

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering is not made to, nor will subscriptions be accepted from, any non-resident of Canada or any person in the United States of America. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. Other than as disclosed in this Offering Memorandum and any marketing materials of the Partnership, no person has been authorized to give any information or make any representation in respect of the Partnership or the securities offered herein and any such information or representation must not be relied upon.

Private Placement

OFFERING MEMORANDUM

April 30, 2025



1700 – 745 Thurlow St., Vancouver, BC V6E 0C5

Phone #: (604) 689-0821 Fax #: (604) 638-2775

www.trezcapital.com

is@trezcapital.com

Trez Capital Yield U.S. (CAD) Limited Partnership (the "Partnership") is not a reporting issuer and its securities do not trade on any exchange or market.

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| Issuer | The Partnership is a limited partnership formed under the laws of British Columbia on December 23, 2024. |
| SEDAR Filer: | The Partnership is only a SEDAR filer as required under Section 2.9 of National Instrument 45-106 – <i>Prospectus Exemptions</i> and does not file continuous disclosure documents on SEDAR required to be filed by reporting issuers. |
| Securities offered: | Series A, Series F and Series I Units, denominated in Canadian dollars. |
| Price per security: | The subscription price per Unit is \$10 per Unit. |
| Minimum/Maximum offering: | There is no Minimum or Maximum Offering. You may be the only purchaser. |
| Minimum Purchase: | 10,000 Units (\$100,000) |
| Payment terms: | Bank draft, certified cheques or wire transfer on Closing. |
| Proposed closing date(s): | Continuous offering. Closings may occur from time to time as subscriptions are received. |
| Income tax consequences: | There are important tax consequences to these securities. See "Certain Canadian Federal Income Tax Considerations". |
| Insufficient Funds: | Funds available under this Offering may not be sufficient to accomplish our proposed objectives. See "Objectives and Policies - Insufficient Funds". |
| Compensation Paid to Sellers and Finders: | A person has received or will receive compensation for the sale of the Units under this Offering. See "Compensation Paid to Sellers and Finders". |
| Resale restrictions: | You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions". |
| Payments to Related Party: | Some of your investment will be paid to a related party of the Partnership. See "Use of Available Funds". |
| Certain Related Party Transactions: | This Offering Memorandum contains disclosure with respect to one or more transactions between the Partnership and related parties. See "Related Party Transactions". |
| Conditions on Redemption: | During the first year after the purchase by, or issuance of Units to, a Unitholder, no redemption of Units will be permitted. After the first year anniversary of the purchase by, or issuance of Units to you, you will have a right to require the Partnership to redeem the Units from you, but this right is qualified by the fact that Units are redeemable at the demand of the Unitholders, upon at least three (3) months' written notice at a Redemption Price per Unit equal to the Subscription Price. An investment in Units should be |

(ii)

considered a medium- or long-term investment. While the Units have rights of redemption, subject to certain important restrictions, there can be no assurance that Unitholders will have any expected liquidity event in the short-term in the event of certain of the risk factors outlined herein materializing, other than receiving distributions from the Partnership. As a result, you might not receive the amount of proceeds that you want. See "Securities Offered – Unitholder's Right to Redeem".

Purchaser Rights:

You have two Business Days to cancel your agreement to purchase these securities. If a misrepresentation is made in this Offering Memorandum, you have a right to damages or to cancel the agreement. See "Purchasers' Contractual and Statutory Rights of Action".

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors".

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SUMMARY

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum. Unless otherwise noted, all dollar amounts stated herein are expressed in Canadian dollars.

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| Offering: | A continuous offering of Series A, Series F and Series I Units of the Partnership to investors resident in Canada who are entitled to the benefits of the Canada-U.S. Tax Treaty. There is no minimum or maximum offering amount. See "Subscription for Units". A subscriber whose subscription is accepted will become a Unitholder of the Partnership. |
| Subscription Price: | The subscription price per Unit is \$10.00. |
| Minimum Subscription: | There is a minimum subscription of 10,000 Units (\$100,000). Residents of certain provinces may be restricted in the amount they can invest when relying on this Offering Memorandum. See "Subscription for Units". |
| Business Objective: | <p>The Partnership acts as a feeder fund to allow investors resident in Canada to invest in a portfolio of Mortgages secured by real property situated in the United States (along with other Investments in the United States), which the Partnership will invest in indirectly through an investment in Master Units of the Cayman Master Fund. The business objective of the Partnership is to generate a reliable stream of foreign-source business income to investors, while preserving invested capital, by investing in Investments through the Cayman Master Fund.</p> <p>The Investment Portfolio of the Cayman Master Fund will consist primarily of the following types of Investments, which may be held directly or indirectly through one or more SPEs: (a) Mortgage Investments; (b) Mezzanine Loans; (c) Land and Lot Banking Financings; and (d) Preferred Equity Investments.</p> <ul style="list-style-type: none"> a) "Mortgage Investments" consist of short- to intermediate-term loans, generally to real estate developers, that are secured by Real Property. Mortgage Investments typically include a base interest rate, and may from time to time but not often include a "bonus" participation option derived from profits realized from the development project ("Mortgage Participations"). b) "Mezzanine Loans" generally consist of loans secured by a real estate developer's interest in the developing entity. c) "Land and Lot Banking Financings" generally involve both a loan and equity investment in an entity that acquires Real Property under an arrangement with a homebuilder under which the homebuilder who develops the project agrees to repurchase the Real Property from the entity at a price which includes an implicit "interest" component. d) "Preferred Equity Investments" consist of equity investments in an entity (typically a limited partnership) that owns Real Property in which the real estate developer is generally the general partner. <p>The Cayman Master Fund has retained, and relies on, the Mortgage Broker to identify suitable Investments for investment by the Cayman Master Fund. The Mortgage Broker and its Affiliates have developed an extensive network of business contacts and repeat borrowers in various key geographic target markets in the United States, which the Cayman Master Fund believes will allow the Mortgage Broker to identify and present suitable investment opportunities for the Cayman Master Fund to invest in on an ongoing basis.</p> <p>The Partnership is expected to earn income from its share of interest payments or profit participations derived from the Investment Portfolio of the Cayman Master Fund. Mortgage Investments will generally generate income through interest payments, which are typically</p> |

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| | <p>payable periodically throughout the term of the Mortgages or upon their maturity. Mortgage Participations will generally provide income from interest payments, which are typically payable periodically throughout the term of the Mortgage or in full upon their maturity, plus a profit interest when the developer sells the underlying Real Property. Land and Lot Banking Financings will generally provide income from "option" payments on both the loan and equity investments which represent the equivalent of an "interest" charge on the amounts advanced under the financings. For Preferred Equity Investments, the Cayman Master Fund advances funds to the underlying projects for either a preferred rate of return and a seniority to common equity holders or for a share of profits on a predetermined, negotiated basis with other common equity holders.</p> <p>All Mortgages (often referred to as a "deed of trust" in the United States) will be secured by real property situated in the United States, which will consist primarily of residential (generally not including single family homes), office, retail, industrial, hotel or other commercial property. The Mortgages may be either first-ranking, a junior position in a first-ranking Mortgage, or a subsequent-ranking Mortgage. Individual Mortgages may be secured by one or more properties owned by the same mortgagor. See "Objectives and Policies – Investment Restrictions".</p> |
| <p>Loan Syndication:</p> | <p>TCFMLP, as manager of the Cayman Master Fund, may arrange for third parties, Affiliated Funds and/or Joint Ventures to participate in Investments in which the Cayman Master Fund invests, either in a senior position, <i>pari passu</i> or in a junior position in relation to the Cayman Master Fund. The syndication process allows investment entities with a more conservative investment strategy to invest in a more secure senior portion of a Mortgage, with progressively higher risk / higher return junior positions available to investment entities with a higher risk profile. These arrangements with third parties, Affiliated Funds and Joint Ventures allow the Cayman Master Manager to, among other things, reduce the Cayman Master Fund's exposure to a single Mortgage and allow for greater diversification in the Cayman Master Fund's Investment Portfolio, apportion the risks associated with the Mortgages appropriately, provide yield enhancement, as well as create liquidity for the Cayman Master Fund.</p> <p>The Partnership will, through its investment in Master Units of the Cayman Master Fund, indirectly hold interests in Mortgages in which third parties (such as banks, trust companies, and other mortgage investors) selected by the Cayman Master Manager, together with Affiliated Funds or Joint Ventures, may invest in a senior position. Such third-party investments will bear interest at a lower rate than the interest rate on the underlying Mortgages (to reflect their senior position), thereby enabling the Cayman Master Fund to earn a higher overall rate of return on its junior position in the Mortgages. This practice – sometimes referred to as "tranching" – enables the Cayman Master Fund to effectively achieve its desired returns while using less capital for each Mortgage investment (thereby facilitating greater diversification for the Cayman Master Fund), while generally retaining the Cayman Master Manager's control over administering the Mortgages. The Manager believes that tranching will enhance risk-adjusted returns to the Cayman Master Fund, and thus to investors in the Partnership, as the interest rate received by the Cayman Master Fund will be higher than the rate it would have obtained under an equivalent non-tranched Mortgage.</p> <p>An investment in a subsequent-ranking Mortgage differs from a junior position in a first-ranking Mortgage, in that a subsequent-ranking Mortgage has a lower priority for repayment and the Cayman Master Manager does not have control over administering the first-ranking Mortgage should a default occur. See "The Partnership and the Cayman Master Fund – Loan Syndication".</p> |
| <p>Equity Syndication:</p> | <p>The Cayman Master Fund (and thus the Partnership indirectly through its investment in Master Units) may participate in Preferred Equity Investments, including on a <i>pari passu</i> basis with Affiliated Funds. In that case, the Cayman Master Fund will generally participate in Preferred Equity Investments with terms and rights common to debt securities, such as fixed interest rates, defined maturity dates, and priority for repayment to any junior equity</p> |

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| | <p>investment position (which junior position may be held by Affiliated Funds). See "The Partnership and the Cayman Master Fund – Preferred Equity Investments."</p> | | | | | | |
| <p>Series:</p> | <p>Units of the Partnership are issuable in Series. The Offering under this Offering Memorandum is for Series A Units, Series F Units and Series I Units. The Manager may, at any time and from time to time, authorize the Partnership to issue additional Series without the authorization of Unitholders.</p> <p>All Series have the same objectives, strategies and restrictions, but differ with respect to one or more of their features, such as fees and distributions, as set out in this Offering Memorandum.</p> <p>Distributions on the Series A Units, Series F Units and Series I Units will differ as a result of: (i) the lower Series I Management Fee payable in respect of the Series I Units; and (ii) the deduction of amounts payable in respect of Trailer Fees for the Series A Units. See "Securities Offered – Description of the Units Offered" and "Distributions".</p> <p>Purchases of Units may be effected through direct investment or through the settlement network operated by FundSERV Inc. using the following codes:</p> <table data-bbox="560 751 901 877"> <tr> <td>Series A Units:</td> <td>TRZ700</td> </tr> <tr> <td>Series F Units:</td> <td>TRZ710</td> </tr> <tr> <td>Series I Units:</td> <td>TRZ720</td> </tr> </table> | Series A Units: | TRZ700 | Series F Units: | TRZ710 | Series I Units: | TRZ720 |
| Series A Units: | TRZ700 | | | | | | |
| Series F Units: | TRZ710 | | | | | | |
| Series I Units: | TRZ720 | | | | | | |
| <p>Distribution Policy:</p> | <p>The Partnership intends to make monthly distributions to Unitholders of record at the end of each calendar month. Such distributions will be sourced from, and conditional upon, distributions received by the Partnership from the Cayman Master Fund. The Partnership intends to pay any monthly distributions in arrears by the 10th Business Day following the end of the month to which the distribution relates. Monthly distributions will be in an amount to be determined by the General Partner from time to time at its discretion (after consulting with the Manager) after taking into consideration the current and anticipated expenses of the Partnership.</p> <p>The Manager will be entitled to deduct, from any monthly distribution otherwise payable to a Unitholder, one-twelfth of the annual Management Fee (plus applicable GST/HST) applicable to such Units.</p> <p>In addition, for each monthly distribution on the Series A Units, an amount equal to 0.0833% (1.00% annually) of the Subscription Price (plus applicable GST/HST) will be deducted from the distribution otherwise payable on such Series A Units, in order to pay the Trailer Fee in respect of such Series A Units. If at any distribution payment date there are insufficient funds to pay the Trailer Fee (plus applicable GST/HST) from the distribution otherwise payable on the Series A Units, the Partnership will redeem a sufficient number of Series A Units from each holder of Series A Units in order to pay the Trailer Fee (plus applicable GST/HST).</p> <p>In addition to monthly distributions as described above, the Partnership may, following the end of a Fiscal Year, make a Final Year-End Distribution to Unitholders of record at the end of such Fiscal Year, in the circumstances and to the extent described below. The Final Year-End Distribution, if any, for a Fiscal Year will generally be equal to the amount, if any, by which the Net Income of the Partnership (for greater certainty, calculated after deducting the Management Fees and any Incentive Fee) for such Fiscal Year, exceeds the sum of: (i) the monthly distributions (for greater certainty, after deducting the monthly Management Fee as described above) made to Unitholders for that year; and (ii) any reserves that the General Partner (after consulting with the Manager) deems appropriate. The Final Year-End Distribution, if any, for a Fiscal Year will be paid on the Final Year-End Distribution Date, which will be determined by the General Partner in its discretion but which shall in no circumstances be later than March 31 of the immediately following calendar year.</p> | | | | | | |

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| | <p>Distributions by the Partnership to Unitholders will be made <i>pro rata</i> in proportion to their Proportionate Share using a "weighted average" approach, based on the number of Units held by each Unitholder at the end of each day in the applicable period.</p> <p>Unitholders whose Units are redeemed prior to or on a month end will <u>not</u> participate in distributions for that month. Similarly, Unitholders whose Units are redeemed prior to or on a year end will <u>not</u> participate in the Final Year-End Distribution for that year. For clarity, a Unitholder whose Units are redeemed on the last day of any month will not be eligible for that monthly distribution, including the Final Year-End Distribution in the case of a Redemption on December 31, in respect of their Units so redeemed.</p> <p>Subject to a Unitholder's election to receive distributions in cash (as described below), distributions by the Partnership will be paid in Units, at a value of \$10 per Unit. A Unitholder who does not elect to receive distributions in cash will, by default, receive distributions in Units. Payment of distributions to Unitholders in Units rather than cash can result in Unitholders not having sufficient cash to pay any tax liability associated with allocations of Partnership income on their Units</p> <p>In order to receive distributions in cash, a Unitholder must elect to receive distributions in cash at the time the Units are purchased, or else notify the Manager in writing at least five (5) Business Days in advance of the applicable distribution record date of the election to receive distributions in cash. If the Partnership does not have sufficient cash on hand to pay the cash distributions otherwise payable, the Partnership may borrow sufficient funds from third parties, including the Manager or one of its affiliates, on such terms as the General Partner deems appropriate to permit such distribution to be made in cash. All cash distributions will be paid in Canadian dollars.</p> |
| <p>Foreign Currency Exchange and Hedging:</p> | <p>The Subscription Price and Redemption Price per Unit are both denominated in Canadian dollars, however the Partnership's investment in Master Units, as well as Investments held by the Cayman Master Fund, will be denominated in U.S. dollars. In addition, the Partnership intends to make distributions to Unitholders in Canadian dollars, whereas distributions received by the Partnership on its Master Units will be denominated in U.S. dollars.</p> <p>To mitigate the potential impact of exchange rate fluctuations between the Canadian dollar and U.S. dollar on the value of the Partnership's investment in Master Units and a Unitholder's investment in, and return on, Units, the Partnership intends to enter into foreign currency hedging transactions, including U.S. dollar forward foreign exchange swaps. Any costs associated with such hedging transactions will be borne by the Partnership and allocated to all Series. See "Objectives and Policies – Foreign Currency Exchange and Hedging".</p> |
| <p>Redemption by Unitholder:</p> | <p>After the Redemption Restriction Period, and subject to the restrictions below, the Series A Units, Series F Units and Series I Units are redeemable at the demand of the Unitholder, upon at least three (3) months' written notice, at a Redemption Price per Unit equal to the Subscription Price of \$10 per Unit.</p> <p>The General Partner may from time to time suspend Redemptions when the Net Asset Value per Unit is less than the Redemption Price per Unit. The Manager is not obligated to accept Redemption notices in any calendar month for amounts exceeding, in aggregate, 5% of the Net Asset Value at such time.</p> <p>The General Partner also may suspend the Redemption of Units, or postpone the day of payment or right of Redemption, for a period of not more than 180 days during any period during which the Manager determines that conditions exist which render impractical the sale of the assets of the Partnership or impair the ability of the Manager to determine the value of the assets held by the Partnership. Any such suspension shall take effect at such time as the Manager specifies and thereafter there shall be no Redemption of Units during the 180-day period until the Manager declares the suspension at an end.</p> |
| <p>Closing:</p> | <p>Closings will take place on such dates as the Manager determines.</p> |

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| <p>Manager's Fees:</p> | <p>Under the Limited Partnership Agreement and Management Services Agreement, the Manager is entitled to receive Management Fees, which differ depending on the Series of Units to which they relate. For the Series A Units and Series F Units, the Manager is entitled to an annual fee equal to 1.5% of the Series A Units' and Series F Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year. For the Series I Units, the Manager is entitled to an annual fee equal to a percentage, as negotiated between the Manager and the holder of such Series I Units, of such Series I Units' Proportionate Share of the Average Total Assets for such Fiscal Year. Such Management Fees (plus applicable GST/HST) will be deducted from the distributions otherwise payable by the Partnership to the holders of the applicable Series of Units. The Management Fees will be determined on a monthly basis and paid to the Manager monthly in arrears.</p> <p>In addition, the Manager is entitled to receive an annual Incentive Fee equal to 10% of the Incentive Fee Revenue of the Partnership for the applicable Fiscal Year. Any Incentive Fee payable for a Fiscal Year (plus applicable GST/HST) will be paid to the Manager no later than March 31 of the immediately following year. See "Directors, Management, Promoters and Principal Holders – Manager's Fees".</p> |
| <p>Mortgage Broker and Fees:</p> | <p>The Mortgage Broker will arrange Mortgages on behalf of the Cayman Master Fund and will act as mortgage broker of the Cayman Master Fund.</p> <p>Trez Capital Texas L.P. and Trez Capital Group (New York) LP, both Affiliates of the Mortgage Broker, and Trez Capital (US) Limited Partnership will source Investments on behalf of the Mortgage Broker and the Mortgage Broker will undertake its customary due diligence review of any proposed Investments.</p> <p>The Mortgage Broker may earn brokerage and/or origination fees from placing Mortgages and performing due diligence. In the case of Mortgages which are originated by the Mortgage Broker or its Affiliates, such fees will generally be paid by the borrower to the Mortgage Broker, and the Mortgage Broker will not charge any fees to the Cayman Master Fund or the Partnership. In some instances where the Cayman Master Fund agrees to participate in a loan which has no brokerage or origination fee, the Mortgage Broker will charge the brokerage fee to the Cayman Master Fund and the brokerage fee may be deducted from interest payments otherwise payable to the Cayman Master Fund. In the case of Mortgages, or interests in Mortgages, which have been purchased by the Mortgage Broker from third parties, either on its own behalf or on behalf of the Cayman Master Fund, such fees may also be deducted from interest payments otherwise payable to the Cayman Master Fund or may be paid directly by the Cayman Master Fund as a result of the difference between the purchase price paid by the Mortgage Broker and the purchase price paid by the Cayman Master Fund. The brokerage and/or origination fees charged to the Cayman Master Fund in such instances will vary depending on the size of the transaction and the amount of any fees otherwise payable to the Mortgage Broker. The Originators will receive a share of the originating fees, commitment fees and renewal fees on Mortgages they originate for the Cayman Master Fund. See "Directors, Management, Promoters and Principal Holders – Originators' and Mortgage Broker's Fees".</p> |
| <p>Series A Unit Trailer Fees:</p> | <p>The Partnership will pay an annual Trailer Fee to registered dealers in respect of the Series A Units, equal to 1.00% of the Subscription Price for each Series A Unit, which Trailer Fee is payable monthly in arrears. The amount of the Trailer Fee (plus applicable GST/HST) will be deducted from distributions to holders of Series A Units.</p> |
| <p>Use of Proceeds:</p> | <p>The Net Subscription Proceeds will be invested in Master Units of the Cayman Master Fund. Investments by the Cayman Master Fund will be made as set out in "Objectives and Policies – Investment Restrictions". Pending investment in Master Units, the Net Subscription Proceeds may be invested by the Partnership in Approved Interim Investments. The Manager will use its reasonable commercial efforts to invest the Net Subscription Proceeds in Master Units as soon as possible following each Closing.</p> |

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| | The Partnership will pay the expenses of this Offering. |
| Distribution on Termination: | On the termination of the Partnership, the assets of the Partnership will be liquidated and the proceeds distributed in the following order: (a) firstly, to pay the liabilities of the Partnership (including unpaid fees and expenses of the Manager) and to establish reserves for the contingent liabilities of the Partnership; and (b) thereafter, to redeem the Units on a pro rata basis from the Unitholders. See "Distributions – Distribution on Termination of the Partnership". |
| Taxation of Partnership Income and Unitholders: | There are important tax consequences relating to the investment into and ownership of Units. All investors will be responsible to seek their own tax advice and for the preparation and filing of their own tax returns in respect of this investment. See "Certain Canadian Federal Income Tax Considerations" for further discussion. Investors should consult their own tax advisors regarding the applicable tax consequences associated with an investment in Units in their particular circumstances. |
| Not Qualified for Investment by Deferred Plans: | An investment in Units will <u>not</u> qualify for investment by Deferred Plans. See "Certain Canadian Federal Income Tax Considerations". |
| No Transferability: | Units will not be transferable except by operation of law (such as the death or bankruptcy of a Unitholder) or in circumstances where the General Partner deems it appropriate to do so in its absolute discretion. As well, securities laws will restrict, and may prohibit, the transfer of Units. Units will not be listed on any stock exchange. See "Resale Restrictions". |
| Risk Factors: | <p>An investment in Units of the Partnership entails a number of risks. This Offering is not suitable for investors who cannot afford to assume moderate risks in connection with their investments. These risks include the following:</p> <ul style="list-style-type: none"> a) Neither the Partnership nor the Cayman Master Fund makes any representation as to any return that will be generated from the Units or the Investment Portfolio. There can be no assurance that past returns achieved by funds managed by the Manager will be, in any respect, indicative of how Investments will perform (either in terms of profitability, volatility or low correlation with other investments) in the future. b) Unitholders' returns will be determined by the returns generated by the Investment Portfolio of the Cayman Master Fund. These returns are affected by general economic conditions, the level of interest rates, local real estate markets, the attractiveness of the property to tenants/purchasers, competition from other available properties, fluctuations in market pricing and occupancy rates, operating expenses and other factors. It is possible that credit market deterioration could affect the Cayman Master Fund's returns. See "Directors, Management, Promoters and Principal Holders – Trez Capital Limited Partnership (the Mortgage Broker) – Due Diligence Procedures and Risk Reduction". c) The Cayman Master Fund's Investments, which will be investments in Real Property or be secured by Real Property, can fluctuate in value. Changes in market conditions may decrease the value of the Real Property secured and reduce the actual or projected cash flow from the Real Property, thereby affecting the ability of the borrower to service the debt and/or repay the loan or the ability to sell the Real Property. d) If there is an increase in interest rates, it generally becomes more expensive for businesses and individuals to borrow money, which can reduce demand for real estate. As a result, property values may decline and adversely affect the value of the Investments. Higher interest rates may also have a negative impact on overall liquidity in financial markets. |

- e) Volatility in the capital markets can result in restrictions in the availability of capital and could affect the ability of borrowers to refinance and pay out Loan Investments when due and the ability to sell Real Property. This lack of liquidity may result in the Partnership suspending the Redemption of Units from time to time.
- f) If there is a decline in interest rates (as measured by the indices upon which the interest rates of the Cayman Master Fund's Loan Investments are based), the Cayman Master Fund may find it difficult to originate additional Investments bearing rates sufficient to achieve distributions on the Master Units at the rates previously achieved by the Cayman Master Fund, which will in turn adversely impact the ability of the Partnership to make distributions on its Units.
- g) Given the concentration of the Cayman Master Fund's exposure to the Mortgage lending and Real Property sector, the Partnership (through its investment in Master Units) will be more susceptible to adverse economic or regulatory occurrences affecting that sector than an investment entity that is not concentrated in a single sector. Investments in Mortgages and Real Property are relatively illiquid. This lack of liquidity may result in the Partnership suspending the Redemption of Units from time to time. The Investment Portfolio will be invested and may from time to time be concentrated by location of the properties, type of property, or other factors resulting in the Investments being less diversified than at other times.
- h) Mezzanine Loans are subordinated financings and the borrower's ability to repay is subject to the financial performance of the underlying Real Property or the borrower's creditworthiness. Mezzanine Loans are generally non-recourse loans which limit the recoverability in the event of default.
- i) Preferred Equity Investments are subordinate to indebtedness (including Mezzanine Loans) and, as such, are significantly riskier investments than Mortgages or Mezzanine Loans. Preferred Equity Investments generally earn a fixed return but do not have security in the underlying Real Property. Instead, Preferred Equity Investments, upon certain specified default events, have the right to effect a change of control of the ownership of the underlying Real Property, subject to any similar rights of lenders in respect of such Real Property that rank ahead of the rights of the Preferred Equity Investment. Given the limited rights associated with Preferred Equity Investments, there is a greater risk that a loss could occur on these investments than investments in Mortgages or Mezzanine Loans.
- j) Subordinate financing, which will be carried on by the Cayman Master Fund, is considered higher risk than primary financing.
- k) The Cayman Master Fund participates in junior (subordinated) positions in certain Mortgages, either through loan-by-loan syndication arrangements or through Pooled Loan Facilities. This use of leverage increases the risk of loss on such Investments, as the Cayman Master Fund's Investment Portfolio serves as security to third-party lenders. In addition, Pooled Loan Facilities reflect increased risk due to potential repurchase requirements, cross-default and cross-collateralization provisions and mark-to-market provisions. Furthermore, such borrowed funds may only be shown as a net amount (i.e., the net investment in the Mortgage, net of borrowing) in the applicable financial statements in accordance with accounting criteria under IFRS. See "The Partnership and the Cayman Master Fund – Loan Syndication."
- l) The Subscription Price, Redemption Price per Unit and distributions payable on Units will all be denominated in Canadian dollars, whereas the Partnership's investment in Master Units, and distributions received by the Partnership on its Master Units, will be denominated in U.S. dollars. As a result, a Unitholder's return on an investment in Units could be impacted by foreign exchange rates, including as a result of a decline in the value of the U.S. dollar relative to the Canadian dollar. The Partnership intends to enter into foreign currency hedging transactions to manage such foreign exchange risks,

however such hedging transactions may not be successful in eliminating or reducing any such risk. In addition, there will be costs associated with any foreign exchange hedging transactions, which costs will be borne by the Partnership and allocated to Unitholders.

- m) The Cayman Master Fund enters into loan syndication transactions with other investment entities managed by the Cayman Master Manager as well as with third-party financiers. These arrangements may provide for pooling and/or different timing of contributions. As such, this can result in a mismatch of income (or loss) allocations, such that the Cayman Master Fund (and thus the Partnership through its investment in Master Units) could receive a lesser (or greater) amount of income (or loss) than it would have received had it maintained sole ownership of the Mortgage and not participated in the loan syndication arrangement.
- n) The Cayman Master Fund is highly dependent upon the expertise and abilities of the Cayman Master Manager and the Mortgage Broker. The loss of services of key personnel of the Cayman Master Manager or the Mortgage Broker could adversely affect the Cayman Master Fund and the Partnership.
- o) TCFMLP, as the Cayman Master Manager and Manager of the Partnership, is required to satisfy a standard of care in exercising its duties with respect to the Cayman Master Fund and the Partnership. However, neither TCFMLP nor its officers, directors, Affiliates, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Cayman Master Fund or the Partnership. TCFMLP and its officers, directors, Affiliates or employees may undertake financial, investment or professional activities which give rise to conflicts of interest with respect to the Cayman Master Fund or the Partnership.
- p) The role of the Board of Governors is generally advisory in nature with a focus on overseeing and managing conflicts of interest that may arise between the General Partner, the Manager, the entities managed by them and affiliates thereof. The Board of Governors is not involved in the day-to-day management of the Partnership. Its duties differ from those of the board of directors of a corporation as its responsibilities are limited to those expressly set forth in the Limited Partnership Agreement and substantially all powers, authorities and responsibilities in respect of the Partnership are those of the General Partner, which has delegated certain of its powers, authorities and responsibilities to the Manager pursuant to the Management Services Agreement. While the Limited Partnership Agreement sets out that the Board of Governors has the duty to ensure the actions of the Manager and the General Partner are, at all times, in accordance with the terms of the Limited Partnership Agreement, the Board of Governors has limited insight into the day-to-day operations and activities of the General Partner and the Manager and is, to a large degree, reliant upon the General Partner reporting its activities and the activities of the Manager to the Board of Governors. Accordingly, while the Board of Governors meets at least quarterly and has adopted certain corporate governance and other practices that are consistent with market practices to mitigate the risk of non-compliance with the Limited Partnership Agreement by the General Partner, there can be no assurance that such non-compliance may occur given the Board of Governors' limited ability and authority to oversee and monitor the activities and operations of the General Partner and the Manager on a day-to-day basis and its reliance on the General Partner to report on such activities.
- q) The Partnership is one of several investors in the Cayman Master Fund, which impacts the Partnership's economic interest in the Cayman Master Fund's Investment Portfolio.
- r) All of the Cayman Master Fund's Investments will be made in the U.S. The Cayman Master Fund may face cross-border risks, including risks relating to political policy changes, staffing and managing cross-border Investments, tariffs and other trade barriers, differing and potentially adverse tax implications, increased and conflicting

regulatory compliance, and challenges caused by distance and cultural difference. On March 4, 2025, the U.S. government announced the introduction of tariffs of 25% on certain goods from Canada and Mexico, and 10% tariffs on certain goods from China and oil & gas from Canada sold in the U.S. In response, Canada and China have announced the introduction of corresponding retaliatory tariffs, and Mexico has indicated that it intends to impose retaliatory tariffs. The U.S. government has threatened to increase or expand the scope of the imposed duties in response to retaliatory action taken by Canada, Mexico and China. The tariffs apply to certain building products, among many other products. The potential impacts of these tariffs are uncertain and may have an adverse effect on the overall economies of the U.S. and Canada, real property values and our borrowers' ability to complete projects within expected timelines and budgets, which could adversely impact the Investments and returns of the Cayman Master Fund.

- s) The Partnership maintains information security measures and continuously monitors security threats to its information technology systems and implements measures to manage these threats. However, there can be no assurance that the Partnership will be immune from cybersecurity risks and that risks can be fully mitigated due especially to the evolving nature of cybersecurity threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats and any breach of the Partnership's information security may have a material adverse impact on its business, operations, financial condition and cash flows. In addition, cyber incidents may also remain undetected for an extended period, which could exacerbate the consequences aforementioned. Overall, security breaches could expose the Partnership to a risk of loss or litigation and possible liability for damages. The Partnership may be required to make significant expenditures to protect against security breaches or to alleviate problems caused by any breaches.
- t) Although the Units share certain attributes similar to equity securities, Unitholders do 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.
- u) There is no market for the Units and a market for the Units is not expected to develop. Units will not be transferable, except by operation of law (such as the death or bankruptcy of a Unitholder) or in circumstances where the General Partner deems it appropriate to do so in its absolute discretion. As well, securities laws will restrict, and may prohibit, transfer of Units. See "Resale Restrictions".
- v) Conditions may arise which would cause the General Partner, on the advice of the Manager, to suspend the Redemption of Units or postpone the day of payment or right of Redemption, for a period of not more than 180 days, for or during any period during which the Manager determines that conditions exist which render impractical the sale of the assets of the Partnership or impair the ability of the Manager to determine the value of the assets held by the Partnership. See "Securities Offered – Unitholder's Right to Redeem".
- w) If the General Partner determines that the Net Asset Value is less than the aggregate Subscription Price of all outstanding Units, the General Partner may, in its discretion, give notice to terminate the Partnership as of a specified termination date which precedes the intended date of any Redemption or Redemptions.
- x) Income allocated to a Unitholder by the Partnership for Canadian tax purposes may differ from, and may exceed, distributions received by the Unitholder on their Units. Payment of distributions to Unitholders in Units rather than cash can result in Unitholders not having sufficient cash to pay any tax liability associated with allocations of Partnership income on their Units.

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| | <p>y) An investment in Units (including the Redemption Price) will be denominated in Canadian dollars, whereas Investments in the Investment Portfolio will be denominated in U.S. dollars. Changes in the exchange rate between the Canadian dollar and U.S. dollar could impact a Unitholder's return on investment in Canadian dollars.</p> <p>You should carefully consider whether your financial condition and/or retirement savings objectives permit you to invest in Units of the Partnership. The Units involve a moderate degree of risk. An investment in Units of the Partnership is appropriate only for investors who have the ability to absorb a loss of some or all of their investment. See "Risk Factors".</p> |
| Certificates: | Certificates for Units will not be issued to Unitholders. |

GLOSSARY

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

"**2024 Proposed Capital Gains Amendments**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses";

"**ACB**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Disposition of Units";

"**Affiliate**" or "**Affiliates**" has the same meaning as in the *Securities Act* (British Columbia);

"**Affiliated Funds**" means investment funds (other than the Partnership and the Cayman Master Fund) that are managed by the Manager;

"**allowable capital losses**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses";

"**Approved Interim Investments**" means investments in securities issued or guaranteed by the Government of Canada, or securities issued or guaranteed by any province of Canada with a credit rating of not less than R-1 (low), or securities issued or guaranteed by a Schedule I chartered bank with a credit rating of not less than R-1 (low) (in both cases, as rated by DBRS or, if DBRS is not then in existence, a comparable rating organization);

"**Audit Committee**" means the audit committee of the Board of Governors;

"**Auditors**" means the firm of Chartered Professional Accountants appointed as auditors of the Partnership from time to time by the Board of Governors;

"**Average Total Assets**" means (i) for a particular calendar month, the sum of the Total Assets determined as of the start of such month and the end of such month, divided by two, and (ii) for a particular period in excess of one month, the sum of the Average Total Assets for each calendar month ending in such period, divided by the number of calendar months ending in such period;

"**Board of Governors**" means the board named as such and established pursuant to the Limited Partnership Agreement;

"**Business Day**" means a day other than a Saturday, Sunday or any day on which the principal office of the Partnership's bankers is not open for business during normal banking hours;

"**Canada-U.S. Tax Treaty**" means the *Convention Between Canada and the United States of America With Respect to Taxes on Income and on Capital* signed on September 26, 1980, as amended;

"**Cayman Master Fund**" means Trez Capital U.S. Real Estate Debt Fund Master Limited Partnership, a Cayman Islands exempted limited partnership governed by the Cayman Master Limited Partnership Agreement, and, where the context so requires, references to the Cayman Master Fund mean the Cayman Master General Partner, acting in its capacity as general partner of the Cayman Master Fund;

"**Cayman Master General Partner**" means Trez Capital U.S. Real Estate Debt Fund Master LLC, a limited liability company registered under the laws of the Cayman Islands and the general partner of the Cayman Master Fund;

"**Cayman Master Investment Committee**" means the investment committee of the Cayman Master Fund appointed pursuant to the Cayman Master Limited Partnership Agreement to review and approve, on behalf of the Cayman Master Fund, potential Investments presented by the Mortgage Broker to the Cayman Master Fund from time to time;

"Cayman Master Limited Partnership Agreement" means the amended and restated exempted limited partnership agreement of the Cayman Master Fund, as the same may be amended or restated from time to time;

"Cayman Master Management Services Agreement" means the management services agreement dated as of April 3, 2024 among the Cayman Master Fund, the Cayman Master General Partner and TCFMLP;

"Cayman Master Manager" means TCFMLP, in its role as manager of the Cayman Master Fund pursuant to the Cayman Master Management Services Agreement;

"Cayman Master Mortgage Broker Agreement" means the Mortgage Broker Agreement made as of April 3, 2024, among the Cayman Master Manager, the Mortgage Broker and the Cayman Master Fund, with respect to the provision of services by the Mortgage Broker to the Cayman Master Fund;

"Certificate of Limited Partnership" means the certificate contemplated by section 51 of the Partnership Act;

"Closing" means a closing of the sale of Units offered under this Offering Memorandum, as the Manager may determine from time to time;

"CRA" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations";

"CRS" has the meaning given to it under the heading "Risk Factors – Tax Matters";

"Deferred Plan" means a "registered retirement savings plan", a "registered retirement income fund", a "registered education savings plan", a "tax-free savings account", a "first home savings account", a "registered disability savings plan" or a "deferred profit-sharing plan" as such terms are defined under the Tax Act;

"DRIP" has the meaning given to it under the heading "Distributions – Monthly Distributions";

"Equity Investment" means an indirect investment in Real Property through an ownership interest in the entity that either owns the Real Property or an interest in the Real Property, which is subordinate to indebtedness (including Mezzanine Loans); for greater certainty, "Equity Investment" does not include an investment by the Cayman Master Fund in a wholly-owned subsidiary of the Cayman Master Fund;

"FATCA" has the meaning given to it under the heading "Risk Factors – Tax Matters";

"Feeder Funds" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Cayman Master Fund";

"Final Year-End Distribution" has the meaning given to it under the heading "Distributions – Monthly and Final Year-End Distributions";

"Final Year-End Distribution Payment Date" means, for a particular Fiscal Year, such date as may be determined by the General Partner in its discretion, which shall in no circumstances be later than March 31st of the following calendar year;

"Fiscal Year" means (i) the Initial Fiscal Year and (ii) each subsequent period of twelve (12) months commencing at the start of January 1 and ending at the end of December 31 of any calendar year;

"FundSERV" means the facility maintained and operated by FundSERV Inc. for electronic communication with participating companies, including the receiving of orders, order matching, contracting, registrations, settlement of orders, transmission of confirmation of purchases and the redemption of investments or instruments;

"General Partner" means Trez Capital Yield U.S. (CAD) GP LLC, a limited liability company registered under the laws of the Cayman Islands and the general partner of the Partnership;

"**GST/HST**" means the goods and services tax or harmonized sales tax, as applicable, imposed under the *Excise Tax Act* (Canada), as the same may be amended, supplemented or replaced from time to time;

"**Holder**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations";

"**IFRS**" means International Financial Reporting Standards;

"**Incentive Fee**" means a fee to be paid to the Manager pursuant to the Limited Partnership Agreement and the Management Services Agreement, consisting of an annual fee equal to 10% of the Incentive Fee Revenue for such period (as described in greater detail in this Offering Memorandum);

"**Incentive Fee Revenue**" means, in respect of a period, the Net Income of the Partnership for that period, determined before deducting any Incentive Fee otherwise payable for that period and after the deduction of the Management Fees payable for that period;

"**Independent Review Committee**" means the independent review committee of the Board of Governors;

"**Initial Fiscal Year**" means the period commencing on December 23, 2024, and ending at the end of December 31, 2024;

"**Investment Canada Act**" means the *Investment Canada Act* (Canada), R.S.C. 1985 (1st Supp.), c. 28, as amended, and the regulations thereunder;

"**Investment Portfolio**" means the portfolio of Investments held by the Cayman Master Fund;

"**Investments**" means, collectively, Mortgage Investments, Mezzanine Loans, Land and Lot Banking Financings, and Preferred Equity Investments, whether held directly or through one or more SPEs;

"**IRS**" has the meaning given to it under the heading "Risk Factors – Tax Matters";

"**Joint Ventures**" means joint ventures that the Cayman Master Fund is, directly or indirectly, a party to, which are managed or co-managed by the Cayman Master Manager;

"**Land and Lot Banking Financings**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Investment Strategy and Investments";

"**Limited Partnership Agreement**" means the amended and restated Limited Partnership Agreement of the Partnership made as of February 5, 2025;

"**Loan Investments**" means, collectively, Mortgage Investments and Mezzanine Loans;

"**Management Fees**" means, collectively, the Series A Management Fee, the Series F Management Fee, the Series I Management Fee and any New Series Management Fee;

"**Management Services Agreement**" means the management services agreement dated as of February 5, 2025 among TCFMLP, as the initial Manager, the General Partner and the Partnership;

"**Manager**" means the entity appointed to serve as the manager of the Partnership pursuant to the Limited Partnership Agreement, which will initially be TCFMLP;

"**Manager's Fees**" means, collectively, the Management Fees and the Incentive Fee;

"**Maples Fiduciary**" has the meaning given to it under the heading "Directors, Management, Promoters and Principal Holders – The General Partner";

"**Master Permitted Merger**" has the meaning given to it under the heading "Summary of Cayman Master Limited Partnership Agreement – Permitted Mergers";

"**Master Units**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Cayman Master Fund";

"**Mezzanine Loans**" means direct or indirect investments in loans secured by a developer's interest in an entity owning or developing Real Property;

"**Monthly Distribution Payment Date**" means, for each calendar month in a calendar year, the day that is 10 Business Days following the last day of such calendar month;

"**Mortgage**" or "**Mortgages**" means a mortgage, a deed of trust, a mortgage of a mortgage or a mortgage of a leasehold interest (or other like instrument, including an assignment of or an acknowledgement of an interest in a mortgage), hypothecation, deed of trust, charge or other security interest of or in Real Property used to secure obligations to repay money by a charge upon the underlying Real Property;

"**Mortgage Broker**" means Trez Capital Limited Partnership, a limited partnership existing under the laws of the Province of British Columbia, in its capacity as mortgage broker of the Cayman Master Fund, or such other entity appointed to serve as mortgage broker of the Cayman Master Fund from time to time pursuant to the Cayman Master Limited Partnership Agreement;

"**Mortgage Broker Credit Committee**" means the credit committee of the Mortgage Broker;

"**Mortgage Investment**" means an investment in a Mortgage, either directly or indirectly through one or more SPEs;

"**Mortgage Participation**" means an investment in a Mortgage which includes a bonus payment from any profits from the disposition of the underlying Real Property;

"**Net Asset Value**" or "**NAV**" means, on any particular date, the value of all assets of the Partnership less the value of all liabilities of the Partnership, in each case determined as of the end of such date in accordance with the Limited Partnership Agreement;

"**Net Asset Value per Unit**" means, at any particular time, the quotient obtained by dividing the Net Asset Value at that time by the total number of outstanding Units at that time;

"**Net Income**" means, for a particular period, the net income of the Partnership determined in accordance with IFRS, as the same may be adjusted at the General Partner's discretion, provided that Net Income will in each case be calculated on a before-tax basis without regard to any tax payable by the Partnership;

"**Net Subscription Proceeds**" means the gross proceeds to the Partnership from the sale of Units pursuant to the Offering, less the payment of any costs associated with the Closing of the Offering, including legal expenses and any other costs.

"**New Series**" has the meaning given to it under the heading "Securities Offered – Series".

"**New Series Management Fee**" means a fee to be paid to the Manager pursuant to the Limited Partnership Agreement in respect of any Units of a New Series held by a Unitholder;

"**New Series Specified Percentage**" means, with respect to a particular New Series, the percentage specified as the New Series Specified Percentage for such New Series in accordance with the Limited Partnership Agreement, which percentage shall be used to calculate the New Series Management Fee with respect to such New Series;

"**New Series Units**" means Units of a New Series;

"**NI 45-106**" has the meaning given to it under the heading "Subscription for Units – Qualified Unitholders";

"**Non-Resident Entities**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Offshore Investment Fund Property Rules";

"**Offering**" means the offering of Series A Units, Series F Units and Series I Units pursuant to this Offering Memorandum;

"**Offering Memorandum**" means this offering memorandum of the Partnership;

"**Ordinary Resolution**" means a resolution: (i) consented to in writing by holders of more than 50% of all outstanding Units (or where a Series is differently affected by the resolution, by holders of more than 50% of all outstanding Units of that Series); or (ii) approved by at least 50% of the votes cast by Unitholders (or where a Series is differently affected by the resolution, by holders of more than 50% of all outstanding Units of that Series) present in person or by proxy at a meeting of Unitholders (or where a Series is differently affected by the resolution, by holders of more than 50% of all outstanding Units of such Series) which has been duly called, and at which a quorum is present, as provided herein and excluding the votes of Units owned by the Manager or any Affiliate thereof in respect of any matter in which they have a financial interest (other than as Unitholders);

"**Original Limited Partnership Agreement**" means the limited partnership agreement between the General Partner and John Maragliano dated December 20, 2024, pursuant to which the Partnership was formed;

"**Originators**" means collectively Trez Texas and Trez New York;

"**Partnership**" means Trez Capital Yield U.S. (CAD) Limited Partnership, a limited partnership formed under the laws of the Province of British Columbia;

"**Partnership Act**" means the *Partnership Act* (British Columbia), as the same may be amended, supplemented and replaced from time to time;

"**Partnership Property**" means all moneys, shares, securities, investments, assets, rights and any other property (whether real or incorporeal) of any kind whatsoever beneficially owned by the Partnership, including, for the avoidance of doubt, any of the foregoing which are held by the General Partner or by any other Person on behalf of the Partnership;

"**Permitted Merger**" has the meaning given to it under the heading "Summary of the Limited Partnership Agreement";

"**Person**" means any natural person, sole proprietorship, partnership, limited partnership, corporation, trust, joint venture, any governmental authority or any incorporated or unincorporated entity or association of any nature;

"**Pooled Loan Facilities**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Investment Strategy and Investments – Loan Syndication – Structure of Loan Syndications";

"**Preferred Equity Investment**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Equity Syndication";

"**Proportionate Share**" means, when used to describe a Unitholder's (or a Series') interest in any amount, the portion of that amount obtained by multiplying that amount by a fraction, the numerator of which is the number of Units (or Units of that Series, as the case may be) registered in the name of that Unitholder, and the denominator of which is the total number of Units then outstanding;

"**Proposed Amendments**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations";

"Real Property" means land, lots, rights or interest in land or lots (including without limitation leaseholds, air rights and rights in condominiums, but excluding Mortgages) situated in the United States, and any buildings, structures, improvements and fixtures located thereon;

"Redeemable Unit" has the meaning given to it under the heading "Securities Offered – Unitholder's Right to Redeem";

"Redemption" means a redemption of Units by the Partnership, including upon request by a Unitholder, in each case subject to the limitations described herein and in the Limited Partnership Agreement;

"Redemption Date" means each March 31, June 30, September 30 or December 31 of a calendar year;

"Redemption Price per Unit" has the meaning given to it under the heading "Securities Offered – Unitholder's Right to Redeem";

"Redemption Restriction Period" means, with respect to any Unit, the one-year period starting from the date of the issuance of such Unit to a Unitholder;

"Registrar and Transfer Agent" means Trez Capital Limited Partnership;

"Related Parties" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Investment Strategy – Loan Syndication – Types of Loan Syndications – Related Party Syndication";

"Repo" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Investment Strategy and Investments – Loan Syndication – Structure of Loan Syndications";

"Sales Fee" means a fee to registered dealers (or where permitted, non-registrants) in an amount determined by the Manager in its discretion acting reasonably, payable at the time of the initial investment;

"Series" means a series of Units of the same class created pursuant to the Limited Partnership Agreement;

"Series A Management Fee" means an annual fee (payable in monthly increments as described in this Offering Memorandum) payable to the Manager pursuant to the Limited Partnership Agreement and the Management Services Agreement with respect to the Series A Units for each Fiscal Year, equal to 1.5% of the Series A Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year, provided that where such Fiscal Year is less than 12 calendar months, the foregoing annual amount shall be multiplied by a fraction, the numerator of which is the number of days in such Fiscal Year and the denominator of which is 365 days (except where such Fiscal Year is a leap year, in which case the denominator shall be 366 days);

"Series A Units" means the Units designated as Series A;

"Series F Management Fee" means an annual fee (payable in monthly increments as described in this Offering Memorandum) payable to the Manager pursuant to the Limited Partnership Agreement and the Management Services Agreement with respect to the Series F Units for each Fiscal Year, equal to 1.5% of the Series F Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year, provided that where such Fiscal Year is less than 12 calendar months, the foregoing annual amount shall be multiplied by a fraction, the numerator of which is the number of days in such Fiscal Year and the denominator of which is 365 days (except where such Fiscal Year is a leap year, in which case the denominator shall be 366 days);

"Series F Units" means the Units designated as Series F;

"Series I Management Fee" means an annual fee (payable in monthly increments as described in this Offering Memorandum) payable to the Manager pursuant to the Limited Partnership Agreement and the Management Services Agreement with respect to the Series I Units for each Fiscal Year, equal to the sum of the following amounts for each Series I Unit outstanding in such Fiscal Year: the product obtained when (i) the Series I Specified Percentage for each

such Series I Unit is multiplied by (ii) such Series I Unit's Proportionate Share of the Average Total Assets for the applicable Fiscal Year, provided that where such Fiscal Year is less than 12 calendar months, the foregoing annual amount shall be multiplied by a fraction, the numerator of which is the number of days in such Fiscal Year and the denominator of which is 365 days (except where such Fiscal Year is a leap year, in which case the denominator shall be 366 days);

"**Series I Specified Percentage**" means, with respect to a particular Series I Unit, the percentage specified as the Series I Specified Percentage for such Series I Unit in the Subscription Agreement for such Series I Unit, which percentage will be used to calculate the Series I Management Fee with respect to such Series I Unit;

"**Series I Units**" means the Units designated as Series I;

"**Short Term**", when used in respect of Loan Investments, means investments which have an intended maturity date generally of no more than three years;

"**Special Purpose Entity**" or "**SPE**" means a corporation, trust, partnership or other entity that holds, either directly or indirectly, Investments and in which the Cayman Master Fund has a direct or indirect ownership interest;

"**Special Resolution**" means a resolution consented to, in writing, by holders of more than 66 $\frac{2}{3}$ % of all outstanding Units (or where a Series is differently affected by the resolution, by holders of more than 66 $\frac{2}{3}$ % of all outstanding Units of such Series), or approved by at least 66 $\frac{2}{3}$ % of the votes cast by Unitholders present in person or by proxy at a meeting of Unitholders (or where a Series is differently affected by the resolution, by holders of more than 66 $\frac{2}{3}$ % of all outstanding Units of such Series) which has been duly called for that purpose and at which a quorum is present, as provided herein and excluding the votes of Units owned by the Manager or any Affiliate thereof in respect of any matter in which they have a financial interest (other than as Unitholders);

"**Subscriber**" means a subscriber for Units;

"**Subscription Agreement**" means the subscription agreement for Units, the form of which can be found at www.trezcapital.com;

"**Subscription Price**" means an amount equal to \$10.00 per Unit;

"**Subscription Proceeds**" means the gross proceeds to the Partnership from the sale of the Units pursuant to the Offering;

"**Syndicate Lenders**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – Investment Strategy and Investments – Loan Syndication – Types of Loan Syndications – Senior Syndication";

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.), c. 1, as amended, and the regulations thereunder;

"**taxable capital gains**" has the meaning given to it under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses";

"**TCFMLP**" means Trez Capital Fund Management Limited Partnership, a limited partnership formed under the laws of the Province of British Columbia;

"**TCYT US**" has the meaning given to it under the heading "The Partnership and the Cayman Master Fund – The Partnership";

"**Termination Date**" means the date on which the Partnership is terminated in accordance with the provisions of the Limited Partnership Agreement;

"Total Assets" means the aggregate fair value of the assets of the Partnership determined in accordance with the terms of the Limited Partnership Agreement;

"Trailer Fee" means a fee payable to registered dealers, in an amount equal to 1.0% per annum of the Subscription Price payable in respect of Series A Units, payable in arrears;

"Trez New York" means Trez Capital Group (New York) LP, a limited partnership formed under the laws of Delaware;

"Trez Texas" means Trez Capital Texas L.P., a limited partnership formed under the laws of Delaware;

"Unanimous Resolution" means, with respect to a resolution of the holders of Units, a resolution that is either: (i) consented to in writing by holders of all outstanding Units (or where any Series of Units is differently affected by the resolution, by the holders of all outstanding Units of such Series); or (ii) approved by all of the votes cast by holders of Units (or where any Series of Units is differently affected by the resolution, by all of the votes cast by holders of Units of such Series) present in person or by proxy at a meeting of holders of Units which has been duly called and at which a quorum is present, in each case excluding the votes of any Units owned by the Manager or any Affiliate thereof in respect of any matter in which they have a financial interest or other interest (other than as Unitholders) that, in the determination of the General Partner, gives rise to a conflict of interest;

"Unit" means a unit of beneficial interest in the Partnership;

"Unitholder" means a person entered in the register or registers of the Partnership as a holder of Units, and includes those investors whose subscriptions to purchase Units offered by this Offering Memorandum are accepted by the Partnership;

"Valuation Date" means each of the following: (i) the last day of any month on which a Subscription Agreement or Redemption Request Notice is due to be processed by the Manager; (ii) any other day on which the Net Asset Value or Net Asset Value per Unit is required to be calculated pursuant to the Limited Partnership Agreement; and (iii) such other day as the General Partner may, in its discretion, determine is appropriate for purposes of calculating the Net Asset Value or Net Asset Value per Unit; and

"Weighted Average Loan" means the ratio, expressed as a percentage, determined by dividing (i) the aggregate outstanding principal amount of all Investments of the Cayman Master Fund, by (ii) the fair market value of all Real Property against which such Investments are secured. For purposes of the foregoing, the fair market value of the Real Property shall be determined by the Mortgage Broker from time to time in accordance with accepted underwriting procedures and practices.

CANADIAN CURRENCY

All references to "\$" and dollar amounts stated herein, unless otherwise stated, are expressed in the currency of Canada.

FORWARD LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "estimates", "intends", "anticipates" or "believes", or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "likely" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Partnership to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results, performance and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Offering Memorandum. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to: the completion of this Offering, the ability of the Cayman Master Fund to acquire and maintain an Investment Portfolio capable of generating the necessary annual yield or returns to enable the Cayman Master Fund and Partnership to achieve their investment objectives, the ability of the Cayman Master Fund or the Partnership to establish and maintain relationships and agreements with key strategic partners, the maintenance of prevailing interest rates at favourable levels, the ability of borrowers to service their obligations under the Mortgages, the ability of TCFMLP, as the Cayman Master Manager and Manager of the Partnership, to effectively perform its obligations to the Cayman Master Fund or the Partnership, anticipated costs and expenses, competition, and changes in general economic conditions. While the Partnership anticipates that subsequent events and developments may cause its views to change, the Partnership specifically disclaims any obligation to update these forward-looking statements, except as required by applicable law. These forward-looking statements should not be relied upon as representing the Partnership's views as of any date subsequent to the date of this Offering Memorandum. Although the Partnership has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Partnership. Additional factors are noted under "Risk Factors".

INTERPRETATION

As used in this Offering Memorandum, unless the context otherwise indicates or requires, (i) the term "Partnership" is referring to the Partnership as managed by the General Partner and the Manager, and in the context of the Partnership's operations is referring to the Partnership's operations as carried out by the Manager on behalf of the Partnership pursuant to the Management Services Agreement, and (ii) the term "Cayman Master Fund" is referring to the Cayman Master Fund as managed by the Cayman Master General Partner and the Cayman Master Manager, and in the context of the Cayman Master Fund's operations is referring to the Cayman Master Fund's operations as carried out by the Cayman Master Manager on behalf of the Cayman Master fund pursuant to the Cayman Master Management Services Agreement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference as part of this Offering Memorandum:

- (a) the marketing materials related to this Offering prepared as at the date of this Offering Memorandum delivered or made reasonably available to a prospective purchaser; and

- (b) the marketing materials related to this Offering which may be prepared after the date of this Offering Memorandum and delivered or made reasonably available to a prospective purchaser prior to the termination of this Offering.

USE OF AVAILABLE FUNDS

Subscription Proceeds and Available Funds

| | <u>Assuming \$10,000,000 Offering</u> | <u>Assuming \$40,000,000 Offering</u> |
|---|---|---|
| A. Amount to be Raised by this Offering | \$10,000,000 ⁽¹⁾ | \$40,000,000 ⁽¹⁾ |
| B. Selling Commissions and fees | Nil | Nil |
| C. Estimated Offering Costs (including legal, accounting and audit) | \$500,000 ⁽²⁾ | \$500,000 ⁽²⁾ |
| D. Available Funds (D = A – (B + C)) | \$9,500,000 | \$39,500,000 |
| E. Additional Sources of Funding Required | nil | nil |
| F. Working Capital Deficiency | nil | nil |
| G. Total (G = (D + E) - F) | \$9,500,000 | \$39,500,000 |

Notes:

- (1) As there is no minimum or maximum offering, the sums of \$10,000,000 and \$40,000,000 have been used for illustrative purposes.
- (2) The Manager will pay the expenses of this Offering, estimated to be approximately \$500,000 and will be reimbursed by the Partnership for up to \$500,000 of such expenses. Any expenses of this Offering or future offerings of the Partnership and expenses relating to the organization of the General Partner and the Partnership in excess of \$500,000 in the aggregate will be borne by the Manager.

Use of Net Subscription Proceeds

The Net Subscription Proceeds will be invested in Master Units and used by the Cayman Master Fund to invest in Investments, as set out in "Objectives and Policies". The Manager will use its reasonable commercial efforts to cause the Partnership to invest the Net Subscription Proceeds in Master Units as soon as possible following each Closing. Pending such investment, the Net Subscription Proceeds may be invested in Approved Interim Investments.

The Partnership expects to use the available funds as follows:

| Description of intended use of available funds listed in order of priority | <u>Assuming \$10,000,000 Offering⁽¹⁾</u> | <u>Assuming \$40,000,000 Offering⁽¹⁾</u> |
|---|---|---|
| Purchase of Master Units and Payment of Management Fees | \$9,400,000 | \$39,400,000 |
| Working Capital Reserve ⁽²⁾ | \$100,000 | \$100,000 |
| Total | \$9,500,000 | \$39,500,000 |

Notes:

- (1) As there is no maximum or minimum offering, the sums of \$10,000,000 and \$40,000,000 have been used for illustrative purposes.
- (2) The working capital reserve represents, in aggregate, an estimate of the amount that the Manager will set aside in the Partnership for purposes including, but not limited to, ongoing administrative and operating costs and for any other purposes that the Manager reasonably considers necessary to assist in the attainment of the Partnership's investment objectives.

THE PARTNERSHIP AND THE CAYMAN MASTER FUND

Structure

The Partnership is an open-ended limited partnership formed under the laws of the Province of British Columbia on December 23, 2024, upon the filing of a Certificate of Limited Partnership in accordance with the Original Limited Partnership Agreement. The Partnership was formed to allow investors resident in Canada to indirectly invest in a portfolio of Mortgages secured by Real Property and other Investments in the United States, through an investment by the Partnership in Master Units of the Cayman Master Fund. The Partnership serves as a feeder fund through which investors will indirectly participate in the Investment Portfolio of the Cayman Master Fund, which will hold the underlying Investments.

The principal place of business of the Partnership is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Trez Capital Yield U.S. (CAD) GP LLC is the General Partner of the Partnership.

The beneficial interests in the Partnership are represented by Units, issued in Series. Only Series A Units, Series F Units and Series I Units are offered hereby. The General Partner may issue additional Series without the approval of the Unitholders, provided same are within the investment objectives of the Partnership. All of the Series of Units have the same investment objective, strategies and restrictions but differ with respect to one or more of their features, such as fees or distributions, as set out in this Offering Memorandum. The Subscription Price and Redemption Price is the same for all Series A Units, Series F Units and Series I Units.

The Manager

The Partnership has appointed TCFMLP as the Manager of the Partnership pursuant to the Limited Partnership Agreement and the Management Services Agreement to, among other things, provide general administrative and support services to the Partnership, as described in the Management Services Agreement and as described in greater detail below under the heading "Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)".

The Cayman Master Fund has also retained TCFMLP, as the Cayman Master Manager, to provide management services to the Cayman Master Fund, including monitoring the Cayman Master Fund's Investment Portfolio to ensure compliance with the Cayman Master Fund's investment objectives, reporting to the board of managers of the Cayman Master Fund regarding the status of individual Investments on a regular basis, assisting the Cayman Master Fund in retaining suitably qualified professional advisors to permit the Cayman Master Fund to comply with its obligations under the Cayman Master Limited Partnership Agreement, and such other administrative matters as the Cayman Master General Partner may request from time to time. See "Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)".

Mortgage Broker

Trez Capital Limited Partnership acts as the Mortgage Broker of the Cayman Master Fund pursuant to the Cayman Master Mortgage Broker Agreement. The Cayman Master Fund has retained the Mortgage Broker to present and recommend potential Investments to the Cayman Master Fund for investment. The Mortgage Broker employs rigorous credit analysis and due diligence to assess investment opportunities with the use of data from trusted third-party sources along with market insights gained from experienced personnel. Potential Investments presented to the Cayman Master Fund by the Mortgage Broker must first be reviewed and, if considered appropriate for investment by the Cayman Master Fund, approved by the Cayman Master Investment Committee before the Cayman Master Fund invests in such Investments.

The principal place of business of the Manager and the Mortgage Broker is located at Suite 1700 – 745 Thurlow Street, Vancouver BC V6E 0C5. The telephone number of the Manager is (604) 689-0821, the email address of the Manager is is@trezcapital.com, the facsimile number is (604) 638-2775 and the website of the Mortgage Broker is www.trezcapital.com.

The Partnership's Business and Investments

The Partnership serves as a feeder fund through which investors will indirectly participate in a portfolio of Mortgages secured by Real Property and other Investments in the United States, through an investment by the Partnership in Master Units of the Cayman Master Fund, which will hold the underlying Investments.

The Cayman Master Fund's investment strategy involves investing primarily in a portfolio of Loan Investments secured by Real Property in the United States. The Cayman Master Fund intends to achieve its investment objective through leveraging the Mortgage Broker's and Cayman Master Manager's extensive experience and track record in sourcing and managing U.S. mortgage investments.

The Cayman Master Fund's Investment Portfolio will generally consist of short- to intermediate-term floating-rate, first lien loans provided to real estate developers primarily within the residential sector in the high growth U.S. Sunbelt region (i.e., the region stretching across the southern and southwestern portions of the country). More specifically, the Cayman Master Fund's focus will be Loan Investments secured by multi-family, single-family for rent, and single-family lot development investments. Growth in the U.S. Sunbelt region is driven by the region's business and tax-friendly environment, which has attracted corporate relocations and the migration of skilled workers. These growth trends have created additional demand for housing in a region that is already experiencing a housing shortage.

As described in greater detail below, the Cayman Master Fund has retained the Mortgage Broker to identify and recommend suitable Investments for investment by the Cayman Master Fund. Trez Capital Corporation, the predecessor to the Mortgage Broker, and the Mortgage Broker have successfully originated, underwritten and serviced mortgage investments in the United States on behalf of investor clients, including assisting with arranging loan syndications with U.S. financial institutions, for over 25 years. During that period, the Mortgage Broker and its Affiliates, have developed an extensive network of business contacts and repeat borrowers in various key geographic target markets in the United States, which the Cayman Master Fund believes will allow the Mortgage Broker to identify and present suitable investment opportunities for the Cayman Master Fund to review and consider on an ongoing basis. The Cayman Master Fund's Investment Portfolio will consist primarily of Mortgages, Mezzanine Loans, Land and Lot Banking Financings and Preferred Equity Investments. Investments in the Cayman Master Fund's Investment Portfolio will be concentrated primarily in regions that the Cayman Master Manager views to be growth states in the United States, which will focus on, but not be limited to, Texas, Florida, the Carolinas, Atlanta, Arizona, Washington, and Oregon.

Mortgage Investments

The Cayman Master Fund's primary strategy is to make prudent investments, either directly or indirectly through one or more SPEs, in Mortgages with a focus on short- to intermediate-term financing to qualified U.S. real estate investors and developers. U.S. financial institutions are generally reluctant to dedicate the resources required to originate and structure Mortgages to real estate investors and developers, and often cannot provide the customization or timeliness required to meet the needs of these borrowers. As a result, the Cayman Master Manager believes that this segment of the market represents an attractive investment opportunity for investors who are able to service this market.

The Cayman Master Fund has retained the Mortgage Broker to present and recommend potential Mortgage Investments to the Cayman Master Fund. Potential Mortgage Investments presented to the Cayman Master Fund will be reviewed and, to the extent such investments meet the Cayman Master Fund's investment criteria, be approved by the Cayman Master Investment Committee prior to the Cayman Master Fund investing in such Mortgage Investments. The Mortgage Broker's personnel and extensive industry experience means that it is able to customize loan terms on an accelerated timeline that is attractive to potential borrowers, while at the same time allowing for an appropriate and favourable risk-adjusted return to potential investors. The Cayman Master Fund also expects that the Mortgage Broker's extensive contacts and experience will result in the Mortgage Broker generating a reliable stream of potential Mortgage Investments for the Cayman Master Fund to consider and invest in.

The Cayman Master Fund may invest in Mortgage Investments concurrently with Affiliated Funds, thereby facilitating greater diversification of the Cayman Master Fund's investments and reducing its exposure to a single Mortgage Investment. Such investments may be on a *pari passu* basis or, alternatively, involve both senior and junior positions, each with separate risk-adjusted rates of return, in which the Cayman Master Fund will typically take a junior position.

The Cayman Master Fund may also invest in Mortgage Investments concurrently with other third parties who are not managed by the Cayman Master Manager, either on a *pari passu* or junior basis, in order to allow for greater diversification of the Cayman Master Fund's investments and to reduce its exposure to a single Mortgage Investment.

Mortgages may be held by the Cayman Master Fund either: (a) by way of a direct beneficial ownership in the Mortgage, with legal title held by a nominee entity established and controlled by an Affiliate of the Cayman Master Manager for, and on behalf of, the beneficial owners; or (b) through a Special Purpose Entity (either directly or through intermediary SPEs) which holds legal and beneficial ownership to the underlying Mortgage(s), with the Cayman Master Fund holding a beneficial ownership interest in the SPE and legal title to the Cayman Master Fund's beneficial ownership interest in the SPE held by a nominee entity established and controlled by an Affiliate of the Cayman Master Manager.

In order to increase the return from its investments, the Cayman Master Fund will also enter into arrangements with third-party lenders (including U.S. banks, trust companies and other mortgage investment entities) in which such third-party lenders may invest in the same Mortgage Investments as the Cayman Master Fund on a senior basis at a lesser rate, with the Cayman Master Fund retaining a subordinate or junior position. In those circumstances, in return for taking a junior position, the Cayman Master Fund will be entitled to a higher rate of return on its investment, commensurate with the additional risk. See "Loan Syndication".

In general, the Cayman Master Fund's Investment Portfolio will generate income through interest payments, which are typically payable either periodically throughout the term of the underlying Mortgage or upon maturity. The Cayman Master Fund intends to maintain a balanced portfolio of Mortgage Investments with staggered maturity dates.

All Mortgages will be secured by Real Property, with a primary allocation to the residential asset class, including single-family, multi-family, single-family for rent, and build-to-rent property. Mortgages may be either first-ranking, a junior position in a first-ranking Mortgage, or a subsequent ranking Mortgage, and individual Mortgages may be secured by more than one property owned by the same mortgagor.

The Cayman Master Fund's Mortgage Investments may also include Mortgage Participations, which potentially generate returns in two ways: (a) an agreed interest rate, which is typically payable periodically throughout the term of the Mortgage or in full upon their maturity; and (b) from time to time the lender may receive a participation in the profits of the venture on disposition of the underlying Real Property.

Mezzanine Loans

The Cayman Master Fund may make direct or indirect investments in loans that are secured by a developer's interest in the entity that is developing the real estate. Mezzanine financing can take several forms, but most commonly it involves extending credit to the partners or other equity holders of the borrower and taking a pledge of such parties' equity interests (including the right to distributions of income). The Cayman Master Fund will earn a higher rate of return than that of a first-ranking Mortgage on the Real Property, which is commensurate with the greater risk of an equity loan.

Land and Lot Banking Financings

The Cayman Master Fund may enter into "land banking" and "lot banking" financings ("**Land and Lot Banking Financings**") as described below.

In "land banking" financings, an entity affiliated with the Cayman Master Fund will finance the development of lots by a homebuilder by: (a) taking an assignment of the homebuilder's existing land purchase contract; (b) acquiring the Real Property pursuant to such land purchase contract; (c) entering into a construction contract with the homebuilder, its affiliate, or another party for the development of lots on the Real Property; and (d) entering into an option agreement with the homebuilder pursuant to which the homebuilder will: (i) make a significant deposit that approximates the homebuilder's equity in the project (typically an amount somewhat less than 20% of the overall costs); and (ii) agree to acquire all of the developed lots as they are completed for an amount equal to the cost of such lots plus a return to the Cayman Master Fund's affiliated entity that represents the equivalent of an "interest" charge on the amounts

advanced under the applicable transaction documents. "Lot banking" financings will be structured in a similar manner but instead of the development of lots on the Real Property, the financings will involve already developed and finished lots.

Land and Lot Banking Financings will be structured in a way that the investment funds investing in the transaction, including the Cayman Master Fund, will make a secured loan (proportionate to each investor's participation in the Land and Lot Banking Financings) to the affiliated entity that acquires the Real Property. As a result, the majority of the Land and Lot Banking Financings will be secured by a Mortgage on the underlying Real Property. The remaining portion of the Land and Lot Banking Financings will be held through an indirect equity investment in the entity that acquires the Real Property, including the Cayman Master Fund.

Preferred Equity Investments

The Cayman Master Fund may make Preferred Equity Investments, which are senior to the interests of common equity holders and generally earns a fixed return and priority payment for such seniority over common equity holders as a preferred equity holder. Such Preferred Equity Investments will commonly have terms and rights more closely aligned with debt securities than equity investments. The Cayman Master Fund may make Preferred Equity Investments where an investment arranged by the Cayman Master Manager is tranching into a senior, or preferred, equity position, and a junior, or common, equity position, to apportion the risks and rewards among the Affiliated Funds. In such Preferred Equity Investments, Affiliated Funds or third parties may participate *pari passu* or on a junior basis in relation to the Cayman Master Fund. The Cayman Master Fund will invest, directly or indirectly, in an intermediary entity that will set out the terms and conditions of the senior and junior portions of the Preferred Equity Investment being made and, in turn, such entity will make a direct investment in the limited partnership with a third-party developer that acquires and develops the Real Property.

Investment Process

The Cayman Master Fund has retained the Mortgage Broker to identify and recommend potential Investments for investment by the Cayman Master Fund, which will in turn be reviewed and, to the extent such potential Investments meet the Cayman Master Fund's investment criteria, be approved by the Cayman Master Investment Committee prior to the Cayman Master Fund investing in such Investments. The Mortgage Broker has formed the Originators. Under the supervision of the Mortgage Broker, the Originators will originate potential Investments for review by the Mortgage Broker.

The Mortgage Broker utilizes an investment process that is characterized by a top-down approach to identify attractive investment opportunities, beginning with a macro-level economic analysis of various geographic markets and asset classes. Once these have been identified, the Mortgage Broker and Originators identify potential borrowers who are active in the selected geographic areas and asset classes, and look for opportunities to align the potential financing needs of such borrowers with the investment objectives of the various investment funds managed by the Cayman Master Manager, including the Cayman Master Fund. The Mortgage Broker believes that the strong relationships that it has been able to develop with borrowers and investment partners is critical to its ability to identify appropriate investment opportunities that offer attractive returns.

Potential Investments identified by the Mortgage Broker and/or Originators are presented to the Mortgage Broker Credit Committee, which undertakes a preliminary credit analysis of the potential borrower and investment. If the Mortgage Broker Credit Committee determines that the proposed Investment satisfies the criteria established from time to time by the Mortgage Broker Credit Committee, and that an investment in the Investment would constitute a suitable investment for one or more of the funds managed by the Cayman Master Manager (including the Cayman Master Fund), the underwriting team of the Mortgage Broker will perform comprehensive due diligence on the borrower and underlying Real Property. Properties are evaluated on the basis of location, quality, source of repayment, prospects for value-add, and cash flow profile. In addition, the creditworthiness and quality of the sponsor and any investment partner are reviewed, and personal covenants are often obtained from the principals of the borrower. The results of this due diligence are summarized in a report which is then presented to delegates of the Mortgage Broker Credit Committee for review and approval.

Following review and approval of a potential Investment by the underwriting team and Mortgage Broker Credit Committee, respectively, as described above, the Mortgage Broker will present suitable Investments that meet the Cayman Master Fund's investment objectives to the Cayman Master Investment Committee for its review, including such materials prepared by the Mortgage Broker as part of its review that the Cayman Master Investment Committee may require or request. The Cayman Master Investment Committee will then conduct its own review of the investment opportunity and, if it is determined to be appropriate for the Cayman Master Fund, the Cayman Master Investment Committee will approve the investment by the Cayman Master Fund in such Investment.

This top-down approach to investment selection is expected to result in the identification by the Mortgage Broker of high-quality investment opportunities that offer attractive returns. Each member of management of the Cayman Master Manager and the Mortgage Broker has extensive knowledge and understanding of the mortgage and real estate industries that has enabled them to have a strong track record of making prudent investment decisions and identifying sound investment opportunities.

The individual steps involved in the investment review and approval process described above are summarized in greater detail below:

| Approval Stage | Mortgage Approval Activity | Preferred Equity Investment Approval Activity |
|------------------------|--|--|
| Committee First Review | <p>The Mortgage Broker Credit Committee reviews a comprehensive written analysis (a "New Business Summary") prepared by the individual who is the relevant originator (who will generally be an employee, officer or an agent of the Mortgage Broker or an Originator) which details the proposed loan terms and provides a preliminary assessment based on the initial information received from the prospective borrower, together with some initial due diligence evidentiary materials, including information on the borrower and analysis of the market.</p> <p>Prior to preparing a New Business Summary, in situations where a potential investment is complex or non-standard compared to the normal course of business, the individual originator is encouraged to discuss the investment with the Mortgage Broker Credit Committee. Early discussion will generally be accompanied by a written preliminary screening analysis which includes high level deal characteristics and an outline of key risks and mitigants. Early-stage discussion is intended to improve the alignment of risk appetite with originators.</p> | <p>The Cayman Master Manager's acquisition committee reviews a comprehensive written analysis (an "Acquisition Committee Brief") prepared by the individual who is the relevant originator (who will generally be an employee, officer or an agent of the Cayman Master Manager) which details the proposed investment terms and provides a preliminary assessment based on the initial information received from the prospective investment partner, together with some initial due diligence evidentiary materials, including information on the investment partner and analysis of the market.</p> <p>Prior to preparing an Acquisition Committee Brief, the originator prepares a preliminary screening analysis accompanied by a high-level investment thesis inclusive of key economic terms of partnership, key project metrics and investor return summary. The Cayman Master Manager's acquisition committee reviews the preliminary screening analysis and will request the originator to prepare an Acquisition Committee Brief if the initial investment thesis is found satisfactory. Early-stage discussion is intended to improve the alignment of risk appetite with originators and is</p> |

| Approval Stage | Mortgage Approval Activity | Preferred Equity Investment Approval Activity |
|------------------------------------|---|---|
| Letter of Intent | Upon review of the New Business Summary, if the preliminary assessment is positive, the Mortgage Broker Credit Committee may authorize the issuance of a letter of intent. The letter of intent is then sent to the prospective borrower for signature and return, together with a deposit cheque from the prospective borrower sufficient to cover third-party due diligence, legal and other costs. | also intended to determine the proper allocation of the investment opportunity to the appropriate equity funds that can best suit investors' expectations. Upon review of the Acquisition Committee Brief, if the preliminary assessment is supported, the acquisition committee may authorize the issuance of a letter of intent, primarily for investment opportunities with new sponsors. The letter of intent is then sent to the prospective sponsor for acknowledgment. For existing sponsors with a proven track record, this step may not be required. |
| Due Diligence Team Kickoff Meeting | The underwriter assigned to the proposed transaction, the originator, the respective manager, Credit Risk & Underwriting, and the manager, Funding & Administration, conduct a meeting to develop a strategy for the due diligence process. This includes discussions on timing, roles and responsibilities, underwriting tactics, and potential issues. | The underwriter assigned to the proposed transaction, the originator, the respective manager of Credit Risk & Underwriting, the manager of Tax, the manager of Fund Accounting, the manager of Funding & Administration, and the manager of Portfolio Management allocated to overseeing the transaction conduct a meeting to develop a strategy for the due diligence process. This includes discussions on timing, roles and responsibilities, underwriting tactics, and potential issues. |
| Due Diligence | A member or members of the Mortgage Broker's underwriting team assigned to the proposed transaction, the originator, the Mortgage Broker's credit risk and underwriting manager, and the Mortgage Broker's funding and administration manager collectively develop a strategy for the due diligence process. This includes discussions on timing, roles and responsibilities, underwriting tactics, and potential issues. The Mortgage Broker's underwriting team conducts thorough due diligence to assess the merits of the proposed investment. This process may include a review of: credit checks, financial statements and personal net worth statements of the prospective borrowers, and any guarantor(s); | A member or members of the Mortgage Broker's underwriting team assigned to the proposed transaction, the Mortgage Broker's credit risk and underwriting manager, and the Mortgage Broker's funding and administration manager and the Mortgage Broker's Portfolio Management manager collectively develop a strategy for the due diligence process. This includes discussions on timing, roles and responsibilities, underwriting tactics, and potential issues. The Mortgage Broker's underwriting team conducts thorough due diligence to assess the merits of the proposed investment. This process may include a review of: credit checks, financial statements and personal net worth |

| Approval Stage | Mortgage Approval Activity | Preferred Equity Investment Approval Activity |
|--|---|---|
| | <p>borrower experience, track record, capabilities and strength of team; internet searches; third-party reports (such as valuation appraisals, market studies, environmental, building condition assessment and geotechnical appraisals, and quantity surveyor reports); rent rolls, leases, and estoppel certificates; comparable leasing and investment transactions; a development budget and schedules, zoning and permits; local market research; and prior and subsequent ranking mortgage balances.</p> <p>The underwriting team also reviews the remainder of the information in the Mortgage Broker's due diligence checklist and completes an underwriting analysis model. The underwriting team then completes a due diligence memo which details the proposed loan terms, underwriting and due diligence results.</p> | <p>statements of the prospective borrower(s), sponsor(s), or partner(s), and any guarantor(s); investment partner experience, track record, capabilities and strength of team; internet searches; third-party reports (such as valuation appraisals, market studies, environmental, building condition assessment and geotechnical appraisals, and quantity surveyor reports); rent rolls, leases, and estoppel certificates; comparable leasing and investment transactions; a development budget and schedules, zoning and permits; local market research; lender financing terms and conditions; and prior ranking mortgage balances.</p> <p>The underwriting team also reviews the remainder of the information in the Mortgage Broker's due diligence checklist and reviews various projections utilized by the originator in a cash flow waterfall model. The underwriting team then completes a due diligence memo which details the investment terms, underwriting and due diligence results.</p> |
| <p>Credit Risk and Underwriting Manager Review</p> | <p>The due diligence memo is submitted to the Mortgage Broker's credit risk and underwriting manager for review. The manager reviews the underwriting inputs, assumptions, supporting due diligence and output analysis and confirms that due diligence has been performed in accordance with policies and procedures prior to submission for approval by delegates of the Mortgage Broker Credit Committee.</p> <p>Any material changes to transaction terms and conditions or material changes in perceived risk that occur as a result of the review require that the transaction be returned to the Mortgage Broker Credit Committee for approval.</p> | <p>The due diligence memo is submitted to the Mortgage Broker's credit risk and underwriting manager for review. The manager reviews the underwriting inputs, assumptions, supporting due diligence and output analysis and confirms that due diligence has been performed in accordance with policies and procedures prior to submission for approval by delegates of the acquisition committee.</p> <p>Any material changes to transaction terms and conditions or material changes in perceived risk that occur as a result of the review require that the transaction be returned to the acquisition committee for approval.</p> |
| <p>Approval</p> | <p>Following completion of the review by the Mortgage Broker's credit risk and underwriting manager, the due diligence memo (and related</p> | <p>Following completion of the review by the Mortgage Broker's credit risk and underwriting manager, the due diligence memo (and related</p> |

| <u>Approval Stage</u> | <u>Mortgage Approval Activity</u> | <u>Preferred Equity Investment Approval Activity</u> |
|--|---|---|
| | materials) is submitted to delegates of the Mortgage Broker Credit Committee for final review and approval. | materials) is submitted to delegates of the acquisition committee for final review and approval. |
| Legal Documentation | The Mortgage Broker's legal counsel prepares legal documents, obtains title insurance, and conducts the required enquiries and searches. The Mortgage Broker obtains advice from an insurance consultant whether the current and/or proposed insurance coverage is adequate. The Mortgage Broker obtains transmittal and reliance letters from various consultants who provided reports concerning the transaction. | The Mortgage Broker's legal counsel prepares legal documents, obtains title insurance, and conducts the required enquiries and searches. The Mortgage Broker obtains advice from an insurance consultant whether the current and/or proposed insurance coverage is adequate. The Mortgage Broker obtains transmittal and reliance letters from various consultants who provided reports concerning the transaction. |
| Cayman Master Investment Committee Review and Approval | The Cayman Master Investment Committee will review and consider potential Investments submitted to it by the Mortgage Broker. The Cayman Master Investment Committee will consider such material it considers appropriate in determining whether an Investment is appropriate for the Cayman Master Fund. If such Investment is determined to be appropriate for the Cayman Master Fund, the Cayman Master Investment Committee will approve the investment by the Cayman Master Fund in such Investment. | |

As potential investments are identified and approved pursuant to the procedures outlined above, TCFMLP will determine whether the investment opportunity is suitable for the Cayman Master Fund, having regard to the Cayman Master Fund's investment objectives, strategies and restrictions and the Cayman Master Manager's goal of maintaining a diversified, fully invested portfolio for the Cayman Master Fund. Where TCFMLP determines that a new investment opportunity is suitable for more than one investment entity managed by TCFMLP, the investment entities, when practicable, participate *pro rata* in that investment based upon, among other things, the relative importance of the investment opportunity to the fulfillment of each investment entity's objectives and the relative amount of assets under management in each investment entity. See "Objectives and Policies".

Loan Syndication

Mortgage Investments may involve the use of leverage through third-party financiers with a view to achieving higher attractive returns. These leveraged investments are typically made through Special Purpose Entities, in which the third-party lender holds a senior secured position, with the junior position held by the Cayman Master Fund and Affiliated Funds or Joint Ventures. These arrangements allow the Cayman Master Fund to, among other things, reduce the Cayman Master Fund's exposure to a single Mortgage and allow for greater diversification of the Cayman Master Fund's Investments, apportion the risks associated with the Mortgages appropriately, provide yield enhancement, as well as create liquidity for the Cayman Master Fund.

Negotiation of the terms of loan syndication arrangements is generally done by the Mortgage Broker or its Affiliates. The interests of the Cayman Master Fund in syndicated Mortgages will generally be represented through legal agreements under which the Mortgage Broker or its Affiliate retains general control over administering and servicing the relevant Mortgages. The documentation between the borrower and the Mortgage Broker or its Affiliate will generally provide that in the event of a failure by the borrower to pay any amount owing under a Mortgage, the Mortgage Broker or its Affiliate, on behalf of the junior participants in the Mortgage including the Cayman Master Fund, will generally be entitled to enforce the Mortgage in accordance with applicable law. In the event of a failure by the borrower to make a scheduled payment of interest and/or principal, the Mortgage Broker or its Affiliate, on

behalf of the junior participants in the Mortgage including the Cayman Master Fund, may take such enforcement action or remedies as the Mortgage Broker or its Affiliate considers appropriate. In certain syndication arrangements, the Mortgage Broker may be required to seek agreement from the third-party lender regarding a proposed plan of enforcement and remedy prior to proceeding with any enforcement action.

Types of Loan Syndications

Senior Syndication

It is expected that the Cayman Master Fund will commonly participate in Mortgage Investments with some form of syndication in which third-party lenders hold a senior secured position (also referred to herein as the "senior A portion") as described below. Senior syndications typically involve third-party lenders (including U.S. banks, trust companies and other mortgage investment entities) ("**Syndicate Lenders**") who take a senior secured position in the investment. These Mortgage Investments are often structured through the use of one or more Special Purpose Entities, with the Syndicate Lenders effectively taking a senior position in the Special Purpose Entity for between 50% to 80% of the amount of the underlying Mortgage (although some investments may involve even higher leverage, where such higher leverage is considered appropriate). The Cayman Master Fund, generally alongside other Affiliated Funds or Joint Ventures with a similar investment strategy to that of the Cayman Master Fund, will normally hold a junior position in the Special Purpose Entity, subordinate to the senior position held by the Syndicate Lenders through their senior loan. The loan advances from the Syndicate Lenders will be at a lower rate of interest than the interest rate on the underlying Mortgage, to reflect the fact that the Syndicate Lenders receive a first priority secured position ahead of the junior position. At the same time, this structure means that the return to the junior participants is effectively "leveraged" to the extent of the interest rate between the rate charged by the Syndicate Lenders and the rate paid by the borrower.

The Cayman Master Fund may also invest in syndicated loans in which the remaining portion after the "senior A portion" held by a Syndicate Lender is further split (or "tranching") into a "senior B portion" and a "junior C portion" with the "senior B portion" being subordinate to the "senior A portion" but senior to a "junior C portion". In that case, the interest rate on the "senior B portion" will be higher than the rate on the "senior A portion" but lower than the rate on the "junior C portion" to reflect the differing security priorities, and related potential risk, associated with each portion. In syndicated loans involving just a senior portion and a junior portion, the Cayman Master Fund will generally only participate in the junior portion, while in syndicated loans involving a "senior A portion", a "senior B portion" and a "junior C portion", the Cayman Master Fund will commonly only participate in the "junior C portion". Third parties, Affiliated Funds and Joint Ventures may invest in the "senior A portion" and the "senior B portion".

Non-Senior Syndication

The Cayman Master Fund may invest in Mortgage Investments alongside Affiliated Funds or Joint Ventures without the participation of any Syndicate Lenders for numerous reasons, including being able to participate in Mortgages that the Cayman Master Fund would not otherwise be able to fund on its own, and to allow for greater diversification across the Cayman Master Fund's Investment Portfolio. Such Mortgage Investments may take the form of a direct participation in the underlying Mortgage, or through the participation in a Special Purpose Entity that is beneficially owned by the Cayman Master Fund and the Affiliated Funds or Joint Ventures participating in the underlying Mortgage. Such participation will generally be on a *pari passu* basis with the Affiliated Funds or Joint Ventures participating in the investment.

Related Party Syndication

In certain loan syndication arrangements, the directors, officers or employees of TCFMLP or its Affiliates (collectively, the "**Related Parties**") may also participate in a *pari passu* or junior position in a Mortgage. This is typically done in situations where TCFMLP wishes to create liquidity and/or reduce the exposure to a Mortgage Investment held by the funds that it manages.

Related Parties (which, for greater certainty, do not include Affiliated Funds or Joint Ventures) are not permitted to participate in any Mortgage Investment held by the Cayman Master Fund in a position that would be senior to the position of the Cayman Master Fund.

Structure of Loan Syndications

Mortgage syndications may be structured either on a loan-by-loan basis or on a pooled basis, whereby a series of Mortgages is pooled together to form a portfolio of investments for syndication ("**Pooled Loan Facilities**").

To facilitate syndication arrangements, many Syndicate Lenders require that Mortgages be held by a U.S.-domiciled entity, typically a corporation, trust or limited partnership (i.e., a Special Purpose Entity). As a result, in most syndicated loans, the Cayman Master Fund's Mortgage Investment will not consist of a direct participation in a Mortgage but will instead consist of an ownership and participation interest in the applicable Special Purpose Entity, which will be the legal and beneficial owner of the Mortgage and which will be managed by TCFMLP or an Affiliate of TCFMLP on behalf of the beneficial owners of the Special Purpose Entity.

The following is a summary of the four most common Mortgage Investment structures that may be held by the Cayman Master Fund:

1. Direct Mortgage Participation

Under a direct Mortgage participation arrangement, the Cayman Master Fund will have a direct beneficial ownership interest in the Mortgage, while legal title to the Mortgage will be held by a nominee entity established and controlled by an Affiliate of TCFMLP. If the Mortgage involves a co-investment by the Cayman Master Fund and Affiliated Funds, Joint Ventures or other third parties, the respective beneficial ownership interests of the parties, as well as their respective participation rights (and security priorities, if any) generally will be set out in a "Mortgage Participation and Servicing Agreement" between the co-owners, the nominee and the Cayman Master Manager.

2. Note-on-Note Financings

In a note-on-note financing, third parties will lend against the security of the applicable Mortgage. The third-party lender will receive a collateral assignment of the Mortgage (and related loan documents) to secure the loan made by the third-party to the mortgagee. Note-on-note financings may be structured with the third-party financier lending to either: (1) a nominee entity, established and controlled by an Affiliate of TCFMLP, which holds legal title to the underlying Mortgage on behalf of the beneficial owners; or (2) a Special Purpose Entity, established and controlled by an Affiliate of TCFMLP, which holds legal and beneficial ownership in the Mortgage.

3. Repurchase Agreements

Repurchase agreements involve a Syndicate Lender purchasing loans held by a Special Purpose Entity, established and controlled by an Affiliate of TCFMLP, which holds legal and beneficial ownership in the Mortgage, with a simultaneous agreement that the loans will be repurchased at a later date (a "**Repo**"). The Repo lender will receive a pledge of the equity ownership of the Special Purpose Entity.

4. Co-Lending Agreements

Under a co-lending arrangement, the Cayman Master Fund will, through a nominee established and controlled by an Affiliate of TCFMLP, enter into a co-lending agreement with the borrower and one or more third-party lenders (which may include a Syndicate Lender and/or Affiliated Funds) which outlines the terms of the arrangement, with the borrower issuing separate promissory notes to the lending parties.

Covenants and Costs

Certain arrangements with third parties described above may potentially include contractual agreements or covenants, such as fund level liquidity and debt covenants, funding and/or repayment guaranty agreements, reporting

requirements and other such obligations associated with a specific Mortgage. Additionally, there may be legal costs, commitment fees, and other costs associated with entering into a loan syndication arrangement which may be payable by the Cayman Master Fund.

Equity Syndication

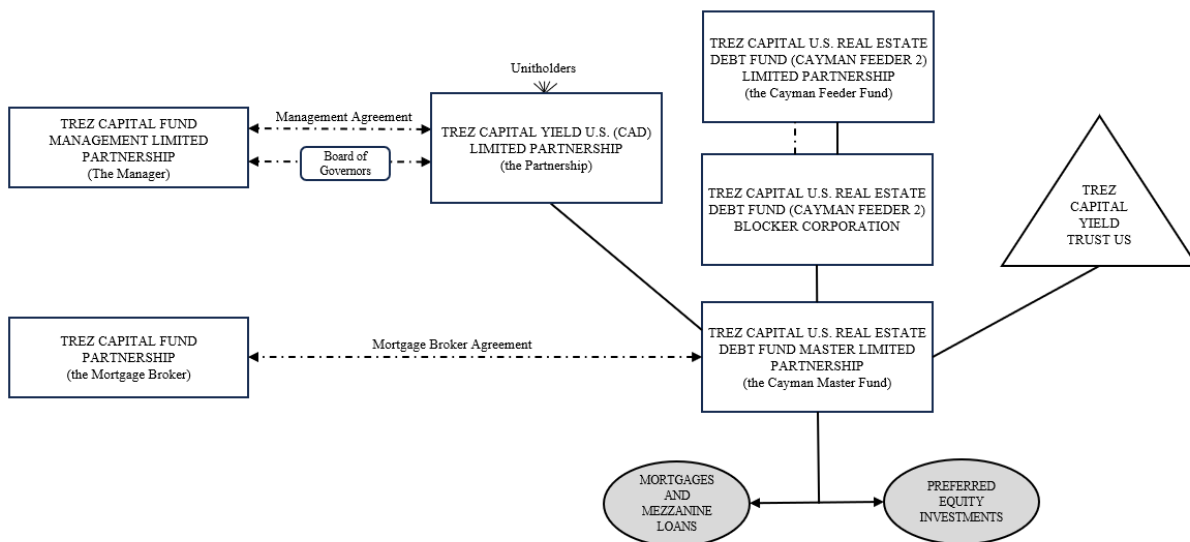
Equity Investments involve an investment, either directly or indirectly, in an entity that acquires and develops Real Property using funds advanced to it by the investor(s) and the developer. The Manager may, from time to time, form one or more U.S. limited partnerships ("USLPs") will make Equity Investments in one or more limited partnerships in which the USLP holds a limited partner interest and an arm's length developer is the general partner.

The Mortgage Broker will generally tranche certain Equity Investments sourced by it into two components: a senior preferred equity tranche that earns a fixed annual return, has a defined maturity date as well as priority for repayment (a "**Preferred Equity Investment**"), and a common equity tranche that is subordinate to the preferred equity tranche. The Cayman Master Fund may invest (including indirectly through a wholly-owned Delaware corporate subsidiary of the Cayman Master Fund) in Preferred Equity Investments. Such Preferred Equity Investments by the Cayman Master Fund will be made as a senior participation in one or more USLPs formed by the Manager in which the Cayman Master Fund (as well as other Affiliated Funds) will hold the preferred equity tranche and Affiliated Funds will hold the common equity tranche.

The Manager may arrange for third parties or Affiliated Funds to participate in Preferred Equity Investments along with the Cayman Master Fund. These arrangements with third parties or Affiliated Funds allow the Cayman Master Manager to further diversify investments in Preferred Equity Investments and apportion the risks associated with the Preferred Equity Investments appropriately. The Cayman Master Fund may make Preferred Equity Investments in which third parties or other Affiliated Funds will participate on a *pari passu* or on a junior basis in relation to the Cayman Master Fund.

Organizational Relationships

The investment structure of the Partnership, the other Feeder Funds and the Cayman Master Fund as of the date of this Offering Memorandum are illustrated below. This diagram is provided for illustration purposes only and is qualified by the information set forth elsewhere in this Offering Memorandum.



The Partnership

The Partnership is a British Columbia limited partnership. The general partner of the Partnership is the General Partner, a limited liability company registered under the laws of the Cayman Islands. The General Partner is owned by an Affiliate of the Manager.

The activities of the Partnership, including the terms and conditions of the Units of the Partnership, are governed by the Limited Partnership Agreement. For a description of the Limited Partnership Agreement, see "Summary of Limited Partnership Agreement". For a description of the Units, see "Units and Capital Structure – Units".

The Partnership was established to allow Canadian investors to participate indirectly in a portfolio of U.S. mortgage investments, through the investment by the Partnership in Master Units of the Cayman Master Fund. The Partnership is one of several investment funds managed by TCFMLP (such funds, including the Partnership, collectively, "**Feeder Funds**") that will invest in Master Units of the Cayman Master Fund.

Apart from the Partnership, the other Feeder Funds investing in the Cayman Master Fund as of the date of this Offering Memorandum are Trez Capital U.S. Real Estate Debt Fund (Cayman Feeder 2) Limited Partnership, a private open-ended exempted limited partnership established under the laws of the Cayman Islands and managed by TCFMLP, and Trez Capital Yield Trust US ("**TCYT US**"), a trust established pursuant to the laws of the Province of British Columbia and managed by TCFMLP. Additional Feeder Funds may be formed by TCFMLP in the future to invest in the Cayman Master Fund.

The Manager expects that the investment by the Partnership in Master Units of the Cayman Master Fund will enhance the Partnership's investment scalability and diversification, due to the larger capital base and economies of scale associated with participation in the Cayman Master Fund's Investment Portfolio.

Cayman Master Fund

The Cayman Master Fund is an open-ended Cayman Islands exempted limited partnership. The general partner of the Cayman Master Fund is the Cayman Master General Partner, a limited liability company registered under the laws of the Cayman Islands. The Cayman Master General Partner is owned by an Affiliate of the Cayman Master Manager. The Cayman Master Fund has appointed the Cayman Master Manager to act as investment manager.

The Cayman Master Fund was formed for the purpose of allowing Feeder Funds to invest, indirectly, in Investments through the ownership of beneficial interests in the Cayman Master Fund. The activities of the Cayman Master Fund, including the terms and conditions of the Master Units of the Cayman Master Fund, are governed by the Cayman Master Limited Partnership Agreement. For a description of the Cayman Master Limited Partnership Agreement, see "Summary of Cayman Master Limited Partnership Agreement".

Beneficial interests in the Cayman Master Fund are represented by one series of units, designated as Master Units (the "**Master Units**"). The rights, privileges and conditions attached to the Master Units are governed by the Cayman Master Limited Partnership Agreement, and generally include the right to allocations of income, gains, losses and expenses of the Cayman Master Fund, as well as the right to receive distributions from the Cayman Master Fund from time to time. Such allocations and distributions will be made *pro rata* based on each Feeder Fund's proportionate ownership of Master Units.

The Master Units also entitle the holder to a right of redemption, subject to the terms and conditions set out in the Cayman Master Limited Partnership Agreement. The Master Unit redemption rights align with the Partnership's redemption provisions contained in the Limited Partnership Agreement. For a description of the Master Units, see "Summary of Cayman Master Limited Partnership Agreement – Master Units".

The Cayman Master Fund has retained the Mortgage Broker to act as mortgage broker to the Cayman Master Fund and identify potential Investments for the Cayman Master Fund. The Cayman Master Fund has also retained TCFMLP as the Cayman Master Manager, to act as investment manager of the Cayman Master Fund. Because TCFMLP is already entitled to receive fees from the Feeder Funds (including the Partnership) and the Mortgage Broker is entitled

to receive fees from borrowers who receive Mortgage financing, neither the Cayman Master Manager nor the Mortgage Broker will receive any additional fees from the Cayman Master Fund for the services provided by them to the Cayman Master Fund.

The Cayman Master Fund structure will allow both Canadian and non-Canadian investors, through investment in the Feeder Funds, to indirectly co-invest in the Investment Portfolio held by the Cayman Master Fund. This is expected to provide the Cayman Master Fund with a larger capital pool to deploy, which is expected to provide the Mortgage Broker with additional flexibility, and make it more competitive, in originating Investments while at the same time allowing for greater diversification in the Cayman Master Fund's Investment Portfolio.

OBJECTIVES AND POLICIES

Business Objective

The Partnership was formed as a Feeder Fund to allow Canadian investors to indirectly invest in a portfolio of U.S. mortgage investments, through the investment by the Partnership in Master Units of the Cayman Master Fund. The business objective of the Partnership is to generate a reliable stream of income to investors, while preserving invested capital, by indirectly investing in Investments through the Cayman Master Fund.

Short Term Objectives

The primary objectives of the Partnership for the ensuing 12 months are to acquire capital through the Offering, and to invest the proceeds of the Offering in Master Units.

| Actions to be taken | Target completion date or, if not known, number of months to complete | Cost to complete |
|---|--|-------------------------|
| Acquire capital through the Offering and invest capital into Master Units | 12 Months | \$nil |

Insufficient Funds

Funds available as a result of the Offering may not be sufficient to accomplish all of the Partnership's proposed objectives and there is no assurance that alternative financing will be available.

Investment Strategies

The Partnership will be one of several Feeder Funds that invest in Master Units of the Cayman Master Fund, which will hold the underlying Investment Portfolio. The Cayman Master Fund's investment strategy involves investing primarily in a portfolio of Loan Investments secured by Real Property in the United States. The Cayman Master Fund intends to achieve its investment objective through leveraging the Mortgage Broker's and Cayman Master Manager's extensive experience and track record in sourcing and managing U.S. mortgage investments.

The Cayman Master Fund's Investments will be concentrated primarily in regions that the Mortgage Broker views to be growth states in the U.S., which will be focused on, but not limited to, Texas, Florida, the Carolinas, Atlanta, Arizona, Washington, and Oregon. The Cayman Master Fund's Investment Portfolio will generally consist of direct and indirect investments in short to intermediate-term floating-rate, first lien loans provided to real estate developers primarily within the residential sector in the high growth U.S. Sunbelt region (i.e., the region stretching across the southern and southwestern portions of the country). More specifically, the Cayman Master Fund's focus will be on Loan Investments secured by multi-family, single-family for rent, and single-family lot development investments.

Investment Restrictions

Pursuant to the Cayman Master Limited Partnership Agreement, the following investment restrictions apply to the Cayman Master Fund in selecting Investments:

- (a) The Cayman Master Fund will not invest directly in Real Property other than Land and Lot Banking Financings or Real Property acquired as a result of foreclosure where such foreclosure was necessary to protect an investment as a result of a default by the mortgagor. The Cayman Master Fund will use its reasonable best efforts to dispose of such Real Property acquired on foreclosure.
- (b) The Cayman Master Fund will not make loans to the Cayman Master Manager or its Affiliates, nor make loans to the directors or officers of the Cayman Master Manager or its Affiliates.
- (c) The Cayman Master Fund will not invest more than 10% of its net assets in any single Investment.
- (d) The Cayman Master Fund will not invest more than 20% of its net assets in Investments with any one borrower.
- (e) The Cayman Master Fund will not invest more than 40% of its net assets in Investments secured by properties located in any single state.
- (f) The Weighted Average Loan to value ratio will not exceed 75%.

Since the Partnership will invest in Master Units, the above investment restrictions will also apply to the Partnership's indirect interest in the Investment Portfolio. In accordance with the Limited Partnership Agreement, the General Partner may also, from time to time, in its discretion and after consulting with the Manager, impose additional investment restrictions upon the Partnership, provided that such additional investment restrictions may not restrict the Partnership from investing, through the Cayman Master Fund, in Investments.

The Partnership's Leverage Restrictions

The Partnership may obtain a credit facility to: (i) facilitate the Partnership's operating activities and fund working capital requirements; and (ii) facilitate investments in Master Units in an expeditious manner. Currently, the Partnership does not have a credit facility. For greater certainty, the Partnership's leverage is not intended to, in any manner whatsoever, affect the Cayman Master Fund or the Cayman Master Fund's ability to borrow funds.

Foreign Currency Exchange and Hedging

The Subscription Price and Redemption Price per Unit are denominated in Canadian dollars, however the Partnership's investment in Master Units, as well as Investments held by the Cayman Master Fund, will be denominated in U.S. dollars. In addition, the Partnership intends to make distributions to Unitholders in Canadian dollars, whereas distributions received by the Partnership on its Master Units will be denominated in U.S. dollars.

To mitigate the potential impact of exchange rate fluctuations between the Canadian dollar and U.S. dollar on the value of the Partnership's investment in Master Units and a Unitholder's investment in, and return on, Units, the Partnership intends to enter into foreign currency hedging transactions, including U.S. dollar forward foreign exchange swaps. The Partnership has retained the Manager to advise with respect to and, as requested by the General Partner, enter into such hedging transactions on behalf of the Partnership. Any costs associated with such hedging transactions will be borne by the Partnership and allocated to all Series. Any margin calls required to support open hedging contracts will be made through the cash flows of the Partnership and will not be advanced directly from Unitholders.

INDUSTRY AND SECTOR OVERVIEW

U.S. Economy and Real Estate

The U.S. economy posted solid growth throughout 2024, with real GDP rising by 2.8% over 2024, slightly below the 2.9% expansion recorded in 2023. The strongest performance occurred in Q3 2024, with a year-over-year ("YoY") increase of 3.1%. Growth was primarily driven by robust consumer spending, higher investment levels, increased government expenditure, and stronger exports. However, momentum slowed in Q4 2024, with GDP expanding at an annualized rate of 2.4%, as a decline in investment activity offset gains in consumer and government spending.

As of April 9, 2025, the Atlanta Fed's GDPNow estimate for Q1 2025 points to a contraction of 2.4% — a sharp reversal from the 2.4% growth recorded in Q4 2024. This downturn is largely attributed to the impact of newly imposed tariffs on imports, which have heightened uncertainty across capital markets and among businesses.

In the first half of 2024, the Consumer Price Index ("CPI") continued its gradual decline, driven primarily by deflation in oil, gas, and energy prices, alongside moderating food inflation. However, Q4 2024 saw a spike in inflation, fueled by surges in energy and food prices. Food prices rose by 2.5% YoY, with prices for food at home increasing by 1.8%, and food away from home rising at an annual rate of 3.6%. Prices for used cars and trucks, as well as new vehicles, continued their downward trend from 2023, declining by 3.3% and 0.4%, respectively. Overall, the CPI rose by 2.9% over the course of 2024.

Inflation trends during and after the COVID-19 pandemic were largely shaped by supply-side factors, including global supply chain disruptions and increased labor force participation among prime-age workers. A key economic development has been the significant reduction in inflation by 2024, achieved without a corresponding rise in the unemployment rate. However, in 2025, the trajectory of inflation may again be influenced by supply-side dynamics. Should the United States proceed with the implementation of proposed tariffs—particularly those targeting Chinese imports—these measures could incentivize the expansion of U.S. production and encourage the reconfiguration of supply chains toward North American sources.

Employment remained relatively stable throughout 2024, with the employment rate starting at 60.2% and declining slightly—by 20 basis points—to 60.0% by year-end. Nonfarm employment expanded at an average monthly pace of 186,000 jobs, surpassing the 2019 average by 9,000 jobs per month. In total, employment increased by 2.2 million in 2024, down from the 3.0 million jobs added in 2023.

In 2024, real average hourly earnings for all employees increased by 1.4%, driven by a combination of easing inflation and substantial nominal wage gains. Notably, real average hourly earnings in the manufacturing sector rose by 2.6% over the 12 months ending in September 2024, marking the largest YoY increase since August 2020.

The U.S. banking sector regained stability over the course of 2024, following the solvency concerns that emerged with two institutions in March 2023. In response to the turmoil, the Federal Reserve (the "Fed") moved quickly to inject liquidity into the system, while the Federal Deposit Insurance Corporation stepped in to guarantee deposits at the affected banks. Despite these stabilizing measures, the sector continues to face persistent headwinds, including the risk of deposit outflows, rising funding costs, increasing unrealized losses, and heightened exposure to commercial office loans. Additionally, growing regulatory scrutiny is limiting banks' capacity to participate in real estate lending. These challenges are further compounded by elevated uncertainty surrounding potential regulatory shifts under the Trump administration.

Amid significant uncertainty and rising inflation, the Fed began cutting interest rates in September 2024, lowering rates at three consecutive meetings by a total of 100 basis points and bringing the policy rate to a range of 4.25% to 4.50% by Q4 2024. In its March 2025 meeting, the Fed held the interest rate steady within this range.

By the end of Q1 2025, the Fed continued to navigate mixed economic signals, balancing its efforts to lower inflation with indications of sustained economic growth. In its March 20, 2025 announcement, the Fed highlighted that labor market conditions remained strong, with unemployment rates holding at low levels in recent months, even as inflation stayed above target. The Fed reiterated that the impact of monetary policy adjustments takes time to fully unfold and maintained a cautious, data-dependent approach. Ongoing tariff tensions between the U.S. and other countries contributed to market uncertainty, prompting a decline in yields. As a result, the 10-year U.S. Treasury yield fell to 4.15% on April 17, 2025, down 43 basis points from 4.56% at the start of January 2025.

Housing starts declined 3.7% YoY in 2024. High mortgage rates continued to limit affordability for buyers and reduced seller activity, contributing to a slower recovery in the residential market.

Commercial real estate experienced mixed results during 2024, with industrial real estate facing headwinds. Developers delivered 400 million square feet in 2024 — 37% below the record 607 million square feet completed in 2023. Net absorption declined by 27% to 168 million square feet, while vacancy rose by 126 basis points to 6.8% by Q4 2024 as construction activity normalized to pre-pandemic levels of below 300 million square feet. In retail, national vacancy remained at 4.1% throughout 2024, driven by limited new development. Tenants and brokers cited a lack of quality space as a key market challenge. Leasing activity totaled 40.8 million square feet, down 23% YoY due to store closures. Office vacancies declined by 2.0 percentage points to 17.6% in Q4 2024, with the sector experiencing its first positive net absorption since Q3 2022—an increase of 2.5 million square feet.

Overall, the U.S. economy demonstrated solid performance in 2024, supported by resilient consumer spending, steady labor market gains, and easing inflation pressures. However, as 2025 unfolds, new headwinds are emerging—most notably from heightened geopolitical tensions, trade policy uncertainty, and signs of slowing investment activity. These factors may weigh on growth in the near term, even as underlying fundamentals remain broadly stable.

Sources: Atlanta Fed, U.S. Federal Reserve, U.S. Department of Treasury, BEA, BLS, FRED, S&P, Colliers.

Texas Economy and Real Estate

Between July 2023 and July 2024, Texas experienced strong population growth, adding 562,941 new residents—a 1.8% increase, the second-highest rate in the U.S. during that period. By December 2024, the state had the nation's second-largest civilian workforce, totaling nearly 15.6 million workers.

As of Q4 2024, Texas remained in the top 20% of U.S. states for economic growth, with a 3.5% quarter-over-quarter ("QoQ") increase in GDP—1.1 percentage points above the national average. Following the national trend, Texas recorded its strongest quarterly expansion in Q3 2024, with annualized growth of 4.2%. On an annual basis, Texas outpaced national real GDP growth by 60 basis points, reaching 3.6% for the year. This growth was supported by a rise in manufacturing activity.

As of December 2024, employment in Texas grew by 1.6% on an annualized year-to-date basis, with gains across key sectors including oil and gas, construction, manufacturing, financial activities, and education and health services. In contrast, national job growth was more concentrated in education and hospitality, financial activities, and information services. Texas also saw its core CPI decline to 2.7% by year-end, compared to a national decline to 3.2%. These economic indicators underscore the relative strength of the Texas economy.

Texas' strong fundamentals extended to the housing market. By the end of 2024, total home sales increased by 10.7% YoY—the first time sales volumes exceeded prior-year levels since the 2022 housing slowdown. Statewide, new listings rose 7.6% YoY in December 2024, while the average days on market returned to the pre-pandemic turnover pace of 63 days. This figure remained slightly below the national average, though it continued to reflect a buyers' market.

In December 2024, the median home price in Texas reached \$335,971, a 2.1% YoY increase. Statewide building permits rose sharply, up 17.7% month-over-month ("MoM"), with the Dallas–Fort Worth metropolitan statistical area ("MSA") accounting for the largest share at 24.7%. Single-family housing starts across the state rose 9.0% MoM in December 2024.

Texas concluded 2024 with solid economic fundamentals, marked by strong population and employment growth, a rebound in housing activity, robust GDP expansion, and inflation that remained below the national average.

Sources: Census, Texas Real Estate Research Center, BEA, BLS, Federal Reserve Bank of Dallas, Texas Realtors, Homebuilders.

Southeastern U.S. Economy and Real Estate

Southeastern states, led by Florida, recorded the highest population growth rates in the U.S. as of July 1, 2024. Florida ranked first nationwide, followed by South Carolina and North Carolina in seventh and eighth place, respectively. Florida's population grew by 2.0% YoY, doubling the national average of 1.0%, and adding approximately 467,347 residents—the second-largest absolute increase in the country after Texas. South Carolina and North Carolina also posted strong gains of 2.0% and 1.9%, respectively, with North Carolina approaching a key milestone of 11 million residents in 2024.

As of July 1, 2024, the south accounted for 54% of the U.S.'s YoY population growth. Florida, Georgia, and North Carolina—the three largest southern states—together contributed 23% of the total national increase, which reached 748,628 people. While domestic migration to Florida showed signs of slowing, the state attracted the highest number of international migrants in the U.S., partially offsetting the decline.

In Q4 2024, southeastern states posted strong economic growth. South Carolina led the region with a 3.6% QoQ increase—well above the national average of 2.8%—and achieved 4.2% annual growth. North Carolina also outperformed the national average with 3.1% QoQ and 3.7% YoY growth. Florida recorded a 2.4% QoQ gain but still reached 3.6% annual growth.

Florida's continued population growth was accompanied by a modest rise in unemployment, from 3.1% in December 2023 to 3.4% in December 2024, still below the national average of 4.0%. Additionally, eight of the twelve southeastern states reported unemployment rates below the national average, highlighting ongoing business and employment migration trends within the region. As of December 2024, Florida's job openings stood at 4.4% of total employment, slightly below the national figure of 4.5%.

Between 2022 and 2023, Florida experienced an 86% increase in the number of corporations relocating their headquarters to the state, compared to those moving out. Notable moves include Lockheed Martin relocating its space division headquarters to Titusville, Florida and major expansions by Blackstone and Goldman Sachs into Miami, Florida and West Palm Beach, Florida, respectively. This trend continued into 2024, marked by Citadel's plans for a new 1.7 million-square-foot mixed-use headquarters in Miami, Florida. Spirit Airlines completed its move to Dania Beach, Florida in April 2024, unveiling an 11-acre campus with four state-of-the-art buildings. Foot Locker is also relocating, with its transition to St. Petersburg, Florida expected to be completed by late 2025.

In 2024, Florida's single-family housing market saw increased builder activity, with inventory rising 27.0% YoY to 98,429 active listings. Months of supply rose by 1.1 to 4.7 months, up 30.6% from the prior year. Year-to-date closed sales reached 252,688 by year-end, down 1.9% YoY, indicating gradual market stabilization. The median time to sale extended from 75 days in 2023 to 87 days in 2024. Despite the slower pace, the average home price rose 4.5% YoY to \$599,785.

In the townhouse and condominium segment, inventory surged 42.8% YoY to 64,283 units, and months of supply nearly doubled, rising 90.8% to 8.2 months in 2024. Closed sales totaled 94,380 by year-end, down 10.5% from 2023, while the average sales price increased 1.5% YoY to \$469,933.

Sources: Census, BEA, BLS, Florida Realtors, FRED.

Western U.S. Economy and Real Estate

As of July 1, 2024, western states accounted for 20.8% of U.S. population growth YoY, adding 687,607 residents. Of the 3.3 million people added nationally, California contributed 7.0% of the increase with 232,570 new residents. Arizona recorded the second-highest growth rate in the region at 3.3% (109,357 new residents), followed by Washington at 3.1% (100,860 new residents), and Utah at 1.8% (60,391 new residents).

States that led in real GDP growth in 2023 continued to outperform the national average in 2024. Utah ranked first nationally with annualized real GDP growth of 4.5%. Washington followed with 3.7%, while Nevada came in at 2.8%, equal to the national average. Arizona posted 2.7%, slightly below the national pace.

Unemployment across the western states was mixed at the end of 2024, with seven states reporting rates above the national average and six below. Utah's unemployment rate rose by 0.3 percentage points to 3.2%, the third lowest in the region, while Nevada remained the highest at 5.8%, 1.7 points above the national average. Despite these variations, the region continues to attract talent across multiple industries. From 2019 to 2024, Utah ranked as the fastest-growing state for business, driven by a strong economy and sector growth in real estate and rental and leasing, manufacturing, professional, scientific, and technical services. Utah's population reached 3,503,613 in 2024, with a 1.8% annualized growth rate, making it the sixteenth fastest-growing state. The state also ranked seventh nationally for personal income growth at 5.4% QoQ in Q4 2024, ahead of the 4.6% national average. Arizona followed with 4.5%, while Washington and Colorado trailed at 4.3%.

Business relocations remain strong across the region. Salt Lake City, Utah has become a key hub due to its business-friendly environment. In 2024, Delta Air Lines committed \$2.8 billion in lease payments through 2044 for its Salt Lake City, Utah expansion. In October 2024, energy infrastructure firm Williams opened a 10-story Class A office in the Salt Lake City, Utah. Arizona ranked sixth nationally in business growth, boosted by pro-business policies, competitive taxes, and a growing technology and transportation manufacturing base—now the third-largest sector by GDP. A key example is Taiwan Semiconductor Manufacturing Company's upcoming chip facility in Arizona, scheduled to launch operations in 2025.

By the end of 2024, home prices and sales increased across most western states. In Salt Lake City, Utah, median home prices rose 4.3% YoY, while existing home sales grew 7.0%. Phoenix, Arizona saw a 0.5% decline in existing home sales and a 0.1% increase in new home sales, months of supply rose to 3.7 from 3.4 in 2023, nearing a balanced market. Las Vegas, Nevada posted a 6.6% YoY gain in existing home sales and a 10.2% rise in new home sales, with supply rising to 3.1 months. Portland, Oregon recorded a 7.1% increase in existing home sales and a 4.9% rise in new sales, with supply steady at 2.7 months. In Seattle, Washington, existing home sales rose 9.1% YoY, while new home sales declined 2.8%.

Sources: Census, BEA, BLS, IBIS, John Burns Research.

Mortgage Lending Industry

Traditional U.S. financial institutions have particularly underserved borrowers who require funding in the transition phase of the investment process, including construction, development and lease-up financing. The traditional financial institutions do not typically provide financing to this market due to the short-term nature of the Mortgages, the limited size of the loans and the perceived higher risk profile of such loans. Additionally, the conservatism in underwriting criteria at the banks has resulted in constraints on a loan-to-cost or loan-to-value basis which has created a void in financing to real estate developers and investors that are deemed to be qualified by TCFMLP. The Partnership benefits from this transition phase where investors need interim funding to add value to a property prior to obtaining long-term financing. With a limited supply of financing available in the transitional phase of real estate investments, borrowers are often willing to pay higher interest rates over the corresponding U.S. Government 3-year bond yields for these short-term Mortgages. Once the transitional phase of the underlying property is complete, the properties can be refinanced with longer-term, lower interest Mortgage loans from traditional U.S. financial institutions.

Overall, the Mortgage Broker believes that the above factors have created an opportunity for non-financial institution lenders to charge premium interest rates for high quality Mortgage loans which, prior to the credit crisis, were available at relatively low conventional rates from a variety of financial institutions, both domestically and globally. The Manager believes that this reduction of available Mortgage capital has contributed to the increased number of attractive investment opportunities available to the Partnership through its investment in the Cayman Master Fund. The Manager believes that other non-financial institution lenders will be its primary competition for similar term financings to real estate developers and investors.

Overview of the Real Estate Sectors in Which the Cayman Master Fund May Invest

The investment real estate market is comprised of residential (single family homes, apartments, duplexes, townhomes, condominiums, residential lots, retirement residences and student residences), self-storage, office, retail, hotel and

industrial real estate, as well as development land. Real estate investors or developers typically are either large institutional investors, such as pension funds, and public companies, or smaller entrepreneurial investors, such as privately managed and commingled investment funds and individuals. Most investors and developers in the U.S. real estate industry require (or benefit from) some form of financing to acquire, stabilize, improve, develop or re-position real property or a portfolio of real property. The Cayman Master Fund will focus on providing financing for single family lot development, multi-residential real estate, self-storage and select commercial real estate such as industrial and limited-service hotel.

Residential

Residential real estate primarily consists of single-family homes, apartments, duplexes, townhomes, condominiums, residential lots, retirement residences and student residences. The Mortgage Broker's focus is on the multi-residential for-rent and for-sale housing market wherein multiple housing units are contained within a single building or complex as is characteristic of apartment buildings, duplexes, townhome residences and condominium towers. The Mortgage Broker does not generally provide financing on single family homes. In particular, the Mortgage Broker concentrates primarily on major metropolitan centres and the affordable housing segment, with projects targeted at first-time or move-up home buyers, for which the greatest levels of disequilibrium in supply versus demand exists. The demand in residential real estate is driven by various community characteristics including security, access to public transportation, education, and well-maintained infrastructure.

The rental apartment asset class is considered to have consistently high demand and a relatively low level of risk despite the considerable tenant turnover. The impact of turnover to the investor's profitability is often low as the turnover is spread across a large tenant base. In rental, residential leases rates can change annually, as compared to alternative sectors that generally lock in rental rates for longer-term leases (5 to 10 years). Residential properties also require less capital expenditure in order to continue ongoing operations and generate income.

In addition to lending against residential rental properties, the Cayman Master Fund may also participate in residential for-sale product loans such as for strata duplexes, townhome and condominium projects. For construction loans, the focus is on loans where the developer has secured substantial pre-sale deposits in advance of construction. The Mortgage Broker's preference is for wood-frame, lower storey affordably priced development projects whereby there is lower execution risk and less speculative investors. The Mortgage Broker primarily pursues residential for-sale loans in major metropolitan centres with developed markets.

Development Land

Mortgages on undeveloped land often relate to land servicing and normally are used to finance the acquisition of the land and the installation and construction thereon of roads, drainage and sewage systems, utilities, recreational facilities and similar improvements. Land servicing loan advances are made pursuant to a stipulated schedule after an inspection and review of the project's progress by the lender or its agent and the furnishing of reports by professional engineers, architects or quantity surveyors. In some instances, land servicing loans may be made to finance the acquisition of more land than will be improved immediately, or land on which development is contemplated at a later date. Developers seeking financing for small housing projects in developed areas have fewer financing options as the small scale of these types of projects are of limited appeal to the larger financial institutions. Land servicing loans are generally for terms of 12 months to 36 months. The Mortgage Broker will generally not consider loans against development land where zoning has not been completed.

Self-Storage

Self-storage relates to facilities offering rental units on a month-to-month basis where the tenant stores their belongings. Facilities can vary in size, quality, security and extent of services. A typical storage facility may consist of five to seven one or two-storey buildings with a varied unit mix, large roll-up doors and direct drive-up access to outside units. Location is key with visibility, ease of access, and proximity to customers being important drivers of demand.

The Manager believes the fundamentals for self-storage are particularly strong in the U.S. As the preference of renting over home ownership continues with Millennials and Baby Boomers downsize from their single-family homes into multi-family residential units in the city, the need to store belongings is growing. Multi-family residential units offer less space than single-houses and little room for storage creating demand for self-storage units. Additionally, businesses have started to view self-storage as a cost-effective solution to address space constraints.

Self-storage also has additional benefits as an attractive investment. It allows for ease of rent increases due to the month-to-month rental terms enabling quick responses to market conditions. Given the wide tenant base, vacancy risks compare favourably to other asset classes. Self-storage assets are also less labour or maintenance intensive than most other asset classes, resulting in lower operating costs and reduced capital improvement requirements. These factors allow for attractive risk-adjusted returns on this asset class.

Self-storage is also a good asset class within volatile markets. When the economy is expanding, enhanced purchasing power will result in increased acquisition of goods requiring storage. When the economy is recessionary, downsizing of housing to save on shelter expenses will increase demand for storing excess belongings. Accordingly, the Manager views this asset class as a good investment in any cycle.

Industrial

Industrial real estate consists primarily of buildings for warehousing and distribution, manufacturing and assembly, research and development, showrooms, and other general uses which may include back-office operations, post-production film studios, call centres and low-cost office alternatives. Industrial properties are, for the most part, one-storey buildings located near major metropolitan regions and thoroughfares, ranging in size from 5,000 square feet of gross leasable area to over 500,000 square feet of gross leasable area. Industrial buildings tend to be more homogeneous than other commercial real estate asset classes and can accommodate a relatively diverse tenant base. Due to the significant scale and diversity of the tenant base, the industrial real estate sector generally tracks the overall performance of the economy. The industrial real estate market tends to operate near its demand/supply equilibrium, which leads to stable availability rates, facilitated by a shorter development cycle (9 to 12 months). Developments are typically build-to-suit projects, with limited speculative development, which further facilitates demand/supply equilibrium. Industrial properties can be either single-tenant or multi-tenant, and industrial investments often require smaller average investments, are less management intensive and have lower operating costs than residential or retail properties. Industrial buildings tend to have long-term leases, and tenant rollover is not a significant risk as the cost of relocating is too high. Specific factors to take into account with regards to industrial properties include functionality, location relative to major transportation routes, and the degree of specialization. When evaluating a Mortgage on an industrial property, a thorough assessment of the tenant's creditworthiness is important, as securing a replacement tenant can take significant time.

Office

The Mortgage Broker will look for new investment opportunities, if any, in office real estate on a very selective basis. Office buildings generally have multiple tenants, are typically located in downtown cores, sprawling suburban office parks, or near an airport. Office leases are generally mid-to-long-term, providing stable cash flows to service Mortgages. However, returns from office properties can be more variable than residential and industrial properties as the market is more sensitive to economic performance. Similar to industrial properties, thorough due diligence on the tenants' creditworthiness is a critical factor with regards to Mortgage lending against the asset. The Mortgage Broker has strong relationships with owners and operators of office properties across the country that are often instrumental in assisting the Mortgage Broker with third-party due diligence and/or market intelligence.

Hotel

The Mortgage Broker will look for new investment opportunities in hotel real estate on a selective basis. Hotel buildings offer a place to stay for guests at a variable daily room rate and are generally located in primary or secondary urban zones often with close proximity to employment centres, conventions, entertainment venues and sporting events. Hotels can be either full-service, select service or limited service, offering guests a variety of services and amenities depending on their budgets and needs.

The Mortgage Broker classifies hotels into three principal types:

1. Full-Service Hotels – Offer guests a full-suite of services and amenities to ensure total fulfilment of guests' needs including features such as swimming pools, fitness centres, conference rooms, laundry services, room service, in-house restaurants and so on. These hotels are often considered luxury with higher average daily room rates.
2. Limited-Service Hotels – Offer guests the minimum services and are meant to accommodate the budget conscious traveller. These hotels have the lowest operating costs as they do not have high fixed overhead as they require a limited staff to provide the basic requirements to guests.
3. Select Service Hotels - Offer guests services in between that of full-service hotels and limited-service hotels. Select service hotels provide the features of limited-service hotels along with select amenities, facilities, and services of full-service hotels, usually on a more limited and budgeted scale.

The Mortgage Broker's focus is on limited-service and select service hotels from nationally recognized flag carriers in major U.S. markets that exhibit high growth and balanced supply/demand metrics. The Mortgage Broker's preference is for these hotels as the limited-service and select service sector is less volatile than the full-service sector and functions at higher gross operating profit margins primarily due to the lower labour costs associated with operating with less service options.

Types of Mortgage Investments

The Cayman Master Fund will focus on Short Term Mortgages to real estate investors and developers that are deemed to be qualified by the Cayman Master Manager. Mortgages may be first ranking, a junior position in a first ranking Mortgage, subsequent ranking or a blanket Mortgage. Short Term loans typically bear higher rates of interest than conventional financing. A sale of the property or a debt refinancing will often provide sufficient proceeds to repay the Mortgage.

Mortgages will primarily finance Real Property development and construction. Development Mortgages are typically loans secured against development lands prior to development or with existing buildings that are slated for redevelopment in the short term. In either case, the majority of the value of the asset is in the underlying land. Development Mortgages are frequently used to assist in funding site acquisitions, predevelopment costs, and costs associated with servicing sites with infrastructure. Construction loans are used to finance the construction of Real Property. Often, construction loans require special monitoring and guidelines to ensure that the project is completed, and that repayment will take place. In addition, development and construction loans often accrue interest until the maturity of the loan at which point both the accrued interest and principal become due.

The Cayman Master Fund will also provide bridge loans which are short-term loans typically borrowed to bridge a short period of time, generally ranging between 6 months and 3 years. Bridge loans are often used for the lease-up and stabilization of a property, capital repairs to a property, redevelopment of a property, or the purchase of another investment.

Mortgage Participation loans are typically secured by the underlying Real Property. The agreed interest rate is paid or accrued during the term of the loan and the participation paid when the Real Property is sold and profits ascertainable. Such Investments will be structured based on Canadian and U.S. income tax considerations. See " Certain Canadian Federal Income Tax Considerations".

Other Investments

Mezzanine Loans

The Cayman Master Fund may make Mezzanine Loans that are secured by the developer's interest in the entity that is developing the real estate. Such mezzanine financing can take several forms, but most commonly it involves extending

credit to the partners or other equity holders of the borrower and taking a pledge of such parties' equity interests (including the right to distributions of income).

Land and Lot Banking Financings

The Cayman Master Fund may also invest in Land and Lot Banking Financings. In "land banking" financings an entity affiliated with the Cayman Master Fund will finance the development of lots by a homebuilder by taking an assignment of the homebuilder's existing land purchase contract, acquiring the Real Property pursuant to such land purchase contract, entering into a construction contract with the homebuilder, its affiliate, or another party for the development of lots on the Real Property, and entering into an option agreement with the homebuilder pursuant to which the homebuilder will make a significant deposit that approximates the homebuilder's equity in the project (typically an amount somewhat less than 20% of the overall costs), and agree to acquire all of the developed lots as they are completed for an amount equal to the cost of such lots plus a return to the Cayman Master Fund's affiliated entity that represents the equivalent of an "interest" charge on the amounts advanced under the applicable transaction documents. "Lot banking" financings will be structured in a similar manner but instead of the development of lots on the Real Property, the financings will involve already developed and finished lots. Land and Lot Banking Financings will be structured in a way that the investment funds investing in the transaction, including the Cayman Master Fund, will make a secured loan (proportionate to each investor's participation in the Land and Lot Banking Financings) to the affiliated entity that acquires the Real Property. As a result, the majority of the Land and Lot Banking Financings will be secured by a Mortgage on the underlying Real Property. The remaining portion of the Land and Lot Banking Financings will be held through an indirect equity investment in the entity that acquires the Real Property.

Preferred Equity Investments

To the extent the Cayman Master Fund decides to make Preferred Equity Investments, the Cayman Master Fund will generally invest, directly or indirectly, in an intermediary U.S. limited partnership that will set out the terms and conditions of the senior and junior portions of the Preferred Equity Investment being made and in turn such entity will make a direct investment in the limited partnership with a third-party developer that acquires and develops the property. In some instances, the Cayman Master Fund may make, directly or indirectly, a Preferred Equity Investment in the limited partnership with the third-party developer that acquires and develops the property.

DISTRIBUTIONS

Monthly and Final Year-End Distributions

The Partnership intends to make monthly distributions on each Monthly Distribution Payment Date (being the 10th Business Day following the end of the month to which the distribution relates) to Unitholders of record at the end of each calendar month. Such distributions will be sourced from, and conditional upon, distributions received by the Partnership from the Cayman Master Fund. Monthly distributions will be in an amount to be determined by the General Partner from time to time at its discretion (after consulting with the Manager) after taking into consideration the current and anticipated expenses of the Partnership. All distributions will be determined in Canadian dollars.

The Manager will be entitled to deduct, from any monthly distribution otherwise payable to a Unitholder, one-twelfth of the annual Management Fee (plus applicable GST/HST) applicable to such Units.

In addition, for each monthly distribution on the Series A Units, an amount equal to 0.0833% (1.00% annually) of the Subscription Price (plus applicable GST/HST) will be deducted from the distribution otherwise payable on such Series A Units, in order to pay the Trailer Fee in respect of such Series A Units. If at any distribution payment date there are insufficient funds to pay the Trailer Fee (plus applicable GST/HST) from the distribution otherwise payable on the Series A Units, the Manager may cause the Partnership to redeem a sufficient number of Series A Units from each holder of Series A Units in order to pay the Trailer Fee (plus applicable GST/HST).

In addition to monthly distributions as described above, the Partnership may, following the end of a Fiscal Year, make a final distribution to Unitholders of record at the end of such Fiscal Year (the "**Final Year-End Distribution**"), in the circumstances and to the extent described below. The Final Year-End Distribution, if any, for a Fiscal Year will generally be equal to the amount, if any, by which the Net Income of the Partnership (for greater certainty, calculated

after deducting the Management Fees and any Incentive Fee) for such Fiscal Year, exceeds the sum of: (i) the monthly distributions (for greater certainty, after deducting the monthly Management Fee as described above) made to Unitholders for that year; and (ii) any reserves that the General Partner (after consulting with the Manager) deems appropriate. The Final Year-End Distribution, if any, for a Fiscal Year will be paid on the Final Year-End Distribution Date, which will be determined by the General Partner in its discretion but which shall in no circumstances be later than March 31 of the immediately following calendar year.

Subject to the immediately following paragraph, the share of any monthly distribution to which a Unitholder is entitled will be based on a "weighted average" approach, based on the number of Units held by the Unitholder at the end of each day in the month relative to the total number of Units outstanding at the end of each day in the month. Similarly, the Final Year-End Distribution will be based on a "weighted average" approach, based on the number of Units held by the Unitholder at the end of each day in the Fiscal Year relative to the total number of Units outstanding at the end of each day in the Fiscal Year. Accordingly, Unitholders who do not hold their Units throughout an entire month or Fiscal Year, as applicable, will not receive the same level of distribution per Unit for such month as Unitholders who hold their Units throughout the entire month or Fiscal Year, as applicable.

Unitholders whose Units are redeemed prior to or on a calendar month-end will not participate in distributions for that calendar month. Similarly, Unitholders whose Units are redeemed prior to or on December 31 of any Fiscal Year will not participate in the Final Year-End Distribution for that year. For clarity, a Unitholder whose Units are redeemed on the last day of any month will not be eligible for that monthly distribution, including the Final Year-End Distribution in the case of a Redemption on December 31, in respect of their Units so redeemed.

Subject to a Unitholder's election to receive distributions in cash (as described below), distributions by the Partnership will be paid in Units. All cash distributions will be paid in Canadian dollars.

The Partnership, the General Partner and/or the Manager, as applicable, will be entitled to deduct or withhold from any distributions payable to a Unitholder such amounts as they reasonably determine are required to be withheld or deducted under applicable law, including in respect of U.S. withholding tax, whether or not such distributions are in the form of cash, additional Units or otherwise.

Distribution Reinvestment Plan

The Partnership has adopted an automatic distribution reinvestment plan (the "**DRIP**"), pursuant to which Unitholders will, unless they elect to receive their distributions in cash as described in the next paragraph, automatically have all of their Partnership distributions reinvested in additional Units of the same Series, at a price per Unit equal to the Subscription Price.

In order to receive distributions in cash, a Unitholder must notify the Manager in writing of their election to receive distributions in cash either (i) at the time they purchase their Units (in which case all of their distributions on such Units will be paid in cash), or (ii) at least five (5) Business Days in advance of the applicable distribution record date (in which case the distribution on their Units for such distribution record date and each subsequent distribution will be paid in cash).

A Unitholder who has elected to receive distributions in cash as outlined above can subsequently elect to participate in the DRIP by notifying the Manager in writing of such election at least five (5) Business Days in advance of the applicable distribution record date, in which case the distribution on their Units for such distribution record date and each subsequent distribution will automatically be reinvested (after any applicable U.S. withholding) in additional Units under the DRIP.

No brokerage commission will be payable in connection with the purchase of Units under the DRIP and all administrative costs will be borne by the Partnership.

Distribution on Termination of the Partnership

On the termination of the Partnership, the assets of the Partnership will be liquidated and the proceeds distributed in the following order:

1. first, to pay the liabilities of the Partnership (including expenses of the Manager and any unpaid Management Fees and Incentive Fee to which the Manager may be entitled) and to establish reserves for the contingent liabilities of the Partnership; and
2. thereafter, any remaining funds will be paid to the Unitholders *pro rata* in accordance with their Proportionate Shares.

MATERIAL AGREEMENTS

The following is a list of agreements, which are material to this Offering and to the Partnership, all of which are in effect:

- (a) the Limited Partnership Agreement. For details, see the heading "Summary of Limited Partnership Agreement";
- (b) the Cayman Master Limited Partnership Agreement. For details, see the heading "Summary of the Cayman Master Limited Partnership Agreement";
- (c) the Cayman Master Mortgage Broker Agreement. For details, see the heading "Directors, Management, Promoters and Principal Holders – Trez Capital Limited Partnership (the Mortgage Broker) – Cayman Master Mortgage Broker Agreement";
- (d) the Cayman Master Management Services Agreement. For details, see the heading "Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)"; and
- (e) the Management Services Agreement. For details, see the heading "Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)".

Copies of all agreements referred to above may be inspected during normal business hours at the principal office of the Manager, located at 1700-745 Thurlow Street, Vancouver, British Columbia, V6E 0C5.

SUMMARY OF LIMITED PARTNERSHIP AGREEMENT

The following is only a summary of certain of the provisions of the Limited Partnership Agreement. This summary is qualified in its entirety by reference to the provisions of the Limited Partnership Agreement, a copy of which may be inspected during normal business hours at the principal office of the Manager.

Partnership Units

The Partnership is authorized to issue an unlimited number of Units, issuable in multiple Series, each of which represents an undivided beneficial interest in the net assets of the Partnership. Units may only be issued to investors that are residents of Canada and entitled to the benefits of the Canada-U.S. Tax Treaty (or, if an investor is a partnership, a "Canadian partnership" as defined in the Tax Act, all of the members of which are entitled to the benefits of the Canada-U.S. Tax Treaty).

See "Securities Offered" for a more detailed description of the Units being offered pursuant to the Offering, including the rights and restrictions attached to such Units.

Meetings of Unitholders and Resolutions

The General Partner may, at any time, convene a meeting of the Unitholders (or of the holders of any Series of Units), and will be required to convene a meeting on receipt of a request in writing of the Manager or of Unitholders holding, in aggregate, 50% or more of the outstanding Units (or in the case of a meeting of holders of a Series, 50% or more of the outstanding Units of that Series).

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Special Resolution or Unanimous Resolution, as discussed below, will require the approval of Unitholders by Ordinary Resolution. A quorum for any meeting convened to consider such matter will consist of two or more Unitholders present in person or by proxy and representing not less than 5% of the Units (or in the case of a meeting of holders of a Series, Units of that Series) outstanding on the record date. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not less than 10 days later, selected by the General Partner and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Each Unitholder is entitled to one vote per Unit held.

Matters Requiring Unitholder Approval

The following matters require approval by Ordinary Resolution and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

- (a) matters relating to the administration of the Partnership for which the approval of the Unitholders is required by policies of the securities regulatory authorities in effect from time to time;
- (b) subject to the requirements for a Special Resolution and a Unanimous Resolution, any matter or thing that the Limited Partnership Agreement requires to be consented to or approved by the Unitholders;
- (c) any matter which the Manager or General Partner considers appropriate to present to the Unitholders for their confirmation or approval; and
- (d) appointment of a replacement manager of the Partnership by the General Partner in the event of a resignation or deemed resignation of the Manager.

Each of the following actions requires approval by Special Resolution, and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Special Resolution:

- (a) the amendment of the Limited Partnership Agreement (except as provided under "Amendments to the Limited Partnership Agreement by the Manager" below) or changes to the Partnership, including the investment objectives of, and investment restrictions applicable to, the Partnership (for greater certainty, the establishment of a new Series, provided same are within the investment objectives of the Partnership, will not require Unitholder approval);
- (b) an increase in the fees payable to the Manager;
- (c) the removal of the General Partner if the General Partner is in material breach or default of the provisions of this Agreement that has a material adverse effect on the financial condition of the Partnership;
- (d) the appointment of a replacement General Partner;

- (e) the termination of the Manager if the Manager is in material breach or default of the provisions of the Management Services Agreement that has a material adverse effect on the financial condition of the Partnership; and
- (f) the appointment of a replacement general partner of the Partnership by the Manager in the event of the resignation or deemed resignation of the General Partner.

Notwithstanding the foregoing, any amendment to the Limited Partnership Agreement which would have any of the following effects requires approval by Unanimous Resolution, and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Unanimous Resolution:

- (a) a reduction in the interest in the Partnership of any Unitholder (other than a reduction arising through an issuance of additional Units);
- (b) a reduction in the amount payable on any outstanding Units of the Partnership upon liquidation of the Partnership; or
- (c) the alteration or elimination of any voting rights pertaining to any outstanding Units of the Partnership.

Notwithstanding the above, Unitholders are not entitled to vote any matters which would increase the obligations of, or reduce the compensation payable to, or protection provided to, the Manager, the Board of Governors or the General Partner or which terminates the appointment of TCFMLP as the manager of the Partnership, except with the prior respective written consent of the Manager (other than termination pursuant to the terms of Limited Partnership Agreement), the Board of Governors or the General Partner, as the case may be.

Amendments to the Limited Partnership Agreement by the General Partner

Subject to the restrictions described under "Matters Requiring Unitholder Approval" above, any provision of the Limited Partnership Agreement may be amended, deleted, expanded or varied by the General Partner without the consent of the Unitholders:

- (a) to remove any conflicts or other inconsistencies which may exist between any terms of the Limited Partnership Agreement and any provisions of any law or regulation applicable to or affecting the Partnership;
- (b) to make any change or correction in the Limited Partnership Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained herein;
- (c) to bring the Limited Partnership Agreement into conformity with applicable laws, including the rules and policies of applicable securities authorities or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
- (d) rectify, repair or correct any matter, action, transaction or document that it reasonably determines is oppressive or unfairly prejudicial to, or that unfairly disregards, the interest of any Unitholder or series of Unitholders;
- (e) to amend the Limited Partnership Agreement by appending a new schedule setting out the details of, and special rights and restrictions applicable to, any new Series of Units created by the General Partner;
- (f) to effect a Permitted Merger;

- (g) to change the Partnership's fiscal year-end as permitted under the Tax Act or respond to amendments to the Tax Act or to the interpretation thereof; or
- (h) if the amendment is not a material change which adversely affects the pecuniary value of the interest of any Unitholder in the Partnership.

Permitted Mergers

The General Partner may, where permitted by applicable law, following consultation with the Manager and without obtaining Unitholder approval, merge the Partnership (a "**Permitted Merger**") with another fund or funds, provided that:

- (a) the fund(s) with which the Partnership is merged must be managed by the Manager or an Affiliate of the Manager;
- (b) Unitholders are permitted to redeem their Units at a redemption price equal to the Subscription Price, less any costs of funding the redemption, including commissions, prior to the effective date of the merger;
- (c) the funds being merged have similar investment objectives as set forth in their respective partnership agreements, as determined in good faith by the Manager and by the manager of the Affiliated Fund(s) in their sole discretion;
- (d) the Manager must have determined in good faith that there will be no increase in the management expense ratio borne by the Unitholders as a result of the merger; and
- (e) the merger of the funds is completed on the basis of an exchange ratio determined with reference to the redemption value per unit of each fund.

Reporting to Unitholders

Annual financial statements of the Partnership, consisting of a statement of net assets, statement of operations, statement of changes in net assets and a schedule of investments, and such other statements as the General Partner or the General Partner acting on the advice and direction of the Manager may consider appropriate or the applicable securities authorities may require will be prepared as at the end of each Fiscal Year of the Partnership in accordance with IFRS. A copy of the audited annual financial statements of the Partnership signed by the General Partner to signify the approval thereof by the Partnership, together with a copy of the Auditors' report thereon, shall, upon the request of a Unitholder, be delivered to such Unitholder at his or her address of record on or before June 30 in each calendar year.

In addition, the Partnership will furnish to Unitholders such financial statements as are from time to time required by applicable law to be furnished by the Partnership, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial or territorial legislation.

No Certificates

An investor who purchases Units will receive a customary confirmation from the registered dealer from or through whom Units are purchased in accordance with the book-based system. No physical paper certificates for Units will be issued.

Liability of Unitholders

Subject to the provisions of the Partnership Act, no Unitholder will be subject to any personal liability to any Person in connection with Partnership Property or the obligations or the affairs of the Partnership and all such Persons will

look solely to the Partnership Property for satisfaction of claims of any nature arising out of or in connection therewith and the Partnership Property only will be subject to levy or execution.

Termination of the Partnership

The Partnership does not have a fixed termination date. However, the General Partner may, in its sole discretion and after consulting with the Manager, on 60 days' written notice to the Unitholders, terminate the business of the Partnership without the approval of the Unitholders if, in the opinion of the General Partner:

- (a) it would be in the best interests of the Partnership and the Unitholders to terminate the Partnership;
- (b) the Net Asset Value per Unit is less than the Subscription Price; or
- (c) it is no longer economically feasible to continue the Partnership.

Notwithstanding the above, the General Partner may, in its discretion and after consultation with the Manager, defer the Termination Date of the Partnership for up to 90 days if the Manager determines that it would be in the best interests of the Unitholders to do so, provided that the General Partner provides written notice of such deferral to the Unitholders at least 30 days prior to the Termination Date.

In addition, the Limited Partnership Agreement will automatically be terminated immediately if the General Partner is, in the opinion of the Board of Governors, in material default of its obligations under the Limited Partnership Agreement and such default continues for 30 days from the date that the General Partner receives written notice of such material default from the Board of Governors, unless the General Partner is taking steps to remedy such default and such default is remedied within 120 days from the date of such notice and there is no reasonable basis for believing that such default cannot be remedied within such 120 day period.

On the termination of the Partnership, the assets of the Partnership will be liquidated and the proceeds distributed in the following order:

1. First, to pay the liabilities of the Partnership (including expenses of the Manager and any unpaid Management Fees and to which the Manager may be entitled) and to establish reserves for the contingent liabilities of the Partnership; and
2. thereafter, any remaining funds will be paid to the Unitholders *pro rata* in accordance with their Proportionate Shares.

Any distribution to Unitholders in accordance with the foregoing may include *in specie* distributions of any unliquidated assets, subject to compliance with any securities or other laws applicable to such distributions.

SUMMARY OF CAYMAN MASTER LIMITED PARTNERSHIP AGREEMENT

The following is only a summary of certain of the provisions of the Cayman Master Limited Partnership Agreement. This summary is qualified in its entirety by reference to the provisions of the Cayman Master Limited Partnership Agreement, a copy of which may be inspected during normal business hours at the principal office of the Manager.

Master Units

The Cayman Master Fund is authorized to issue an unlimited number of Master Units, each of which entitles the holder to the same rights and potential liabilities as a holder of any other Master Unit, including the right to participate equally with respect to any and all distributions made by the Cayman Master Fund during the period such Master Unit is held by the unitholder, and no unitholder of a Master Unit is entitled to any privilege, priority or preference in relation to any other holders of a Master Unit.

The Feeder Funds (either directly, or indirectly through another investment vehicle) will be the limited partners and unitholders of the Cayman Master Fund. The Master Units are redeemable at the demand of the unitholders of the Cayman Master Fund at a redemption price equal to \$10.00 per Master Unit (subject to certain limitations, as set out in the Cayman Master Limited Partnership Agreement).

Distributions

The Cayman Master Fund expects to make monthly distributions on the Master Units in order to permit the Feeder Funds to make monthly distributions to their respective unitholders. The amount of monthly distributions will be determined by the Cayman Master General Partner in its discretion, having regard to, among other things, the income and expenses of the Cayman Master Fund. Distributions will be made to the unitholders of the Cayman Master Fund on a *pro rata* basis based on the number of Master Units held, determined on a daily weighted-average basis.

Meetings of Unitholders of the Cayman Master Fund and Resolutions

Resolutions may be passed in writing or at a meeting of the unitholders of the Cayman Master Fund.

The Cayman Master General Partner may, at any time, convene a meeting of the unitholders of the Cayman Master Fund and will be required to convene a meeting on receipt of a request in writing of unitholders holding, in aggregate, 50% or more of the Master Units then outstanding.

Any matter to be considered at a meeting of unitholders of the Cayman Master Fund, other than certain matters requiring the approval of unitholders of the Cayman Master Fund by special resolution or unanimous resolution, as discussed below, will require the approval of unitholders of the Cayman Master Fund by ordinary resolution. A quorum for any meeting convened to consider such matter will consist of two or more unitholders of the Cayman Master Fund present in person or by proxy and representing not less than 5% of the Master Units outstanding on the record date. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of unitholders of the Cayman Master Fund, will be cancelled, but otherwise will be adjourned to another day, not less than 10 days later, determined by the Cayman Master General Partner and notice will be given to the unitholders of the Cayman Master Fund of such adjourned meeting. The unitholders of the Cayman Master Fund present at any adjourned meeting will constitute a quorum.

Each unitholder of the Cayman Master Fund is entitled to one vote per Master Unit held.

Matters Requiring Approval by Holders of Master Units

The following matters require approval by unitholders of the Cayman Master Fund by ordinary resolution (being a resolution that is either (i) consented to in writing by holders of at least 50% of all outstanding Master Units, or (ii) approved by at least 50% of the votes cast by the holders of Master Units present in person or by proxy at a meeting of holders of Master Units which has been duly called and at which a quorum is present, in each case excluding the votes of any Master Units owned by the Cayman Master Manager or any Affiliate thereof in respect of any matter in which they have a financial interest or other interest, other than as a holder of Master Units, that, in the determination of the General Partner, gives rise to a conflict of interest), and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such ordinary resolution:

- (a) matters relating to the administration of the Cayman Master Fund for which the approval of the unitholders of the Cayman Master Fund is required for compliance with applicable laws;
- (b) subject to the requirements for approval by unitholders of the Cayman Master Fund by a special resolution (being a resolution that is either (i) consented to in writing by holders of at least 66 $\frac{2}{3}$ % of all outstanding Master Units, or (ii) approved by at least 66 $\frac{2}{3}$ % of the votes cast by holders of Master Units present in person or by proxy at a meeting of holders of Master Units which has been duly called and at which a quorum is present, in each case excluding the votes of any Master Units owned by the Cayman Master Manager or any Affiliate thereof in respect of any matter in which they have a financial interest or other interest, other than as a holder of Master Units, that, in the

determination of the Cayman Master General Partner, gives rise to a conflict of interest), or by a unanimous resolution (being a resolution that is either (i) consented to in writing by holders of all outstanding Master Units, or (ii) approved by all of the votes cast by holders of Master Units present in person or by proxy at a meeting of holders of Master Units which has been duly called and at which a quorum is present, in each case excluding the votes of any Master Units owned by the Cayman Master Manager or any Affiliate thereof in respect of any matter in which they have a financial interest or other interest, other than as a holder of Master Units, that, in the determination of the Cayman Master General Partner, gives rise to a conflict of interest), on any matter or thing for which the Cayman Master Limited Partnership Agreement requires the consent or approval of the unitholders of the Cayman Master Fund; and

- (c) any matter which the Cayman Master Manager or the Cayman Master General Partner considers appropriate to present to the unitholders of the Cayman Master Fund for their confirmation or approval.

Each of the following actions requires approval by unitholders of the Cayman Master Fund by special resolution, the terms of which shall specify the date upon which the proposed action shall be undertaken and the party who shall undertake the action:

- (a) an amendment of the Cayman Master Limited Partnership Agreement (except (i) any amendment that requires approval by unanimous resolution, as described below, or (ii) certain amendments of an administrative nature, as described below);
- (b) the removal of the Cayman Master Manager if it is in material breach of the Cayman Master Services Agreement and such breach has a material adverse effect on the financial condition of the Cayman Master Fund;
- (c) the removal of the Cayman Master General Partner if it is in material breach of the Cayman Master Limited Partnership Agreement and such breach has a material adverse effect on the financial condition of the Cayman Master Fund; and
- (d) the appointment of a replacement general partner of the Cayman Master Fund.

Notwithstanding the foregoing, any amendment to the Cayman Master Limited Partnership Agreement which would have any of the following effects requires approval by unitholders of the Cayman Master Fund by unanimous resolution, the terms of which shall specify the date upon which the proposed amendment shall be undertaken and the party who shall undertake the amendment:

- (a) a reduction in the interest in the Cayman Master Fund of any unitholder of the Cayman Master Fund (other than a reduction arising through an issuance of additional Master Units, or as a result of a redemption of Master Units held by such unitholder);
- (b) a reduction in the amount payable on any outstanding Master Units of the Cayman Master Fund upon liquidation of the Cayman Master Fund; or
- (c) the alteration or elimination of any voting rights pertaining to any outstanding Master Units of the Cayman Master Fund.

Amendments to the Cayman Master Limited Partnership Agreement

Subject to the restrictions described under "Matters Requiring Approval by Holders of Master Units" above, the Cayman Master Limited Partnership Agreement may be amended by the Cayman Master General Partner without the consent of the unitholders of the Cayman Master Fund:

- (a) to remove any conflicts or other inconsistencies which may exist between any terms of the Cayman Master Limited Partnership Agreement and any provisions of any law or regulation applicable to or affecting the Cayman Master Fund;
- (b) to make any change or correction in the Cayman Master Limited Partnership Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (c) to bring the Cayman Master Limited Partnership Agreement into conformity with applicable laws;
- (d) to bring the Cayman Master Limited Partnership Agreement into conformity with current practice within the securities or investment fund industries, provided that any such amendment does not adversely affect the rights, privileges or interests of unitholders of the Cayman Master Fund;
- (e) to permit the Cayman Master General Partner to rectify, repair or correct any matter, action, transaction or document that it reasonably determines is oppressive or unfairly prejudicial to, or that unfairly disregards, the interest of any unitholder of the Cayman Master Fund; or
- (f) to effect a Master Permitted Merger; or
- (g) if the amendment is not a material change which adversely affects the pecuniary value of the interest of any unitholder of the Cayman Master Fund.

The Cayman Master Limited Partnership Agreement may also be amended by the Cayman Master General Partner without the consent of the unitholders of the Cayman Master Fund for the purpose of changing the Cayman Master Fund's taxation year-end.

Notwithstanding the above, no confirmation, consent or approval will be sought or have any effect, and no unitholder of the Cayman Master Fund will be permitted to effect, confirm, consent to or approve, in any manner whatsoever, any matter which increases the obligations of or reduces the compensation payable to or protection provided to the Cayman Master General Partner or the members of its board of director or the Cayman Master Manager, or which terminates the Cayman Master Manager, except with the prior respective written consent of the parties affected by such action, as the case may be.

Permitted Mergers

Subject to any requirements of applicable law, the Cayman Master General Partner may, without obtaining approval of the unitholders of the Cayman Master Fund, merge the Cayman Master Fund with another fund or funds (a "**Master Permitted Merger**"), provided that:

- (a) the entity, or each of the entities, with which the Cayman Master Fund is merged must be managed by the Cayman Master Manager or an Affiliate of the Cayman Master Manager;
- (b) unitholders of the Cayman Master Fund are permitted to redeem their Master Units at a redemption price equal to the issue price, less any costs of funding the redemption, including commissions, prior to the effective date of the merger;

- (c) the funds being merged have similar investment objectives as set forth in their respective constituting documents, as determined in good faith by the Cayman Master Manager and by the manager of the Affiliated Fund(s) in their sole discretion;
- (d) the Cayman Master Manager must have determined in good faith that there will be no increase in the management expense ratio borne by the unitholders of the Cayman Master Fund as a result of the merger; and
- (e) the merger of the funds is completed on the basis of an exchange ratio determined with reference to the redemption value per unit of each fund.

Termination of the Cayman Master Fund

The Cayman Master Fund does not have a fixed termination date. However, the Cayman Master Fund may be terminated at any time upon not less than 90 days' written notice by the Cayman Master General Partner, provided that the prior approval of unitholders of the Cayman Master Fund has been obtained by special resolution at a meeting of unitholders the Cayman Master Fund called for that purpose; provided further that the Cayman Master Manager may, in its discretion, on 60 days' notice to unitholders of the Cayman Master Fund, terminate the Cayman Master Fund without the approval of unitholders the Cayman Master Fund if, in the opinion of the Cayman Master Manager:

- (a) it would be in the best interests of the Cayman Master Fund and its unitholders to terminate the Cayman Master Fund;
- (b) the Cayman Master General Partner determines to terminate the Cayman Master Fund in connection with a Master Permitted Merger; or
- (c) it is no longer economically feasible to continue the Cayman Master Fund.

Additionally, the Cayman Master Fund will be required to start the process of terminating its business immediately following the occurrence of any of the following events:

- (a) the Cayman Master Manager or Cayman Master General Partner has been declared bankrupt or insolvent or has entered into liquidation or winding up, whether compulsory or voluntary (and not merely a voluntary liquidation for the purposes of amalgamation or reconstruction);
- (b) the Cayman Master Manager or Cayman Master General Partner makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or
- (c) the assets of the Cayman Master Manager have become subject to seizure or confiscation by any public or governmental authority.

Upon termination, the net assets of the Cayman Master Fund will be distributed to its unitholders on a *pro rata* basis in proportion to the number of the Master Units held by each unitholder. Immediately prior to the termination of the Cayman Master Fund, the Cayman Master General Partner will, to the extent possible, convert the assets of the Cayman Master Fund to cash and, after paying or making adequate provision for all of the Cayman Master Fund's liabilities, distribute the net assets of the Cayman Master Fund to its unitholders as soon as practicable after the termination date, and any unliquidated assets may be distributed *in specie* rather than in cash subject to compliance with any securities or other laws applicable to such distributions. The Cayman Master General Partner may, in its discretion and after consultation with the Cayman Master Manager, defer the termination date for up to 90 days if the Manager determines that it would be in the best interests of the unitholders of the Cayman Master Fund, provided the Cayman Master General Partner provides written notice of such deferral to the unitholders of the Cayman Master Fund at least 30 days prior to the termination date.

CALCULATION OF NET ASSET VALUE

Net Asset Value

The Manager will calculate the Net Asset Value and Net Asset Value per Unit in Canadian dollars on each Valuation Date in accordance with the following policies, as the same may be amended by the General Partner from time to time in its discretion after consulting with the Manager:

- (a) Cash and Cash Equivalents. Cash on hand, on deposit or on call will be valued at its cost amount.
- (b) Investment in Cayman Master Fund. The Partnership's investment in the Cayman Master Fund is held at fair value.

The Cayman Master Fund expects to account for Investments held directly, or indirectly through an SPE that it controls, at the unpaid principal balance plus accrued interest (amortized cost), less any expected credit losses. Investments held indirectly through an SPE that the Cayman Master Fund does not control, but has significant influence over, are expected to be accounted for at fair value. The Cayman Master Fund expects to account for Preferred Equity Investments at fair value when the Cayman Master Fund has significant influence over the investee, or through the equity method if it does not have significant influence over the investee. The equity method is applied by initially recognizing the investment at cost and adjusting thereafter for the post-acquisition change in the Cayman Master Fund's share of the investee's net assets.
- (c) Prepaid Expenses. Prepaid expenses will be valued at their amortized cost amount.
- (d) Other Property. The value of any other property will be the value determined by the Manager which most accurately reflects its fair value.
- (e) Liabilities. All expenses and liabilities will be recorded on an accrual basis at amortized cost.
- (f) Foreign Currency Conversion. The Partnership's functional currency is the U.S. dollar. The Partnership is using the Canadian dollar as its presentation currency. All assets and liabilities are translated using the exchange rate at the reporting date. Revenue and expenses are translated using the average rate for the period. Equity accounts are translated using the historical rate. Under IFRS, the translation differences from the Partnership's functional currency of U.S. dollars to the presentation currency of Canadian dollars are recorded in accumulated other comprehensive income (loss) on the audited statements. Such foreign exchange translation differences will be added to the Net Asset Value calculation.

For the avoidance of doubt, all references in this Offering Memorandum to Net Asset Value are intended to refer to the Net Asset Value determined in accordance with the foregoing solely for the purpose of determining the Net Asset Value and Net Asset Value per Unit, and not for financial reporting purposes. For the purpose of the financial statements of the Partnership, net asset value will be calculated in accordance with IFRS.

Net Asset Value per Unit

The Net Asset Value per Unit on a particular Valuation Date shall be the quotient obtained by dividing the Net Asset Value on such date by the total number of Units outstanding at the end of such date (for greater certainty, after giving effect to all issuances, purchases, redemptions and consolidations of Units occurring, or deemed to occur, on such date).

The Net Asset Value per Unit will be calculated by the Manager as at each Valuation Date. The most recently calculated Net Asset Value per Unit will be available to the public upon request and will be posted at www.trezcapital.com.

Reporting of Net Asset Value

The Net Asset Value per Unit of each Series of Units will be included in the quarterly report of the Partnership that will be available to the public upon request by contacting the Manager at is@trezcapital.com or by calling toll free 1-877-689-0821.

RELATED PARTY TRANSACTIONS

The Partnership will indirectly participate in the Investment Portfolio of the Cayman Master Fund through the Partnership's investment in Master Units. Investments held by the Cayman Master Fund in the Investment Portfolio may be purchased by the Cayman Master Fund from related entities of the Cayman Master Manager. All investments by the Cayman Master Fund, including those Investments acquired by the Cayman Master Fund from related entities of the Cayman Master Manager, will be subject to the review and approval by the Cayman Master Investment Committee. The Cayman Master Fund will invest in a manner that the Cayman Master Manager believes will allow the Cayman Master Fund to meet its investment objectives and comply with its investment restrictions.

The following table details purchase and sale transactions between the issuer and a related party that does not relate to real property (i.e., relate to Mortgages), since December 31, 2023 and up to December 31, 2024:

| Description of business or asset | Period of transfer | Legal name of seller | Legal name of buyer | Number of loans | Amount and form of consideration exchanged in connection with transfer |
|---|---------------------------|-----------------------------|----------------------------|------------------------|---|
| n/a | n/a | n/a | n/a | n/a | n/a |

DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

The General Partner

Trez Capital Yield U.S. (CAD) GP LLC, a limited liability company registered under the laws of the Cayman Islands and extra-provincially registered in British Columbia, acts as the general partner of the Partnership. An Affiliate of the Manager is the sole member of the General Partner. The General Partner was incorporated solely for the purpose of acting as the general partner of the Partnership, and does not carry on any other business or activity apart from those relating to its role as general partner of the Partnership. An Affiliate of the Manager is the sole member of the General Partner.

Subject only to the specific limitations contained in the Limited Partnership Agreement and the Partnership Act, the General Partner will have full, absolute, and exclusive discretion, power and authority to manage and control the business and affairs of the Partnership.

The General Partner is responsible for conducting the business and affairs of the Partnership, as more specifically provided for in the Limited Partnership Agreement. The General Partner is required to exercise its powers and discharge its duties under the Limited Partnership Agreement honestly, diligently, in good faith and in the best interest of the Partnership. Among other things, the General Partner is responsible for investing moneys forming part of the Partnership Property pursuant to the business objectives of the Partnership. Funds of the Partnership will not be commingled with the General Partner's funds, or with any other funds.

The Limited Partnership Agreement provides that the General Partner may, subject to the terms and conditions set out in the Limited Partnership Agreement, delegate certain of its responsibilities to, or otherwise retain the services of, third parties, including the Manager and its respective Affiliates. The General Partner has retained the Manager to provide management services to the Partnership, as described in greater detail below under the heading "Trez Capital Fund Management Limited Partnership (the Manager)".

The General Partner may resign upon 60 days' notice to the Manager, or may be removed by the Unitholders on 60 days' written notice by the Manager to the General Partner if the General Partner is in material breach or default of the provisions of the Limited Partnership Agreement that has a material adverse effect on the financial condition of the Partnership and such removal has been approved by Special Resolution. In addition, the General Partner will be deemed to have resigned in the event of the occurrence of any of the following: (i) if an order is made or a resolution is passed or other proceeding is taken for the winding up and dissolution of the General Partner; (ii) if the General Partner consents to or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency laws, or is declared bankrupt, or if a liquidator or trustee in bankruptcy, custodian or receiver or receiver and administrator or interim receiver or other officer with similar powers is appointed in respect of the General Partner; or (iii) if the General Partner ceases to be a resident of the Cayman Islands for tax purposes.

In the event of the removal, resignation or deemed resignation of the General Partner as described above, the Manager is entitled to nominate and appoint a successor general partner to fill such vacancy, provided that the appointment of such successor general partner must, within 60 days of such appointment, be approved by the Unitholders by Special Resolution. Any replacement general partner must be qualified to act as such under any applicable law, be formed in the Cayman Islands and be a resident of the Cayman Islands for tax purposes, and hold such licenses and registrations as may be necessary to perform its duties and obligations under the Limited Partnership Agreement.

The Partnership will reimburse the General Partner for any and all costs, expenses, and disbursements incurred by the General Partner in connection with the performance of its duties, responsibilities and obligations under the Limited Partnership Agreement. Apart from such reimbursements for costs, expenses and disbursements, the General Partner will receive no additional compensation for its services as a general partner or otherwise under the Limited Partnership Agreement. However, nothing in the Limited Partnership Agreement prevents the General Partner from receiving compensation for any additional services outside those outlined in the Limited Partnership Agreement, including services performed for or dealings with the Partnership in capacities other than as the general partner of the Partnership.

The General Partner does not have any directors or officers, and the activities of the General Partner are instead carried out through a sole manager. The name and municipality of residence of the sole manager of the General Partner, the office held by him and his principal occupation in the last five years is as follows:

| <u>Name and Municipality</u> | <u>Office</u> | <u>Principal Occupation</u> | <u>Year First Became a Manager</u> |
|--------------------------------|---------------|---|------------------------------------|
| Jarard Blake Cayman Islands | Sole Manager | Independent Governance Professional | 2024 |

Principal Occupation and Biography

Jarard Blake has over 20 years of experience in the alternative investment industry. He serves as an independent director on a wide range of alternative investment funds including hedge funds, funds of funds, segregated portfolio companies, private equity funds and related structures. Prior to joining the Maples Group, Mr. Blake most recently served as an Executive Director and Global Head of Banking Products at MUFG Investor Services.

He also served as the Head of Banking for MUFG Alternative Fund Services (Cayman) Limited where he led the banking, credit, and treasury teams. At various times he was also responsible for the business continuity planning and execution for the Cayman Islands office, oversight of the corporate administration team, and the business operations of the Cayman office. He served as a member of the senior management team and sat on various working groups and committees across the wider organisation.

Mr. Blake joined the predecessor firm, UBS Fund Services (Cayman) Ltd. in 2002. He has substantial experience in hedge fund and private equity administration, corporate banking, foreign exchange hedging and execution, treasury, and cash management. He has also served on multiple boards of directors for investment companies. Prior to joining UBS, Mr. Blake worked for KPMG in the Cayman Islands as an auditor of hedge funds, banks, and insurance companies. Mr. Blake holds a Bachelor of Arts degree in Administrative and Commercial Studies with a concentration

in Finance and Economics from the University of Western Ontario. In addition to this, he is a Chartered Professional Accountant, Accredited Director, and a member of the Cayman Islands Directors Association.

Compensation of Sole Manager

No compensation was paid to Mr. Blake in the 2024 Fiscal Year in respect of his engagement as sole manager of the General Partner. From January 1, 2025, the services of Jarard Blake as sole manager of the General Partner are being provided by Maples Fiduciary Services (Cayman) Limited ("**Maples Fiduciary**"), a regulated entity in the Cayman Islands which is ultimately owned by the equity partners of the Maples Group (which includes Maples and Calder (Cayman) LLP, the Cayman Master Fund's Cayman Islands legal counsel) pursuant to a manager services agreement with Maples Fiduciary. It is anticipated that the Partnership will pay Mr. Blake US\$15,000 in respect of his services as sole manager of the General Partner for the 2025 Fiscal Year. Mr. Blake also acts as a member of the board of managers of the Cayman Master General Partner and a member of the Cayman Master Investment Committee and is compensated by the Cayman Master Fund in such capacities, as described in the section entitled "The Cayman Master General Partner".

In addition to the fees paid to the sole manager of the General Partner described above, the Partnership pays (i) the Management Fees to the Manager as described in the section entitled "Directors, Management, Promoters and Principal Holders – Manager's Fees" and (ii) fees to the members of the Board of Governors, as described in the section entitled "The Board of Governors".

The Cayman Master General Partner

The Cayman Master General Partner is a limited liability company registered under the laws of the Cayman Islands. The Cayman Master General Partner was incorporated solely for the purpose of acting as the general partner of the Cayman Master Fund, and it does not carry on any other business or activity apart from those relating to its role as general partner of the Cayman Master Fund. An Affiliate of the Cayman Master Manager is the sole member of the Cayman Master General Partner.

The Cayman Master General Partner is responsible for conducting the business and affairs of the Cayman Master Fund, as more specifically provided for in the Cayman Master Limited Partnership Agreement. Among other things, the Cayman Master General Partner is responsible arranging for the investment of funds received by the Cayman Master Fund from the Feeder Funds in Investments, and for monitoring and maintaining the Investment Portfolio. The Cayman Master Limited Partnership Agreement provides that the Cayman Master General Partner may, subject to the terms and conditions set out in the Cayman Master Limited Partnership Agreement, delegate certain of its responsibilities to, or otherwise retain the services of, third parties, including the Cayman Master Manager and its respective Affiliates. The Cayman Master General Partner has retained the Cayman Master Manager to provide management services to the Cayman Master Fund, as described in greater detail below under the heading "Trez Capital Fund Management Limited Partnership (the Manager)".

The Cayman Master Limited Partnership Agreement provides that the Cayman Master General Partner may, subject to the terms and conditions set out in the Cayman Master Limited Partnership Agreement, delegate certain of its responsibilities to, or otherwise retain the services of, third parties, including the Cayman Master Manager and Mortgage Broker and their respective Affiliates. The Cayman Master General Partner has, on behalf of the Cayman Master Fund, retained the Mortgage Broker to provide investment advisory services to the Cayman Master Fund, as described in greater detail below. The Cayman Master General Partner has also retained the Cayman Master Manager to provide management services to the Cayman Master Fund.

The Cayman Master General Partner may resign upon 60 days' notice to the Cayman Master Manager, or may be removed by the Cayman Master Manager on 60 days' written notice by the Cayman Master Manager to the Cayman Master General Partner if the Cayman Master General Partner is in material breach or default of the provisions of the Cayman Master Limited Partnership Agreement that has a material adverse effect on the financial condition of the Cayman Master Limited Partnership Agreement and such removal has been approved by special resolution of the unitholders of the Master Fund.

In addition, the Cayman Master General Partner will be deemed to have resigned in the event of the occurrence of any of the following: (i) if an order is made or a resolution is passed or other proceeding is taken for the winding up and dissolution of the Cayman Master General Partner; (ii) if the Cayman Master General Partner consents to or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency laws, or is declared bankrupt, or if a liquidator or trustee in bankruptcy, custodian or receiver or receiver and administrator or interim receiver or other officer with similar powers is appointed in respect of the Cayman Master General Partner; (iii) if the Cayman Master General Partner ceases to be a resident of the Cayman Islands for tax purposes; or (iv) if the Cayman Master General Partner ceases to be qualified to act as general partner in accordance with any applicable law.

In the event of the removal, resignation or deemed resignation of the Cayman Master General Partner as described above, the Cayman Master Manager is entitled to nominate and appoint a replacement general partner to fill such vacancy, provided that the appointment of such replacement general partner must, within 60 days of such appointment, be approved by the holders of Master Units by special resolution. Any replacement Cayman Master General Partner must be qualified to act as such under any applicable law, be a resident in the Cayman Islands and agree to exercise the main powers and discretions of the Cayman Master General Partner in respect of the Cayman Master Limited Partnership Agreement in the Cayman Islands, and hold such licenses and registrations as may be necessary to perform its duties and obligations under the Cayman Master Limited Partnership Agreement.

The Cayman Master General Partner does not have any directors or officers, and the activities of the Cayman Master General Partner are instead carried out through a board of managers. The name and municipality of residence of each of the managers of the Cayman Master General Partner, the office held by them and principal occupation in the last five years are as follows:

| <u>Name and Municipality</u> | <u>Office</u> | <u>Principal Occupation</u> | <u>Year First Became a Manager</u> |
|--------------------------------|-----------------------------|-------------------------------------|------------------------------------|
| Conor O'Dea Cayman Islands | Member of Board of Managers | Independent Director | 2024 |
| Jarard Blake Cayman Islands | Member of Board of Managers | Independent Governance Professional | 2024 |

Principal Occupations and Biographies

Conor O'Dea is a Chartered Accountant, having worked with Deloitte in Ireland and KPMG in the Cayman Islands. Subsequently, he held Senior Executive leadership positions for over 20 years with Bank of N.T. Butterfield & Son Ltd, a NYSE listed bank headquartered in Bermuda and operating globally. Mr. O'Dea was a Director and Chairman of the Risk Committee of the Bank of N.T. Butterfield & Son Ltd from 2016-2021. Mr. O'Dea has extensive Caribbean and global financial services experience. He has been resident in the Cayman Islands since 1985 and has held various voluntary positions as Chairman of the Chamber of Commerce the Bankers Association. He is presently Chairman of Cayman Finance which is the leading association for the Financial Services Industry in Cayman. He also holds directorships of several private companies operating in the insurance and media industry.

For the biography of Jarard Blake, see "Directors, Management, Promoters and Principal Holders – The General Partner – Principal Occupation and Biography".

Cayman Master Investment Committee

The Cayman Master General Partner has established the Cayman Master Investment Committee to review and approve, on behalf of the Cayman Master Fund, potential Investments presented by the Mortgage Broker to the Cayman Master Fund from time to time as described in the section entitled "The Partnership and the Cayman Master Fund – Investment Process" above. The members of the Cayman Master Investment Committee are Jarard Blake and Conor O'Dea.

Compensation of Board of Managers and Cayman Master Investment Committee

The services of Jarard Blake as a member of the board of managers of the Cayman Master General Partner are being provided by Maples Fiduciary pursuant to a manager services agreement with Maples Fiduciary and the Cayman Master General Partner, among others. Mr. Blake's services as a member of the Master Investment Committee are provided by Maples Fiduciary pursuant to an investment committee services agreement.

In the 2024 fiscal year of the Cayman Master Fund, Mr. Blake was paid an aggregate amount of US\$26,506 in respect of his engagement as a manager of the Cayman Master General Partner and a member of the Cayman Master Investment Committee. During the 2025 fiscal year of the Cayman Master Fund, it is anticipated that the Cayman Master Fund will pay Mr. Blake US\$17,500 in respect of his engagement as a manager of the Cayman Master General Partner and US\$7,500 in respect of his engagement as a member of the Cayman Master Investment Committee.

In the 2024 fiscal year of the Cayman Master Fund, Mr. O'Dea was paid an aggregate of US\$55,556 in respect of his engagement as a manager of the Cayman Master General Partner and a member of the Cayman Master Investment Committee. During the 2025 fiscal year of the Cayman Master Fund, it is anticipated that the Cayman Master Fund will pay Mr. O'Dea US\$100,000 in respect of his engagement as a manager of the Cayman Master General Partner and a member of the Cayman Master Investment Committee.

Trez Capital Fund Management Limited Partnership (the Manager)

TCFMLP, a limited partnership formed under the laws of British Columbia on August 11, 2011, has been appointed as, and acts as, the Manager of the Partnership. In performing its services, the Manager will, at all times, pursuant to the terms and conditions of the Limited Partnership Agreement, be subject to the continuing and ultimate authority of the General Partner and the Unitholders. The head office of the Manager is located at 1700-745 Thurlow Street, Vancouver, British Columbia, V6E 0C5.

Duties and Services to be Provided by the Manager

The Manager employs a conservative and risk-averse approach to real estate-based investments. The Manager has taken the initiative in founding and organizing the Partnership and the General Partner and, accordingly, may be considered to be a "promoter" of the Partnership within the meaning of the securities legislation of certain provinces of Canada.

The Manager has coordinated the organization of the Partnership and, pursuant to the Management Services Agreement, will manage certain aspects of the ongoing business and administration of the Partnership delegated by the General Partner to the Manager. The services delegated by the General Partner to the Manager pursuant to the Limited Partnership Agreement and the Management Services Agreement include the provision of administrative services in respect of the Partnership's daily operations, the appointment of the registrar and transfer agent for the Partnership, the entering into of foreign currency exchange transactions (including advising with respect to and, at the request of the General Partner, entering into foreign currency exchange hedging transactions) on behalf of the Partnership, the determination of the amount available for distribution to holders of Units, and the distribution of the monthly distributions and Final Year-End Distribution to Unitholders, in each case in accordance with the Limited Partnership Agreement, the calculation of the Net Asset Value and Net Asset Value Per Unit on each Valuation Date in accordance with the Valuation Policy, the calculation of the Net Income of the Partnership for each Fiscal Year, the preparation of income tax returns, financial statements and other reports of the Partnership, and the distribution or provision of such reports or statements to Unitholders pursuant to the Limited Partnership Agreement or request of the General Partner, the provision of such services as may reasonably be required to ensure the Partnership complies with applicable securities legislation and other laws, including preparation and filing of any documents (including disclosure documents) required under applicable securities laws, to the extent approved by the General Partner, the solicitation of proxies in connection with any meetings of Unitholders, consultation with the General Partner on such matters as the General Partner may, pursuant to the Limited Partnership Agreement, be required to consult with the Manager on, the provision of advice to the Partnership in connection with any third-party financing or borrowing of money by the Partnership and the provision of such other management and administration services as may be reasonably required for the ongoing business and administration of the Partnership or as the General Partner may from time to time request, in each case subject to section 3.6(2) of the Limited Partnership Agreement. The Manager is

required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise the degree of care, diligence and skill that a reasonably prudent professional manager would exercise in comparable circumstances.

TCFMLP has also been appointed, and acts, as the Cayman Master Manager, pursuant to the Cayman Master Management Services Agreement. The services delegated by the Cayman Master General Partner to the Cayman Master Manager pursuant to Cayman Master Limited Partnership Agreement and the Cayman Master Management Services Agreement include advising the Cayman Master Fund in connection with any third-party financing or borrowing of money by the Cayman Master Fund (including retaining and instructing legal counsel on behalf of the Cayman Master Fund in connection with any such third-party financing or borrowing), approving the net asset value of the Cayman Master Fund determined by the administrator of the Cayman Master Fund, consulting with the Cayman Master General Partner on such matters as the Cayman Master General Partner may, pursuant to the Cayman Master Limited Partnership Agreement, be required to consult with the Manager on, soliciting proxies in connection with any meetings of holders of Master Units, to the extent approved by the General Partner, preparing (or cause to be prepared) such income tax returns, financial statements and other reports as the Cayman Master Fund may from time to time require, and distributing or provide (or cause to be distributed or provided) to holders of Master Units such statements and other information as the Cayman Master Manager may be required to distribute or provide pursuant to the Cayman Master Limited Partnership Agreement or as the Cayman Master General Partner may request and providing such other management and administration services as may be reasonably required for the ongoing business and administration of the Cayman Master Fund or as the Cayman Master General Partner may from time to time request.

Directors and Officers

The name and municipality of residence of each of the directors and senior officers of the general partner of TCFMLP, the office held by them and principal occupation in the last five years are as follows:

| Name and Municipality | Office | Principal Occupation | Year First Became a Director/Officer⁽¹⁾ |
|--|---|-----------------------------|---|
| John Maragliano, CPA, CA, CFA Vancouver, B.C. | Co-Chief Executive Officer, Chief Financial Officer, President and Director | Business Executive | 2021 |
| Morley Greene, B.A., LLB Vancouver, B.C. | Director | Business Executive | 1997 |
| Christian Skogen, B.A., MBA Vancouver, B.C. | Chief Investment Officer | Business Executive | 2021 |
| Keiju Yamasaki, BBA, MBA Vancouver, B.C. | Chief Credit Officer | Business Executive | 2025 |

Note:

(1) Refers to the date the individual first became a director or officer of Trez Capital Corporation, the predecessor of the Mortgage Broker.

Each director is appointed for a one-year term, with their term of office to expire at the next annual general meeting of the shareholders of the general partner of TCFMLP.

Principal Occupations and Biographies

John Maragliano is Co-Chief Executive Officer, Chief Financial Officer, President and director of the general partner of TCFMLP. Mr. Maragliano joined Trez Capital in February, 2021. Mr. Maragliano has over 25 years of experience in the financial services industry, with a focus on banking, insurance, wealth management, and fintech. His extensive

background includes financial and management reporting, treasury management, capital and liquidity management, M&A transactions, and capital raising. Prior to joining Trez, Mr. Maragliano was the Chief Financial Officer at SNAP Financial Group where he was responsible for financial relationships with bankers and investors, developing and managing SNAP's finance and capital strategies while overseeing financing/securitizations, accounting, and reporting functions. Previous to SNAP, Mr. Maragliano was the Executive Vice President and Group Chief Financial Officer at Butterfield Bank, a publicly owned bank with 1,200 employees, \$10 billion in assets and \$80 billion in off balance sheet assets under administration in six jurisdictions. Mr. Maragliano was the Chair of the Group Asset and Liability Management Committee, member of the Group Technology Committee, oversaw investor and rating agency relations as well as the global finance function. Mr. Maragliano is a Chartered Accountant (CPA, CA) and holds a Chartered Financial Analyst designation (CFA).

Morley Greene is a director of the general partner of the Manager. Prior to that, he had been Chairman and President of Trez Capital Corporation since May 30, 2009. Prior to that, he had been President and Chief Executive Officer of Trez Capital Corporation since August 1997. For approximately two years prior to establishing the Mortgage Broker, Mr. Greene acted as counsel to Samoth Capital Corporation (now called Sterling Centrecorp), a company listed on The Toronto Stock Exchange. From September 1991 to 1995, Mr. Greene was in private law practice.

Christian Skogen is Chief Investment Officer of the general partner of TCFMLP. Mr. Skogen joined Trez in February, 2021. Mr. Skogen has more than 20 years of diverse commercial lending experience, with in-depth knowledge in credit structuring, risk and portfolio management. He has spent 15 years at Bank of Montreal (BMO) in a variety of progressively senior commercial banking and credit risk management roles, including Head of Credit Structuring and Portfolio Management, Commercial Banking where he had credit risk oversight and defined the risk appetite for an \$80-billion commercial portfolio, including \$20 billion in commercial real estate. Other notable posts at BMO include: Head of Syndications, Head of Commercial Credit Western Canada, and National Director for Special Account Management Unit. Mr. Skogen holds an Honors B.A. in Economics from the University of Toronto, and an MBA from the Richard Ivey School of Business.

Keiju Yamasaki is Chief Credit Officer of the general partner of the Manager. Mr. Yamasaki joined Trez in July, 2021. Mr. Yamasaki has more than 16 years of commercial banking experience with a deep knowledge in complex credit structuring, portfolio and relationship management. Throughout his career, he has managed a wide variety of loan structures, including various real estate financing including construction, auto dealership, sponsorship finance, project financing, M&A and syndicated financing. Mr. Yamasaki began his career with Hongkong and Shanghai Banking Corporation (HSBC), managing increasingly complex commercial portfolios. Prior to joining Trez he was at a major Canadian bank in the Corporate Finance Group, focusing on managing and originating complex senior debt financing for larger diversified industries clients. Most recently, Mr. Yamasaki held the position of Managing Director and Team Lead, where he directly managed a team of portfolio managers and associates managing approximately \$4 billion in loan authorizations. Mr. Yamasaki holds an MBA in Consulting & Strategic Management from the Sauder School of Business at the University of British Columbia and a Bachelor of Business Administration (BBA) in Finance & International Business from Simon Fraser University.

Manager's Fees

Pursuant to the Limited Partnership Agreement and Management Services Agreement, the Manager is entitled to annual Management Fees and an Incentive Fee from the Partnership, as described in greater detail below.

Because TCFMLP is, pursuant to the Limited Partnership Agreement and the constating documents or other agreements of other Feeder Funds, already entitled to compensation for providing management and administration services to the Partnership and other Feeder Funds, the Cayman Master Manager is not entitled to any additional fees or remuneration for the services provided to Cayman Master Fund pursuant to the Cayman Master Management Services Agreement; however, the Cayman Master Manager is entitled to be reimbursed by the Cayman Master Fund for any fees, expenses, and costs incurred by the Cayman Master Manager on behalf of the Cayman Master Fund for which the Cayman Master Manager is eligible for reimbursement pursuant to the terms of the Cayman Master Limited Partnership Agreement. Any fees, expenses or costs incurred jointly for the account of the Cayman Master Fund and/or any other investment funds or trading accounts sponsored or managed by TCFMLP or any of its Affiliates will be allocated among the Cayman Master Fund and any such other funds or accounts in proportion to the size of the investment made by each fund or account in the activity or entity to which the expense relates, or in any other manner as the Cayman Master General Partner reasonably determines to be fair and equitable under the circumstances.

Management Fees

Pursuant to the Management Services Agreement and Limited Partnership Agreement, the following Management Fees are payable to the Manager in each Fiscal Year:

- (a) the Series A Management Fee, being an annual amount equal to 1.5% of the Series A Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year;
- (b) the Series F Management Fee, being an annual amount equal to 1.5% of the Series F Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year;
- (c) the Series I Management Fee, being an annual amount equal to the Series I Specified Percentage (as set out in the Subscription Agreements for the Series I Units) of the Series I Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year; and
- (d) if the Fund creates any New Series, the New Series Management Fee applicable to such New Series, being an annual amount equal to the applicable New Series Specified Percentage of such New Series Units' Proportionate Share of the Average Total Assets for the applicable Fiscal Year.

The Management Fees (plus applicable GST/HST) will be determined and payable to the Manager monthly in arrears. The Series A Management Fee for a particular month will be equal to the product obtained when (i) the Series A Units' Proportionate Share of the Average Total Assets for the month is multiplied by (ii) 0.125% (being one-twelfth of the annual Series A Management Fee of 1.5%). The Series F Management Fee for a particular month will be equal to the product obtained when (i) the Series F Units' Proportionate Share of the Average Total Assets for the month is multiplied by (ii) 0.125% (being one-twelfth of the annual Series F Management Fee of 1.5%). The Series I Management Fee for a particular month will be equal to the product obtained when (i) the Series I Units' Proportionate Share of the Average Total Assets for the month is multiplied by (ii) one-twelfth of the Series I Specified Percentage as set out in the applicable Series I Units' Subscription Agreements. Similarly, any New Series Management Fee for a particular month will be equal to the product obtained when (i) such New Units' Proportionate Share of the Average Total Assets for the month is multiplied by (ii) one-twelfth of the applicable New Series Specified Percentage. The Proportionate Share of each Series of the Average Total Assets for a month will be determined based on the number of Units outstanding at the end of the month.

The monthly Management Fees payable by the Partnership to the Manager (plus applicable GST/HST) will be deducted from the distributions otherwise payable to Unitholders of the applicable Series of Units. See "Distributions – Monthly and Final Year-End Distributions".

Incentive Fee

In addition to the Management Fees payable to the Manager, the Manager is entitled to an annual incentive fee (the "**Incentive Fee**") for each Fiscal Year of the Partnership equal to 10% of the Net Income of the Partnership for such Fiscal Year. The Incentive Fee entitlement will be determined annually.

Any Incentive Fee for a Fiscal Year which the Manager is entitled to receive will be paid (along with applicable GST/HST) by the Partnership to the Manager in arrears no later than March 31 of the immediately following year.

Policies and Procedures of the Manager

Pursuant to its internal policies and procedures, the Manager and its directors, officers and employees are required to devote as much of their time and attention to the business and affairs of the Partnership as they consider necessary and appropriate under the then prevailing circumstances.

TCFMLP is also required to ensure fairness in the allocation of investment opportunities among its investment entities. For such purpose, all investment entities that have investment objectives that are compatible with a particular investment opportunity are required, when practicable, to participate *pro rata* in that opportunity based upon, among

other things, the relative importance of the investment opportunity to the fulfillment of each investment entity's objectives and the relative amount of assets under management in each investment entity. An assessment of the relative importance of an investment opportunity to the fulfillment of an investment entity's objectives is dependent upon a number of factors including but not limited to alternative investment opportunities, present holdings of the same, or similar, investments, geographic and industry sector considerations and the liquidity of the investment entity.

For purposes of new investment opportunities, TCFMLP identifies those investment entities that have investment objectives that are compatible with the investment opportunity and ranks them in order of the relative importance that each investment entity places on such investment opportunity for the purpose of fulfilling its investment objectives. If such an investment opportunity meets more than one investment entity's objectives, it is considered first for the investment entity that places the highest level of importance on the investment opportunity. If two or more investment entities rank equally in terms of the importance they place on the investment opportunity, each investment entity generally will participate *pro rata* in the investment opportunity.

Expenses of the Partnership

The Partnership pays for all expenses incurred in connection with its operation and administration. It is expected that the operating expenses of the Partnership will include, without limitation: preparing, mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications including marketing and advertising expenses; fees payable to the General Partner; fees payable to accountants, the Auditors, legal advisors and any other professional consultants as required; ongoing regulatory fees, licensing fees and other fees; external bookkeeping fees and the costs associated with FundSERV; any costs associated with the hedging program; fees payable for banking charges, including set-up costs, service and other fees and interest expense on borrowings; interest charges and any fees and costs relating to syndication arrangements; any mortgage broker fees chargeable to the Partnership; any reasonable out-of-pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Partnership; any additional fees payable to the Manager for the performance of extraordinary services on behalf of the Partnership; any taxes payable by the Partnership or to which the Partnership is subject; interest expenses; expenses relating to portfolio transactions; any expenditures that may be incurred upon the termination of the Partnership; and fees payable to members of the Board of Governors. Such expenses also will include expenses of any action, suit or other proceeding in which or in relation to which the Manager is entitled to indemnity by the Partnership. The Partnership will also be responsible for any extraordinary expenses which it may incur from time to time.

The Partnership will be subject to an independent audit and report to the General Partner, and the Manager will provide full access to its books and records for such purpose.

Trez Capital Limited Partnership (the Mortgage Broker)

The Cayman Master Fund has retained the Mortgage Broker to present and recommend potential Investments to the Cayman Master Fund. The Mortgage Broker is a limited partnership formed under the laws of British Columbia, with its head office located at 1700-745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Mortgage Broker is the successor entity to Trez Capital Corporation, which has been in the business of originating, underwriting, servicing and syndicating mortgage loans secured by real property located in the United States since 1997.

The Mortgage Broker relies on Trez Texas and Trez New York to identify potential Investments that satisfy the criteria set by the Mortgage Broker from time to time. Trez Texas conducts its operations primarily in the states of Texas, Florida, Georgia, Arizona, Utah, Washington, the Carolinas, Colorado and Oregon. Trez New York focuses on bridge lending across the U.S. See "The Mortgage Broker's Operations" and "Mortgage Broker Regulation".

Cayman Master Mortgage Broker Agreement

The Mortgage Broker has entered into the Cayman Master Mortgage Broker Agreement with the Cayman Master Fund. Pursuant to the Cayman Master Mortgage Broker Agreement, the Mortgage Broker has agreed to identify, present and recommend to the Cayman Master Fund potential Investments that fall within the Cayman Master Fund's investment objectives. The Mortgage Broker has also agreed to provide to the Cayman Master Investment Committee materials prepared by the Mortgage Broker, and such additional materials as the Cayman Master Investment

Committee may reasonably request, in order to allow the Cayman Master Investment Committee to determine whether or not the Cayman Master Fund wishes to invest in a potential Investment opportunity presented to it.

In providing services to the Cayman Master Fund, the Mortgage Broker is required to exercise the same care, skill, prudence and diligence as it exercises under arrangement with other investment funds for whom it provides similar services. It must also exercise reasonable business judgment in accordance with applicable law.

The Mortgage Broker is permitted to co-invest (for the benefit of clients other than the Cayman Master Fund) in Investments that are also held by the Cayman Master Fund. Similarly, the Mortgage Broker will offer the Cayman Master Fund the opportunity to co-invest with its other clients. This provides the Cayman Master Fund with an increased opportunity to diversify its Investment Portfolio and thus reduce overall risk.

The Cayman Master Mortgage Broker Agreement provides that the Mortgage Broker will not have any liability to the Cayman Master Fund or limited partners of the Cayman Master Fund for taking any action or refraining from taking any action in good faith or for errors in judgment, unless caused by the willful misfeasance, dishonesty, bad faith or negligence of the Mortgage Broker.

The Mortgage Broker will continue as Mortgage Broker until the dissolution of the Cayman Master Fund or the happening of any of the following:

- (a) the Mortgage Broker may resign if the Cayman Master Fund or the Cayman Master Manager is in breach or default of the provisions of the Cayman Master Mortgage Broker Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days of notice of such breach or default to the Cayman Master Fund or the Cayman Master Manager, as applicable;
- (b) the Mortgage Broker becomes bankrupt or insolvent;
- (c) termination of the Cayman Master Mortgage Broker Agreement by the Cayman Master Fund in the event that the Mortgage Broker is in material breach or default of the provisions of the Cayman Master Mortgage Broker Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days of notice of such breach or default to the Mortgage Broker;
- (d) the Mortgage Broker no longer holds the licenses, registrations or other authorizations necessary to carry out its obligations hereunder and is unable to obtain them within a reasonable period after their loss;
- (e) the Mortgage Broker resigns as Mortgage Broker of the Cayman Master Fund and terminates the Cayman Master Mortgage Broker Agreement upon not less than 120 days written notice to the Cayman Master Fund; or
- (f) termination of the Cayman Master Mortgage Broker Agreement by mutual agreement of the parties.

The Mortgage Broker's Operations

Trez Capital Corporation, the predecessor to the Mortgage Broker, commenced operations in September 1997 in order to raise a pool of capital for investment in Mortgages, primarily in the commercial and multi-unit residential markets. Since inception, the Mortgage Broker and its predecessor have funded over 1,800 loans totalling over CAD \$20.5 billion. The Mortgage Broker currently is one of the largest non-bank providers of Mortgages in Canada with approximately CAD \$5.7 billion in assets under management, of which approximately CAD \$4.5 billion is invested in Mortgages.

The entities established by the Mortgage Broker are income trusts, mortgage investment corporations, limited partnerships, corporations and corporate management companies. The variety of investment vehicles provides investors with varying degrees of risk and potential return, as well as mechanisms to accommodate both residents and non-residents of Canada. Since 1997, the Mortgage Broker, and its predecessor, have taken the initiative in forming

50 investment funds. All of these offerings have been conducted pursuant to exemptions from applicable prospectus requirements, except TG Income Trust, TG Income Trust II and TG Income Trust III, which were offered by prospectus in the Provinces of British Columbia and Alberta, and Trez Capital Mortgage Investment Corporation and Trez Capital Senior Mortgage Investment Corporation, which were offered by prospectus throughout Canada, except Quebec. As a result of the worldwide credit crisis which occurred in 2008, two investment funds, Harvard High Yield Investments Inc. and Mickey II LLC, which are managed by affiliates of the Mortgage Broker and had invested in Mortgages in the United States, were unable to meet their obligations to holders of their debt instruments and entered into a compromise arrangement with such holders whereby they agreed to accept a significantly lesser amount in one instance and significantly reduced interest rate in the other.

Due Diligence Procedures and Risk Reduction

Due diligence procedures, undertaken prior to funding Investments, have resulted in an excellent track record of return of principal and interest to the investors. Since the inception of the Mortgage Broker and its predecessor, out of 1,800 Mortgages, or approximately CAD \$20.5 billion, funded by the Mortgage Broker and its predecessor, the realized losses on these Mortgages aggregate approximately 0.35%. The Mortgage Broker believes its core strategy of lending primarily on traditional commercial real estate (including multi-family), in major markets and with multiple-contingent exit strategies has proved successful. See "Risk Factors".

The Mortgage Broker reduces the risks associated with defaulting Investments through extensive initial due diligence and careful monitoring of Investment portfolios, active communication with borrowers and the institution of aggressive enforcement procedures on defaulting Investments. All properties are evaluated on the basis of location, quality, source of repayment, prospects for value-add, and cash flow profile. In addition, the creditworthiness of the borrower is reviewed, and personal covenants are often obtained from the principals of the borrower. See "The Cayman Master Fund – Investment Process".

The Mortgage Broker monitors the performance of the Investment Portfolio, including tracking the status of outstanding payments due and maturity dates, progress of construction projects, pay down requirements from sales and the calculation and assessment of other applicable charges. Each member of management of TCFMLP and the Mortgage Broker has extensive knowledge and understanding of the Mortgage and real estate industries that has enabled him or her to make prudent investment decisions and identify sound investment opportunities.

The Mortgage Broker intends to restrict investors' risk exposure by diversifying the Investment Portfolio geographically. The Mortgage Broker has identified that certain regions in the southeastern and southwestern U.S., and in parts of the western U.S., have much stronger local-level economies than in other parts of the country with a marked imbalance between the demand and supply sides of the real estate market in those areas, leading to a positive environment for real estate development. As a result, the Mortgage Broker expects that the majority of Investment opportunities presented to the Cayman Master Fund will be from those regions.

The Mortgage Broker also intends to restrict investors' risk exposure by diversifying the Investment Portfolio by borrowers.

The Mortgage Broker allocates participation in Mortgages based on the Mortgage Broker's assessment of the investor's risk tolerance and any investment restrictions placed upon an investor. To manage and diversify risk, the Mortgage Broker may syndicate a Mortgage Investment among one or more investors, including the Cayman Master Fund and Affiliated Funds or Joint Ventures. Mortgages can be syndicated at a lower interest rate in a more secure senior position. Syndication may be on a *pari passu* basis or on a basis where parties are subordinated to the Cayman Master Fund. In some instances, the Mortgage Broker may syndicate a Mortgage to different parties at different rates, but never on interest or priority terms more favourable than those offered to the Cayman Master Fund. Syndication of Mortgages is done to provide a dilution of risk of default of any one Mortgage among a number of entities and individuals. The syndication process also facilitates the ability to provide a more secure senior portion of a Mortgage to a lower risk entity, with progressively higher risk / higher return for junior portions to those with higher risk tolerances.

Mortgage Broker Regulation

Mortgage brokers in Canada are regulated by provincial mortgage brokers legislation. As the Cayman Master Fund is not, and will not be, registered under Canadian provincial mortgage brokers legislation, the Cayman Master Fund cannot engage directly in the business of lending money secured in whole or in part by Mortgages, and must therefore conduct its Mortgage Investment activities under contract with the Mortgage Broker. The Mortgage Broker, which performs mortgage broker services on behalf of the Cayman Master Fund pursuant to the Cayman Master Mortgage Broker Agreement, is currently registered under the *Mortgage Brokers Act* (British Columbia), the *Real Estate Act* (Alberta) and the *Mortgage Brokerages, Lenders and Administrators Act* (Ontario) in order to permit it to carry on the activities contemplated in the Cayman Master Mortgage Broker Agreement.

The registrar under provincial mortgage brokers legislation regulates the mortgage broker industry and has the power to grant or renew registration, revoke registration and investigate complaints made regarding the conduct of registered mortgage brokers. Under provincial mortgage brokers legislation, there are several requirements a mortgage broker must meet in order to obtain or maintain its registration. Generally, a mortgage broker's registration may be suspended or cancelled if it is party to a harsh or unconscionable transaction, or it has conducted its business in a manner that is contrary to the public interest.

The BC Financial Services Authority ("**BCFSA**") regulates the mortgage brokering and lending activities of mortgage investment entities ("**MIEs**") under the *Mortgage Brokers Act*. The BCFSA registrar and the *Mortgage Brokers Act* do not regulate the capital raising and investment marketing activities of MIEs which are subject to securities legislation and regulation. Further information can be found at BCFSA's website: <http://www.bcfesa.ca>.

The Mortgage Broker is not licensed as a mortgage broker or lender in the United States. There are no licensing requirements in Texas, Florida, or the other select U.S. regions in which the Mortgage Broker engages in the business of lending (except for banks and savings and loan institutions) for originating loans and lending funds in respect of commercial loans (a loan that is not for "personal, family or household purposes"), or the Mortgage Broker operates under an exemption in those limited regions with licensing requirements.

Directors and Senior Officers of the Mortgage Broker

The directors and certain senior officers of the general partner of the Mortgage Broker are the same as the directors and senior officers of the general partner of the Manager.

The Mortgage Broker's Operations from Trez Texas

In September 2010, the Mortgage Broker began making loans in the state of Texas. The Mortgage Broker's activities in connection with the Cayman Master Fund primarily in the state of Texas, Florida, Georgia, Arizona, Utah, Washington, Oregon and other select regions in the U.S. will be conducted through Trez Texas, of which an Affiliate of the Mortgage Broker is the majority limited partner. The Pacific Northwest region (Washington and Oregon) will be serviced through the Phoenix office which is a branch of Trez Texas. Trez Texas will source loans as it finds suitable opportunities for referral to, and approval by, the Mortgage Broker and will receive originating fees, commitment fees and renewal fees from borrowers. Trez Texas will only refer investment opportunities to the Cayman Master Fund for consideration where such investments fall within the objectives or investment policies of the Cayman Master Fund.

Officers of Trez Texas

The name and municipality of residence of each of the senior officers of the general partner of Trez Texas, the office held by them and principal occupation in the last five years are as follows:

| Name and Municipality | Office | Principal Occupation | Year First Became an Officer |
|--|--|-----------------------------|-------------------------------------|
| John D. Hutchinson, Coppell, Texas | Co-Chief Executive Officer and Vice President | Business Executive | 2012 |
| John Maragliano, CPA, CA, CFA Vancouver, B.C. | Co-Chief Executive Officer and Chief Financial Officer | Business Executive | 2024 |

Principal Occupations and Biographies

John D. Hutchinson is currently the Co-Chief Executive Officer and Vice President of the general partner of Trez Texas. Between January 1, 1996 and December 31, 2009, Mr. Hutchinson was President of the Dallas Division of The Ryland Group, Inc., a major developer, builder and marketer of residential housing in the United States. In January 1995, Mr. Hutchinson served as President of Perry Homes, Inc., a regional home builder with offices in Houston and San Antonio, Texas. Between 1993 and 1995, Mr. Hutchinson was Vice President and General Counsel of Hillwood Development, a Dallas, Texas based mixed-use real estate development firm controlled by the Perot family. Between 1978 and 1993, Mr. Hutchinson was engaged in the full-time practice of law in Dallas, Texas. Immediately prior to going into the real estate business in 1993, Mr. Hutchinson was a partner with the Dallas law firm of Hughes and Luce, LLP which subsequently merged into the national law firm of K&L Gates, LLP. During his nearly 14 years as President of Ryland's Dallas Division, Mr. Hutchinson was responsible for the operations of the division and oversaw the construction of more than 11,000 homes and the development of 4,000 residential lots. At various times, the Dallas Division had over 200 employees and produced revenues of over \$175,000,000 annually.

On March 1, 2005, Mr. Hutchinson consented to the entry of an order of permanent injunction in federal district court in Los Angeles, California. The order resulted from claims by the Securities and Exchange Commission that Mr. Hutchinson violated certain provisions of the federal securities laws in connection with his exercise of fully vested stock options granted to him under the employee stock option plan of The Ryland Group, Inc. Mr. Hutchinson consented to the entry of the injunction without admitting or denying any violations of law. Mr. Hutchinson continued to serve as Ryland's divisional president until December 31, 2009 when he resigned to pursue personal real estate investments.

For the biography of John Maragliano, see " Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)".

The Mortgage Broker's Operations from Trez New York

On October 6, 2021, the Mortgage Broker began making bridge loans (*i.e.*, lease-up and value-add) throughout the U.S. through a new partnership, Trez New York, in New York. The focus of Trez New York is to source bridge loan opportunities across the U.S. to provide the Mortgage Broker with additional opportunities in the bridge lending space. Trez New York will source bridge loans in the U.S. for referral to, and approval by, the Mortgage Broker and will receive originating fees, commitment fees and renewal fees from borrowers. The Mortgage Broker will only refer investment opportunities originated by Trez New York to the Cayman Master Fund for consideration where such investments fall within the objectives or investment policies of the Cayman Master Fund.

Officers of Trez New York

The name and municipality of residence of each of the senior officers of the general partner of Trez New York, the office held by them and principal occupation in the last five years are as follows:

| Name and Municipality | Office | Principal Occupation | Year First Became an Officer |
|--|---|-----------------------------|-------------------------------------|
| John D. Hutchinson, Coppell, Texas | Co-Chief Executive Officer | Business Executive | 2024 |
| John Maragliano, CPA, CA, CFA Vancouver, B.C. | Co-Chief Executive Officer and Chief Financial Officer | Business Executive | 2021 |

Principal Occupations and Biographies

For the biography of John D. Hutchinson, see "Directors, Management, Promoters and Principal Holders – Trez Capital Limited Partnership (the Mortgage Broker) – Officers of Trez Texas".

For the biography of John Maragliano, see "Directors, Management, Promoters and Principal Holders – Trez Capital Fund Management Limited Partnership (the Manager)".

Originators' and Mortgage Broker's Fees

The Mortgage Broker and the Originators will receive originating fees, commitment fees and renewal fees on investments they originate for the Cayman Master Fund. These fees will generally be paid by the borrowers, but in some instances may be deducted from interest payments otherwise payable by the borrowers to the Cayman Master Fund. The Mortgage servicing fees payable to the Mortgage Broker are commensurate with fees paid to other entities providing similar services as the Mortgage Broker and which have been negotiated at arm's length. In addition to such fees, the Mortgage Broker is entitled to retain any overnight float interest on all accounts maintained by the Mortgage Broker in connection with its originating and servicing of the Cayman Master Fund's investments. In some instances where the Cayman Master Fund agrees to participate in a loan which has a low brokerage fee, a portion of the brokerage fee may be deducted from interest payments otherwise payable to the Cayman Master Fund. In the case of Mortgages, or interests in Mortgages, which have been purchased by the Mortgage Broker from third parties either on its own behalf or on behalf of the Cayman Master Fund, such fees may also be deducted from interest payments otherwise payable to the Cayman Master Fund, or may be paid directly by the Cayman Master Fund as a result of the difference between the purchase price paid by the Mortgage Broker and the purchase price paid by the Cayman Master Fund. The brokerage fees charged to the Cayman Master Fund in such instances will vary depending on the size of the transaction and the amount of any fees otherwise payable to the Mortgage Broker.

Expenses of the Mortgage Broker will be borne by the Mortgage Broker, the Manager, or an Affiliate of the Mortgage Broker but such expenses will not be considered expenses of the Partnership.

The Board of Governors

The Limited Partnership Agreement provides for the appointment of a Board of Governors, consisting of at least four members, whose mandate is as described below. The role of the Board of Governors is generally advisory in nature, and it does not involve itself in the day-to-day management of the Partnership (see "Risk Factors – Very Limited Role of the Board of Governors").

The members of the Board of Governors are Steve Mathiesen (Chair), Andrew Huntley (Vice-Chair), Paulina Hiebert, Karen Keilty and Joshua Varghese. The members of the Board of Governors receive compensation from the Partnership. The members of the Board of Governors also constitute the board of governors of Bison Income Trust II, Trez Capital Yield Trust, Trez Capital Prime Trust, Trez Capital Yield Trust US and Trez Capital Yield Trust US

(Canadian \$). The fees paid to the members of the Board of Governors are paid in respect of their services to all of the foregoing trusts. Currently, the Chair of the Board of Governors and Chair of the Independent Review Committee receives a total of \$105,000 per annum, the Vice-Chair of the Board of Governors and Chair of the Credit Committee receives a total of \$85,000, the Chair of the Audit Committee receives \$80,000 and the other members of the Board of Governors receive \$55,000 per annum. The fees are allocated to the funds as a fixed minimum plus a percentage based on their respective total assets. The mandate of the Board of Governors in respect of the Partnership is to:

- (a) identify and establish procedures for resolving situations where there exists a conflict or potential conflict between the interests of the Manager and the Mortgage Broker on the one hand and the interests of the Unitholders on the other hand, and review any conflicts of interest referred to it by the Manager for review, and for both of these purposes an Independent Review Committee has been appointed;
- (b) approve every material contract of the Partnership referred to it by the Manager for review which may raise a conflict of interest, including any agreement between the Partnership and the General Partner or the Manager;
- (c) review compliance by the Partnership with its investment policies;
- (d) appoint Auditors and fix their remuneration, and meet with them at least annually;
- (e) review annual financial statements provided to Unitholders;
- (f) approve the giving of indemnities to the General Partner, the Manager or the Mortgage Broker or any of their Affiliates, or their respective directors, officers or employees; and
- (g) provide such other assistance to the General Partner as the General Partner or Unitholders may reasonably request from time to time.

A member of the Board of Governors must, among other things, be independent of both the Manager and the General Partner and their respective Affiliates and shall not be an employee of any of them. Any member of the Board of Governors who has any material interest in a material contract or transaction with the Partnership must disclose in writing to the other members of the Board of Governors and to the Manager the nature and extent of their interest and may not vote upon or sign any resolution dealing with such material contract or transaction.

Each member of the Board of Governors is appointed for a term of not less than one year and not more than three years and will hold office until their successor has been appointed or until their appointment has terminated or such person revokes their consent. The terms of office of members of the Board of Governors may be staggered. In the event of the death, removal, resignation, bankruptcy or other incapacity of a member of the Board of Governors, the Board of Governors will fill a vacancy on the Board of Governors as soon as practicable. A member of the Board of Governors whose term has expired, or will soon expire, may be reappointed by the members of the Board of Governors. A member of the Board of Governors may not be reappointed for a term or terms of office that, if served, would result in the member serving on the Independent Review Committee for longer than six years, unless the Manager agrees to the reappointment.

The nature and extent of the experience of the members of the Board of Governors and their principal occupations are as follows:

Steve Mathiesen was a corporate and securities lawyer for more than 30 years and is now a corporate director. Until 2011, he was a partner at the national law firm, McMillan LLP, focusing on mergers and acquisitions, financings, and corporate matters. He is currently on the board of several private and public companies. He holds an LL.B from the University of British Columbia, a BA in Economics and Commerce from Simon Fraser University, and the ICD. D designation from the Institute of Corporate Directors.

Andrew Huntley has spent the bulk of his 40-year career involved in commercial real estate finance. He retired from Alberta Investment Management Corporation (AIMCo) in 2015 as SVP Mortgage Investments having been responsible for a commercial mortgage portfolio in excess of \$3 billion. He has negotiated complex transactions in all sectors and throughout North America and Western Europe. Prior to AIMCo Mr. Huntley was a partner with the Toronto based Murray & Company. He has extensive community Board experience including Chairing the Board of Northlands in Edmonton. He holds a BSc. from the University of Alberta; an MBA from the Ivey School of Business at the University of Western Ontario and the ICD. D designation.

Paulina Hiebert is an experienced and strategic corporate director, with years of executive, financial and legal experience at several multinational public companies. She has an extensive experience with public income funds, corporate finance, corporate law, strategy, corporate governance, public and private capital markets, risk management, regulatory oversight, and international expansion.

Ms. Hiebert is currently the Vice Chair of the Board of Alberta Credit Union Deposit Guarantee Corporation (2016 – present), is a member of their Governance and Human Resources Committee (served as Chair from 2023 – 2025) and served as a member of their Audit Committee (2018 – 2022). She also serves on the Board of Trustees of Boston Pizza Royalties Income Fund (2019 - present) and serves as Chair of their Governance, Nominating and Compensation Committee. Ms. Hiebert has also been a member of the City of Edmonton Assessment Review Board since 2024.

Ms. Hiebert was previously the Vice President Legal and Corporate Secretary of The North West Company Inc. (2009 – 2017), Vice President Legal and Corporate Secretary for The Brick Group Income Fund, and Vice President and Chief Compliance Officer for Trans Global Insurance Companies (2002 - 2009). She began her legal career in 1994 with Milner Fenerty (now Dentons LLP) after holding senior finance positions in the banking, financial services, and venture capital industries. She left private practice in 1997 and joined ATB Financial as Associate Counsel, which position she held until 2002.

Ms. Hiebert holds a Bachelor of Commerce degree and Bachelor of Laws degree (with distinction) from the University of Saskatchewan and an MBA (with distinction) from the Richard Ivey School of Business at the University of Western Ontario. She is a member of the Law Society of Alberta.

Karen Keilty is a recognized financial expert and corporate director with over 30 years of experience in audit and advisory services. Prior to her retirement from Deloitte, she was the Leader and Director of Operations for Deloitte's audit practice in B.C. Ms. Keilty was the trusted advisor and lead audit partner for many leading Canadian and global private and public companies in a variety of industries including technology and telecom, construction, real estate development and consumer business.

Ms. Keilty is on the board of Providence Health Care and is a commissioner for the British Columbia Securities Commission. She has previously served on the BC Utilities Commission, as a member of the Audit Advisory Committee for the Public Guardian and Trustee of B.C and on the City of Vancouver's Auditor General Committee. She is also a past director and chair of the audit and compliance committees of Great Canadian Gaming Corp. Ms. Keilty is an FCPA, FCA, a U.S. CPA (Illinois) and an ICD.D.

Joshua Varghese brings deep global expertise in the real estate sector in both the public and private markets. Mr. Varghese is a corporate consultant providing advisory services to companies across sectors with a significant focus on private and public market real estate investments. Mr. Varghese co-founded his former company, Axia Real Assets, in 2021 in partnership with CI Financial and focused on private market real estate investments on behalf of global investors. He previously managed approximately \$5 billion in global REITs, including Canada's largest REIT fund, and was co-lead portfolio manager on a global diversified income mandate totalling approximately \$10 billion during his 15-year tenure at CI Global Asset Management.

Mr. Varghese's accolades as a portfolio manager include the Lipper Fund Awards, Fundata Awards and the Brendan Woods Award for Top Gun Investment Minds from 2018 to 2021. His experience spans across most real estate subsectors and global geographies, and he has been heavily involved in corporate structuring activities such as mergers and acquisitions (M&A), initial public offerings (IPOs), and privatizations. Mr. Varghese has worked closely with boards and executive management teams throughout his career, continuously advocating on behalf of investors and stakeholders.

Mr. Varghese is a Chartered Financial Analyst (CFA) and holds a Bachelor of International Business, Commerce, from Carleton University.

The Audit Committee

The Limited Partnership Agreement provides that the Board of Governors will appoint, from its members, an Audit Committee consisting of a minimum of three persons. The mandate of the Audit Committee is to appoint the Auditors, and to meet with them at least annually and review and recommend approval of financial statements sent to Unitholders. The members of the Audit Committee are Karen Keilty (Chair), Steve Mathiesen, Andrew Huntley, Paulina Hiebert, and Joshua Varghese.

The Independent Review Committee

The Limited Partnership Agreement provides that the Board of Governors will appoint from its members an Independent Review Committee consisting of at least three persons. The Independent Review Committee has been established to review situations where a reasonable person would consider the Manager, or an entity related to the Manager, to have an interest that may conflict with the Manager's ability to act in good faith and in the best interests of the Partnership. The members of the Independent Review Committee are Steve Mathiesen (Chair), Andrew Huntley, Paulina Hiebert, Karen Keilty and Joshua Varghese.

The Independent Review Committee will:

- (a) adopt a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions;
- (b) appoint its Chair, who will be responsible for managing the mandate, and responsibilities and functions, of the Independent Review Committee;
- (c) review and, if warranted, provide the required consent to any change the Manager proposes with respect to its written policies and procedures related to conflict of interest matters pertaining to the Partnership;
- (d) review and approve every conflict of interest matter referred to it by the Manager for review; and
- (e) perform any other function required by applicable securities legislation.

Members of the Independent Review Committee are not compensated separately for their participation on this committee. They are compensated as members of the Board of Governors. See "Directors, Management, Promoters and Principal Holders – The Board of Governors".

The Investment Review Committee

The Limited Partnership Agreement provides that the Board of Governors will appoint, from its members, an Investment Review Committee consisting of a minimum of two persons. The mandate of the Investment Review Committee is to meet with the Manager from time to time, on a not less than quarterly basis, to review the investments made by the Partnership in order to confirm that such investments comply with any investment restrictions of the Partnership. The members of the Investment Review Committee are Andrew Huntley (Chair), Steve Mathiesen, Paulina Hiebert, Karen Keilty and Joshua Varghese.

Promoters

TCFMLP (the Manager) and Trez Capital Limited Partnership (the Mortgage Broker) are the promoters of the Partnership by reason of their initiative in forming and establishing the Partnership and taking steps necessary for the public distribution of the Units. The directors and officers of the Manager and the Mortgage Broker are set out above. Affiliates and associates of the Manager and the Mortgage Broker may receive a portion of the Sales Fee. Neither the

Manager nor the Mortgage Broker will receive any benefits, directly or indirectly from the issuance of the Units other than as described in this Offering Memorandum.

PRINCIPAL HOLDERS OF THE PARTNERSHIP

1600949 Ontario Inc., a corporation formed under the laws of the Province of Ontario, became an insider of the Partnership on April 1, 2025, and as at April 29, 2025 held approximately 21 % of the issued and outstanding Units.

RMX Capital Corp, a corporation formed under the laws of the Province of Manitoba, became an insider of the Partnership on April 1, 2025, and as at April 29, 2025 held approximately 26.2 % of the issued and outstanding Units.

North America Construction (1993) Ltd., a corporation formed under the laws of the Province of Ontario, became an insider of the Partnership on April 1, 2025, and as at April 29, 2025 held approximately 28.2 % of the issued and outstanding Units.

CAPITAL STRUCTURE

Structure

The Partnership is a limited partnership formed under the laws of the Province of British Columbia. The following are the details of the outstanding securities of the Partnership as of April 1, 2024:

| Description of Security ⁽¹⁾ | Number Authorized to be Issued | Price per Security | Number Outstanding as of April 1, 2025 |
|--|--------------------------------|--------------------|--|
| Series A Units | Unlimited | \$10 | nil |
| Series F Units | Unlimited | \$10 | 145,300 |
| Series I Units | Unlimited | \$10 | 140,811 |
| Total | | | 286,110 |

⁽¹⁾ See "Securities Offered".

The following are the details of the outstanding securities of the Cayman Master Fund as of April 1, 2025:

| Description of Security ⁽¹⁾ | Number Authorized to be Issued | Price per Security | Number Outstanding as of April 1, 2025 |
|--|--------------------------------|--------------------|--|
| Master Units | Unlimited | \$10 | 5,659,320 |

⁽¹⁾ See "Summary of Cayman Master Limited Partnership Agreement".

Prior Sales and Redemptions

Pursuant to prior offerings, the following Units were sold by the Partnership for the 12-month period ending April 30, 2025:

| Description of Security | Number of Securities Issued | Price per Security | Total Funds Received |
|-------------------------|-----------------------------|--------------------|----------------------|
| Series A Units | nil | \$10.00 | \$nil |
| Series F Units | 145,300 | \$10.00 | \$1,453,000 |
| Series I Units | 140,811 | \$10.00 | \$1,408,110 |
| Total | 286,111 | | \$2,861,110 |

SECURITIES OFFERED

Units of the Partnership

Investments in the Partnership are represented by Units. Each Unit represents an undivided beneficial interest in the net assets of the Partnership. Under the Limited Partnership Agreement, Units may only be issued to investors that are residents of Canada and entitled to the benefits of the Canada-U.S. Tax Treaty (or, if the investor is a partnership, a "Canadian partnership" as defined in the Tax Act, all of the members of which are entitled to the benefits of the Canada-U.S. Tax Treaty).

The Partnership is authorized to issue an unlimited number of Units in Series, with each Series having such terms and conditions as the General Partner may determine (subject to the restrictions and limitations set out in the Limited Partnership Agreement). The Partnership is currently authorized to issue Series A Units, Series F Units and Series I Units.

Each Unit of a Series entitles the holder to the same rights and potential liabilities as a holder of any other Unit of such Series, and no Unitholder of a Series is entitled to any privilege, priority or preference in relation to any other Unitholders of such Series. Each Unitholder is entitled to one vote for each Unit held and, subject to an adjustment in a Unit's proportionate share as a result of the date of first issue of a Unit in the first Fiscal Year, is entitled to participate equally with respect to any and all distributions made by the Partnership in respect of such Series, including distributions of Net Income, if any. On termination, the Unitholders of record holding outstanding Units are entitled to receive all of the assets of the Partnership remaining after payment of all debts, liabilities and liquidation expenses of the Partnership. See "Summary of Limited Partnership Agreement – Termination of the Partnership".

The General Partner may create one or more new Series without Unitholder approval (each such Series, a "**New Series**"), provided same are within the investment objectives set out in the Limited Partnership Agreement. Before the issue of a new Series, the General Partner will append a new schedule to the Limited Partnership Agreement creating the new Series and the other terms and investment objectives relating thereto. Any New Series created by the General Partner shall:

- (a) shall be designated by a letter or letter and number;
- (b) shall specify the rights, privileges and restrictions attached to such New Series;
- (c) shall not have priority over any other Series, except to the extent permitted by the Limited Partnership Agreement;
- (d) may be limited to a maximum number of Units of such New Series; and
- (e) shall have a subscription price per Unit equal to the Subscription Price.

No Series may have priority over any other Series, provided that the allocations of Net Income and distributions for each Series may differ.

The Partnership may issue additional Units from time to time at the Subscription Price. Unitholders do not have any pre-emptive rights whereby additional Units proposed to be issued are first offered to existing Unitholders.

Description of the Units Offered

Three Series of Units of the Partnership are offered under this Offering Memorandum:

Series A Units are designed for investors who are not eligible to purchase Series F Units or Series I Units. Holders of Series A Units pay a Trailer Fee.

Series F Units are designed for investors who are enrolled in a dealer-sponsored fee-for-service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs.

Series I Units are generally only available to investors who make large investments in the Partnership. Holders of Series I Units are entitled to the Series I Preferred Distribution based on their negotiated management fee. See "Directors, Management, Promoters and Principal Holders – Manager's Fees – Management Fees". A negotiated service fee may be payable by investors to a dealer who sells Series I Units. The Manager does not pay any sales commission to a dealer who sells Series I Units.

To be eligible to purchase Series I Units, investors must enter into a Subscription Agreement with the Partnership which sets out, among other things, the Series I Specified Percentage applicable to the investor's Series I Units.

If an investor acquiring or holding Series I Units is not, or is no longer, eligible to hold Series I Units, the dealer must tell the General Partner to switch the investor's Units into Series A Units or Series F Units, or to redeem them. The General Partner also retains the right, at its sole discretion, to redeem or switch the Series I Units into Series A Units or Series F Units if the General Partner determines that the investor is not eligible to hold Series I Units.

Transfer of Units

Units are not transferable except by operation of law (such as death or bankruptcy of a Unitholder) or in circumstances where the General Partner (after consultation with the Manager) deems it appropriate to do so in its absolute discretion. As well, securities laws will restrict, and may prohibit, transfer of Units.

No permitted transfer of Units will be effective or recognized by the registrar and transfer agent of the Partnership unless and until a transfer form in the form prescribed in the Limited Partnership Agreement has been duly completed and signed by the transferring Unitholder and by the transferee and delivered to the registrar and transfer agent. The transferee, by executing the transfer form: (i) acknowledges that the transferee agrees to be bound by the terms of the Limited Partnership Agreement and is liable for all obligations of a Unitholder; (ii) makes certain representations and warranties that the transferee is not a "non-Canadian" for purposes of the Investment Canada Act and that the transferee will maintain such status during such time as Units are held by the transferee; and (iii) irrevocably ratifies and confirms the power of attorney given to the Manager pursuant to the transfer form. Pursuant to the provisions of the Limited Partnership Agreement, when the transferee has been registered as a Unitholder, the transferee will be subject to the obligations and entitled to the rights of a Unitholder thereunder.

Liquidity

There is no market through which the Units may be sold, nor is any such market expected to develop. Investors may find it difficult or impossible to sell their Units, and may be prohibited from transferring their Units as described above.

Instead, following the Redemption Restricted Period, Unitholders may exercise their right of Redemption – see "Securities Offered – Unitholder's Right to Redeem". There are no assurances, however, that funds will be available to permit the Manager to honour requests for Redemption. A Redemption notice for an amount exceeding the Net Asset Value per Unit of the Units to be redeemed may cause the Manager to delay redemption. In addition, if the Manager determines that the Net Asset Value is less than the aggregate Subscription Price of the outstanding Units, the Manager may, in its discretion, terminate the Partnership. See "Summary of Limited Partnership Agreement – Termination of the Partnership".

Consolidation and Subdivision

Units may be consolidated or subdivided by the General Partner at the direction of the Manager. As well, the Manager may issue and consolidate Units of different Series at different rates, or to the exclusion of other Series, in order to make adjustments for foreign exchange fluctuations.

Unitholder's Right to Redeem

The rights attached to the Units include a Redemption right, pursuant to which Unitholders or record may request to have all or a portion of their Units redeemed at price per Unit equal to the Subscription Price (the "**Redemption Price per Unit**"), subject to the limitations on redemption contained in the Limited Partnership Agreement and described below.

The Redemption right can only be exercised by a Unitholder of record with respect to Units in respect of which the Redemption Restriction Period has expired (other than Units issued pursuant to the DRIP) (each such Unit, a "**Redeemable Unit**"). Following the expiry of the applicable Redemption Restriction Period, and subject to the General Partner's ability to restrict and suspend Redemptions, each as described below, a Unitholder of record is entitled to request a Redemption of all or any portion of its Redeemable Units at a price per Unit equal to the Redemption Price.

A Unitholder of record wishing to exercise its Redemption right in respect of all or any portion of the Unitholder's Redeemable Units must complete and deliver to the Manager, at least three (3) months prior to the applicable Redemption Date, a written notice (a "**Redemption Request Notice**") specifying: (i) the number and Series of Units to be redeemed; and (ii) the Redemption Date on which the Unitholder wishes to have the specified Redeemable Units redeemed, which Redemption Request Notice may be delivered through the FundSERV network where the Units were purchased through that network. Unitholders wishing to have any of their Units redeemed can obtain the form of Redemption Request Notice from the Manager.

The delivery of a completed Redemption Request Notice to the Manager will constitute an irrevocable request by the Unitholder to have the Units specified in the Redemption Request Notice redeemed. Upon receipt of a Redemption Request Notice by the Manager, the Fund shall – subject to the General Partner's ability to restrict and suspend Redemptions, as described below – redeem the Units specified in the Redemption Request Notice, on the next Redemption Date that is at least three (3) months following the date such Redemption Request Notice is delivered to the Manager, for an amount per Unit equal to the Redemption Price per Unit. Units may only be redeemed on a Redemption Date, being March 31, June 30, September 30, and December 31. Payment will be made using the FundSERV network where Units were purchased through that network.

If a Unitholder holds Units with a total value less than \$1,000, a Redemption Request Notice will only be valid if it requests the redemption of all of the Units held by the Unitholder. Also, if a Redemption pursuant to a Redemption Request Notice results, or would result, in a Unitholder holding Units with a total value of less than \$1,000, the General Partner may, in its absolute discretion, redeem all such remaining Units without the consent of the Unitholder.

Suspension of Redemptions

The General Partner is not obligated to redeem any Units pursuant to a Redemption Request Notice if, in such calendar quarter, the aggregate number of Units in respect of which Redemption Request Notices were delivered to Manager exceeds 5% of the total outstanding Units at any time in such quarter. In addition, the General Partner, on advice of the Manager, may suspend the Redemption of Units or payment of Redemption proceeds as noted below.

The General Partner may from time to time suspend Redemptions when the Redemption Price per Unit exceeds the Net Asset Value per Unit.

The General Partner also may, on advice of the Manager, suspend the Redemption of Units or postpone the day of payment or right of Redemption, for a period of not more than 180 days, for or during any period during which the Manager determines that conditions exist which limit the ability of the Partnership to redeem Master Units held by

the Partnership (pursuant to the terms of the Master Fund Limited Partnership Agreement) or render impractical the sale of assets of the Partnership, or which impair the ability of the Manager to determine the value of the assets held by the Partnership. Any such suspension shall take effect at such time as the Manager specifies, and thereafter there shall be no Redemption of Units during the 180-day period until the Manager declares the suspension at an end.

The suspension may apply to all requests for Redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests will be advised by the Manager of the suspension and that their Redemptions will be effected at a price determined on the first Business Day following the termination of the suspension. All such Unitholders will have, and will be advised that they have, the right to withdraw their requests for Redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Partnership, any declaration of suspension made by the General Partner or Manager will be conclusive.

Redemption at the Discretion of the Manager

The Partnership may redeem Units of a Unitholder without the Unitholder's consent if: (i) the General Partner, upon the advice of the Manager, considers such redemption necessary to fund the payment of any amount which the Unitholder is subject to or liable to pay, including withholding taxes, penalties and any Management Fees and, in the case of Unitholders holding Series A Units, any Trailer Fees; (ii) the General Partner considers such redemption necessary to comply with applicable law; (iii) the Unitholder ceases to be a resident of Canada for purposes of the Tax Act or entitled to the benefits of the Canada-U.S. Tax Treaty (or, if the Unitholder is a partnership, the Unitholder ceases to be a "Canadian partnership" as defined in the Tax Act, all of the members of which are entitled to the benefits of the Canada-U.S. Tax Treaty); or (iv) the General Partner considers that such Unitholder's status as a limited partner of the Partnership will adversely affect the pecuniary value of the interest of the other Unitholders. Unitholders whose Units are so redeemed will be entitled to receive the Redemption Price per Unit determined as of the date of Redemption, less any amount required to be withheld therefrom under applicable law or permitted to be withheld therefrom in payment of a fee or charge to which the Unitholder is subject.

SUBSCRIPTION FOR UNITS

The Units in this Offering are conditionally offered to investors that are residents of Canada and entitled to the benefits of the Canada-U.S. Tax Treaty (or, if an investor is a partnership, a "Canadian partnership" as defined in the Tax Act, all of the members of which are entitled to the benefits of the Canada-U.S. Tax Treaty) if, as and when subscriptions are accepted by the Manager or the General Partner and subject to prior sale. There is no minimum or maximum offering. Subscriptions for Units will be received by the General Partner subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Every person who subscribes for Units will be required to complete and deliver to the General Partner a subscription in the form which can be found at www.trezcapital.com, together with payment of the subscription price in the manner therein described, along with a duly completed United States Internal Revenue Service form W-8BEN, W-8BEN-E and/or W-8IMY as described below under the heading "Subscription Procedure".

Subscriptions received will be subject to rejection or allotment by the General Partner in whole or in part in the General Partner's (after consulting with the Manager) sole discretion. The General Partner is not obliged to accept any subscription. If a subscription is not accepted, the General Partner or the Manager will promptly return to the subscriber the Subscription Agreement and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the subscriber or, if applicable, to the relevant registered dealer by the General Partner. The General Partner reserves the right to close the subscription books at any time without notice.

SUBJECT TO THE FOREGOING, ALL SUBSCRIPTION DOCUMENTS SHOULD BE REVIEWED BY PROSPECTIVE SUBSCRIBERS AND THEIR PROFESSIONAL ADVISERS PRIOR TO SUBSCRIBING FOR UNITS.

Subscription Procedure

Subscribers may subscribe for Units in this Offering by delivering the following documents to the General Partner at the address shown in the Subscription Agreement:

- (a) an executed Subscription Agreement (including a completed United States Internal Revenue Service form W-8BEN or W-8BEN-E, as applicable (or, if the investor is an intermediary, partnership or other flow-through entity, copies of completed form W-8IMY, accompanied by a completed form W-8BEN or W-8BEN-E, as applicable, from each beneficial owner), certifying that the investor (or, if the investor is an entity, the beneficial owner of the investor) is a resident of Canada and entitled to the benefits of the Canada-U.S. Tax Treaty); and
- (b) a cheque, bank draft, FundSERV settlement or wire transfer made payable to the Partnership in the amount of the subscription price for the Units.

The General Partner will hold subscription funds in trust for the subscriber until midnight Eastern Time on the second Business Day after the day on which it receives a signed Subscription Agreement. After that and following acceptance by the General Partner of the subscriber's subscription, the General Partner will hold the subscription funds in trust for the Partnership pending a Closing under this Offering.

The General Partner may collect, use and disclose individual personal information in accordance with the privacy policy of the Partnership and will obtain consent to such collection, use and disclosure from time to time as required by its policy and the law.

The General Partner anticipates that there will be multiple Closings. The General Partner may close any part of this Offering on any date as it may determine in its sole business judgment. The General Partner reserves the right to accept or reject in whole or in part any subscription for Units and the right to close the subscription books at any time without notice. Any monies for subscription that are not accepted will be promptly returned after it has been determined not to accept the investment. At a Closing of this Offering, the General Partner will provide direct subscribers with a confirmation of their subscription for Units, provided the Subscription Price has been paid in full. A subscriber who purchases Units through a registered dealer will receive a customer confirmation from the registered dealer from or through which the Units were purchased.

Subscribers should carefully review the terms of the Subscription Agreement for more detailed information concerning the rights and obligations of subscribers, the General Partner and the Partnership. Execution and delivery of a Subscription Agreement will bind subscribers to the terms thereof, whether executed by Subscribers or by an agent on their behalf. Subscribers should consult with their own professional advisors. See "Risk Factors".

Qualified Unitholders

The Manager, on behalf of the Partnership, is offering for sale an unlimited number of Units on a continuous basis in each of the Provinces of Canada and Territories by way of private placement.

The offering is being conducted in all the Provinces and Territories, pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3, 2.9 and 2.10 of National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**"); and section 73.3 of the *Securities Act* (Ontario).

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors purchasing as principal and who are "accredited investors" as defined in NI 45-106 and section 73.3 of the *Securities Act* (Ontario). Certain accredited investors will be required to sign a risk acknowledgement in the form attached as Appendix A to the Subscription Agreement.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors purchasing as principals where: (i) the trade in a security that has an aggregate acquisition cost to the investor of not less than CDN\$150,000, paid in cash at the time of acquisition; and (ii) the investor is not an individual.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions only to investors purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the form attached as Appendix A to the Subscription Agreement.

In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, an investor must qualify as an "eligible" investor to purchase more than \$10,000 of Units when relying on the Offering Memorandum exemption. In the provinces of Alberta, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan, investors relying on the Offering Memorandum exemption must complete the schedules in the Risk Acknowledgement Form attached to the Subscription Agreement. Depending on the circumstances of each investor in those provinces, certain investment limits will apply to all Units acquired under the Offering Memorandum exemption as follows:

- (a) in the case of a "non-eligible" investor that is an individual, the acquisition cost of all Units acquired by the purchaser under the Offering Memorandum exemption in the preceding 12 months cannot exceed \$10,000;
- (b) in the case of an "eligible" investor that is an individual, the acquisition cost of all Units acquired by the purchaser under the Offering Memorandum exemption in the preceding 12 months cannot exceed \$30,000;
- (c) in the case of an "eligible" investor that is an individual and that receives advice from a portfolio manager, investment dealer or exempt market dealer that the investment above \$30,000 is suitable, the acquisition cost of all Units acquired by the purchaser under the Offering Memorandum exemption in the preceding 12 months cannot exceed \$100,000.

The foregoing exemptions relieve the Partnership from the provisions of the applicable securities laws of each of the Provinces of Canada and the Northwest Territories, Yukon and Nunavut, which otherwise would require the Partnership to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The Manager is registered as an exempt market dealer in various provinces of Canada, which allows the Manager, on behalf of the Partnership, to offer the Units for sale directly to investors. The Partnership may also use qualified dealers or brokers to sell Units and may enter into non-exclusive agency agreements with such brokers or dealers in connection with such sales. Depending on provincial requirements, brokers or dealers used by the Partnership may be required to be registered as exempt market dealers pursuant to National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations of the Canadian Securities Administrators.

Acceptance of Subscriptions

Subscriptions received are subject to rejection or allotment in whole or in part by the General Partner on behalf of the Partnership, generally within 30 days of their receipt by the General Partner. The minimum subscription is 10,000 Units (\$100,000), **provided that the Partnership, may, in its discretion and on the advice of the Manager, accept subscriptions for lesser amounts.** The Partnership reserves the right to close the subscription books at any time without notice. Confirmation of the acceptance of a subscription will be forwarded by the Manager, on behalf of the Partnership, to the investor. The General Partner is not obligated to accept any subscriptions and will reject any subscription which the Manager considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the General Partner or Manager, as the case may be, will return to the investor promptly after making the decision to reject the subscription, the Subscription Agreement, any other documentation delivered by the investor, and the subscription funds comprising such subscription.

Subject to the contractual rights of action, and a two day right of withdrawal for certain investors provided for herein, and subject to applicable securities laws, the investor's subscription may not be withdrawn, cancelled, terminated or revoked by the investor for a period of 30 days from the date of receipt of the subscription by the General Partner, unless previously accepted by the General Partner.

Units will be issued to an investor if a Subscription Agreement substantially in the form prescribed by the General Partner from time to time is received by and accepted by the General Partner and if payment of the subscription price is made by cheque or bank draft. Units will be issued at a Subscription Price of \$10 per Unit, subject in all cases to the minimum investment levels described above. An investor who subscribes for Units by executing and delivering a Subscription Agreement will become a Unitholder after the General Partner accepts such subscription and the General Partner has received the Subscription Price per Unit for the Units subscribed for.

Additional Investments

The minimum additional subscription amount is \$10,000 or such other amount as may be otherwise required to comply with applicable securities laws or as may be prescribed by the Manager.

No Unit Certificates

Certificates evidencing ownership of the Units will not be issued to a Unitholder.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, tax counsel to the Partnership, the following is a fair summary of the principal Canadian federal income tax considerations associated with acquiring, holding and disposing of Units generally applicable to an investor who acquires Units under this Offering Memorandum as the beneficial owner and who, for the purposes of the Tax Act and at all relevant times: (a) is or is deemed to be resident in Canada, (b) deals at arm's length with the Partnership, the General Partner and the Manager, (c) is not affiliated with the Partnership, the General Partner or the Manager; and (d) holds the Units as capital property (a "**Holder**"). Generally, the Units will be considered to be capital property to an investor, provided that the investor does not use or hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired the Units in one or more transactions considered to be an adventure or concern in the nature of trade.

The following summary is not applicable to a Holder: (a) that is a "financial institution" (as defined in subsection 142.2(1) of the Tax Act for the purpose of the mark-to-market rules); (b) that is a "specified financial institution" (as defined in subsection 248(1) of the Tax Act); (c) an interest in which is a "tax shelter" (as defined in subsection 237.1(1) of the Tax Act) or a "tax shelter investment" (as defined in subsection 143.2(1) of the Tax Act); (d) that reports its "Canadian tax results" (as defined in subsection 261(1) of the Tax Act) in a currency other than Canadian currency; (e) who has entered into or will enter into, in respect of the Units, a "derivative forward agreement" or a "synthetic disposition arrangement" (each as defined in subsection 248(1) the Tax Act); (f) that is a partnership; (g) that is exempt from tax under Part I of the Tax Act; (h) that has, directly or indirectly, a "significant interest" (as defined in subsection 34.2(1) of the Tax Act) in the Partnership; or (i) if any affiliate of the Partnership or Cayman Master Fund is, or becomes as part of a series of transactions that includes the acquisition of the Units, a "foreign affiliate" (for purposes of the Tax Act) to such Holder or to any corporation that does not deal at arm's length with such Holder for purposes of the Tax Act. Such Holders should consult their own tax advisors to determine the tax consequences to them of an investment in Units.

The following summary assumes that: (a) the Units will not be listed or traded on a stock exchange or other public market for the purposes of the Tax Act, and that the Partnership will not be a "SIFT partnership" (as defined in the Tax Act); (b) no interest in any holder of Units will be a "tax shelter investment" (as defined in subsection 143.2(1) of the Tax Act); and (c) no more than 50% of the Units will be held by "financial institutions" (as defined in subsection 142.2(1) of the Tax Act). If any of the foregoing assumptions are incorrect, the tax consequences to a Holder may be materially, and adversely, different from those described below.

The following summary also assumes that the Holder will not acquire their Units with financing for which recourse is, or is deemed to be, limited for purposes of the Tax Act. The following summary does not address tax considerations to a Holder borrowing money to acquire Units. Holders who intend to borrow money to finance all or a portion of their investment in Units should consult their own tax advisors regarding the tax considerations associated with borrowing money to acquire Units.

The following summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("CRA") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and, subject to the discussion below regarding the 2024 Proposed Capital Gains Amendments, assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action or decision, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

The following summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular investor. Each investor should seek independent advice regarding the tax consequences of investing in Units, based on the investor's own particular circumstances.

Currency Conversion

The Partnership will, indirectly through its investment in Master Units, earn income on Mortgages and Portfolio Investments held by the Cayman Master Fund, which will be denominated in U.S. dollars. For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units (including the amount of any income or loss allocated to a Holder on their Units) that are denominated in a foreign currency must generally be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada for the date on which such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue. The Manager has advised counsel that in calculating a Unitholder's share of the income (or loss) of the Partnership for Canadian tax purposes, the Manager will make such foreign exchange conversions as are required. Depending on the underlying transactions to which they relate, foreign currency gains (or losses) of the Partnership may be treated as capital gains (losses) or as business income (losses).

Computation of Partnership Income or Loss

The Partnership will not itself be subject to tax on its income under the Tax Act. However, the Partnership will, for each fiscal year of the Partnership, be required to compute its income or loss under the Tax Act as if it were a separate person resident in Canada. The resultant income or loss of the Partnership for a fiscal year (including its share of income (or loss) from its investment in Master Units as discussed below, any income from Approved Interim Investments and any foreign currency exchange gains or losses) will then be allocated to the partners in accordance with the Limited Partnership Agreement, as discussed below.

The Partnership is expected to earn income primarily from its investment in Master Units of the Cayman Master Fund. For purposes of permitting the Partnership to calculate its income (or loss) from its investment in Master Units for Canadian tax purposes, the Cayman Master Fund will be required to compute its income (or loss) in accordance with Canadian tax rules, as described below. The Partnership will, in turn, be required to include in its income (or loss) for a fiscal year of the Partnership its share of the income (or loss) of the Cayman Master Fund, determined in accordance with Canadian tax rules, for the fiscal year of the Cayman Master Fund ending in, or concurrently with, the applicable fiscal year of the Partnership.

In computing its income (or loss) under Canadian tax rules, the Cayman Master Fund will be required to include any interest received or receivable by it in the year (depending on the method regularly followed by the Cayman Master Fund in computing its income) on Mortgages and other Portfolio Investments held by it, except to the extent that such interest was included in computing the Cayman Master Fund's income for a preceding year. The Cayman Master Fund will also be required to include in its income any dividends, if any, received from preferred equity investments.

In computing their respective income (or loss) under Canadian tax rules, the Partnership and Cayman Master Fund, as applicable, will generally be entitled to deduct expenses incurred by them in the course of earning income, including Management Fees and Incentive Fees payable by the Partnership to the Manager, in accordance with and to the extent permitted under the Tax Act.

The income of the Partnership as determined for purposes of the Tax Act may differ from its income as determined for accounting purposes.

Allocation of Partnership Income or Loss

The income (or loss) of the Partnership for a given fiscal year, determined in accordance with Canadian tax rules as described above, will be allocated to Unitholders in accordance with the provisions of the Tax Act and the Limited Partnership Agreement.

In computing its income for a particular taxation year, a Holder will be required to include the Holder's share of the income (or loss) of the Partnership for the Partnership's fiscal year ending in, or concurrently with, the Holder's taxation year, whether or not that income is distributed to the Holder in the taxation year and regardless of whether or not the Units were held by the Holder throughout such year.

Under the provisions of the Tax Act, a partner's share of any income or loss of a partnership from a particular source in a particular place is generally treated as if it were income or loss of the partner from that particular source and place, with the result that the provisions of the Tax Act applicable to that type of income or loss will generally apply to the partner to the same extent as if the partner had earned that income (or realized that loss) directly. Accordingly, income allocated by the Cayman Master Fund to the Partnership in respect of its Master Units, and by the Partnership to a Holder, will generally be considered to have the same source and character for Canadian tax purposes as the underlying source and character of such income to the Cayman Master Fund. It is counsel's understanding that the Partnership intends to treat income (other than any dividends or capital gains) allocated to it on its Master Units as foreign-source business income for Canadian tax reporting purposes.

Partnership Losses and At-Risk Rules

Subject to the "at-risk rules" discussed below, a Holder's share of the non-capital losses, if any, of the Partnership for any fiscal year may be applied against the Holder's income from any other source to reduce net income for the relevant taxation year and, to the extent such loss exceeds other income for that year, carried back three years and forward twenty years against taxable income of such other years, in the circumstances and to the extent permitted under the Tax Act.

At-Risk Rules

Any losses of the Partnership from a business or property that are allocated to a Holder will only be deductible by the Holder to the extent such loss does not exceed the Holder's "at-risk amount" in respect of the Partnership at the end of the year.

In general terms, the "at-risk amount" of a Holder in respect of the Partnership at the end of a fiscal year of the Partnership will be equal to: (a) the adjusted cost base of the Holder's Units at that time; *plus* (b) the Holder's share of the income of the Partnership for the fiscal year; *minus* (c) the aggregate of (i) all amounts owing by the Holder (or any person not dealing at arm's length with the Holder) to the Partnership or to a person or partnership with whom the Partnership does not deal at arm's length, and (ii) subject to certain exceptions, any amount or benefit to which the Holder (or any person not dealing at arm's length with the Holder) is entitled to receive, where the amount or benefit is intended to protect the Holder from any loss the Holder may sustain by virtue of being a member of the Partnership or holding or disposing of Units.

Any Partnership loss that is not deductible by a Holder because of the application of the "at-risk rules" as described above will generally be treated as a "limited partnership loss" of the Holder for that year. Such "limited partnership losses" may be deducted by the Holder in any subsequent taxation year against any income for that year to the extent the Holder's "at-risk amount" at the end of the Partnership's fiscal year ending in or concurrently with that year exceeds the Holder's share of any loss of the Partnership for that fiscal year.

Partnership Distributions

A Holder will not be required to include in its income the amount of distributions received on the Holder's Units. Instead, such distributions will generally reduce the Holder's adjusted cost base (as defined in the Tax Act) of the Units, at the time such distribution is received.

Depending upon the quantum and timing of any Partnership income or losses allocated to a Holder and the amount and timing of distributions received by a Holder on their Units, it is possible that in certain circumstances the adjusted cost base of a Holder's Units could end up being negative, in which case the Holder may be deemed to realize a capital gain on the Holder's Units, as described below under the heading "Disposition of Units".

Offshore Investment Fund Property Rules

Section 94.1 of the Tax Act contains rules (referred to as the "offshore investment fund property" rules) relating to investments by taxpayers in certain non-resident entities ("**Non-Resident Entities**") that derive their value, directly or indirectly, from, among other things, indebtedness. Where the rules apply, a taxpayer may be required to include in income an imputed rate of return based on the taxpayer's "designated cost" of the investment in the Non-Resident Entity.

The Partnership will be investing in Master Units of the Cayman Master Fund, which is a partnership formed under the laws of the Cayman Islands. The Cayman Master Fund will, in turn, be investing in Mortgages and other Investments. Thus, the offshore investment fund property rules could potentially apply to a Holder's Units, subject to the discussion below.

The offshore investment fund property rules only apply to an investment, directly or indirectly, in a Non-Resident Entity where it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the investor acquiring, holding or having an investment in the Non-Resident Entity was to derive a benefit from portfolio investments in such a manner that the taxes on the income, profits or gains from such assets are significantly less than the tax that would otherwise have been applicable under Part I of the Tax Act if the income, profits or gains had been earned directly by the investor. The determination as to whether or not the foregoing condition is met must be made on an individual investor-by-investor basis. Consequently, no assurance can be given as to whether or not the offshore investment fund property rules will apply to a particular Holder, and Holders will need to consult their own tax advisors regarding the potential application of the offshore investment fund property rules to them in their own particular circumstances.

If the offshore investment fund property rules were to apply to a Holder in connection with an investment in Units, they would require the Holder to include in the Holder's income for a particular taxation year the amount, if any, by which (i) the total of the following amounts for each month in the year, namely, the (A) product obtained when the Holder's "designated cost" of the Units at the end of the month, is multiplied by (B) one-twelfth of the sum of (I) the prescribed rate for the period that includes that month, plus (II) 2%, exceeds (ii) the amount otherwise included in the Holder's income (other than any capital gain) for the year in respect of the Units without regard to the offshore investment fund property rules. For purposes of the foregoing, the "designated cost" of a Holder's Units will generally be equal to the cost of the Units to the Holder, along with certain other amounts, if any, made available to any person in circumstances where it may reasonably be considered that the main purpose for making such amounts available was to increase the value of the Holder's Units, and any amounts previously included in the Holder's income under the offshore investment fund property rules. As of the date of this Offering Memorandum, the prescribed rate for purposes of the offshore investment fund property rules is 4%.

Disposition of Units

The disposition (or deemed disposition) by a Holder of a Unit, whether on a redemption, purchase for cancellation or otherwise, will result in the realization of a capital gain (or capital loss) by such Holder in the amount, if any, by which the proceeds of disposition of the Unit, less any reasonable costs of disposition, exceed (or are exceeded by) the Holder's adjusted cost base of such Unit immediately prior to the time of disposition. Any such capital gain (or capital loss) will be subject to the rules described below under the heading "Taxation of Capital Gains and Capital Losses".

Subject to the general rules on averaging of cost base, the adjusted cost base ("**ACB**") of a Holder's Units of a particular Series at a particular time will generally be equal to: (i) the cost of the Units of that Series to the Holder, which will generally equal the amount paid by the Holder to acquire those Units (excluding any portion thereof financed with limited-recourse indebtedness); *plus* (ii) the share of the income of the Partnership allocated to the Holder in respect of those Units for fiscal years of the Partnership ending before that time; *minus* (iii) the share of losses of the Partnership allocated to the Holder in respect of those Units for fiscal years of the Partnership ending before that time (other than losses which cannot be deducted because they exceed the Holder's "at-risk" amount, as described above); and *minus* (iv) distributions (including pursuant to the DRIP) received from by the Holder on such Units before that time. For greater certainty, in calculating a Holder's cost of Units as described in clause (i), the cost of Units acquired by a Holder pursuant to the DRIP should generally be equal to the deemed subscription price of such Units under the DRIP.

The foregoing assumes that a Holder only holds one Series of Units at any given time. In the case of a partner holding more than one type of partnership interest, the CRA's administrative position is to treat all the different types of partnership interests that a partner may hold in a partnership as one identical capital property, including for purposes of determining the ACB of all such partnership interests. Holders holding more than one Series of Units at any time should consult their own tax advisors for advice with respect to the specific tax consequences to them of holding and disposing of more than one Series of Units.

If, at the end of a particular fiscal year of the Partnership, the ACB of a Unit to a Holder, calculated as described above, is negative (*i.e.*, less than nil), the Holder will, at that time, be deemed to have realized a capital gain from the disposition of the Unit equal to the absolute value of the amount by which the ACB of such Unit is negative. The amount of any such deemed gain will be added to the Holder's ACB of the Units immediately following the end of the fiscal year of the Partnership in which the deemed gain arises.

Upon a Holder disposing of all of its Units (other than pursuant to a deemed disposition as a result of the Holder's ACB of the Units becoming negative, as described above), the Holder will cease to be a partner of the Partnership. However, if following such a disposition the Holder is entitled to receive a distribution from the Partnership in respect of any period during which the Holder was still a partner of the Partnership, then the Holder will, for Canadian tax purposes, be deemed to dispose of such Units at the later of: (i) the end of the fiscal year of the Partnership in which the disposition occurred; and (ii) the date of the last distribution by the Partnership to which the Holder is entitled. The share of the income (or loss) of the Partnership for tax purposes for a particular fiscal year which is allocated to a Holder who has ceased to be a partner will generally be added (or deducted) in the computation of the ACB of the Holder's Units immediately prior to the time of such disposition.

Taxation of Capital Gains and Capital Losses

Generally, only the taxable portion (as described below) of any capital gain realized by a Holder on the disposition (or deemed disposition) of Units, or allocated by the Partnership to a Holder in respect of the Holder's Units, will be included in the Holder's income as a "**taxable capital gain**". Similarly, only a portion of any capital loss (an "**allowable capital loss**") realized by a Holder on the disposition (or deemed disposition) of Units, or allocated by the Partnership to a Holder in respect of the Holder's Units, may be deducted against taxable capital gains.

Under the applicable provisions of the Tax Act in force on the date of this Offering Memorandum, only one-half of any capital gain is required to be included in calculating a taxpayer's taxable capital gain, while only one-half of any capital loss is deductible as an allowable capital loss.

Under Proposed Amendments announced in the April 16, 2024 federal Budget and contained in a Notice of Ways and Means Motion released on September 23, 2024 (the "**2024 Proposed Capital Gains Amendments**"), the inclusion rate for capital gains and capital losses was proposed to be increased from one-half to two-thirds in respect of capital gains and capital losses realized on or after June 25, 2024. On March 21, 2025, the Prime Minister of Canada announced the cancellation of the 2024 Proposed Capital Gains Amendments. On March 23, 2025, Parliament was dissolved, pending the formation of a new Parliament following a federal election. The dissolution of Parliament terminated all incomplete government business, including the 2024 Proposed Capital Gains Amendments. Accordingly, this summary does not include a discussion of the 2024 Proposed Capital Gains Amendments. Holders

should consult their own tax advisors regarding the potential impact of any future changes to the capital gains inclusion rate to them in their particular circumstances.

A Holder will generally be entitled to deduct any allowable capital losses realized in a year against taxable capital gains realized by the Holder in the year. To the extent allowable capital losses realized in a year exceed the Holder's taxable capital gains in the year, the excess may generally be carried back three years or carried forward indefinitely and deducted against taxable capital gains realized in those years (subject to certain adjustments to reflect differences in the inclusion rate for different years), to the extent and in the circumstances specified in the Tax Act.

Special rules in the Tax Act may, in certain circumstances, apply to require a Holder who disposes of Units to a person who is exempt from tax under the Tax Act or who is a non-resident of Canada, or to certain partnerships or trusts in which any such person has a direct or indirect interest, to include an additional amount in the calculation of the taxable capital gain realized on such a disposition. Holders contemplating such a disposition should consult their own tax advisors in this regard.

Refundable Tax on Investment Income of Certain Corporations

A Holder that is a corporation that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout its taxation year or a "substantive CCPC" (as defined in the Tax Act) at any time in its taxation year will be subject to an additional tax under section 123.3 of the Tax Act (refundable in certain circumstances) in respect of its "aggregate investment income" (as defined in the Tax Act) for the year. "Aggregate investment income" includes income from a source that is property, as well as amounts in respect of net taxable capital gains (including taxable capital gains realized on a disposition of Units or allocated to a Holder by the Partnership).

As discussed above under the heading "Allocation of Partnership Income or Loss", under the Tax Act a partner's share of any income or loss of a partnership from a particular source in a particular place is generally treated as if it were income or loss of the partner from that particular source and place. As a result, income allocated by the Cayman Master Fund to the Partnership in respect of its Master Units, and by the Partnership to a Holder in respect of the Holder's Units, will generally be considered to have the same source and character for Canadian tax purposes as the underlying source and character of such income to the Cayman Master Fund. The Partnership intends to treat income (other than dividends) allocated to it by the Cayman Master Fund as foreign-source business income for Canadian tax reporting purposes. Foreign-source business income allocated by the Cayman Master Fund to the Partnership, and by the Partnership to a Holder that is a corporation, should not be included in the Holder's "aggregate investment income". Holders that are corporations should consult their own tax advisors.

The Partnership may also receive income from Approved Interim Investments, as well as realizing foreign exchange gains or losses from its hedging program. Any income from Approved Interim Investments allocated to a Holder that is a Canadian-controlled private corporation or a substantive CCPC will be included in the Holder's "aggregate investment income". The extent to which foreign exchange gains realized by the Partnership from its hedging program constitute foreign-source business income will depend on numerous factors, and will be determined by the Manager on an annual basis at the end of each fiscal year of the Partnership.

Alternative Minimum Tax

Holders that are individuals or trusts may be subject to an alternative minimum tax under special rules in the Tax Act, including as a result of capital gains realized on a disposition of Units or capital gains allocated by the Partnership to such Holders. Such Holders should consult their own tax advisors regarding the potential application of the alternative minimum tax rules to them in their particular circumstances, including with respect to Proposed Amendments to the alternative minimum tax rules.

Not Qualified Investment for Deferred Plans

The Units will not constitute a "qualified investment" under the Tax Act for Deferred Plans.

COMPENSATION PAID TO SELLERS AND FINDERS

Partnership Selling Commissions

The Partnership, the General Partner and the Manager do not charge a fee or commission when investors purchase Units of the Partnership.

Dealer Selling Commissions and Compensation

Authorized brokers, dealers or advisors selling Units may charge investors an upfront selling commission (estimated to be up to 5% of the Subscription Price) at the time of the purchase of Units, which may reduce the net amount of money invested by an investor in Units, and thus the number of Units issued by the Partnership to the investor.

The Partnership will pay an investor's authorized broker, dealer or advisor Trailer Fees as compensation for ongoing advice and service in respect of Series A Units. The Trailer Fees are accrued monthly and are paid monthly at the current annual rate of 1.00% of the Subscription Price per Unit of the Series A Units held by clients of the authorized broker, dealer or advisor. The Trailer Fee is calculated based on the Subscription Price of the Units for each calendar month. The Trailer Fee will not be paid if the applicable Series A Units are redeemed. Trailer Fees are calculated monthly and payable on the 10th Business Day of the following calendar month. The amount of the Trailer Fee will be allocated to, and deducted from distributions otherwise payable to, Series A Unitholders. The Partnership may, from time to time, pay the Trailer Fee more frequently than monthly, in which event the Trailer Fee will be pro-rated for the period to which it relates.

Investors who purchase Series I Units through a dealer pay their dealer a negotiated service fee, and a lower Series I Management Fee is paid by the Partnership to the Manager in respect of the Series I Units.

The following table outlines the dollar amount of Trailer Fees payable by the Partnership in relation to Series A Units, and commissions as incurred by the Manager in relation to capital raised for the Partnership in 2024:

| Trailer Fees | Commission incurred by the Manager with respect to capital raised⁽¹⁾ |
|---------------------|--|
| \$nil | \$nil |

⁽¹⁾ not payable by the Partnership

Dealer selling commissions and Trailer Fees payable by the Partnership may be modified or discontinued by the Manager at any time. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the Trailer Fee with brokers, dealers and advisors. Brokers, dealers or advisors qualifying for a Trailer Fee in respect of the Partnership for the first time must contact the Manager in writing to arrange the first payment. Payments thereafter are made automatically as long as the broker, dealer or advisor continues to qualify.

RISK FACTORS

The purchase of Units involves a number of risk factors. An investor should only invest in Units of the Partnership after careful consideration, with the investor's own advisors, as to the suitability of an investment in the Partnership in light of the Partnership's investment objective and the information set out in this Offering Memorandum. The Manager does not make any recommendation as to the suitability of the Partnership for investment by any person. All prospective Unitholders should consider an investment in the Partnership within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons. This Offering is not suitable for investors who cannot afford to assume moderate risks in connection with their investments. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following risk factors.

No Operating History

There is no operating history upon which to base an evaluation of the Partnership. The Partnership is in the early stages of its business and is subject to the risks associated with early-stage entities, including start up losses, uncertainty of revenues, markets and profitability, the potential need to raise additional funding, the evolving and unpredictable nature of its business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Partnership will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Partnership's business activities will be successful.

Return on Units Determined by Reference to Investment Portfolio

Unitholders' returns will largely be determined by the returns generated by the Investment Portfolio of the Cayman Master Fund. The return on the Units may decrease as well as increase. The Partnership makes no representation as to any return that a Unitholder will earn on the Units and there can be no assurance that information on the Mortgage Broker or the Investment Portfolio set out in this Offering Memorandum will be, in any respect, indicative of how they will perform (either in terms of profitability, volatility or low correlation with other investments) in the future.

Changes in Real Estate Values

The Cayman Master Fund's Investments will be indirect investments in Real Property or be secured by Real Property, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants/purchasers, competition from other available properties, fluctuations in market pricing and occupancy rates, operating expenses and other factors. The value of income-producing Real Property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Changes in market conditions may decrease the value of the Real Property secured and reduce the actual or projected cash flow from the Real Property, thereby affecting the ability of the borrower to service the debt and/or repay the loan. In particular, disruptions to the credit and financial markets worldwide and local economic disruptions in areas where the borrowers of the Mortgage loans are located may adversely affect the value of the Real Property on which the Mortgage loans are secured and the ability of the borrowers to repay the Mortgage loans and thereby negatively affect the Cayman Master Fund's business.

A substantial decline in value of the Real Property provided as security for a Mortgage may cause the value of the Real Property to be less than the outstanding principal amount of the Mortgage loan. Foreclosure by the Cayman Master Fund on any such Mortgage loan might not provide the Cayman Master Fund with proceeds sufficient to satisfy the outstanding principal amount of the Mortgage loan.

While independent appraisals are generally required before the Cayman Master Fund may make any Mortgage Investments, the appraised values provided, even where reported on an "as is" basis, are not necessarily reflective of the market value of the underlying Real Property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion of construction, rehabilitation, remediation or leasehold improvements on the Real Property providing security for the loan. There can be no assurance that these conditions will be satisfied and if, and to the extent they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the Real Property at the time the conditions are satisfied.

Technology and Information Security

The Partnership's business is subject to risks relating to its ability to safeguard its information systems, including the security and privacy of its information systems. The Partnership's business relies on the safety and integrity of the information systems of the Manager and its Affiliates, including the Cayman Master Fund. The Partnership relies on information technology to manage its business, including maintaining proprietary databases containing sensitive and confidential information about its investments and counterparties (which may include personally identifiable information and credit information) and for the electronic transfer of funds from time to time.

Unauthorized parties may attempt to gain access to the Partnership's systems or facilities through various means, including hacking into the Partnership's systems or facilities, fraud, trickery or other means of deceiving employees or contractors of the Manager of its Affiliates, including Cayman Master Fund. In particular, cybersecurity risks faced by businesses that use and depend on information technology systems have increased in recent years due to the proliferation of cyber-threats that target computers, information systems, software, data and networks. Cyber-threats include, among other things, unauthorized attempts to access, disable, modify or degrade information systems and networks, telecommunication failures, shut-downs, the introduction of computer viruses / worms, and other malicious codes such as "ransomware", and fraudulent "phishing" emails that seek to misappropriate data and information or install malware on users' computers.

A party that is able to circumvent the Partnership's security measures could misappropriate the Partnership's confidential information, cause interruption to the Partnership's operations, damage its computing infrastructure or otherwise damage its reputation. Specific potential effects relating to cyber-threats or cyber-terrorism include the theft or loss of data, unauthorized access to, and disclosure of, confidential information, service disruption, remediation costs, increased cybersecurity costs, lost revenue, litigation and reputational harm, all of which can materially affect the Partnership.

Although the Partnership maintains information security measures and continuously monitors security threats to its information technology systems and implements measures to manage these threats, there can be no assurance that the Partnership will be immune from these security risks and that risks can be fully mitigated due especially to the evolving nature of cybersecurity threats, the difficulty in anticipating such threats and the difficulty in immediately detecting all such threats and any breach of the Partnership's information security may have a material adverse impact on its business, operations, financial condition and cash flows. In addition, cyber incidents may also remain undetected for an extended period, which could exacerbate the consequences aforementioned. Overall, security breaches could expose the Partnership to a risk of loss or litigation and possible liability for damages. The Partnership may be required to make significant expenditures to protect against security breaches or to alleviate problems caused by any breaches.

Concentration and Composition of the Investment Portfolio

Given the concentration of the Cayman Master Fund's exposure to Mortgages and Real Property Investments, the Partnership will be more susceptible to adverse economic or regulatory occurrences affecting Real Property than an investment entity that holds a diversified portfolio of securities.

Investments in the Investment Portfolio are relatively illiquid. Such illiquidity will tend to limit the Cayman Master Fund's ability to vary the Investment Portfolio promptly in response to changing economic or investment conditions.

The investment objectives and investment restrictions of the Cayman Master Fund permit the assets of the Cayman Master Fund to be invested in a broad spectrum of Investments. Therefore, the composition of the Investment Portfolio of the Cayman Master Fund may vary widely from time to time, subject to the investment objectives of the Partnership and the investment restrictions of the Cayman Master Fund. The Investments will initially be concentrated by location of the properties, type of property, or other factors resulting in the Cayman Master Fund's Investments being less diversified than at other times. As a result, the returns generated by the Cayman Master Fund's Investment Portfolio may change as its composition changes.

The Partnership's Interest in the Cayman Master Fund

The Partnership will hold an indirect investment in Investments through the Cayman Master Fund under a feeder fund structure. The feeder fund structure may present certain risks to Unitholders relating to actions and events taken by other Feeder Funds of the Cayman Master Fund. For example, if another Feeder Fund is required to withdraw a significant amount of assets from the Cayman Master Fund, the remaining Feeder Funds may experience higher *pro rata* operating expenses, thereby producing lower returns.

The liquidity of the Partnership is dependent upon the Cayman Master Fund, including the ability of the Partnership to redeem its Master Units. If the Cayman Master Fund is unable to redeem, or defers the redemption of, Master Units,

the ability of the Partnership to redeem Units under the Redemption Right will be adversely impacted, and Unitholders may not be able to redeem their Units as requested.

The exercise of redemption rights by the Partnership or other Feeder Funds in respect of Master Units may require the Cayman Master Fund to liquidate Investments at an inopportune time, which may adversely affect the Cayman Master Fund's, and consequently the Partnership's, performance.

No Market

There is no market for the Units and a market for the Units is not expected to develop. Units will not be transferable, except by operation of law (such as the death or bankruptcy of a Unitholder) or in circumstances where the General Partner deems it appropriate to do so in its absolute discretion. As well, securities laws will restrict, and may prohibit, transfer of Units. See "Resale Restrictions".

Investments Not Guaranteed or Insured

There can be no assurance that the Investments will result in a guaranteed rate of return or any return to Unitholders or that losses will not be suffered on one or more Investments. Moreover, at any point in time, the interest rates being charged for Mortgages and returns projected from Real Property are reflective of the general level of interest rates and, as interest rates fluctuate, it is expected that the aggregate yield on Mortgage Investments and value of Real Property will also change.

A Mortgage borrower's obligations to the Cayman Master Fund or any other person are not guaranteed by the Government of Canada, the government of any province or any agency thereof nor are they insured under the *National Housing Act* (Canada). In the event that additional security is given by the borrower or a third-party or that a private guarantor guarantees the Mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be sufficient to make the Cayman Master Fund whole if and when resort is to be had thereto. Further, Units are not "deposits" within the meaning of the *Canadian Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

Lack of Liquidity

An impairment of liquidity within the financial markets, such as the extraordinary credit crisis which commenced in 2008 or the COVID-19 health pandemic which began in 2019, could affect the ability of the Cayman Master Fund's borrowers to refinance and pay out Mortgages when due. Various real estate markets in the United States are still affected by the credit crisis. If a similar crisis were experienced, the Manager expects an impairment of liquidity will occur within the financial markets and this lack of liquidity may require that the Partnership suspend the Redemption of its Units.

Loan Syndication Risks

Each loan syndication arrangement will have its own specific terms and conditions, which may be different from those or any other syndication arrangement. Such terms and conditions can include the following, which may create additional risk to the Partnership:

- The terms of the syndication may require the Cayman Master Fund to repurchase its proportionate share of the senior participant position when there is a default on the underlying Mortgage, resulting in the Cayman Master Fund taking a larger position in the Mortgage in a situation of default. If another junior participant does not satisfy its obligations with respect to its proportionate share of any such repurchase obligations or indemnities, the Cayman Master Fund could suffer an unexpected loss in certain situations.
- The Manager may be required to seek the advice of the senior participant on a material decision in the event of default, which may result in the Manager taking a different course of action with enforcement than it may have had if there were no third-party participants in the Mortgage (although in such instances, the Partnership and other investors in such Mortgage generally have the ability to repurchase the senior position to enable the Manager to take full control in such decision making).

- There may be specific performance covenants required by the syndication senior portion that, if not met, may require the holders of the junior portion to purchase the senior portion.
- A default by the Cayman Master Fund and/or other investors in a Mortgage could potentially result in the Cayman Master Fund losing its entire Mortgage to the senior lender.
- The Cayman Master Fund (or other junior participants that invest alongside the Cayman Master Fund in a junior position) may not fulfill or be capable of fulfilling its repurchase obligations under a Repo structure, which could result in an unexpected loss to the Cayman Master Fund in certain situations.

The above list of potential risks involved in the participation in loan syndications is not intended to be, nor should it be construed as, exhaustive, and potential investors should be aware that there may be other risks in addition to the foregoing.

Pooled Loan Facilities Risks

There are also additional risks associated with Pooled Loan Facilities, which include:

- If a loan included in a Pooled Loan Facility goes into default, it will be required to be removed from the Pooled Loan Facility which will result in the Cayman Master Fund having to repurchase its proportionate share of the loan, resulting in the Partnership having a larger indirect position in such loan.
- There may be mark-to-market provisions that could result in margin calls for credit issues at the loan level or provide for cash sweeps to the financing partner until the collateral levels are rebalanced to contractually agreed upon terms.
- Pooled Loan Facilities will generally have cross-default / cross-collateralization provisions on all loans within the Pooled Loan Facility and may also have cross-default provisions against other financing facilities. Furthermore, the Partnership may only be invested, indirectly through its investment in Master Units, in one or some of the Mortgages within a Pooled Loan Facility. Each junior participant in an individual loan within a Pooled Loan Facility will be obligated for their specific loans and will provide indemnities to the other participants related to their specific loans; however, there can be no assurance that the junior participants will meet their obligations relating to their specific loans or that the indemnities will be recovered, which could result in an unexpected loss to the Partnership.
- There can be partial recourse and/or guaranty provisions under the Pooled Loan Facilities which provide for a single guarantor (which may include the Cayman Master Fund or Affiliated Funds) with the other participants indemnifying the main guarantor for their pro rata share of the guarantee. Third-party financiers under Repo arrangements benefit from several bankruptcy code safe harbor protections which allow Repo providers to liquidate, terminate and accelerate the loans in accordance with the Repo agreements without having to go through the bankruptcy process and without having to seek approval of the bankruptcy court.

Mezzanine Loan Risks

Mezzanine Loans are subordinated financings and the borrower's ability to repay is subject to the financial performance of the underlying Real Property or the borrower's creditworthiness. Mezzanine Loans are generally non-recourse loans which limits the recoverability in the event of default.

Preferred Equity Investment Risks

Preferred Equity Investments are subordinate to indebtedness (including Mezzanine Loans) and, as such, are significantly riskier investments than Mortgages or Mezzanine Loans. Preferred Equity Investments generally earn a fixed return but do not have security in the underlying Real Property. Instead, Preferred Equity Investments, upon certain specified default events, have the right to effect a change of control of the ownership of the underlying Real Property, subject to any similar rights of lenders in respect of such Real Property that rank ahead of the rights of the Preferred Equity Investment. Given the limited rights associated with Preferred Equity Investments, there is a greater risk that a loss could occur on these investments than investments in Mortgages or Mezzanine Loans.

Subordinate and Non-Conventional Financing

The Partnership's return on investment depends on the Cayman Master Fund. The Cayman Master Fund intends to borrow funds and secure such borrowings by Investments and, at the same time, participate in junior (subordinated) positions in Mortgages, either through loan-by-loan syndication arrangements or through Pooled Loan Facilities. This increases the risk of loss on the Partnership's investment in the Cayman Master Fund, as the Cayman Master Fund's portfolio of Mortgages serves as security to third-party lenders under a credit facility while, at the same time, the Cayman Master Fund participates in subordinate positions in Mortgages held within the Cayman Master Fund. Pooled Loan Facilities more specifically have increased risk due to potential repurchase requirements, cross-default and cross-collateralization provisions and mark-to-market provisions. Furthermore, such borrowed funds may be shown as a net amount (i.e. the net investment in the Mortgage by the Cayman Master Fund) in the financial statements in accordance with accounting criteria under IFRS. See "The Partnership and Cayman Master Fund – Loan Syndication."

Subordinate financing (such as a second ranking Mortgage Investment), which will be carried on by the Cayman Master Fund, is generally considered a higher risk than first ranking financing. As such, Mortgages will be secured by a charge, which may be in a first, but at times subsequent, ranking position upon or in the underlying Real Property. When a charge on Real Property is in a position other than first ranking, it is possible for the holder of a prior charge on the Real Property, if the borrower is in default under the terms of its obligations to such holder, to take a number of actions against the borrower and ultimately against the Real Property in order to realize the security given for his loan. Such actions may include a foreclosure action, or an action forcing the Real Property to be sold. A foreclosure action may have the ultimate effect of depriving any person having other than a first ranking charge on the Real Property of the security of the Real Property. If an action is taken to sell the Real Property and sufficient proceeds are not realized from such sale to pay off all creditors who have prior charges on the Real Property, the holder of a subsequent charge may lose his investment or part thereof to the extent of such deficiency unless he can otherwise recover such deficiency from other property owned by the debtor.

As well, the Cayman Master Fund will take a junior position in a first Mortgage. See "The Partnership and Cayman Master Fund – Loan Syndication". The senior portion in the Mortgage will be given priority for payment in return for receiving less interest than the stipulated rate of the Mortgage thereby increasing the risk to the junior position for potential full recovery of its interest and principal in the event of default. Additionally, if a foreclosure action is taken to sell the Real Property and sufficient proceeds are not realized from such sale to pay off all creditors who have a first ranking charge on the Real Property, the holder of a junior charge may lose his investment or part thereof to the extent of such deficiency unless he can otherwise recover such deficiency from other property owned by the debtor.

The Cayman Master Fund may make investments in Mortgages where the aggregate of all Mortgages registered against the underlying real property exceeds 75% of the value of the Real Property which is mortgaged, which exceeds the investment limit for conventional bank Mortgage lending.

Degree of Leverage

The Partnership's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Partnership's ability to obtain additional financing in the future for working capital, capital expenditures, or other general purposes, making the Partnership more vulnerable to a downturn in business or the economy in general.

Sensitivity to Interest Rates

It is anticipated that the value of the Units and the value of the Investment Portfolio of the Cayman Master Fund at any given time may be affected by the level of interest rates prevailing at such time. The Cayman Master Fund's income will consist primarily of interest payments on the Mortgages comprising the Investment Portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of the Cayman Master Fund's Investments are based), the Cayman Master Fund may find it difficult to originate additional Investments bearing rates sufficient to achieve the targeted payment of distributions on the Units at the rates previously achieved by the Cayman Master Fund. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect the Partnership's ability to maintain distributions on the Units at a consistent level. As well, if interest rates increase, it generally becomes more expensive to borrow money, which can reduce

demand for real estate. As a result, property values may decline and adversely affect the value of the Investments. Higher interest rates may also have a negative impact on overall liquidity in financial markets.

Fluctuations in Capitalization Rates

As interest rates fluctuate in the lending market, generally so too do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, capitalization rates may rise. Over the period of investment or development, gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Fluctuations in Foreign Exchange Rates and Hedging

An investment in Units (including the Redemption Price) will be denominated in Canadian dollars, whereas the Partnership's Master Units, and Investments in the Investment Portfolio of the Cayman Master Fund, will be denominated in U.S. dollars. Changes in the exchange rate between the Canadian dollar and U.S. dollar could impact a Unitholder's return on investment in Canadian dollars.

The Partnership intends to enter into foreign currency hedging transactions to mitigate such foreign currency exchange risks, however there can be no assurance that such hedging transactions will eliminate or reduce such foreign currency exchange risks. In addition, the Partnership will incur costs associated with any such foreign currency exchange hedging transactions, which will be allocated to all Series.

Severe Weather Conditions and Natural Disasters

The occurrence of unpredictable and severe weather conditions may have adverse impacts on the Cayman Master Fund's Investments and financial condition. Severe weather conditions and natural disasters may negatively impact, among other things, land values, rates of default, capitalization rates, foreclosure rates and insurance costs and may require rehabilitation costs for damaged properties or cause delays in the completion of projects that may directly or indirectly be part of the Cayman Master Fund's Investment Portfolio.

Cross-Border Risk

All of the Cayman Master Fund's Investments will be made in the U.S. The Cayman Master Fund may face cross-border risks, including risks relating to political policy changes, staffing and managing cross-border Investments, tariffs and other trade barriers, differing and potentially adverse tax implications, increased and conflicting regulatory compliance, and challenges caused by distance and cultural difference. On March 4, 2025, the U.S. government announced the introduction of tariffs of 25% on certain goods from Canada and Mexico, and 10% tariffs on certain goods from China and oil & gas from Canada sold in the U.S. In response, Canada and China have announced the introduction of corresponding retaliatory tariffs, and Mexico has indicated that it intends to impose retaliatory tariffs. The U.S. government has threatened to increase or expand the scope of the imposed duties in response to retaliatory action taken by Canada, Mexico and China. The tariffs apply to certain building products, among many other products. The potential impacts of these tariffs are uncertain and may have an adverse effect on the overall economies of the U.S. and Canada, real property values and our borrowers' ability to complete projects within expected timelines and budgets, which could adversely impact the Investments and returns of the Cayman Master Fund.

Loan Syndication – Income (Loss) Allocations

The Cayman Master Fund may enter into loan syndication transactions with Affiliated Funds as well as with third-party financiers. These arrangements may provide for pooling and/or different timing of contributions. As such, this can result in a mismatch of income (loss) or taxable income (loss) allocations, such that the Cayman Master Fund could receive a lesser or greater amount of income (loss)/taxable income (loss) than it would have received had it maintained sole ownership of the Mortgage and not participated in the loan syndication arrangement.

Risks Related to Mortgage Extensions and Mortgage Defaults

The Mortgage Broker may from time to time deem it appropriate to extend or renew the term of a Mortgage loan past its maturity, or to accrue the interest on a Mortgage loan, in order to provide the borrower with increased repayment flexibility. The Mortgage Broker generally will do so if it believes that there is a lower risk to the Cayman Master Fund of not being repaid the full principal and interest owing on the Mortgage loan. In these circumstances, however, the Cayman Master Fund is subject to the risk that the principal and/or accrued interest of such Mortgage loan may not be repaid in a timely manner or at all, which could affect the cash flows of the Cayman Master Fund during the period in which it is granting this accommodation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that the Cayman Master Fund may not recover all or substantially all of the principal and interest owed to the Cayman Master Fund in respect of such Mortgage loan.

When a Mortgage loan is extended past its maturity, the loan can either be held over on a month-to-month basis, or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the Mortgage Broker has the ability to exercise its Mortgage enforcement remedies in respect of the extended or renewed Mortgage loan. In addition, as a result of potential declines in real estate values, in particular given the current economic environment, there is no assurance that the Cayman Master Fund will be able to recover all or substantially all of the outstanding principal and interest owed to the Cayman Master Fund in respect of such Mortgages by exercising its Mortgage enforcement remedies. Should the Cayman Master Fund be unable to recover all or substantially all of the principal and interest owed to the Cayman Master Fund in respect of such Mortgage loans, the value of the Investment Portfolio, and consequently the Partnership, would be reduced, and the returns, financial condition and results of operations of the Partnership could be adversely affected.

Joint Ventures

The Cayman Master Fund may invest in or be a participant in joint ventures and partnerships in Real Property with third parties. In these cases, the Manager will not have sole decision-making authority over the joint venture. There are additional risks associated with entering in a joint venture relationship which can include, but are not limited to:

- reliance on the financial and operational viability and success of the joint venture partner;
- conflicting interests to those of our joint venture partner, which can be driven by economic, operational, tax, regulatory factors;
- the joint venture partner could have joint control even where its ownership in the joint venture is less;
- the inability to come to an agreement on major decisions leading to deadlocks;
- the presence of lockup provisions that prevent the disposition of an asset at a time if would be beneficial to sell; and
- any other negotiated rights that could cause delays, inefficiencies, or challenges with acquiring, operating or disposing of an asset.

All these risks could result in an adverse impact to the operations and financial condition of the Partnership.

Fixed Costs and Increased Expenses

Certain significant expenditures, including development costs, property taxes, maintenance costs, Mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of Real Property regardless of whether a property is producing any income. If a mortgagor is unable to meet Mortgage payments on any property in respect of which an Investment is made by the Cayman Master Fund, losses could be sustained with respect to that Mortgage Investment as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Development Risks

Investments in Real Property are impacted by general macroeconomic factors as well as local economic and real estate conditions. Additionally, these types of investments have certain risks, including but not limited to, the time and money required to be spent by the Manager in evaluating the appropriateness of such investments; the risk that governmental or other approvals are not obtained to proceed with the business plan for the investment; the potential for an increase in costs; the risk of unforeseen delays such as weather conditions and regulatory changes; and the potential that the anticipated business plan for the investment is not achieved as anticipated including that desired occupancy rates are not achieved. Furthermore, as a result of such risks, the initial investment anticipated in a Real Property may significantly increase and make a project uneconomical or less profitable. All these risks can have a material impact on the potential success of the investment and will ultimately materially affect the performance of the Cayman Master Fund and the Partnership.

Construction Risks

The Cayman Master Fund may invest in properties that require some form of improvements or development activity. Any redevelopment of an existing asset or new development is susceptible to the risk that the project may experience construction delays, cost overruns, or changes in rules and regulations that impact the construction plans of the asset. The ability to complete the construction on time and on budget can be impacted by a multitude of factors which will ultimately have an impact on the success and performance of the asset. There may be material changes during the construction process that adversely impact the outcome of the financial condition and performance of the asset.

Contractor/Property Manager Risks

The investment in real estate developments requires the hiring of quality and suitable contractors to complete the construction. There can be no assurance that the Manager will be able to attract quality contractors nor that the contractors will perform their duties in accordance with their agreements. The ability of these contractors to perform their duties will have an impact on the success of the projects.

The success of any real estate development project is to a certain extent dependent upon the ability to attract builders with successful track records in sales and construction. In the event that any of the builders that are contracted with in connection with any real estate development project should cease operating in connection with such project or not comply with their obligations to the Cayman Master Fund under the applicable agreements, the financial performance of the Cayman Master Fund will in part depend upon its ability and/or the Manager's ability to find a replacement builder or builders. There can be no guarantee that the Cayman Master Fund or the Manager will find suitable builders on a timely basis or on terms that are advantageous to the Partnership.

The Cayman Master Fund may also rely on partners to manage properties upon the transition to operating assets. There is no assurance the Manager will be able to attract quality property managers nor that the property managers will perform their duties in accordance with their agreements. The ability of these property managers to perform their duties will have an impact on the success of the projects. Additionally, the Manager may be required to replace property managers. There can be no guarantee that the Cayman Master Fund or the Manager will find suitable property managers on a timely basis or on terms that are advantageous to the Cayman Master Fund. As the Cayman Master Fund will be using third-party property managers, the ability to direct and control how the properties are managed on a day-to-day basis may be limited. There is reliance on the property managers to effectively manage the day-to-day operations.

Tenant Risks

For Real Property which provides premises for lease, tenant risk poses a significant impact on the financial performance of the asset. Tenant risk consists of both quality risk and rollover risk.

Tenant quality refers to the creditworthiness, stability and number of tenants. Creditworthiness and stability is assessed based on factors such as the financial history and personal/operating history of the tenant. Tenants with long operating histories and strong financial performance are less likely to face challenges and hence are less likely to default on their

rental contracts. For instance, a large national tenant is viewed as less risky and more desirable than a small start-up company. The financial success of the properties is indirectly dependent on the success of the businesses of the tenants. Additionally, the number of tenants can also create risk. If a property has a single tenant and such tenant defaults or vacates the premises upon expiry of their lease this creates a large vacancy on the property. By diversifying the tenant base, occupancy risk is mitigated and this reduces the reliance on a single tenant. Delays in collecting rent from tenants could adversely affect the operations and performance of the underlying real property.

Rollover risk refers to the remaining term on leases. The more leases that are approaching the expiry period the more risk there is for higher potential vacancies which could have a material impact on the performance and cash flows from the property. The Partnership or the Cayman Master Fund, as applicable, may not be able to renew or enter into new leases or may enter into leases at rental rates that are lower than anticipated which could have an adverse impact on cash flows from the property. However, if leases are below market rates and vacancy rates in the market are low, rollover risk can also create an opportunity to improve cash flows to the property.

Tax Matters

The Partnership has not sought or obtained an advance income tax ruling from the CRA regarding the Canadian federal income tax consequences associated with an investment in Units. There can be no assurance that the CRA will agree with all or any portion of the Canadian federal income tax consequences associated with an investment in Units as described in this Offering Memorandum. Potential investors in Units should consult their own tax advisors regarding the tax consequences associated with an investment in Units in their own particular circumstances.

The Partnership (through its investment in the Cayman Master Fund) earns United States source income. United States source interest income derived through the Partnership by a Unitholder that is a resident of Canada and entitled to the benefits of the Canada-U.S. Tax Treaty should not be subject to United States federal tax unless such income is attributable to a "permanent establishment" (as defined in the Canada-U.S. Tax Treaty) situated in the United States. It is currently not anticipated that interest income earned by Cayman Master Fund on its Investments will be attributable to a "permanent establishment" in the United States and therefore subject to United States federal tax, however in certain circumstances United States source income of the Cayman Master Fund may be subject to United States federal taxes, as well as state, municipal and other taxes. The Partnership has not sought or obtained a ruling from the United States Internal Revenue Service ("**IRS**") regarding the United States federal income tax consequences associated with the Investments by the Cayman Master Fund, and there can be no assurance that the IRS will agree with the position taken by the Cayman Master Fund with respect to the application of United States tax laws to income earned by the Cayman Master Fund on its Investments.

The Partnership has elected to be treated as an association taxed as a corporation for United States federal income tax purposes, so that Unitholders should not be required to file a U.S. income tax return simply by reason of an investment in Units. However, Partnership has due diligence and reporting obligations under the U.S. Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively "**FATCA**") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, "**CRS**"). Generally, Unitholders (or in the case of certain Unitholders that are entities, the "controlling persons" thereof) will be required by law to provide the Partnership and/or their registered dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a Unitholder (or, if applicable, any of its controlling persons) does not provide the information or, for FATCA purposes, is identified as a U.S. citizen (including a U.S. citizen living in Canada) or, for CRS purposes, is identified as a tax resident of a country other than Canada or the United States, information about the Unitholder (or, if applicable, its controlling persons) and the Unitholder's investment in the Partnership will generally be reported to the CRA. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and, in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

The tax consequences to an investor associated with the ownership of Units may be subject to changes in Canadian and United States federal, provincial, state and municipal tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax

laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Unitholders acquiring, holding or disposing of Units.

The income allocated by the Partnership to a Unitholder, including the character of such income for Canadian tax purposes, may vary from year to year depending on the income realized by the Partnership in the year (including indirectly through its interest in the Cayman Master Fund). Income allocated to a Unitholder by the Partnership for Canadian tax purposes may differ from, and may exceed, distributions received by the Unitholder on their Units.

Payment of distributions to Unitholders in Units rather than cash can result in Unitholders not having sufficient cash to pay any tax liability associated with allocations of Partnership income on their Units.

Foreclosure and Related Costs

One or more borrowers could fail to make payments according to the terms of their loans, and the Cayman Master Fund could therefore be forced to exercise its rights as mortgagee. The recovery of a portion of the Cayman Master Fund's assets, may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of the Cayman Master Fund's rights, as mortgagee. Legal fees and expenses and other costs incurred by the Cayman Master Fund in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne, indirectly, by the Partnership together with the other Feeder Funds.

Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, Mortgage payments, insurance costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income or whether Mortgage payments are being made. The Cayman Master Fund may therefore be required to incur such expenditures, directly or indirectly, to protect its investment, even if the borrower is not honouring its contractual obligations. In addition, United States federal and/or stated taxes may be payable on a sale of the mortgaged property.

The acquisition by the Cayman Master Fund of a direct interest in Real Property as a result of foreclosure action could result in Unitholders being considered to have a "permanent establishment" in the United States, thereby subjecting a Unitholder to U.S. tax reporting obligations. The Cayman Master Fund intends to hold any foreclosure property through a U.S. corporate subsidiary (or other appropriate entity), in order to prevent Unitholders from having a "permanent establishment" in the U.S. for income tax purposes.

Reliance on the Manager/Mortgage Broker

The Partnership is highly dependent upon the good faith, experience and judgment of the directors and officers of the Manager to manage the business and affairs of the Partnership. Similarly, the Cayman Master Fund will be highly dependent upon the good faith, experience and judgment of the directors and officers of the Cayman Master Manager and the Mortgage Broker to select and manage Investments on behalf of the Cayman Master Fund. The loss of services of key personnel of TCFMLP and/or Mortgage Broker could adversely affect the Partnership and the Cayman Master Fund. Unitholders have no right to take part in the management of the Partnership or the Cayman Master Fund.

Very Limited Role of the Board of Governors

The role of the Board of Governors is generally advisory in nature with a focus on overseeing and managing conflicts of interest that may arise between the Manager, the entities managed by it and affiliates thereof. The Board of Governors is not involved in the day-to-day management of the Partnership. Its duties differ from those of the board of directors of a corporation as its responsibilities are limited to those expressly set forth in the Limited Partnership Agreement and substantially all powers, authorities and responsibilities in respect of the Partnership are those of the General Partner and the Manager. While the Limited Partnership Agreement sets out that the Board of Governors has the duty to ensure the actions of the Manager and the General Partner are, at all times, in accordance with the terms of the Limited Partnership Agreement, the Board of Governors has limited insight into the day-to-day operations and

activities of the General Partner and the Manager and is, to a large degree, reliant upon the General Partner and the Manager reporting their activities to the Board of Governors. Accordingly, while the Board of Governors meets at least quarterly and has adopted certain corporate governance and other practices that are consistent with market practices to mitigate the risk of non-compliance with the Limited Partnership Agreement by the General Partner and the Manager, there can be no assurance that such non-compliance may occur given the Board of Governors' limited ability and authority to oversee and monitor the activities and operations of the General Partner and the Manager on a day-to-day basis and its reliance on the General Partner and the Manager to report on such activities.

Restrictions on Redemption

No redemption of Units will be permitted during the Redemption Restriction Period.

The General Partner may from time to time suspend Redemptions when the Redemption Price per Unit exceeds the Net Asset Value per Unit. The Manager is not obligated to accept Redemption notices in any calendar month for amounts exceeding, in aggregate, 5% of the Net Asset Value at such time.

The General Partner also may suspend the Redemption of Units or postpone the day of payment or right of Redemption, for a period of not more than 180 days, for or during any period during which the Manager determines that conditions exist which render impractical the sale of the assets of the Partnership or impair the ability of the Manager to determine the value of the assets held by the Partnership. Any such suspension shall take effect at such time as the Manager specifies and thereafter there shall be no Redemption of Units during the 180-day period until the Manager declares the suspension at an end.

Public Health Crisis

The Partnership and the Cayman Master Fund's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other public health crises, such as COVID-19. The global reactions to such epidemics, pandemics or other public health crises can lead to, among other things, significant restrictions on travel, quarantines, temporary business closures and a general reduction in consumer activity. Such public health crises can result in disruptions and volatility in financial markets and global supply chains as well as declining trade and market sentiment and reduced mobility of people, all of which could impact Real Property prices, interest rates, credit ratings, credit risk and inflation. The risks to the Partnership and the Cayman Master Fund of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak.

Nature of Units

The Units share certain attributes common to equity securities, however, 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.

Potential Conflicts of Interest

TCFMLP, as the Manager and Cayman Master Manager, is required to satisfy a standard of care in exercising its duties with respect to the Partnership and the Cayman Master Fund. However, neither TCFMLP nor its officers, directors, Affiliates, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Partnership or the Cayman Master Fund. TCFMLP and its officers, directors, employees and Affiliates may undertake financial, investment or professional activities that give rise to conflicts of interest with respect to the Partnership or the Cayman Master Fund.

Certain inherent conflicts of interest arise from the fact that TCFMLP may carry on investment activities for other clients (including other mortgage or equity investment entities managed by TCFMLP) in which: (a) the Partnership will have no interest; or (b) the Cayman Master Fund and such other clients of TCFMLP are co-investors. For example, TCFMLP may invest on behalf of certain equity funds it manages in a Real Property project in respect of which the

Cayman Master Fund has made an Investment. Future investment activities by TCFMLP, including the establishment of other mortgage or equity investment entities, may give rise to additional conflicts of interest.

TCFMLP will also engage in the promotion, management or investment management or other services in relation to other investment products, vehicles or any other fund or partnership. These competing vehicles may have investment policies similar to those of the Partnership, the Cayman Master Fund or entities through which they make investment allocations, and TCFMLP may be compensated in a different manner in respect of those vehicles. The Cayman Master Manager will follow procedures designed to ensure an appropriate allocation of available investment opportunities among the Cayman Master Fund and competing vehicles. Additionally, other entities managed by the Cayman Master Manager may participate as co-investors with the Cayman Master Fund in an Investment. These other entities may rank in a priority, *pari passu* or subordinate position to the Cayman Master Fund. Co-investments with other entities managed by the Cayman Master Manager include the Cayman Master Fund's Preferred Equity Investments. In respect of co-investments in Preferred Equity Investments, the Cayman Master Fund will generally participate in senior position, or as a Preferred Equity Investment, and the other investment entities managed by TCFMLP will generally participate in a subordinate, or common equity, position. Such co-investments may create conflicts of interest.

Where there is a material risk of damage to the Partnership arising from any conflict of interest, this conflict will be managed to prevent the conflict from adversely affecting the interests of the Partnership, including by reference to the Partnership's Independent Review Committee.

Availability of Investments

The ability of the Cayman Master Fund to make investments in accordance with the objectives of the Partnership will depend upon the availability of suitable investments. The Cayman Master Fund will compete with individuals, trusts and institutions for the investment in the financing of real properties. Many of these competitors have greater resources than the Cayman Master Fund or operate with greater flexibility.

Fees and Transaction Costs

The Partnership, either directly or indirectly, will be subject to the payment of various fees, including those of the Manager. See information within the section entitled "Directors, Management, Promoters and Principal Holders – Manager's Fees; Expenses of the Partnership".

Handling of Mail

Mail addressed to the Partnership and the Cayman Master Fund and received at their respective registered offices will be forwarded unopened to the forwarding address supplied by the Manager to be dealt with. None of the Partnership, the Cayman Master Fund, the General Partner and the Cayman Master General Partner or any of its or their managers, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the board of managers of the General Partner and of the Master Fund General Partner will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed to the Partnership or the Cayman Master Fund, as applicable).

Possible Personal Liability of Unitholders

Subject to the provisions of the Partnership Act and any specific assumption of liability, the liability of the Unitholders for the debts, liabilities and obligations of the Partnership is limited to the aggregate of the amount of such Unitholder's capital contribution and such Unitholder's share of the undistributed assets of the Partnership. The Unitholders will have no further liability for such debts, liabilities or obligations and shall not be liable for any further calls, assessments or contributions to the Partnership. However, where the Unitholders have received a return of all or part of their capital contribution or where the Partnership has been dissolved, the Unitholders may be liable to the Partnership's creditors, for any amount not in excess of the amount distributed to the Unitholders with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

No Unitholder will participate, or have the right or power to participate, in the control and/or conduct of the business of the Partnership, nor will any Unitholder have any right or authority to act for or bind the Partnership. The limitation of liability of a Unitholders will be lost by a Unitholder who takes part in the control of the business of the Partnership or who is also a General Partner of the Partnership.

The Partnership and the General Partner will, to the greatest extent practical, endeavour to maintain the limited liability of the Unitholders under applicable law of the jurisdictions in which the Partnership carries on or is deemed to carry on its investment activities. However, if its limited liability is lost by reason of an act or omission of that Unitholder, then, to the extent that such loss of limited liability is caused by an act or omission of such Unitholder, that Unitholder will be responsible for all claims arising from assertions that its liability is not limited as intended by the Limited Partnership Agreement.

CONFLICTS OF INTEREST AND INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

General

Purchasers of Units will be required to rely upon the judgment, honesty and good faith of the General Partner and the Manager. Persons who are not willing to rely thereon should not purchase any of the Units offered hereby.

The General Partner was incorporated solely for the purpose of acting as the general partner of the Partnership, and it does not carry on any other business or activity apart from those relating to its role as general partner of the Partnership. An Affiliate of the Manager is the sole member of the General Partner. A board of managers has been established for the General Partner. The individuals appointed to the board of managers of the General Partner will be independent from those appointed to the Independent Review Committee for the Partnership.

TCFMLP, as Manager and Cayman Master Manager, will act on behalf of both the Partnership and the Cayman Master Fund, and the Mortgage Broker will act on behalf of the Cayman Master Fund. An Independent Review Committee has been established for the Partnership. Under the Limited Partnership Agreement, the Independent Review Committee is responsible for reviewing potential conflict of interest matters where a reasonable person would consider the Manager, the General Partner, or an entity related to the Manager or the General Partner, to have an interest that may conflict with the Manager's ability to act in good faith and in the best interests of the Partnership. The Independent Review Committee has adopted a written charter that prescribes its mandate, its responsibilities and functions and the policies and procedures that govern its activities. Please see "Directors, Management, Promoters and Principal Holders – The Board of Governors – The Independent Review Committee" for a description of the members of the Independent Review Committee.

The Limited Partnership Agreement requires the General Partner to exercise its powers and discharge its duties honestly, diligently, in good faith and in the best interests of the Partnership. Similarly, the Management Services Agreement and Cayman Master Management Services Agreement both require that the Manager and Cayman Master Manager, as applicable, exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership or Cayman Master Fund, as applicable, and shall exercise the degree of care, diligence and skill of a reasonably prudent person in the circumstances.

The Manager will make any decision involving the Partnership or the Unitholders in accordance with its duty to deal honestly and in good faith.

In the case of Mortgages, purchases from and sales to related parties are transacted at unpaid principal plus accrued interest due at the date of the transaction which, in the opinion of the Manager, represent the estimated fair values of the related mortgages.

The Mortgage Broker or its Affiliates may also earn brokerage fees from placing Mortgages against properties and performing due diligence review proceedings.

The Manager and the Mortgage Broker are Affiliates and transactions between them have not been, and will not be, negotiated or conducted at arm's length.

Other Competing Activities of the Manager and its Affiliates

The Manager is not in any way limited or affected in its ability to carry on business ventures for its own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Partnership or the Cayman Master Fund. In addition, the Manager and its Affiliates have established and may establish in the future other partnerships, trusts or other investment vehicles which have or may have investment objectives that are the same as or similar to those of the Partnership or the Cayman Master Fund and to act as adviser and/or Manager to such partnerships, trusts or other investment vehicles. However, the Management Services Agreement includes a covenant of the Manager to exercise its powers in good faith and in the best interests of the Partnership, and in connection therewith, to exercise that degree of care, diligence and skill that a reasonably prudent manager would exercise in comparable circumstances.

The Manager may also establish or acquire an interest in one or more mortgage brokerage businesses (see "Risk Factors – Potential Conflicts of Interest"), and such business may recommend investments for the Partnership which, if taken, will entitle such businesses to a brokerage fee. The Partnership is not committed to make any investment with such mortgage brokerage businesses.

The Manager, the Mortgage Broker or their Affiliates will determine the amount of any brokerage or due diligence fees they may charge. In the case of Mortgages which are originated by the Mortgage Broker, such fees will generally be paid by the borrower. In some instances where the Cayman Master Fund agrees to participate in a loan which has a low brokerage fee, a portion of the brokerage fee may be deducted from interest payments otherwise payable to the Cayman Master Fund. In the case of Mortgages which have been purchased by the Mortgage Broker from third parties, such fees may also be deducted from interest payments otherwise payable to the Cayman Master Fund, or may be paid directly by the Cayman Master Fund, as a result of the difference between the purchase price paid by the Mortgage Broker and the purchase price paid by the Cayman Master Fund. The brokerage fees charged to the Cayman Master Fund in such instances will vary depending on the size of the transaction and the amount of any fees otherwise payable to the Mortgage Broker. Such fees will generally be paid by the borrower, but may be deducted from monies paid by borrowers in respect of existing Mortgages which have been purchased from third parties.

AUDITORS

The Auditors of the Partnership are KPMG LLP, whose address is 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3.

REGISTRAR AND TRANSFER AGENT

Trez Capital Limited Partnership acts as registrar and transfer agent for all transactions.

LEGAL AND TAX MATTERS

Certain legal matters and income tax matters in connection with the issuance and sale of Units offered hereunder will be passed upon on behalf of the Partnership by Bennett Jones LLP.

CONTINUOUS REPORTING OBLIGATIONS TO INVESTORS

As the Partnership is not a "reporting issuer" as defined in the *Securities Act* (British Columbia), the continuous reporting requirements of those acts do not generally apply to the Partnership. The Partnership will, however, on or before March 31 in each calendar year, provide to each Unitholder all information required to file Canadian income tax returns and will provide to each Unitholder annual audited financial statements, together with notice as to how the proceeds raised pursuant to this Offering Memorandum have been used, in accordance with Form 45-106F16.

RESALE RESTRICTIONS

The Units will be subject to a number of resale restrictions, including a restriction on trading. Investors will not be able to trade the securities unless they comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, an Investor cannot trade the Units before the date that is four months and a day after the later of: (i) the date the Partnership became a reporting issuer in any province or territory of Canada; and (ii) the distribution date.

Unless permitted under securities legislation, an Investor must not trade the Units without the prior written consent of the regulator in Manitoba unless:

- (a) the Partnership has filed a prospectus with the regulator in Manitoba with respect to the Units which have been purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) the Investor has held the securities for at least 12 months.

The regulator in Manitoba will consent to a trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

PURCHASERS' CONTRACTUAL AND STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides investors (known as statutory rights), or requires investors to be provided (known as contractual rights) with, in addition to any other rights they may have at law, a remedy for rescission or damages where this Offering Memorandum and any amendment thereto contains a Misrepresentation; however, such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation. As used herein, except where otherwise specifically defined, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

Purchasers of Units should refer to the applicable provisions of the securities legislation of their provinces for the particulars of these rights or consult with a legal advisor. The contractual rights of action described below will be provided to investors in their Subscription Agreements.

If you purchase these securities, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer. The following is a summary of the rights of the rescission or damages, or both, available to investors under the securities legislation of the provinces of Canada. Such rights will be expressly conferred upon investors in the Subscription Agreement to be executed by investors in connection with the offering of securities hereunder.

Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the second Business Day after you sign the agreement to buy the securities.

Rights for Investors in British Columbia

If an Investor is: (i) resident in British Columbia; (ii) not an "accredited investor", as defined in NI 45-106; and (iii) not purchasing, as principal, a sufficient number of Units such that the aggregate Subscription Price to the Investor is not less than CDN\$150,000, then if there is a misrepresentation in this Offering Memorandum, the Investor will have a statutory right of action for damages against the Partnership and every director of the Manager at the date of this Offering Memorandum and every person who signs this Offering Memorandum. The Partnership has granted an identical contractual right of action in the Subscription Agreement to Investors resident in British Columbia who are

"accredited investors" or purchasing a sufficient number of Units such that the aggregate Subscription Price is not less than CDN\$150,000.

Alternatively, the Investor may elect to exercise a right of rescission against the Partnership in which case the Investor will have no right of action for damages against the Partnership or the Manager.

If applicable, the statutory right to sue is available to an Investor whether or not the Investor relied on the misrepresentation. However, there are various defences available to the Partnership and the Manager or entities that an Investor have a right to sue, including if it can be proven that the Investor knew of the misrepresentation when the Investor purchased the securities in an action for damages, the amount an Investor may recover will not exceed the price that the Investor paid for his securities and will not include any part of the damages that the Partnership or the Manager prove does not represent the depreciation in value of the securities resulting from the misrepresentation.

If an Investor intends to rely on the rights described above, the Investor must do so within strict time limitations. An Investor must commence his action to cancel the agreement within 180 days after he signed the agreement to purchase the securities. The Investor must commence his action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after he signed the agreement to purchase the securities.

The foregoing summary is subject to the express provisions of the *Securities Act* (British Columbia) and the rules and the regulations thereunder and reference is made thereto for the complete text and provisions. Investors should refer to those provisions for the particulars of these rights or consult with a lawyer.

Rights for Investors in Alberta

If an Investor is: (i) resident in Alberta; (ii) not an "accredited investor", as defined in NI 45-106; and (iii) purchases the Units during the period of distribution, then he shall be deemed to have relied on a representation contained in this Offering Memorandum, and if such representation was a misrepresentation at the time of purchase, the Investor shall have a right of action for damages against the Partnership but may elect (while still the owner of any of the Units purchased) to exercise a right of rescission against the Partnership, in which case he shall have no right of action for damages against the Partnership, provided that:

- (a) the Partnership will not be held liable under this right of action if the Partnership proves that the Investor purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the Partnership will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon; and
- (c) in no case will the amount recoverable under this right of action exceed the price at which the Units were sold to the Investor.

The Partnership has granted an identical contractual right of action in the Subscription Agreement to Investors resident in Alberta who are "accredited investors".

In Alberta, no action may be commenced to enforce such right of action unless the right is exercised:

- (a) in the case of an action for rescission, not later than 180 days from the date the Investor purchased the Units; or
- (b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days from the day that the Investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years from the day the Investor purchased the Units.

The foregoing summary is subject to the express provisions of the *Securities Act* (Alberta) and the rules and regulations thereunder and reference is made thereto for the complete text and provisions. If an Investor is resident in Alberta, he should refer to those provisions for the particulars of these rights or consult with a legal adviser.

Rights for Investors in Ontario

If this Offering Memorandum, together with any amendment hereto, delivered to an Investor of Units resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of the Units by such Investor, the Investor will be deemed to have relied upon the Misrepresentation and will, as provided below, have a right of action against the Partnership for damages or, while still the owner of the Units purchased by that Investor, for rescission, in which case, if the Investor elects to exercise the right of rescission, the Investor will have no right of action for damages against the Partnership, provided that:

- (a) the right of action for rescission or damages will be exercisable by an Investor resident in Ontario, only if: the Investor gives notice to the Partnership, not later than 180 days for Investors resident in Ontario, after the date on which the payment is made for the Units, (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the Investor is exercising this right; and, with respect to Investors resident in Ontario an action is commenced to enforce such right: (i) in the case of an action for rescission not more than 180 days after the date of purchase; or (ii) in the case of an action for damages not more than the earlier of 180 days following the date the Investor first had knowledge of the Misrepresentation or three years after the date of purchase;
- (b) the Partnership will not be liable if it proves that the Investor purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the Partnership will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the Investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Rights for Investors in Saskatchewan

The Securities Act, 1988 (Saskatchewan) provides that if this Offering Memorandum or any amendment hereto contains a Misrepresentation, a purchaser of Units pursuant to this Offering Memorandum is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a statutory right of action for damages or rescission against the Partnership and a statutory right of action for damages against every promoter and director of the Partnership at the time this Offering Memorandum or any amendment hereto was sent or delivered, every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them, every person who or company that signed this Offering Memorandum or any amendment hereto and every person who or company that sells Units on behalf of the Partnership under this Offering Memorandum or any amendment hereto. These rights of action are subject to certain limitations, including that:

- (a) no person or company will be liable if it proves that the Investor purchased the Units with knowledge of the Misrepresentation; and

- (b) in an action for damages, no person or company will be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on.

The Securities Act, 1988 (Saskatchewan) also provides that where any advertising or sales literature (as such terms are defined therein) disseminated in connection with the offering of Units contains a Misrepresentation, a purchaser who purchases Units referred to in that advertising or sales literature is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a statutory right of action for damages or rescission against the Partnership and a statutory right of action against every promoter or director of the Partnership at the time the advertising or sales literature was disseminated and every person who or company that, at the time the advertising or sales literature was disseminated, sells Units on behalf of the Partnership in the offering with respect to which the advertising or sales literature was disseminated. These rights of action are subject to certain limitations, including that:

- (a) no person or company will be liable if it proves that the purchaser purchased the Units with knowledge of the Misrepresentation; and
- (b) in an action for damages, no person or company will be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on.

In addition, *The Securities Act, 1988* (Saskatchewan) provides that, where an individual makes a verbal statement to a prospective Investor of Units that contains a Misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the Investor is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a statutory right of action for damages against the individual who made the verbal statement. This right is subject to certain limitations, including:

- (a) no individual will be liable if he or she proves that the Investor purchased the Units with knowledge of the Misrepresentation; and
- (b) in an action for damages, no individual will be liable for all or any portion of the damages that he or she proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied on.

An Investor of Units from a vendor trading in contravention of *The Securities Act, 1988* (Saskatchewan), the regulations thereunder or a decision of the Saskatchewan Securities Commission may elect to void the contract and to recover all monies or other consideration paid by him to the vendor pursuant to such trade.

An Investor of Units to whom this Offering Memorandum or any amendment hereto was not delivered prior to such purchase has a right of action for rescission or damages against the Partnership or any dealer who failed to deliver this Offering Memorandum or any amendment hereto prior to such purchase.

No action to enforce the foregoing rights may be commenced:

- (a) in the case of an action for rescission, more than 180 days after the date of purchase of the Units; or
- (b) in the case of an action for damages, more than the earlier of:
 - (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of purchase of the Units.

Rights for Investors in Manitoba

Securities legislation in Manitoba provides that Investors of Units pursuant to this Offering Memorandum shall have, in addition to and without derogation from any other right or remedy they may have at law, the following contractual right of action for damages and/or rescission against the Partnership if this Offering Memorandum or any amendment hereto contains a Misrepresentation. However, such rights must be exercised within the prescribed time limits described below.

Each Investor of Units pursuant to this Offering Memorandum will not be bound by the contract for the purchase of the Units if the person or company from whom the Units were purchased or his agent receives written or telegraphic notice evidencing the Investor's intention not to be bound not later than midnight on the second Business Day after receipt or deemed receipt by the Investor or his agent of this Offering Memorandum and has the right to rescind the contract for the purchase of the Units, while the holder thereof, if this Offering Memorandum or any amendment hereto, as of the date of receipt or deemed receipt, contains a Misrepresentation. No action to enforce this right may, however, be commenced by the Investor after the expiration of the later of: (i) 180 days from the date of receipt or deemed receipt of this Offering Memorandum or any amendment hereto by the Investor or any agent of the Investor; or (ii) the date of the contract for the purchase of the Units.

If this Offering Memorandum or any amendment hereto contains a Misrepresentation, the Investor also has a right of action for damages against every person or company who signed either of the certificates required in this Offering Memorandum and against every director who, on the date this Offering Memorandum or any amendment hereto was signed, was a director of the person or company who signed such certificates for any loss or damage that the Investor has sustained as a result of the purchase of the security, unless it is proved that:

- (a) this Offering Memorandum or any amendment hereto was delivered to the Investor without the director's knowledge or consent;
- (b) after the delivery of this Offering Memorandum to the Investor and before the purchase of the Units by the Investor, on becoming aware of any false statement in this Offering Memorandum or any amendment hereto, the director withdrew his consent to the delivery of this Offering Memorandum to prospective Investors and gave reasonable public notice of such withdrawal and of the reason therefore;
- (c) with respect to every false statement, the director has reasonable grounds to believe and did believe that the statement was true;
- (d) where such false statement was that of any expert, the director had no reasonable grounds to believe that the expert who made the statement in this Offering Memorandum or any amendment hereto or whose report or valuation was produced or fairly summarized therein was not competent to make such statement, valuation or report; or
- (e) with respect to every false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, it was a correct and fair representation of the statement or copy or extract from the document;

but no action to enforce these rights of action for damages against signatories of certificates in this Offering Memorandum or their directors may be commenced by the Investor within the earlier of 180 days after learning of the misrepresentation and two years after the Investor signed the agreement to purchase the Units.

Rights for Investors in New Brunswick

Where this Offering Memorandum contains a Misrepresentation, an Investor who purchases the Units offered by this Offering Memorandum during the period of distribution shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and, the Investor has a right of action for damages or rescission

against the Partnership. If the Investor elects to exercise a right of rescission against the Partnership, then the Investor shall have no right of action for damages against the Partnership.

No person or company is liable if the person or company proves that the Investor purchased the Units with knowledge of the Misrepresentation.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Units resulting from the Misrepresentation.

In no case shall the amount recoverable exceed the price at which the Units were offered.

In the case of an action for rescission, no action may be commenced more than 180 days from the day of the transaction that gave rise to the cause of action. In the case of an action for damages, no action may be commenced more than the earlier of: (i) 1 year from the day that the Investor first had knowledge of the facts giving rise to the cause of action; or (ii) 6 years from the day of the transaction that gave rise to the cause of action.

Rights for Investors in Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) provides that if this Offering Memorandum, together with any amendment thereto, or any record incorporated by reference in, or deemed incorporated into, this Offering Memorandum or any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) in respect of the Units, contains a Misrepresentation, any Investor to whom this Offering Memorandum is sent or delivered who purchases the Units referred to in this Offering Memorandum, or such amendment or record, and any Investor who purchases Units referred to in such advertising or sales literature, is deemed to have relied on that Misrepresentation if it was a Misrepresentation at the time of purchase and has, subject as hereinafter provided, a statutory right of action for damages against the Partnership at the date of this Offering Memorandum, and subject to additional defences against the directors of the Partnership and every person who signed this Offering Memorandum (and the liability of such persons and companies is joint and several with respect to the same cause of action), or the Investor may elect instead to exercise a statutory right of rescission against the Partnership in which case the Investor has no right of action for damages against the Partnership at the date of this Offering Memorandum, any director or any person who signed this Offering Memorandum, provided that:

- (a) no action shall be commenced to enforce the right of rescission or damages created under Section 138 of the *Securities Act* (Nova Scotia) more than 120 days after the date payment was made for the Units (or after the date on which initial payment was made for the Units where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);
- (b) no person or company is liable under Section 138 of the *Securities Act* (Nova Scotia) if the person or company proves that the Investor purchased the Units with knowledge of the Misrepresentation;
- (c) no person or company, other than the Partnership, is liable under Section 138 of the *Securities Act* (Nova Scotia) if the person or company proves that:
 - (i) this Offering Memorandum, or the amendment to this Offering Memorandum, was sent or delivered to the Investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
 - (ii) after delivery of this Offering Memorandum, or the amendment thereto and before the purchase of the Units by the Investor, on becoming aware of any Misrepresentation in this Offering Memorandum, or the amendment thereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this Offering Memorandum, or amendment to this Offering

Memorandum, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

- (iii) with respect to any part of this Offering Memorandum, or amendment thereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or that the relevant part of this Offering Memorandum, or amendment thereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;
- (d) no person or company, other than the Partnership, is liable under Section 138 of the *Securities Act* (Nova Scotia) with respect to any part of this Offering Memorandum, or amendment thereto or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;
- (e) in an action for damages under Section 138 of the *Securities Act* (Nova Scotia), the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Units resulting from the Misrepresentation; or
- (f) the amount recoverable by a plaintiff under Section 138 of the *Securities Act* (Nova Scotia) may not exceed the price at which the Units were offered under this Offering Memorandum or amendment thereto.

Rights for Investors in Québec

Statutory rights of action available to purchaser's resident in Québec are outlined in Section 221 of the *Securities Act* (Québec). Section 221 provides that the rights of action established under sections 217 to 219, which deal with Misrepresentation contained in a prospectus, also apply to purchasers of securities under an offering memorandum prescribed by the regulation. If you are a resident of Québec and are relying on the OM exemption in purchasing the Units, and there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy the Units or to revise the price of the Units, or
- (b) for damages against the Partnership, its officers or directors, the dealer under contract to the Partnership, any person who is required to sign an attestation in the Offering Memorandum and the expert whose opinion, containing a misrepresentation, appeared, with his consent, in this Offering Memorandum.

The statutory right to sue is available to you whether or not you relied on the document containing the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the Units.

In addition, the defendant will not be liable for a misrepresentation in forward looking information if the defendant proves that:

- (a) this Memorandum contains, proximate to the forward looking information, reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

- (b) there was a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the rights described in (a) and (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within three years from the day of the transaction. You must commence your action for damages within three years from knowledge of the facts giving rise to the action except on proof that delayed knowledge of the misrepresentation is attributed to you but in any event no later than five years from the filing of this Offering Memorandum.

The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law.

General

The foregoing summaries are subject to the express provisions of the *Securities Act* (British Columbia), the *Securities Act* (Alberta), the *Securities Act* (Ontario), *The Securities Act, 1988* (Saskatchewan), the *Securities Act* (Manitoba), the *Securities Act* (New Brunswick), the *Securities Act* (Nova Scotia) and the *Securities Act* (Québec), and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the Investor may have at law.

This Offering Memorandum may include a report and/or statement by solicitors and auditors, including but not limited to statements regarding income tax considerations and the financial statements attached hereto. You do not have a statutory right of action against these parties for a misrepresentation in the Offering Memorandum. You should consult with a legal adviser for further information.

FINANCIAL STATEMENTS

Attached to this Offering Memorandum are unaudited financial statements for the period from inception of the Partnership to December 31, 2024 and accompanying notes to such financial statements. Also attached are the audited financial statements of the Cayman Master Fund for the year ended December 31, 2024.

Financial Statements
(Unaudited and prepared by Management)
(Expressed in Canadian dollars)

**TREZ CAPITAL YIELD U.S.
(CAD) LIMITED PARTNERSHIP**

For Year Ended December 31, 2024

TREZ CAPITAL YIELD U.S. (CAD) LIMITED PARTNERSHIP

Statement of Financial Position
(Unaudited and prepared by Management)
(Expressed in Canadian dollars)

December 31, 2024

| | Notes | 2024 |
|--|-------|--------------|
| Assets | | |
| Cash | | \$ 10 |
| | | <u>\$ 10</u> |
| Liabilities and Net Assets Attributable to Holders of Redeemable Units | | |
| Redeemable units, representing net assets attributable to holders of redeemable units | 4 | 10 |
| | | <u>\$ 10</u> |

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the General Partner of the Manager,
Trez Capital Fund Management Limited Partnership:

(Signed) *John Maragliano*

Director

(Signed) *Morley Greene*

Director

TREZ CAPITAL YIELD U.S. (CAD) LIMITED PARTNERSHIP

Notes to Financial Statements
(Unaudited and prepared by Management)
(Expressed in Canadian dollars)

Period from the date of formation on December 23, 2024 to December 31, 2024

1. Nature of business:

Trez Capital Yield U.S. (CAD) Limited Partnership (the "Partnership") is an open-ended Limited Partnership formed between Trez Capital Yield U.S. (CAD) GP LLC (the "General Partner"), a limited liability company formed under the laws of the Cayman Islands, John Maragliano (the "Initial Limited Partner"), and each person who from time to time acquires Units and becomes a limited partner in the Partnership as set out in Note 3 below (the "Limited Partners"). The Partnership is formed under the laws of the Province of British Columbia pursuant to a Limited Partnership Agreement dated December 23, 2024, as amended and restated on January 31, 2025.

The Partnership acts as a feeder fund to allow investors resident in Canada to invest in a portfolio of Mortgages secured by real property situated in the United States (along with other investments in the United States), which the Partnership will invest in indirectly through an investment in limited partnership units of a Cayman Island's domiciled master fund, Trez Capital U.S. Real Estate Debt Fund Master Limited Partnership. The business objective of the Partnership is to generate a reliable stream of foreign-source business income to investors, while preserving invested capital, by investing in investments through the Trez Capital U.S. Real Estate Debt Fund Master Limited Partnership,

The principal place of business of the Partnership is located at 1700 - 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5.

There has been no activity in the Partnership other than its formation and issuance of the Initial Unit on December 23, 2024. Accordingly, no statement of operations or statement of cash flows for this period have been prepared.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements of the Partnership have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

The Partnership's functional currency is the US dollar. Foreign currency monetary assets and liabilities are translated into US dollars at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates.

TREZ CAPITAL YIELD U.S. (CAD) LIMITED PARTNERSHIP

Notes to Financial Statements
(Unaudited and prepared by Management)
(Expressed in Canadian dollars)

Period from the date of formation on December 23, 2024 to December 31, 2024

2. Basis of preparation (continued):

(c) Functional and presentation currency (continued):

The Trust is using the Canadian dollars as its presentation currency. Accordingly, the financial statements of the Trust have been translated into Canadian dollars as follows:

- (i) Assets and liabilities are translated at the exchange rate at the end of each reporting period;
- (ii) Amounts included in the determination of earnings is translated at the average exchange rate during the year; and
- (iii) Any gains or losses from the translation of amounts determined in (i) and (ii) above are recognized in accumulated comprehensive income, which is a separate account within equity in the statement of financial position.

(d) Use of estimates and judgments:

The preparation of financial statements requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3. Material accounting policy information:

(a) Cash and cash equivalent:

Cash and cash equivalents consists of cash held at financial institutions and cash equivalents include securities with maturities of three months or less when purchased.

(b) Redeemable units:

All units of the Partnership are redeemable at the Unitholder's option and accordingly are classified as financial liabilities and presented as "net assets attributable to holders of redeemable units" in the statement of financial position. Units redeemed are accounted for in the period during which the redemption is effective. Resultant gains on redemption are recognized in the statement of comprehensive income (loss) in the same period.

(c) Distributions on redeemable units:

Distributions to Unitholders on each series of redeemable units are made on a monthly basis, in arrears. The total distribution to be made in respect of the December 31 year-end will equal at least 100% of the Trust's taxable income for the year. Distributions on redeemable units are treated as an expenses within the statement comprehensive income, following the units' classification as liabilities. Distributions are accrued in the period that they relate.

TREZ CAPITAL YIELD U.S. (CAD) LIMITED PARTNERSHIP

Notes to Financial Statements
(Unaudited and prepared by Management)
(Expressed in Canadian dollars)

Period from the date of formation on December 23, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(d) Financial instruments:

Recognition, classification and measurement of financial assets and liabilities:

The Partnership recognizes a financial instrument in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

The Partnership has classified cash at amortized cost.

(e) Income taxes:

There is no provision for income taxes in these financial statements as the Partnership's income is taxed in the hands of the partners.

(f) Standards issued but not yet effective:

As at December 31, 2024, a number of standards and amendments to standards had been issued by the IASB but are not yet effective for these financial statements. None of these standards or amendments to standards are considered relevant to the Partnership's financial statements.

4. Redeemable units, representing net assets attributable to holders of redeemable units:

As at December 31, 2024, the Partnership has authorized an unlimited number of Series A units, Series F units and Series I units (collectively, the "Units") at a subscription price of \$10 per Unit.

Redemption of Units are not permitted during the first year after purchase or issuance of Units. After the first year anniversary, Units are redeemable on demand of the unitholder upon at least a three month's notice at a redemption price of \$10 per Unit.

All series of units have the same objectives, strategies and restrictions, but differ with respect to one or more of their features, such as fees and distributions. The Partnership's Units do not meet the exception criteria in IAS 32 for classification as equity due to the redemption terms of the Units and the dissimilarity of features between series. As a result, the Units have been classified as financial liabilities in accordance with IFRS 9.

As at December 31, 2024, the issued and outstanding Units consist of one Series F unit issued to the Initial Limited Partner.

Financial Statements
(Expressed in thousands of United States dollars)

**TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER
LIMITED PARTNERSHIP**

And Independent Auditor's Report thereon

For the period from formation of the partnership on January 11, 2024 to
December 31, 2024



KPMG LLP
P.O. Box 493
SIX Cricket Square
Grand Cayman KY1-1106
Cayman Islands
Tel +1 345 949 4800
Fax +1 345 949 7164
Web www.kpmg.com/ky

Independent Auditors' Report to the General Partner

Opinion

We have audited the financial statements of Trez Capital U.S. Real Estate Debt Fund Master Limited Partnership (the "Partnership"), which comprise the statement of financial position as at December 31, 2024, the statements of comprehensive loss, changes in net assets attributable to holders of redeemable units, and cash flows for the period from formation of the partnership on January 11, 2024 to December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2024, and its financial performance and its cash flows for the period from formation of the partnership on January 11, 2024 to December 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report. We are independent of the Partnership in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Partnership'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 Partnership or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Partnership'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 Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements 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 auditors' report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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.

Restriction on use

This report is made solely to the General Partner, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the those matters we are required to state to the in an auditors' report and for no other purpose. We do not accept or assume responsibility to anyone other than the General Partner, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG LLP

April 14, 2025

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Statement of Financial Position
(Expressed in thousands of United States dollars)

December 31, 2024

| | Notes | 2024 |
|---|-------|----------------------|
| Assets | | |
| Cash | | \$ 4,600 |
| Due from related parties | 8(c) | 6,824 |
| Investments held at fair value | 5 | 22,029 |
| Investments in mortgages | 4 | 26,847 |
| Other assets | | 11 |
| Total assets | | \$ 60,311 |
| Liabilities and Net Assets Attributable to Holders of Redeemable Units | | |
| Distributions payable to holders of redeemable units | 6 | \$ 542 |
| Mortgage syndication liabilities | 4 | 1,037 |
| Accounts payable and accrued liabilities | | 86 |
| Due to related parties | 8(c) | 1,863 |
| | | 3,528 |
| Redeemable units, representing net assets attributable to holders of redeemable units | | 56,783 |
| Total liabilities and net assets attributable to holders of redeemable units | | \$ 60,311 |

The accompanying notes are an integral part of these financial statements.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Statement of Comprehensive Loss
(Expressed in thousands of United States dollars)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

| | Notes | 2024 |
|--|-------|----------------|
| Revenue: | | |
| Interest income on mortgages | | \$ 575 |
| Interest expense on mortgage syndication liabilities | | (12) |
| Other income | 8(d) | 81 |
| | | <u>644</u> |
| Expenses: | | |
| Provision for expected credit losses | 4(b) | 60 |
| General and administrative | | 177 |
| | | <u>237</u> |
| Other income: | | |
| Fair value gain on investment held at fair value | 5 | 580 |
| | | <u>580</u> |
| Income from operations | | 987 |
| Other costs: | | |
| Distributions to holders of redeemable units | 6 | (1,047) |
| | | <u>(1,047)</u> |
| Net comprehensive loss attributable to holders of redeemable units | | <u>\$ (60)</u> |

The accompanying notes are an integral part of these financial statements.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(Expressed in thousands of United States dollars)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

| | Note | 2024 |
|--|------|-----------|
| Balance, beginning of the period | | \$ - |
| Net comprehensive loss attributable to holders of redeemable units | | (60) |
| Contributions and redemptions: | | |
| Issuance of units | 12 | 56,841 |
| Reinvestment of distributions on redeemable units | | 4 |
| Redemption of units | | (2) |
| Balance, end of period | | \$ 56,783 |

The accompanying notes are an integral part of these financial statements.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Statement of Cash Flows
(Expressed in thousands of United States dollars)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

| | Notes | 2024 |
|---|-------|----------|
| Cash provided by (used in): | | |
| Cash flows from operating activities: | | |
| Net loss attributable to holders of redeemable units | | \$ (60) |
| Adjustments for items not involving cash: | | |
| Interest income, net of interest expense on syndications | | (563) |
| Fair value gain on investments held at fair value | | (580) |
| Distributions to holders of redeemable units | 6 | 1,047 |
| Provision for expected credit losses | 4(b) | 60 |
| Interest received | | 358 |
| Changes in operating working items: | | |
| Other assets | | (11) |
| Accounts payable and accrued liabilities | | 86 |
| | | 337 |
| Cash flows from investing activities: | | |
| Funding of investments in mortgages | | (8,379) |
| Repayments on investments in mortgages | | 5,250 |
| Contributions to investments held at fair value | | (5,663) |
| Distributions from investments held at fair value | | 14,491 |
| Change in due from related parties | 8(c) | (3,252) |
| | | 2,447 |
| Cash flows from financing activities: | | |
| Distributions paid | | (500) |
| Issuance of units | 12 | 2,250 |
| Redemption of units | | (2) |
| Change in due to related parties | 8(c) | 68 |
| | | 1,816 |
| Increase in cash | | 4,600 |
| Cash, beginning of period | | - |
| Cash, end of period | | \$ 4,600 |
| Non-cash transactions: | | |
| Funding of Investments in mortgages in exchange for units | 8(e) | (27,334) |
| Contributions to investments held at fair value in exchange for units | 8(e) | (23,685) |
| Change in due from related parties in exchange for units | 8(e) | (3,572) |

The accompanying notes are an integral part of these financial statements.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

1. Nature of business:

Trez Capital U.S. Real Estate Debt Fund Master Limited Partnership (the “Partnership”) was formed and registered as an exempted limited partnership pursuant to section 9(1) of the Exempted Limited Partnership Act (As Revised) of the Cayman Islands (the “Partnership Act”) on January 11, 2024.

Trez Capital Fund Management Limited Partnership is the Partnership’s manager (the “Manager”), and Trez Capital Limited Partnership is the Partnership’s mortgage broker (the “Mortgage Broker”).

The business objective of the Partnership is to generate a reliable stream of income to investors, while preserving invested capital, by investing in mortgage investments, mortgage participations, mezzanine loans, preferred equity investments, land banking financings and lot banking financings (the “Target Investments”). The Partnership may exercise all powers and privileges granted by the Partnership Act or that may be exercised by any Person, together with any powers and privileges incidental thereto; provided that the Partnership shall not undertake any business with the public in the Cayman Islands (other than so far as may be necessary to carry on the activities of the Partnership exterior to the Cayman Islands).

The principal place of business of the Partnership is located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements of the Partnership have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Board of Managers on April 14, 2025.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, except for investments held at fair value which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in US dollars, which is also the functional currency of the Partnership.

(d) Use of estimates and judgments:

The preparation of these financial statements requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

2. Basis of preparation (continued):

(d) Use of estimates and judgments (continued):

In making estimates, the Manager relies on external information and observable inputs where possible supplemented by internal analysis as required. The significant estimates and judgments used in determining the recorded amount for assets and liabilities in these financial statements are related to investment in mortgages and investments held at fair value:

(i) Investments in mortgages:

The Partnership is required to make an assessment of forward looking 'expected credit losses' ("ECL") for investments in mortgages. The expected credit loss model is further explained in Note 3(f)(ii). The estimation of future cash flows includes assumptions about local real estate market conditions, market interest rates, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairment are subjective and may not necessarily be comparable to the actual outcome. Should the underlying assumptions change, the estimated future cash flows could vary by a material amount.

(ii) Investments held at fair value:

Included in investments held at fair value are interests in limited partnerships created to enable the Partnership to enter loan sharing arrangements with US domiciled financial institutions ("Special Purpose Entities"). The loan sharing arrangements allow the Partnership to share senior participations increasing both available investable cash and yield to the Partnership. Judgment is applied in assessing whether the Partnership exercises control, joint control, significant influence or none of the above over the Special Purpose Entities.

Control is defined as the power to govern the financial and operating decisions of an entity so as to obtain benefits from its activities, and significant influence is defined as the power to participate in the financial and operating decisions of the Special Purpose Entities. The Partnership has determined that it has neither control, joint control or significant influence as the Partnership has no ability to control or influence any of the relevant activities of the Special Purpose Entities and has therefore measured the investments at fair value in accordance with IFRS 9.

The Partnership estimates the value of these investments based on its assessment of the current lending market for mortgages of same or similar terms. Should the underlying assumptions around current market interest rates change, the estimated future cash flows and income could vary affecting fair value.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information:

The accounting policies set out below have been applied consistently to the period presented in these financial statements, except where otherwise mentioned:

(a) Basis of presentation:

Investments held at fair value:

Investments over which the Partnership does not have control or significant influence are accounted for at fair value. The Partnership holds investments held at fair value primarily for the purpose of participating in loan sharing arrangements with US domiciled financial institutions and special purpose entities.

(b) Cash:

Cash consists of cash held at Butterfield Bank (Cayman) Limited.

(c) Redeemable units:

All units of the Partnership are redeemable at Unitholders' option and accordingly are classified as financial liabilities and presented as "net assets attributable to holders of redeemable units" in the Statement of Financial Position. Units redeemed are accounted for in the period during which the redemption is effective.

(d) Revenue recognition:

Interest income is recognized in the Statement of Comprehensive Loss on an effective interest rate basis. Interest on impaired financial assets is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(e) Distributions on redeemable units:

Distributions to Unitholders on redeemable units are made on a monthly basis, in arrears. In addition to monthly distributions, the Partnership will, following the end of a fiscal year, make a distribution to Unitholders of record at the end of such fiscal year (the "Final Year End Distribution"). The total of monthly distributions and the Final Year End distribution will be equal to the before distribution net income of the Partnership for such fiscal year minus any reserves that the General Partner (after consulting with the Manager) deems appropriate. Distributions on redeemable units are treated as an expense within the Statement of Comprehensive Loss, following the units' classification as liabilities. Distributions are accrued in the period to which they relate.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information: (continued)

(f) Financial instruments:

(i) Recognition, classification and measurement of financial assets and liabilities:

Under IFRS 9, on initial recognition, a financial asset is measured at fair value and subsequently classified as measured at: amortized cost; fair value through other comprehensive income (“FVOCI”); or fair value through profit or loss (“FVTPL”). The classification of financial assets that are debt instruments under IFRS 9 are generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset that is a debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The most significant financial asset that is a debt instrument in the Partnership is investments in mortgages. The objective of the Partnership is to hold these investments and collect the contractual interest payments from the loans. The payments received by the Partnership are solely payments of principal and interest; therefore, the asset meets the criteria under IFRS 9 to be measured at amortized cost.

Financial liabilities are recognized initially at fair value and are subsequently classified as other financial liabilities or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(f) Financial instruments (continued):

(i) Recognition, classification and measurement of financial assets and liabilities (continued):

Financial instruments subsequently measured at amortized cost are done so using the effective interest method, less any impairment losses. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

The Partnership has classified its financial instruments as follows:

| | Classification |
|---|----------------|
| Financial assets: | |
| Cash | Amortized cost |
| Due from related parties | Amortized cost |
| Investments in mortgages | Amortized cost |
| Investments held at fair value | FVPTL |
| Financial liabilities: | |
| Accounts payable and accrued liabilities | Amortized cost |
| Distributions payable to holders of redeemable units | Amortized cost |
| Due to related parties | Amortized cost |
| Mortgage syndication liabilities | Amortized cost |
| Redeemable units, representing net assets attributable to holders of redeemable units | Amortized cost |

(ii) Impairment:

Under IFRS 9, an entity recognizes loss allowances for ECL to financial assets measured at amortized cost.

The Partnership measures ECL on each reporting date according to a three stage ECL impairment model:

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(f) Financial instruments (continued):

(ii) Impairment (continued):

Performing financial assets:

- Stage 1: From initial recognition of a financial asset to the date on which the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12-months following the reporting date.
- Stage 2: Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset.

Impaired financial assets:

- Stage 3: When a financial asset is considered credit-impaired and in default it will be classified in Stage 3, and a loss allowance equal to credit losses expected over the remaining lifetime of the asset will be recorded.

In assessing whether a mortgage is in default, the Partnership considers both quantitative and qualitative factors. This occurs when investments in mortgages are 90-days past due on interest payment or maturity date, when the Partnership assesses that there has been a deterioration of credit quality to the extent the Partnership no longer has reasonable assurance as to the timely collection of the full amount of principal and interest, and/or when the Partnership has commenced enforcement remedies available to it under its contractual agreements.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Partnership considers both quantitative and qualitative information that is reasonable and supportable and is relevant and available. There is a presumption in IFRS 9 that credit risk has increased significantly once payments are 30-days past due. However, the Partnership's historical experience is that mortgages can become 30-days past due, but be brought up to date by the borrower; therefore, other relevant risk factors also need to be identified for the mortgage to move to Stage 2.

Other relevant risk factors considered to identify a significant increase in credit risk are:

- Changes in the financial condition of the borrower;
- Responsiveness of the borrower;
- Current economic conditions: interest rates, housing prices, real estate and employment statistics; and
- Supportable forward-looking information: macroeconomic factors, such as interest rate forecasts.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(f) Financial instruments (continued):

(ii) Impairment (continued):

Determining whether there has been a significant increase in credit risk since initial recognition, or a subsequent reduction in credit risk back to the level at initial recognition, requires the exercise of significant judgment. Judgment is also required in making assumptions and estimations when calculating the ECL, including movements between the three stages and the application of forward-looking information.

Significant increase in credit risk is assessed relative to the risk of default on the date of modification. If the Partnership determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset. The expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. For loans that were modified while having a lifetime ECL, the loans can revert to having 12-month ECL after a period of performance and improvement in the borrower's financial condition.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. 12-months ECL are the portion of ECL that result from default events that are possible within the 12-months after the reporting date (or a shorter period if the expected life of the instrument is less than 12-months). The maximum period considered when estimating ECL is the maximum contractual period over which the Partnership is exposed to credit risk.

An ECL represents the difference between the present value of all contractual cash flows that are due under the original terms of the contract and the present value of all cash flows expected to be received. The application of the concept uses three inputs to measure ECL for commitments and mortgages receivable classified as Stage 1: probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD").

These inputs are determined at each reporting period using historical data and current conditions.

- PD: The PD represents the likelihood that a loan will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual loan is modelled based on historic data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions.
- EAD: The EAD is modelled on historic data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn at the time of default.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(f) Financial instruments (continued):

(ii) Impairment (continued):

- LGD: The LGD is the amount that may not be recovered in the event of default and is modelled based on historic data and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

In assessing information about possible future economic conditions, the Partnership utilizes multiple economic scenarios including a base case, which represents the most probable outcome and is consistent with the Partnership's view of the portfolio. The calculation of ECL includes the incorporation of forecasts of future economic conditions. In determining ECL, the Partnership has considered key macroeconomic variables that are relevant to each investment type. Key macroeconomic variables that drive the estimation of future cash flows include local real estate market values and conditions, as well as employment and population growth. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events.

Should the underlying assumptions change, the estimated future cash flows could vary. The forecast is developed internally by the Manager of the Partnership. The Partnership exercises experienced credit judgment to incorporate multiple economic forecasts which are probability-weighted in the determination of the final ECL. The allowance is sensitive to changes in both economic forecast and the probability-weight assigned to each forecast scenario.

(iii) Derecognition of financial assets and financial liabilities:

(A) Financial assets:

The Partnership derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or when the Partnership neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial assets.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Partnership is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of: (i) the consideration received (including any new asset obtained less any new liability assumed); and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in the Statement of Comprehensive Loss.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(f) Financial instruments (continued):

(iii) Derecognition of financial assets and financial liabilities (continued):

(A) Financial assets (continued):

In circumstances where the Partnership retains all or substantially all risks and rewards of a transferred mortgage, the transferred mortgage is not derecognized and the transferred mortgage is recognized as a mortgage syndication liability on the Statement of Financial Position.

(B) Financial liabilities:

The Partnership derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iv) Loan modifications:

The Partnership may modify the contractual terms of mortgages for either commercial or credit reasons. The terms of a loan in good standing may be modified for commercial reasons to provide competitive pricing and other terms to borrowers. Loans may also be modified for credit reasons where the contractual terms are modified to grant a concession to a borrower that may be experiencing financial difficulty.

Upon the modification of the contractual terms of a financial asset, an assessment is made if the modified contractual terms are considered significant. The Partnership considers one or a combination of the following factors as a significant change: a substantial interest rate reduction, an extension of the repayment term at a below market stated interest rate, a forgiveness of principal or accrued interest, or substantial changes to the collateral provided.

When the modification is considered to be significant, the carrying amount of the original financial asset is derecognized and the fair value of the modified financial asset is recognized with the resulting gain or loss recognized in the Statement of Comprehensive Loss. For the purposes of assessing if the financial asset experienced a significant increase in credit risk, the modification date is considered to be the origination date of the modified financial asset.

When the modification is not considered to be significant, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the Statement of Comprehensive Loss. The origination date of the financial asset prior to the modification continues to be used for the purposes of assessing if the financial asset experienced a significant increase in credit risk.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

3. Material accounting policy information (continued):

(g) Income taxes:

Under the laws of the Cayman Islands, the Partnership is not subject to income taxes. No provision for income taxes has been made in the accompanying financial statements.

(h) Standards issued but not yet effective:

As at December 31, 2024, a number of standards and amendments to standards had been issued by the IASB but are not yet effective for these financial statements.

(i) Presentation and Disclosure in Financial Statements:

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, which replaces the guidance in IAS 1, Presentation of Financial Statements and sets out the requirements for presentation and disclosure of information, focusing on providing relevant information to users of the financial statements. IFRS 18 introduces changes to the structure of the statement of comprehensive loss, aggregation and disaggregation of financial information, and management-defined performance measures to be disclosed in the notes to the financial statements. The standard will be effective for the Partnership on January 1, 2027. The Partnership is currently assessing the impact of adopting this standard.

(ii) Amendments to the Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendment address matters related to the classification of financial assets and accounting for settlement by electronic payments. The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social, and governance linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments. Furthermore, the amendments clarify that a financial liability is derecognized on the settlement date and provide an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date if certain conditions are met. Financially, the amendments introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified as FVOCI. The amendments will be effective for the Partnership on January 1, 2026. The Partnership is currently assessing the impact of adopting the amendments.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

4. Investments in mortgages:

The Partnership holds conventional uninsured mortgages on the following types of properties:

| Property type | 2024 | |
|---|--------|-----------|
| | Number | Amount |
| Residential | 35 | \$ 23,368 |
| Commercial | 1 | 1,230 |
| Mixed use | 3 | 957 |
| Total mortgages | 39 | 25,555 |
| Mortgage syndications | | 1,037 |
| Accrued interest | | 315 |
| Less: Provision for mortgage losses (Note 4(b)) | | (60) |
| Investment in mortgages | | \$ 26,847 |

| Property location | 2024 | |
|-------------------|--------|-----------|
| | Number | Amount |
| Texas | 21 | \$ 15,373 |
| Florida | 3 | 2,951 |
| North Carolina | 5 | 2,870 |
| South Carolina | 3 | 1,310 |
| Georgia | 4 | 1,261 |
| Arizona | 1 | 1,230 |
| Indiana | 1 | 361 |
| Utah | 1 | 199 |
| Total mortgages | 39 | \$ 25,555 |

The mortgages are secured by the real property to which they relate, bear interest at a weighted average interest rate of 13.86%.

Principal payments, net of mortgage syndication liabilities, are due based on contractual maturities of each loan as follows:

| Maturity period | Number | Amount |
|----------------------------------|--------|-----------|
| Past due but not credit impaired | - | \$ - |
| 2025 | 13 | 11,906 |
| 2026 | 13 | 5,764 |
| 2027 and beyond | 13 | 7,885 |
| | 39 | \$ 25,555 |

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

4. Investments in mortgages (continued):

(a) Mortgage syndication liabilities:

The Partnership has entered into certain mortgage participation agreements with third-party lenders, whereby, the third-party lenders take the senior position and the Partnership retains the subordinated position, all of which are secured by first mortgage positions. As a result, the senior lenders' position is recorded as a mortgage syndication liability. The interest earned on the transferred participation interests and the related interest expense is recognized in the Statement of Comprehensive Loss.

For those investments which have not met the derecognition criteria, the participation transactions have resulted in the Partnership recognizing the participating mortgages and corresponding mortgage syndication liabilities on its Statement of Financial Position. As at December 31, 2024, the carrying value, which is equivalent to the fair value, of the transferred assets and corresponding liabilities is \$1,037.

(b) Provision for expected credit loss:

The gross carrying amounts of investments in mortgages and expected credit loss by property type are as follows:

| Gross carrying amount | December 31, 2024 | | | Total |
|-----------------------|-------------------|---------|---------|-----------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Property type: | | | | |
| Residential | \$ 23,368 | \$ - | \$ - | \$ 23,368 |
| Commercial | 1,230 | - | - | 1,230 |
| Mixed use | 957 | - | - | 957 |
| | \$ 25,555 | \$ - | \$ - | \$ 25,555 |

| Provision for credit losses | December 31, 2024 | | | Total |
|-----------------------------|-------------------|---------|---------|-------|
| | Stage 1 | Stage 2 | Stage 3 | |
| Property type: | | | | |
| Residential | \$ 49 | \$ - | \$ - | \$ 49 |
| Commercial | - | - | - | - |
| Mixed use | 11 | - | - | 11 |
| | \$ 60 | \$ - | \$ - | \$ 60 |

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

4. Investments in mortgages (continued):

(b) Provision for expected credit loss (continued):

The provision for expected credit loss as at December 31, 2024, is \$60. Stage 1 provisions of \$60 represent management's estimate of the ECL on mortgages in the Partnership's portfolio that have not experienced a significant increase in credit risk since initial recognition. The ECL was assessed individually for each investment in mortgages and commitments classified as Stage 2 and Stage 3. As at December 31, 2024, management estimated the ECL for these as nil.

The changes in the provision for expected credit loss are shown in the following table:

| | December 31, 2024 | | | Total |
|-------------------------------------|-------------------|---------|---------|-------|
| | Stage 1 | Stage 2 | Stage 3 | |
| January 11, 2024 | \$ - | \$ - | \$ - | \$ - |
| Provision for mortgage losses: | | | | |
| Transfers to Stage 1 ⁽¹⁾ | - | - | - | - |
| Transfers to Stage 2 ⁽¹⁾ | - | - | - | - |
| Transfers to Stage 3 ⁽¹⁾ | - | - | - | - |
| Net remeasurement ⁽²⁾ | - | - | - | - |
| Mortgage advances | 60 | - | - | 60 |
| Mortgage repayments | - | - | - | - |
| Write-offs | - | - | - | - |
| Total movement | 60 | - | - | 60 |
| December 31, 2024 | \$ 60 | \$ - | \$ - | \$ 60 |

(1) Transfers between stages which are presumed to occur before any corresponding remeasurement of the provision.

(2) Net remeasurement represents the change in the allowance related to changes in model inputs or assumptions, including changes in macroeconomic conditions, and changes in measurement following a transfer between stages.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

5. Investments held at fair value:

The Manager has concluded that the Partnership's limited partnership investments, in which it does not have control or significant influence, meet the definition of structured entities.

The table below describes the types of structured entities that the Partnership does not consolidate but in which it holds an interest:

| Type of structured entity | Nature and purpose | Interest held by the Partnership |
|---|---|--|
| Limited partnerships participating in loan sharing. | Limited partnerships created to enable the Partnership to enter loan sharing arrangements with US domiciled financial institutions. The limited partnerships are financed by capital contributed by the Partnership and entities related to the Partnership in the form of limited partnership units and credit facilities with US domiciled financial institutions. | Investment in limited partnership units. |

The table below sets out interest held by the Partnership in investments held at fair value:

| December 31, 2024 | Number of Limited Partnerships | Total assets | Carrying amount included in investments held at fair value |
|---|--------------------------------|--------------------|--|
| Investments in Limited Partnerships: | | | |
| Loan sharing | 9 | \$1,158,360 | \$22,029 |
| | | \$1,158,360 | \$22,029 |

During the period ended December 31, 2024, a change in fair value of investments held at fair value of \$580 was recorded. Included within the change in fair value is realized net interest income of \$203 and unrealized net interest income of \$377.

In the event a mortgage investment held by a structured entity enters default, the Partnership may have the obligation to repay the third-party loan sharing partner. As at December 31, 2024, the total amount of third-party loan sharing the Partnership is committed to repay in event of default was \$31,897.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

6. Distributions payable to holders of redeemable units:

The Partnership makes monthly distributions on each monthly distribution payment date to Unitholders of record at the end of the immediately preceding calendar month and each Unitholder's share of monthly distributions is determined on the basis of the total number of Units held by the Unitholder at the end of each day in the month relative to the total number of Units outstanding at the end of each day in the month. In addition, the Partnership will, following the end of a fiscal year, make a final year end distribution to Unitholders of record at the end of each fiscal year (the "Final Year End Distribution"). The total of monthly distributions and the Final Year End Distribution will be equal to the before distribution net income of the Partnership minus any reserves that the General Partner (after consulting with the Manager) deems appropriate. For the period ended December 31, 2024, the Partnership's total distributions to the Unitholders including monthly distributions and the Final Year End Distribution were \$1,047.

For the period ended December 31, 2024, \$4 of the declared distributions were reinvested.

As at December 31, 2024, the total distribution payable to the Unitholders is as follows:

| | 2024 |
|--|--------|
| Cash paid out subsequent to the period | \$ 542 |

7. Redeemable units, representing net assets attributable to holders of redeemable units:

As at December 31, 2024, the Partnership has authorized an unlimited number of Master Units (the "Units").

The holders of the Units are entitled to one vote per unit. There is no lock-in period and the Unitholder may exercise its redemption right in respect of all or any portion of the Unitholder's Units at any time.

The Partnership's Units do not meet the exception criteria in IAS 32 for classification as equity due to the redemption terms of the Units. As a result, the Units have been classified as financial liabilities under IFRS Accounting Standards as issued by the International Accounting Standards Board.

| Master units | Note | 2024 | |
|---|------|--------|-----------|
| | | Number | Amount |
| Issued and outstanding, beginning of period | | - | \$ - |
| Issued for cash | | 225 | 2,250 |
| Issued for non-cash | 8(e) | 5,459 | 54,591 |
| Issued for reinvested distributions | | 1 | 4 |
| Redeemed for cash | | (1) | (2) |
| Decrease in net assets | | - | (60) |
| Issued and outstanding, end of period | | 5,684 | \$ 56,783 |

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

8. Related party transactions and balances:

Related party transactions that are not disclosed elsewhere in these financial statements are as follows:

- The Partnership invests in mortgages alone or on a participation basis with parties related to the Manager. Title to mortgages is held by a bare trust (the “Trustee”) on behalf of the beneficial owners of the mortgages.
- In addition, certain duties are performed by the Mortgage Broker. The Mortgage Broker is related to the Manager and the Partnership through common control. In cases where mortgages are held on a participation basis:
 - The Partnership’s rights are as outlined in the Declaration of Trust and a Mortgage Participation and Servicing Agreement with the Mortgage Broker;
 - Pursuant to Mortgage Participation and Servicing Agreement, the Mortgage Broker agrees to administer and service the mortgages on behalf of the Trustee, the Partnership and other investees. The Mortgage Broker acts as the Partnership’s underwriter, servicer and syndicator; and
 - The Mortgage Broker performs certain duties including registering the mortgages, arranging for title searches, and holding all title papers and other security documentation related to the mortgages.
 - The Mortgage Broker delivers cash payments for interest and principal to the Trustee, the Partnership and other investees.

(a) Transfer of investments in mortgages:

The Partnership generally invests in an interest in a mortgage at the time the mortgage is funded. However, at any time during the term of the mortgage, it may acquire an interest from or sell its interest in a mortgage to parties related to the Manager, the Trustee, and the Mortgage Broker. Purchases from and sales to related parties are transacted at unpaid principal plus accrued interest due at the date of the transaction which is equivalent to the estimated fair values of the related mortgages.

During the period ended December 31, 2024, the Partnership purchased investments in mortgages of nil and sold investments in mortgages of \$1,594 at the market fair value to entities under common management.

(b) Co-investment in mortgages and investments held at fair value:

The Partnership has invested in a mortgage portfolio with a balance at December 31, 2024 of \$26,847, virtually all of which are made on a participation basis with related parties.

The Partnership has invested in investments held at fair value created to enable the Partnership to enter into loan sharing arrangements with US domiciled financial institutions. The balance at December 31, 2024 was \$22,029, virtually all of which is made on a participation basis with related parties.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

8. Related party transactions and balances (continued):

(c) Amounts due to and from related parties:

Amounts due from related parties as at December 31, 2024 were \$6,824. The balance related to amounts owed from mortgage repayments or advances for mortgage fundings held in trust by the Mortgage Broker was \$1,332 and amounts receivable for invoices paid on behalf of special purpose entities invested by the Partnership were \$5,492. Amounts due to related parties as at December 31, 2024 were \$1,863.

(d) Other income:

During the period ended December 31, 2024, the Partnership recorded other income of \$81 related to payments made from the Manager to settle accounts payable on behalf of the Partnership. The Manager has waived its entitlement to reimbursement, as a result, the payments made by the Manager are no longer correctible in the current or future periods.

(e) Redeemable units issued for non-cash:

The Partnership entered into a Master Asset Transfer Agreement (the "MATA") with a Unitholder under common management of the Manager on October 31, 2024. Pursuant to the MATA, the Partnership acquired investments in mortgages of \$23,685, investments held at fair value of \$27,334 and due from related parties of \$3,572 (the "Transferred Assets") from the Unitholder based on the fair market value of the Transferred Assets, and in consideration for the assignment of the Transferred Assets, the Partnership issued 5,459 Units at the price of ten dollars per unit to the Unitholder. The Unitholder continues to hold the issued Units as at December 31, 2024.

9. Income taxes:

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Partnership or its partners. The Cayman Islands are not party to any double taxation treaties.

The Partnership has applied for and can expect to receive an undertaking from the Governor-in Cabinet of the Cayman Islands that, in accordance with section 38 of the Exempted Limited Partnership Act (Revised) of the Cayman Islands, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Partnership or to any partner thereof in respect of the operations or assets of the Partnership or the partnership interest of any partner therein and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable in respect of the obligations of the Partnership or the interests of the partners therein.

Although the Partnership is not subject to tax in the Cayman Islands, the Partnership may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from its investments.

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(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

10. Fair value measurements:

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale.

The following table shows a hierarchy for disclosing fair value based on inputs used to value the Partnership's assets or liabilities that are measured at fair value or for which fair value disclosure is required. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1 measurement") and the lowest priority to unobservable inputs ("Level 3 measurements").

The three levels of the fair value hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities ("Level 1");
- Inputs other than quoted prices in active markets included in Level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices) ("Level 2"); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

| December 31, 2024 | Carrying value | | Fair value |
|---|----------------|-----------|------------|
| | Amortized cost | FVTPL | |
| Financial assets not measured at fair value: | | | |
| Investments in mortgages | \$ 26,847 | \$ - | \$ 26,847 |
| Cash | 4,600 | - | 4,600 |
| Due from related parties | 6,824 | - | 6,824 |
| Financial assets measured at fair value: | | | |
| Investments held at fair value (Level 3) | \$ - | \$ 22,029 | \$ 22,029 |
| Financial liabilities not measured at fair value: | | | |
| Distributions payable to holders of redeemable units | \$ 542 | \$ - | \$ 542 |
| Mortgage syndication liabilities | 1,037 | - | 1,037 |
| Accounts payable and accrued liabilities | 86 | - | 86 |
| Due to related parties | 1,863 | - | 1,863 |
| Redeemable units, representing net assets attributable to holders of redeemable units | 56,783 | - | 56,783 |

There were no transfers between Level 1, Level 2 and Level 3 during the period ended December 31, 2024.

The valuation techniques and inputs used for the Partnership's financial instruments are as follows:

(a) Investments in mortgages and mortgage syndication liabilities:

There is no quoted price in an active market for the mortgage investments or mortgage syndication liabilities. The Manager makes its determination of fair value based on its assessment of the current lending market for mortgage investments of same or similar terms. Typically, the fair value of these mortgage investments approximates their carrying value given the amounts consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. As a result, the fair value of mortgage investments is based on Level 3 inputs.

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Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

10. Fair value measurements (continued):

(b) Investments held at fair value:

There is no quoted price in an active market for the investments held at fair value. The investments held at fair value consists of a portfolio of mortgage loans in the United States. The Manager makes its determination of fair value based on its assessment of the current lending market and credit risk for mortgage investments of same or similar terms. The fair value of the portfolio of mortgage loans has been determined based on a cash flow model. Discount rates are based on current market rates and adjusted for any change in the credit risk of the borrower.

Typically, the fair value of these investments approximates their carrying value given the investments consist of short-term mortgages and the mortgages have variable interest rates.

As at December 31, 2024, a 1% increase in the discount rate used in the discounted cash flow would decrease the fair value by \$212 and a 1% decrease in the discount rate would increase the fair value by \$215.

A reconciliation of Level 3 assets at December 31, 2024 is as follows:

| | | |
|---|----|----------|
| Investments held at fair value, beginning of period | \$ | - |
| Additions to investments | | 35,940 |
| Distributions received | | (14,491) |
| Realized change in fair value | | 203 |
| Unrealized change in fair value | | 377 |
| Investments held at fair value, December 31, 2024 | \$ | 22,029 |

The key valuation techniques used in measuring the fair value of underlying investments held at fair value include:

| Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|----------------------|--|--|
| Discounted cash flow | Net operating income Discount rate Probability of cash flows | The estimated fair value would increase (decrease) with changes in significant unobservable inputs |

(c) Other financial assets and liabilities:

The carrying values of financial assets and liabilities not measured at fair value, such as cash, due from related parties, accounts payable and accrued liabilities, distribution payable to holders of redeemable units and due to related parties approximate their fair value due to the relatively short periods of maturity of these items or because they are receivable or payable on demand.

(d) Net assets attributable to holders of redeemable units:

The Partnership routinely redeems and issues redeemable units at the amount equal to the proportionate share of net assets of the Partnership at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of the net assets attributable to holders of redeemable units approximates their fair value and is based on Level 2 inputs.

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(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

11. Financial instruments and risk management:

The Partnership has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Manager's risk management policies are typically performed as a part of the overall management of the Partnership's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Partnership may be exposed to a number of risks that could affect its operating performance. The Manager's close involvement in operations will help to identify risks and variations from expectations. The Partnership has not designated any transactions as hedging transactions to manage risk.

As a part of the overall operation of the Partnership, management considers the avoidance of undue concentrations of risk. The risk and the actions taken to manage them include the following:

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation that it has entered into with the Partnership, resulting in a financial loss to the Partnership. This risk arises principally from the investments in mortgages, and other receivables. For risk management reporting purposes, the Partnership considers and consolidates all elements of credit risk exposure (such as loan-to-value, sector risk, location risk, and individual obligor default risk).

The Partnership manages its credit risk through extensive initial due diligence and careful monitoring of its mortgage portfolio, active communications with borrowers and the institution of aggressive enforcement procedures on defaulting mortgages by its Mortgage Broker, and by matching the cash flow profile of the assets and liabilities.

All mortgage investments that are directly held for held through a special purpose entity are approved by the Credit Committee comprised of senior management of the Mortgage Broker. The Mortgage Broker's Credit Committee reviews its policies regarding its lending limits on an ongoing basis.

As at December 31, 2024, the largest mortgage investment in the Partnership's mortgage portfolio was \$3,918, which is 6.9% of the Partnership's net asset value and 15.3% of its mortgage portfolio.

The Partnership's maximum credit risk exposure (without taking into account collateral and other credit enhancements) at December 31, 2024, is represented by the respective carrying amounts of the relevant financial assets in the Statement of Financial Position.

Minimal credit risk also arises from cash and deposits, which is mitigated by holding cash and deposits in United States dollars with major financial institutions.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

11. Financial instruments and risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Partnership's liquidity requirements relate to its obligations under its accounts payable and accrued liabilities, mortgage syndication liabilities, distributions payable to holders of redeemable units, due to related parties, redeemable units, representing net assets attributable to the holders and its obligations to make future advances under its existing mortgage portfolio. Liquidity risk is managed by ensuring that the sum of projected repayments under the existing mortgage portfolio and investments held at fair value, exceeds projected needs including funding of further advances under existing and new mortgage investments.

Accounts payable and accrued liabilities arise from normal operating expenses and are expected to be settled within three months of year-end.

Unitholders of the Partnership have the right to redeem their units in the Partnership at any time, as described in its Limited Partnership Agreement. However, the Manager is entitled to extend the time for payment of any Unitholder redemption for a maximum period of 180-days during any period in which the Manager determines that conditions exist which render the sale of assets of the Partnership to be impractical or impair the ability of the Manager to determine the net asset value of the Partnership.

The following table shows the contractual timing of cashflows:

| December 31, 2024 | Carrying value | Contractual cash flow | Within a year | Following year | 3 – 5 years | 5+ |
|--|-------------------|--------------------------|------------------|-------------------|----------------|------|
| Accounts payable and accrued liabilities | \$ 86 | \$ 86 | \$ 86 | \$ - | \$ - | \$ - |
| Distribution payable | 542 | 542 | 542 | - | - | - |
| Due to related parties | 1,863 | 1,863 | 1,863 | - | - | - |
| Total contractual liabilities, excluding mortgage syndication liabilities ¹ | \$ 2,491 | \$ 2,491 | \$ 2,491 | \$ - | \$ - | \$ - |

1. The principal repayments of mortgage syndication liabilities by contractual maturity date are shown net with investments in mortgages in Note 4.

As at December 31, 2024, the Partnership had a cash position of \$4,600. The Manager believes the Partnership will be able to finance its operations using the cash flow generated from operating activities and investing activities.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

11. Financial instruments and risk management (continued):

(c) Market risk:

Market risk is the risk that changes in market factors, such as interest rates, currency and other price risks will affect the Partnership's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

The Partnership's strategy for the management of market risk is driven by the Partnership's investment objective which is to invest in a diversified portfolio of mortgages on real property located within the United States that preserves capital and generates returns in order to permit the Partnership to pay monthly distribution to its Unitholders.

The Partnership's market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place.

(i) Interest rate risk:

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Partnership's interest rate risk is primarily attributable to its return on investments in mortgages and investments held at fair value relative to its resources to fund the mortgages. As described in Note 7, Units are redeemable by Unitholders at any time. A significant rise in interest rates may cause Unitholders to redeem their Units and could cause a shortfall in funds available to meet such redemptions.

As at December 31, 2024, a 0.25% increase/decrease in the interest rates with all other variables held constant would increase/decrease the Partnership's income by \$119, arising mainly as a result of higher interest income generated on variable rate investments in mortgages.

(ii) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Partnership's functional currency is US dollars. The Partnership has minimal exposure to foreign currency transactions and currency risk.

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Partnership is exposed to price risk because of its investments in mortgages. These risks arise from changes in the real estate market and could be local, national or global in nature. Deteriorating real estate values increase the Partnership's risk. The Partnership manages these risks by actively maintaining strong borrower relationship and active monitoring of all loans. Further, the Partnership has diversified its portfolio of investment mortgages geographically to manage this risk.

TREZ CAPITAL U.S. REAL ESTATE DEBT FUND MASTER LIMITED PARTNERSHIP

Notes to Financial Statements

(Amounts expressed in thousands of United States Dollars, unless otherwise indicated)

For the period from formation of the partnership on January 11, 2024 to December 31, 2024

12. Capital management:

The Partnership considers net assets attributable to holders of redeemable units to be capital, which at December 31, 2024, was \$56,783.

The Partnership's objective when managing capital is to maintain its ability to continue as a going concern and ensure that it has sufficient cash resources to invest in mortgages in order to provide a return to its Unitholders. To secure the additional capital necessary to pursue these plans, the Partnership may attempt to raise additional funds through the issuance of additional Units.

The Partnership, through its Manager, manages its capital structure and makes adjustments as appropriate based on the funds available to the Partnership in order to support the continued investment in mortgages and other investments. The Manager's investment strategy continues to be to preserve investor capital, while providing a consistent stream of interest income.

The Partnership is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Limited Partnership Agreement.

13. Commitments and contingencies:

In the ordinary course of business activities, the Partnership may be contingently liable for litigation and claims arising from investing in mortgage investments and other investments. Where required, management records adequate provisions in the accounts.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the Partnership's financial position. The Partnership's estimate involves significant judgement, given the fact that the Partnership's liability, if any, has yet to be determined and as such could vary by a material amount in the future should this change.

14. Subsequent events:

The Partnership evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be recognized and/or disclosed in the financial statements. Such evaluation was performed through the date the financial statements were available to be issued, which was April 14, 2025.

CERTIFICATE OF THE PARTNERSHIP AND THE GENERAL PARTNER

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

This Offering Memorandum does not contain a misrepresentation.

DATED EFFECTIVE this 30th day of April, 2025.

**TREZ CAPITAL YIELD U.S. (CAD) LIMITED PARTNERSHIP,
by its general partner,
TREZ CAPITAL YIELD U.S. (CAD) GP LLC,
by its sole member,
TREZ CAPITAL FUND MANAGEMENT (2011) CORPORATION**

"John Maragliano"

(Signed) John Maragliano
Co-Chief Executive Officer, Chief Financial
Officer, President and Director

**On behalf of the Manager of Trez Capital Yield U.S. (CAD) GP LLC,
the general partner of Trez Capital Yield U.S. (CAD) Limited Partnership**

"John Maragliano"

(Signed) John Maragliano
Co-Chief Executive Officer, Chief Financial
Officer, President and Director of Trez Capital
Fund Management (2011) Corporation, the
sole member of Trez Capital Yield U.S. (CAD)
GP LLC

"Morley Greene"

(Signed) Morley Greene
Director of Trez Capital Fund Management (2011)
Corporation, the sole member of Trez Capital Yield
U.S. (CAD) GP LLC