preferred ETF may be more volatile and may fluctuate more over short periods of time than the net asset value of a more broadly diversified investment fund. In addition, this may increase the liquidity risk of the Preferred ETF which may, in turn, have an effect on the Preferred ETF's ability to satisfy redemption requests.

Investment in ETFs Risk

The Preferred ETF may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the exchange traded fund versus the weightings in the relevant index and due to the operating and administrative expenses of the exchange traded fund. For example, exchange traded funds incur a number of operating expenses not applicable to the underlying index, and incur costs in buying and selling securities, especially when rebalancing the exchange traded funds' securities holdings to reflect changes in the composition of the underlying index.

Risk of No Active Market for the Units and Lack of Operating History

The Preferred ETF is a newly organized exchange-traded fund with no previous operating history. Although the Preferred ETF will, subject to satisfying the TSX's original listing requirements on or before ●, be listed on the TSX, there can be no assurance that an active public market for the Units will develop or be sustained.

Illiquid Securities Risk

There is no assurance that an adequate market will exist for the assets included in the portfolio of the Preferred ETF and it cannot be predicted whether the assets included in the portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. Certain assets held in the portfolio of the Preferred ETF may trade infrequently, if at all, and may trade at a significant premium or discount to the latest price at which they are valued.

General Risks of Equity Investments and Split Corp. Preferred Shares

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. The Preferred ETF's portfolio will primarily consist of Split Corp. Preferred Shares issued by Canadian split share corporations which generally offer dividends which are fixed for a stated term, and a fixed principal repayment at end of term which is contingent on the sufficiency of the value of the split share corporation's equity portfolio in order to fund repayment. There can be no assurance that the value of a Canadian split share corporation's investment portfolio will be sufficient to repay the holders of preferred shares the fixed principal repayment amount in full should a shareholder retract its preferred shares or should the split share corporation terminate at the end of a term of the preferred shares. This may affect the trading price of a Split Corp. Preferred Share; or the value received by preferred shareholders of a split share corporation in the case of an early termination or pro rata partial redemption as effected by an issuer; or the value received by preferred shareholders through any other interim retraction mechanism initiated by the shareholder.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the securities in the Preferred ETF's portfolio. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the issuers included in the Preferred ETF's portfolio and general economic conditions. Therefore, there can be no assurance that the issuers included in the Preferred ETF's portfolio will pay dividends or distributions on portfolio securities.

General Risks of Foreign Investments

The Preferred ETF may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with equity investments, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when the Preferred ETF does not price their securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell Units. Information about corporations not subject to Canadian reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada and may not be subject to the same level of government supervision or regulation as would be the case in Canada.

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of the Preferred ETF holding foreign securities, whether directly or indirectly, dividends or distributions on those foreign securities may be subject to withholding taxes.

Large-Capitalization Issuer Risk

The issuers of Split Corp. Preferred Shares held by the Preferred ETF may invest a relatively large percentage of their assets in the securities of large-capitalization companies. As a result, the performance of the Split Corp. Preferred Shares held by the Preferred ETF may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole.

Sensitivity to Interest Rates Risk

It is anticipated that the market price of the Units will, at any time, be affected by the level of interest rates prevailing at such time. Changes in interest rates may affect the value of dividend paying equity securities and preferred shares, which may experience a drop in market value as interest rates go up, and an increase in market value as interest rates go down, all else equal.

In addition, any decrease in the NAV of the Preferred ETF resulting from a change in interest rates may also negatively affect the market price of the Units of the Preferred ETF. Unitholders of the Preferred ETF will therefore be exposed to the risk that the NAV per Unit of the Preferred ETF or the market price of such Units may be negatively affected by interest rate fluctuations.

Underlying Fund Risk

The securities of Other Funds in which the Preferred ETF may invest, whether directly or indirectly, may trade below, at or above their respective net asset values per security. The net asset value per security will fluctuate with changes in the market value of that Other Fund's holdings. The trading prices of the securities of those Other Funds will fluctuate in accordance with changes in the applicable Other Fund's net asset value per security, as well as market supply and demand on the stock exchanges on which those Other Funds are listed.

If the Preferred ETF purchases a security of an Other Fund at a time when the market price of that security is at a premium to the net asset value per security or sells a security at a time when the market price of that security is at a discount to the net asset value per security, the Preferred ETF may sustain a loss.

Risk of Volatile Markets and Market Disruption Risk

The performance of the portfolio of the Preferred ETF may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, unexpected and unpredictable events such as war and occupation, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to substantial market volatility and may have adverse long-term effects on world economies and markets generally. For example, the spread of a coronavirus disease (COVID-19 and any variants thereto) caused increased volatility and disruptions in global business activity and financial markets.

These factors may also cause inflation, a downturn or recession, exchange trading suspensions and closures, affect the performance of the portfolio of the Preferred ETF and significantly reduce the value of an investment in shares. The Preferred ETF is therefore exposed to some, and at times, a substantial, degree of market risk.

Duration Risk

Duration is the sensitivity, expressed in years, of the price of a fixed income security to changes in the general level of interest rates (or yields). Securities with longer durations tend to be more sensitive to interest rate (or yield) changes than securities with shorter durations. Duration differs from maturity in that it considers potential changes to interest rates, and a security's coupon payments, yield, price and par value and call features, in addition to the amount of time until the security matures. The duration of a security will be expected to change over time with changes in market factors and time to maturity.

Credit Risk

Credit risk is a measure of an issuer's financial strength and reflects the possibility that a borrower, or the counterparty to a derivatives contract, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. Securities that have a low credit rating have high credit risk. Credit rating downgrades and defaults (failure to make interest or principal payment) may potentially reduce the Preferred ETF's income and unit price. A deterioration of an issuer's financial strength may also affect the issuer's ability to make dividend payments.

Financial Sector Risk

A number of issuers of Split Corp. Preferred Shares invest in the financial sector. The profitability of issues in the financial sector depends, among other factors, on the availability of capital, level of sector competition, fluctuation of asset values and stability of interest rates. Losses resulting from bad loans can negatively impact an issuer in the financial sector. Further, the comprehensive governmental regulation of the financial sector can affect the profitability of issuers in the financial sector.

Preferred, Contingent Capital and Other Subordinated Securities Risk

Preferred, contingent capital and other subordinated securities rank lower than bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk than those debt instruments. Distributions on some types of these securities may also be skipped or deferred by issuers without causing a default. Finally, some of these securities typically have special redemption rights that allow the issuer to redeem the security at par earlier than scheduled. If this occurs, the Other Fund may be forced to reinvest in lower yielding securities. There are various risks associated with investing in these types of securities, including:

> <u>Deferral and Omission Risk</u> - The securities may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. In certain cases, deferring or omitting distributions may be mandatory. If the Other Fund owns a security for which distributions are deferred, the Other Fund may be required to report income for tax purposes although it has not yet received such income. In addition, recent changes in bank regulations may increase the likelihood for issuers to defer or omit distributions.
>
> <u>Call, Reinvestment and Income Risk</u> - During periods of declining interest rates, an issuer may be able to exercise an option to redeem its issue, in whole or in part, at par earlier than scheduled, which is generally known as call risk. If this occurs, the Other Fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. Preferred securities and contingent capital securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem these securities if the issuer can refinance the securities at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer or in the event of regulatory changes affecting the capital treatment of a security. Another risk associated with a declining interest rate environment is that the income from the Other Fund's portfolio may decline over time when the Other Fund invests the proceeds from new share sales, if any, at market rates that are below the portfolio's current earnings rate.
>
> <u>Limited Voting Rights Risk</u> - Generally, traditional preferred securities offer no voting rights with respect to the issuer unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may have the ability to elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. Hybrid-preferred security and contingent capital security holders generally have no voting rights.
>
> <u>Special Redemption Rights</u> - In certain varying circumstances, an issuer may redeem the securities prior to their scheduled call or maturity date. For instance, a redemption may be triggered by a change in U.S. federal income tax or securities laws. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by the Other Fund.
>
> <u>New Types of Securities</u> - From time to time, securities have been, and may in the future be, offered having features other than those described herein. The Other Fund reserves the right to invest in these securities if the manager or sub-advisor of the Other Fund, as applicable, believes that doing so would be consistent with the Other Fund's investment objective and policies. Since the market for these instruments would be new, the Other Fund may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity and high

price volatility risks, these instruments may present other risks that are consistent_with the risks disclosed in this prospectus.

Insolvency or bankruptcy - Holders of preferred shares could become holders of common shares of issuers at a time when it has become insolvent or bankrupt or resolved to be wound-up or has been ordered wound-up or liquidated. There can be no guarantee that the common shares issued in such circumstances will pay a dividend, appreciate, or that there will be a liquid market for such common shares.

In specie distributions - Holders of preferred shares could receive assets held by an issuer at a time when, it has become insolvent or bankrupt or resolved to be wound-up or has been ordered to wound-up or liquidated in lieu of cash. Any assets that the fund receives in such circumstances may not be readily marketable and may have to be held for an indefinite period of time.

Risks Associated with Non-Concurrent Retractions of Split Corp. Preferred Shares

The Preferred ETF will primarily invest in Split Corp. Preferred Shares. Holders of Split Corp. Preferred Shares may be offered a non-concurrent retraction right on the maturity date of the split share corporation and upon any subsequent extension of the maturity date. To the extent that there are unmatched numbers of preferred shares and class A shares tendered for retraction, the preferred shares or class A shares, as the case may be, may be called by the split share corporation for redemption on a pro rata basis in order to maintain the same number of preferred shares and class A shares outstanding. The number of retractions by holders of class A shares and preferred shares may be influenced by the performance of the split share corporation, the management expense ratio, and the trading discount to net asset value, among other things. If this occurs, the Other Fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. The redemption price paid by the split share corporation may be more or less than the market price of the preferred share at the time of redemption.

Risks Associated with Substantial Retractions

The Preferred ETF will primarily invest in Split Corp. Preferred Shares offered by Canadian split share corporations. If holders of a substantial number of securities of a split share corporation exercise their retraction rights, the number of securities outstanding and the net assts of the split share corporation could be reduced, with the effect of decreasing the liquidity of such securities in the market and increasing the management expense ratio of the split share corporation.

Risks Associated with Alternative Mutual Funds

The Preferred ETF is an alternative mutual fund pursuant to NI 81-102. The Preferred ETF has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions, they may increase the volatility of your investment. Also, market conditions may make it difficult or impossible for the Preferred ETF to liquidate a position. The Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds under NI 81-102 such as the ability to borrow up to 50% of the Preferred ETF's NAV, to use for investment purposes; sell, up to 50% of the Preferred ETF's NAV, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the Preferred ETF's NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Preferred ETF's specified derivatives positions excluding any specified derivatives used for hedging purposes, among other things. For more information regarding certain risks associated with these strategies, see "Risk Factors – Risks Associated with the Use of Derivative Instruments", and "Risk Factors – Prime Brokers Risk".

Changes in Legislation and Regulatory Risk

There can be no assurance that laws applicable to the Preferred ETF, including securities legislation, will not be changed in a manner which adversely affects the Preferred ETF or Unitholders. Certain legal or regulatory changes could make it more difficult, if not impossible, for the Preferred ETF to operate or achieve its investment objectives.

If legal or regulatory changes occur, such changes could have a negative effect upon the NAV of the Preferred ETF, the Units and upon investment opportunities available to the Preferred ETF.

Tax-Related Risks

It is anticipated that the Preferred ETF will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the Tax Act. For the Preferred ETF to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of the Preferred ETF and the dispersal of ownership of a particular class of its Units.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

Provided the Preferred ETF complies with its investment restrictions set forth under the heading "Investment Restrictions – Tax Related Investment Restrictions", no more than 10% of the fair market value of the Preferred ETF's assets will at any time consist of property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The Declaration of Trust for the Preferred ETF also contains a restriction on the number of permitted non-resident Unitholders.

The Preferred ETF is expected to meet all the requirements to qualify as a mutual fund trust for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events"). Assuming the Preferred ETF meets these requirements before such day, the Preferred ETF will file an election to qualify as a mutual fund trust from its inception in 2024.

If the Preferred ETF does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations as described under "Income Tax Considerations" would in some respects be materially and adversely different. For example, if the Preferred ETF does not qualify as a "mutual fund trust" within the meaning of the Tax Act throughout a taxation year, the Preferred ETF may be liable to pay tax under Part XII.2 of the Tax Act and would not be entitled to the Capital Gains Refund (as defined herein) available to mutual fund trusts. In addition, if the Preferred ETF does not qualify as a mutual fund trust, it may be subject to the "mark-to-market" rules under the Tax Act if more than 50% of the fair market value of the Units of the Preferred ETF are held by "financial institutions", within the meaning of the Tax Act. If the Preferred ETF does not qualify as a mutual fund trust throughout a taxation year, the Preferred ETF may also be liable to pay alternative minimum tax; however, pursuant to certain Tax Amendments released in connection with the 2024 Federal Budget (Canada) (the "**2024 Budget Proposals**"), unit trusts all or substantially all of the fair market value of the units of which are listed on a "designated stock exchange" and trusts that qualify as "investment funds" are generally proposed to be exempt from alternative minimum tax for taxation years commencing on or after January 1, 2024.

There can be no assurance that Canadian income tax laws and the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the Preferred ETF or the Unitholders.

The tax treatment of gains and losses realized by the Preferred ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, the Preferred ETF will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by the Preferred ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the Preferred ETF's portfolio will constitute capital gains and capital losses to the Preferred ETF if the portfolio securities are capital property to the Preferred ETF and there is sufficient linkage. The Preferred ETF intends to invest in split share corporations and exchange traded funds that employ a covered call writing strategy (the "**Underlying Funds**"). The Manager expects that each such Underlying Fund will generally treat option premiums received on the writing of covered call options and any gains or losses sustained on closing out such options as capital gains and capital losses in accordance with the CRA's published administrative policies. The Manager also expects that each such Underlying Fund will generally make the appropriate designations or elections such that net realized taxable capital gains of the Underlying Fund will effectively retain their character in the hands of the Underlying Fund's unitholders. Designations with respect to the Preferred ETF's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of the Preferred ETF (or an Underlying Fund) are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Preferred ETF for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Preferred ETF being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Preferred ETF.

The Tax Act contains rules (the "**DFA Rules**") that target financial arrangements (referred to as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain option contracts). If the DFA Rules were to apply in respect of any derivatives to be utilized by the Preferred ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. The Manager has advised counsel that the Preferred ETF will not enter into a "derivative forward agreement" the effect of which would be to materially increase the income tax payable by the Preferred ETF (taking into account all "derivative forward agreements" entered into).

Pursuant to rules in the Tax Act, if the Preferred ETF experiences a "loss restriction event" within the meaning of the Tax Act (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Preferred ETF's net income and net realized capital gains, if any, at such time to Unitholders so that the Preferred ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Preferred ETF will be subject to a loss restriction event if a Unitholder becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Preferred ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Preferred ETF is a beneficiary in the income or capital, as the case may be, of the Preferred ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Preferred ETF. See "Income Tax Considerations – Taxation of Holders" for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as "investment funds" as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An "investment fund" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a "mutual fund trust" for purposes of the Tax Act, not holding any property that it uses in the course of carrying on a business and complying with certain asset diversification requirements. If the Preferred ETF were not to qualify as an "investment fund", it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules (the "**SIFT Rules**") concerning the taxation of publicly traded Canadian trusts and partnerships (i.e., "SIFT trusts" and "**SIFT partnerships**") that own certain types of property defined as "non-portfolio property". A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property" to the extent that such income is distributed to its Unitholders. Further, pursuant to certain Tax Amendments released by the Minister of Finance (Canada) on November 28, 2023 (the "Equity Repurchase Rules"), a trust that is a "SIFT trust" or that is otherwise a "covered entity"for purposes of the Equity Repurchase Rules is proposed to be subject to a 2% tax on the value of the trust's equity repurchases (i.e., redemptions) in a taxation year (net of cash subscriptions received by the trust in that taxation year). If the Preferred ETF is subject to tax under the SIFT Rules or the Equity Repurchase Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of the SIFT Rules for a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Preferred ETF may invest, directly or indirectly, in global debt and equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("**Tax**

Treaties") to impose tax on interest, dividends or distributions paid or credited to persons who are not resident in such countries. While the Preferred ETF intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global debt and equity securities may subject the Preferred ETF to foreign taxes on interest, dividends or distributions paid or credited to it or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Preferred ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by the Preferred ETF exceeds 15% of the amount included in the Preferred ETF's income from such investments, such excess may generally be deducted by the Preferred ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Preferred ETF's income from such investments and has not been deducted in computing the Preferred ETF's income and the Preferred ETF designates its income from a foreign source in respect of a Unitholder of the Preferred ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Preferred ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of the Preferred ETF is subject to the detailed rules in the Tax Act.

Fluctuations in NAV and Market Price of the Units

Units of the Preferred ETF may trade in the market at a premium or discount to the NAV and there can be no assurance that Units will trade at a price equal to the NAV. The NAV per Unit will fluctuate with changes in the market value of the Preferred ETF's holdings. Whether Unitholders of the Preferred ETF will realize gains or losses upon a sale of Units will depend not upon the NAV but entirely upon whether the market price of Units at the time of sale is above or below the Unitholder's purchase price for the Units. The market price of the Units of the Preferred ETF will be determined by factors in addition to NAV such as relative supply of and demand for the Units in the market, general market and economic conditions, and other factors. However, given that Dealers may subscribe for or exchange a PNU of the Preferred ETF at the applicable NAV per Unit, the Manager expects that large discounts or premiums to the NAV per Unit will not be sustained.

Designated Broker/Dealer Risk

As the Preferred ETF will only issue Units directly to the Designated Broker and Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, any resulting costs and losses incurred will be borne by the Preferred ETF.

Cease Trading of Securities Risk

If the securities of an issuer included in the portfolio of the Preferred ETF are cease-traded by order of the relevant securities regulatory authority or are halted from trading by the relevant stock exchange, the Preferred ETF may halt trading in its securities. Accordingly, securities of the Preferred ETF bear the risk of cease-trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of the Preferred ETF are cease-traded by order of a securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the Preferred ETF may suspend the right to redeem securities for cash, subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the Preferred ETF may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

Trading Price of Units Risk

Units of the Preferred ETF may trade in the market at a premium or a discount to the NAV per Unit of the Preferred ETF. There can be no assurance that Units of the Preferred ETF will trade at prices that reflect their NAV per Unit. The trading price of the Units of the Preferred ETF will fluctuate in accordance with changes in the Preferred ETF's NAV, as well as market supply and demand on the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded).

Early Closing Risk

Unanticipated early closings of a stock exchange on which securities held by the Preferred ETF are listed may result in the Preferred ETF being unable to sell or buy securities on that day. If the TSX (or any other marketplace on which the securities held by the Preferred ETF may be traded) closes early on a day when the Preferred ETF need to execute a high volume of securities trades late in the Trading Day, the Preferred ETF may incur substantial trading losses.

In the event that the TSX or any stock exchange on which the Units of the Preferred ETF are listed closes early or unexpectedly on any day that it is normally open for trading, Unitholders of the Preferred ETF will be unable to purchase or sell Units on the TSX or such other stock exchange until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of Units may be suspended until the TSX or such other stock exchange reopens.

Cybersecurity Risk

The information and technology systems of Quadravest, the Preferred ETF's key service providers (including its Custodian, Registrar and Transfer Agent, and Fund Administrator) and the issuers included in the Preferred ETF's portfolio may be vulnerable to cybersecurity risks such as potential damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons (e.g. through hacking or malicious software) and general security breaches. A cybersecurity incident is an adverse intentional or unintentional action or event that threatens the integrity, confidentiality or availability of the Preferred ETF's information resources. A cybersecurity incident may disrupt business operations or result in the theft of confidential or sensitive information, including personal information, or may cause system failures, disrupt business operations or require Quadravest or a service provider to make a significant investment to fix, replace or remedy the effects of such incident. Furthermore, a cybersecurity incident could cause disruptions and negatively impact the Preferred ETF's business operations, potentially resulting in financial losses to the Preferred ETF and Unitholders. There is no guarantee that the Preferred ETF or Quadravest will not suffer material losses as a result of cybersecurity incidents. If they occur, such losses could materially adversely impact the Preferred ETF's NAV.

Risks Associated with the Nature of Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the Preferred ETF. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. An investment in Units of the Preferred ETF does not constitute an investment by Unitholders in the portfolio securities of that Preferred ETF; Unitholders of the Preferred ETF will not own the securities held by the Preferred ETF.

Prime Brokers Risk

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

Risk of Suspended Subscriptions

If the Preferred ETF experiences a significant increase in total NAV, the Manager may, at its sole discretion and if determined to be in the best interests of Unitholders, decide to suspend subscriptions for new Units if considered necessary or desirable in order to manage potential tax implications and/or to permit the Preferred ETF to achieve, or continue to achieve, its investment objectives. During a period of suspended subscriptions, if any, investors should note that Units of the Preferred ETF may trade at a premium to the NAV per Unit. During such periods, investors are discouraged from purchasing Units of the Preferred ETF on a stock exchange at a premium to NAV. Any suspension of subscriptions or resumption of subscriptions will be announced by press release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Unitholders to sell their Units in the secondary market at a price reflective of the NAV per Unit.

Currency Hedging Risk

The Preferred ETF may, at the discretion of the Manager, hedge all or substantially all of its direct foreign currency exposure by entering into currency forward contracts with financial institutions that have a "designated rating" as defined in NI 81-102. For regulatory and operational reasons, the Preferred ETF may not be able to fully hedge such foreign exposure at all times. Although there is no assurance that these currency forward contracts will be effective, the Manager expects these currency forward contracts to be substantially effective.

The effectiveness of the Preferred ETF's currency hedging strategy will, in general, be affected by the volatility of the Preferred ETF and the volatility of the Canadian dollar relative to the foreign currency. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. The effectiveness of this currency hedging strategy may also be affected by any significant difference between the Canadian dollar and foreign currencies' interest rates.

A meeting of Unitholders of the Preferred ETF will be called to approve any change to the fund's currency hedging strategy.

Conflicts of Interest

The Manager is engaged in a variety of management, investment management and other business activities. The services of the Manager are not exclusive and nothing prevents the Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Preferred ETF) or from engaging in other activities. The Manager's investment decisions for the Preferred ETF will be made independently of those made for its other clients and independently of its own investments. However, on occasion, the Manager may make the same investment for the Preferred ETF and for one or more of its other clients. If the Preferred ETF and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Reliance on Key Personnel Risk

The Manager manages the portfolio of the Preferred ETF in a manner consistent with the investment objectives, strategy and criteria of the Preferred ETF. The officers of the Manager who will be primarily responsible for the management of the portfolio of the Preferred ETF have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of the Manager throughout the term of the Preferred ETF.

Corresponding Net Asset Value Risk

Similar to other exchange traded funds, the closing trading price of the Units of the Preferred ETF may be different from their NAV. As a result, Dealers may be able to acquire or redeem a PNU at a discount or a premium to the closing trading price per Unit on the TSX or other stock exchange on which such Units trade. Such price differences may be due, in large part, to supply and demand factors in the secondary trading market for Units of the Preferred ETF being similar, but not identical, to the same forces influencing the price of the underlying securities of the Preferred ETF at any point in time. As the Designated Broker and Dealers may subscribe for or redeem a PNU at the applicable NAV per Unit, the Manager expects that large discounts or premiums to the NAV per Unit of the Preferred ETF will not be sustained.

Risks Associated with the Use of Derivative Instruments

The Preferred ETF may use derivatives from time to time in accordance with NI 81-102 as described under "Investment Strategies". The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Preferred ETF wants to complete the derivative contract, which could prevent the Preferred ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Preferred ETF from completing the derivative contract; (iv) the Preferred

ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the Preferred ETF has an open position in an option, a futures contract or a forward contract or a swap with a Dealer or counterparty who goes bankrupt, the Preferred ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that Dealer or counterparty; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative.

Unlike conventional mutual funds and ETFs, if an alternative mutual fund uses a derivative instrument, it is not required to hold certain assets and/or cash to ensure it is able to meet its obligations under the derivative contract accordingly the Preferred ETF will be exposed to any losses that may be suffered under a derivative contract.

Counterparty Risk Associated with Securities Lending

The Preferred ETF is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, the Preferred ETF lends its portfolio securities through an authorized agent to another party (often called a "**Counterparty**") and receives a negotiated fee and a required percentage of acceptable collateral (equal to or greater than 102%). The following are some examples of the risks associated with securities lending transactions:

- when entering into securities lending transactions, the Preferred ETF is subject to the credit risk that the Counterparty may default under the agreement and the Preferred ETF would be forced to make a claim in order to recover its security, or its equivalent value;
- when recovering its security on default, the Preferred ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Preferred ETF; and
- similarly, the Preferred ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Preferred ETF to the Counterparty.

The Preferred ETF may engage in securities lending from time to time. When engaging in securities lending, the Preferred ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the Preferred ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Reliance on Historical Data Risk

Past trends may not be repeated in the future. The accuracy of the historical data used by the Manager and those individuals who are principally responsible for providing administration and portfolio management services to the Preferred ETF for research and development, which is often provided by third parties, cannot be guaranteed by the Manager. The Manager only seeks to obtain such data from companies that it believes to be highly reliable and of high reputation.

Liability of Unitholders

The Declaration of Trust provides that no Unitholder will be subject to any personal liability whatsoever for any wilful or negligent acts or omissions or otherwise to any party in connection with the assets of the Preferred ETF or the affairs of the Preferred ETF. The Declaration of Trust also provides that the Preferred ETF must indemnify and hold each Unitholder harmless from and against any and all claims and liabilities to which such Unitholder may become subject, by reason of being or having been a Unitholder and must reimburse such Unitholder for all legal and other expenses reasonably incurred in connection with any such claim or liability. Despite the foregoing, there can be no absolute certainty, outside of Ontario, that a claim will not be made against a Unitholder for liabilities which cannot be satisfied out of the assets of the Preferred ETF.

Not a Trust Company Risk

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

Risk of Accrued Gains

The adjusted cost base to a split share corporation for tax purposes of shares of certain securities in such split share corporation's portfolio may be less than their fair market value. Accordingly, all shareholders of the split share corporation may be liable for tax on capital gains attributable to such securities to the extent such capital gains tax is not refundable to the split share corporation and such capital gains are therefore distributed as a capital gains dividend.

Risks Associated with a Covered Call Option Strategy

The Manager intends to invest in exchange traded funds and split share corporations that employ a covered call writing strategy. The manager of the Underlying Funds may write options that are at-the money or out-of-the-money at its discretion. The extent to which any of the individual equity securities in the Preferred ETF's portfolio are subject to option writing and the terms of such options will vary from time to time based on the Manager's assessment of the market. The holder of a call option purchased from an Underlying Fund will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Underlying Fund at the strike price per security. By selling call options, an Underlying Fund will receive a premium (the "**Option Premium**"), which is generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Underlying Fund will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Underlying Fund may repurchase a call option it has written that is "in-the-money" by paying the market value of the call option. If, however, the option is "out-of-the-money" at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire, and the Underlying Fund will retain the underlying security. In each case, the Underlying Fund will retain the Option Premium. The amount of Option Premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the Option Premium. In addition, the amount of the Option Premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term and, accordingly, the greater the Option Premium. When a call option is written on a security in an Underlying Fund's portfolio, the amounts that the Underlying Fund will be able to realize on the security if it is called on termination of the call option will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Underlying Fund will forego potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the Option Premium.

DISTRIBUTION POLICY

Distributions, if any, on Units will be payable monthly by the Preferred ETF. The Preferred ETF expects targeted distributions to be $0.65 for the Preferred ETF's first year of operation. However, the Preferred ETF does not have a fixed distribution amount. The amount of ordinary distributions, if any, will be set at the Manager's sole discretion and may be based on the Manager's assessment of the prevailing market conditions, the Preferred ETF's ability to generate sufficient levels of distributable cash and any other factors that the Manager, in its discretion, may deem relevant. The date of any distribution of the Preferred ETF will be announced in advance by issuance of a press release. Subject to compliance with the investment objectives of the Preferred ETF, the Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release. In the event that the Preferred ETF expects its targeted distribution amount to change for any period subsequent to the Preferred ETF's first year of operation, the Manager shall determine and announce such change by way of press release.

If the total return on the portfolio of the Preferred ETF is less than the amount necessary to fund the monthly distributions and all expenses of the Preferred ETF, and if the Manager chooses to nevertheless ensure that the monthly distributions are paid to Unitholders, this will result in a portion of the distributions paid to

Unitholders being a return of the capital of the Preferred ETF back to Unitholders, and accordingly, the NAV per Unit will be reduced. The amount of monthly distributions may fluctuate from month to month and there can be no assurance that the Preferred ETF will make any distribution in any particular month or months. The amount of monthly distributions may vary if there are changes in any of the factors that affect the net cash flow on the portfolio of the Preferred ETF, including the assumptions noted above.

Depending on the underlying investments of the Preferred ETF, distributions on Units may consist of ordinary income, including foreign source income, if any, and taxable dividends from taxable Canadian corporations, sourced from dividends, distributions or interest received by the Preferred ETF but may also include net realized capital gains, in any case, less the expenses of the Preferred ETF and may include returns of capital.

If, for any taxation year, after the ordinary distributions, there would remain in the Preferred ETF additional net income or net realized capital gains, the Preferred ETF will, on or before December 31 of that calendar year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions to Unitholders as is necessary to ensure that the Preferred ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the Preferred ETF and/or cash. Any special distributions payable in Units of the Preferred ETF will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units held by a Unitholder after such distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

PURCHASES OF UNITS

Initial Investment

In compliance with NI 81-102, the Preferred ETF will not issue Units to the public until orders aggregating not less than $500,000 have been received and accepted by the Preferred ETF from investors other than the Manager or its directors, officers or securityholders.

Continuous Distribution

Units of the Preferred ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. Subject to receiving conditional approval and meeting the TSX's original listing requirements in respect of the Preferred ETF, the Units of the Preferred ETF will be offered for sale at a price equal to the NAV per Unit of the Preferred ETF determined at the Valuation Time on the effective date of a subscription order. As an exchange traded fund, the Preferred ETF will issue Units directly to a Designated Broker and Dealers. From time to time, and as may be agreed between the Preferred ETF and the Dealers and the Designated Broker, such Dealers and the Designated Broker may deliver a Basket of Securities (i.e., a group of securities and/or assets determined by the Manager from time to time representing the constituents of the Preferred ETF), and/or cash as payment for Units of the Preferred ETF.

Suspension of Subscriptions

If the Preferred ETF experiences a significant increase in total NAV, the Manager may, at its sole discretion and if determined to be in the best interests of Unitholders, decide to suspend subscriptions for additional Units of the Preferred ETF if considered necessary or desirable in order to manage potential tax implications and/or to permit the Preferred ETF to achieve, or continue to achieve, its investment objectives. During a period of suspended subscriptions, if any, investors should note that the Units of the Preferred ETF may trade at a premium or substantial premium, to the NAV per Unit. During such periods, investors are discouraged from purchasing Units of the Preferred ETF on a stock exchange. Any suspension of subscriptions or resumption of subscriptions will be announced by news release and announced on the Manager's website. The suspension of subscriptions, if any, will not affect the ability of existing Unitholders to sell their Units in the secondary market a price reflective of the NAV per Unit. See "Risk Factors – Risk of Suspended Subscriptions".

Future Issuance of Units

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the Preferred ETF or to create a new class or series of units of the Preferred ETF without notice to existing Unitholders, unless such amendment in some way affects the existing Unitholders' rights or the value of their investment.

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust.

Designated Broker and Dealers

Generally, all orders to purchase Units directly from the Preferred ETF must be placed by the Designated Broker or a Dealer. The Preferred ETF reserves the absolute right to reject any subscription order placed by the Designated Broker or a Dealer. No fees will be payable by the Preferred ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, an amount may be charged to the Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

The Manager, on behalf of the Preferred ETF, has or will enter into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the Units including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX's original listing requirements; (ii) to subscribe for Units on an ongoing basis in connection with the rebalancing of and adjustments to the portfolio of the Preferred ETF; and (iii) to post a liquid two-way market for the trading of Units of the Preferred ETF on the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded). The Manager may, in its discretion from time to time, cause the Preferred ETF to reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

On any Trading Day, a Dealer (who may also be the Designated Broker) may place a subscription order for a PNU (and any additional multiple thereof) of the Preferred ETF. If a subscription order is received by the Preferred ETF by the applicable cut-off time on a Trading Day, the Preferred ETF will issue to the Dealer a PNU (and any additional multiple thereof) based on the NAV per Unit determined on the applicable Trading Day, which, in the Manager's discretion, may be the same or the next Trading Day.

For each PNU issued, a Dealer must deliver payment consisting of, in the Manager's discretion: (i) cash in an amount equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order; (ii) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per Unit of the PNU next determined following the receipt of the subscription order.

The Manager may, in its complete discretion, charge a Cash Creation Fee in connection with cash-only payments for subscriptions of a PNU, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the Preferred ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds.

The Cash Creation Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Preferred ETF.

The Manager may from time to time, require the Designated Broker to subscribe for Units of the Preferred ETF for cash in such amount as may be agreed to by the Manager and the Designated Broker. The number of Units of the Preferred ETF issued will be the subscription amount divided by the NAV per Unit of the Preferred ETF on the subscription date following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units of the Preferred ETF must be made by the Designated Broker by no later than the second Trading Day after the subscription date.

The Manager may publish, except when circumstances prevent it from doing so, the applicable PNU for the Preferred ETF on each Trading Day on its website, at www.quadravest.com. The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

Buying and Selling Units of the Preferred ETF

The Units of the Preferred ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, Units of the Preferred ETF will be listed on the TSX and investors will be able to buy or sell Units of the Preferred ETF on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units of the Preferred ETF. All orders to purchase Units directly from the Preferred ETF must be placed by Designated Brokers or Dealers.

No fees are paid by a Unitholder to the Manager or the Preferred ETF in connection with buying or selling of Units on the TSX.

Special Considerations for Unitholders

The "early warning" reporting requirements do not apply in connection with the ownership or control of securities issued by a mutual fund such as Units of the Preferred ETF. In addition, the Preferred ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit a Unitholder of the Preferred ETF to acquire more than 20% of the Units of a class of the Preferred ETF through purchases on the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

The Preferred ETF is considered an "alternative mutual fund" within the meaning of NI 81-102 and is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. As an alternative mutual fund, under NI 81-102, the Preferred ETF is permitted to use strategies generally prohibited by conventional mutual funds, including the ability to invest more than 10% of its NAV in the securities of a single issuer. While these specific strategies will be used in accordance with the Preferred ETF's investment objectives and strategies, during certain market conditions they may increase the volatility of your investment.

Special Circumstances

Units may also be issued by the Preferred ETF to the Designated Broker in a number of special circumstances, including the following: (i) when the Manager has determined that the Preferred ETF should acquire portfolio securities; and (ii) when cash redemptions of Units occur as described below under "Exchange and Redemption of Units – Redemption of Units of the Preferred ETF for Cash", or the Preferred ETF otherwise has cash that the Manager wants to invest.

Non-Resident Unitholders

In order for the Preferred ETF to qualify and/or maintain its status as a mutual fund trust (for the purposes of the Tax Act), except in certain circumstances, the Preferred ETF cannot be established or maintained primarily for the benefit of non-residents of Canada. At no time may non-residents of Canada and partnerships (other than "Canadian partnerships" as defined in the Tax Act) be the beneficial owners of a majority of the Units of the Preferred ETF (on a number of Units or on a fair market value basis) and the Trustee shall inform the Registrar and Transfer Agent of this restriction. The Trustee may require a declaration as to the jurisdiction in which a beneficial owner of Units of the Preferred ETF is resident and, if a partnership, as to its status as a "Canadian partnership". If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% or more of the Units of the Preferred ETF then outstanding (on a number of Units or on a fair market value basis) are, or may be, non-residents and/or partnerships (other than "Canadian partnerships"), or that such a situation is imminent, the Trustee may make a public announcement thereof and the Trustee may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Trustee may consider equitable and practicable, requiring them to dispose of their Units of the Preferred ETF or a portion thereof to residents of Canada within a specified period of not less than 30 days. If the Unitholders receiving such notice have not disposed of the specified number of Units of the Preferred ETF or provided the Trustee with satisfactory evidence that they are not non-residents or partnerships (other than "Canadian partnerships") within such period, the Trustee may redeem or, on behalf of such Unitholders, dispose of such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such redemption or sale, the affected Unitholders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the redemption price or the net proceeds of sale of such Units of the Preferred ETF.

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

EXCHANGE AND REDEMPTION OF UNITS

Exchange of Units of the Preferred ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash

Unitholders may exchange the applicable PNU (or an integral multiple PNU) of the Preferred ETF on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum of one PNU be exchanged. To effect an exchange of Units, a Unitholder must submit an exchange request in the form and at the location prescribed by the Preferred ETF from time to time at or before a prescribed time (e.g. 9:00 a.m. (Toronto time)) on a Trading Day, or such other time prior to the Valuation Time on the effective date as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and/or cash. The applicable Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units on each Trading Day.

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay a Cash Exchange Fee, if applicable.

The Cash Exchange Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective date of the exchange request.

If any securities in which the Preferred ETF is invested are cease-traded at any time by order of Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or the Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "Exchange and Redemption of Units – Registration and Transfer through CDS", registration of interests in, and transfers of, Units will be made only through the book-based system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Redemption of Units of the Preferred ETF for Cash

On any Trading Day, Unitholders of the Preferred ETF may redeem (i) Units of the Preferred ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU or a multiple PNU for cash equal to the NAV of that number of Units less any applicable redemption fee determined by the Manager, in its sole discretion from time to time. Because Unitholders of the Preferred ETF will generally be able to sell Units of the Preferred ETF at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the Preferred ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders of the Preferred ETF to the Manager or the Preferred ETF in connection with selling Units of the Preferred ETF on the TSX.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the Preferred ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. Units will be redeemed in accordance with customary processes set out by the Designated Broker or CDS.

Unitholders that have delivered a redemption request prior to or on the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of the Preferred ETF, the Preferred ETF will generally dispose of securities or other financial instruments.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange or redemption of Units of the Preferred ETF or payment of redemption proceeds of the Preferred ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Preferred ETF are listed and/or traded, if these securities represent more than 50% by value or underlying market exposure of the Total Assets of the Preferred ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Preferred ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Preferred ETF or which impair the ability of the Custodian to determine the value of the assets of the Preferred ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Preferred ETF, any declaration of suspension made by the Manager shall be conclusive.

Cash Creation Fee

The Manager may, in its complete discretion, accept subscription proceeds consisting of (a) cash only in an amount equal to the NAV of the applicable PNU of the Preferred ETF determined at the Valuation Time on the effective date of the subscription order, plus (b) if applicable, the Cash Creation Fee.

The Cash Creation Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager. The Cash Creation Fee, if any, will accrue to the Preferred ETF.

Cash Exchange Fee

Upon the request of a Designated Broker or Dealer, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Designated Broker or Dealer agrees to pay the Cash Exchange Fee.

The Cash Exchange Fee, if any, applicable in respect of the Preferred ETF will be specified from time to time at the discretion of the Manager.

Administration Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of the Preferred ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Preferred ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded).

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, the Preferred ETF may allocate and designate as payable any capital gains realized by the Preferred ETF as a result of any disposition of property of the Preferred ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Preferred ETF has the authority to distribute, allocate and designate any capital gains of the Preferred ETF to a Unitholder of the Preferred ETF who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Preferred ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming or exchanging Unitholder.

Under certain rules in the Tax Act (the "**ATR Rule**"), amounts of taxable capital gains allocated and designated to redeeming or exchanging Unitholders are only deductible to the Preferred ETF to the extent of the redeeming or exchanging Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Preferred ETF for the year.

Any taxable capital gains that are not deductible by the Preferred ETF under the ATR Rule may be made payable to non-redeeming or exchanging Unitholders of the Preferred ETF so that the Preferred ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or exchanging Unitholders of the Preferred ETF may be greater than would have been the case in the absence of the ATR Rule.

Registration and Transfer through CDS

Registration of interests in, and transfers of, Units of the Preferred ETF will be made only through CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of the Preferred ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither the Preferred ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

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

The Preferred ETF has the option to terminate registration of Units through the book-based system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

Short-Term Trading

Unlike conventional open-end mutual fund trusts in which short-term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund Unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the Preferred ETF at this time as: (i) the Preferred ETF are exchange traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Units of the Preferred ETF that do not occur on the secondary market involve the Designated Broker and/or Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administrative fee. The administrative fee is intended to compensate the Preferred ETF for any costs and expenses incurred by the Preferred ETF in order to fund the redemption.

PRICE RANGE AND TRADING VOLUME OF UNITS

This information is not yet available as the Preferred ETF is new.

INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of the Preferred ETF by a Unitholder of the Preferred ETF who acquires Units of the Preferred ETF pursuant to this prospectus. This summary only applies to a prospective Unitholder of the Preferred ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length with the Preferred ETF, the Designated Broker and the Dealers and is not affiliated with the Preferred ETF, the Designated Broker or any Dealer and who holds Units of the Preferred ETF as capital property (a "**Holder**").

Generally, Units of the Preferred ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Preferred ETF qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the Preferred ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary assumes that at all times the Preferred ETF will comply with its investment restrictions, that the Preferred ETF will not be a "covered entity" for purposes of the Equity Repurchase Rules and that none of the issuers of the securities in the Preferred ETF's portfolio is a foreign affiliate of any Holder of Units of the Preferred ETF for purposes of the Tax Act.

This summary is based on the facts described herein, the current provisions of the Tax Act, counsel's understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof and a certificate of the Manager. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of the Preferred ETF. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units of the Preferred ETF. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of the Preferred ETF. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of the Preferred ETF based on their particular circumstances.

For capital gains realized on or after June 25, 2024, the 2024 Budget Proposals would generally increase the capital gains inclusion rate from one-half to two-thirds (i) for corporations and trusts, and (ii) for individuals to the extent that, generally, the aggregate amount of capital gains realized in the year, net of any capital losses realized in the year and any capital losses carried forward or back to the year, exceeds $250,000. The 2024 Budget Proposals do not include comprehensive rules (including draft legislation) implementing the change to the capital gains inclusion rate. Accordingly, this summary does not address these proposals in detail. Holders who may be impacted by the 2024 Budget Proposals should consult their own tax advisors with respect to their particular circumstances.

Status of the Preferred ETF

This summary is based on the assumptions that the Preferred ETF will qualify or be deemed to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act and that the Preferred ETF has not been established and will not be maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust (i) the Preferred ETF must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Preferred ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Preferred ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the Preferred ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class (the "**minimum distribution requirements**"). In this connection, the Manager has advised counsel that (i) it intends to cause the Preferred ETF to qualify as a unit trust throughout the life of the Preferred ETF, (ii) the Preferred ETF's undertaking conforms with the restrictions for mutual fund trusts, and (iii) it intends to file the necessary election so that the Preferred ETF will qualify as a mutual fund trust from its inception in 2024 and has no reason to believe that the Preferred ETF will not comply with the minimum distribution requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events") and at all times thereafter, thereby permitting the filing by the Preferred ETF of such election.

If the Preferred ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of the Preferred ETF.

Provided that the Preferred ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act or the Units of the Preferred ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX), Units of the Preferred ETF will be qualified investments under the Tax Act for a trust governed by a Registered Plan. See "Income Tax Considerations – Taxation of Registered Plans" for the consequences of holding Units in Registered Plans.

Taxation of the Preferred ETF

The Manager has advised counsel that the Preferred ETF intends to elect to have a taxation year that ends on December 15 of each calendar year. The Preferred ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder of the Preferred ETF in a calendar year if it is paid to the Unitholder in that year by the Preferred ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that the Preferred ETF is not liable for any non-refundable income tax under Part I of the Tax Act.

The Preferred ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

With respect to indebtedness, the Preferred ETF will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in that year, including on a conversion, redemption or repayment on maturity) or that has become receivable or is received by the Preferred ETF before the end of that year except to the extent that such interest was included in computing the Preferred ETF's income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Preferred ETF.

To the extent the Preferred ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the Preferred ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Preferred ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Preferred ETF will effectively retain their character in the hands of the Preferred ETF. The Preferred ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Preferred ETF except to the extent that the amount was included in calculating the income of the Preferred ETF or was the Preferred ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Preferred ETF. If the adjusted cost base to the Preferred ETF of such units becomes a negative amount at any time in a taxation year of the Preferred ETF, that negative amount will be deemed to be a capital gain realized by the Preferred ETF in that taxation year and the Preferred ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in the Preferred ETF's portfolio that is a "SIFT trust" (which will generally include Canadian resident income trusts, other than certain real estate investment trusts, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Income**"). Non-Portfolio Income that is distributed by a SIFT trust to its unitholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

In general, the Preferred ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition, net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security unless the Preferred ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Preferred ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that the Preferred ETF will purchase the securities in its portfolio with the objective of receiving interest, dividends and other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Manager has also advised counsel that the Preferred ETF will make an election under subsection 39(4) of the Tax Act so that all securities held by the Preferred ETF that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Preferred ETF.

The Preferred ETF will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units of the Preferred ETF during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Preferred ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the Preferred ETF.

In general, gains and losses realized by the Preferred ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Preferred ETF.

A loss realized by the Preferred ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Preferred ETF, or a person affiliated with the Preferred ETF, acquires a property (a "**Substituted Property**") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Preferred ETF, or a person affiliated with the Preferred ETF, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, the Preferred ETF cannot deduct the loss from the Preferred ETF's capital gains until the Substituted Property is disposed of and is not reacquired by the Preferred ETF, or a person affiliated with the Preferred ETF, within 30 days before and after the disposition.

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

The DFA Rules target financial arrangements (referred to as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives to be utilized by the Preferred ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. The Manager has advised counsel that the Preferred ETF will not enter into a "derivative forward agreement" the effect of which would be to materially increase the income tax payable by the Preferred ETF (taking into account all "derivative forward agreements" entered into).

The Preferred ETF may, directly or indirectly, derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Preferred ETF exceeds 15% of the amount included in the Preferred ETF's income from such investments, such excess may generally be deducted by the Preferred ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of the amount included in the Preferred ETF's income from such investments and has not been deducted in computing the Preferred ETF's income, the Preferred ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Preferred ETF's income distributed to such Holder so that such income and a portion of the foreign tax paid by the Preferred ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

The Preferred ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Preferred ETF and not reimbursed will be deductible by the Preferred ETF rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the Preferred ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by the Preferred ETF in a taxation year cannot be allocated to Holders, but may be deducted by the Preferred ETF in future years in accordance with the Tax Act.

Taxation of Holders

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the Preferred ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such amount is reinvested in additional Units or whether as a Management Fee Distribution). Provided that the Preferred ETF elects to have a taxation year that ends on December 15 of each calendar year, amounts paid or payable by the Preferred ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, the Preferred ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year to the extent necessary to enable the Preferred ETF to use, in that taxation year, losses from prior years without affecting the ability of the Preferred ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of the Preferred ETF but not deducted by the Preferred ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the Preferred ETF will be reduced by such amount. The non-taxable portion of the Preferred ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of the Preferred ETF for a taxation year that is paid or becomes payable to the Holder for the year (i.e., returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the Preferred ETF. To the extent that the adjusted cost base of a Unit of the Preferred ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Preferred ETF, such portion of the net realized taxable capital gains of the Preferred ETF, the taxable dividends received or deemed to be received by the Preferred ETF on shares of taxable Canadian corporations and foreign source income of the Preferred ETF as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. Where the Preferred ETF makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Preferred ETF to that country that is equal to the Holder's share of the Preferred ETF's income from sources in that country.

Any loss of the Preferred ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of the Preferred ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Preferred ETF which represents capital gains allocated and designated to the redeeming Holder), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units of the Preferred ETF, when additional Units of the Preferred ETF are acquired by the Holder (as a result of a distribution by the Preferred ETF in the form of Units, a reinvestment in Units of the Preferred ETF pursuant to a distribution reinvestment plan of the Preferred ETF or otherwise), the cost of the newly acquired Units of the Preferred ETF will be averaged with the adjusted cost base of all Units of the Preferred ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units of the Preferred ETF following a distribution paid in the form of additional Units of the Preferred ETF as described under "Distribution Policy" will not be regarded as a disposition of Units of the Preferred ETF and will not affect the aggregate adjusted cost base of Units to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units of the Preferred ETF for a Basket of Securities, a Holder's proceeds of disposition of Units of the Preferred ETF would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost to a Holder of any property received from the Preferred ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Registered Plans. If such securities are not qualified investments for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

Pursuant to the Declaration of Trust, the Preferred ETF may allocate and designate as payable any capital gains realized by the Preferred ETF as a result of any disposition of property of the Preferred ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Preferred ETF has the authority to distribute, allocate and designate any capital gains of the Preferred ETF to a Unitholder of the Preferred ETF who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Preferred ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming or exchanging Unitholder. Under the ATR Rule, amounts of taxable capital gains allocated and designated to redeeming or exchanging Unitholders are only deductible to the Preferred ETF to the extent of the redeeming or exchanging

Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Preferred ETF for the year.

Subject to the 2024 Budget Proposals discussed above, one-half of any capital gain realized by a Holder on the disposition of Units of the Preferred ETF or a taxable capital gain designated by the Preferred ETF in respect of the Holder for a taxation year of the Holder will generally be included in computing the Holder's income for that year as a taxable capital gain, and one-half of any capital loss realized by the Holder in a taxation year of the Holder generally must be deducted as an allowable capital loss from taxable capital gains realized by the Holder in the taxation year or designated by the Preferred ETF in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Amounts designated by the Preferred ETF to a Holder of the Preferred ETF as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units may increase the Holder's liability for alternative minimum tax.

Taxation of Registered Plans

Distributions received by Registered Plans on Units and capital gains realized by Registered Plans on the disposition of Units are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Registered Plan for purposes of the Tax Act. Holders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, the holder of a TFSA, RDSP or FHSA, the annuitant of an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Registered Plan if such Units are a "prohibited investment" for such Registered Plan for the purposes of the Tax Act. The Units of the Preferred ETF will not be a "prohibited investment" for a trust governed by such a Registered Plan unless the holder of the TFSA, RDSP or FHSA, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Preferred ETF for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Preferred ETF. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Preferred ETF unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Preferred ETF that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Preferred ETF, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the Units will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RDSP, RRSP, RRIF, RESP or FHSA.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether Units of the Preferred ETF would be prohibited investments, including with respect to whether such Units would be excluded property.

In the case of an exchange of Units of the Preferred ETF for a Basket of Securities, the investor will receive securities, which may or may not be qualified investments for Registered Plans. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

Tax Implications of the Preferred ETF's Distribution Policy

The NAV per Unit of the Preferred ETF will, in part, reflect any income and gains of the Preferred ETF that have accrued or have been realized, but have not been made payable at the time Units of the Preferred ETF were acquired. Accordingly, a Holder of the Preferred ETF who acquires Units of the Preferred ETF, including on a distribution of Units of the Preferred ETF, may become taxable on the Holder's share of such income and gains of the Preferred ETF. In particular, an investor who acquires Units of the Preferred ETF at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, provided the Preferred ETF elects to have a December 15 year-end, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

INTERNATIONAL INFORMATION REPORTING

The Preferred ETF is required to comply with due diligence and reporting obligations imposed under rules in the Tax Act that implement the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into by Canada and the U.S. (the "**IGA**"). As long as Units of the Preferred ETF continue to be registered in the name of CDS and regularly traded on the TSX, or any other established securities market, the Preferred ETF should not have any U.S. reportable accounts and, as a result, should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person" as defined under the IGA (including a U.S. citizen who is a resident of Canada) or if the Unitholder fails to provide the required information and indicia of US status are present, Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan (other than a FHSA). The CRA will then provide that information to the U.S. Internal Revenue Service (the "**IRS**"). On February 1, 2024, the CRA and the IRS signed a competent authority agreement stating that they intend to update an annex to the IGA to exclude FHSAs from being reportable accounts under Part XVIII of the Tax Act and the CRA has indicated that information about FHSAs does not need to be reported for these purposes.

In addition, the Preferred ETF is required to comply with reporting obligations imposed under rules in the Tax Act that implement the Organization for Economic Cooperation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, "Canadian financial institutions" are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("**Reportable Jurisdictions**") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide certain information regarding their investment in the Preferred ETF to their dealer for the purpose of such information exchange, unless the investment is held within a Registered Plan (other than a FHSA). The Department of Finance (Canada) has released certain Tax Amendments which would also exempt FHSAs from the CRS Rules; however, there can be no assurance that such Tax Amendments will be enacted as proposed. The CRA has indicated that information about FHSAs does not need to be reported for purposes of the CRS Rules.

ORGANIZATION AND MANAGEMENT DETAILS OF THE PREFERRED ETF

Trustee, Manager and Portfolio Manager

Quadravest, a registered investment fund manager in Newfoundland and Labrador, Ontario and Québec and exempt market dealer and portfolio manager in Ontario, is the promoter, trustee, manager and portfolio manager of the Preferred ETF. The Manager is responsible for providing or arranging for the provision of administrative services and management functions, including the day-to-day management of the Preferred ETF. As portfolio manager, Quadravest provides investment advisory services with respect to the Preferred ETF. The principal office of the Preferred ETF and the Manager is located at 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2.

Duties and Services to be provided by the Manager

Quadravest is the promoter, trustee, manager and portfolio manager of the Preferred ETF and, as such, is responsible for providing managerial, administrative and compliance services to the Preferred ETF including, without limitation, authorizing the payment of operating expenses incurred on behalf of the Preferred ETF, preparing financial statements and financial and accounting information as required by the Preferred ETF, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that the Preferred ETF comply with regulatory requirements and applicable stock exchange listing requirements, preparing the Preferred ETF's report to Unitholders and the Securities Regulatory Authorities, determining the amount of distributions to be made by the Preferred ETF and negotiating contractual agreements with third-party providers of services, including the Designated Brokers, the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the auditor and printers.

No manager of the Preferred ETF shall be a person who (i) is not a resident of Canada for purposes of the Tax Act, or (ii) does not agree to carry out its functions of managing the Preferred ETF in Canada.

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the Preferred ETF, to make all decisions regarding the business of the Preferred ETF and to bind the Preferred ETF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Preferred ETF to do so.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to the Preferred ETF or to any Unitholder or any other person for any loss or damage relating to any matter regarding the Preferred ETF, including any loss or diminution of value of the assets of the Preferred ETF if it has satisfied its standard of care set forth above.

The Manager may resign upon 90 days' prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by the Preferred ETF for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, gross negligence or material breach of its obligations thereunder.

The management and trustee services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Preferred ETF) or from engaging in other business activities.

The Manager has taken the initiative in founding and organizing the Preferred ETF and is, accordingly, the promoter of the Preferred ETF within the meaning of securities legislation of certain provinces and territories of Canada.

Officers and Directors of the Manager

The Board of Directors of the Manager consists of four members. Directors are appointed to serve on the Board of Directors until such time as they retire or are removed and their successors are appointed. The name, municipality of residence, position with the Manager and principal occupation of each director and senior officer is set out below:

Name and Municipality of Residence	***Position with the Manager***	***Principal Occupation***

S. WAYNE FINCH Caledon, Ontario	Chairman, President, Secretary, Chief Executive Officer, Chief Investment Officer and Director	Chief Executive and Chief Investment Officer, Quadravest Capital Management Inc.
LAURA L. JOHNSON Oakville, Ontario	Chief Investment Strategist and Portfolio Manager	Chief Investment Strategist and Portfolio Manager, Quadravest Capital Management Inc.
SILVIA GOMES Mississauga, Ontario	Chief Financial Officer and Chief Compliance Officer	Chief Financial Officer and Chief Compliance Officer, Quadravest Capital Management Inc.
PETER F. CRUICKSHANK Oakville, Ontario	Director	Director, Quadravest Capital Management Inc.

Other than as follows, all of the directors and officers of the Manager have held the same principal occupation for the five years preceding the date hereof. Ms. Johnson was appointed Chief Investment Strategist of Quadravest in August 2021; Ms. Gomes was appointed as Chief Compliance Officer of Quadravest in May 2021; and Mr. Cruickshank was Chief Compliance Officer of Quadravest from 2000 until Ms. Gomes' appointment in May 2021.

Designated Broker

The Manager, on behalf of the Preferred ETF, will enter into a Designated Broker Agreement with a Designated Broker pursuant to which the Designated Broker agrees to perform certain duties relating to the Preferred ETF, including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX's listing requirements; (ii) to subscribe for Units on an ongoing basis; and (iii) to post a liquid two way market for the trading of Units on the TSX. Payment for Units must be made by the Designated Broker, and those Units will be issued, by no later than the second Trading Day (or such shorter period, as may be required by applicable law) after the subscription notice has been delivered. Currently, the Manager intends to engage one Designated Broker in respect of the Preferred ETF.

A Designated Broker of the Preferred ETF may terminate the Designated Broker Agreement at any time by giving the Manager at least six months' prior written notice of such termination. The Manager may terminate the Designated Broker Agreement at any time, without prior notice, by sending a written notice of termination to the Designated Broker.

Units do not represent an interest or an obligation of any Designated Broker or Dealers or any affiliate thereof and a Unitholder of the Preferred ETF will not have any recourse against any such parties in respect of amounts payable by the Preferred ETF to such Designated Broker or Dealers.

Brokerage Arrangements

The Manager may utilize various brokers to effect securities transactions on behalf of the Preferred ETF. The Preferred ETF is responsible to pay such commissions.

When the services and prices offered by more than one broker or dealer are comparable and satisfy best execution criteria, the Manager may choose to effect portfolio transactions with brokers and dealers who provide services such as research, statistical data, financial and economic databases and other similar services.

The Manager's allocation of brokerage business to companies, including those that furnish research, statistical data, financial and economic databases and other similar services to the Preferred ETF, is based on decisions made by the portfolio managers, analysts and traders of the Manager and will only be made in compliance with applicable law and in accordance with the Manager's policies and procedures. These brokers may directly provide the Manager with research and related services, in addition to executing transactions. Although each of the funds managed by the Manager may not benefit equally from each research and related service received from a broker, the Manager will endeavour to ensure that the Preferred ETF receives an equitable benefit over time.

The Manager will monitor and evaluate the execution performance of its brokers with a view to determining whether steps should be taken to improve the quality of trade execution. When determining whether a broker should be added to the Manager's list of approved brokers, there are numerous factors that are considered including transaction cost, value of research, type and size of an order, speed and certainty of execution, responsiveness and trade matching quality. Approved brokers will be monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services.

Conflicts of Interest

The Manager and its affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Declaration of Trust are not exclusive and nothing in the agreements prevent the Manager or any of its affiliates from providing similar services to other investment funds or clients (whether or not their investment objectives, strategies and policies are similar to those of the Preferred ETF) or from engaging in other activities. The Manager therefore will have conflicts of interest in allocating management time, services and functions to the Preferred ETF and the other persons for which it provides similar services. The Manager's investment decisions for the Preferred ETF will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, the Manager may make the same investment for the Preferred ETF and for one or more of its other clients. If the Preferred ETF and one or more of the other clients of the Manager, or any of its affiliates, are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard, the Manager will generally endeavour to allocate investment opportunities to the Preferred ETF and other investment funds managed by it on a pro rata basis.

The Manager may trade and make investments for its own accounts, and the Manager currently trades and manages and will continue to trade and manage accounts other than the accounts of the Preferred ETF utilizing trading and investment strategies which are the same as or different from the ones to be utilized in making investment decisions for the Preferred ETF. In addition, in proprietary trading and investment, the Manager may take positions the same as, different than or opposite to those of the Preferred ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager will be aggregated for purposes of applying certain exchange position limits. As a result, the Preferred ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the Preferred ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades.

The Manager may at times have interests that differ from the interests of the Unitholders. Where the Manager, or its affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

In evaluating these conflicts of interest, potential investors should be aware that the Manager has a responsibility to the Unitholders to exercise good faith and fairness in all dealings affecting the Preferred ETF. In the event that a Unitholder believes that the Manager has violated its duty to such Unitholder, the Unitholder may seek relief for itself or on behalf of the Preferred ETF to recover damages from or to require an accounting by the Manager. Unitholders should be aware that the performance by the Manager of its responsibilities to the Preferred ETF will be measured in accordance with (i) the provisions of the agreement by which the Manager has been appointed to its position with the Preferred ETF; and (ii) applicable laws.

A registered dealer acts as a Designated Broker and one or more registered dealers may act as a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in the Preferred ETF. In particular, by virtue of these relationships, these registered Dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the Preferred ETF in the secondary market, may therefore have economic interests which differ from and may be adverse to those of Unitholders.

Any such registered Dealer and its affiliates may, at present or in the future, engage in business with the Preferred ETF, the issuers of securities making up the investment portfolio of the Preferred ETF, or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered Dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Preferred ETF of their Units under this prospectus. Units of the Preferred ETF do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Preferred ETF to the Designated Broker or applicable Dealers. The Canadian securities regulators have provided the Preferred ETF with a decision exempting the Preferred ETF from the requirement to include a certificate of any underwriter in the prospectus.

Independent Review Committee

In accordance with the requirements of NI 81-107, Quadravest has established an independent review committee consisting of Messrs. Michael W. Sharp, John D. Steep and Mr. Gordon A. M Currie. Mr. Currie acts as the chair of the IRC. Quadravest has established a single IRC which is responsible for all of the public investment funds which it manages.

Under NI 81-107, Quadravest must refer conflict of interest matters for review or approval to the IRC, and imposes obligations upon Quadravest to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide assistance to the IRC in carrying out its functions. Each of the executive officers of Quadravest work with the IRC in respect of these matters.

The mandate and responsibilities of the IRC are set out in its charter. The IRC is responsible for carrying out those responsibilities required to be undertaken by an IRC under NI 81-107, in particular:

(a) reviewing and providing input into the Manager’s policies and procedures regarding conflict of interest matters, including any amendments to such policies and procedures referred to the IRC by the Manager;

(b) approving or disapproving each conflict of interest matter referred by the Manager to the IRC for its approval;

(c) providing its recommendation as to whether the Manager’s proposed action on a conflict of interest matter referred by the Manager to the IRC for its recommendation achieves a fair and reasonable result for the Preferred ETF;

(d) together with the Manager, providing orientation to new members of the IRC as required by NI 81-107;

(e) conducting regular assessments as required by NI 81-107; and

(f) reporting to the securityholders of the Preferred ETF, to the Manager and to regulators as required by NI 81-107.

The IRC conducts regular assessments and provides reports to Quadravest and to Unitholders in respect of its functions. A copy of this report is available on the Preferred ETF’s website at www.quadravest.com, or can be obtained from the Manager upon request, at no cost, by calling (416) 304-4443. A copy is also available on SEDAR+ at www.sedarplus.com.

Members of the IRC currently receive compensation of $15,000 per annum ($25,000 per annum for the chair of the IRC) plus reimbursement of expenses. Annual compensation is apportioned among the various funds for which the IRC acts, including the Preferred ETF, in Quadravest’s discretion.

Custodian

Natcan Trust Company, at its principal office in Montreal, Quebec, is the custodian of the assets of the Preferred ETF pursuant to a Custodial Services Agreement. Pursuant to the Custodial Services Agreement, the Custodian is required to exercise its duties with the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or at least the same degree of care which the Custodian exercises with respect to its own property of a similar kind, where that degree of care is higher. The Custodian may employ qualified foreign sub-custodians in each jurisdiction in which the Preferred ETF has securities, as considered appropriate in the circumstances. The Manager or the Custodian may terminate the Custodial Services Agreement in respect of the Preferred ETF upon at least 90 days' written notice to the other party; provided that no advance notice is required to be given (a) by the Custodian if the Manager or the Preferred ETF is in material default under the Custodial Services Agreement or subject to any bankruptcy, insolvency or restructuring proceedings; (b) by the Manager if the Custodian is in material default under the Custodial Services Agreement or subject to any bankruptcy, insolvency or restructuring proceedings; (c) by the Manager if the Preferred ETF is terminated or merged into another fund, as determined by the Manager acting in the best interest of the Preferred ETF; or (d) by either party if such termination is required in order to comply with applicable laws.

The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Operating Costs and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Preferred ETF.

Auditor

The auditor of the Preferred ETF is PricewaterhouseCoopers LLP located at its principal offices in Toronto, Ontario. The auditor of the Preferred ETF may not be changed unless the IRC has approved the change and Unitholders have received at least sixty (60) days' notice before the effective date of the change, or as otherwise required by Canadian Securities Legislation. The auditor is independent with respect to the Preferred ETF within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

Registrar and Transfer Agent

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Units of the Preferred ETF. The Registrar and Transfer Agent is independent of the Manager.

Fund Administrator

Natcan Trust Company, at its principal offices in Montreal, Quebec, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Preferred ETF, including NAV calculations, accounting for net income and net realized capital gains of the Preferred ETF and maintaining books and records with respect to the Preferred ETF.

Securities Lending Agent

Natcan Trust Company may act as the securities lending agent for the Preferred ETF pursuant to a securities lending agreement in respect of the Preferred ETF (the "**Securities Lending Agreement**"). The Lending Agent is not an affiliate or associate of the Manager. The Manager or the Lending Agent may terminate the Securities Lending Agreement upon thirty (30) days' written notice to the other party at any time.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Preferred ETF will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the Preferred ETF, the Preferred ETF will also benefit from a borrower default indemnity provided by the Lending Agent. The Lending Agent's indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities, or will provide credit to the Preferred ETF in the amount of the market value of such unreturned loaned securities as determined at the close of business on the date on which such securities were required to be returned.

Prime Broker

National Bank Financial Inc., through its National Bank Independent Network division, will act as prime broker in respect of the Preferred ETF's margin facilities. The Prime Broker provides margin lending to the Preferred ETF to accommodate redemptions or settle portfolio transactions and acquire additional portfolio holdings. The Prime Broker is independent of the Manager and is located in Toronto, Ontario. The Manager may also appoint additional prime brokers at its discretion.

Promoter

The Manager has taken the initiative in founding and organizing or reorganizing, as the case may be, the Preferred ETF and is, accordingly, the promoter of the Preferred ETF within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Preferred ETF, receives compensation from the Preferred ETF. See "Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees".

CALCULATION OF NET ASSET VALUE

The Fund Administrator calculates, or will arrange for the calculation of, the NAV per Unit of the Preferred ETF as at the close of business on each Valuation Date. The Valuation Date will be each business day.

Valuation Policies and Procedures of the Preferred ETF

For reporting purposes other than financial statements, the NAV of the Preferred ETF on a Valuation Date will be equal to (i) the Total Assets of the Preferred ETF less (ii) the aggregate value of the liabilities. The NAV per Unit of the Preferred ETF on a Valuation Date will be calculated by dividing the NAV of the Preferred ETF on such Valuation Date by the total number of Units of the Preferred ETF issued and outstanding on such Valuation Date. The NAV per Unit of the Preferred ETF will be determined in the currency in which the Units are denominated.

Unless otherwise required by law, for the purpose of calculating the NAV on a Valuation Date, the Total Assets on such Valuation Date will be determined as follows:

(a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless Fund Administrator determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as Fund Administrator determines to be the reasonable value thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as Fund Administrator, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security, index futures or index options thereon which is listed on any recognized exchange shall be determined by the sale price at the time of valuation or, if there is no sale price, the average between the bid and the asked price on the day on which the NAV of the Preferred ETF is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

(d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by Fund Administrator;

(e) the value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Preferred ETF's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

(f) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;

(g) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Preferred ETF shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV of the Preferred ETF. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

(h) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at the time of valuation, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(i) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(j) all assets of the Preferred ETF valued in a foreign currency and all liabilities and obligations of the Preferred ETF payable by the Preferred ETF in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to Fund Administrator including, but not limited to, Fund Administrator or any of its affiliates; and

(k) all expenses or liabilities (including fees payable to the Manager) of the Preferred ETF shall be calculated on an accrual basis.

The value of any security or property to which, in the opinion of Fund Administrator, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as Fund Administrator from time to time provides. The Manager does not have the discretion to require Fund Administrator to deviate from these valuation principles.

Reporting of Net Asset Value

The NAV per Unit of the Preferred ETF will be provided to Unitholders on request, at no cost, by calling (416) 304-4443 and will be made available on the Manager’s website at www.quadravest.com.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

The Preferred ETF is authorized to issue an unlimited number of classes or series of redeemable, transferable Units, each of which represents an undivided interest in the net assets the Preferred ETF. Currently the Preferred ETF offers an unlimited number of Units. The Units of the Preferred ETF are denominated in Canadian dollars.

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

Certain Provisions of the Units

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Preferred ETF with respect to all payments made to Unitholders, other than, if applicable, Management Fee Distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Preferred ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of that class of the Preferred ETF. Notwithstanding the foregoing, the Preferred ETF may allocate and designate as payable certain capital gains to a Unitholder whose Units are being redeemed or exchanged as described under “Exchange and Redemption of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders”. All Units will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders are entitled to require the Preferred ETF to redeem their Units of the Preferred ETF as outlined under “Exchange and Redemption of Units – Redemption of Units of the Preferred ETF for Cash”.

Exchange of Units for Baskets of Securities

As set out under “Exchange and Redemption of Units – Exchange of Units of the Preferred ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash”, Unitholders may exchange the applicable PNU (or an integral multiple thereof) of the Preferred ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged. An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of the Preferred ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Preferred ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded).

Redemptions of Units for Cash

On any Trading Day, Unitholders of the Preferred ETF may redeem (i) Units of the Preferred ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU or a multiple PNU for cash equal to the NAV of that number of Units less any applicable redemption fee determined by the Manager, in its sole discretion from time to time. Because Unitholders of the Preferred ETF will generally be able to sell Units of the Preferred ETF at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the Preferred ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders of the Preferred ETF to the Manager or the Preferred ETF in connection with selling Units of the Preferred ETF on the TSX.

Modification of Terms

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the Preferred ETF or to create a new class or series of Units of the Preferred ETF without notice to existing Unitholders of the Preferred ETF.

Voting Rights in the Portfolio Securities

Unitholders will not have any voting rights in respect of the securities in the Preferred ETF’s portfolio.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

In accordance with NI 41-101, the investment risk level of the Preferred ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the Preferred ETF’s historical volatility as measured by the 10-year standard deviation of the returns of the Preferred ETF. The Preferred ETF currently has less than 10 years of performance history, and accordingly the 10 year standard deviation has been calculated using the return history of the applicable Reference Index (as provided for in the table below).

Risk Rating	Reference Index Used

Low	The risk classification of the Preferred ETF is based on the returns of the S&P/TSX Preferred Share Index.

The S&P/TSX Preferred Share Index is designed to measure the performance of the Canadian preferred stock market. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Preferred ETF, as set out above, is reviewed annually and anytime it is no longer reasonable in the circumstances. The standardized risk classification methodology used to identify the investment risk level of the Preferred ETF is available on request, at no cost, by calling (416) 304-4443 or by email at info@quadravest.com.

UNITHOLDER MATTERS

Meetings of Unitholders

Meetings of Unitholders of the Preferred ETF will be held if called by the Manager or upon the written request to the Manager of Unitholders of the Preferred ETF holding not less than 25% of the then outstanding Units of the Preferred ETF.

Matters Requiring Unitholder Approval

Under the Declaration of Trust, Unitholders of the Preferred ETF will be entitled to vote on any matter that pursuant to Canadian Securities Legislation must be submitted to Unitholders for approval. NI 81-102 requires a meeting of Unitholders to be called to approve certain changes as follows:

(a) the basis of the calculation of a fee or expense that is charged to the Preferred ETF or directly to its Unitholders is changed in a way that could result in an increase in charges to the Preferred ETF or its Unitholders, except where:

  (i) the Preferred ETF is at arm's length with the person or company charging the fee or expense; and
  (ii) the Unitholders have received at least 60 days' written notice before the effective date of the change;

(b) a fee or expense, to be charged to the Preferred ETF or directly to its Unitholders by the Preferred ETF or the Manager in connection with the holding of Units of the Preferred ETF that could result in an increase in charges to the Preferred ETF or its Unitholders is introduced, except where:

  (i) Preferred ETF is at arm's length with the person or company charging the fee or expense; and
  (ii) the Unitholders have received at least 60 days' written notice before the effective date of the change;

(c) the Manager is changed, unless the new manager of the Preferred ETF is an affiliate of the Manager;

(d) the fundamental investment objectives of the Preferred ETF are changed;

(e) the Preferred ETF decreases the frequency of the calculation of the NAV per Unit;

(f) other than a Permitted Merger for which Unitholder approval is not required, the Preferred ETF undertakes a reorganization with, or transfers its assets to, another issuer, if the Preferred ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Preferred ETF becoming securityholders in the other issuer;

(g) the Preferred ETF undertakes a reorganization with, or acquires assets from, another issuer, if the Preferred ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other issuer becoming Unitholders, and the transaction would be a material change to the Preferred ETF; or

(h) any matter which is required by the constitutive documents of the Preferred ETF; by the laws applicable to the Preferred ETF or by any agreement to be submitted to a vote of the Unitholders.

In addition to the foregoing, the Declaration of Trust provides that Unitholders may request to change the manager of the Preferred ETF only if such manager is in breach under the Declaration of Trust. Approval of Unitholders will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders, duly called on at least 21 days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

The auditors of the Preferred ETF may not be changed unless:

(i) the IRC of the Preferred ETF has approved the change; and

(ii) Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders, duly called on at least 21 days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

Amendments to the Declaration of Trust

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders shall take effect until the Manager has obtained the prior approval of not less than a majority of the votes cast at such meeting of Unitholders.

Subject to any longer notice requirements imposed under Canadian securities legislation, the Trustee is entitled to amend the Declaration of Trust by giving not less than 30 days' notice to Unitholders of the Preferred ETF affected by the proposed amendment in circumstances where:

(a) the Canadian securities legislation requires that written notice be given to Unitholders before the change takes effect;

(b) the change would not be prohibited by Canadian securities legislation; or

(c) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the Unitholders, so that it is equitable to give Unitholders of the Preferred ETF advance notice of the proposed change.

All Unitholders of the Preferred ETF shall be bound by an amendment affecting the Preferred ETF from the effective date of the amendment.

The Trustee may amend the Declaration of Trust, without the approval of or prior notice to any Unitholders, if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of Unitholders of the Preferred ETF or that the proposed amendment is necessary to:

(a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Preferred ETF or the distribution of its Units;

(b) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the Preferred ETF, the Trustee or its agents;

(c) make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;

(d) facilitate the administration of the Preferred ETF as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the Preferred ETF or its Unitholders;

(e) protect the Unitholders of the Preferred ETF; or

(f) make any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current market practice within the securities or investment fund industries or curing or correcting any administrative difficulty.

Permitted Mergers

The Preferred ETF may, without Unitholder approval, enter into a merger or other similar transaction (a "**Permitted Merger**") that has the effect of combining the Preferred ETF or its assets with any other investment fund or funds that have investment objectives that are similar to the Preferred ETF, subject to:

(a) approval of the merger by the IRC in accordance with NI 81-107;

(b) the Preferred ETF being reorganized with, or its assets being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;

(c) compliance with certain other requirements of applicable Canadian Securities Legislation; and

(d) Unitholders have received at least 60 days' notice which notice may be by way of press release, before the effective date of the Permitted Merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values and Unitholders of the Preferred ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

Accounting and Reporting to Unitholders

The fiscal year-end of the Preferred ETF is December 31. The Preferred ETF will deliver or make available to Unitholders: (i) audited annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance. Such documents are, or will be, incorporated by reference into, and form an integral part of, this prospectus. See "Documents Incorporated by Reference".

Each Unitholder will also be mailed annually, by his, her or its broker, as and when required under applicable law, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the Preferred ETF owned by such Unitholder in respect of the preceding taxation year of the Preferred ETF. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Unitholder's Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how distributions made by the Preferred ETF to a Unitholder affect the Unitholder's tax position. See "Income Tax Considerations".

The Manager will ensure that the Preferred ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Preferred ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Preferred ETF during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Preferred ETF.

TERMINATION OF THE PREFERRED ETF

The Preferred ETF may be terminated by the Manager on at least sixty (60) days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of the Preferred ETF, the securities in the portfolio of the Preferred ETF, cash and other assets remaining after paying or providing for all liabilities and obligations of the Preferred ETF shall be distributed pro rata among the Unitholders of the Preferred ETF.

The rights of Unitholders to exchange and redeem Units described under “Exchange and Redemption of Units – Exchange of Units of the Preferred ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” and “Exchange and Redemption of Units – Redemption of Units of the Preferred ETF for Cash” will cease as and from the date of termination of the Preferred ETF.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager receives fees for its services to the Preferred ETF. See “Fees and Expenses – Fees and Expenses Payable by the Preferred ETF – Management Fees”.

RELATIONSHIP BETWEEN THE PREFERRED ETF AND THE DEALERS

The Manager, on behalf of the Preferred ETF, may enter into various agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units of the Preferred ETF as described under “Purchases of Units”. Such Dealers may be related to the Manager. See “Organization and Management Details of the Preferred ETF – Conflicts of Interest”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Preferred ETF of their Units under this prospectus. Units of the Preferred ETF do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Preferred ETF to the Designated Broker or applicable Dealers. See “Organization and Management Details of the Preferred ETF – Conflicts of Interest”.

The Designated Broker or a Dealer that has entered into an agreement with the Manager, on behalf of the Preferred ETF, may act as an agent or underwriter in connection with a follow-on offering of one or more of the investment funds that the Preferred ETF may invest from time to time and, in connection therewith, be paid a fee based on the number of securities of the investment fund which are sold through such Designated Broker or Dealer, as the case may be.

PRINCIPAL HOLDERS OF UNITS

CDS & Co., the nominee of CDS, is the registered owner of the Units of the Preferred ETF, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Designated Broker, Dealers, or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of the Preferred ETF.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established policies and procedures with respect to the voting of proxies received from issuers of securities held in the Preferred ETF’s portfolio. Under the proxy voting policies and procedures, the Manager is required to vote (or decide to refrain from voting) all shares or other voting securities of the Preferred ETF in accordance with its best judgement in this regard; provided that the Manager receives the proxy and related materials from the issuer or otherwise in sufficient time to cast such vote. The Manager’s proxy voting policy sets out the voting procedures to be followed in voting routine and non-routine matters, together with general guidelines suggesting a process to be followed in determining how and whether to vote proxies. The Manager will consider each routine and non-routine matter on its merits in light of the best interests of the Preferred ETF and its Unitholders. In order to aid in the evaluation process for each proxy proposal, the Manager subscribes to the research services of Institutional Shareholder Services, a leading provider of proxy analysis and recommendations. The recommendations of Institutional Shareholder Services are reviewed by the Chief Financial Officer/Chief Compliance Officer and are generally followed when executing the specific proxy voting for the Preferred ETF. The proxy voting policy also addresses situations in which the Manager may not be able to vote, or where the costs of voting outweigh the benefits.

The Manager will maintain a proxy voting record which includes, each time the Preferred ETF receives proxy voting materials, the name of the issuer in question; the stock exchange on which the securities are listed and the ticker symbol for such securities; the CUSIP number for the securities; the meeting date and whether the meeting was called by management or otherwise; a brief identification of the matters to be voted on at the meeting; whether, and if so how, the Preferred ETF voted on such matters; and whether the votes cast by the Preferred ETF were for or against the recommendations of management of the issuer.

The Manager will prepare by August 31 in each year a proxy voting record for the one-year period ending on June 30 of that year and will post such record on the Preferred ETF's website at www.quadravest.com. Upon request made by a Unitholder by calling 1-877-478-2372 or writing to the Preferred ETF at Investor Relations, 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2, the Manager will deliver a copy of its proxy voting record, or of its policies and procedures with respect to proxy voting, to such Unitholder without charge.

MATERIAL CONTRACTS

The only contracts material to the Preferred ETF are the Declaration of Trust and the Custodial Services Agreement.

Copies of these agreements may be examined at the head office of the Manager at 200 Front Street West, Suite 2510, Toronto, Ontario, M5V 3K2.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Preferred ETF is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Preferred ETF.

EXPERTS

Blake, Cassels & Graydon LLP, legal counsel to the Preferred ETF and the Manager, has provided certain legal opinions on the principal Canadian federal income tax considerations that apply to an investment in the Units of the Preferred ETF by an individual resident in Canada. See "Income Tax Considerations".

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants is the auditor of the Preferred ETF and has consented to the inclusion in this prospectus of its report on the Preferred ETF dated ●, 2024. The auditor is independent with respect to the Preferred ETF within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

EXEMPTIONS AND APPROVALS

The Manager, on behalf of the Preferred ETF, has obtained exemptive relief from the Canadian Securities Regulatory Authorities:

(a) to permit a Unitholder to acquire more than 20% of the Units of a class of the Preferred ETF through purchases on the TSX (or any other marketplace on which the Units of the Preferred ETF may be traded) without regard to the takeover bid requirements of applicable Canadian Securities Legislation. See "Purchases of Units – Buying and Selling Units of the Preferred ETF"; and

(b) to relieve the Preferred ETF from the requirement that a prospectus contain a certificate of the underwriters.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

Purchasers should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the Preferred ETF is or will be, available in the following documents:

(a) the most recently filed comparative annual financial statements of the Preferred ETF, together with the accompanying report of the auditors;

(b) any unaudited interim financial statements of the Preferred ETF filed after the most recently filed comparative annual financial statements of the Preferred ETF;

(c) the most recently filed annual MRFP of the Preferred ETF;

(d) any interim MRFP of the Preferred ETF filed after that most recently filed annual MRFP of the Preferred ETF; and

(e) the most recently filed ETF Facts.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

These documents are, or will be, publicly available on the Manager's website at www.quadravest.com and may be obtained upon request, at no cost, by calling (416) 304-4443, or by contacting a registered dealer. These documents and other information about the Preferred ETF are, or will also be, publicly available on the website of SEDAR+ (the System for Electronic Document Analysis and Retrieval +) at www.sedarplus.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the Preferred ETF after the date of this prospectus and before the termination of the distribution of the Preferred ETF is deemed to be incorporated by reference into this prospectus.

Independent auditor's report

To the Unitholder and Trustee of

Quadravest Preferred Split Share ETF (the Fund)

Our opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at June 7, 2024 in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) relevant to preparing a statement of financial position.

What we have audited
The Fund's financial statement comprises the statement of financial position as at June 7, 2024 and the notes to the financial statement, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

We draw to users' attention the fact that the financial statement does not comprise a full set of financial statements prepared in accordance with IFRS Accounting Standards. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statement

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

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

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

Auditor's responsibilities for the audit of the financial statement

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

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

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

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

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 7, 2024

STATEMENT OF FINANCIAL POSITION
Quadravest Preferred Split Share ETF

As at June 7, 2024

ASSETS

Cash	$10

NET ASSETS ATTRIBUTABLE TO HOLDER OF REDEEMABLE UNITS

(1 CAD Unit)	$10

Approved on behalf of the Board of Directors of Quadravest Capital Management Inc., as trustee of the Preferred ETF:

(Signed) "*S. Wayne Finch*"	*(Signed)* "*Laura L. Johnson*"
Director	Director

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

NOTES TO STATEMENT OF FINANCIAL POSITION

As at June 7, 2024

(all amounts stated in Canadian dollars unless otherwise stated)

1. General information

Quadravest Preferred Split Share ETF (the "**Preferred ETF**") was established under the laws of the Province of Ontario on June 7, 2024 pursuant to a master declaration of trust dated June 7, 2024 (the "**Declaration of Trust**"), as may be amended or amended and restated from time to time, by Quadravest Capital Management Inc. (the "**Manager**"), as trustee. The address of the Preferred ETF's registered office is located at 200 Front Street West, Suite 2510, Toronto, Ontario, M5V 3K2.

The investment objectives of the Preferred ETF are to provide Unitholders of the Preferred ETF with: (a) monthly distributions and (b) the opportunity for capital preservation primarily through investment in a portfolio of preferred shares of split share corporations.

The financial statement of the Preferred ETF was approved by the board of directors of the Manager on June 7, 2024.

2. Material accounting policy information

2(a) Basis of preparation

This financial statement has been prepared in accordance with with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). The statement of financial position has been prepared under the historical cost convention.

The Net Asset Value ("**NAV**") is the value of the total assets of the Preferred ETF less the value of its total liabilities determined, on each valuation day, in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure* for the purpose of processing unitholder transactions. Net assets attributable to the holder of redeemable units ("**net assets**") are determined in accordance with IFRS Accounting Standards. As of June 7, 2024, the Preferred ETF's NAV is equal to its net assets.

2(b) Functional and presentation currency

The statement of financial position of the Preferred ETF is presented in Canadian dollars, which is the Preferred ETF's functional currency.

2(c) Financial instruments

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

Cash is comprised of cash on deposit with a financial institution.

The Preferred ETF's obligations for net assets attributable to the holder of redeemable units are presented at the redemption amounts.

2(d) Classification of redeemable units

Units of the Preferred ETF may be redeemed at the option of the holder for cash at a redemption discount. Such reduced redemption price causes cash flows on redemption not to be substantially based on the NAV. Consequently, the redeemable units of the Preferred ETF are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 *Financial Instruments: Presentation.*

3. Fair value

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

The carrying values of cash and the obligation for net assets attributable to the holder of redeemable units for the Preferred ETF approximate their fair values.

4. Risks associated with financial instruments

The Preferred ETF is exposed to a variety of financial risks, including the following:

Credit risk

The Preferred ETF is exposed to credit risk, which is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the Preferred ETF. As at June 7, 2024, the credit risk is considered limited as the cash balances represent deposits with an A-rated financial institution.

Liquidity risk

Liquidity risk is the risk that the Preferred ETF may not be able to settle or meet its obligations on time or at a reasonable price. The Preferred ETF manages its liquidity to fund anticipated redemptions.

5. Redeemable units

The Preferred ETF is authorized to issue an unlimited number of units. On any trading day, a designated broker or dealer may place a subscription or exchange order for the prescribed number of units (or an integral multiple thereof) of the Preferred ETF. A trading day is a day on which the TSX is open for business and on which the primary market or exchange for the majority of the securities held by the Preferred ETF is open for trading.

6. Related party transactions

As at June 7, 2024, one unit of the Preferred ETF was issued for cash consideration of $10 to the Manager, which therefore holds all of the issued and outstanding units of the Preferred ETF.

The Preferred ETF pays an annual management fee to the Manager equal to 0.50% of the net asset value of the Preferred ETF, calculated and payable monthly in arrears, plus applicable taxes.

The Preferred ETF may, in accordance with its investment strategies and applicable Canadian securities legislation, invest in exchange traded funds, mutual funds or other public investment funds ("**Other Funds**") to obtain exposure to securities for its portfolio. There will be no duplication of fees payable by the Preferred ETF and an Other Fund for the same service.

No sales fees or redemption fees are payable to the Preferred ETF in relation to purchases or redemptions of the securities of the Other Funds in which it invests if such Other Funds are managed by the Manager or an affiliate or associate of the Manager. Accordingly, no sales fees or redemption fees will be payable by the Preferred ETF in relation to its purchases or redemptions of securities of Other Funds that, to a reasonable person, would duplicate a fee payable by an investor in the Preferred ETF.

CERTIFICATE OF THE PREFERRED ETF, THE MANAGER AND PROMOTER

Dated: June 7, 2024

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

QUADRAVEST CAPITAL MANAGEMENT INC.
(as manager of the Preferred ETF)

(Signed) "S. Wayne Finch"	*(Signed) "Silvia Gomes"*
S. Wayne Finch President and Chief Executive Officer	Silvia Gomes Chief Financial Officer

On behalf of the Board of Directors of Quadravest Capital Management Inc.

(Signed) "Peter F. Cruickshank"	*(Signed) "Laura L. Johnson"*
Peter F. Cruickshank Director	Laura L. Johnson Director

QUADRAVEST CAPITAL MANAGEMENT INC.
(as promoter of the Preferred ETF)

(Signed) "S. Wayne Finch"

S. Wayne Finch
President and Chief Executive Officer