



OFFERING MEMORANDUM

Confidential Offering Memorandum dated January 1, 2015

Series A, F and O units of

RBC Multi-Strategy Alpha Fund

This Offering Memorandum constitutes an offering of securities described herein, on a private placement basis only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. This Offering Memorandum is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not, and under no circumstances is to be construed as, a prospectus or advertisement or public offering of such securities relating to a distribution of the securities described herein. No securities commission or similar regulatory authority has in any way passed upon the merits of the securities offered hereunder nor has reviewed this Offering Memorandum and any representation to the contrary is an offence. No person is authorized to give any information or make any representation not contained in this Offering Memorandum in connection with the offering of these securities and if given or made, any such information or representation may not be relied upon. The securities described herein are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act, are not insured under the provisions of that Act or any other legislation, and are not guaranteed. Under applicable laws, resale of the units will be subject to indefinite restrictions, other than through redemption of the units or another available exemption.

Potential investors should pay particular attention to the information under the heading "General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund" in this Offering Memorandum. An investment in the fund requires the financial ability and willingness to accept certain risks. No assurance can be given that the investment objective of the fund will be achieved or that investors will receive a return of their capital.

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Summary

Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the RBC Multi-Strategy Alpha Fund. The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum. Capitalized terms used in this summary have the same meaning assigned to them in the body of this Offering Memorandum (including under the heading “Definitions”).

RBC Multi-Strategy Alpha Fund

The Fund is established as a trust under the laws of the Province of British Columbia by the Trust Agreement.

Manager and Principal Portfolio Adviser

RBC Global Asset Management Inc. (“**RBC GAM**”) is the manager and principal portfolio adviser of the Fund. RBC GAM has its head office in Toronto, Ontario.

Please see *Organization and Management of the RBC Multi-Strategy Alpha Fund – Manager* later in this document for more information.

Investment Objective and Strategies of the Fund

The fundamental investment objective of the Fund is to generate long-term capital appreciation while seeking to minimize corresponding levels of risk, volatility and correlation to traditional asset classes, by investing primarily in investment funds or segregated portfolios (“**Underlying Funds**”) managed by RBC GAM and its affiliates that use hedge fund, absolute return and other alternative investment strategies (“**Alternative Investment Strategies**”).

To achieve the Fund’s investment objective, the portfolio manager will invest the assets of the Fund primarily in Underlying Funds that use Alternative Investment Strategies in the management of their assets.

The Manager strategically allocates capital across Underlying Funds in a manner that seeks to achieve the Fund’s investment objective and may tactically adjust allocations in its discretion. Strategic exposures will typically be weighted based on the correlative risk/return contribution to the Fund and the strength of the Manager’s outlook for each Alternative Investment Strategy.

Please see *Specific Information About the RBC Multi-Strategy Alpha Fund* later in this document for more information.

Risk Factors

Investors should consider a number of factors in assessing the risks associated with investing in units of the Fund. **An investment in the Fund may be considered to be speculative.**

Please see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund* later in this document for more information.

Distributions

The Fund intends to distribute its net income on a quarterly basis in March, June, September and December, and its net realized capital gains annually in December. All distributions made by the Fund will be automatically reinvested in units of the Fund. Immediately following a reinvestment resulting from a net income distribution, units of a series may, at the discretion of the Manager, be consolidated such that the number of units held by a unitholder immediately after the consolidation will be the same as the number held by the unitholder before the distribution.

Canadian Federal Income Tax Considerations

Unitholders will be required to include in computing their income for Canadian tax purposes each year amounts paid or payable to them out of the income and taxable capital gains of the Fund (including amounts distributed on the redemption of units), notwithstanding that those amounts may be distributed in cash or reinvested in additional units. Such amounts may include income that is imputed to, or deemed to be earned by, the Fund under the Tax Act. A prospective unitholder should carefully consider all of the potential tax consequences of an investment in units of the Fund and should consult with their tax advisor before subscribing for units.

Please see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund – Regulatory, business, legal and tax risk and Income Tax Considerations for Investors* later in this document for more information.

Eligibility for Investment

As at the date of this Offering Memorandum, units of the Fund are qualified investments and are permitted to be held in trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts.

The Offering

The Fund currently offers Series A, F and O units to Canadian investors who are Canadian residents under the Tax Act pursuant to certain exemptions from prospectus requirements under applicable Canadian securities legislation. The Fund is generally available only to those investors who have entered into an investment management agreement or a subscription agreement with the Manager or one of its affiliates, and investors may be required to execute such certificates and other documents as the Manager may reasonably require evidencing their eligibility and entitlement to rely on such exemptions.

As at the date of this Offering Memorandum, the minimum initial investment for Series A and F units of the Fund is CAD25,000, and the minimum subsequent investment is CAD5,000. While there is no current requirement for a minimum investment or account size in respect of Series O units, RBC GAM may, at its sole discretion, impose such requirement.

Unless otherwise permitted by the Manager in its sole discretion and in accordance with applicable laws of a jurisdiction, units of the Fund are not available for purchase by non-residents of Canada. The Fund reserves the right to discontinue the offering of units at any time and from time to time. Pursuant to applicable securities legislation, a report of exempt trade must be filed with securities regulatory authorities that identifies investors.

Please see *Purchases, Switches and Redemptions – Purchasing units of the Fund and Reliance on Prospectus Exemptions and Certain Required Disclosure* later in this document for more information.

Redemptions

Subject to certain restrictions, units of the Fund may be redeemed on the last Business Day of each month (each, a “**Redemption Date**”) upon written notice being delivered to us by a cut-off time of 1:00 p.m. Vancouver time on a day that is at least one month plus seven Business Days prior to the Redemption Date, and there are no charges for redeeming units of the Fund.

Please see *Purchases, Switches and Redemptions – Redeeming units of the Fund* later in this document for more information.

Certain Conflicts of Interest

The Manager may be subject to various conflicts of interest due to the fact that the Manager may be engaged in a wide variety of management, advisory and other business activities unrelated to the business of the Fund (some of which may compete with the investment activities of the Fund).

Furthermore, the directors, officers and employees of the Manager or any other affiliate of the Manager or a subsidiary of Royal Bank of Canada (“**Royal Bank**”) may also hold significant investments in the Fund and/or investments held by the Fund from time to time.

In addition, the Fund will invest in Underlying Funds managed by RBC GAM and its affiliates, and by virtue of investing in the Underlying Funds, the Fund may be purchasing securities of issuers of which a responsible person of the Fund or an associate of the responsible person of the Fund is a partner, director or officer.

For more information on these and other matters, please see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund – Conflicts of interest risk and Additional Information - Certain conflicts of interest* later in this document.

Fees and Expenses

Management fees - The Fund does not pay us a management fee with respect to Series O units or Series F units.

The Fund will pay a management fee to the Manager of 1.00% per annum of the series net asset value of the Series A units.

The management fees for Series A units also include the trailing commission payable by the Manager to the dealers. The trailing commission paid to the dealers is calculated as a percentage of the total value of Series A units their clients hold of the Fund, and may be paid monthly or quarterly as may be determined between the Manager and the dealer. No trailing commission is or will be paid for Series F units or Series O units.

There are no sales commissions payable to the Manager when an investor buys or redeems units of the Fund. Investors may negotiate a sales commission directly with the dealer.

Each of the Underlying Funds is subject to management and/or performance fees that are paid out of the assets of the Underlying Fund or charged directly to the Fund. As a result, investors in the Fund indirectly or directly bear these costs.

Operating expenses and administration fee - We pay certain operating expenses of the Fund. These expenses include regulatory filing fees and other day to day operating expenses including but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, statements and investor communications, if any. In return, in connection with each series of units of the Fund, as of the date of this Offering Memorandum, the Fund is expected to pay us an administration fee as follows:

Series	Administration Fee (as a % of Series Net Asset Value)
Series A	0.10%
Series F	0.10%
Series O	0.05%

The Fund also pays certain operating expenses directly, including the cost of any new government or regulatory requirements and any borrowing costs and taxes (including, but not limited to, GST and HST, as applicable).

In addition, each of the Underlying Funds will generally be responsible for the payment of all of its operating fees and expenses and any indirect costs. As a result, investors in the Fund also indirectly bear these costs.

Some of the Underlying Funds may charge a redemption fee to the Fund if securities are redeemed within a certain period after purchase.

Please see *Fees and Expenses* later in this document for more information.

Currency

Units of the Fund are offered, and distributions and redemption proceeds are paid, only in Canadian dollars. The net asset value of the Fund is calculated in Canadian dollars.

Minimum Offering

There is no minimum or maximum number of units offered by the Fund or minimum or maximum proceeds from the sale of units.

Unit Certificates

No certificates for units of the Fund will be issued.

Statutory Rights

Investors resident in certain provinces and territories of Canada are entitled to the benefit of certain statutory rights of action.

Please see *What Are Your Legal Rights?* and *Schedule "A" – Purchasers' Rights of Action for Damages or Rescission* later in this document for more information.

Definitions

In this Offering Memorandum, “you”, “your” and “unitholder” mean the investor; and “Manager”, “we”, “us”, “our”, means RBC Global Asset Management Inc. (“RBC GAM”), the entity that is responsible for management of the Fund. In this Offering Memorandum, we refer to the RBC Multi-Strategy Alpha Fund as the “Fund”.

In addition, unless otherwise specified, the following words shall have the following meanings in this Offering Memorandum:

“**Base Rate**” means the amount determined under the Tax Act on a quarterly basis as the average equivalent yield of Government of Canada 90-day treasury bills (rounded to the next highest whole percentage) sold during the first month of the immediately preceding quarter;

“**Business Day**” means any day on which the Toronto Stock Exchange is open for business;

“**CRA**” means the Canada Revenue Agency;

“**DPSP**” means a deferred profit sharing plan, as defined in the Tax Act;

“**Eurozone**” means the geographic and economic region that consists of all of the European Union countries that have fully incorporated the Euro as their national currency;

“**GST**” means goods and services tax;

“**HST**” means harmonized sales tax;

“**Manager**” means RBC Global Asset Management Inc., in its capacity as manager of the Fund;

“**Net Asset Value Date**” means the date on which the net asset value and resulting net asset value per unit for each series of the Fund is computed. In general, the Net Asset Value Date is expected to be within 20 Business Days after the applicable Valuation Day. Occasionally, it is possible that the Net Asset Value Date will be delayed due to a delay in the availability of net asset value per unit of an Underlying Fund;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**NI 81-102**” means National Instrument 81-102 – *Mutual Funds*;

“**RBC Investor Services**” means RBC Investor Services Trust;

“**RDSP**” means a registered disability savings plan, as defined in the Tax Act;

“**Redemption Date**” means the last Business Day of each month. Notice for redemptions must be received at least one month plus seven Business Days prior to the Redemption Date;

“**RESP**” means a registered education savings plan, as defined in the Tax Act;

“**RRIF**” means a registered retirement income fund, as defined in the Tax Act;

“**RRSP**” means a registered retirement savings plan, as defined in the Tax Act;

“**Series Net Asset Value**” means the net asset value per series of units calculated in accordance with the Trust Agreement;

“**Subscription Date**” means the last Business Day of each month. Notice for subscriptions must be received at least seven Business Days prior to the Subscription Date;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Tax Proposals**” has the meaning provided under *Income Tax Considerations for Investors*;

“**TFSA**” means a tax-free savings account, as defined in the Tax Act;

“**Trust Agreement**” means the amended and restated master trust agreement made as of June 20, 2014, between the Manager and the Trustee (as amended from time to time);

“**Trustee**” means RBC Investor Services, in its capacity as trustee of the Fund;

“**Underlying Fund**” means any of the investment funds or segregated portfolios in which the Fund may invest from time to time; and

“**Valuation Day**” means the last Business Day of each month and/or any day or days as RBC GAM, in its sole discretion, determines, subject to compliance with applicable laws.

Introduction

This Offering Memorandum contains important information to help you make an informed investment decision and understand your rights as an investor in the Fund.

RBC Global Asset Management Inc. (defined above as “**RBC GAM**”), which is an indirect wholly owned subsidiary of Royal Bank, is responsible for the management of the Fund.

The Fund currently qualifies as a mutual fund trust under the Tax Act.

Additional information about the Fund will be available in the annual financial statements of the Fund and any interim financial statements of the Fund prepared thereafter. These financial statements are available from us upon request.

General Information About the RBC Multi-Strategy Alpha Fund

What is an investment fund?

An investment fund is a pool of investments made on behalf of people with similar investment objectives. When you invest in an investment fund, you are combining your money with that of other investors. We use this pool of money to invest in a wide variety of investments on behalf of the entire group of investors. We follow a set of guidelines outlined in the investment objective and investment strategies of the Fund that are described below under *What does the Fund invest in?*. You and all the other investors share in any profits or losses the investment fund makes.

The Fund is an open-ended trust that is sold in units, which are issued in series. The Fund currently offers only Series A, F and O units; however, the Fund may issue additional series in the future. Each unit of a series represents an undivided share of the Fund's net assets, equal to the share of every other unit of the series. There is no limit to the number of units the Fund can issue. However, the Fund may be closed to new investments from time to time.

What are the risks of investing in an investment fund?

There is no such thing as risk-free investing. For investors, risk is the possibility of losing money or not making any money. The same is true with investment funds. The value of the investment fund may change every day, reflecting changes in interest rates, economic conditions, financial markets and company news. Therefore, when you redeem your units in an investment fund, you may receive less than the full amount you originally invested. The full amount of your investment in an investment fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, investment fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

One risk of an investment fund is that, in exceptional circumstances, requests to redeem units of the investment fund may not be accepted or delivery of redemption proceeds may be delayed. These circumstances in the context of the Fund are explained under *Redeeming units of the Fund*. Please also see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund – Liquidity risk* below.

The value of an investment fund is directly related to the value of the investments held by the investment fund. The value of the investments in an investment fund can change from day to day due to, among other things, general market conditions, changes in interest rates and political and economic developments. The value of an investment fund may change substantially over time.

The total effect of the different types of risk is measured by volatility. Volatility measures how variable the value of an investment fund is relative to an expected return.

It is very important that you be aware of the risks associated with the Fund, its relative return over time and its volatility. The principal risks that may be associated with investing in the Fund are described below.

Specific Risks in Respect of the RBC Multi-Strategy Alpha Fund and the Underlying Funds

An investment in the Fund is not intended as a complete investment program for an investor. We strongly recommend that you consult with an experienced adviser prior to investing.

The Fund is not subject to the disclosure requirements or investment restrictions applicable to publicly offered investment funds, which include limits on such investment funds' ability to use derivatives and leverage, concentrate investments, and engage in securities lending, repurchase or reverse repurchase transactions, among other restrictions.

Investment funds own different types of investments, depending on their investment objectives. The principal risks associated with an investment fund are the same risks that affect the value of the investments held by that investment fund.

Investors should consider the following risk factors before investing. The risks are outlined in alphabetical order. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund.

(a) General risks

This section explains some of the risks that apply to the Fund, either directly or indirectly as a result of investing in Underlying Funds. It does not purport to be a complete explanation and other risks may also be relevant from time to time. As the Fund may invest in a number of Underlying Funds which employ Alternative Investment Strategies, including Underlying Funds and Alternative Investment Strategies that are not being used or contemplated to be used as of the date of this Offering Memorandum, the risks that apply to an investment in the Fund from time to time may vary from those presented below.

There is no assurance that the investment objective of the Fund will actually be achieved. The Fund's ability to achieve its investment objective may be affected by, among other things, (i) the highly speculative nature of investing in securities in general, (ii) certain risks

specific to the investment policies and practices of the investment portfolio in which the Fund invests, and (iii) certain risks specific to the investment techniques used by the portfolio in which the Fund invests.

The risks that a prospective investor should take into account include risks that are general to the Fund and those that are specific to the Fund and arise in respect of the investment objective, policies and strategies that are adopted in relation to the Fund.

An investment in the Fund is subject to the risks applicable to any investment in which the Fund invests, including Underlying Funds. The Fund will invest a significant portion or even all of its assets in securities of Underlying Funds managed by RBC GAM and its affiliates. As such, the risks associated with investing in the Fund include the risks associated with the securities in which the Underlying Funds invest, along with the other risks of the Underlying Funds. Accordingly, the Fund takes on the risks of the Underlying Funds in which it invests in proportion to its investment in, or exposure to, those Underlying Funds. If available to the Fund, a copy of the disclosure document for an Underlying Fund describing such risks may be provided to an investor on request. Unless otherwise stated, any of the risks described below could be applicable to the Fund either directly or indirectly as a result of the Fund's investment in Underlying Funds that may be exposed to these risks. Any use of the word "Fund" in this section should be interpreted to mean either the RBC Multi-Strategy Alpha Fund and/or any of the Underlying Funds.

Concentration risk

The Fund is not subject to applicable securities laws that require it to diversify portfolio holdings such that no more than a fixed percentage of its assets are invested in any specific issuer. There are risks associated with any investment fund that concentrates its investments in or exposure to: (i) a particular issuer or issuers; (ii) the credit of a particular counterparty or counterparties; and/or (iii) interest rates or fixed-income securities having a particular duration. This concentration allows an investment fund to focus on a particular issuer's potential or execute a particular strategy or achieve a desired balance of risk and return. It also means that the value of

such an investment fund may be more volatile than the value of a more diversified investment fund because the concentrated investment fund's value is affected more by the performance of that particular issuer, counterparty or exposure.

Conflicts of interest risk

The Manager may be subject to various conflicts of interest due to the fact that the Manager may be engaged in a wide variety of management, advisory and other business activities unrelated to the business of the Fund (some of which may compete with the investment activities of the Fund). Furthermore, the directors, officers and employees of the Manager, or any other affiliate of the Manager or a subsidiary of Royal Bank may also invest in the Fund and/or be invested in the same investments as the Fund from time to time.

In addition, the Fund will invest in Underlying Funds managed by RBC GAM and its affiliates, and by virtue of investing in the Underlying Funds, the Fund may be purchasing securities of issuers of which a responsible person of the Fund or an associate of the responsible person of the Fund is a partner, director or officer. See also *Additional Information - Certain conflicts of interest* later in this document.

Counterparty credit risk

The Fund may be exposed to companies which act as a service provider, counterparty or guarantor when entering into over-the-counter markets. Their inability or unwillingness to honour obligations can subject the Fund to credit risk of losses incurred from late payments, failed payments and default.

Credit risk

Credit risk is the possibility that a borrower or issuer, or the counterparty to a derivatives contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan, obligation or interest payment, either on time or at all. An investment fund, such as the Fund, can lose money if the borrower or the issuer of a bond or other fixed-income security cannot pay interest or repay the principal when it is due.

The debt securities issued by companies, governments and special purpose vehicles (such as vehicles that issue asset-backed securities or mortgage-backed securities) that act as a counterparty or borrow money are often rated by specialized rating agencies. Credit risk is generally considered to be lower among issuers that have a high credit rating from a credit rating agency, and higher among issuers that have a low credit rating or no credit rating. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can influence a debt security's market value. There is no guarantee that third party credit ratings represent an accurate assessment of the risk of owning a particular issuer's securities. If a rating agency has given a higher rating to an issuer's securities than those securities inherently deserve, the value of the securities may decrease substantially as the market becomes aware of the issuer's true risk. Other factors can also influence a debt security's market value or the ability of an issuer to pay interest or repay principal when due, such as a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security, and the underlying assets or collateral, if any. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss.

A credit spread is the difference between interest rates payable on an issuer's fixed-income security and a federal government-issued fixed-income security that are as identical as possible except for the credit rating. If the market determines that a higher return is necessary to compensate for the higher risk of a lower rated fixed-income security, the credit spread will increase. If a credit spread increases after the purchase of a fixed-income security, the value of that security will decrease.

Currency risk

The Fund will be exposed to currency exchange risk where the assets and income are denominated in currencies other than the Canadian dollar (the reference currency of the Fund). Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the Fund's investments to decline or increase. Currency exchange rates may fluctuate significantly over

short periods of time. They are generally determined by supply and demand in the currency exchange markets and the relative merits of investment in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention (or failure to intervene) by governments or central banks, or by currency controls or political developments.

The Fund may enter into currency exchange transactions in an attempt to protect against changes in a country's currency exchange rates. The Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Canadian dollar. To do this, the Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Canadian dollar.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of the Fund cannot be assured.

Changes in the value of the Canadian dollar relative to a currency other than the Canadian dollar may affect your income tax payable. You should consult your tax adviser on how you may be affected.

Custodial risk

The Fund may invest in markets where custodian and/or settlement systems are not fully developed. In such a case, the assets of the Fund which are traded in these markets and

which have been entrusted to sub-custodians, in circumstances where the use of such sub-

custodians is necessary, may be exposed to risk in circumstances whereby the custodian will have no liability.

Economic risk

The value of the Fund may decline due to factors affecting market conditions generally or particular industries represented in the markets. The value of a security held by the Fund may decline due to an actual or perceived change in general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of the Fund or of a security may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturns can be difficult to predict due to speculation in inflationary, fiscal and monetary factors.

Emerging market and foreign market risk

The Fund may invest, directly or indirectly, in less developed or emerging markets. These markets may be volatile and illiquid and the investments of the Fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because it will be necessary to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if the Fund is unable to acquire or dispose of a security.

The risk of significant fluctuations in the net asset value and of the suspension of redemptions in the Fund may be higher than for investment funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations

and laws in emerging markets and assets could be compulsorily acquired without adequate

compensation. The assets of the Fund that are invested in such markets, as well as the income derived from the Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of units of the Fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries, and the securities markets of such countries may be subject to unexpected closure.

There may be less government supervision and legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. Some emerging markets governments exercise substantial influence over the private economic sector, and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

Foreign investments are affected by global economic factors. There is often less information available about foreign companies and many countries have less stringent accounting, auditing and reporting standards than in Canada, or lower standards of government supervision and regulation. Some foreign markets have less trading volume, which may make it more difficult to sell an investment or may make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. Investments in foreign markets may be subject to change in the imposition of taxes or the expropriation of assets.

Interest rate risk

As nominal interest rates rise, the value of fixed-income securities held by the Fund is likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Inflation-indexed securities decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed-income securities with similar durations.

Investment risk

An investment in the Fund may be considered to be speculative and is not intended as a complete investment program. A subscription for units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss of their investment.

Issuer risk

An issuer's inability or unwillingness to honour obligations can subject the Fund to the risk of losses. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing.

Large redemption risk

Substantial redemptions of units of the Fund by one or more unitholders may require the Fund to liquidate positions more rapidly than what would otherwise be desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. The Fund may also need to adjust or close derivative contracts at unfavourable prices and incur capital gains/losses and transaction costs. These circumstances could adversely affect the unit value of the Fund for purposes of the redemptions and for the ongoing purposes of the Fund.

Leverage risk

Leverage involves the borrowing of funds from a lender, including in some cases for the purposes of allocating additional resources to an investment strategy. It is not currently anticipated that the Fund will directly use leverage as an investment strategy; however, the Fund may establish one or more short term loan facilities with a bank or other financial institution, which may be an affiliate of the Manager, if necessary in order to bridge settlement periods relating to the redemption of units of the Fund. In addition, certain Underlying Funds may use leverage, including in some cases for the purposes of allocating additional resources to an investment strategy.

The use of leverage in an investment strategy provides for greater potential for capital appreciation, but at the same time increases the exposure to capital risk and could result in higher current expenses. Additionally, a relatively small movement in the price of an instrument may result in immediate and substantial losses. Moreover, if the Fund's revenues are not sufficient to meet its obligations when due, the Fund could sustain a total loss of its investment. Furthermore, borrowing will cause the Fund to incur interest expense and other fees. The cost of borrowing may reduce the return of the Fund.

Limits on advice risk

We consulted with independent counsel and other experts regarding the Fund. Unitholders are not necessarily represented by any such independent experts. Each prospective investor should consult its own legal, tax and financial advisors regarding the desirability of purchasing units and the suitability of an investment in the Fund for such investor. In addition, we may only be managing a portion of your portfolio or the portion that has been invested in the Fund. As a result, we are unable to control the impact your investment in the Fund may have on the rest of your portfolio and/or the obligations your portfolio are designed to support (if any).

Liquidity risk

Liquidity refers to the speed and ease with which an asset can be bought or sold and converted into cash. Some securities are inherently less liquid than others due to the nature of the

security, the demand for the security and the extent to which the market for the security is developed.

Certain investment positions in which the Fund will have an interest may be illiquid. The Fund may invest in non-transferable securities, non-publicly traded securities or securities with a lack of trading volume. These investments could prevent the Fund from liquidating unfavourable positions promptly and subject the Fund to substantial losses. Such investments could also impair the ability of unitholders to collect redemption proceeds in a timely manner, and unitholders may incur a dilution adjustment.

Securities of the Underlying Funds may have redemption terms that are more restrictive or limited than those associated with typical mutual funds. For example, they may require longer notice periods, or provide less frequent or more limited redemption opportunities. In addition, the Fund may invest in securities of Underlying Funds that have redemption terms that are less favourable than those available to other investors in those funds. For example, where we believe it is in the best interests of the Fund, the Fund may invest in a class or series of securities of an Underlying Fund that have redemption terms that are less favourable than those provided to holders of other classes or series of securities of the Underlying Fund. The redemption terms of the securities held by the Fund may make the Fund's portfolio less liquid than it otherwise would be and could impact the ability of the Fund to process requests for the redemption of its units in a timely manner.

In addition, during extreme market conditions, securities that would normally be liquid may become more illiquid. If an Underlying Fund suspends redemptions, the Fund may be unable to process requests for the redemption of units of the Fund to the extent that processing such requests requires it to redeem securities of the Underlying Fund.

Non-diversification risk

The Fund will invest primarily in Underlying Funds managed by RBC GAM and its affiliates that utilize Alternative Investment Strategies. RBC GAM and its affiliates do not currently manage Underlying Funds that utilize the full range of Alternative Investment Strategies.

Accordingly, the Fund will have a limited range of available investments and degree of diversity when compared with other multi-strategy hedge/alternative funds that are similarly restricted.

Non-voting securities risk

The Fund may invest in securities of Underlying Funds that do not carry voting rights or may waive the right to vote in respect of securities of Underlying Funds if required to access an Alternative Investment Strategy.

Consequently, the Fund may not be able to vote the full extent of its economic interest on matters that require approval of investors in each Underlying Fund, including matters that could adversely affect the Fund's interest.

Operational risk

The Fund's investments may be adversely affected due to the operational process of the Fund. The Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events.

Portfolio turnover risk

The operation of the Underlying Funds may result in a high portfolio turnover rate. The Fund has not placed a limit on the rate of portfolio turnover permitted within Underlying Funds, and portfolio securities may be sold without regard to the time they have been held when, in the opinion of an Underlying Fund manager, investment considerations warrant such action. A high rate of portfolio turnover correspondingly involves greater expenses than a lower rate, including greater transaction costs such as brokerage fees. A high turnover rate may also result in the realization of gains and losses that will be reflected in taxable distributions to unitholders.

These factors may consequently have a negative effect on the value of the Fund.

Regulatory, business, legal and tax risk

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of the Fund which may adversely affect the Fund. For example, the regulatory or tax

environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Fund and the ability of the Fund to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of the Fund's earnings as capital gains or income, which may increase the level of tax borne by investors as a result of increased taxable distributions from the Fund. There can be no assurance that Canadian federal income tax laws and administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the unitholders of the Fund. In addition, global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such government or supra-governmental interventions may be detrimental to the Fund.

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of unitholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Tax law and regulations of any country are constantly subject to change, and may be changed with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent or transparent and may vary from region to region.

Investors should note that the Tax Act contains rules which will require the Fund to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property". Such amounts would be taken into account in determining the amount of net income that the Fund distributes to unitholders each year. Please see *Income Tax Considerations for Investors – Taxation of the Fund* later in this document for more information.

Pursuant to new U.S. tax rules, unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to U.S. tax authorities in order to avoid a U.S. withholding tax being

imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Fund or on certain amounts (including distributions) paid by the Fund to certain unitholders.

Securities lending, repurchase and reverse repurchase risk

There are risks associated with securities lending transactions, repurchase transactions and reverse repurchase transactions. The value of securities loaned under a securities lending transaction or sold under a repurchase transaction may exceed the value of the collateral held by the Fund. If there is a default on an obligation to repay or resell the securities to the Fund, the collateral may be insufficient to enable the Fund to purchase replacement securities and the Fund may suffer a loss for the difference and/or experience delays in receiving payment. Similarly, the value of securities purchased by the Fund under a reverse repurchase transaction may decline below the amount of cash paid by the Fund. If there is a default on an obligation to repurchase the securities from the Fund, the Fund may need to sell the securities for a lower price and suffer a loss for the difference.

Series risk

The Fund offers multiple series of units. Each series has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that series, thereby reducing its unit value. If one series is unable to pay its expenses or liabilities, the assets of the other series will be used to pay those expenses or liabilities. As a result, the unit price of the other series may also be reduced. Please see *Purchases, Switches and Redemptions* and *Fees and Expenses* for more information regarding the series of units of the Fund being offered pursuant to this Offering Memorandum and how their unit value is calculated.

Valuation risk

Where the Fund invests in unquoted and/or illiquid investments, the values at which these investments are realised may be significantly different from the estimated values of these investments.

Units of the various Underlying Funds held by the Fund will be valued at their respective unit values or similar value on the relevant Valuation Day. It is anticipated that many of the Underlying Funds will be valued at least monthly. If the actual unit value or similar value of an Underlying Fund as of a time reasonably proximate to the applicable Valuation Day is not available, the value may be based on an estimate of the net asset value provided by the manager of the Underlying Fund, which may prove to be inaccurate. Investors who purchase or redeem units of the Fund on days when the Fund is holding investments whose values have been estimated may receive fewer or more units or lower or higher redemption proceeds than they would have received if readily available unit values or market values were available for all of the Fund's investments.

If an Underlying Fund suspends redemptions, the Fund may be unable to value part of its portfolio.

(b) Securities, Derivative and Investment Techniques

Alternative investment fund managers directive risk

Certain Underlying Funds may be restricted in their operation by the terms of the Alternative Investment Fund Managers Directive (“**AIFM Directive**”). Member states of the European Union were required to implement the AIFM Directive by July 22, 2013. Under the terms of the AIFM Directive, certain conditions and restrictions may be applicable to such Underlying Funds which may result in the need to restructure such Underlying Funds or the relationship an Underlying Fund has with its service providers. These conditions and restrictions could increase the cost of operating such Underlying Funds.

Compulsory redemption by Underlying Fund risk

Certain of the Underlying Funds may have the right to require the compulsory redemption of all or part of the securities held by or for the benefit of an investor in such Underlying Fund at any time without giving any reason thereof. The exercise of such a right by an Underlying Fund may have a negative impact on the Fund.

Convertible bonds risk

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

Corporate bonds risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Credit linked notes risk

Credit linked notes and similar structured notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. In the event that the counterparty (structuring of the note) defaults, the risk to the Fund is to that of the counterparty, irrespective of the value of the underlying security within the note. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a credit linked note or similar notes can be less than that for the underlying security, a regular bond or debt instrument, and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Cross-class liability risk

The Fund may invest in certain Underlying Funds that have multiple classes of sub-funds. If the liabilities of a class of sub-fund exceeds its assets, creditors of such Underlying Funds may have recourse to the assets attributable to that Underlying Fund's other classes of sub-funds, regardless of the class to which such assets or liabilities are attributable. Should such a situation occur, it may consequently have a negative effect on the value of the Fund.

Derivatives – general risk

A portion of the Fund's investments may consist of financial derivative instruments, to reduce risks or costs or to generate additional capital or income. The Fund may also use more complex derivative investment instruments.

Generally, derivative instruments are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, leveraged loans, high yield debt securities, interest rates, currencies or currency exchange rates and related indices. Examples of derivative instruments which the Fund may use include options contracts, futures contracts, options on futures contracts, swap agreements (including credit swaps, credit default swaps, options on swap agreements, straddles, forward currency exchange contracts and structured notes).

The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risk associated with investing directly in the underlying asset.

The following sets out important risk factors investors should understand and consider in relation to derivative instruments.

Liquidity risk

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Management risk

Derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with securities. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without the benefit of observing the performance of the derivative instrument under all possible market conditions.

Market and other risks

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the Fund's interest. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments.

Unlisted instruments risk

For unlisted instruments, or over-the-counter derivative instruments, where two parties contract directly rather than through an exchange, the Fund will usually have a contractual relationship only with the counterparty of such unlisted instrument and not the reference obligor on the reference obligation. The Fund generally will not have a direct right to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor. The Fund may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation.

The Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations

of over-the-counter derivative instruments entered into with any one counterparty will subject the Fund to an additional degree of risk. Such risk is with respect to defaults by such counterparty as well as by the reference obligor. Additionally, while the Manager expects that the returns on an over-the-counter derivative instrument will generally reflect those of the related reference obligation, as a result of the terms of the over-the-counter derivative instrument and the assumption of the credit risk of the over-the-counter derivative instrument counterparty, an over-the-counter derivative instrument may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default.

Additionally, when compared to the reference obligation, the terms of an over-the-counter derivative instrument may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics than those of the reference obligations. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the over-the-counter derivative instrument, the terms of the over-the-counter derivative instrument may permit or require the issuer of such over-the-counter derivative instrument to satisfy its obligations under the over-the-counter derivative instrument by delivering to the Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

Distressed debt securities risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in distressed debt securities. Investment in such distressed debt securities involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidence of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a

substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which the Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate the Fund adequately for the risks assumed.

Investing in distressed debt can also impose duties on the Manager which may conflict with duties it owes to the Fund. A specific example of where the Manager may have a conflict of interest is where it invests the assets of the Fund in a company in serious financial distress and where that investment leads to the Manager investing further amounts of the Fund's assets in the company or taking an active role in managing or advising the company, or one of the employees of the Manager becomes a director or other officer of the company. In the latter such cases, the employee of the Manager may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the unitholders of the Fund. In addition, in such conflict of interest cases, the Manager may also have discretion to exercise any rights attaching to the Fund's investments in such a company. The Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

Dodd-Frank Act regulation compliance by Underlying Funds risk

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) may result in certain of the Underlying Funds being regulated in the United States on the basis of their trading activity in the OTC derivatives

markets. Compliance with this regulatory regime may entail burdensome reporting and registration requirements. The costs associated with such compliance may result in certain of the investment strategies applied by certain Underlying Funds to become non-viable or uneconomical to implement. This may consequently have a negative effect on the value of the Fund.

Equities risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in equity or equity-related investments. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed-income securities.

Eurozone breakup and failure of the Euro risk

Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Eurozone by one or more Eurozone countries or the abandonment of the Euro as a currency could have major negative effects on the underlying investment funds as well as on the ability of the counterparties of the Fund to fulfil their obligations. In addition, countries may impose capital controls which could impact the ability of an underlying investment fund to repatriate the proceeds of its portfolio. Moreover, legal uncertainty may render hedging arrangements ineffective.

Fixed-income securities – general risk

Investment in fixed-income securities is subject to interest rate, sector, security and credit risks. Lower rated securities will usually offer higher yields than higher rated securities to compensate

for the reduced creditworthiness and increased risk of default that these securities carry.

Investors should note that credit ratings may not necessarily reflect the true risk of an investment and that the Manager may use its own set of credit rating criteria to perform its credit analysis, which may differ from the criteria used by the credit rating agencies.

Income trust risk

The Fund may, from time to time, invest in income trusts. Income trusts commonly hold debt and/or equity securities in, or are entitled to receive royalties or distributions from, an underlying active business. To the extent that an underlying business is susceptible to industry risks, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust may be similarly affected. Although distributions and returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk. There is also a remote risk that where claims against an income trust are not satisfied by that trust, investors in that trust could be held liable for any outstanding obligations.

Investment grade rated securities risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in investment grade rated securities. Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and may subsequently downgrade the rating if economic circumstances impact the relevant bond issues.

Investment strategies being unavailable risk

The success of the Fund's activities may depend on the Manager's ability to identify investment opportunities and exploit price discrepancies in the financial markets, as well as to assess news and events that may affect the financial markets. Such investment strategies involve a high degree of uncertainty. No assurance can be given that the Manager will be able to locate suitable investment opportunities to which to deploy the

Fund's assets. Furthermore, an increase or reduction in money market liquidity or the pricing inefficiency of the markets in which the Fund seeks to invest, as well as other market factors, may reduce the scope of the Fund's investment strategy and the potential for the Fund to provide positive returns.

Loans risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in fixed and floating rate loans from one or more financial institutions ("**lender(s)**") to a borrower ("**borrower**") by way of (i) assignment/transfer of; or (ii) participation in the whole or part of the loan amount outstanding.

In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Participations typically will result in the Fund having a contractual relationship only with a lender as grantor of the participation but not with the borrower. The Fund acquires a participation interest only if the lender(s) interpositioned between the Fund and the borrower is determined by the Manager to be creditworthy. When purchasing loan participations, the Fund assumes the economic risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary. Loan assignments typically involve a transfer of debt from a lender to a third party. When purchasing loan assignments, the Fund assumes the credit risk associated with the corporate borrower only.

Such loans may be secured or unsecured. Loans that are fully secured offer the Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, the Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Loan participations typically represent direct participation in a loan to a corporate borrower,

and generally are offered by banks or other financial institutions or lending syndicates.

A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of the loan or other indebtedness, the Fund has direct recourse against the corporate borrower, the Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower.

The loan participations or assignments in which the Fund invests may not be rated by any internationally recognised rating service.

Mortgages risk

The Fund may, directly or indirectly, invest in mortgages. Risks arise from the inherent illiquidity of mortgages, decline in value of the underlying real estate, fluctuations in interest rates, concentrations in particular types of property in limited geographic areas, changes in economic conditions or legislation and regulatory changes affecting real estate ownership, usage or leverage. They can also be affected by changes in the financial health of the mortgagee.

For market and other reasons, suitable mortgages may not always be available for investment. In addition, there can be no assurance that the mortgages comprising the Fund's portfolio from time to time can, or will be, renewed at the same interest rates and terms, or in the same amounts as are currently in effect.

Competition from other persons or firms offering similar or other products can impair the mortgage market.

Over-the-counter trading risk

There has been an international effort to increase the stability of the over-the-counter ("OTC") derivatives market in response to the recent financial crisis. In the United States, the Dodd-Frank Act includes provisions that comprehensively regulate certain OTC derivative markets for the first time. In the European Union, European Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as European Market Infrastructure Regulation, or "EMIR"), which came into force on August 16, 2012, introduces

uniform requirements regarding OTC derivatives contracts to trade repositories.

Certain of the Underlying Funds may have holdings in the United States or the European Union. While it is unclear how the OTC derivatives markets will adapt to these new regulatory changes, prospective investors should be aware of these regulatory changes and that they may negatively impact the value of the Fund.

Quantitative investment strategy risk

The Fund may, directly or indirectly through Underlying Funds, invest in securities that are managed using a quantitative investment process, which is an investment style in which mathematical or statistical models are used as inputs for investment decisions.

Quantitative investment strategies use complex statistical models in an effort to control portfolio-level risk and to select individual securities. Rigorous risk control and a disciplined approach to stock selection are defining characteristics of quantitative investment strategies. Although these are generally considered positive characteristics, they also introduce unique risks. Particularly, the mathematical and statistical models that guide risk-control and disciplined stock selection are reliant on historical data. When markets behave in an unpredictable manner, quantitative models can generate unanticipated results that may impact the performance of the issuers or investment funds that employ them.

These factors may consequently have a negative effect on the value of the Fund.

Reserve under U.S. GAAP by Underlying Funds risk

Certain Underlying Funds may be subject to the United States' generally accepted accounting practices, and as such are required to make a reserve in their annual audited accounts for uncertain tax positions in circumstances where it is "more likely than not" that a tax liability will become payable. The recognition of such potential tax liabilities in the audited accounts of such Underlying Funds would result in a reduction of the net asset value of such

underlying Fund. This may consequently have a negative effect on the value of the Fund.

Securitized bonds risk

The Fund may have exposure to a wide range of asset-backed securities, agency mortgage pass-through securities, and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities, such as government issued bonds.

Asset-backed securities and mortgage-backed securities are securities that entitle the holders thereof to receive payments that are primarily dependent on the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans, or credit cards. Asset-backed securities and mortgage-backed securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors, such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

These factors may consequently have a negative effect on the value of the Fund.

Short sales risk

The Fund may have significant exposure to short sales of securities. A short sale of securities involves the borrowing of securities from a lender and selling them on the open market in anticipation that the market value of the securities will fall. The seller must then repurchase the securities at a later date in order to return them to the lender. If the seller repurchases the securities later at a lower price than the price at which it initially sold the securities on the open market, a profit will result. However, if the price of the borrowed securities rises, a loss will result. The potential for loss on a short sale of a security is unlimited.

In addition, because the short-sale entails the borrowing of the security in order that the short sale may be transacted, there is no assurance that the lender of the security will not require the security to be repaid before the seller wishes to do so, thereby requiring the seller to borrow the security elsewhere or purchase the security in the market at an unattractive price. Moreover, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, addition to the expense of a short sale strategy. Furthermore, there is no assurance that the security sold short can be repurchased due to the supply and demand constraints in the marketplace.

Small cap issuer risk

The Fund may, directly or indirectly through Underlying Funds, have significant holdings in securities of small-capitalization issuers. Investments in issuers with smaller market capitalizations are generally riskier than investments in larger, well-established issuers. Smaller issuers are often more recently formed than larger issuers and may have limited product lines, distribution channels and financial and managerial resources. There is often less publicly available information about these issuers than there is for larger, more established issuers. In addition, the prices of securities of smaller issuers may be more volatile than those of larger issuers.

These factors may consequently have a negative effect on the value of the Fund.

Sovereign bonds risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in sovereign bonds. The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the size of the debt service burden relative to the economy as a whole, the governmental entity's policy towards the International Monetary Fund

and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds.

Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

Sub-investment grade/high yield risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in sub-investment grade/high yield securities. These fixed-income securities (rated BB+ or lower by Standard & Poor's, Ba1 or lower by Moody's or an equivalent rating from any other recognised rating agency) typically are subject to greater market fluctuations and to greater risk of loss of income and principal, due to default by the issuer, than are higher rated fixed-income securities. Lower rated fixed-income securities' values tend to reflect short term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher rated fixed-income securities' values. In addition, it may be more difficult to dispose of, or to determine the value of, high yield fixed-income securities. There are fewer investors in lower rated securities, and it may be harder to buy and sell securities at an optimum time. Sub-investment grade/high yield

securities rated BB+ or Ba1 or lower, or an equivalent rating from any other recognised rating agency, are described by the credit ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

Subordinated debts risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been repaid, the chance of receiving any repayment on insolvency is reduced. Therefore subordinated debt represents a greater risk to the investor.

Unlisted securities risk

The Fund may, either directly or indirectly through investments in Underlying Funds, invest in unlisted securities. In general there are less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available to unlisted securities. Therefore, if the Fund invests in unlisted securities, it will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. Additional risks in relation to unlisted financial derivatives are set out above.

Using a prime broker to hold assets risk

All or a portion of the assets of certain Underlying Funds may be held with a prime broker for certain brokerage, settlement, custodial, clearance or other services in connection with such transactions. Some or all of the assets of these Underlying Funds may be held by the prime broker in one or more margin accounts due

to the fact that these Underlying Funds will use leverage and may engage in short selling. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement.

The prime broker may lend, pledge or hypothecate the assets of these Underlying Funds in such accounts, which may result in potential loss of such assets. As a result, the assets of such Underlying Funds may be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such a case, these Underlying Funds may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the prime broker is unlikely to be able to provide leverage to the Underlying Funds, which may adversely affect the returns of these Underlying Funds, and consequently the Fund.

Moreover, the Underlying Funds are at risk of the prime broker being declared bankrupt or entering into an insolvency procedure. In such an event, the assets of the Underlying Funds held by or on behalf of the prime broker may be restricted, consequently having a negative effect on the value of the Underlying Funds, and consequently the Fund.

Organization and Management of the RBC Multi-Strategy Alpha Fund

Role	Service provided
<p>Manager</p> <p>RBC Global Asset Management Inc. Toronto, Ontario</p>	<p>RBC GAM is the manager and principal portfolio adviser of the Fund.</p> <p>We will generally not vote securities of Underlying Funds managed by RBC GAM or its affiliates that are held by the Fund. However, where such securities have voting rights, we may pass on the right to vote such securities to unitholders of the Fund.</p>
<p>Principal Portfolio Adviser</p> <p>RBC Global Asset Management Inc. Toronto, Ontario</p>	<p>As principal portfolio adviser, we have principal responsibility for managing the investment portfolio of the Fund.</p>
<p>Trustee and Custodian</p> <p>RBC Investor Services Trust Toronto, Ontario</p>	<p>As trustee, RBC Investor Services holds title to securities owned by the Fund on behalf of the unitholders with responsibility to act in the best interest of unitholders.</p> <p>As custodian, RBC Investor Services holds the Fund's cash and investments in safekeeping on behalf of the Fund.</p> <p>RBC Investor Services is a wholly-owned subsidiary of Royal Bank and is an affiliate of RBC GAM.</p>
<p>Registrar</p> <p>RBC Global Asset Management Inc. Vancouver, British Columbia</p> <p>RBC Investor Services Trust Toronto, Ontario</p>	<p>RBC GAM's Vancouver office and RBC Investor Services will process all the purchases and redemptions of units of the Fund, keep a register of all investors, and issue investor statements and annual tax slips for investors.</p>
<p>Auditors</p> <p>Deloitte LLP Toronto, Ontario</p>	<p>As auditors, Deloitte LLP provides assurance that the Fund's annual financial statements present fairly, in all material respects, their financial position and results of operations in accordance with Canadian generally accepted accounting principles.</p>
<p>Board of Governors (Independent review committee)</p>	<p>The Board of Governors acts as the independent review committee for investment funds managed by RBC GAM which are offered by way of a prospectus. The Board of Governors also provides independent oversight as required under certain exemptive relief for certain transactions by certain non-prospectus funds (like the Fund) managed by RBC GAM. The Board of Governors may also provide advice to RBC GAM on other issues relating to the management of the Fund.</p> <p>The Board of Governors is currently composed of nine members. Each member is independent from RBC GAM, the Fund and the entities related to RBC GAM. The Board of Governors prepares, at least annually, a report of its activities for you, which is available on our website at www.rbcgam.com or at your request and at no cost by calling us toll free at 1-877-408-6019 or by emailing us at institutionalcash@phn.com. Please see <i>Additional Information – Regulatory relief</i> and <i>– Recordkeeping, disclosure and Board of Governors involvement</i> later in this document for more information.</p>

Specific Information About the RBC Multi-Strategy Alpha Fund

Fund details

Type of fund	Alternative strategies investment fund
Date the Fund was created	August 16, 2013
Type of securities	Series A, F and O trust units
Eligibility	Units are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSA's
Fees and expenses	See the section called <i>Fees and Expenses</i> later in this document

What does the Fund invest in?

Investment objective

The fundamental investment objective of the Fund is to generate long-term capital appreciation while seeking to minimize corresponding levels of risk, volatility and correlation to traditional asset classes by investing primarily in investment funds or segregated portfolios ("**Underlying Funds**") managed by RBC GAM and its affiliates that use hedge fund, absolute return and other alternative investment strategies ("**Alternative Investment Strategies**").

The fundamental investment objective may only be changed in accordance with the Trust Agreement for the Fund. We may change the Fund's investment strategies described below at our discretion.

Investment strategies

To achieve the Fund's investment objective, the portfolio manager will invest the assets of the Fund primarily in Underlying Funds that use Alternative Investment Strategies in the management of their assets.

The Manager strategically allocates capital across the Underlying Funds in a manner that

seeks to achieve the Fund's investment objective and may tactically adjust allocations in its discretion. Strategic exposures will typically be weighted based on the correlative risk/return contribution to the Fund and the strength of the Manager's outlook for each Alternative Investment Strategy.

The range of Alternative Investment Strategies in which the portfolio manager may invest is not limited by a rigid investment policy that restricts the Fund from participating in any market, strategy or investment, or that requires an allocation to any of these strategies.

Examples of Alternative Investment Strategies in which the Fund may invest include the following:

<i>Equity long/short</i>	An equity long/short strategy involves investing in equities with the objective of profiting if the investment increases in value and taking short positions in equities with the objective of profiting if the investment decreases in value. A short position typically involves selling securities or other financial instruments that are not currently owned with the intention of repurchasing them at a lower price. The investment approach can be based on a combination of fundamental and quantitative or technical analysis, and the strategy may be net long, net short or balanced.
<i>Credit</i>	A credit strategy involves investing in debt securities and debt related products that are determined by the manager to be undervalued and taking short positions in debt securities and debt related products that are determined by the manager to be overvalued. Positions are taken based on the manager's fundamental research and often involve corporate events such as bankruptcies and reorganizations. A credit strategy typically involves buying and selling short various degrees of debt securities, including distressed, high yield and investment grade from issuers in

	both emerging markets and developed markets. It also involves investing in various types of debt-related products, such as credit default swaps, asset swaps and credit indices. In addition, this type of strategy may involve buying or selling short related equity security exposure. Trades in these Alternative Investment Strategies may be both relative value and directional.
<i>Macro</i>	Macro strategies involve investing worldwide, and may not be subject to any limitations in geography, asset class or instrument (such as stocks, bonds, commodities, derivatives and currencies). Macro managers invest on a discretionary basis, following an approach that is generally based on the manager's identification and evaluation of potential trades in any area of interest. This strategy involves trading based on anticipated changes in major macroeconomic variables, such as shifts in interest rates.
<i>Convertible arbitrage</i>	Convertible arbitrage is a strategy that generally involves purchasing a convertible bond that is believed to be undervalued and at the same time, selling short the underlying common stock. As a variation of this strategy, undervalued warrants or options may be used in place of purchasing the convertible bond.
<i>Fixed-income arbitrage</i>	Broadly defined, fixed-income arbitrage involves exploiting price differences in related bonds while hedging exposure to interest rate risk. It also includes the purchase of short-term debt instruments issued by creditworthy companies, often on a leveraged basis, in order to generate additional returns.

<i>Capital structure arbitrage</i>	This strategy, similar to convertible arbitrage, aims to exploit an inefficiency that exists in a company's capital structure. For example, a portfolio adviser could take a long position in a company's high-yield bond issue and a short position in a portion of the same company's stock, thereby hedging the risk of distress or bankruptcy, while generating income from the bond.
<i>Managed futures</i>	This type of strategy involves trading derivative instruments such as futures contracts, options, forward contracts, swap contracts and leverage contracts across a range of markets, including stock index, fixed-income, foreign exchange and commodities. The manager invests on both the long and short side of the market and usually applies technical analysis and systematic investment processes, although the manager may also apply fundamental analysis and make discretionary investments.

The Alternative Investment Strategies described above are not an exhaustive list of the Alternative Investment Strategies that the Fund may employ or invest in, and the portfolio manager, in seeking to fulfil the investment objectives of the Fund, may allocate assets to new or different Alternative Investment Strategies that fall into categories other than those outlined above. The composition and description of these types of Alternative Investment Strategies may also change over time.

The Fund may, directly or indirectly through Underlying Funds, use derivatives such as swaps, options, futures and forward contracts, among other things:

- for hedging purposes, including to protect against losses or reduce volatility resulting from changes in interest rates and market indices; and

- for non-hedging purposes, including as a substitute for direct investment, to generate income or extend or reduce the duration of fixed-income investments.

We will invest a significant portion or even all of the Fund's assets in securities of other investment funds managed by RBC GAM or its affiliates, including investment funds that are not domiciled in Canada. We will only invest in securities of other investment funds where the investment is compatible with the Fund's investment objectives and strategies, and otherwise complies with applicable securities laws and the terms and conditions of any applicable exemptive relief obtained by RBC GAM on behalf of the Fund.

The Fund may, directly or through investments in Underlying Funds, enter into securities lending transactions, repurchase and reverse repurchase transactions, without prior notice and as permitted by applicable laws for efficient portfolio management purposes or for any other purpose that is compatible with the Fund's investment objective and strategies. Please see *How the Fund may engage in securities lending transactions, repurchase transactions and reverse repurchase transactions* later in this document.

What are the risks of investing in the Fund?

For details on the principal risks associated with an investment in the Fund, as well as the general risks of investing in investment funds, please see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund* and – *What are the risks of investing in an investment fund?* earlier in this document.

Distribution policy

The Fund intends to distribute its net income on a quarterly basis in March, June, September and December and its net realized capital gains annually in December.

All distributions made by the Fund will be automatically reinvested in units of the Fund. Immediately following a reinvestment resulting from a net income distribution, units of a series may, at the discretion of the Manager, be consolidated such that the number of units held by a unitholder immediately after the consolidation will be the same as the number held by the unitholder before the distribution.

Purchases, Switches and Redemptions

The Fund is permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series. The Fund currently offers Series A, F and O units. The Fund may issue additional series in the future, with each series having its own fees and expenses, or discontinue the offering of any series of units at any time and from time to time.

Series A units are available to investors who purchase units from authorized dealers. We pay dealers that sell Series A units an ongoing annual service fee, known as a trailing commission, based on the total value of Series A units their clients hold of the Fund.

Series F units are available to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay trailing commissions on Series F units.

Series O units are available to investors as we may determine from time to time at our sole discretion.

For fees paid to us by the Fund, please refer to *Fees and expenses that the Fund pays*.

Net asset value

The net asset value of the Fund will be calculated on the Net Asset Value Date and will be dependent primarily on the value of the Underlying Funds. The Fund maintains a separate net asset value for each series of units, as if the series were a separate fund. However, the assets of the Fund will constitute a single pool for investment purposes. The net asset value for a series is based on series specific amounts, such as amounts paid on the purchase and redemption of units of the series and expenses attributable solely to the series, and on the series' share of the Fund's investment earnings, market appreciation or depreciation of assets, common expenses and other amounts not attributable to a specific series. Expenses are recognized on an accrual (i.e., "as incurred") basis, not on a cash (i.e., "when paid") basis.

The unit price for each series is the basis for calculating the purchase price or redemption price for buying or redeeming units of that series. We or our agent calculate the unit price for each series by dividing the net asset value for the series by the number of outstanding units of the series. The Fund is valued and can be purchased only in Canadian dollars.

The Fund's assets –The value of any security or property held by the Fund will be determined in the following way:

- Units of the various Underlying Funds held by the Fund will be valued at their respective unit values or similar value on the relevant Valuation Day. It is anticipated that many of the Underlying Funds will be valued at least monthly. If the actual unit value or similar value of an Underlying Fund as of a time reasonably proximate to the applicable Valuation Day is not available, the value may be based on an estimate of the net asset value provided by the manager of the Underlying Fund.
- Bonds, debentures and other obligations are valued by taking the average of available bid and asked quotations on the Valuation Day.
- Cash, bills, demand notes, accounts receivable, prepaid expenses, distributions receivable and interest accrued and not yet received, will be valued at their full amount unless it is determined that the cash or other asset is not worth that amount. In such a case, a reasonable value will be determined.
- Notes and money market instruments are valued at their current market value on the Valuation Day. This value may be determined based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital.
- Long positions in clearing corporation options, options on futures, OTC options, debt-like securities and listed warrants will be valued at their current market value.

- Where a covered clearing corporation option, option on futures or OTC option is written, the premium received by the Fund shall be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or OTC option that would have the effect of closing the position. Any differences resulting from the revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the net asset value of the Fund. The securities, if any, which are the subject of a written clearing corporation option or OTC option will be valued at their current market value.
- The value of a derivative contract will be the gain or loss that would be realized if, on the Valuation Day, the position in the futures contract, forward contract or swap, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value, based on the current market value of the underlying interest, shall be determined.
- Margin or collateral paid or deposited in respect of derivative contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as margin.
- If a Valuation Day of the Fund is not a business day for a specific market, the prices or quotations of the prior business day will be used to value any asset or liability for such market.
- In this Offering Memorandum, unless otherwise indicated, “**current market value**” means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the valuation time on the Valuation Day, provided that, if no sale has taken place on a Valuation Day, the average of the bid and ask quotations immediately prior to the valuation time on the Valuation Day shall be used.

Although we will generally determine the value of the assets of the Fund by following the valuation practices described above, we have the discretion to value the assets using other methods if we determine that these practices are not appropriate in the circumstances. It may be

necessary to exercise such discretion in situations where market prices are not readily available (such as for certain restricted or unlisted securities, warrants and private placements) or securities may not be reliably priced (such as in the case of technical difficulties, trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). We have policies in place regarding fair valuation and guidelines that provide guidance on how fair value should be determined. The application of fair value pricing represents a good faith determination based upon these guidelines. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its net asset value per unit.

The Fund’s liabilities - The Fund’s liabilities will be determined in the same manner as the Fund’s assets, as described above, and may include:

- All debts, obligations, liabilities or claims of any kind.
- All accrued operating expenses and other charges.

Purchasing units of the Fund

The units offered by the Fund may be purchased on a monthly basis as of the last Business Day of each month (each, a “**Subscription Date**”) upon prior written notice being delivered to us by a cut-off time of 1:00 p.m. Vancouver time on a day that is at least seven Business Days prior to the Subscription Date. The Fund is generally available only to those investors who have entered into an investment management agreement or a subscription agreement with RBC GAM or an affiliate. For more information on the exemptions from prospectus requirements upon which you may rely to purchase units of the Fund and documents that may be required, see *Additional Information – Reliance on prospectus exemptions and certain required disclosure* below.

There are no charges payable to RBC GAM in connection with opening an account with, or buying units of the Fund from, RBC GAM.

RBC GAM determines the unit price for each Valuation Day on the Net Asset Value Date. If we receive and accept your completed purchase order at our Vancouver office by a cut-off time of 1:00 p.m. Vancouver time on a day that is at least seven Business Days prior to the Valuation Day, your order will be processed using the unit price for that Valuation Day. Otherwise, we will process your purchase order using the unit price for the next Valuation Day. RBC GAM reserves the right, in its sole discretion, to require investors to provide additional notice of a purchase order where we determine that the markets are illiquid, or where we believe that the purchase order will have a negative impact on the Fund.

RBC GAM may limit or “cap” the size of the Fund or a series of units of the Fund by restricting new purchases, including under circumstances where there is insufficient liquidity. We will continue to allow redemptions and the calculation of the Fund’s unit value for each series as described under *Redeeming units of the Fund* later in this document. We may subsequently decide to start accepting new purchases of the Fund or series at any time.

You have to provide full payment for your units on a day that is at least four Business Days prior to the Subscription Date. If RBC GAM does not receive payment in full, we will cancel your order and any units that you bought will generally be redeemed on the next Valuation Day. If they are redeemed for more than you paid, the Fund will keep the difference. If they are redeemed for less than you paid, you will be charged for the difference plus any costs.

RBC GAM may refuse or delay any request to buy units from an investor at our sole discretion, including where an order is received prior to the applicable cut-off time. If your request is refused, your money will be returned to you in full, without interest. If your purchase request is delayed, we will prioritize your request, along with other purchase requests, on a first-come-first-serve basis.

Minimum investment

As at the date of this Offering Memorandum the minimum initial investment for Series A and F units of the Fund is CAD25,000, and the minimum subsequent investment is CAD5,000.

While there is no current requirement for a minimum investment or account size in respect of Series O units, RBC GAM may, at its sole discretion, impose such requirement.

Switching

You will not be permitted to switch your units of the Fund for units of another series of the Fund or units of another investment fund managed by RBC GAM or its affiliates.

Redeeming units of the Fund

Subject to certain restrictions described below, units of the Fund may be redeemed on the last Business Day of each month (each, a “**Redemption Date**”) upon written notice being delivered to us by a cut-off time of 1:00 p.m. Vancouver time on a day that is at least one month plus seven Business Days prior to the Redemption Date, and there are no charges for redeeming units of the Fund.

If we receive your redemption request at our Vancouver office by 1:00 p.m. Vancouver time on a day that is at least one month plus seven Business Days prior to the Redemption Date, your redemption request will be processed using the unit price for that Redemption Date. Otherwise, we will process your redemption request using the unit price for the next Redemption Date. RBC GAM reserves the right, in its sole discretion, to require investors to provide additional notice of a redemption request where we determine that the markets are illiquid, or where we believe that the redemption request will have a negative impact on the Fund.

When you redeem units of the Fund, we will send you your money within five Business Days following the Net Asset Value Date.

We will only send you the redemption proceeds if:

- instructions necessary to complete the transaction have been received; and
- any payment for buying the same units that you are redeeming has cleared.

We may, in our sole discretion and in compliance with applicable securities laws, make payment of some or all of the redemption

proceeds by making good delivery to the unitholder of portfolio securities of the Fund, the value of which is equal to the redemption price of the units being redeemed. In the event that redemption proceeds are paid by making delivery of portfolio securities, we must be satisfied that such delivery is in the best interests of the Fund. Securities delivered in payment of redemption proceeds will be valued as of the redemption day and on the same basis that the Fund would use in determining the value of such securities on that day. The unitholder will be required to pay any reasonable costs associated with delivering such securities to the unitholder and/or registering such securities in the name of the unitholder or a nominee of the unitholder, and any brokerage costs associated with the disposition by the unitholder of the relevant securities.

The Fund may suspend the redemption of its units for any period in the event that RBC GAM determines that conditions exist which render impractical the sale of the assets of the Fund or impair the ability of RBC GAM to determine the value of assets held by the Fund.

Any redemption request received during a suspension of redemptions will be completed at the Series Net Asset Value per unit for first Valuation Day following the termination of the suspension unless the redemption request is earlier withdrawn by the unitholder.

RBC GAM reserves the right to require any unitholder of the Fund to redeem such unitholder's entire holding of units of the Fund, or any portion thereof, if RBC GAM, in its sole discretion, so determines.

Investors who are U.S. citizens or who are residents of the United States or any other foreign country are not permitted to purchase units of the Fund, unless we decide otherwise in our sole discretion. Where a unitholder is or becomes a citizen or resident of the United States or a resident of any other foreign country, we may at our sole discretion require such unitholder to redeem their units if their participation has the potential to cause adverse regulatory or tax consequences for the Fund or unitholders of the Fund.

Description of Units of the Fund

Each unit of a series of the Fund entitles the holder to:

- one vote at any meeting of unitholders of the Fund or a meeting of unitholders of that specific series;
- participate equally with all other units of the series in the regular distribution of net income and net realized capital gains of the Fund allocable to the series; and
- participate equally with all other units of the series, if the Fund is being terminated and wound-up, in the distribution of the series' share of net assets of the Fund that remain after the Fund's liabilities have been paid.

No unitholder owns any assets of the Fund. Unitholders have only those rights mentioned in this Offering Memorandum and the Trust Agreement for the Fund.

These rights may only be modified by amending the Trust Agreement. The Trust Agreement does not require unitholder approval with respect to amendments to the Trust Agreement unless such approval is required under applicable securities laws. However, if an amendment to the Trust Agreement is one that we believe a reasonable unitholder would consider important in determining whether to continue to hold units of the Fund and is prejudicial to the interests of unitholders as a group, we must provide unitholders with 30 days' prior notice of that change.

Although the Fund does not hold regular meetings, RBC GAM will hold meetings to obtain your approval on certain matters.

We may terminate the Fund, for any reason at our sole discretion, by providing unitholders with 90 days' prior written notice.

The Fund may be terminated on the occurrence of certain events stipulated in the Trust Agreement. On termination of the Fund, the Trustee will distribute the assets of the Fund in cash or in kind in accordance with the Trust Agreement. See also *Organization and management of the RBC Multi-Strategy Alpha Fund – Trustee and Custodian*.

Fees and Expenses

A brief description of the fees and expenses that you may have to pay if you invest in the Fund is set out below. Payment of fees and expenses by the Fund will reduce the value of your investment in the Fund.

Fees and expenses that the Fund pays

Management fees

The Fund does not pay us a management fee with respect to Series O or Series F units.

The Fund will pay a management fee to the Manager of 1.00% per annum of the series net asset value of the Series A units.

The management fees for Series A units include the trailing commission payable by the Manager to the dealers. The maximum annual trailing commission payable to dealers is 1.00% of the total value of Series A units their clients hold of the Fund, and may be paid monthly or quarterly as may be determined between the Manager and the dealer. No trailing commission is or will be paid for Series F units or Series O units. We may change the terms of the trailing commission paid to a dealer without informing you.

Investors should note that the Fund may offer additional series of units in the future with each series having its own fees and expenses.

Management fees are subject to applicable taxes, including HST.

Operating expenses and administration fee

RBC GAM pays certain operating expenses of the Fund. These expenses include regulatory filing fees and other day-to-day operating expenses, including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and interim financial statements, statements and investor communications. In return, in connection with each series of units of the Fund, as of the date of this Offering Memorandum, the Fund is expected to pay us an administration fee as follows:

Series	Administration Fee (as a % of Series Net Asset Value)
Series A	0.10%
Series F	0.10%
Series O	0.05%

The administration fee is subject to applicable taxes, including HST. The amount of operating expenses paid by us in exchange for the payment of the administration fee may exceed or be less than the administration fee in any particular period. The Fund also pays certain operating expenses directly, including the costs and expenses related to the Board of Governors to the extent it provides oversight in the context of the application of exemptive relief in relation to the Fund, the cost of any government or regulatory requirements introduced after July 1, 2009 and any borrowing costs or financing costs associated with the use of derivatives (collectively, “**other fund costs**”) and taxes (including, but not limited to, sales taxes). Other fund costs will be allocated to the Fund and among each series of units of the Fund in a fair and equitable manner in accordance with the services used.

RBC GAM may, in some years and in certain cases, pay a portion of a series’ administration fee or other fund costs. The decision to absorb the administration fee or other fund costs is reviewed annually and determined at the discretion of RBC GAM without notice to unitholders.

Underlying Funds’ management fees, performance fees and operating expenses

Each of the Underlying Funds is generally subject to its own management and/or performance fees that are paid out of the assets of the Underlying Fund or charged to the Fund. Furthermore, the Underlying Fund may bear management and performance fees of any other fund in which such Underlying Fund invests, including index participation funds and exchange-traded funds. Investors in the Fund indirectly bear such performance and management fees payable by the Underlying Fund and any funds in which they invest.

In addition, each of the Underlying Funds will generally be responsible for the payment of its

operating fees and expenses and indirect costs, including all applicable administration fees. As a result, investors in the Fund indirectly bear these costs.

Harmonized Sales Tax

Effective July 1, 2010, the provinces of Ontario and British Columbia harmonized the provincial sales tax with the GST, resulting in an HST. Effective January 1, 2013, Quebec harmonized the provincial sales tax with the GST, resulting in a GST/QST. Effective April 1, 2013, British Columbia returned to the provincial sales tax and the GST, and Prince Edward Island harmonized the provincial sales tax with the GST, each resulting in an HST. HST has been applicable in Nova Scotia, New Brunswick, and Newfoundland and Labrador since 1997. The Fund is generally required to pay HST of up to 15% on management fees and administration fees charged to the Fund. In general, the HST rate depends on the residence of the Fund's unitholders. If all of the Fund's unitholders were resident in Ontario, the rate of HST levied would be 13%. Changes in existing HST rates, the adoption of HST by additional provinces and changes in the breakdown of the residence of the Fund's unitholders may therefore have an impact on the management expense ratio of the Fund, year over year.

Impact of Sales Charges

The Fund is a 'no load' fund, which means you pay no sales charges or commissions when you buy and redeem units of the Fund through us. You also pay no account set-up or administration fees, and you may transfer your units to another investment fund managed by RBC GAM at no administrative cost.

Income Tax Considerations for Investors

The following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, for purposes of the Tax Act, are resident in Canada, hold their units as capital property and deal with the Fund at arm's length.

This summary is based on the current provisions of the Tax Act and the regulations under it, all

specific proposals to amend the Tax Act and its regulations that have been publicly announced by the Minister of Finance ("Tax Proposals"), and the published administrative practices of the CRA. It is assumed that all amendments will be passed as proposed. The Fund qualifies as a mutual fund trust under the Tax Act.

This summary is of a general nature and is not intended to be exhaustive. It does not take into account provincial, territorial or foreign tax laws. **Investors should consult their own tax advisers with respect to the tax consequences in their particular circumstances.**

Units of the Fund are qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs.

Taxation of the Fund

The Fund is subject to tax on its net income and net realized capital gains in each taxation year, except to the extent such amounts are distributed to unitholders. The Fund intends to distribute sufficient amounts of its net income and net realized capital gains each year, so that the Fund will not pay any tax under Part I of the Tax Act. The Fund will not be eligible to claim capital gains refunds. Gains from derivative transactions entered into for non-hedging purposes will be taxed as ordinary income, rather than as capital gains. Gains from derivatives transactions entered into for hedging purposes may be taxed as ordinary income or capital gains, depending on the specific circumstances.

All of the Fund's deductible expenses, including expenses common to all series of the Fund and expenses specific to a particular series (such as management and administration fees), will be taken into account in determining the income or loss of the Fund as a whole.

Loss suspension rules may prevent the Fund from recognizing capital losses on the disposition of investments in certain circumstances.

This summary assumes that not more than 50% of the units of the Fund will at any time be held by one or more "financial institutions", as defined

for purposes of sections 142.3 to 142.7 of the Tax Act.

If the Fund invests in securities which are not denominated in Canadian dollars, the cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. Accordingly, the Fund may realize income, gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

Offshore investment fund property rules

The Tax Act contains rules which may require the Fund to include in income in each taxation year an amount in respect of the holding of “offshore investment fund property”. The offshore investment fund property rules may apply to the Fund in respect of a holding of, or an interest in property that is a share of the capital stock of, an interest in, or a debt of, a non-resident entity (other than a controlled foreign affiliate of the Fund, certain trusts or a prescribed non-resident entity), or an interest in or a right or option to acquire any such share, interest or debt. For these rules to apply, two additional conditions must be met: (a) the value of such property (which would include an investment in a particular non-resident Underlying Fund) may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (“**Investments Assets**”); and (b) it must be reasonable to conclude, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, having or holding the interest in such property was to derive a benefit from portfolio investments in the Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act

if the income, profits and gains had been earned directly by the Fund. In making this determination, the Tax Act provides that regard must be had to all of the circumstances, including: (a) the nature, organization and operation of any non-resident entity and the form of, and the terms and conditions governing the taxpayer’s interest in, or connection with, any non-resident entity, (b) the extent to which any income, profit and gains that may reasonably be considered to be earned or accrued, whether directly or indirectly, for the benefit of any non-resident entity are subject to an income or profits tax that is significantly less than the income tax that would be applicable to such income, profits and gains if they were earned directly by the Fund; and (c) the extent to which any income, profits and gains of any non-resident entity for any fiscal period are distributed in that or the immediately following fiscal period.

If applicable, these rules would generally require the Fund to include in its income for each taxation year in which the Fund owns such interests the amount, if any, by which (A) an imputed return for the taxation year computed on a monthly basis and calculated as the product obtained when the Fund’s “designated cost” (within the meaning of the Tax Act) in such interests at the end of a month, is multiplied by 1/12th of the applicable prescribed rate for the period that includes such month plus 2%; exceeds (B) any dividends or other amounts included in computing the Fund’s income for the year (other than a capital gain) in respect of such interests determined without reference to these rules.

For these purposes, the designated cost to the Fund of such interests at any particular time in a taxation year will generally include, among other things, the initial cost of acquisition of such interests to the Fund and the total of all amounts required to be included in computing the Fund’s income as imputed income in respect of such shares under these rules for a preceding taxation year. The prescribed rate for purposes of these computations is the Base Rate.

It is expected that the Fund will invest in a share class of certain non-resident Underlying Funds that are investment funds with a dividend policy that will distribute annually substantially all net investment income and all net realized gains earned in each year that are attributable to the

class. Therefore, the conditions and circumstances described above in respect of the offshore investment fund property rules should not be met and no notional income inclusion should be required for the Fund in respect of such investments.

However, it is expected that the Fund will also invest in a share class of certain non-resident Underlying Funds that are investment funds that do not generally pay dividends. Therefore, the conditions and circumstances described above in respect of the offshore investment fund property rules will likely be met in relation to such investments and the notional income inclusion described above will be applied to the Fund in respect of such investments.

Taxation of unitholders

Each unitholder of the Fund will be required to include in computing its income for a particular year the portion of the net income, and the net realized taxable capital gains of the Fund for the year distributed to the unitholder (including such amounts distributed on the redemption of units), whether those amounts are distributed in cash or reinvested in additional units.

To the extent that distributions made by the Fund to a unitholder in a year exceed the unitholder's share of the Fund's net income and net realized capital gains for the year, the excess distributions will be a return of capital that is not taxable to the unitholder but that reduces the adjusted cost base of the unitholder's units. If a unitholder's adjusted cost base is reduced to less than zero the unitholder will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base will be reset at nil.

The purchase price for units of the Fund may reflect net income and net realized capital gains which have not been distributed. The investor is subject to tax on his or her share of those amounts when distributed, even though the amounts were reflected in the purchase price paid for the units. Similarly, the investor's share of capital gains realized after the units were acquired will include the portion of the gains that accrued before the investor acquired the units. This may be particularly relevant with respect to units purchased late in the year.

The Fund intends to make designations under the Tax Act so that taxable dividends received from taxable Canadian corporations, income from foreign sources and net taxable capital gains distributed to unitholders will retain their character in the hands of unitholders. Distributed amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be subject to the gross-up and tax credit rules in the Tax Act. To the extent that such distributed amounts are distributions of eligible dividends received by the Fund, the enhanced gross-up and tax credit will apply. Each taxable unitholder will generally be entitled to a tax credit for foreign taxes paid by the Fund in respect of his or her share of income from foreign sources, except to the extent the Fund has deducted the foreign taxes in computing its income.

On a redemption or other disposition of units of the Fund, the unitholder will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the units plus any cost of disposition, or a capital loss to the extent that the total of the adjusted cost base of the units plus any costs of disposition exceeds the proceeds of disposition. One half of a capital gain must be included in income as a taxable capital gain. One-half of a capital loss is an allowable capital loss, which may be applied against taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains may be carried back three years or forward indefinitely and applied against taxable capital gains realized in those earlier or later years, subject to the rules in the Tax Act. A unitholder that is throughout the relevant taxation year a Canadian-controlled private corporation (as defined in the Tax Act), may be liable to pay, in addition to the tax otherwise payable under the Tax Act, a refundable tax of 6²/₃% determined by reference to its aggregate investment income for the year, which is defined to include an amount in respect of taxable capital gains.

Generally, a trust must pay tax on its net income and net realized capital gains for a year, except to the extent such amounts are distributed to unitholders. The Fund, as a mutual fund trust, is entitled to a refund of the tax payable in respect of net realized capital gains that are not distributed, up to a limit set out in the Tax Act.

The adjusted cost base of a unit of the Fund is equal to the average adjusted cost base of all units of the Fund held by a unitholder. Generally, the adjusted cost base of all units at any time is equal to the total cost of Fund units purchased by the unitholder to that time (including units purchased by reinvesting distributions) minus the return of capital component of distributions and the adjusted cost base of units previously sold. The proceeds of disposition on the redemption of units of the Fund do not include net income or net realized gains, if any, that are distributed as part of the redemption amount.

Individuals and certain trusts are required to pay tax equal to the greater of tax determined under the ordinary rules and alternative minimum tax. Amounts distributed by the Fund that are net taxable capital gains, and capital gains realized on the redemption of units, may increase a unitholder's liability for alternative minimum tax.

In general, fees for investment counselling services paid by you in respect of units of the Fund held outside a registered plan should be deductible for income tax purposes to the extent that such fees are reasonable and represent fees for advice to you regarding the purchase or sale of units of the Fund or for services provided to you in respect of the administration or management of your units of the Fund. Any portion of the fees that represent services provided by the Manager to the Fund, rather than directly to you, are not deductible for income tax purposes. You should consult your own tax advisor with respect to the deductibility of fees in your own particular circumstances.

Tax reporting to unitholders

For Canadian tax purposes, statements reporting distributions and other relevant tax information will be sent to all unitholders of the Fund annually on or before the date prescribed by law for such reporting.

Investment by registered plans

The Fund will be a qualified investment under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSA. Units of the Fund will continue to be a qualified investment as long as the Fund is a mutual fund trust under the Tax Act.

Provided that the annuitant of an RRSP or RRIF, or the holder of a TFSA, deals at arm's length with the Fund and does not have a "significant interest" (within the meaning of the Tax Act) in the Fund, units of the Fund will not be a prohibited investment under the Tax Act for the RRSP, RRIF or TFSA. Annuitants of RRSPs and RRIFs, and holders of TFSA should consult with their own tax advisors as to whether units of the Fund would be prohibited investments under the Tax Act in their particular circumstances.

Additional Information

Certain conflicts of interest

The Manager believes that it has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Fund, including policies and procedures relating to conflicts of interest. These policies, procedures, practices and guidelines are updated as necessary to reflect changing circumstances.

The Manager is a subsidiary of Royal Bank. The Manager may also be engaged in a wide variety of management, advisory and other business activities unrelated to the business of the Fund. Furthermore, the directors, officers and employees of the Manager or any other affiliate of the Manager or a subsidiary of Royal Bank may also invest in the Fund and/or be invested in the same investments as the Fund from time to time, potentially even significantly.

In addition, the Fund will invest in Underlying Funds managed by RBC GAM and its affiliates, and by virtue of investing in the Underlying Funds, the Fund may be purchasing securities of issuers of which a responsible person of the Fund or an associate of the responsible person of the Fund is a partner, director or officer.

The Manager will take such steps as it considers necessary to resolve any potential conflicts of interest fairly.

Please see *General Information About the RBC Multi-Strategy Alpha Fund – Specific risks in respect of the RBC Multi-Strategy Alpha Fund – Conflicts of interest risk* above in this document for more information.

Proxy voting

The proxies associated with securities held in the Fund will be voted in accordance with guidelines which seek to enhance long-term unitholder value and which are consistent with leading corporate governance practices. The guidelines are available on our website, www.rbcgam.com, or by contacting us at the number on the back cover of this document.

How the Fund may engage in securities lending transactions, repurchase transactions and reverse repurchase transactions

A securities lending transaction occurs when the Fund lends portfolio securities that it owns to a creditworthy institutional borrower. The borrower promises to return to the Fund, at a later date, an equal number or amount of the same securities and to pay a fee to the Fund for borrowing the securities. The Fund may recall the securities at any time. The borrower provides the Fund with collateral consisting of cash and/or securities or non-cash collateral equal to a percentage of the market value of the loaned securities measured each business day. Therefore, the Fund retains exposure to changes in the value of the securities loaned while earning additional income. If securities are on loan on the record date established for a particular proxy voting matter, the lender is generally not entitled to exercise the voting right of such loaned securities.

A repurchase transaction occurs when the Fund sells portfolio securities that it owns to a creditworthy institution for cash and simultaneously agrees to buy back the securities at a later date. The Fund retains exposure to changes in the value of the sold securities, but also earns additional income for participation in the repurchase transaction. In repurchase transactions, the Fund receives any interest or dividends paid by the issuer of the securities while those securities are held by the other party to the transaction.

A reverse repurchase transaction occurs when the Fund purchases portfolio securities from a creditworthy institution and simultaneously agrees to sell the securities back to the institution at a later date. The difference between the Fund's purchase price for the

securities and the resale price may provide the Fund with additional income.

The Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions without prior notice.

Regulatory relief

The Manager has obtained relief from applicable securities legislation to engage in the types of transactions described below on behalf of investment funds (referred to as “**funds**” in this section only) managed by the Manager and its affiliates. The Fund may rely on certain of this relief from time to time.

The exemptions may only be relied upon by the funds where consistent with the investment objective of the funds.

Fund-of-fund relief

For this section only,

“**Consent Relief Jurisdictions**” mean British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut;

“**Investment Restriction Relief Jurisdictions**” means British Columbia, Alberta and Ontario;

“**Investment Restriction**” means the prohibition in the legislation of the Investment Restriction Relief Jurisdictions, prohibiting a mutual fund in Ontario, or a mutual fund, as the case may be, from knowingly making or holding an investment in:

- (i) any person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; or
- (ii) an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or any person or company who is a substantial security holder of the mutual fund, its management company or its

distribution company, has a significant interest;

“Top Funds” means mutual funds organized or to be organized as trusts governed by the laws of British Columbia or Ontario that are managed now or in the future by the Manager or its affiliate, and that are or will be offered for sale on a private placement basis pursuant to prospectus exemptions under applicable securities legislation;

“Underlying Funds” in this section means the underlying offshore mutual funds, underlying non-prospectus mutual funds and underlying prospectus mutual funds managed or promoted by the Manager or its affiliate;

The Canadian securities regulatory authorities have granted relief to the Manager as follows:

- (a) in the Investment Restriction Relief Jurisdictions under the legislation of such jurisdictions, the Investment Restriction shall not apply to the Top Funds collectively, in respect of each Top Fund’s investment in Underlying Funds managed or promoted by the Manager or its affiliate;
- (b) in the Consent Relief Jurisdictions, under the legislation of such jurisdictions, the requirement in the legislation that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase securities of an issuer in which a responsible person or an associate of the responsible person is a partner, director or officer unless the fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase shall not apply to the Manager, or its affiliate, as the manager of the Top Funds in respect of each Top Fund’s investment in securities of the Underlying Funds;
- (c) in Ontario, British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick and Newfoundland and Labrador under the legislation of such jurisdictions, the requirement of a management company or, in the case of British Columbia, a mutual fund manager, to file a report of every transaction of purchase or sale of securities

between a mutual fund it manages and any related person or company and any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a mutual fund is a joint participant with one or more of its related persons or companies, in respect of each mutual fund to which it provides services or advice, within 30 days after the end of the month in which it occurs, shall not apply to the Manager, or its affiliate, in respect of each Top Fund’s purchase or sale of securities of an underlying prospectus mutual fund and in British Columbia in respect of each Top Fund’s purchase or sale of securities of a underlying pooled fund that is organized or will be organized as trusts governed under the laws of British Columbia.

The aforementioned relief is granted, subject to the following conditions, in each case:

- (a) securities of each Top Fund are distributed only on a private placement basis pursuant to available prospectus exemptions in NI 45-106;
- (b) the investment by each Top Fund in an Underlying Fund is compatible with the fundamental investment objective of the Top Fund;
- (c) each Top Fund does not vote any of the securities it holds of an Underlying Fund except that the Top Fund may, if the Manager so chooses, arrange for all the securities it holds of an Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;
- (d) no management or other fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
- (e) no sales fees or redemption charges are payable by the Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;
- (f) no Top Fund will invest in an Underlying Fund unless the Underlying Fund invests less than 10% of its net assets in other mutual funds other than mutual funds that

are “money market funds” as defined by NI 81-102 or that issue “index participation units” as defined by NI 81-102;

- (g) the offering memorandum or a similar document of a Top Fund, or, if no offering memorandum or similar document is prepared, another document provided to investors in a Top Fund, will disclose:
- (i) the intent of the Top Fund to invest its assets in securities of the Underlying Funds;
 - (ii) that the Underlying Funds are managed by the Manager or an affiliate of the Manager;
 - (iii) the approximate or maximum percentage of net assets of the Top Fund that is intended to be invested in securities of the Underlying Funds; and
 - (iv) the process or criteria used to select the Underlying Funds;
- (h) investors in each Top Fund are entitled to receive from the Manager or its affiliate, on request and free of charge, a copy of the offering memorandum or other disclosure documents (if any), or the annual or semi-annual financial statements (if any) relating to all Underlying Funds in which the Top Fund may invest its assets; and
- (i) prior to the time of investment, investors in a Top Fund will (if applicable) be provided with disclosure that certain officers or directors of the Manager or associates of any of them may have a significant interest in the Underlying Funds through investments made in securities of such Underlying Funds and will be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum or similar document of the Top Fund or, if no offering memorandum or similar document is prepared, in another document provided to investors in a Top Fund.

Recordkeeping, disclosure and Board of Governors involvement

Appropriate records of the transactions described above (referred to collectively as “**Related Party Trading Activities**”) must be maintained and, in certain cases, particulars must be disclosed in the financial statements of the Fund or filed with securities regulatory authorities. In addition, the Board of Governors must approve the policies and procedures of RBC GAM in respect of Related Party Trading Activities.

The Board of Governors has approved standing instructions in respect of Related Party Trading Activities by the Fund. In accordance with the conditions of the applicable standing instructions of the Board of Governors, the Board of Governors typically reviews these activities on a quarterly basis. In its review, the Board of Governors considers whether investment decisions in respect of Related Party Trading Activities:

- were made by RBC GAM in the best interests of the Fund and were free from any influence of Royal Bank and without taking into account any consideration relevant to an entity related to Royal Bank or its associates or affiliates;
- were in compliance with the conditions of the policies and procedures of RBC GAM;
- were in compliance with the applicable standing instructions of the Board of Governors; and
- achieved a fair and reasonable result for the Fund.

Reliance on prospectus exemptions and certain required disclosure

Units of the Fund are offered pursuant to certain exemptions from the prospectus requirements of the securities legislation of the provinces and territories of Canada. Purchasers may be required to acquire units at an aggregate acquisition cost of not less than an amount prescribed by applicable securities legislation. Subscribers for units of the Fund will be required to execute an investment management agreement or a subscription agreement and may be required to execute such certificates and

other documents to evidence their eligibility and entitlement to rely on such exemptions.

If the investor is resident in Ontario, applicable securities legislation requires that the Fund notify the investor that (i) the investor's full name, residential address, telephone number, number and type of securities purchased, the total purchase price and the prospectus exemption relied on must be delivered by the Fund to the Ontario Securities Commission, (ii) the information is collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iii) the public official who can be contacted regarding the indirect collection of information is the Administrative Support Clerk at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone 416-593-8314 or toll free 1-877-785-1555. Such investors, by their investment, will be deemed to have consented to the indirect collection of the information by the Ontario Securities Commission.

What are your Legal Rights?

Securities legislation in certain of the provinces and territories of Canada provides purchasers

with, in addition to any other rights they may have at law, a remedy for rescission or damages, or both, where this Offering Memorandum and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation (as such term may be defined in the applicable legislation). However, those remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed in applicable legislation. Further, such rights may depend on the particular private placement exemption relied upon by the issuer. Each purchaser should refer to the provisions of the applicable legislation for the particulars of these rights or consult with a legal adviser.

The summary of the rights of rescission or to damages, or both, available to purchasers under the securities legislation of certain of the provinces and territories of Canada or provided by contract are set forth in Schedule A hereto. Such rights are expressly conferred upon investors by the delivery of this Offering Memorandum.

Certificate

IN RESPECT OF ALBERTA INVESTORS (CDN\$150,000 EXEMPTION)

The following certificate is provided as required by Alberta securities laws where the investor invests on the basis of investing not less than CDN\$150,000

Dated: January 1, 2015

RBC Multi-Strategy Alpha Fund (the “Fund”)

This Offering Memorandum does not contain a misrepresentation.

“John S. Montalbano”

John S. Montalbano
Chief Executive Officer,
RBC Global Asset Management Inc.,
as Manager and Promoter of, and on behalf of,
the Fund

“Frank Lippa”

Frank Lippa
Chief Financial Officer and Chief Operating Officer,
RBC Global Asset Management Inc.,
as Manager and Promoter of, and on behalf of,
the Fund

On behalf of the Board of Directors
of RBC Global Asset Management Inc.,
as Manager of, and on behalf of, the Fund

“Damon G. Williams”

Damon G. Williams
Director

“Daniel E. Chornous”

Daniel E. Chornous
Director

Schedule “A” – Purchasers’ Rights of Action for Damages or Rescission

The statutory rights of action and rescission available to purchasers where there is a misrepresentation are set forth below for Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut, and Yukon. For the purposes of the following, “misrepresentation” in this Schedule “A” 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 not misleading in the light of the circumstances in which it was made.

The rights of action and rescission described below are in addition to, and without derogation from, any right or remedy available at law to the purchaser and are subject to the defences contained in those laws. These remedies must be exercised by the purchaser within the time limits set out below. Purchasers should refer to the available provisions of securities laws for the complete text of these rights or consult with a legal advisor.

Alberta

Section 204 of the *Securities Act* (Alberta) provides that where an offering memorandum, such as this Confidential Offering Memorandum, together with any amendment to, is delivered to a purchaser resident in Alberta, in reliance on the prospectus exemption in section 2.10 (the minimum amount investment or CAD\$150,000 investment) of NI 45-106, and contains a misrepresentation, the investor will be deemed to have relied upon the misrepresentation and will have a right of action against the issuer, every director of the issuer (if applicable) at the date of this memorandum and every person who signed the offering memorandum for damages or, alternatively, for rescission against the issuer, provided that:

- (a) no action may be commenced to enforce a right of action:
 - (i) for rescission more than 180 days after the date of the purchase; or

- (ii) for damages more than the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) three years after the date of purchase;
- (b) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) no person or company (but excluding the issuer) will be liable if the person or company proves that (i) the offering memorandum was delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable notice to the issuer that it was delivered without the person’s or company’s knowledge or consent, (ii) on becoming aware of any misrepresentation in the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum 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 the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (d) no person or company (but excluding the issuer) will be liable with respect to any part of the offering memorandum 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 expert unless the person or company failed to conduct an 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, the defendant will not be liable for all or any portion of the

damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation; and

- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

Saskatchewan

Section 138 of The Securities Act, 1988 (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum, such as this Offering Memorandum, or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) 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;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

- (b) in an action for damages, a defendant will not 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 securities resulting from the misrepresentation relied on;

- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting 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 sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;

- (b) on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice to the issuer of the withdrawal and the reason for it; or

- (c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had

been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Manitoba

Section 141.1 of the *Securities Act* (Manitoba) provides that if an offering memorandum, such as this Offering Memorandum contains a misrepresentation a purchaser resident in Manitoba is deemed to have relied on the misrepresentation and has a right of action against the applicable issuer, every director of the issuer at the date of the memorandum and every person or company who signed the memorandum for damages, or alternatively, for rescission, provided that:

- (a) no action may be commenced to enforce a right of action:
 - (i) for rescission, more than 180 days after the date of the purchase; or
 - (ii) for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) two years after the date of the purchase;
- (b) no person or company will be liable if the person or company proves that the

purchaser purchased the securities with knowledge of the misrepresentation;

- (c) no person or company (excluding the issuer) will be liable if the person or company proves that (i) the memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware of its delivery, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the misrepresentation, the person or company withdrew their respective consent to the memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;
- (d) no person or company (excluding the issuer) will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been on misrepresentation, or believed that there had been a misrepresentation;
- (e) in action for damages, a defendant will not be liable for any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

Ontario

In the event that an offering memorandum, such as this Offering Memorandum, together with any amendment hereto, delivered to a purchaser of units resident in Ontario contains a

misrepresentation and it was a misrepresentation at the time of purchase of units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a right of action against a fund for damages or, while still the owner of units of a fund purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against a fund, provided that:

- (a) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
 - (i) in the case of an action for rescission, 180 days after the date of purchase; or
 - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the misrepresentation, and (B) three years after the date of purchase;
- (b) the fund, will not be liable if it proves that the purchaser purchased the units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the fund 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) the fund will not be liable for a misrepresentation in forward-looking information if the fund proves:
 - (i) that the offering memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;
 - (ii) the reasonable cautionary language and disclosure of material factors appear proximate to the forward-looking information; and

- (iii) the fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (e) in no case will the amount recoverable in any action exceed the price at which the units were offered.

The foregoing rights do not apply if the purchaser is:

- (a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

New Brunswick

Section 150(1) of the *Securities Act* (New Brunswick) provides that where a memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in New Brunswick and contains a misrepresentation that was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied on the misrepresentation and will have a right of action against the issuer or selling securityholder for damages or, alternatively, while still the owner of the purchased securities, for rescission, provided that:

- (a) no action may be commenced to enforce a right of action:
 - (i) for rescission, more than 180 days after the date of the purchase; or
 - (ii) for damages, more than the earlier of (A) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (B) six years after the date of the purchase;
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a

result of the misrepresentation relied upon; and

- (d) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and
- (e) no person will be liable for a misrepresentation in forward-looking information if the person proves that:
 - (i) the 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 set out in the forward-looking information; and
 - (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

An issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the issuer unless the misrepresentation:

- (a) was based on information that was previously publicly disclosed by the issuer;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the issuer before the completion of the distribution of the securities being distributed.

Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) states that in the event that an offering memorandum, such as this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection with an offering memorandum, contains a misrepresentation, any investor in Nova Scotia who purchases securities offered

thereunder shall be deemed to have relied on such misrepresentation, if it was a misrepresentation at the time of purchase, and shall have, subject as hereinafter provided, a right of action either for damages against the seller, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum, or alternatively for rescission, exercisable against the seller provided that:

- (a) no person or company will be held liable if it proves that the investor purchased the securities with knowledge of the misrepresentation;
- (b) in an action for damages, the seller will not be liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (c) no person or company will be liable if the person or company proves that (i) the offering memorandum or amendment thereto was sent or delivered to the purchaser 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 the offering memorandum or amendment thereto and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum or amendment thereto 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 the relevant part of the offering memorandum or amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (d) no person or company will be liable with respect to any part of the memorandum not

purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of 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; and

- (e) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum or amendment thereto.

No action shall be commenced to enforce the rights of action more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Prince Edward Island

Section 112(1) of the *Securities Act* (Prince Edward Island) provides that if an offering memorandum, such as this Offering Memorandum, contains a misrepresentation, a purchaser resident in Prince Edward Island who purchased a security under this memorandum will be deemed to have relied upon the misrepresentation and will have a right of action against the applicable issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of this memorandum and every person who signed this memorandum for damages or, alternatively, for rescission, exercisable against the issuer or the selling securityholder on whose behalf the distribution is made, provided that:

- (a) no action shall be commenced to enforce a right of action:
 - (i) for rescission, more than 180 days after the date of the purchase; or
 - (ii) for any action other than rescission, the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or (B) three years after the date of the purchase;
- (b) no person or company will be liable if the person or company proves that the

purchaser purchased the securities with knowledge of the misrepresentation;

- (c) no person or company (but excluding the issuer or selling securityholder) will be liable if it proves that (i) the memorandum was delivered to the purchaser 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 the delivery of the memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum 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 the relevant part of the memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (d) no person or company (but excluding the issuer or selling securityholder) will be liable with respect to any part of the memorandum not 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 unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or, (ii) believed that there had been a misrepresentation;
- (e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- (f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

Newfoundland and Labrador

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser to a purchaser resident in Newfoundland and Labrador and it contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum. In addition, such purchaser has a right of rescission against the issuer. If a purchaser elects to exercise a right of rescission against the issuer, the purchaser has no right of action for damages.

Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for an action for damages or rescission:

- (a) where the person or company proves that the purchaser had knowledge of the misrepresentation;
- (b) where the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (c) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:
 - (i) there had been a misrepresentation; or

- (ii) the relevant part of the offering memorandum:
 - (A) did not fairly represent the report, opinion or statement of the expert; or
 - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and
- (e) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:
 - (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (ii) believed there had been a misrepresentation.

Of the above defences, the issuer shall only be able to rely on (a) above.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

No action may be commenced to enforce a right of action:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of:
 - (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

Northwest Territories

Section 112 of the *Securities Act* (Northwest Territories) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser

resident in the Northwest Territories and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution is deemed to have relied on the misrepresentation, and has a right of action for damages against the issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;
- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;
- (c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;
 - (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

- (A) there had been a misrepresentation;
or
 - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
- (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) 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
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at

which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than the earlier of:

- (a) in the case of an action for rescission, 180 days after the date of the purchase; or
- (b) in the case of an action for damages, (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the purchase.

Nunavut

Section 112 of the *Securities Act* (Nunavut) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in Nunavut and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution is deemed to have relied on the misrepresentation, and has a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling security holder on whose behalf the distribution is made.

These rights are subject to certain limitations, including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling security holder on whose behalf the distribution is made, it shall have no right of action for damages against that party;
- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;
- (c) a person or company (other than the issuer or selling security holder on whose behalf the distribution is made) will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;

- (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
- (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (A) there had been a misrepresentation; or
 - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
- (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
 - (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) 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
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a

forecast or projection set out in the forward-looking information; and

- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than the earlier of:

- (a) in the case of an action for rescission, 180 days after the date of the purchase; or
- (b) in the case of an action for damages, (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the purchase.

Yukon

Section 112 of the *Securities Act* (Yukon) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in the Yukon and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution is deemed to have relied on the misrepresentation, and has a right of action for damages against the issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;

- (b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;
- (c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:
 - (i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;
 - (ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
 - (iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (A) there had been a misrepresentation; or
 - (B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;
 - (iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:
 - (A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
 - (B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

- (a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,
 - (i) 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
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than the earlier of:

- (a) in the case of an action for rescission, 180 days after the date of the purchase; or
- (b) in the case of an action for damages,
 - (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (ii) three years after the date of the purchase.

Other Canadian jurisdictions

The foregoing summaries are subject to the express provisions of the *Securities Act (Alberta)*, the *Securities Act (Manitoba)*, the *Securities Act, 1988 (Saskatchewan)*, the *Securities Act (Ontario)*, the *Securities Act (New Brunswick)*, the *Securities Act (Nova Scotia)*, the *Securities Act (Prince Edward Island)*, the *Securities Act (Newfoundland and Labrador)*, the *Securities Act (Northwest Territories)*, the *Securities Act (Nunavut)* and the *Securities Act*

(Yukon), and the regulations and policy statements thereunder, and reference is made thereto for the complete text of such provisions.

Although securities legislation in British Columbia and Québec do not provide or require the Fund to provide to unitholders resident in these jurisdictions any rights of action if this Offering Memorandum, any amendment hereto or any document incorporated herein by reference, contains a misrepresentation, the Fund hereby grants to such unitholders the equivalent contractual rights of action as are described above for unitholders resident in Ontario.

Proposed legislation applicable to investors in Québec

Under legislation adopted but not yet in force in Québec, if this Offering Memorandum, together with any amendment hereto or any document incorporated by reference herein, delivered to an investor resident in Québec contains a misrepresentation, you will have: (i) a right of action for damages against the fund, every person in charge of the fund's patrimony, the dealer (if any) under contract to the fund and any expert whose opinion, containing a misrepresentation, appeared, with the expert's consent in this Offering Memorandum, and (ii) a right of action against the fund for rescission of the purchase contract or revision of the price at which the units were sold to you.

This statutory right of action will be available to you whether or not you have relied on the Offering Memorandum. You will be able to bring an action for rescission of the purchase contract or revision of the price without prejudice to your claim for damages.

However, there will be various defences available to the persons against whom you will have a right of action. For example, they will have a defence if you knew of the misrepresentation when you purchased the units. In an action for damages, a person listed above, other than the fund or the person(s) in charge of the fund's patrimony, will not be liable if that person acted with prudence and diligence.

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

(a) this Offering 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 conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the rights described in (i) or (ii) above, you will have to do so within strict time limitations. You will have to commence an action for rescission of the purchase contract or revision of the price within three years after the date of the purchase. You will have to commence an action for damages within the earlier of (i) three years after you first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to your negligence) or (ii) five years after the filing of this Offering Memorandum with the Autorité des marchés financiers.

If this legislation is declared to be in force in Québec, the Fund will provide you with these rights instead of the rights described above under the section *What are Your Legal Rights? – Other Canadian Jurisdictions*. The foregoing summary is subject to the express provisions of the *Securities Act* (Québec) and the regulations and policy statements thereunder, and reference is made thereto for the complete text of such provisions.

General

The rights summarized above are in addition to and without derogation from any other rights or remedies available at law to an investor.

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