INFORMATION STATEMENT

August 18, 2014

M Split Corp.

Capital Reorganization and Issuance of Warrants

M Split Corp. is a mutual fund corporation incorporated under the laws of the Province of Ontario by articles of incorporation dated February 12, 2007, as amended. The principal office address of the Company is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7. Quadravest Capital Management Inc. (**Quadravest**) is the manager and investment manager for the Company. The principal office address of Quadravest is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7. The Company invests in common shares of Manulife Financial Corporation (**Manulife**).

At a special meeting of the holders of the Class I Preferred Shares, Class II Preferred Shares and Capital Shares of M Split Corp. (the **Company**) held on May 14, 2014, such holders approved an extension of the term of the Company beyond December 1, 2014 and also approved various changes to the rights, privileges, restrictions and conditions attaching to the Class I Preferred Shares, Class II Preferred Shares and Capital Shares of the Company and the issuance of warrants to holders of the Class II Preferred Shares and Capital Shares of the Company (the **Capital Reorganization**).

Under the Capital Reorganization, holders of Class II Preferred Shares and Capital Shares of the Company on August 25, 2014 (the **Effective Date**) will receive one Class II Preferred Share (2014) and one Capital Share (2014) for each Class II Preferred Share and or Capital Share then held, respectively. The Company will also issue to the holders of its outstanding Class II Preferred Shares and Capital Shares on the Effective Date an aggregate of 2,735,138 warrants (the **Warrants**) to holders of Class II Preferred Shares and an aggregate of 2,735,138 Warrants to holders of Capital Shares, each entitling such holders to subscribe for and purchase an aggregate of up to 683,784 Class I Preferred Shares, Class II Preferred Shares and Capital Shares (collectively, a **Unit**). Four Warrants will entitle the holder to subscribe for one Unit upon payment of a subscription price of $8.15, which is equal to 102% of the net asset value per Unit (**NAV per Unit**) of the Company calculated on August 5, 2014 (the **Subscription Price**). See "*Warrant Details*".

Effective Date:	August 25, 2014 (the **Effective Date**), subject to obtaining all necessary regulatory and exchange approvals.
Commencement Date:	Warrants may be exercised on any business day commencing on August 25, 2014.
Expiry Date and Time:	Warrants not exercised by 5:00 p.m. (Toronto time) on November 25, 2014 (the **Expiry Date**) will be void and of no value.

Subscription Price:	$8.15 (the **Subscription Price**).
Basic Subscription Privilege:	Each holder (an **Eligible Shareholder**) of a Class II Preferred Share or a Capital Share at the close of business on the Effective Date will receive one transferable Warrant for each Class I Preferred Share or Capital Share held. Four Warrants will entitle the holder thereof (a **Warrantholder**) to acquire one Unit upon payment of the Subscription Price prior to 5:00 p.m. (Toronto time) on the Expiry Date (the **Basic Subscription Privilege**). See "*Warrant Details – Basic Subscription Privilege*".
Additional Subscription Privilege:	Warrantholders who exercise their Warrants in full under the Basic Subscription Privilege are entitled to purchase, on a pro rata basis, Units not issued pursuant to the exercise of the Basic Subscription Privilege by other Warrantholders, if any (the **Additional Subscription Privilege**). See "*Warrant Details – Additional Subscription Privilege*".
No Minimum Issue Size:	The issuance of the Warrants is not conditional upon the receipt by the Company of any minimum amount of subscription proceeds.

The Class I Preferred Shares, Class II Preferred Shares and Capital Shares are listed on the Toronto Stock Exchange (the **TSX**) under the symbols XMF.PR.B, XMF.PR.C and XMF.A, respectively. On August 6, 2014, the closing prices on the TSX of the Class I Preferred Shares, Class II Preferred Shares and Capital Shares were $5.26, $2.60 and $0.30, respectively. The Class II Preferred Shares (2014) and Capital Shares (2014) will be listed on the TSX under the symbols XMF.PR.C and XMF.A, respectively. The TSX has conditionally approved the listing of the Warrants and the Class I Preferred Shares, Class II Preferred Shares (2014) and Capital Shares (2014) issuable upon the exercise thereof on the TSX. Listing will be subject to the Company fulfilling all of the requirements of the TSX.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants issued to them. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*".

	Subscription Price(1)	**Net Proceeds to the Company**(1)(2)
Per Unit	$8.15	$8.01
Total	$11,145,679(2)	$10,958,922

(1) Assumes that all Warrants are exercised.
(2) After deducting the estimated expenses of the Capital Reorganization of $50,000, and the Warrant Exercise Fee (as defined below), which will be paid by the Company.

Subscriptions for Units made in connection with the exercise of Warrants will be irrevocable and subscribers will be unable to withdraw their subscriptions for Units once submitted. Warrant certificates will not be issued to Eligible Shareholders.

The independent review committee of the Company, each member of which is independent of the Company and Quadravest, is of the view that the Capital Reorganization achieves a fair and reasonable result for Shareholders.

The Company utilizes the book-entry only system with respect to the Class I Preferred Shares, Class II Preferred Shares and Capital Shares and the book-based system with respect to the Warrants, both of which are administered by CDS Clearing and Depository Services Inc. (**CDS**). The Company may also utilize the non-certificated issue system or another system administered by CDS. A Warrantholder may subscribe for Units by instructing the participant in CDS (a **CDS Participant**) holding the subscriber's Warrants to exercise all or a specified number of such Warrants and concurrently forwarding the Subscription Price for each Unit subscribed for to such CDS Participant. See "*Warrant Details – Basic Subscription Privilege*".

Warrantholders wishing to subscribe for additional Units (**Additional Units**) under the Additional Subscription Privilege must forward their request to their CDS Participant prior to 5:00 p.m. (Toronto time) on the Expiry Date, along with payment for the Additional Units requested. Any excess funds will be returned by mail or credited to the subscriber's account with its CDS Participant without interest or deduction. See "*Warrant Details – Additional Subscription Privilege*".

Warrantholders that wish to acquire Units must provide the CDS Participant holding their Warrants with instructions and the required payment sufficiently in advance of the Expiry Date to permit the proper exercise of their Warrants. CDS Participants will have an earlier deadline for receipt of instructions and payment.

Computershare Trust Company of Canada (the **Warrant Agent**) will be appointed the warrant agent of the Company to receive subscriptions and payments from Warrantholders, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants. Warrantholders desiring to exercise Warrants and purchase Units should ensure that subscriptions and payment in full of the Subscription Price are received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date. See "*Warrant Details – Exercise of Warrants and Warrant Agent*".

No underwriter has been involved in the preparation of this Information Statement or has performed any review of the contents of this Information Statement.

TABLE OF CONTENTS

GLOSSARY

1933 Act:	the United States *Securities Act of 1933*, as amended from time to time.
Additional Subscription Privilege:	Warrantholders who exercise their Warrants in full under the Basic Subscription Privilege are entitled to purchase, on a pro rata basis, Units not issued pursuant to the exercise of the Basic Subscription Privilege by other Warrantholders, if any. See "*Warrant Details – Additional Subscription Privilege*".
AIF:	the current annual information form of the Company dated February 26, 2014.
Basic Subscription Privilege:	Each Eligible Shareholder at the close of business on the Effective Date will be entitled to receive one Warrant for each Class II Preferred Share or Capital Share held. Four Warrants entitle the holder thereof to subscribe for one Unit at the Subscription Price prior to 5:00 p.m. (Toronto time) on the Expiry Date. See "*Warrant Details – Basic Subscription Privilege*".
business day:	any day on which the TSX is open for business.
Capital Share:	a transferable, redeemable Capital Share of the Company.
Capital Share (2014):	a transferable, redeemable Capital Share (2014) of the Company, to be issued to holders of the Capital Shares on the Effective Date.
Class I Preferred Share:	a transferable, redeemable Class I Preferred Share of the Company.
Class II Preferred Share:	a transferable, redeemable Class II Preferred Share of the Company.
Class II Preferred Share (2014):	a transferable, redeemable Class II Preferred Share (2014) of the Company, to be issued to holders of the Class II Preferred Shares on the Effective Date.
Class B Share:	a voting, transferable Class B Share of the Company.
Company:	M Split Corp.
Effective Date:	August 25, 2014.
Eligible Shareholder:	each holder of a Class II Preferred Share or a Capital Share at the close of business on the Effective Date.
Expiry Date:	November 25, 2014. The Warrants will expire at 5:00 p.m. (local time in Toronto, Ontario) on the Expiry Date.
NAV:	the net asset value (**NAV**) of the Company which, on any date, will be equal to (a) the total value of the assets of the Company, less (b) the aggregate amount of the liabilities of the Company, excluding any liabilities represented by the Class I Preferred Shares and the Class II Preferred Shares.

NAV per Unit:	the NAV of the Company at that time divided by the number of Units then outstanding. In certain circumstances, a diluted NAV per Unit will be calculated in addition to this basic NAV per Unit. See "*Warrant Details – Warrant Considerations*".
NI 81-102:	National Instrument 81-102 *Mutual Funds* (or any successor policy, rule or national instrument), as it may be amended from time to time.
Quadravest:	Quadravest Capital Management Inc., the manager and investment manager of the Company.
Shareholder:	A holder of a Class I Preferred Share, Class II Preferred Share or Capital Share.
Subscription Price:	$8.15, which is equal to 102% of the net asset value per Unit (**NAV per Unit**) of the Company calculated on August 5, 2014.
Tax Act:	the *Income Tax Act* (Canada) and the regulations thereunder, as the same may be amended from time to time.
TSX:	the Toronto Stock Exchange.
Unit:	a notional unit consisting of one Class I Preferred Share, one Class II Preferred Share and one Capital Share. Shares are issued on the basis that there will be an equal number of Class I Preferred Shares, Class II Preferred Shares and Capital Shares outstanding at all material times. The number of Units outstanding at any time is therefore equal to the sum of the number of Class I Preferred Shares, Class II Preferred Shares and Capital Shares then outstanding, divided by three.
United States:	the United States of America, its territories and possessions.
Warrant:	a transferable Warrant of the Company to be issued to Eligible Shareholders on the Effective Date on the terms and conditions of the Warrant Indenture.
Warrant Agent:	Computershare Trust Company of Canada.
Warrant Indenture:	the agreement between the Company and the Warrant Agent relating to the Warrants.
$:	Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements in this **Information Statement** are forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company or Quadravest. Forward-looking statements are not historical facts but reflect the current expectations of the Company and Quadravest regarding future results or events. Such forward-looking statements reflect the Company's and Quadravest's current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described in this AIF under "*Risk Factors*". Although the forward-looking statements contained in this **Information Statement** are based upon assumptions that the Company and Quadravest believe to be reasonable, neither the Company nor Quadravest can assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared for the purpose of providing investors with information about the Company and may not be appropriate for other purposes. Neither the Company nor Quadravest assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

ADDITIONAL INFORMATION

Additional information regarding the Company may be found in the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada and available on SEDAR at www.sedar.com:

(a) the annual information form (the **AIF**) of the Company dated February 26, 2014 in respect of the fiscal year of the Company ended November 30, 2013;

(b) the annual financial statements of the Company, together with the accompanying report of the auditor, for its fiscal year ended November 30, 2013;

(c) the management report of fund performance in respect of the fiscal year of the Company ended November 30, 2013;

(d) the unaudited interim financial statements of the Company for the six months ended May 31, 2014;

(e) the interim management report of fund performance in respect of the six month period ended May 31, 2014;

(f) the notice of special meeting of holders of Class I Preferred Shares, Class II Preferred Shares and Capital Shares and related management information circular (the **Circular**) dated April 11, 2014, in respect of the special meeting of shareholders held May 14, 2014 (the **2014 Special Meeting**); and

(g) the material change report of the Company dated May 16, 2014 relating to the changes approved at the 2014 Special Meeting (the **2014 Special Meeting MCR**).

THE COMPANY

M Split Corp. (the **Company**) is a mutual fund corporation incorporated under the laws of Ontario by articles of incorporation dated February 12, 2007, as amended April 12, 2007, February 26, 2010, March 19, 2010 and May 21, 2014. Quadravest Capital Management Inc. (**Quadravest**) is the manager and investment manager for the Company. Quadravest is the manager and investment manager of 11 other public mutual fund corporations and one public mutual fund trust with total assets under management of approximately $1.5 billion. The principal office address of the Company and Quadravest is at 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7, and its website address is www.quadravest.com.

The Company has issued Class I Preferred Shares, Class II Preferred Shares and Capital Shares (together, a notional **Unit**) on a basis which requires there to be an equal number of shares of each class (**Shares**) outstanding at all material times. Class I Preferred Shares, Class II Preferred Shares and Capital Shares are listed on the Toronto Stock Exchange (**TSX**) under the symbols XMF.PR.B, XFM.PR.C and XMF.A, respectively.

While the Company is considered to be a mutual fund corporation under Canadian securities legislation, the Company is not subject to all the same rules in such legislation as apply to conventional public mutual funds.

A special meeting of the holders of the Company's Class I Preferred Shares, Class II Preferred Shares and Capital Shares (**Shareholders**) was held on May 14, 2014 (the **2014 Special Meeting**). At the 2014 Special Meeting, a special resolution was passed to extend the mandatory termination date for the Company from December 1, 2014 to December 1, 2019 (the **Termination Date**) and provide the Board of Directors of the Company with the right to provide for further extensions of five years each thereafter. For further details regarding the 2014 Special Meeting and the matters approved thereat, see the management information circular (the **Circular**) dated April 11, 2014, in respect of the 2014 Special Meeting and the material change report of the Company dated May 16, 2014 relating to such matters (the **2014 Special Meeting MCR**), each incorporated by reference into this Information Statement.

The Warrants will be issued pursuant to a reorganization of capital of the Company, which will result in each holder of a Class II Preferred Share receiving a Class II Preferred Share (2014), having the rights, privileges, restrictions and conditions approved by Shareholders at the 2014 Special Meeting, and one Warrant, for each Class II Preferred Share held at the Effective Date, and each holder of a Capital Share receiving a Capital Share (2014), having the rights, privileges, restrictions and conditions approved by Shareholders at the 2014 Special Meeting, and one Warrant, for each Capital Share held at the Effective Date (the **Capital Reorganization**).

Summary Description of the Company

The Company was created to provide exposure to the common shares of Manulife Financial Corporation (**Manulife**). To supplement the dividends earned on those common shares (the **Portfolio**) and to reduce risk, the Company will from time to time write covered call options in respect of all or a part of common shares of Manulife that it holds. The number of such common shares that are the subject of call options and the terms of such options will vary from time to time as determined by Quadravest. In addition, the Company may also write cash covered put options or purchase call options with the effect of closing out existing call options written by the Company and may also purchase put options in order to protect the Company from declines in the market price of the common shares of Manulife that it holds.

The Company's investment objective with respect to the Class I Preferred Shares is to provide holders with fixed cumulative preferential monthly cash dividends in the amount of $0.03125 per Class I

Preferred Share; and on the Termination Date, to pay the holders $5.00 per Class I Preferred Share (the **Class I Preferred Share Repayment Amount**). The Company's investment objective with respect to the Class II Preferred Shares is to provide holders with fixed cumulative preferential monthly cash dividends in the amount of $0.03125 per Class II Preferred Share if and when the net asset value per Unit exceeds $10.00 (if and when it exceeds $12.50 until November 30, 2014); and on or about the Termination Date, to pay the holders $5.00 per Class II Preferred Share (the **Class II Preferred Share Repayment Amount**). The Company's investment objective with respect to the Capital Shares is to provide holders with dividends in an amount to be set by the Board of Directors of the Company at its discretion, based on market conditions, if and when the net asset value per Unit exceeds $15.00 and provided that no regular monthly dividend payments will be made on the Capital Shares unless all dividends on the Class I Preferred Shares and, if applicable, the Class II Preferred Shares have been declared and paid; and to permit holders to participate in all growth in the net asset value (**NAV**) of the Company above $10.00 per Unit, by paying such holders, on or about the Termination Date, such amounts as remain in the Company on the Termination Date after paying the holders of the Class I Preferred Shares the Class I Preferred Share Repayment Amount and paying the holders of the Class II Preferred Shares the Class II Preferred Share Repayment Amount. **There is no assurance that the Company will be able to achieve its investment objectives. See "*Risk Factors*" for a discussion of certain factors that should be considered by Warrantholders.**

RATIONALE FOR THE ISSUANCE OF WARRANTS IN THE CAPITAL REORGANIZATION

The exercise of Warrants by holders (**Warrantholders**) will provide the Company with additional capital that can be used to acquire additional common shares of Manulife for the Portfolio at prices Quadravest considers to be attractive and is also expected to increase the trading liquidity of the Class I Preferred Shares, Class II Preferred Shares (2014) and Capital Shares (2014) and may also reduce the management expense ratio of the Company.

WARRANT DETAILS

The following is a summary only and is subject to, and is qualified in its entirety by reference to the detailed provisions of the warrant indenture (the **Warrant Indenture**) to be dated as of August 25, 2014 between the Company and Computershare Trust Company of Canada (**Computershare**).

Warrants

Holders of Class II Preferred Shares and Capital Shares (**Eligible Shareholders)** at the close of business on August 25, 2014 (the **Effective Date**) will be issued Warrants on the basis of an aggregate of 2,735,138 Warrants being issued to holders of Class II Preferred Shares to subscribe for and purchase an aggregate of up to 683,784 Units and an aggregate of 2,735,138 Warrants being issued to holders of Capital Shares to subscribe for and purchase an aggregate of up to 683,784 Units. Each Shareholder will receive one transferable Warrant for each Class II Preferred Share or Capital Share held at the Effective Date. Four Warrants will entitle a Warrantholder to acquire one Unit, upon payment of a subscription price of $8.15, which is equal to 102% of the net asset value per Unit (**NAV per Unit**) of the Company calculated on August 5, 2014 (the **Subscription Price**), at any time prior to 5:00 p.m. (Toronto time) on November 25, 2014 (the **Expiry Date)**.

Exercise of Warrants and Warrant Agent

Warrants may be exercised on any business day during the period (the **Exercise Period**) commencing at market open (Toronto time) on August 25, 2014 and ending at 5:00 p.m. (Toronto time) on the Expiry Date. **Warrants not exercised prior to 5:00 p.m. (Toronto time) on the Expiry Date will be void and**

of no value. If an Eligible Shareholder does not exercise, or sells, the Warrants, then the value of the Shareholder's investment in the Company may be diluted as a result of the exercise of Warrants by others. See "*Warrant Details – Warrant Considerations*".

Computershare has been appointed the warrant agent of the Company (the **Warrant Agent**) to receive subscriptions and payments from Warrantholders, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants. The Company will pay for the services of the Warrant Agent. Warrantholders desiring to exercise Warrants and purchase Units should ensure that subscriptions and payment in full of the Subscription Price are received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date.

The Class I Preferred Shares, Class II Preferred Shares and Capital Shares purchased pursuant to the Warrants so exercised shall be deemed to have been issued and the person or persons in whose name or names such shares are to be registered shall be deemed to have become the holder or holders of record of such shares on the date on which such shares are entered into the register maintained by the Company's transfer agent for such shares. Units will only be issued pursuant to the Additional Subscription Privilege after all necessary calculations have been made following the Expiry Date as described under "*Warrant Details – Additional Subscription Privilege*".

Basic Subscription Privilege

A Warrantholder may subscribe for the resulting whole number of Units or any lesser whole number of Units by instructing the participant (the **CDS Participant**) in CDS Clearing and Depository Services Inc. (**CDS**) holding the subscriber's Warrants to exercise all or a specified number of such Warrants and forwarding the Subscription Price for each Unit subscribed for in accordance with the terms of the Warrant Indenture to the CDS Participant that holds the subscriber's Warrants (the **Basic Subscription Privilege**). The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order drawn to the order of a CDS Participant, by direct debit from the subscriber's brokerage account or by electronic funds transfer or other similar payment mechanism. All payments must be forwarded to the appropriate office of the CDS Participant. The entire Subscription Price for Units subscribed for must be paid at the time of subscription and must be received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date. **If mail is used for delivery of subscription funds, for the protection of the subscriber, "certified mail – return receipt requested" should be used and sufficient time should be allowed to avoid the risk of late delivery. A subscriber subscribing through a CDS Participant must deliver its payment and instructions sufficiently in advance of the Expiry Date to allow the CDS Participant to properly exercise the Warrants on such subscriber's behalf. Warrantholders are encouraged to contact their broker or other CDS Participants as each CDS Participant may have a different cut-off time.**

CDS Participants that hold Warrants for more than one beneficial holder may, upon providing evidence satisfactory to the Company and the Warrant Agent during the Exercise Period, exercise Warrants on behalf of their accounts on the same basis as if the beneficial owners of such Warrants were holders on the Effective Date.

Notwithstanding anything to the contrary in this Information Statement, the Warrants may be exercised only by a Warrantholder who represents at the time of exercise that the Warrantholder is not located in the United States, did not acquire the Warrants while in the United States, is not a U.S. person (as defined in Regulation S under the United States *Securities Act of 1933* (the **1933 Act**)) and is not exercising the Warrants for resale to or for the account or benefit of a U.S. person or a person in the United States. Payment of the Subscription Price will constitute a representation to the CDS Participant that the subscriber is not located in the United States, did not acquire Warrants while in the United States, is not a

U.S. person and is not exercising the Warrants for resale to or for the account or benefit of a U.S. person or a person in the United States.

Subscriptions for Units made in connection with the exercise of Warrants through a CDS Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for Units once submitted.

Warrantholders who wish to exercise their Warrants and receive Class I Preferred Shares, Class II Preferred Shares and Capital Shares are reminded that because Warrants must be exercised through a CDS Participant, there may be a delay between the date of exercise of the Warrants and the date the issuance of such shares is recorded in the subscriber's account with its CDS Participant.

Additional Subscription Privilege

Each Warrantholder that subscribes for all of the Units to which such holder is entitled pursuant to the Basic Subscription Privilege may, at any time during the Exercise Period, subscribe for additional Units (**Additional Units**) at a price equal to the Subscription Price for each Additional Unit (the **Additional Subscription Privilege**). Warrantholders must exercise all of their Warrants under the Basic Subscription Privilege to be eligible for the Additional Subscription Privilege.

The aggregate number of Additional Units available under the Additional Subscription Privilege for all additional subscriptions will be the difference, if any, between the total number of Units issuable upon exercise of the Warrants and the total number of Units subscribed and paid for prior to 5:00 p.m. (Toronto time) on the Expiry Date. Subscriptions for Additional Units will be received subject to allotment only and the number of Additional Units, if any, which may be allotted to each subscriber will be equal to the lesser of: (a) the number of Additional Units which that subscriber has subscribed for under the Additional Subscription Privilege, and (b) the product (disregarding fractions) obtained by multiplying the number of available Additional Units by a fraction, the numerator of which is the number of Warrants exercised by that subscriber under the Basic Subscription Privilege and the denominator of which is the aggregate number of Warrants exercised under the Basic Subscription Privilege by Warrantholders that have subscribed for Additional Units pursuant to the Additional Subscription Privilege. If any Warrantholder has subscribed for fewer Additional Units than such holder's pro rata allotment of Additional Units, the excess Additional Units will be allotted in a similar manner among the holders who were allotted fewer Additional Units than they subscribed for.

To apply for Additional Units under the Additional Subscription Privilege, a beneficial Warrantholder must forward the holder's request to a CDS Participant prior to 5:00 p.m. (Toronto time) on the Expiry Date. Payment for Additional Units, in the same manner as for Units, must accompany the request when it is delivered to the CDS Participant. Any excess funds will be returned by mail or credited to a subscriber's account with its CDS Participant without interest or deduction. Payment in full of the Subscription Price must be received by the Warrant Agent prior to 5:00 p.m. (Toronto time) on the Expiry Date, failing which the subscriber's entitlement to such Units will terminate. Accordingly, the subscriber must deliver payment and instructions sufficiently in advance of the Expiry Date to allow the CDS Participant to properly apply for Additional Units under the Additional Subscription Privilege. Units issued pursuant to the Additional Subscription Privilege will only be issued after all necessary calculations have been made following the Expiry Date.

Sale or Transfer of Warrants

Warrantholders in Canada may, instead of exercising their Warrants to subscribe for Units, sell or transfer their Warrants. Holders of Warrants through CDS Participants who wish to sell or transfer their Warrants must do so in the same manner as they sell or transfer Capital Shares or Preferred Shares, namely, by providing instructions to the CDS Participant holding their Warrants in accordance with the policies and procedures of the CDS Participant. The Company has applied to list the Warrants on the TSX. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

Warrant Considerations

The value of a Unit will be reduced if the NAV per Unit exceeds an amount equal to the Subscription Price payable on the exercise of a Warrant less the Warrant Exercise Fee (as defined below) and four or more Warrants are exercised (the **Dilution Threshold**). If the NAV per Unit exceeds the Dilution Threshold, then an Eligible Shareholder will face dilution of its investment in the Company to the extent Warrantholders exercise their Warrants and acquire Units. If an Eligible Shareholder does not exercise Warrants in such circumstances, such Shareholder's pro rata interest in the assets of the Company will be diluted.

As the number of Units issuable on the exercise of the Warrants equals one-half the number of the currently outstanding Units, the potential dilution per Unit is up to one-third of all gains in the NAV per Unit in excess of the Dilution Threshold. The potential dilution per Unit, assuming the Warrants are exercised in full, is illustrated in the following table:

Non-diluted NAV of the Company before the Exercise of Warrants...	$8.15	$8.35	$8.55	$8.75
Pro Forma Dilution per Unit..	Nil	$0.11	$0.18	$0.25

Due to the dilutive effect on the value of the Units when Warrants are exercised, Eligible Shareholders should carefully consider the exercise of the Warrants or the sale of the Warrants prior to the Expiry Time. The failure to take either such action in the circumstances described above will result in the loss of value to the investor. To maintain the Eligible Shareholder's pro rata interest in the assets of the Company, the Shareholder will be required to pay in connection with the exercise of a Warrant an additional amount equal to the Subscription Price. While an Eligible Shareholder may sell the Shareholder's Warrants, no assurance can be given that the proceeds of such sale will compensate the Shareholder for such dilution. The factors that would be expected to influence the price of a Warrant include the difference between the Subscription Price and the NAV per Unit calculated on a diluted basis, price volatility, distributions payable on the Shares and the remaining time to expiry of the Warrant.

Holders of Class I Preferred Shares will not receive any Warrants under the Capital Reorganization. While the exercise of Warrants should not dilute the interests of the holders of Class I Preferred Shares, such exercise could reduce the then-current asset coverage ratio applicable to the Class I Preferred Shares. In no circumstances, however, should such asset coverage ratio, even if so reduced, be less than the asset coverage ratio that will apply immediately following the completion of the Capital Reorganization.

Anti-dilution Provisions

The Warrant Indenture contains anti-dilution provisions such that the subscription rights in effect under the Warrants for Units issuable upon the exercise of the Warrants will be subject to adjustment from time to time if, prior to the expiry time (5:00 p.m. local time in Toronto, Ontario) on the Expiry Date, the Company:

(a) subdivides, re-divides or changes its outstanding Class I Preferred Shares, Class II Preferred Shares or Capital Shares into a greater number of shares;

(b) reduces, combines or consolidates its outstanding Class I Preferred Shares, Class II Preferred Shares or Capital Shares into a smaller number of shares;

(c) distributes to holders of all or substantially all of the outstanding Class I Preferred Shares, Class II Preferred Shares or Capital Shares any securities of the Company including rights, options or warrants to acquire Class I Preferred Shares, Class II Preferred Shares or Capital Shares or securities convertible into or exchangeable for Class I Preferred Shares, Class II Preferred Shares or Capital Shares or property or assets, including evidence of indebtedness (other than in connection with the distribution and exercise of the Warrants);

(d) reclassifies the Class I Preferred Shares, Class II Preferred Shares or Capital Shares or otherwise reorganizes the capital of the Company; or

(e) consolidates, amalgamates or merges the Company with or into any other investment fund or other entity, or sells or conveys the property and assets of the Company as an entirety or substantially as an entirety (other than in connection with the retraction or redemption of Class I Preferred Shares, Class II Preferred Shares or Capital Shares).

Delivery, Form and Denomination of Warrants

The Warrants will be evidenced by a warrant certificate registered in the name of CDS or its nominee pursuant to CDS' book-based system on a non-certificated inventory (NCI) basis. Shareholders hold their Class II Preferred Shares or Capital Shares through a CDS Participant and will not receive physical certificates evidencing their ownership of Warrants. On the Effective Date, a certificate representing the Warrants will be issued in registered form to CDS or its nominee.

All Warrantholders hold their Warrants through a CDS Participant, except where the issuance of physical certificates evidencing ownership in such securities is necessary to facilitate Warrant exercises. The Company expects that each Shareholder will receive a confirmation of the number of Warrants issued to it under the Capital Reorganization from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-based accounts for its participants holding Warrants.

None of the Company, Quadravest or the Warrant Agent will have any liability for: (a) the records maintained by CDS or CDS Participants relating to the Warrants or the book-based accounts maintained by them; (b) maintaining, supervising or reviewing any records relating to such Warrants; or (c) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or its participants.

The ability of a person having an interest in Warrants held through a CDS Participant to pledge such interest or otherwise take action with respect to such interest (other than through a CDS Participant) may be limited due to the lack of a physical certificate. Warrantholders must arrange purchases and transfers of, and for the issuance of Warrant certificates for the purpose of exercises of, Warrants through CDS Participants.

FEES AND EXPENSES

Expenses of the Capital Reorganization

The expenses of the Capital Reorganization (including the costs of preparing and printing this Information Statement, legal expenses and translation fees), which are estimated to be $50,000 in the aggregate, will be paid by the Company.

Warrant Exercise Fee

Within 30 days of the proper exercise of a Warrant, the Company will pay a fee (the **Warrant Exercise Fee**) of $0.10 per Unit to the dealer whose client exercised the Warrant.

Fees Payable to Quadravest

Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate equal to 0.1% of the Company's NAV calculated as at the last day (a **Valuation Date**) in each month, plus an amount equal to the service fee (the **Service Fee**) payable to dealers. The Company will also pay any goods and services taxes or harmonized sales taxes applicable to this administration fee. Quadravest will pay the Service Fee to each dealer whose clients hold Capital Shares. The Service Fee will be calculated and paid at the end of each calendar quarter and is equal to 0.50% annually of the value of the Capital Shares held by clients of the dealer. For these purposes, the value of a Capital Share at any time is the NAV per Unit at such time less $10.00. No Service Fee will be paid in any calendar quarter if dividends are not paid to holders of Capital Shares in respect of each month of such calendar quarter. Quadravest is also entitled to a management fee payable monthly in arrears at an annual rate equal to 0.45% of the Company's NAV calculated as at the last Valuation Date in each month. The Company will pay any goods and services taxes or harmonized sales taxes applicable to this management fee. Quadravest is also entitled to receive from the Company an amount equal to the discount to net asset value not paid to shareholders for any monthly retractions of Class I Preferred Shares, Class II Preferred Shares or Capital Shares as an additional fee.

Ongoing Expenses

The Company pays for all fees and expenses incurred in connection with its operation and administration, including the costs or preparing financial statements and financial and accounting information as required by the Company; ensuring that shareholders are provided with such financial statements (including semi-annual and annual financial statements) they have requested and such other reports as are from time to time required by applicable law; ensuring that the Company complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Company's reports to shareholders and the Canadian securities regulatory authorities; and the costs of third-party providers of services, including the registrar and transfer agent, the Warrant Agent, the auditor and printers.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Class I Preferred Shares, Class II Preferred Shares and Capital Shares and 1,000 Class B Shares, and after completing the Capital Reorganization will be authorized to issue an unlimited number of Class I Preferred Shares, Class II Preferred Shares (2014) and Capital Shares (2014) and 1,000 Class B Shares. A trust established for the benefit of holders of Class I Preferred Shares, Class II Preferred Shares (2014) and Capital Shares (2014) owns all 1,000 outstanding Class B Shares (the **Trust**). As at August 5, 2014 there were 2,735,138 Class I Preferred Shares, 2,735,138 Class II Preferred Shares and 2,735,138 Capital Shares outstanding. The following is a summary of certain provisions of the Class I Preferred Shares, Class II Preferred Shares (2014) and Capital Shares (2014) which are more fully described in the AIF, as modified by the 2014 Special Meeting MCR.

Distributions and Dividends

Holders of the Class I Preferred Shares are entitled to fixed, cumulative, preferential monthly dividends in an amount of $0.03125 per Class I Preferred Share per month. If the Termination Date is extended for a further five years beyond December 1, 2019, the Company will determine the rate of cumulative preferential monthly dividends to be paid on the Class I Preferred Shares for each year in such five year extension period.

Currently, holders of Class II Preferred Shares are entitled to fixed, cumulative, preferential monthly dividends in an amount of $.03125 per Class II Preferred Share per month, provided that no such dividends may be paid in a month unless the NAV per Unit exceeds $12.50. As approved by the Shareholders at the 2014 Special Meeting, effective December 1, 2014, such dividends may be paid if the NAV per Unit exceeds $10.00. As with the Class I Preferred Shares, if the Termination Date is extended for a further five years beyond December 1, 2019, the Company will determine the rate of cumulative preferential monthly dividends to be paid on the Class II Preferred Shares for each year in such five year extension period.

Holders of the Capital Shares are entitled to dividends in an amount to be set by the Board of Directors of the Company at its discretion, based on market conditions, if and when the NAV per Unit exceeds $15.00 and provided that no regular monthly dividend payments will be made on the Capital Shares unless all dividends on the Class I Preferred Shares and, if applicable, the Class II Preferred Shares have been declared and paid. As approved by the Shareholders at the 2014 Special Meeting, the Company may pay a special year-end dividend on the Capital Shares, even if after such payment the NAV per Unit would be less than $15.00, where the purpose of such a special dividend in a year would be to reduce or eliminate the amount of net tax payable by the Company under the Tax Act for that year. Any dividends so declared would be payable in additional Capital Shares, and not in cash, and following the payment the articles of incorporation of the Company would be further amended to effect a Capital Share consolidation, so that after such payment, a the holder of Capital Shares would hold the same number of Capital Shares as were held immediately prior to such payment. This Capital Share consolidation would also restore the NAV per Unit to the same amount as immediately before the year end distribution.

CONSOLIDATED CAPITALIZATION

The following table sets forth the unaudited capitalization of the Company before and after giving effect to the Capital Reorganization:

	Authorized	Outstanding as at November 30, 2013	Outstanding as at August 6, 2014	Outstanding as at August 6, 2014 after giving effect to the Capital Reorganization [(1)]
Class I Preferred Shares.........................	Unlimited	$13,675,690 (2,735,138 shares)	$13,675,690 (2,735,138 shares)	$20,513,530 (4,102,706 shares)
Class II Preferred Shares.........................	Unlimited	$7,482,010 (2,735,138 shares)	$8,178,063 (2,735,138 shares)	$12,299,145 (4,102,706 shares)

Capital Shares	Unlimited	nil(2) (2,735,138 shares)	nil (2,735,138 shares)	nil (4,102,706 shares)
Class B Shares............	1,000	$1,000	$1,000	$1,000
Total Capitalization....		$21,158,700	$21,854,753	$32,813,675

(1) After deducting all applicable Warrant Exercise Fees and the expenses of the Capital Reorganization, estimated to be $50,000, and assuming the exercise of all Warrants issued hereunder.

(2) The net result of the ascribed value of the Capital Shares from the financial statements of $24,672,114, plus other equity (contributed surplus) of $18,203,471, minus a deficit of $42,876,585.

NET ASSET VALUE, TRADING PRICE AND VOLUME

The Class I Preferred Shares, Class II Preferred Shares and Capital Shares are listed on the TSX under the symbols XMF.PR.B, XMF.PR.C and XMF.A, respectively. On august 6, 2014 the closing prices on the TSX of the Class I Preferred Shares, Class II Preferred Shares and Capital Shares were $5.26, $2.60 and $0.30, respectively.

The following table sets forth the NAV per Unit and the market price range and trading volume of the Class I Preferred Shares, Class II Preferred Shares and Capital Shares on the TSX for the twelve-month period prior to the date of this Information Statement.

Period	NAV per Unit(1)	Capital Shares (XMF.A)			Class I Preferred Shares (XMF.PR.B)			Class II Preferred Shares (XMF.PR.C)		
		High	Low	Volume	High	Low	Volume	High	Low	Volume
August 2013	$6.73	$0.06	$0.04	13,278	$5.25	$5.01	59,870	$1.56	$1.41	19,143
September 2013	$6.61	$0.03	$0.01	63,107	$5.17	$5.05	31,452	$1.56	$1.40	40,550
October 2013	$7.07	$0.03	$0.02	85,759	$5.10	$5.02	18,175	$1.98	$1.20	114,938
November 2013	$7.74	$0.20	$0.03	315,587	$5.13	$5.03	98,071	$2.54	$1.76	152,296
December 2013	$7.87	$0.14	$0.08	64,066	$5.15	$5.06	90,216	$2.55	$2.30	33,300
January 2014	$7.67	$0.16	$0.09	103,813	$5.16	$5.07	50,135	$2.94	$2.40	64,200
February 2014	$7.84	$0.09	$0.06	71,944	$5.12	$5.04	40,526	$2.79	$2.35	48,460
March 2014	$7.91	$0.11	$0.07	35,434	$5.18	$5.02	60,675	$2.70	$2.44	56,736
April 2014	$7.61	$0.15	$0.07	147,273	$5.20	$5.07	239,172	$2.70	$2.35	20,100
May 2014	$7.33	$0.25	$0.10	78,384	$5.38	$5.15	162,375	$2.75	$2.26	68,650
June 2014	$7.77	$0.275	$0.15	45,520	$5.56	$5.35	48,062	$2.56	$2.02	341,837
July 2014	$8.08	0.35	$0.205	91,957	$5.63	$5.30	30,110	$2.80	$2.13	24,900

(1) Calculated as at the last Valuation Date in the applicable month.

USE OF PROCEEDS

The net proceeds from the exercise of the Warrants offered hereby are estimated to be $10,958,922 (assuming that all Warrants are exercised and after payment of the fees and expenses of the Capital Reorganization, including all applicable Warrant Exercise Fees). Such net proceeds will be invested by the Company in accordance with its investment objectives, strategy and restrictions. For further information on the anticipated use of proceeds, see "*The Company – Summary Description of the Company*" and "*Rationale for the Issuance of Warrants in the Capital Reorganization*".

PLAN OF DISTRIBUTION

The Company will deliver a copy of this Information Statement to Shareholders on the Effective Date. The Company has applied to list the Warrants and the Class I Preferred Shares, Class II Preferred Shares and Capital Shares issuable upon the exercise thereof on the TSX. Listing will be subject to the Company's fulfilling all the listing requirements of the TSX.

Shareholders Outside of Canada

Each Shareholder whose recorded address is outside Canada will be advised by letter that the Shareholder's Warrants will be held by the Shareholder's CDS Participant for the account of such Shareholder, as set out below.

The Class I Preferred Shares, Class II Preferred Shares and Capital Shares are not registered under the 1933 Act. The Capital Reorganization is not, and under no circumstances is to be construed as, an offering of any Class I Preferred Shares, Class II Preferred Shares and Capital Shares for sale in the United States or an offering to or for the account or benefit of any U.S. person or a solicitation therein of any offer of shares. Accordingly, neither a subscription for Units pursuant to the Basic Subscription Privilege nor an application for Additional Units pursuant to the Additional Subscription Privilege will be accepted from any person, or his agent, who appears to be, or who the Company has reason to believe is, a national or resident of the United States.

Each CDS Participant for an Eligible Shareholder resident outside of Canada will, prior to the Expiry Date, attempt to sell the Warrants allotable to such Shareholder at the price or prices it determines in its discretion. Neither the Company nor any CDS Participant will be subject to any liability for the failure to sell any Warrants for such a Shareholder or as a result of the sale of any Warrants at a particular price on a particular day. Any proceeds received by the CDS Participant with respect to the sale of Warrants, net of brokerage fees and costs incurred and, if applicable, of Canadian tax required to be withheld, will be delivered by mailing cheques (in Canadian funds and without payment of any interest) as soon as practicable to such Shareholder whose Warrants were sold, at the Shareholder's last recorded address. Amounts of less than $1.00 will not be forwarded. There is a risk that the proceeds received from the sale of Warrants will not exceed the brokerage fees and costs of or incurred by the CDS Participant in connection with the sale of such Warrants and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be forwarded.

Warrantholders who are Shareholders resident outside of Canada are cautioned that the acquisition and disposition of Warrants, Class I Preferred Shares, Class II Preferred Shares and Capital Shares may have tax consequences in the jurisdiction where they reside and in Canada which are not described herein.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As the manager and the investment manager, Quadravest receives the fees described under "*Fees and Expenses*" for its services to the Company and will be reimbursed by the Company for all expenses incurred in connection with their roles in the operation and administration of the Company.

RISK FACTORS

Certain risk factors relating to the Company and the Warrants are described below. In addition to the risks described in this Information Statement, the AIF contains a detailed discussion of risks and other considerations relating to an investment in Class I Preferred Shares, Class II Preferred Shares and Capital Shares of the Company, of which investors should be aware.

Additional risks and uncertainties not currently known to Quadravest, or that are currently considered immaterial, may also impair the operations of the Company. If any such risk actually occurs, the business, financial condition, liquidity or results of the operations of the Company and the ability of the Company to make distributions on the Class I Preferred Shares, Class II Preferred Shares and Capital Shares could be materially adversely affected.

Dilution to Existing Shareholders

The value of a Unit will be reduced if the NAV per Unit exceeds the Dilution Threshold and four or more Warrants are exercised. If an Eligible Shareholder does not exercise Warrants in such circumstances, such Shareholder's pro rata interest in the assets of the Company will be diluted. To maintain the Shareholder's pro rata interest in the assets of the Company, the Shareholder will be required to pay in connection with the exercise of a Warrant an additional amount equal to the Subscription Price. While a Shareholder may sell the Shareholder's Warrants, no assurance can be given that the proceeds of such sale will compensate the Shareholder for such dilution.

No Public Market for Warrants

The Company has applied to list the Warrants distributed under this Information Statement on the TSX. Listing will be subject to the Company's fulfilling all the listing requirements of the TSX. There is currently no public market for the Warrants and there can be no assurance that an active public market will develop or be sustained after completion of the Capital Reorganization.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, the following is a general summary of the principal Canadian federal income tax considerations arising for certain Eligible Shareholders in respect of the receipt of Warrants under the Capital Reorganization. This summary is only applicable to Eligible Shareholders who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length with the Company and are not affiliated with the Company, and hold their Class II Preferred Shares or Capital Shares, and will hold the Warrants and the Class I Preferred Shares, Class II Preferred Shares and Capital Shares issued pursuant to the exercise of the Warrants, as capital property. This summary is based on the facts set out in this Information Statement and the AIF, the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the **CRA**) made publicly available in writing prior to the date hereof.

This summary also 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 assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations. This summary does not address the deductibility of interest on any funds borrowed by an investor to exercise Warrants and thereby purchase Class I Preferred Shares, Class II Preferred Shares or Capital Shares.

This summary does not apply to an Eligible Shareholder (i) that is a "financial institution" as defined in section 142.2 of the Tax Act, (ii) an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act, (iii) which makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act or (iv) which enters into a "derivative forward agreement" (a "DFA"), as such term is defined in the Tax Act, with respect to the purchase or sale of Warrants or Class I Preferred Shares, Class II Preferred Shares or Capital Shares.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Eligible Shareholders are advised to consult their own tax advisors with respect to their individual circumstances.

Receipt of Warrants

No amount will be required to be included in computing the income of a Shareholder as a consequence of acquiring Warrants under the Capital Reorganization. The cost of a Warrant received under the Capital Reorganization will be nil. The cost of a Warrant acquired by a Shareholder will be averaged with the adjusted cost base to the Shareholder of any other Warrants held at that time as capital property to determine the adjusted cost base of each such Warrant to the Shareholder.

Exercise of Warrants

The exercise of Warrants will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized upon the exercise of Warrants. For its purposes, the Company intends to issue each Capital Share for $0.01; each Class I Preferred Share for $5.00; and each Class II Preferred Share for an amount equal to the Subscription Price, less the aggregate of (i) the Warrant Exercise Fee, and (ii) $5.01. Although the Company believes that such allocation of the aggregate Subscription Price per Unit among its three classes of Shares is reasonable, such allocation is not binding on the CRA. A Class I Preferred Share, Class II Preferred Share and Capital Share acquired by a Shareholder upon the exercise of Warrants will each have a cost to the Warrantholder equal to the aggregate of the portion of the Subscription Price allocated to such Class I Preferred Share, Class II Preferred Share or Capital Share, as the case may be, and the portion of the adjusted cost base, if any, to the Shareholder of such Warrants that has been allocated to the Class I Preferred Share, Class II Preferred Share or Capital Share, as the case may be. Such allocation of cost must be made on a reasonable basis. The cost of a Class I Preferred Share, Class II Preferred Share or Capital Share acquired by a Shareholder upon the exercise of Warrants will be averaged with the adjusted cost base to the Shareholder of all other Class I Preferred Shares, Class II Preferred Shares or Capital Shares, as the case may be, held at that time as capital property to determine the adjusted cost base of each such Class A Share or Preferred Share to the Shareholder.

Disposition of Warrants

Upon the disposition of a Warrant by a Shareholder, other than pursuant to the exercise thereof, the Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of reasonable costs of the disposition, exceed (or are less than) the adjusted cost base, if any, of the Warrant to the Shareholder. One half of a capital gain (a "taxable capital gain") will be included in the Shareholder's income, and one half of a capital loss may be deducted against taxable capital gains in accordance with the detailed rules in the Tax Act in that regard. Capital gains realized by a Shareholder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Expiry of Warrants

Upon the expiry of an unexercised Warrant on the Expiry Date, a Shareholder will realize a capital loss equal to the adjusted cost base, if any, of the Warrant to the Shareholder.

REGISTRAR AND TRANSFER AGENT AND WARRANT AGENT

Computershare Investor Services Inc. provides the Company with registrar, transfer and distribution agency services in respect of the Class I Preferred Shares, Class II Preferred Shares and Capital Shares from its principal offices in Toronto, Ontario. Under the Warrant Indenture, the warrant agent and the registrar and transfer agent for the Warrants is Computershare at its principal office in Toronto, Ontario.

ELIGIBILITY FOR INVESTMENT

Based on the assumptions set out under "*Canadian Federal Income Tax Considerations*" above, the Warrants, and the Class I Preferred Shares, Class II Preferred Shares and Capital Shares issuable on exercise of the Warrants, if issued on the date hereof, would each be, on such date, qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (**RRSP**), registered retirement income fund (**RRIF**), registered disability savings plan, deferred profit sharing plan or tax free savings account (**TFSA**). Shareholders and Warrantholders should consult their own tax advisors as to the effect of acquiring Warrants, Class I Preferred Shares, Class II Preferred Shares and Capital Shares in a registered education savings plan.

Provided that the holder of a TFSA or the annuitant under an RRSP or RRIF does not hold a significant interest (as defined for purposes of the Tax Act) in the Company or any person or partnership that does not deal at arm's length with the Company for purposes of the Tax Act, and provided that such holder or annuitant deals at arm's length with the Company for purposes of the Tax Act, the Warrants and the Class I Preferred Shares, Class II Preferred Shares and Capital Shares issuable on exercise of the Warrants will not be prohibited investments for a trust governed by such TFSA, RRSP or RRIF.

AUDITOR

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario.

INDEPENDENT REVIEW COMMITTEE AND SHAREHOLDER APPROVAL

The independent review committee of the Company, each member of which is independent of the Company and Quadravest, is of the view that the Offering achieves a fair and reasonable result for

Shareholders. At a special meeting of Shareholders held May 14, 2014, the Shareholders also approved the issuance of Warrants on substantially the terms set forth in this information statement.

INTERESTS OF EXPERTS

The matters referred to under "*Canadian Federal Income Tax Considerations*" and certain other legal matters relating to the Capital Reorganization and the Warrants and the Class I Preferred Shares, Class II Preferred Shares and Capital Shares issuable upon the exercise of the Warrants will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Company. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than one percent of the outstanding Shares of any class of the Company.

The Company's auditor is PricewaterhouseCoopers LLP, who has prepared an independent auditor's report dated February 26, 2014 in respect of the Company's financial statements as at November 30, 2013 and 2012. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

Pursuant to the terms of the Warrant Indenture, the Company has granted to each Warrantholder who elects to purchase Units pursuant to the Basic Subscription Privilege a contractual right of rescission. Pursuant to such right, a Warrantholder that elects to exercise Warrants pursuant to the Basic Subscription Privilege may rescind such exercise by delivering a notice of rescission (in the form attached to the Warrant Indenture) to the Warrant Agent not later than midnight (Toronto time) on the second Business Day after a valid subscription is received by the Warrant Agent (being the date on which both the instruction to exercise the Warrants and payment in full of the Subscription Price therefor is received by the Warrant Agent). Each Warrantholder validly electing to rescind an exercise of Warrants will receive a full refund of the Subscription Price paid in connection with such exercise and will not receive any Units. Any Warrants so rescinded will be cancelled. This contractual right of rescission granted to such Warrantholder is in addition to any other right or remedy available to a Warrantholder at law.

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