

STATEMENT OF POLICIES TO ALL CLIENTS PURSUANT TO SECURITIES LEGISLATION

PLEASE READ THE IMPORTANT INFORMATION BELOW

1. PURPOSE OF THIS DOCUMENT

As required by applicable securities legislation, Tactex Asset Management Inc. ("Tactex") has the obligation to disclose certain information to its clients when it acts as dealer, or adviser or as portfolio manager in respect of discretionary accounts and when in such capacity, it trades in or advises in respect of securities of related issuers or connected issuers. In these situations, Tactex must disclose its relationship or connection with such related or connected issuers of securities. Disclosure of such relationship must also be made in cases where Tactex knows or should know that, as a result of its proposed action, it would be purchasing or selling securities of a *related issuer or connected issuer*.

In certain circumstances, securities legislation also requires that Tactex obtain the consent of clients prior to any trade or advise with respect to securities of *related issuers or connected issuers*. The consent is obtained upon opening of the client account and, in respect of clients residing in certain provinces who have opened a discretionary managed account, the consent must be renewed once during every 12 month period. Clients and customers should refer to the applicable provisions of the securities laws for the particulars of these rules and their rights to consult with a legal professional.

2. DEFINITIONS

The terms "**related issuer**" and "**connected issuer**" have the following meanings:

- A "related" issuer means a person or company that influences, or is influenced by, another person or company.
- A "connected" issuer is a company that has a business relationship with Tactex that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities.

3. LIST OF RELATED ISSUERS

As of the date of the foregoing, the following issuers are related issues or connected Issuers as relates to Tactex:

- Tactex F1 Private Equity Fund
- Tactex B1 Income Fund
- Limpid Three Strategies Fund

4. DISCLOSURE

Where a client deals in securities of a related issuer or, in the course of a distribution, of a connected issuer, whether or not Tactex has advised the client about the trade, the confirmation of any such transaction and the monthly statement will indicate the relationship to Tactex.

Where a client seeks to purchase securities during a distribution of securities where the issuer is either a related issuer or a connected issuer and where Tactex has

participated as an underwriter or as a member of the selling group, whether or not Tactex has advised the client about the trade, Tactex will:

- (a) either orally or in writing inform the client of the existence of the relationship before entering into a contract for the purchase of the securities;
- (b) ensure that all confirmations of trades and monthly statements indicate the relationship to Tactex; and
- (c) ensure that full, true and plain disclosure of the relationship is contained in the prospectus or other documents being used to qualify those securities.

Where Tactex acts as a portfolio manager it will, before acquiring discretionary authority in respect of the securities of a related issuer or, in the course of a distribution, of a connected issuer, and once within each 12-month period thereafter, provide the client with a copy of its current Statement of Policies Concerning Related and Connected Issuers and obtain the specific and informed written consent of the client to the exercise of the discretionary authority.

5. STATEMENT OF POLICIES WITH RESPECT TO SECURITIES OF ITS RELATED ISSUERS OR CONNECTED ISSUERS

The main objective of Tactex is to maintain the highest standard of integrity, honesty, transparency, professionalism and confidentiality throughout the organization so that the interests of clients, shareholders, unit holders of funds managed by Tactex or any other intervening parties always come first.

Tactex (and/or its directors, officers or other employees) may, from time to time, advise its clients with respect to the purchase or sale of, or provide advice about, securities issued by related and/or connected issuers of Tactex. Tactex will only engage in such activities if it is confident that they are in the best interests of its clients and are in compliance with all requirements imposed by applicable securities law and the particular client's investment policy. Moreover, any transactions in securities of related or connected issuers will be made in accordance with the clients' investment objectives, guidelines and restrictions, or any other requirements contained in the investment management agreement entered into between the client and Tactex.

6. CONFLICT OF INTEREST RULES STATEMENT FOR BRITISH COLUMBIA

Under certain circumstances Tactex may deal with or for you in securities transactions where the issuer of the securities or the other party to the transaction is a firm or a party having an ownership or business relationship with Tactex.

Since these transactions may create a conflict between Tactex's interests and yours, Tactex is required by provincial law to disclose to you certain relevant matters relating to the transactions. This statement contains a general description of the required disclosure. A complete statement of the rules is set out in Division II of Part 5 of the British Columbia Securities Rules.