

CONFIDENTIAL OFFERING MEMORANDUM

*This Offering Memorandum constitutes an offering of these units only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell these units and only to those persons to whom they may be lawfully offered for sale. **No securities commission or similar regulatory authority has passed on the merits of these units nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence.** No prospectus has been filed with any such authority in connection with these units. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating these units and is not to be construed as a prospectus or advertisement or a public offering of these units.*

Date: January 22, 2010.

The Issuer

Name:	CRYSTAL ENLIGHTENED GROWTH FUND (the "Fund")
Head office:	3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2
Phone #:	905-332-4414, toll free: 877-299-2854
E-mail address:	info@crystalwealth.com
Fax #:	905-332-6028
Currently listed or quoted:	No. These securities do not trade on any exchange or market.
Reporting issuer:	No
SEDAR filer:	No

The Offering

Securities offered:	Series A units (\$CAD) ("Units")
Price per security:	Net Asset Value Per Unit ("NAVPU") as calculated from time to time. See Item 5.1, Computation of Net Asset Value.
Minimum/Maximum Offering:	There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	The minimum investment in the Fund is \$150,000. If the investor qualifies as an accredited investor, the Manager in its discretion may accept a lower initial minimum investment of \$5,000. The Fund reserves the right to change the minimum amount at any time and from time to time.
Payment terms:	Full subscription price is payable by cheque, bank draft, wire order or other form of payment acceptable to the Fund, upon acceptance of the subscription by the Manager.
Proposed closing date(s):	Units are offered on a continuous basis. See Item 5, Securities Offered.
Income tax consequences:	There are important tax consequences to these Units. See Item 6, Income Tax Consequences and RRSP Eligibility.
Selling agent:	No specific agent has been retained by the Fund in respect of the offering. An investor subscribing for Units through a registered dealer may be charged a sales commission. See Item 7, Compensation Paid to Dealers.

Resale restrictions

You will be restricted from selling your Units for an indefinite period. See Item 10, Resale Restrictions. However, you will be able to redeem your Units from the Fund at certain times if you follow the procedures established. See Item 5.1, Redemption of Units.

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11, Purchasers' Rights.

No securities regulatory authority or regulator has assessed the merits of these Units or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.

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Item 1 Use of Available Funds

1.1 *Funds*

The net proceeds of the offering cannot be determined because Units are being offered on a continuous basis and there is no minimum offering. Sales commissions will vary depending on the fee negotiated by you with your dealer. See Item 7, Compensation Paid to Dealers. Because Units are offered on a continuous basis, other offering costs are treated as fees and expenses of the Fund. See Item 5.1, Fees and Expenses.

1.2 *Use of Available Funds*

The Fund will invest the net proceeds from the issue of Units in accordance with its investment objectives and strategies set out herein. See Item 2.2, Our Business.

1.3 *Reallocation*

The Fund will only invest the net proceeds of the offering in accordance with its investment objectives and strategies set out herein and will not reallocate funds for any other purpose.

Item 2 Business of the Fund

2.1 *Structure*

The Fund is an open-ended unit trust formed under the laws of the Province of Ontario on January 22, 2010 by an amendment to Schedule A of the Master Declaration of Trust dated as of the 12th day of April, 2007, as amended and restated as of December 17, 2007 and as it may be subsequently amended from time to time (the “Declaration of Trust”).

Fiscal Year

The Fund’s financial year end is December 31 in each year. The Fund’s tax year is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada), December 15th in each year.

The Trustee, Manager and Portfolio Advisor

Crystal Wealth Management System Limited is the trustee, manager, portfolio advisor and promoter of the Fund (“Crystal Wealth” or the “Manager”). It is responsible for managing the overall business of the Fund as well as investing the Fund’s assets in accordance with the stated investment objectives of the Fund. Its head office is 3385 Harvester Road, Suite 200, Burlington, Ontario, L7N 3N2.

Crystal Wealth has managed and/or advised public mutual funds since 1999. The principal portfolio manager of Crystal Wealth is Clayton Smith.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Research Analyst

The primary research analyst for the Fund is Al Housego, CFP, CIM (“Primary Research Analyst”). Prior to joining Crystal Wealth, Mr. Housego was a financial planner with Investment Planning Counsel.

Auditor

BDO Dunwoody LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services ("IFDS"), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

2.2 Our Business

Investment Objective

The investment objective of the Fund is to provide long-term capital appreciation while seeking to protect against downside risk and negative effects from inflation by investing primarily in global equity securities, including mutual funds and exchange traded funds that invest in, or track the performance of, global equity securities.

Investment Strategy

To achieve the Fund's investment objective, the Fund's assets will be invested in a combination of:

- equity securities to provide the potential for long-term capital growth and current dividend income. In Canada, the emphasis will be on dividend producing corporations and trusts, while global equity exposure will generally have a value bias;
- securities such as mutual funds, trusts and exchange traded funds that generate a high yield from exposure to hard assets such as real estate and natural resources;
- securities such as mutual funds, trusts and exchange traded funds with exposure to hard assets such as precious metals that generally respond positively to inflation;
- income-generating securities such as bond and mortgage mutual fund and exchange traded funds; and
- cash equivalent securities such as T-bills and other money market instruments during periods of prolonged market volatility.

The Manager will seek to achieve an average annual rate of return that is greater than what can be attained by investing in income-generating securities alone. In pursuing the Fund's investment objective, the Manager will typically invest at least 50% of the Fund's portfolio in equity and commodity related securities. The Manager will diversify the Fund's equity and commodity related assets geographically as well as by asset type. The Manager will invest approximately 15% – 40% of the Fund's portfolio in income-generating securities such as bond and mortgage mutual funds and exchange traded funds. Equity

and commodity related securities have historically provided a higher return than income-generating securities but also are subject to greater risks. The Manager may change its target weighting in each asset class in its sole discretion, without notice to Unitholders.

The use of exchange-traded futures and/or options may be undertaken by the Manager to gain exposure to certain markets quickly, hedge long positions in the portfolio in times of uncertainty or hedge against currency exposure due to global positions if the Manager believes the Canadian dollar will strengthen significantly. However, the use of leverage and short-selling is prohibited within the Fund.

Please see “Risk Factors” below for a discussion of risks associated with the types of investments held in the Fund’s portfolio.

Statutory Caution

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

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers in which the Manager or associates of it have a significant interest.

The Manager has imposed the following additional investment restrictions on the Fund:

- The Fund will limit its exposure to any one issuer, other than an Underlying Crystal Wealth Fund (as defined below), to no more than 20% of the Fund’s net assets on a cost basis;
- The Fund will not trade in over-the-counter derivatives;
- The Fund will not use leverage; and
- The Fund will not engage in short-selling.

Investments in Other Funds Managed by Crystal Wealth

The Manager may, from time to time, invest some of the assets of the Fund in units of other mutual funds managed by Crystal Wealth (an “Underlying Crystal Wealth Fund”). Where the Manager does this, no sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Crystal Wealth Fund for the same service.

The Manager may invest assets of the Fund in an Underlying Crystal Wealth Fund if the Underlying Crystal Wealth Fund's mandate would help achieve the optimal diversification of the Fund's portfolio, and if, in the opinion of the Manager, investing in the Underlying Crystal Wealth Fund is the best way to achieve this diversification. In determining whether to invest in units of an Underlying Crystal Wealth Fund, the Manager considers the investment objectives and strategies of the Underlying Crystal Wealth Fund, as well as its past performance and historical volatility.

The percent of the Fund's assets invested in each Underlying Crystal Wealth Fund may fluctuate on a daily basis based on the investment decisions made by Crystal Wealth in order to meet the investment objectives of the Fund. The Fund may invest up to 50% of its assets, on a book or market value basis in any one Underlying Crystal Wealth Fund and up to 100% of its assets in a combination of Underlying Crystal Wealth Funds. The actual weightings of the investments by the Fund in the Underlying Crystal Wealth Funds will be reviewed on a regular basis and adjusted to ensure that the investment weightings continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund.

Copies of the offering memoranda of the Underlying Crystal Wealth Funds are available upon request from the Manager, free of charge.

2.3 *Development of the Business*

See Item 2.1, Structure.

2.4 *Long Term Objectives*

The long-term objectives of the Fund are as set out under Item 2.2, Our Business. The Manager has no intention to vary or amend these objectives.

2.5 *Short Term Objectives and How We Intend to Achieve Them*

The short-term objectives of the Fund are as set out under Item 2.2, Our Business. The Manager has no intention to vary or amend these objectives.

2.6 *Insufficient Funds*

The proceeds of the offering may not be sufficient to accomplish all of the Fund's proposed investment objectives and there is no assurance that alternative financing will be available.

2.7 *Material Agreements*

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 5.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the "Management Agreement") to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund, investment portfolio advisory services, distribution services for the promotion and sale of the Fund's Units and other operational services. The Management Agreement contains a schedule of the management fee rate and sets out the operating expense reimbursement arrangements payable to the Manager by the Fund.

The Management Agreement will continue in effect unless and until terminated with respect to the Fund on at least 60 days' prior written notice. The Management Agreement may be terminated immediately upon written notice if any party is in breach of its terms and the breach has continued for at least 30 days without being remedied.

Under the Management Agreement, the Manager and its agents are not liable for any loss sustained by reason of the adoption or implementation of any investment policy or the purchase, sale or retention of any portfolio investment on behalf of the Fund. However, this limitation of liability does not protect the Manager against any liability to the Fund or Unitholders by reason of wilful misfeasance, bad faith or negligence in the performance of its duties under the Management Agreement.

Custodian Agreement

The Manager entered into a custodian services agreement with NBCN on July 26, 2004, under which NBCN will act as custodian of the assets of all the mutual funds managed by the Manager, including the Fund. For its services, NBCN receives a fee agreed to from time to time by NBCN and the Manager. This fee is borne by the Fund.

Securityholder Services Agreement

The Manager entered into a securityholder services agreement with IFDS on February 17, 2004 to have IFDS act as registrar, transfer agent, order processing and distribution disbursement agent and to perform certain administrative, trust accounting and other services with respect to all the mutual funds managed by the Manager, including the Fund. For its services, IFDS receives a fee agreed to from time to time by IFDS and the Manager. This fee is borne by the Fund.

Copies of the material contracts referred to above may be inspected during normal business hours at the offices of the Manager or may be obtained from the Manager for a nominal charge to reimburse the Fund for the costs of providing such copies.

Item 3 Interests of Director, Management, Promoter and Principal Holder

3.1 *Compensation and Securities Held*

The following table provides information about the directors and officers of the Manager and Promoter and each person who, directly or indirectly, beneficially owns or controls 10% or more of any series of voting securities of the Fund (a “principal holder”).

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Fund in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of Units of the Fund held as at the date of this Offering Memorandum
THE MANAGER AND PROMOTER			
Clayton Smith Burlington, Ontario	Director, President, Chief Executive Officer and Chief Financial Officer of the Manager since March 31, 1998	N/A ¹	0
Adam Barfoot Grimsby, Ontario	Chief Compliance Officer since January 14, 2010	N/A ¹	0
PRINCIPAL HOLDERS			
Crystal Wealth ² Burlington, Ontario	Principal holder since inception of the Fund	N/A	100 Series A Units representing 100% of the Fund

¹ The Fund does not compensate this individual directly. Rather the Fund pays the Manager a management fee as discussed under Item 5.1, Fees and Expenses.

² Clayton Smith beneficially owns or controls, directly or indirectly, 72% of the voting rights of Crystal Wealth.

Interests of Management and Conflicts of Interest

Conflicts of interest exist between the interests of the Manager on the one hand and the Fund and its Unitholders on the other hand. The Manager earns fees from the ongoing management of the Fund’s investment portfolio and the Fund is considered both a related issuer and a connected issuer of the Manager, as a result of the fact that the Manager is also the trustee of the Fund. Details of the fees earned by the Manager are fully disclosed elsewhere in this Offering Memorandum.

The Fund may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory and other business activities. The services of the Manager are not exclusive and nothing in the Declaration of Trust, the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning the allocation of time by the Manager to the Fund. The personnel of the Manager devote such time to the

affairs of the Fund as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Fund.

Employees, officers and the sole director of the Manager may invest their own money in the Fund and may, from time to time, be significant investors in the Fund. In addition, the Manager may make the same investment for the Fund as it makes for one or more of its other clients (including another fund) and for itself. In the course of providing investment advisory services to its clients, there are times when the Manager must bunch or block trades if it is selling or buying the same security for numerous clients simultaneously. An allocation of price and commission when trades are bunched or blocked must be performed. There are also occasions when the quantity of a security available at a specified price is insufficient to satisfy the requirements of every client for which the security would be suitable (for example: a block trade that is partially filled). Occasions also arise when the quantity of a security to be sold by two or more clients is too large to be completed at the same price. Similarly, new issues of a security, including initial public offerings and “hot issues”, may be insufficient to satisfy the requirements of all clients for which such securities would be suitable.

Under such conditions, it is Crystal Wealth’s policy to allocate, insofar as it is possible, such purchases or sales, and the commissions thereon, pro rata (on an average price basis) based upon the interest of each account participating in the trade in relation to the interests of all other participating accounts. Where it is impossible even then to ensure complete fairness, every effort will be made to address any trading inequities at the next opportunity so that every client, large or small, over time, receives equitable treatment in the filling of orders.

In the case of a partially filled block trade, IPO or hot issue, Crystal Wealth will not allocate a pro rata share to proprietary, employee and/or personal accounts before it fills all trades for clients, such as the Fund.

3.2 Management Experience

The following table provides information about the principal occupation of the sole director and the officers of the Manager.

Name	Principal occupation and related experience
Clayton Smith	Director, President, Chief Executive Officer and Chief Financial Officer of the Manager. Mr. Smith has been President of the Manager since March 1998. From August 1994 to February 1998, Mr. Smith was a financial planner. Prior to August 1994, Mr. Smith served as an officer in the Canadian Armed Forces after attending Royal Military College.
Adam Barfoot	Chief Compliance Officer of the Manager. Mr. Barfoot has been the Chief Compliance Officer of the Manager since January 14, 2010. From October 1, 2008 to January 14, 2010, Mr. Barfoot was the Vice President, Accounting of the Manager. Prior thereto, Mr. Barfoot was an auditor at BDO Dunwoody LLP.

3.3 Penalties, Sanctions and Bankruptcy

No director or senior officer or control person of Crystal Wealth or person holding a sufficient number of Units of the Fund to affect materially the control of the Fund has, in the last 10 years:

- (a) been subject to any penalties or sanctions imposed by a court or regulatory authority;
- (b) been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer;
- (c) made any declaration of bankruptcy, voluntary assignment in bankruptcy or proposal under bankruptcy or insolvency legislation or been subject to any proceedings, arrangement or compromise with creditors of a receiver, receiver-manager or trustee to hold assets; or
- (d) been a director, senior officer or control person of any issuer that has made any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under bankruptcy or insolvency legislation, or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets while the director, officer or control person was a director, officer or control person of such issuer.

Item 4 Capital Structure

4.1 *Share Capital*

Description of security	Number authorized to be issued	Price per Unit	Number outstanding as at January 22, 2010	Number outstanding after min. offering	Number outstanding after max. offering
Series A Units	unlimited	net asset value per unit	100.00	n/a	n/a

4.2 *Long Term Debt*

The Fund has no long-term debt as of the date of the Offering Memorandum.

4.3 *Prior Sales*

Date of issuance	Type of security issued	Number of Units issued	Price per Unit CAD	Total funds received CAD
22-Jan-10	Series A Units	100	\$10.00	\$1,000.00

Item 5 Securities Offered

5.1 *Terms of Securities*

The securities being offered under this Offering Memorandum are Series A units of the Fund.

Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of series of Units and is authorized to issue an unlimited number of Units of each series. Each series of

Units of the Fund will be invested in the same portfolio of assets. To date, the Fund has created only one series of Units.

At a meeting of Unitholders, each Unitholder will have one vote for each dollar value of all Units owned by such Unitholder as determined based on the series net asset value per Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Unitholders have limited voting rights.

Unitholders are also entitled to participate pro rata based on the Units held by them in distributions made out of the Fund (other than Management Fee Distributions, as described herein) and, on liquidation of its net assets (on a series by series basis). No certificates are issued by the Fund to represent the outstanding Units. Each Unit is transferable only in accordance with Declaration of Trust and subject to securities legislation, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Offering Price

The initial offering price of the Units of the Fund will be \$10.00 per Unit. Thereafter, the offering price of the Units of the Fund is an amount equal to the net asset value per Unit (“NAVPU”) determined from time to time, no less frequently than monthly. Currently, the NAVPU will be determined weekly, on the last business day of each week (each, a “Valuation Date”).

The NAVPU will also be determined on the last business day of each month and on any other day as the Manager in its discretion determines, but these dates will not be considered Valuation Dates for the purposes of Unitholder transactions.

Computation of Net Asset Value

The net asset value of the Fund (the “NAV”) will be calculated by the Manager or its agent in Canadian dollars on each Valuation Date by taking the value of all assets less the liabilities of the Fund.

In calculating the NAV of the Fund at any time:

- (a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager or its agent considers otherwise;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;
- (c) the value of mortgage loans will be the outstanding principal on the Valuation Date;
- (d) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Fund upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;
- (e) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;

- (f) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;
- (g) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (h) each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the NAV not later than the first computation of such NAV made after the date on which such transaction becomes binding;
- (i) the issue or redemption of Units of the Fund will be reflected in the computation of the NAV no later than the next computation of such NAV made after the time as at which a NAVPU is determined for the purpose of the issue or redemption of the Units of the Fund; and
- (j) liabilities include only those expenses paid or payable by the Fund, including accrued contingent liabilities, management fees and performance fees where they are known.

The NAVPU will be the NAV of the portfolio assets of the Fund attributable to the series divided by the number of Units of the series outstanding on the relevant Valuation Date.

A NAV will not be calculated if redemptions have been suspended by the Manager.

The value given to any pooled fund investments held by the Fund on a Valuation Date, including an Underlying Crystal Wealth Fund is derived from the most recent net asset value information available to Crystal Wealth on that Valuation Date. Often, the only valuation information available is an estimate of the net asset value of the applicable pooled fund as of the Valuation Date, which in turn is based on estimated values of the pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the pooled fund may show an actual value that is different from the estimated value previously provided. No adjustment will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the net asset value of the Fund and the net asset value of each series of Units of the Fund.

Redemption of Units

A Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem a portion or all of its Units at a redemption price equal to the NAVPU on the Valuation Date next following the date on which the request for redemption is received by the Manager, less any accrued and applicable fees and taxes. If the request is received by the Manager prior to 4:00 p.m. EST, on a Valuation Date, the redemption will be processed on that Valuation Date. Proceeds of redemption will be paid within three days from such date either by cheque or electronic payment as the Unitholder requests. No interest will be paid to the Unitholder on account of any delay in forwarding the proceeds of redemption to the Unitholder. If Units were purchased by cheque and then redeemed within seven business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

Notwithstanding the foregoing, the Manager, in its sole discretion, may, at any time by giving ten business days prior written notice to Unitholders, institute a policy that requires Unitholders to submit their redemption requests at least 30 days prior to the Valuation Date on which they wish the redemption

to take place. If the Manager implements this policy, then all redemption requests received within 30 days of a Valuation Date will not be processed until the first Valuation Date after the 30 day notice period has expired.

The Manager has the right to cause redemptions of Units to be suspended for the whole or any part of a period during which normal trading is suspended on any exchange on which securities representing more than 50% by value or underlying market exposure of the total assets of the Fund are traded. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption order.

The Manager may, at any time and from time to time, by giving ten business days prior written notice to Unitholders, redeem all or any portion of the outstanding Units of a series on the next Valuation Date for a redemption price per Unit equal to the NAVPU for Units of that series calculated as at the close of business on that day. Among other reasons, the Manager could exercise this right if a particular series has few Units outstanding and it is not economically viable to keep that series open. Alternatively, the Manager could exercise this right of redemption for tax purposes.

The Manager is also entitled to require the redemption of all or any part of the Units held by a Unitholder at any time in its discretion.

The Manager is entitled to require the redemption of all of the Units held by a Unitholder at any time that the Unitholder's account falls below \$5,000 in market value. Prior to exercising this right of redemption, the Manager will provide the Unitholder with 10 business days' prior notice to allow such Unitholder the opportunity to increase the value of its account to \$5,000 by purchasing more Units of the Fund.

Systematic Withdrawal Plans

Unitholders may make regular redemptions through a Systematic Withdrawal Plan ("SWP"). Once a SWP is authorized, the Manager will make automatic redemptions from the Unitholder's account according to the schedule chosen by the Unitholder. SWPs are available monthly or quarterly on the last Friday of the month. If the last Friday of the month is a holiday, the SWP will be run on the valuation date immediately preceding it. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum still apply to Units redeemed in the SWP program.

Distributions

The Fund will distribute in each year such portion of its annual net income and net realized capital gains as will result in the Fund paying no tax under Part I of the Income Tax Act (Canada) (the "Tax Act"). Distributions will be made annually on or before December 31 in each year to the Unitholders of record on a date between December 15 and December 31 to be determined by the Manager. The Manager may, at its discretion, decide to distribute net income and realized capital gains at other times during the year as well.

All distributions made by the Fund to each series of Units will be automatically reinvested in additional Units of the same series at the NAVPU thereof unless a Unitholder elects to receive his or her distribution in cash.

Short-Term Trading Fee

In order to protect the interests of the majority of Unitholders of the Fund and to discourage short term trading in the Fund, Unitholders may be subject to a short-term trading fee. If a Unitholder redeems Units within 180 days of such Units having been acquired, the Fund may deduct and retain for the benefit of the remaining Unitholders 5% of the value of the Units redeemed.

Limitation on Non-Resident Ownership

It is the intention of the Manager to cause the Fund at all times to qualify as a “mutual fund trust” under the provisions of subsection 132(6) of the Tax Act. If non-residents of Canada within the meaning of the Tax Act (“Non-Residents”) become the beneficial owners of more than 49% of the Units, in certain circumstances, this could cause the Fund to cease to qualify as a “mutual fund trust”. As a result, the Manager may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Manager becomes aware that the beneficial owners of 45% or more of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, and if its “mutual fund trust” status is threatened by such Non-Resident ownership, the Manager will not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Manager that the person is not a Non-Resident.

If notwithstanding the foregoing, if the Manager determines that more than 45% of the Units are held by Non-Residents, subject to all applicable securities and other laws, the Manager may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Manager may consider equitable and practicable, requiring such Non-Residents to redeem their Units.

Fees and Expenses

Management Fee: The Manager provides management and investment advisor services to the Fund for which it is entitled to receive from the Fund a management fee equal to a maximum annual rate of 2.0%. The base Trailer Fee (as described in Item 7) is paid by the Manager. The management fee accrues daily and is payable monthly in arrears.

Trustee Fees: Crystal Wealth is paid a fee for its services as trustee by the Fund that does not exceed market rates for similar services if they were provided by a third party.

Management Fee Distributions: To encourage large investments in a Fund (generally in excess of \$1 million), the Manager may reduce the management fee that would be charged to the Fund in respect of Units held by an investor making the large investment. The amount of the reduction is distributed by the Fund (the “Management Fee Distribution”) to the investor for whose benefit the fees were reduced. Where applicable, Management Fee Distributions will be calculated on each business day and distributed on a regular basis by the Fund to the applicable investor, generally, first out of the net investment income and net realized capital gains of the Fund and then out of capital. All Management Fee Distributions will be reinvested in additional Units of the same series of Units of the Fund unless otherwise requested. The amount of the Management Fee Distribution is generally treated as income or capital gains to the Unitholder receiving it.

Organization Costs: The costs of initially organizing the Fund and offering Units have been paid by the Manager out of its general corporate funds and may be reimbursed to the Manager by the Fund without interest over time, based upon the Fund’s ability to pay and upon demand by the Manager.

Operating Expenses: The ongoing expenses of the Fund will be borne by the Fund, including without limitation, the fees and expenses of legal counsel and the Fund's auditors, communications to Unitholders, custodial arrangements, fund accounting fees payable to the Manager that do not exceed market rates for similar services from third parties, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees, regulatory fees including securities regulatory participation fees payable by the Manager as a direct result of it providing management services to the Fund and taxes of all kinds to which the Fund is or might be subject to. The Fund is generally required to pay goods and services tax or harmonized sales tax on the management fee and most of the other fees and expenses which it pays.

5.2 Subscription Procedure

Continuous Offering

Units of the Fund are offered on a continuous basis under this Offering Memorandum. In offering the Units, the Fund will be relying on certain exemptions from the prospectus requirements and, in certain cases, from the registration requirements of securities laws in the various provinces and territories of Canada. Pursuant to National Instrument 45-106 ("NI 45-106"), the current minimum investment for residents in each of the offering jurisdictions, purchasing as principal, is \$150,000 (Canadian Dollars), to be paid in cash at the time of purchase.

The Manager in its discretion may accept a lower minimum initial investment of \$5,000 from an "accredited investor" who purchases as principal. The list of investors who may qualify for the accredited investor designation is specified in Schedule A to the accompanying Subscription Agreement. In the future, the Manager may accept a lower minimum initial investment from an investor in British Columbia, Nova Scotia, New Brunswick or Newfoundland and Labrador who purchases Units under the "offering memorandum exemption" provided for under NI 45-106 and who:

- (i) purchases as principal,
- (ii) has received the Offering Memorandum, and
- (iii) completes the Form 45-106F4 Risk Acknowledgement that is included in the accompanying Subscription Agreement.

The Manager reserves the right to accept or reject subscriptions, to change the minimum amounts for investments in the Fund and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with rejected subscriptions will be refunded within two business days, without interest or deduction.

Until September 28, 2010, subscriptions for Units may be placed directly with the Manager in any jurisdiction other than Newfoundland and Labrador. Thereafter, subscriptions may be placed by investors either directly with the Manager in Ontario or through registered dealers or entities that are exempt from dealer registration. Prospective investors who wish to subscribe for Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to the Manager or their dealer (as appropriate) and tender the subscription amount in a manner acceptable to the Manager. Units will be issued at the NAVPU on the Valuation Date next following receipt by the Manager of a subscription request (unless received on a Valuation Date prior to 4:00 p.m., in which case the Units will be issued on such Valuation Date). All subscriptions for Units of the Fund must be forwarded by dealers, without charge, the same day that they are received, to the Manager on behalf of the Fund.

A subscriber has the right to cancel the subscription by sending written notice before midnight of the second business day after the subscriber signs the Subscription Agreement. Any subscription proceeds received will be held in trust for that period, and will be promptly returned to the subscriber without interest or deduction if the subscriber exercises his or her cancellation rights.

Additional Investments

Additional investments in the Fund are generally permitted in amounts of not less than \$5,000. If the investor initially acquired Units of the Fund for not less than the \$150,000 minimum investment amount, then, at the time of issuance of the additional investment, the Units held by the investor must have an acquisition cost or a net asset value equal to at least the \$150,000 minimum investment amount. Investors who qualify as accredited investors and who purchase as principal may, in the sole discretion of the Manager, make additional investments in the Fund of not less than \$5,000.

At the time of making each additional investment in the Fund, each investor will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement, delivered by the investor to the Fund at the time of the initial purchase and, if applicable, that the Units held by the investor have an acquisition cost (determined in accordance with applicable securities laws) or a net asset value, whichever is applicable, at least equal to the required amount as described above.

The Manager reserves the right to change the minimum amount for additional investments in the Fund at any time and from time to time.

Following each purchase of Units, investors will receive written confirmation indicating details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per Unit and the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the investor.

Pre-authorized Chequing Plan

Provided a Unitholder continues to meet the minimum investment qualifications or is an “Accredited Investor”, Unitholders may make regular purchases through a Pre-authorized Chequing Plan (“PAC”). Once a PAC is authorized, the Manager will make automatic withdrawals from the Unitholder’s bank account according to the schedule chosen by the Unitholder and invest this sum in Units of the Fund. PACs are available monthly or quarterly on the last Friday of the month. If the last Friday of the month is not a business day, the PAC will run on the next Valuation Date thereafter. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum still apply to Units purchased in the PAC program.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1 *Disclaimer*

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 *Summary of Significant Tax Consequences*

The following is a general summary of the principal Canadian federal income tax considerations with respect to the tax status of the Fund and Unitholders who are individuals (other than trusts) resident in

Canada, who hold their Units as capital property and who deal at arm's length with and are not affiliated with the Fund, all within the meanings prescribed by the Tax Act.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and the current published administrative practices and assessing policies of the Canada Revenue Agency. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law whether by legislative, governmental, or judicial action, nor does it take into account provincial or foreign income tax considerations which may differ significantly from those discussed herein. This summary is based on the assumption that the Fund will qualify as a mutual fund trust for purposes of the Tax Act effective at all material times. If the Fund were not to qualify as a mutual fund trust under the Tax Act, then the considerations would be materially different from those described herein.

This summary was prepared by Borden Ladner Gervais LLP, based on the information contained in the Offering Memorandum. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding, or disposing of Units will vary depending on the Unitholder's particular circumstances, including the provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units, based on their particular circumstances.

Tax Status of the Fund: It is the Fund's intention to distribute to Unitholders in each year its net income and net realized capital gains, taking into account any entitlement to capital gains refunds, to such an extent that the Fund will not be liable in any year for income tax under Part I of the Tax Act. Generally, amounts realized by the Fund on derivative instruments will be on income account rather than on capital account. Income of the Fund derived from foreign sources may be subject to foreign withholding taxes which generally may, to the extent permitted by the Tax Act, be claimed as a deduction by the Fund or credit by Unitholders.

Tax Status of Unitholders: Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and the taxable portion of net realized capital gains, if any, paid or payable to them (including by way of a Management Fee Distribution), whether or not reinvested in additional Units of the Fund. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the Unitholders the income and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, taxable dividends on shares of taxable Canadian corporations, net taxable capital gains and foreign source income paid or payable to Unitholders generally will be taxable as if such income had been received by them directly. To the extent that distributions to Unitholders of the Fund exceed the net income and net realized capital gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in the hands of the Unitholder but will reduce the adjusted cost base to the Unitholder of such Unitholder's Units in the Fund.

At the time a purchaser acquires Units of the Fund, the net asset value of the Units may reflect accrued income and capital gains and realized income and capital gains which have not been distributed. When and if such income and capital gains are distributed, the income and the taxable portion of the capital gains will have to be included in the purchaser's income.

Any upfront sales charges paid by Unitholders on the acquisition of Units of the Fund are not deductible by Unitholders but are added to the adjusted cost base of the Units purchased. In determining the adjusted cost base of Units, the cost of Units must be averaged with the adjusted cost base of all other Units of the Fund held by the Unitholder at such time.

Unitholders will be advised each year of the amount of net income, net taxable capital gains and return of capital paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them. Individuals may be liable for alternative minimum tax in respect of dividends received from taxable Canadian corporations and realized net taxable capital gains.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit to the Unitholder and any costs of disposition. Under the Tax Act, one-half of capital gains are generally included in an individual's income and one-half of capital losses are generally deductible only against taxable capital gains, subject to the rules in the Tax Act.

6.3 *Eligibility for Investment*

In the opinion of Borden Ladner Gervais LLP, provided that the Fund qualifies as a mutual fund trust under the Tax Act, or is registered as a registered investment under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (collectively, "registered plans"), effective at all times, Units of the Fund will be qualified investments for registered plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. The Fund will apply to be registered as a registered investment for registered plans.

Item 7 Compensation Paid to Sellers and Finders

Upfront Sales Charge

No acquisition charge is payable to the Manager in respect of orders to purchase Units of the Fund, however registered dealers (each a "Dealer") selling Units of the Fund may charge an up front fee to investors of up to 5% of the total subscription amount.

Trailer Fees

The Manager will pay a monthly fee (the "Trailer Fee") to Dealers to compensate the Dealers for ongoing services to their clients in respect of an investment in the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Units of the Fund held by the clients of the Dealers. The Trailer Fee will be paid at a rate of up to 1.00% per annum.

Item 8 Risk Factors

An investment in the Fund involves significant risks. Investors should consider the following risk factors before investing.

Issuer Risks:

General. Although the Fund intends to invest in a diversified portfolio of investments designed to mitigate short-term risk, investing in the Fund entails certain risks and is only suitable for investors who understand and are capable of bearing the risks of an investment in the Fund. An investment in the Fund is not intended as a complete investment program. All investments in securities and other financial instruments risk the loss of invested capital. Likewise, there is a risk that an investment in the Fund will be lost entirely or in part. There is no assurance that the Fund will achieve its overall investment objective. Prospective investors should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks and conflicts of interest involved in an investment in the Fund. The NAVPU will vary directly with the market value and return of the investment portfolio of the Fund.

Reliance on Crystal Wealth. The Fund will be dependent on the knowledge and expertise of Crystal Wealth and its officers and employees for investment advisory and portfolio management services. There is no certainty that the persons who are currently officers, directors or employees of Crystal Wealth will continue to be officers, directors or employees of Crystal Wealth.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (United States) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (United States) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Potential Conflicts of Interest. The Manager may also act in the same or similar capacities in respect of other entities. In that event, it may have responsibility for the management of the assets of other entities at the same time as it is managing the Fund's portfolio and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolio of the Fund. See Item 3.2 for a discussion of these potential conflicts of interest.

Unitholder Liability. Because of uncertainties in the law relating to trusts such as the Fund, there is a risk that a Unitholder could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the Fund's operation will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment strategy and process of the Fund and will use its best efforts to avoid such liability being placed upon the Unitholders.

Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances. In any event, the risk of personal liability of Unitholders is minimal in view of the large anticipated equity of the Fund relative to its anticipated indebtedness and liabilities, the Fund's investment approach and the intention that any agreement which is related to the borrowing of money by the Fund or the creation of potential liabilities of the Fund include an express disavowal of liability of Unitholders. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund. In order to better protect Unitholders from liability, the Fund may elect, without the consent of its Unitholders, to become subject to any new trust legislation that would limit the liability of Unitholders.

Industry Risks:

Leverage. The Fund may indirectly make use of leveraged investments through investment in other funds that use leverage. The use of leverage may increase the Fund's exposure to the risk of losing its capital investment and expose the Fund to additional current expenses.

No Guaranteed Return. There is no guarantee that an investment in Units will earn any positive return in the short or long term.

Speculative Investments. An investment in the Fund is speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Fund. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund. The Manager believes that an investor with a long investment time horizon or substantial net worth is best suited to invest in the Fund.

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

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes may occur that could adversely affect the Fund or the Unitholders.

Marketability of Units. There is currently no market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for investors seeking greater liquidity. Also, Units are only transferable in limited circumstances with the approval of Crystal Wealth.

Investment Risks:

Performance and Marketability of Underlying Securities. The NAVPU will vary in accordance with the value and the currency of the securities and other investments (including any derivative instruments) held in the Fund's portfolio. There is no market in which some of the securities acquired by the Fund can be sold and, accordingly, there is no assurance that the securities acquired by the Fund can be sold for the values used to calculate the NAVPU.

Market Risk. This is the risk that the market value of the Fund's investments will rise or fall based on overall stock market conditions rather than each issuer's performance. The value of the market can vary with changes in the general economic and financial conditions. Political, social and environmental factors can also significantly affect the value of any investment.

Concentration Risk. The Fund may have a concentrated number of investments. As a result, the securities in which it invests may not be diversified across all sectors or may be concentrated in specific regions or countries. By investing in a relatively small number of securities, the Manager may have a significant portion of the Fund invested in a single security. This may result in higher volatility, as the value of the Fund's portfolio will vary more in response to changes in the market value of an individual security.

Foreign Exchange Risk. The Fund may invest in U.S. and other foreign securities or in investment funds with U.S. or other foreign currency exposure. Accordingly, investors in the Fund may incur foreign

currency exposures that may have a positive or negative impact on the value of their investment. Crystal Wealth may, from time to time and in its sole discretion, use exchange-traded derivatives to hedge the currencies to which the Fund is exposed.

Foreign Investment Risk. The Fund may invest in foreign markets (outside Canada and the U.S.). These foreign markets may not be subject to the same degree of regulation as companies in Canada and the U.S. They may have lower auditing and financial reporting requirements and fewer rules about disclosing company information. Foreign investments may be more difficult to sell and may be subject to withholding taxes. Some foreign countries may suffer from a weak economy, a narrow industrial base, weak currency, high inflation or social or political instability, which could lower the value of the investment.

Net Asset Value and Estimated Values. A portion of the calculation of the net asset value of the Fund could be based on estimated values provided by underlying funds. These estimated values are, in turn, based on values attributed to the underlying investments held in such funds, which investments may be illiquid and may trade infrequently or not at all. No adjustments will be made to the number of Units purchased or redeemed by an investor in a Fund because of the use of estimated values in determining the net asset value of a Fund, even if the estimated values that are used in calculating such net asset value are subsequently determined to differ significantly from the final values eventually obtained in respect of the underlying funds.

Short-term Trading Fees. Some of the mutual funds in which the Fund invests may impose short-term trading fees if the Fund holds securities of those funds for less than a specified length of time that varies from fund to fund. Occasionally, the Manager may, in accordance with the Fund's investment strategy, determine it is necessary to redeem such a security prior to the expiration of that fund's specified holding period. If the Manager does so, and if such a short-term trading fee is imposed on the Fund, it would affect the values used to calculate the NAVPU of the Fund. In determining whether or not to purchase or sell a particular investment, the Manager will take these short-term trading fees into account and will attempt to minimize their impact upon the Fund.

Options and Other Derivative Investments. The Fund may purchase and sell options or enter into other derivative transactions that derive their value from movement in the price of other underlying securities. Such transactions may be used both for hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or groups of securities. The potential for greater gains, however, is inevitably accompanied by the increased risk of loss.

Use of derivative instruments in general presents additional risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

Although exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, there is no assurance that such a market will exist at all times for all outstanding options purchased or sold. If an options market were to become unavailable, the Fund could be unable to realize its profits or limit its losses until it could exercise options it holds, and the Fund would remain obligated until options it wrote were exercised or expired. As the Manager has restricted the Fund's investment in derivatives to include only exchange-traded contracts, there is no counterparty risk. Furthermore, the exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Fund from closing out a

particular contract. If an exchange halts trading in any particular derivative contract, the Fund may not be able to close out its position in that contract.

Item 9 Reporting Obligations

If a Unitholder has purchased Units through a Dealer, the Dealer is obliged to provide the Unitholder with account statements regarding their investment in the Fund. Unitholders who have purchased the Fund directly from the Manager will receive an annual and semi-annual account statement showing the Units held by them and any transactions for the preceding period. Investors in Ontario who purchase Units directly from the Manager will also receive confirmation of their trade from the Manager.

In addition, Unitholders will receive the applicable tax form(s) identifying the Unitholder's distributions (including dividends from taxable Canadian corporations, returns of capital, taxable capital gains, capital gains dividends and foreign source income and other income) and, if applicable, the Unitholder's share of the Fund's foreign taxes paid for such year.

The fiscal year end of the Fund is December 31. Unitholders will be sent audited annual financial statements and unaudited semi-annual financial statements.

Item 10 Resale Restrictions

Units of the Fund are not transferable without the prior written consent of Crystal Wealth, which consent may be withheld in its discretion and under no circumstances may Units be transferred to or acquired by a person who would be a "designated beneficiary" for purposes of Part XII.2 of the Tax Act. Even if such consent is obtained, applicable Canadian securities laws provide that if securities are purchased under a prospectus exemption, such as will be the case with Units of the Fund, those securities may not be freely resold until the expiration of a statutory hold period, which generally runs from the date the issuer of the securities becomes a "reporting issuer" under such legislation.

As a result, it may be that investors will not be able to freely resell Units of the Fund even in the circumstances permitted by the terms of the Declaration of Trust and will only be permitted to transfer Units in reliance upon an applicable statutory prospectus exemption or pursuant to discretionary relief granted by an applicable Canadian securities administrator. Furthermore, as there is no public market for Units of the Fund, it may be difficult or even impossible for an investor to sell Units even if the statutory hold period has expired, a prospectus exemption is available or discretionary relief of Canadian securities administrators is granted.

Notwithstanding these resale restrictions, Units of the Fund are fully redeemable from the Fund at the calculated NAVPU as described above in this Offering Memorandum.

10.1 *General Statement*

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

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

10.2 *Restricted Period*

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

Unless permitted under securities legislation, you cannot trade the Units before the date that is 4 months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. As the Fund is not currently a reporting issuer in any province or territory of Canada, and does not contemplate becoming a reporting issuer, the statutory hold period could be indefinite.

10.3 *Manitoba Resale Restrictions*

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

- (a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the Units you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the Units for at least 12 months.

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

Item 11 Purchasers' Rights

If you purchase these Units you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two-Day Cancellation Right.

Purchasers may cancel their agreement to purchase the Units. To do so, a subscriber must send a notice to the Manager by midnight on the 2nd business day after the subscriber signs the Subscription Agreement to buy Units of the Fund.

Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces and territories of Canada provides purchasers or requires purchasers to be provided with a remedy for rescission or damages where an offering memorandum and any amendment to it contains a Misrepresentation. As used herein, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Offering Memorandum not misleading in light of the circumstances in which it was made. A "material fact" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

These rights are in addition to any other right that a purchaser may have at law.

Rights for Investors in Ontario

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in Ontario contains a Misrepresentation, the investor to whom this Offering Memorandum has been delivered and who purchases a Unit offered by this Offering Memorandum shall have, without regard to whether the investor relied upon the Misrepresentation, a right of action for damages against the Fund or, at the election of the investor, a right of rescission against the Fund (in which case the investor shall cease to have a right of action for damages against the Fund), provided that:

- (a) no action may be commenced by an investor resident in Ontario to enforce a right of action
 - (i) for rescission more than 180 days after the date of the purchase; and
 - (ii) for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- (b) the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the 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) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor; and
- (e) the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) 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 set out in the forward-looking information; and
 - (ii) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

The foregoing rights do not apply if the investor purchased Units of the Fund using the “accredited investor” exemption and is:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

- (c) a Schedule III bank;
- (d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (e) a subsidiary of any person referred to in paragraphs (a) to (d) above, 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.

Rights for Investors in British Columbia and Newfoundland and Labrador

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in British Columbia or Newfoundland and Labrador contains a Misrepresentation, the investor to whom this Offering Memorandum has been delivered and who purchases a Unit offered by this Offering Memorandum shall have a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum or amendment hereto, or, at the election of the investor, a right of rescission against the Fund (in which case the investor shall cease to have a right of action for damages against the Fund, and, in Newfoundland and Labrador, shall also cease to have a right of action for damages against every director of the Fund at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum or amendment hereto), provided that:

- (a) no action may be commenced by an investor resident in British Columbia or Newfoundland and Labrador to enforce a right of action
 - (i) for rescission more than 180 days after the date of the purchase; and
 - (ii) for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- (b) the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the 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) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor;
- (e) no person (excluding the Fund) will be liable if it proves that (i) the Offering Memorandum was delivered to the investor without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave notice that it was delivered without the person's knowledge or consent, (ii) after the delivery of the Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave notice 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 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;

- (f) no person (excluding the Fund) will be liable with respect to any part of this 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, an opinion or a statement of an expert unless the person (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;
- (g) no person will be liable for a Misrepresentation in forward-looking information if the person proves that:
 - (i) 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 set out in the forward looking information; and
 - (ii) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (h) if a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

In Newfoundland and Labrador, the rights of action described above are without regard to whether the investor relied upon the Misrepresentation. In British Columbia, the investor is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase.

The right of action for rescission or damages will be exercisable by an investor resident in British Columbia or Newfoundland and Labrador only if the investor gives notice to the Fund, not later than 90 days after the date on which the payment is made for the Units, that the investor is exercising this right.

Rights for Investors in Saskatchewan

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in Saskatchewan contains a Misrepresentation, an investor who purchases Units covered by this Offering Memorandum or an amendment hereto has, without regard to whether the investor relied on the misrepresentation, a right of action for damages against the Fund, every promoter and director of the Fund at the time this Offering Memorandum or any amendment hereto was sent or delivered, every person or company whose consent has been filed respecting the offering (but only with respect to reports, opinions or statements that have been made by them), every person who or company that signed the Offering Memorandum or any amendment hereto and every person who or company that sells Units on behalf of the Fund under this Offering Memorandum or any amendment hereto (except that every person who or company that sells Units on behalf of the Fund under this Offering Memorandum or any amendment hereto is not liable if that person or company can establish that he, she or it cannot reasonably be expected

to have had knowledge of any Misrepresentation in the Offering Memorandum or the amendment to the Offering Memorandum).

Alternatively, where the investor purchased Units from the Fund, the investor may elect to exercise a right of rescission against the Fund, in which case the investor shall have no right of action for damages against the Fund.

In addition, subject to certain limitations, where any advertising or sales literature disseminated in connection with this offering contains a Misrepresentation, an investor who purchases Units of the Fund referred to in that advertising or sales literature is deemed to have relied upon that Misrepresentation if it was a Misrepresentation at the time of purchase. Such investor has a right of action for damages against the Fund, every promoter and director of the Fund at the time the advertising or sales literature was disseminated and every person who or company that sells Units of the Fund under the offering with respect to which the advertising or sales literature was disseminated.

In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective investor that contains a Misrepresentation relating to the Units of the Fund and the verbal statement is made either before or contemporaneously with the purchase of Units of the Fund, the investor has, without regard to whether the investor relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

There are various defences available. In particular, no person or company will be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation. In addition, no person or company (other than the Fund) will be liable if:

- (a) the person or company proves:
 - (i) that this Offering Memorandum was sent to the investor without the person's or company's knowledge or consent, and
 - (ii) that, after becoming aware that it was sent, the person or company immediately gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (c) with respect to any part of this Offering 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 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 this Offering Memorandum:
 - (1) did not fairly represent the expert's report, opinion or statement, or

- (2) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, 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.

No person will be liable for a Misrepresentation in forward-looking information if the person 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 set out in the forward looking information; and
- (b) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

No action shall be commenced to enforce the foregoing rights:

- (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, more than the earlier of
 - (i) one year after the investor 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.

An investor resident in Saskatchewan who has entered into an agreement for the purchase of Units, which has not yet been completed, and who receives an amendment to this Offering Memorandum that discloses (i) a material change in the affairs of the Fund, (ii) a change in the terms or conditions of the offering as described in this Offering Memorandum or (iii) securities to be distributed that are in addition to the Units described herein, that occurred or arose before the investor entered into the agreement for the purchase of the Units, may within two business days of receiving the amendment deliver a notice to FTIC or agent through whom the Units are being purchased indicating the investor's intention not to be bound by the purchase agreement.

In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in the value of the Units as a result of the Misrepresentation relied upon. The amount recoverable under the foregoing rights of action will not exceed the price at which the Units were offered.

Rights for Investors in Manitoba

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in Manitoba contains a Misrepresentation, the investor to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase. Such investor will have:

- (a) a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum or amendment hereto; and
- (b) a right of rescission against the Fund, in which case the investor shall have no right of action for damages.

If a Misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the Offering Memorandum, the Misrepresentation is deemed to be contained in the Offering Memorandum.

In Manitoba, no action may be commenced to enforce such right of action more than:

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

There are various defences available. In particular, no person or company will be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation. In addition, no person or company (other than the Fund) will be liable if:

- (a) the person or company proves:
 - (i) that this Offering Memorandum was sent to the investor without the person's or company's knowledge or consent, and
 - (ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge and consent;
- (b) the person or company proves that, after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to this Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it;
- (c) with respect to any part of this Offering 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 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 this Offering Memorandum:
 - (1) did not fairly represent the expert's report, opinion or statement, or
 - (2) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, 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.

In an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation. The amount recoverable under this right of action shall not exceed the price at which the Units were offered.

Rights for Investors in Québec

Under legislation adopted but not yet in force in Québec, if this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Québec contains a Misrepresentation, the investor will have (i) a right of action for damages against the Fund, every officer or director of the Fund, the dealer (if any) under contract to the Fund, any person who is required to sign an attestation and any expert whose opinion, containing a Misrepresentation, appeared, with the expert's consent, in this Offering Memorandum or (ii) a right of action against the Fund for rescission of the purchase contract.

No person or company will be liable if the person or company proves that:

- (a) the investor purchased the Units with knowledge of the Misrepresentation; or
- (b) in an action for damages, that it acted prudently and diligently (except in an action brought against the Fund).

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

- (a) for rescission, more than three years after the date of the purchase; or
- (b) in an action for damages, later than the earlier of (i) three years after the investor first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the investor, or (ii) five years from the filing of the Offering Memorandum with the Autorité des marchés financiers.

No person will be liable for a Misrepresentation in forward-looking information if the person 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 set out in the forward looking information; and
- (b) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Rights for Investors in New Brunswick

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in New Brunswick contains a Misrepresentation, the investor to whom this Offering Memorandum has been delivered and who purchases Units offered hereunder will be deemed to have relied upon such Misrepresentation if it was a Misrepresentation at the time of purchase and shall have a right of action for damages against the Fund or, at the election of the investor, a right of rescission against the Fund (in which case the investor shall cease to have a right of action for damages against the Fund).

In addition, subject to certain limitations, where any advertising or sales literature disseminated in connection with this offering contains a Misrepresentation, an investor who purchases Units of the Fund referred to in that advertising or sales literature is deemed to have relied upon that Misrepresentation if it was a Misrepresentation at the time of purchase. Such investor has a right of action for damages against the Fund, every promoter and director of the Fund at the time the advertising or sales literature was disseminated and every person who or company that sells Units of the Fund under the offering with respect to which the advertising or sales literature was disseminated.

In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective investor that contains a Misrepresentation relating to the Units of the Fund and the verbal statement is made either before or contemporaneously with the purchase of Units of the Fund, the investor shall be 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.

There are various defences available. In particular, no person or company will be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation. In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in the value of the Units as a result of the Misrepresentation relied upon. The amount recoverable under the foregoing rights of action will not exceed the price at which the Units were offered.

No person will be liable for a Misrepresentation in forward-looking information if the person 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 set out in the forward looking information; and
- (b) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

No action shall be commenced to enforce the foregoing rights:

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

Rights for Investors in Nova Scotia

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Nova Scotia, or any advertising or sales literature, contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Units by such investor, the investor will be deemed to have relied on such Misrepresentation and the investor will have a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person who signed the Offering Memorandum. An investor may elect to exercise a right of rescission against the Fund, in which case the investor shall have no right of action for damages.

If a Misrepresentation is contained in a record incorporated by reference in or deemed to be incorporated into, the Offering Memorandum or any amendment hereto, the Misrepresentation is deemed to be contained in the Offering Memorandum or amendment.

The right of action for rescission or damages is exercisable if an action is commenced to enforce this right within 120 days after the date on which payment was made for the Units or after the date on which the initial payment for the Units was made.

There are various defences available. In particular, no person or company will be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation. In addition, no person or company (other than the Fund) will be liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment thereto was sent or delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent,
- (b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in this Offering Memorandum or any amendment thereto, the person or company withdrew the person's or company's consent to this Offering Memorandum or any amendment thereto and gave reasonable general notice of the withdrawal and the reason for it, or
- (c) with respect to any part of this Offering Memorandum or any 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 this Offering Memorandum or any 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.

No person or company (other than the Fund) will be liable with respect to any part of this Offering Memorandum or any amendment thereto 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 an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation.

In the case of an action for damages, the defendant 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 resulting from the Misrepresentation. In no case will the amount recoverable in any action exceed the price at which the Units were offered.

Rights for Investors in Alberta, Prince Edward Island, Yukon, Northwest Territories and Nunavut

If this Offering Memorandum, or any amendment hereto, delivered to an investor resident in Alberta, Prince Edward Island, Yukon, Northwest Territories or Nunavut contains a Misrepresentation, the investor to whom this Offering Memorandum has been delivered and who purchases a Unit offered by this Offering Memorandum shall have, without regard to whether the investor relied upon the Misrepresentation, a right of action for damages against the Fund, every director of the Fund at the date of this Offering Memorandum, and every person who signed this Offering Memorandum, or, at the election of the investor, a right of rescission against the Fund (in which case the investor shall cease to have a right of action for damages), provided that:

- (a) no action may be commenced by an investor resident in Prince Edward Island to enforce a right of action
 - (i) for rescission more than 180 days after the date of the purchase; and
 - (ii) for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- (b) no person will be liable if the person proves that the investor purchased the Units with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor;
- (e) no person (excluding the Fund) will be liable if it proves that (i) the Offering Memorandum was delivered to the investor without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's knowledge or consent, (ii) after the delivery of the Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering 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 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 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;

- (f) no person (excluding the Fund) will be liable with respect to any part of this 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, an opinion or a statement of an expert unless the person (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;
- (g) no person will be liable for a Misrepresentation in forward-looking information if the person proves that:
 - (i) 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 set out in the forward looking information; and
 - (ii) the person has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (h) if a Misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, this Offering Memorandum, the Misrepresentation is deemed to be contained in this Offering Memorandum.

General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

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

Item 12 Financial Statements

Unaudited Financial Statements
of Crystal Enlightened Growth Fund
January 22, 2010

These financial statements have not been audited.

Crystal Enlightened Growth Fund

Statement of Net Assets (Unaudited)

As at January 22, 2010

	\$
Assets	
Cash	1,000
Investments – at market value	0
Subscriptions receivable	0
	<hr/>
	1,000
	<hr/>
Liabilities	
Management fees payable	0
Performance fees payable	0
Redemptions payable	0
Accrued liabilities	0
	<hr/>
	0
	<hr/>
Net Assets	1,000
	<hr/>
Unitholders' Equity	
Number of units outstanding	10
	<hr/>
Net asset value per unit	100.00
	<hr/>

Approved on Behalf of the Manager,

“Clayton Smith” (Signed)

Clayton Smith
Chief Executive Officer, Chief Financial Officer and Director

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

Crystal Enlightened Growth Fund

Statement of Operations (Unaudited)

As at January 22, 2010

There is no Statement of Operations included in this Offering Memorandum because the Fund has no operating history as of this date.

Crystal Enlightened Growth Fund

Notes to Financial Statements

January 22, 2010

1. The Fund

Crystal Enlightened Growth Fund (the "Fund") is an open-ended unit trust formed under the laws of the Province of Ontario on January 22, 2010 by an amendment to Schedule A to a Master Declaration of Trust dated as of the 12th day of April 2007, as amended and restated as of December 17, 2007 and as it may be subsequently amended from time to time (the "Declaration of Trust").

Crystal Wealth Management System Limited (the "Manager") is the promoter, trustee, manager and advisor of the Fund.

The Fund is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

2. Investment Objective

The investment objective of the Fund is to provide long-term capital appreciation while seeking to protect against downside risk and negative effects from inflation by investing primarily in global equity securities, including mutual funds and exchange traded funds that invest in, or track the performance of, global equity securities.

3. Summary of Significant Accounting Policies

(a) Basis of presentation

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those estimates.

(b) Valuation of investments

Investments are deemed to be categorized as held-for-trading and recorded at fair value in accordance with the CICA Accounting Handbook *Section 3855: Financial Instruments – Recognition and Measurement* ("Section 3855"), which was effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2006.

Section 3855 requires that the fair value of financial instruments which are traded in active markets be measured based on the bid price for long securities and the ask price for securities sold short. Securities with no bid/ask prices are valued at their closing sale prices. Under prior standards, the fair value was based on the last traded price for the day, when available.

Section 3855 also requires transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities to be charged to net income in the period. Under prior standards, these costs were added to the cost of the securities purchased or deducted from the proceeds of sale.

On the date of inception, January 22, 2010, the Fund adopted Section 3855 for financial reporting purposes, which is utilized to determine the Fund's net assets ("GAAP Net Assets"). However, the Fund will calculate its net asset value for pricing purposes ("Transactional NAV") using closing prices of securities as permitted by National Instrument 81-106. As at January 22, 2010, there was no difference between Transaction NAV and GAAP Net Assets.

(c) Cash and cash equivalents

The Fund considers all cash and highly liquid investments purchased with an initial maturity of one year or less to be cash and cash equivalents. Cash and cash equivalents are deemed to be classified as held-for-trading and therefore are carried at fair value.

(d) Investment transactions and income recognition

Investment transactions are recorded on a trade date basis.

Interest income is accrued as earned and dividend income is recognized on the ex-dividend date. Realized gains and losses on investment transactions and the unrealized gains and losses on investments are computed on an average cost basis.

The average cost of mutual fund units includes the original cost of purchases plus the reinvestment of distributions received or receivable at year end. The Fund recognizes as investment income that portion of the distributions relating to dividends, interest income and realized gains.

(e) Foreign currency translation

The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the year end date. The proceeds from sale of investments and investment income in foreign currencies are translated into Canadian dollars at the approximate rate of exchange prevailing on the dates of such transactions.

(f) Earnings per unit

Earnings per unit in the Statement of Operations represents the increase in net assets from operations, divided by the weighted average number of units outstanding during the period.

(g) Valuation of Fund units

The Fund's units are issued and redeemed at the net asset value per unit, which is determined as of the close of business each week. The net asset value per unit of the Fund is determined by dividing the total market value of the Fund's net assets by the number of units outstanding.

For each mutual fund unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which amount is included in unitholders' equity. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the equity in the Fund is reduced by the related net asset value on the date of redemption.

4. Taxation

The Fund is expected to qualify as a "mutual fund trust" within the meaning of the Income Tax Act (Canada) effective from the date of its creation and at all times thereafter. The Fund is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year.

No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized capital gains are distributed to the unitholders.

5. Unitholders' Equity

The Fund is authorized to issue an unlimited number of units, which are sold and redeemable at the then current net asset value per unit at the option of the unitholder. The following units were sold and redeemed during the period:

Units outstanding, beginning of period	0
Units issued	10
Units redeemed	<u>0</u>
Units outstanding, end of period	<u>10</u>

6. Management Fees and Expenses

(a) Management fees

Pursuant to the management agreement between the Fund and the Manager, the Manager is to provide management and investment advisor services to the Fund. For this service, the Fund agrees to pay the Manager a management fee, which is calculated daily and payable monthly based on an annual rate of 2.00% of the net asset value.

(b) Expenses

The Fund pays expenses relating to its operation including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies.

7. Distributions to Unitholders

All distributions made by the Fund are automatically reinvested in additional units at the then current net asset value per unit. Unitholders may withdraw from the automatic reinvestment plan by providing written notice to the Manager, and will thereafter receive all distributions in cash.

As of January 22, 2010 there have been no distributions.

8. Redemption of Units

Unitholders may redeem their units at any time. Redemption requests must be in writing, stating the dollar amount or number of units of the Fund that are to be redeemed. Redemption is based on the net asset value per unit as of the last valuation date.

If unitholders redeem units within 180 days of acquisition the Fund may charge a short-term trading fee of 5% of the net asset value of the units redeemed. This fee is paid to the Fund.

9. Realized Gain (Loss) on Sale of Investments

As of January 22, 2010 there have been no portfolio transactions.

10. Brokerage Commissions

The total brokerage commissions paid by the Fund, with respect to security transactions for the period was \$0.

11. Related Party Transactions

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of January 22, 2010, the Underlying Crystal Wealth Funds include IFM Monitored World Equity, Insignia Fund, Crystal Enlightened Income Fund and Crystal Enhanced Mortgage Fund.

No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Funds, and no management fees or incentive fees will be payable by the Fund that would duplicate a fee payable by the Underlying Crystal Wealth Funds for the same service.

As at January 22, 2010, the Fund has no investments in the Underlying Crystal Wealth Funds.

12. Financial Instruments

The Fund may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). The following is a summary of the most significant risks:

- (a) Market risk

The Fund is subject to market risk with its marketable securities. The values of these financial instruments will fluctuate as a result of changes in market prices or factors affecting the net asset values of the underlying investments.

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Fund. The risk of default on transactions in listed securities is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(c) Liquidity risk

Liquidity risk is the risk of the Fund not being able to meet its obligations with respect to unit redemptions on time or at a reasonable price. The Fund is exposed to cash redemptions as detailed in Note 8. The majority of the Fund's assets are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

(d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Fund invests in interest-sensitive financial instruments such as bonds and fixed income derivatives.

(e) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all securities denominated in foreign currencies.

(f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

13. Capital Management

The capital of the Fund is represented by issued redeemable units with no par value. They are entitled to distribution, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 12, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

14. Future Accounting Changes

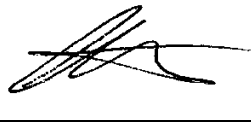
The CICA Accounting Standards Board (“AcSB”) confirmed that effective January 1, 2011, International Financial Reporting Standards (“IFRS”) will replace Canadian GAPP for publicly accountable enterprises, which includes investment funds. The Manager is currently evaluating the impact of adopting IFRS on the financial statements of the Fund.

Item 13 Date and Certificate

Dated January 22, 2010.

This Offering Memorandum does not contain a misrepresentation.

Crystal Wealth Management System Limited
as manager, trustee and promoter of the Fund

A handwritten signature in black ink, appearing to read 'Clayton Smith', is written above a solid horizontal line.

Clayton Smith
Director, President, Chief Executive Officer and Chief Financial Officer