

March 19, 2021



ANNUAL INFORMATION FORM

Offering Series A, Series F, Series O, ETF CAD Series (EAXP) and ETF USD Series (EAXP.U) units of:

Emerge ARK Space Exploration ETF
(the “Emerge Fund”)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The EmERGE Fund and the units of the EmERGE Fund offered under this Annual Information Form are not registered with the United States Securities and Exchange Commission and can be sold in the United States only in reliance on exemptions from registration.

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NAME AND FORMATION OF THE EMERGE FUND

Emerge ARK Space Exploration ETF (the “**Emerge Fund**”) is a mutual fund established as a trust under the laws of Ontario. The EmERGE Fund is governed by an amended master declaration of trust originally dated June 14, 2019, with amendments as of March 18, 2021. The master declaration of trust of the EmERGE Fund is referred to as the “**Declaration of Trust**”.

The EmERGE Fund is divided into an unlimited number of classes of units, and each class is divided into an unlimited number of series of units. The EmERGE Fund is permitted to issue an unlimited number of units in each series. Currently, the EmERGE Fund offers Series A, Series F and Series O units (the “**Mutual Fund Series**”) and ETF CAD Series and ETF USD Series units, each an exchange-traded series of units of the EmERGE Fund (the “**ETF Series**”). The units described in this annual information form are the Series A, Series F, Series O, ETF CAD Series and ETF USD Series units.

Emerge Canada Inc. (the “**Manager**”, “**EmERGE**”, “**we**” or “**us**”) is the trustee, investment fund manager and portfolio manager of the EmERGE Fund. The Manager is a Canadian investment management firm and is a registered portfolio manager, investment manager and exempt market dealer in Ontario.

The registered office of the EmERGE Fund and of the Manager is located at 26 Wellington Street East, Suite 901, Toronto, Ontario, M5E 1S2.

INVESTMENT RESTRICTIONS OF THE EMERGE FUND

Investment Restrictions

The EmERGE Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* (“**NI 81-102**”). This legislation is designed, in part, to ensure that the investments of the EmERGE Fund are diversified and relatively liquid and to ensure the proper administration of the EmERGE Fund. Except as set out below, the EmERGE Fund adheres to these standard investment restrictions and practices. A copy of these investment restrictions and practices may be obtained from the Manager upon request.

The EmERGE Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the following practices:

- (a) the purchase on a marketplace by an investor of more than 20% of the ETF Series units of the EmERGE Fund without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (b) to relieve the EmERGE Fund from the requirement to include in the EmERGE Fund’s prospectus a certificate of an underwriter;
- (c) to relieve the EmERGE Fund from the requirement to prepare and file a long form prospectus for the ETF Series units provided that the EmERGE Fund files a simplified prospectus for the ETF Series units; and
- (d) to treat the ETF Series and the Mutual Fund Series of the EmERGE Fund as if such series were two separate funds in connection with their compliance with the provisions of Part 9, 10 and 14 of NI 81-102.

The fundamental investment objective of the EmERGE Fund is set out in the Simplified Prospectus of the EmERGE Fund. Any change in the investment objective of the EmERGE Fund requires the approval of a majority of investors at a meeting called for that purpose. The Manager may change the EmERGE Fund’s investment strategies from time to time at its discretion.

Eligibility under the Income Tax Act

The EmERGE Fund is expected to qualify at all material times as a mutual fund trust under the *Income Tax Act* (Canada) (the “**Tax Act**”). As a result, units of the EmERGE Fund will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability

savings plans, deferred profit sharing plans, and tax-free savings accounts (referred to collectively as “**Registered Plans**”). Units of the Emerge Fund may be a “prohibited investment” under the Tax Act for a Registered Plan (other than a deferred profit sharing plan) even when the units are a qualified investment. Units of the Emerge Fund will generally not be a prohibited investment for the Registered Plan if the annuitant, planholder or subscriber, as the case may be, and persons (and partnerships) who do not deal at arm’s length with such persons do not, in total, directly or indirectly own units of the Emerge Fund representing 10% or more of the fair market value of the Emerge Fund. **Investors should consult with their own tax advisors as to whether units of the Emerge Fund would be prohibited investments for their Registered Plan.**

DESCRIPTION OF UNITS

General

The Emerge Fund offers Series A, Series F, Series O, ETF CAD Series and ETF USD Series units.

Series A units are available to all investors.

Series F units are only available to investors who have a fee-based account with their dealer and whose dealer has entered into an agreement with the Manager. Instead of paying sales charges, investors buying Series F units pay fees to their dealer for investment advice provided by their dealer and other services. We do not pay any commission to dealers in respect of Series F units.

Series O units are special-purpose securities available to other mutual funds, eligible institutional investors or other permitted investors and are not sold to the general public. No management fees are charged to the Emerge Fund with respect to Series O. Instead, each Series O investor must enter into a Series O unit agreement with us and negotiate its own management and advisory fee that is paid directly to us. No sales commission is paid to dealers for selling Series O units.

ETF Series units are available to all investors.

The ETF Series units have been conditionally approved for listing on NEO Exchange Inc. (the “**NEO Exchange**”). Subject to satisfying the NEO Exchange’s original listing requirements in respect of the Emerge Fund, and a receipt being issued for the final simplified prospectus of the Emerge Fund by the securities regulatory authorities, the ETF Series units will be listed on the NEO Exchange and offered on a continuous basis. An investor can buy or sell units of the ETF Series on the NEO Exchange or another exchange or marketplace where the ETF Series units are traded through registered brokers and dealers in the province or territory where the investor resides. An investor may incur customary brokerage commissions in buying or selling units of the ETF Series.

The ETF USD Series are offered as a convenience for investors who wish to purchase with U.S. dollars and receive distributions and the proceeds of sale or redemption in U.S. dollars. The ETF USD Series units are not hedged against changes in the exchange rate between the Canadian dollar and the U.S. dollar.

Although the money that investors pay to purchase units of any series is tracked on a series-by-series basis in the Emerge Fund’s administrative records, the assets of all series of the Emerge Fund are combined into a single pool to create one portfolio for investment purposes. Please refer to the Emerge Fund’s Simplified Prospectus for further information pertaining to the Series A, Series F, Series O, ETF CAD Series and ETF USD Series units of the Emerge Fund.

Units of a series of units of the Emerge Fund represent your ownership in the Emerge Fund. You receive distributions of the Emerge Fund’s net income and net capital gains attributable to your series of units (except for Management Fee Distributions (as defined below)) based on the relative net asset value (“**NAV**”) and net asset value per unit (“**NAV per unit**”) for each series in the Emerge Fund. Upon the wind-up or termination of the Emerge Fund, unitholders of the Emerge Fund will be entitled to participate *pro rata* in the Emerge Fund’s net assets allocated to the applicable series of units. If you hold units in the Emerge Fund, you will be entitled to vote at any unitholder meeting of the Emerge Fund as a whole as well as any unitholder meeting for the particular series of units you own. Each unit, regardless of the series, entitles the holder to one vote. Subject to the limitations set out herein, units are issued as

fully paid and non-assessable and are redeemable at their NAV per unit by unitholders. Mutual Fund Series units of the Emerge Fund can be switched from one Mutual Fund Series of the Emerge Fund to another Mutual Fund Series. The Emerge Fund may issue fractional units, which entitle the holder to similar proportionate participation in the Emerge Fund, but do not entitle the holder to receive notice of, or vote at, meetings of unitholders of the Emerge Fund.

The rights and conditions attaching to the units of each series of the Emerge Fund may be modified only in accordance with the provisions attaching to such units and the provisions of the Declaration of Trust. A description of the Series A, Series F, Series O, ETF CAD Series and ETF USD Series units offered by the Emerge Fund and the eligibility requirements attached to such series of units is contained in the Simplified Prospectus of the Emerge Fund.

Meetings of Investors

The Emerge Fund does not hold regular meetings of unitholders. Investors in the Emerge Fund are entitled to one vote for each whole unit held by them at any meeting of the Emerge Fund as a whole or of the applicable series.

Investors in the Emerge Fund are permitted to vote on all matters that require securityholder approval under NI 81-102 or under the Declaration of Trust. These matters are:

- (i) any change to the basis of the calculation of a fee or expense that is charged to the Emerge Fund or directly to its unitholders if such change could result in an increase in charges to the Emerge Fund or its unitholders, except where:
 - a. the Emerge Fund is at arm's length with the person or company charging the fee or expense;
 - b. the unitholders have received at least 60 days' written notice before the effective date of the change; and
 - c. the right to notice described in (b) is disclosed in the prospectus or annual information form of the Emerge Fund;
- (ii) the introduction of a fee or expense to be charged to the Emerge Fund or directly to its unitholders by the Emerge Fund or the Manager in connection with the holding of units of the Emerge Fund that could result in an increase in charges to the Emerge Fund or its unitholders (which would not include expenses associated with complying with governmental or regulatory requirements introduced after the date of creation of the Emerge Fund);
- (iii) any change to the Manager, unless the new manager of the Emerge Fund is an affiliate of the Manager;
- (iv) any change to the fundamental investment objective of the Emerge Fund;
- (v) the decrease in the frequency of the calculation of the Emerge Fund's NAV per unit;
- (vi) the undertaking by the Emerge Fund of a reorganization with, or transfer of its assets to, another mutual fund, if the Emerge Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the unitholders of the Emerge Fund becoming securityholders in the other mutual fund, unless:
 - a. the independent review committee ("IRC") of the Emerge Fund has approved the change;
 - b. the Emerge Fund is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
 - c. the unitholders have received at least 60 days' written notice before the effective date of the change;
 - d. the right to notice described in (c) is disclosed in the prospectus or annual information form of the Emerge Fund; and
 - e. the transaction complies with certain other requirements of applicable securities legislation; and
- (vii) the undertaking by the Emerge Fund of a reorganization with, or acquisition of assets from, another mutual fund, if the Emerge Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming unitholders of the Emerge Fund and the transaction would be a material change to the Emerge Fund.

Approval of these matters requires an affirmative vote of at least a majority of the investors present at a meeting called to consider these matters.

In addition, the auditor of the Emerge Fund may not be changed unless the IRC has approved the change and unitholders have received at least 60 days' written notice before the effective date of the change.

CALCULATION OF NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES

Calculation of Net Asset Value

The NAV of the Emerge Fund and the NAV per unit of each series of units of the Emerge Fund are calculated by the fund administrator as at 4 p.m. ET or such other time as we deem appropriate (“**Valuation Time**”) on each business day, being any day the NEO Exchange is open for trading, or any other day that we determine that such calculations shall be made (“**Valuation Date**”). The NAV of the Emerge Fund is computed by subtracting the liabilities of the Emerge Fund from the value of the assets of the Emerge Fund.

A separate NAV for each series of units of the Emerge Fund is also calculated. We call this the “**series NAV**”. The series NAV is based on the value of the proportionate share of the assets of the Emerge Fund attributable to the particular series less the liabilities of the Emerge Fund attributed only to that series that are paid by the Emerge Fund and the proportionate share of the common liabilities of the Emerge Fund allocated to that series that are paid by the Emerge Fund. A series' proportionate share of the Emerge Fund's assets and liabilities is generally determined by comparing that series' NAV to the aggregate NAV of the Emerge Fund as of the close of business on the previous business day. That amount is further adjusted for applicable transactions attributable to that series. The NAV per unit for each series is determined by dividing the series NAV by the total number of units of that series outstanding at the time and adjusting the quotient to the nearest hundredth of a cent per unit.

The NAV per unit is normally determined as at the Valuation Time on each Valuation Date unless the Manager has declared a suspension of the determination of the series NAV as described under “Redemption of Units”. This information is available at www.emergecm.ca and is updated on each day that the Manager is open for business, after the close of business that day. The NAV per unit so determined remains in effect until the time at which the next determination of the NAV per unit is made.

The series NAV for each series of the Emerge Fund is calculated in Canadian dollars. The series NAV of each series of units, other than the ETF USD Series, is expressed in Canadian dollars. The series NAV of the ETF USD Series is first determined in Canadian dollars, the base currency of the Emerge Fund, and then converted at the applicable rate of exchange on the Valuation Date into U.S. dollars.

Units of each Mutual Fund Series of the Emerge Fund are issued or redeemed at the NAV per unit next determined after the receipt by the Emerge Fund of the purchase order or the redemption request.

The NAV for the Emerge Fund and the NAV per unit of each series of units of the Emerge Fund is available upon request, free of charge, by calling the Manager toll free at 1-833-363-7432.

From time to time, errors can be made in the calculation of the NAV of the Emerge Fund where the investor is materially disadvantaged. In these cases, the investor will be made whole in accordance with our Conflicts of Interest Policy – Pricing Errors and Other Errors. Please contact us for details of our policy by calling 1-833-363-7432.

Valuation of Portfolio Securities

Pursuant to National Instrument 81-106 *Investment Fund Continuous Disclosure* (“**NI 81-106**”), we are required to calculate the Emerge Fund's NAV and NAV per unit using the fair value of its assets and liabilities. This is the NAV per unit used for purchases, redemptions and exchanges. Fair value generally means the market value based on reported prices and quotations in an active market; however, if the market value is not available, or the manager of the investment fund believes that it is unreliable, fair value means a value that is fair or reasonable in all the relevant circumstances.

The following valuation principles are used in determining the value of the assets of the Emerge Fund. However, deviations from these valuation principles may occur if we feel that applying a particular principle in a particular situation may result in the use of a valuation for a security that does not reflect its fair value.

- cash on hand or on deposit, bills and notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received are generally valued at their full amount, unless the Manager has determined that any of these assets are not worth the full amount, in which event the value shall be deemed to be the value that the Manager reasonably deems to be fair value
- precious metals (certificates or bullion) and other commodities are valued at their fair market value, generally based on prevailing market prices as reported on exchanges or other markets
- portfolio securities listed on a public securities exchange are valued at their close price or last sale price reported before the Valuation Time on a day on which a session of the exchange on which the Emerge Fund is listed is held and the primary market or exchange for the securities held by the Emerge Fund is open for trading (“**Trading Day**”). If there is no close price and if no sale is reported to have taken place before the Valuation Time on that Trading Day, they are valued at the average of the last bid and ask prices reported before that time on that Trading Day
- unlisted portfolio securities traded on an over-the-counter market are valued at the last sale price reported before the Valuation Time on a Trading Day. If no sale is reported to have taken place before the Valuation Time on that Trading Day, they are valued at the average of the last bid and ask prices reported before that time on that Trading Day
- notwithstanding the foregoing, if portfolio securities are interlisted or traded on more than one exchange or market, the Manager uses the close price or last sale price or the average of the last bid and ask prices, as the case may be, reported before the Valuation Time on the exchange or market that it determines to be the principal exchange or market for those securities
- fixed-income securities listed on a public securities exchange will be valued at their close price or last sale price before the Valuation Time on a Trading Day, or if there is no close price and if no sale is reported to have taken place before the Valuation Time on that Trading Day, at the average of the last bid and ask prices before that time on that Trading Day
- non-exchange-traded fixed-income securities of the Emerge Fund are valued at their fair value based on prices supplied by established pricing vendors, market participants or pricing models, as determined before the Valuation Time on a Trading Day
- where the Emerge Fund owns securities issued by another investment fund, the securities of the other investment fund are valued at either the price calculated by the manager of the other investment fund for the applicable series of securities of the other investment fund for that Trading Day in accordance with the constating documents of the other investment fund if such securities are acquired by the Emerge Fund from the other investment fund or at their close price or last sale price reported before the Valuation Time on a Trading Day if such securities are acquired by the Emerge Fund on a public securities exchange
- long positions in options, debt-like securities and warrants are valued at the current market value of their positions
- where an option is written by the Emerge Fund, the premium received by the Emerge Fund for the option is reflected as a deferred credit. The deferred credit is valued at an amount equal to the current market value of the option which would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in calculating the NAV of the Emerge Fund. The Emerge Fund’s portfolio securities which are the subject of a written option shall continue to be valued at the current market value as determined by the Manager

- foreign currency hedging contracts are valued at their current market value on a Trading Day, with any difference resulting from revaluation being treated as an unrealized gain or loss on investment
- the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that Trading Day, the position in the forward contract or the swap were to be closed out
- the value of a standardized future is: (a) if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on a Trading Day, the position in the standardized future was closed out; or (b) if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future
- margin paid or deposited on standardized futures or forward contracts is reflected as an account receivable, and margin consisting of assets other than cash is noted as held as margin
- portfolio securities that are quoted in foreign currencies are converted to Canadian dollars using an exchange rate as of the close of the North American markets on that Trading Day
- portfolio securities, the resale of which are restricted or limited by means of a representation, undertaking or agreement by the Emerge Fund or its predecessor in title or by law, are valued at the lesser of: (a) their value based upon reported quotations in common use on a Trading Day; (b) that percentage of the market value of portfolio securities of the same class or series of a class, the resale of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage of the Emerge Fund's acquisition cost of the market value of the securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the restricted securities will cease to be restricted securities and
- notwithstanding the forgoing, portfolio securities and other assets for which market quotations are, in the opinion of the Manager, inaccurate, unreliable, not reflective of all available material information or not readily available, are valued at their fair value as determined by the Manager.

The liabilities of the Emerge Fund shall be deemed to include:

- all bills and accounts payable
- all expenses payable by the Emerge Fund and/or accrued
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions
- all allowances authorized or approved by the Manager for taxes (if any) or contingencies and
- all other liabilities of the Emerge Fund or a series of the Emerge Fund of whatsoever kind and nature, except liabilities represented by outstanding units.

The Manager may authorize third parties, including affiliates and the accounting agent, to perform some of the valuation functions, and references to the Manager above in the valuation principles may, to the extent the Manager authorizes such parties to perform these functions, include these third parties.

PURCHASE OF UNITS

General

Units of the Emerge Fund are offered for sale on a continuous basis. Please see the cover of this document for the series of units that are offered by the Emerge Fund. Individuals must be of the age of majority in their province or

territory of residence in order to purchase units and may hold such units in trust for a minor. Purchase orders must be placed with dealers or brokers registered in an investor's province or territory. The Manager does not accept any purchase orders directly from individual investors.

Purchase of Mutual Fund Series

Purchase Price

Units of each Mutual Fund Series of the Emerge Fund may be purchased at their NAV per unit, computed as described under "Calculation of Net Asset Value and Valuation of Portfolio Securities". The purchase price per unit is the NAV per unit next determined following submission of a complete subscription. Any subscription placed on a Valuation Date after the cut-off time or on any day that is not a Valuation Date is deemed to have been placed on the following Valuation Date. The purchase price per unit is then the NAV per unit established on the Valuation Date following the day of actual submission of the subscription. The cut-off time for submission of subscriptions is 4 p.m. ET or before the NEO Exchange closes for the day, whichever is earlier.

Units of each Mutual Fund Series can be bought in Canadian dollars or in U.S. dollars (the "**U.S. dollar option**"). The U.S. dollar option is offered only as a convenience. It allows you to invest in the Emerge Fund using your U.S. currency. If you select the U.S. dollar option, we convert the series NAV to U.S. dollars using the exchange rate from the day that the purchase order is processed. If you buy your units of the Emerge Fund in U.S. dollars, you will receive U.S. dollars when you redeem them or receive distributions from the Emerge Fund. You must designate a U.S. dollar bank account to receive payments. Buying your units in U.S. dollars will not affect the investment return of the Emerge Fund, and, in particular, does not hedge – or protect – against losses caused by changes in the exchange rate between the Canadian and U.S. dollars. The performance of the Emerge Fund is driven by its portfolio investments, regardless of which currency purchase option is used.

Sales Charges

Investors and their advisors negotiate an up-front fee when they purchase Series A units, which may be up to 5% of the cost of the units, and is pay paid to the dealer when Series A units are bought. There are no sales charges for the purchase of Series F and Series O units. However, Series F investors may pay a separate fee to their dealer.

Minimum Investment

There is no minimum amount for investment in Series A units of the Emerge Fund. The minimum amount for investment in Series F units of the Emerge Fund is \$1,000 and the minimum amount for investment in Series O units of the Emerge Fund is \$20 million. Minimum dollar amounts apply in Canadian dollars or U.S. dollars, as applicable.. These minimum investment amounts may be adjusted or waived in our absolute discretion and without notice to unitholders.

Processing Orders

All orders for Mutual Fund Series units of the Emerge Fund are placed by the investor's dealer or broker and the Emerge Fund reserves the right to reject any order in whole or in part. Dealers and brokers must place an order for units without charge to the investor. They must make such transmittal by electronic means, or if such electronic means is not available, by same-day courier, priority post or telephone. The investor and the investor's dealer or broker are responsible for ensuring that the investor's purchase order is accurate and that all necessary documents or instructions are submitted. The decision to accept or reject any order for units will be made within one business day of placement of the order by the Emerge Fund. In the event that any purchase order is rejected, all monies accompanying the order are returned to the subscriber. Full and proper payment for all orders of units must be submitted on or before the settlement date. The settlement date is currently the second business day from (but not including) the day on which the subscription price for the units so ordered is determined.

Orders placed must be settled within the time periods described above. Where payment of the subscription price is not submitted on a timely basis the Manager, on behalf of the Emerge Fund, redeems the units ordered by the cut-off time on the first business day following such period. Where the payment is returned or dishonoured, the Manager, on behalf

of the Emerge Fund, redeems the units on the date that the Manager is notified of such returned or dishonoured payment. The redemption proceeds reduce the amount owing to the Emerge Fund in respect of the failed purchase transaction. If the difference is favourable to the Emerge Fund, the Emerge Fund keeps the difference. If there is a loss, the dealer or broker making the order for units pays to the Emerge Fund the amount of the loss, together with any banking costs incurred by the Emerge Fund because the payment was not submitted on a timely basis, or if the payment is returned or dishonoured. The dealer or broker may collect such amount from the investor on whose behalf the order was placed, depending on the arrangements with the investor.

Cash, certain money orders, digital currencies, travellers' cheques, or certain other cheques will not be accepted for purchases of units.

Certificates are not issued for units.

Purchase of ETF Series

The ETF Series units have been conditionally approved for listing on the NEO Exchange. Subject to satisfying the NEO Exchange's original listing requirements in respect of the Emerge Fund, and a receipt being issued for the final simplified prospectus of the Emerge Fund by the securities regulatory authorities, the ETF Series units will be listed on the NEO Exchange and offered on a continuous basis. An investor can buy or sell units of the ETF Series on the NEO Exchange or another exchange or marketplace where the ETF Series units are traded through registered brokers and dealers in the province or territory where the investor resides. An investor incur customary brokerage commissions in buying or selling units of the ETF Series.

The ETF USD Series are offered as a convenience for investors who wish to purchase with U.S. dollars and receive distributions and the proceeds of sale or redemption in U.S. dollars. The ETF USD Series Units are not hedged against changes in the exchange rate between the Canadian dollar and the U.S. dollar.

Investors may incur customary brokerage commissions in buying or selling ETF Series units. These units may be traded in the same way as other securities listed on the NEO Exchange, including by using market orders and limit orders.

Purchases by Designated Broker and other ETF Dealers

The Manager, on behalf of the Emerge Fund, has entered into a designated broker agreement with a registered dealer (the "**Designated Broker**") pursuant to which the Designated Broker has agreed to perform certain duties relating to the Emerge Fund including, without limitation: (i) to subscribe for a sufficient number of ETF Series units to satisfy the NEO Exchange's original listing requirements; (ii) to subscribe for ETF Series units when there are cash redemptions of ETF Series units; and (iii) to post a liquid two-way market for the trading of ETF Series units on the NEO Exchange. The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for ETF Series Units of the Emerge Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the Emerge Fund.

Generally, all orders to purchase ETF Series units directly from the Emerge Fund must be placed by the Designated Broker or a registered dealer that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the Emerge Fund (each, an "**ETF Dealer**"). The Emerge Fund reserves the absolute right to reject any subscription order placed by the Designated Broker or an ETF Dealer. No fees will be payable by the Emerge Fund to the Designated Broker or any ETF Dealer in connection with the issuance of ETF Series units. On the issuance of ETF Series units, an amount may be charged to the Designated Broker or an ETF Dealer to offset the expenses incurred in issuing those units.

After the initial issuance of ETF Series units to the Designated Broker to satisfy the NEO Exchange's original listing requirements, on any business day, an ETF Dealer (who may also be the Designated Broker) may place a subscription order for the minimum of a prescribed number of ETF Series Units (and any additional multiple thereof) of the Emerge Fund. If a subscription order is received by the Emerge Fund or as we may otherwise direct by 4 p.m. ET on a business day, the Emerge Fund will issue to the ETF Series units based on the NAV per unit determined on such business day.

If a subscription order is not received by that time on a business day, subject to the Manager's discretion, the subscription order will be deemed to be received only on the next business day.

For each prescribed number of ETF Series units issued, the ETF Dealer must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate NAV per unit of the prescribed number of ETF Series units next determined following the receipt of the subscription order; (ii) a group of securities selected by Emerge in its capacity as portfolio manager from time to time that may collectively reflect the constituents of the portfolio of the Emerge Fund (each a "**Basket of Securities**") and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per unit of the prescribed number of ETF Series units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per unit of the prescribed number of ETF Series units next determined following the receipt of the subscription order. In respect of ETF USD Series units, any cash component will be in U.S. dollars. Where an ETF Dealer subscribes for ETF Series units of the Emerge Fund and, with the Manager's consent, makes payment, in whole or in part, in cash, the Emerge Fund may, at the Manager's discretion, charge a fee to the ETF Dealer that reflects the trading expenses and other costs and expenses that the Emerge Fund expects to incur in effecting portfolio transactions with such cash payment.

ETF Series units may also be issued by the Emerge Fund to its Designated Broker in certain special circumstances, including when cash redemptions of ETF Series units occur, or when the Emerge Fund otherwise has cash that the Manager wants to invest.

The Manager will make available in respect of the Emerge Fund to its Designated Broker and ETF Dealers information as to the prescribed number of ETF Series units and the Basket of Securities for the Emerge Fund for each business day. The Manager may, in its discretion, increase or decrease the prescribed number of ETF Series units from time to time.

Special Considerations for Purchasers

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the units of the Emerge Fund. The Emerge Fund has obtained exemptive relief from the securities regulatory authorities to permit an investor to acquire more than 20% of the ETF Series units of the Emerge Fund through purchases on a marketplace without regard to the takeover bid requirements of applicable Canadian securities legislation.

SWITCHING PRIVILEGES FOR MUTUAL FUND SERIES UNITS

How to Switch Mutual Fund Series Units

A switch involves a change between the Mutual Fund Series of units of the Emerge Fund. Investors must place all switch orders through their advisor or dealer. If you wish to switch your units of a Mutual Fund Series of the Emerge Fund to a different Mutual Fund Series of the Emerge Fund, you must be eligible to purchase the new series. Any switch to or from Series O units is subject to prior written approval of the Manager.

Tax Consequences of Switching

A switch between series of the Emerge Fund (where such switches are permitted) generally occurs on a tax-deferred basis. Please refer to "Income Tax Considerations" for more details.

Switch Fees

No switch fees are charged on switches between Mutual Fund Series.

REDEMPTION OF UNITS

Redemption of Mutual Fund Series

Price on Redemption

Mutual Fund Series units of the Emerge Fund may be redeemed at the NAV per unit next determined after submission of a redemption request. Redemption requests placed on any day that is not a Valuation Date or after the cut-off time on a Valuation Date are deemed to have been placed on the following Valuation Date. In that case, the price on redemption will be the NAV per unit established on the Valuation Date following the day of actual submission. The cut-off time for submission of redemption requests is 4 p.m. ET or before the NEO Exchange closes for the day, whichever is earlier.

Redemption Fees

No redemption fees are payable on the redemption of Series A, Series F or Series O units. In certain circumstances a short-term trading fee may be charged by the Emerge Fund.

Market Timing and Excessive Short-Term Trading

The Emerge Fund is generally designed as a medium to long-term investment. Some investors may seek to trade frequently to try to take advantage of the difference between the Emerge Fund's NAV and the value of the Emerge Fund's portfolio holdings. This activity is sometimes referred to as "market timing". Frequent trading in order to time the market can result in a disproportionate and excessive number of transactions in the Emerge Fund causing the Emerge Fund to hold more cash than would otherwise be required or sell investments in an ill-timed manner to meet redemptions. This activity can negatively impact the Emerge Fund's performance, affecting all investors in the Emerge Fund, by forcing the Emerge Fund to keep cash or sell investments to meet redemptions. The Manager uses a combination of measures to detect and deter market timing activity and excessive short-term trading, including:

- monitoring available trading activity
- imposing short-term trading fees and, if the Manager determines that an investor continues to attempt such trading activity, declining trades and
- applying fair value pricing to foreign portfolio holdings in determining the price of the Emerge Fund.

While the Manager actively takes steps to detect and deter market timing activity and excessive short term trading, it cannot ensure all such activity is completely eliminated. In certain instances, a financial institution may invest in the Emerge Fund directly or indirectly for multiple investors whose individual trading activity is not recorded on the Emerge Fund's recordkeeping system.

Short-Term Trading Fees

If an investor redeems within 60 days of purchase, the Manager may charge a short-term trading fee on behalf of the Emerge Fund in circumstances where the Manager determines that the trading activity may represent market timing and/or excessive short-term trading.

Short-term trading fees are meant to help protect long-term fund investors and reduce market timers' arbitrage opportunities and, as such, we do not impose fees where the interests of long-term investors are not harmed by short-term trades. For example, no short-term trading fees are charged on redemptions relating to optional plans, such as pre-authorized chequing plans and systematic withdrawal plans, that are a result of a special circumstance, such as death of a unitholder or a hardship situation, subject to our discretion, or relating to units received on the reinvestment of distributions. In addition, certain dealer-sponsored rebalancing programs are also exempt from short-term trading fees.

Fair Value Pricing

The Manager's fair value pricing techniques involve assigning a value to the Emerge Fund's portfolio holdings, which may, in the case of securities traded on an exchange, differ from the closing price on the exchange. The Manager does this where it has in good faith determined that to do so better reflects the current market value of the securities in question.

For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4 p.m. ET. However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values. Events affecting the values of the Emerge Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4 p.m. ET. Absent the Manager's fair value pricing procedures, these events would not be captured in the Emerge Fund's NAV. The Manager employs fair value pricing for two purposes. First, it increases the likelihood that the Emerge Fund's NAV truly reflects the value of its holdings at the time the Emerge Fund's price is determined. Second, it acts to deter market timing activity by decreasing the likelihood that an investor is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4 p.m. ET.

Processing Redemptions

The Manager encourages all investors to consult their advisors in connection with any redemption. Redemption requests must be forwarded to dealers or brokers. Dealers and brokers must transmit the particulars of such redemption request without charge to an investor and must make such transmittal wherever practical by electronic means, or if such electronic means is not available, by same day courier, priority post or telephone. The investor and the investor's dealer or broker are responsible for ensuring that the investor's redemption request is accurate and that all necessary documents or instructions are submitted.

No payment of redemption proceeds is made until a duly completed redemption request has been properly submitted.

Where a duly completed redemption request is submitted, the Emerge Fund pays the redemption proceeds within two business days of submission to the investor's account that is registered in the name of their dealer or an intermediary, unless the dealer or the intermediary tells us otherwise. Any short-term trading fees, if applicable, are deducted from the payment.

If your dealer does not submit all the necessary documents or instructions within 10 business days of placing the redemption order, we will buy back the same number of units on your behalf on the 10th business day after the redemption request. If the proceeds from that redemption are greater than the cost we incur to buy back the units, the Emerge Fund will keep the difference. If the proceeds from that redemption are less than the cost we incur to buy back the units, your dealer will pay the difference to the Emerge Fund and you may have to reimburse your dealer.

Each investor's units are registered in the name of the investor's dealer, broker or other intermediary and the investor must instruct their advisor to place a redemption request. Redemption proceeds are paid only to registered holders of units, so investors should expect redemption proceeds to be paid into their account with their financial intermediary.

A dealer may make provision in arrangements with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of the Emerge Fund or securities legislation for a redemption of units of the Emerge Fund.

Automatic Redemption

The Manager reserves the right to redeem, without notice to the investor, all the Series A or Series F units that an investor holds in the Emerge Fund if the investor's investment in such units of the Emerge Fund falls below \$50. The Manager also intends to observe all redemption policies that may be implemented from time to time by industry participants, such as Fundserv, which provides a transaction processing system used by some mutual funds in Canada.

Redemption of ETF Series

Redemption of Units in any Number

On any business day, an investor may redeem its ETF Series Units in any number at a redemption price per unit equal to 95% of the closing trading price of those units on the NEO Exchange on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per unit. Because investors will generally be able to sell units at the market price on a marketplace like the NEO Exchange through a registered broker or dealer subject only to customary brokerage commissions, investors are advised to consult their broker, dealer or investment adviser before redeeming units.

For such a redemption to be effective on a business day, a redemption request in the form prescribed by us from time to time must be delivered through your CDS participant by 9 a.m. ET on that day to the Emerge Fund at its head office or as we may otherwise direct. If a redemption request is received after that time, the redemption request will be effective only on the next business day. Payment of the redemption price, which will be paid in cash or, with the investor's consent, in specie, will be made by no later than the second business day after the effective day of the redemption. The redemption request forms may be obtained from the Manager.

If an investor exercises this redemption right during the period commencing on and including the business day that is one business day prior to a date designated by the Manager as a record date for the determination of unitholders entitled to receive a distribution from the Emerge Fund (a "**Distribution Record Date**") and ending on and including that date, the investor will be entitled to receive the applicable distribution in respect of those units.

In connection with the redemption of units, the Emerge Fund may dispose of securities or other assets in order to fund the required redemption proceeds. The redemption price paid to an investor may include capital gains realized by the Emerge Fund. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The Manager reserves the right to cause the Emerge Fund to redeem the units held by an investor for cash at a price equal to the NAV per unit on the effective date of such redemption if the Manager believes it is in the best interests of the Emerge Fund to do so.

Any cash redemption payment in respect of ETF USD Series Units will be made in U.S. dollars.

Exchange of Prescribed Number of Units

On any business day, an investor may exchange a minimum of a prescribed number of ETF Series Units (and any additional multiple thereof) for, in the Manager's discretion, cash or Baskets of Securities or other securities and cash. To effect an exchange of units, an investor must submit an exchange request in the form prescribed by the Manager from time to time to the Emerge Fund at its head office or as we may otherwise direct by 4 p.m. ET on a business day. The exchange price will be equal to the aggregate NAV per unit of the prescribed number of ETF Series units on the effective day of the exchange request, payable by delivery of, in the Manager's discretion, cash or Baskets of Securities (constituted prior to the receipt of the exchange request) or other securities and cash. If the exchange price is fully paid in cash, the Manager may, in its discretion, require the investor to pay or reimburse the Emerge Fund for the trading expenses incurred or expected to be incurred by the Emerge Fund in connection with the sale by it of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable units will be redeemed. In respect of ETF USD Series Units, any cash component will be in U.S. dollars.

If an exchange request is not received by 4 p.m. ET on a business day, subject to the Manager's discretion, the exchange order will be effective only on the next business day. Settlement of exchanges for cash or Baskets of Securities or other securities and cash, as the case may be, will be made by no later than the second business day after the effective day of the exchange request.

The Manager will make available to the Designated Broker and ETF Dealers information as to the prescribed number of ETF Series units and the Basket of Securities for the Emerge Fund for each business day. The Manager may, in its discretion, increase or decrease the prescribed number of ETF Series units from time to time.

If an investor exchanges or redeems units during the period commencing on and including the business day that is one business day prior to a Distribution Record Date and ending on and including that date, the investor will be entitled to receive the applicable distribution in respect of those units.

If securities held in the portfolio of the Emerge Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to an investor on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

The exchange or redemption price paid to an investor may include capital gains realized by the Emerge Fund. The remaining portion of the exchange or redemption price will be proceeds of disposition.

An amount may be charged to the Designated Broker or ETF Dealer to offset certain transaction and other costs associated with the exchange or redemption of ETF Series units.

The exchange and redemption rights described above must be exercised through the CDS participant through which the owner holds units. Beneficial owners of units should ensure that they provide exchange and/or redemption instructions to the CDS participant through which they hold units sufficiently in advance of the cut-off times set by the CDS participant to allow such CDS participant to notify us or as we may direct prior to the relevant cut-off time.

Short-Term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the ETF Series units of the Emerge Fund at this time, as those units are primarily traded in the secondary market.

Suspension of Redemption Rights

The Manager reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for any period, but only in compliance with applicable securities regulatory policies. The right of redemption with respect to units of the Emerge Fund may be suspended during any period when normal trading is suspended in any market where portfolio securities or specified derivatives representing that make up more than 50% of the Emerge Fund's total asset value are traded, provided that those portfolio securities or specified derivatives are not traded on another exchange that represents a reasonably practical alternative for the Emerge Fund. In addition, the right of redemption may be suspended with the consent of securities regulatory authorities. In the case of suspension of the right of redemption before the redemption proceeds have been determined, a holder of units may either withdraw a redemption request or receive payment based on the applicable NAV per unit next determined after the termination of such suspension. During any period of suspension of redemption rights, orders to purchase units will not be accepted.

MANAGEMENT OF THE EMERGE FUND

The Manager

Emerge Canada Inc., a registered portfolio manager, investment fund manager and exempt market dealer, is the trustee, manager and portfolio manager of the Emerge Fund. The head office of the Emerge Fund and the Manager is located at 26 Wellington Street East, Suite 901, Toronto, Ontario, M5E 1S2.

Duties and Services Provided by the Manager

Pursuant to the Management Agreement (as defined below), the Manager has been appointed as the investment fund manager of the Emerge Fund and has the exclusive authority to manage the business and affairs of the Emerge Fund, to make all decisions regarding the business of the Emerge Fund and to bind the Emerge Fund. The Manager may delegate certain of its powers to its affiliates and to third parties where, in the discretion of the Manager, it would be in the best interests of the Emerge Fund to do so.

The Manager is responsible for providing, or causing to be provided, management, administrative, portfolio advisory and investment management services to the Emerge Fund. The Manager's duties include, without limitation:

- authorizing the payment of, and paying, the operating expenses incurred on behalf of the Emerge Fund
- providing office space, facilities and personnel
- preparing financial statements, financial and accounting information and tax returns as required by the Emerge Fund
- ensuring that unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time
- ensuring that the Emerge Fund comply with regulatory requirements and applicable stock exchange listing requirements
- preparing the Emerge Fund's reports, including interim and annual management report of fund performances, and delivering such reports to unitholders and the securities regulatory authorities
- determining the amount of distributions to be made by the Emerge Fund
- communicating with unitholders and calling meetings of unitholders as required
- ensuring that the NAV per unit is calculated and published
- administering the purchase, exchange and redemption of units
- negotiating contractual agreements with third party providers of services, including the Designated Broker, one or more ETF Dealers, the custodian, the registrar and transfer agent, the fund administrator, the auditor, legal counsel and printers and
- providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Emerge Fund.

Details of the Management Agreement

Pursuant to the management agreement dated June 14, 2019, as the same may be amended or restated from time to time (the "**Management Agreement**"), the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of unitholders and the Emerge Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities held by the Emerge Fund if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, breach of the Manager's standard of care or any material breach or default by it of its obligations under the Management Agreement.

The Management Agreement may be terminated by the Emerge Fund or by the Manager upon 60 days' prior written notice. The Manager is deemed to have resigned if it becomes bankrupt or insolvent, if its assets are seized or confiscated by a public or government authority, in the event that it ceases to be resident in Canada for purposes of the *Income Tax Act* (Canada) or if it no longer holds the necessary registrations to enable it to carry out its obligations under the Management Agreement. If the Manager resigns, it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the unitholders. If the Manager is in material default of its obligations under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to the Manager, the trustee may remove the Manager and appoint a successor manager, subject to any required unitholder approval.

The Manager is entitled to fees for its services as manager under the Management Agreement. The Manager and each of its directors, officers, employees and agents (the “**Indemnified Parties**”) are indemnified by the Emerge Fund for all claims brought against such Indemnified Party in respect of any act or matter done or omitted in relation to the execution of the Manager’s duties under the Management Agreement for the Emerge Fund and also from and against all other costs, charges and expenses any Indemnified Party may reasonably sustain or incur in relation to the performance of the Manager’s duties under the Management Agreement for the Emerge Fund. However, none of the Indemnified Parties will be entitled to be indemnified under the Management Agreement if the liability results from the Manager’s wilful misconduct, bad faith, negligence or breach of its obligations under the Management Agreement or if there has been a failure of the Manager or any person retained by the Manager to meet the standard of care set out in the Management Agreement.

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager 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 Emerge Fund) or from engaging in other activities. See “Conflicts of Interest” below.

Officers and Directors of the Manager of the Emerge Fund

The names and municipalities of residence of the partners, directors and executive officers of the Manager, and their positions and offices, are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within Preceding Five Years
Lisa Langley Buffalo, New York	Director, Chief Executive Officer, Ultimate Designated Person, Chief Compliance Officer, President and Secretary	Chief Compliance Officer of the Manager since July 2019; Director, Chief Executive Officer, Ultimate Designated Person, President and Secretary of the Manager since December 2018 and responsible for the overall management of the business and affairs of the Manager; Founder, President, Chief Executive Officer, Chief Compliance Officer and Portfolio Manager of Emerge Capital Management Inc. since January 2016; prior thereto Partner, Chief Operating Officer and Chief Compliance Officer of Sandhill Investment Management Inc. since March 2012; received her Global Executive MBA from the Kellogg School of Management at Northwestern University and the Schulich School of Business at York University and has more than 29 years of investment management experience in the Canadian and U.S. markets.
Desmond Alvares Toronto, Ontario	Director, Chief Financial Officer and Director of Operations	Director and Chief Financial Officer of the Manager since December 2018; prior thereto Senior Client Change Manager at RBC Investor & Treasury Services in 2018; prior thereto Operations and Finance Management Consultant at Bluespring in 2017; prior thereto Senior Manager, Management Information Systems at Grant Thornton in 2016 and 2017; prior thereto Program Manager, Underwriting Applications at CNA Insurance Canada in 2015; prior thereto Operations Consultant at BMO Capital Markets in 2014 and 2015; prior thereto Mortgage Operations Consultant at Centum Mortgage Centre Canada Inc. in 2014; prior thereto Director and Program Manager, Regulatory Projects, at International Financial Data Systems in 2013 and 2014; Lecturer, Masters of Business Administration Program, at York University since 2010.

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within Preceding Five Years
Edward Collins Toronto, Ontario	Director	Director of the Manager since December 2018; retired after 45 years in the investment industry. Prior to retirement, Mr. Collins held several positions in the investment management industry, including Senior Vice President, Portfolio Manager and Chief Compliance Officer of Thornmark Asset Management Inc. in 2012 and 2013, Senior Vice President and Co-Head Portfolio Manager at National Bank Financial Inc. in 2011 and 2012, Senior Vice President and Portfolio Manager of Wellington West Capital Inc. from 2006 to 2011, Portfolio Manager at Russell Investments Canada Limited in 2006, Vice President and Portfolio Manager at First Asset Advisory Services Inc. from 2001 to 2006, Senior Vice President Investment Banking at BayStreet Direct Inc. in 2000 and 2001, President of FutureNet Partners in 1999 and 2000, Vice President and Director Investment Banking at First Marathon Securities from 1995 to 1999, Vice President Investment Banking at Sanwa McCarthy Securities Ltd. in 1994 and 1995, and Senior Vice President Investment and Director Investment Banking at Nesbitt Thomson Inc. from 1986 to 1994.

Sub-adviser

Emerge Capital Management Inc. has been retained by the portfolio manager to act as sub-adviser to the portfolio manager in respect of the Emerge Fund pursuant to a sub-advisory agreement dated June 14, 2019, as the same may be amended or restated from time to time (the “**Sub-Advisory Agreement**”). The Sub-Advisory Agreement prescribes the duties and powers of the sub-adviser, stipulates the standard of care that the sub-adviser must exercise and sets out the fees that the portfolio manager pays to the sub-adviser. The Sub-Advisory Agreement further stipulates that the arrangement between the portfolio manager and the sub-adviser may be terminated (i) by mutual agreement of the parties, (ii) by written notice delivered by or on behalf of the sub-adviser or (iii) subject to the prior written consent of the sub-adviser, by written notice delivered by or on behalf of the portfolio manager to the sub-adviser. Lisa Langley is principally responsible for providing investment advice to the portfolio manager in respect of the Emerge Fund.

ARK

The sub-adviser has appointed ARK Investment Management LLC (“**ARK**”) to provide investment advice to it in respect of the Emerge Fund pursuant to a sub-advisory agreement dated October 24, 2018 (the “**Effective Date**”), as the same may be amended or restated from time to time (the “**ARK Sub-Advisory Agreement**”). The ARK Sub-Advisory Agreement prescribes the duties and powers of ARK and sets out the fees that the sub-adviser pays to ARK. Additionally, the ARK Sub-Advisory Agreement stipulates that the arrangement between the sub-adviser and ARK will be terminated on the fifth anniversary of the Effective Date, if not renewed by the parties, unless otherwise terminated sooner by the non-breaching or non-liquidating party, as the case may be, upon notice of (i) either party materially breaching any of the terms of the ARK Sub-Advisory Agreement and such breach not having been remedied within thirty days, or (ii) either party going into liquidation, bankruptcy or is deemed insolvent.

Headquartered in New York City, ARK is a privately-held investment firm registered as an investment adviser with the Securities & Exchange Commission with approximately \$79,914,466,353 assets under management or advisement as of December 31, 2020. Specializing in thematic investing in disruptive innovation, the firm is rooted in over 40 years of experience in identifying and investing in disruptive innovations that seek to change the way the world works and deliver outsized growth as industries transform. Through its open research process, ARK identifies companies that it believes are leading and benefiting from cross-sector innovations, such as space exploration, robotics, 3D printing, big data, machine learning, blockchain technology, cloud computing, energy storage, and DNA sequencing.

ARK offers an exchange-traded fund in the United States that has principal investment strategies that are similar to the Emerge Fund.

The individual at ARK principally responsible for providing investment advice to the sub-adviser in respect of the Emerge Fund is as follows:

Name and Title	Years with ARK	Notes
Catherine D. Wood	7 years	Ms. Wood has been a portfolio manager with ARK since January 2014. Prior thereto, Ms. Wood was Chief Investment Officer of Global Thematic Strategies at Alliance Bernstein LP, having joined Alliance Bernstein in 2001 after working for 18 years with Jennison Associates as Chief Economist, Equity Research Analyst, Portfolio Manager and Director. Ms. Wood received her B.S., summa cum laude, in Finance and Economics from the University of Southern California.

Brokerage Arrangements

Decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions or spreads are made by the portfolio manager. The portfolio manager defines best execution as “the process of executing securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favourable under the circumstances”.

Factors considered when selecting a broker-dealer for a specific transaction may include execution capability, commission rate, willingness to commit capital, anonymity and responsiveness, the nature of the market for the security, the timing or size and type of the transaction, the reputation, experience and financial stability of the broker-dealer, the quality of the services rendered in other transactions, financial strength metrics, business continuity and trade settlement capabilities. Best execution does not obligate the portfolio manager to seek the lowest commission rate available on any individual trade, as the rate of commissions is only one component of best execution. A higher commission rate may be determined reasonable in light of the total costs of execution services provided.

Conflicts of Interest

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Emerge Fund) or from engaging in other activities.

Investments in securities purchased by the Portfolio Manager on behalf of the Emerge Fund will be allocated to the Emerge Fund on a pro rata basis according to the size of the order and the applicable investment restrictions and policies of the Emerge Fund.

Directors and officers of the Manager and of the portfolio manager must obtain the prior approval of the Manager in order to engage in any outside business activities. One of the activities that requires approval is acting as a director or officer of another company (an “**Issuer**”). The Emerge Fund may invest in an Issuer if this transaction is permitted by law and the Manager has approved this transaction. This approval will be given only if the Manager is satisfied that there has been proper resolution of any potential conflicts of interest.

The Management Agreement acknowledges that the Manager may provide services to the Emerge Fund in other capacities, provided that the terms of any such arrangement are no less favourable to the Emerge Fund than those that would be obtained from parties that are at arm’s length for comparable services.

One or more registered dealers act or may act as the Designated Broker, an ETF Dealer and/or a market maker of the Emerge Fund in respect of its ETF Series of units. These relationships may create actual or perceived conflicts of interest that investors should consider in relation to an investment in the Emerge Fund. In particular, by virtue of these

relationships, these registered dealers may profit from the sale and trading of the ETF Series units. The Designated Broker, as market maker of the ETF Series units of the Emerge Fund in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with the Emerge Fund, with the issuers of securities making up the investment portfolio of the Emerge Fund or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

Trustee

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Emerge Fund.

The trustee may resign upon 90 days' notice to unitholders and the Manager. If the trustee resigns or if it becomes incapable of acting as trustee, the trustee may appoint a successor trustee and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days, the Emerge Fund will be terminated.

The Declaration of Trust provides that the trustee shall act honestly, in good faith and in the best interests of the Emerge Fund and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the trustee and indemnifying the trustee in respect of certain liabilities incurred by it in carrying out the trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

Custodian

RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is custodian of the assets of the Emerge Fund pursuant to a custodian agreement dated June 14, 2019, as the same may be amended or restated from time to time (the "**Custodian**"). The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Emerge Fund have securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon 12 months' prior written notice.

The Custodian is entitled to receive fees and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Emerge Fund.

Securities Lending Agent

In the event that the Emerge Fund engages in securities lending, the Custodian or a sub-custodian will act as the securities lending agent for the Emerge Fund.

Auditor

The auditor of the Emerge Fund is BDO Canada LLP located at Toronto Dominion Centre, 222 Bay St., Suite 2200, Toronto, Ontario, M5K 1H1.

Registrar

AST Trust Company (Canada), at its principal office in Toronto, Ontario, is the registrar and transfer agent for the ETF Series units of the Emerge Fund. The register of the ETF Series units of the Emerge Fund is kept in Toronto.

RBC Investor Services Trust, at its principal office in Toronto, Ontario, will be the registrar for the Mutual Fund Series units of the Emerge Fund when the Mutual Fund Series units are issued. The register of the Mutual Fund Series units of the Emerge Fund will be kept in Toronto.

Promoter

The Manager has taken the initiative in founding and organizing the Emerge Fund and is, accordingly, the promoter of the Emerge Fund within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Emerge Fund, receives compensation from the Emerge Fund.

Fund Administrator

RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is the fund administrator. The fund administrator is responsible for certain aspects of the day-to-day administration of the Emerge Fund, including NAV calculations, accounting for net income and net realized capital gains of the Emerge Fund and maintaining the books and records of the Emerge Fund.

CONFLICTS OF INTEREST**Principal Holders of Units**

As at February 28, 2021, the members of the IRC did not beneficially own, directly or indirectly, in the aggregate, (i) any class or series of voting or equity securities of the Manager, or, (ii) any material amount of any class or series of voting or equity securities of any material service providers to the Emerge Fund or to the Manager.

As at February 28, 2021, Lisa Langley owned 100% of the voting securities of the Manager. As at February 28, 2021, the directors and senior officers of the Manager did not beneficially own, directly or indirectly, in the aggregate, any material amount of any class or series of voting or equity securities of any other material service providers to the Emerge Fund or to the Manager.

As at the date hereof, the Manager owns 100% of any outstanding Series A, Series F, Series O, ETF CAD Series and ETF USD Series units of the Emerge Fund.

Affiliated Entities

Emerge Capital Management Inc. is the only affiliated entity that currently provides services to the Emerge Fund and the Manager. As at February 28, 2021, Lisa Langley owned 100% of the voting securities of the Manager and a majority of the equity securities of Emerge Capital Management Inc.

Amounts material to the Emerge Fund paid by the Manager to an affiliated entity for services provided to the Emerge Fund are reported in the financial statements of the Emerge Fund.

Lisa Langley currently serves as the Director, Chief Executive Officer, Chief Compliance Officer, President and Secretary of the Manager, as well as the President, Chief Executive Officer and Chief Compliance Officer of Emerge Capital Management Inc.

FUND GOVERNANCE**Independent Review Committee**

As required by NI 81-107, the Manager has established an independent review committee to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the Emerge Fund. The IRC reviews and gives its approval or recommendations as to the conflict of interests matters referred to it. A conflict of interest matter is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager's ability to act in good faith and in the best interest of the Emerge Fund. The IRC is also required to approve certain mergers involving the Emerge Fund and any change of the auditor of the Emerge Fund.

The IRC must have all independent members. The Manager considers that an individual is independent if the individual is not a director, officer or employee of any of the Manager or an affiliate of the Manager. In addition, the individual must be independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the individual's ability to act with the view to the best interest of the Emerge Fund.

The members of the IRC are as follows:

Marie Rounding (Chair)
Bruce Friesen
Monique Hutchins

The IRC has a written charter that sets out its powers, duties and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- the Manager's policies and procedures regarding conflict of interest matters
- any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Emerge Fund
- the compliance of the Manager and the Emerge Fund with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager and
- the independence and compensation of its members, the IRC's effectiveness as a committee and the contribution of each member to the IRC.

The IRC prepares a report for unitholders, at least annually, of its activities. Such report is made available on the Manager's website at www.emergecm.ca or, at the request of a unitholder and at no cost, by contacting the Manager at 26 Wellington Street East, Suite 901, Toronto, Ontario, M5E 1S2, or by sending an e-mail to operations@emergecm.com.

Each member of the IRC is paid an annual retainer of \$6,000 (\$8,000 for the Chair) by the Manager to serve on the IRC. IRC members are also reimbursed for certain expenses in connection with meeting attendance. Other fees and expenses payable in connection with the IRC include secretariat fees, insurance costs, legal fees, and attendance fees for educational seminars. A portion of the retainer and fees and expenses paid to each member is allocated to the Emerge Fund.

Policies on the Use of Derivatives

The Emerge Fund may use derivative instruments from time to time for hedging or investment purposes, provided that the use of such derivative instruments is in compliance with NI 81-102 and is consistent with the investment objective and investment strategies of the Emerge Fund. For example, the Emerge Fund may use futures or other derivative instruments to gain exposure to a particular security in circumstances where it is determined that synthetic exposure would be preferable to a direct investment. Derivatives also may be used for a variety of purposes that do not constitute speculation, such as risk management, seeking to reduce transaction costs, seeking to simulate investment in equity or debt securities or other investments, seeking to add value by using derivatives to more efficiently implement portfolio positions when derivatives are favourably priced relative to equity or debt securities or other investments and for other purposes. In connection with its use of derivatives, the Emerge Fund may purchase or hold cash and/or fixed-income and other instruments that it may pledge as collateral or margin to its counterparties or futures commission merchants.

Proxy Voting Procedures and Guidelines

The portfolio manager has policies and procedures in place to ensure that proxies relating to securities held by the Emerge Fund are voted in a timely manner and in the best interests of the Emerge Fund. The portfolio manager's

objective is to vote the securities of companies for which it has proxy-voting authority in a manner most consistent with the long-term economic interest of unitholders.

Below is a statement of principles that generally describe how the portfolio manager may vote on some commonly raised issues. The portfolio manager may elect to vote contrary to these guidelines, provided the vote is in the best economic interest of the Emerge Fund.

Affirmative votes are cast for the following routine matters, unless specifically instructed to the contrary by the portfolio manager:

- (i) changes to the number of directors;
- (ii) appointment/election of directors;
- (iii) appointment/election and remuneration of auditors;
- (iv) appointment of trustee; and
- (v) receipt of financial statements.

The following non-routine matters require special consideration:

- (i) compensation and granting of shares to management;
- (ii) awards and bonuses;
- (iii) adoption of shareholder rights plans;
- (iv) approval of mergers, amalgamations and takeovers; and
- (v) amendments to articles of incorporation.

The determination of a “non-routine matter” will be made by the portfolio manager.

In general, the portfolio manager will vote in support of any resolution where there is clear evidence of a positive benefit to shareholders. The portfolio manager believes that good corporate governance generates successful corporate performance and benefits to shareholders, and that the independence of boards, stock-based compensation and transparent financial reporting support this philosophy, while the dilution of shareholdings, inappropriate management compensation and dual class shareholdings do not.

The complete proxy voting record of the Emerge Fund for the annual period from July 1 to June 30 will be available free of charge to any unitholder upon request at any time after August 31 following the end of that annual period by writing to the Manager at 26 Wellington Street East, Suite 901, Toronto, Ontario, M5E 1S2, calling 1-833-363-7432 or by checking our website at www.emergecm.ca.

Policies and Procedures related to Securities Lending

The Emerge Fund may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it to earn additional returns. Currently, it is not expected that the Emerge Fund will engage in securities lending transactions. If the Emerge Fund does engage in securities lending, it will do so pursuant to the terms of a securities lending agreement between the Emerge Fund’s securities lending agent and any such borrower under which: (i) the borrower will pay to the Emerge Fund a negotiated securities lending fee and will make compensation payments to the Emerge Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Emerge Fund will receive collateral security. The securities lending agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Under applicable securities legislation, the collateral posted by a securities borrower is required to have an aggregate value of not less than 102% of the market value of the loaned securities. The total value of the securities loaned by the Emerge Fund at any time is not permitted to exceed 50% of the net asset value of the Emerge Fund (excluding any collateral received from securities lending activities). Any cash collateral acquired by the Emerge Fund is permitted to be itself invested only in the securities permitted under NI 81-102 that have a remaining term to maturity of no longer than 90 days.

DISTRIBUTIONS

Each December, the Emerge Fund distributes to its unitholders a sufficient amount of its net income and net realized capital gains so that the Emerge Fund will not be liable for ordinary income tax, which distribution will be automatically reinvested in additional units of that Emerge Fund. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the NAV per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. In the case of a non-resident unitholder, if tax has to be withheld in respect of the distribution, the unitholder's custodian may debit his, her or its account for any such required withholding tax. Cash distributions will not be paid.

The Emerge Fund's distribution policy is more specifically set out in the Simplified Prospectus for the Emerge Fund.

A unitholder that subscribes for units during the period commencing on and including the business day that is one business day prior to a Distribution Record Date and ending on and including that Distribution Record Date will not be entitled to receive the applicable distribution in respect of those units. Income and/or capital gains of the Emerge Fund may be distributed to a unitholder as part of the price paid to the unitholder on the exchange or redemption of units.

The tax treatment to unitholders of distributions is discussed under the heading "Income Tax Considerations".

INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Emerge Fund and for a prospective investor in the Emerge Fund who is an individual (other than a trust) and who, for the purpose of the Tax Act, is resident in Canada, holds units of the Emerge Fund either directly or in a Registered Plan as capital property, and is not affiliated with the Emerge Fund and deals at arm's length with the Emerge Fund. This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). This summary does not take into account or anticipate any other changes in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should consult their own tax advisors about their individual circumstances.

The Emerge Fund is expected to qualify as a mutual fund trust under the Tax Act at all material times. This summary is based on the assumption that the Emerge Fund will so qualify at all material times. If the Emerge Fund were to fail to qualify as a mutual fund trust in any year, the tax consequences to the Emerge Fund and its unitholders would be materially different from that described herein.

Taxation of the Emerge Fund

The Emerge Fund is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carryforwards) to the extent that it is not paid or payable to unitholders. The Emerge Fund that is a mutual fund trust throughout its taxation year is entitled to a refund ("capital gains refund") of its tax liability on its net realized capital gains equal to an amount determined by formula under the Tax Act based on the redemption of units during the year and accrued gains on the Emerge Fund's assets. The Declaration of Trust requires the Emerge Fund to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to unitholders so that the Emerge Fund will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund.

The Emerge Fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected

by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. The Emerge Fund is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized.

Foreign source income received directly by the Emerge Fund is generally received net of any taxes withheld in the foreign jurisdiction. Some capital received or earned by the Emerge Fund may also be subject to foreign taxes. The foreign taxes so withheld are included in the calculation of the Emerge Fund's income, but may, within certain limits, be claimed as a deduction by the Emerge Fund in the calculation of its income or, if the Emerge Fund makes designations in respect of the foreign source income, as a foreign tax credit by unitholders.

Gains or losses realized by the Emerge Fund on the disposition of securities held by it as capital property constitute capital gains or capital losses. Securities will generally be considered to be held by the Emerge Fund as capital property unless the Emerge Fund is considered to be trading or dealing in securities, or otherwise carrying on a business of buying and selling securities, or has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Emerge Fund will purchase securities (other than derivative instruments) with the objective of earning income thereon and takes the position that gains and losses realized on the disposition of these securities are capital gains and capital losses. The Emerge Fund will make an election under subsection 39(4) of the Tax Act so that all securities held by the Emerge Fund that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Emerge Fund. Generally, a gain or loss from a cash-settled option, futures contract, forward contract, total return swap or other derivative instrument is treated on account of income rather than as a capital gain or loss unless the derivative is used by the Emerge Fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets by the Emerge Fund. Whether gains or losses realized by the Emerge Fund in respect of a particular security (other than a Canadian security) are on income or capital account will depend largely on factual considerations.

The Emerge Fund that invests in foreign denominated securities must calculate its adjusted cost base and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. Capital gains realized during a taxation year are reduced by capital losses realized during the year. In certain circumstances, a capital loss realized by the Emerge Fund may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by the Emerge Fund will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Emerge Fund (or a person affiliated with the Emerge Fund for the purposes of the Tax Act) acquires a property that is the same as or is identical to the particular property on which the loss was realized and owns that property at the end of the period.

A trust, such as the Emerge Fund, is subject to a "loss restriction event" for the purposes of the Tax Act each time a person or partnership becomes a "majority-interest beneficiary" of the trust for the purposes of the Tax Act, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interests in the trust of more than 50% of the fair market value of the trust. However, no one will be or become a "majority interest beneficiary" of the Emerge Fund if the Emerge Fund qualifies as an "investment fund" under the Tax Act by satisfying certain investment diversification restrictions. If the Emerge Fund experiences a loss restriction event, the taxation year of the Emerge Fund will be deemed to end and the Emerge Fund will be deemed to realize its capital losses. The Emerge Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses and non-capital losses will expire and may not be deducted by the Emerge Fund in future years.

Taxation of Investors (other than Registered Plans)

Distributions

A unitholder is required to include in the calculation of income for tax purposes, the amount of any income and the taxable portion of any capital gains of the Emerge Fund that is paid or made payable to the unitholder in the year, whether or not such amounts are paid in cash or reinvested in additional units. The non-taxable portion of any capital gains of the Emerge Fund that is paid or made payable to the unitholder in the year is not included in the unitholder's income and, provided the Emerge Fund makes the appropriate designation on its tax return, does not reduce the

adjusted cost base of the unitholder's units of that Emerge Fund. Any other non-taxable distribution, such as a return of capital, reduces the unitholder's adjusted cost base. A unitholder is deemed to realize a capital gain to the extent that the adjusted cost base of the unitholder's units would otherwise become a negative amount and the adjusted cost base is nil immediately thereafter.

The Emerge Fund may, and is expected to, designate, to the extent permitted by the Tax Act, the portion of the net income of the Emerge Fund distributed to unitholders that may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received or considered to be received by the Emerge Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Emerge Fund. Any amount so designated is deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation applies to amounts designated as taxable dividends. Capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, the Emerge Fund may make designations in respect of its foreign source income, if any, so that unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes paid or deemed to be paid by the Emerge Fund and not deducted by it. A loss realized by the Emerge Fund may not be allocated to, and may not be treated as a loss of the unitholders of the Emerge Fund.

Management fees paid directly by unitholders will not be deductible for tax purposes.

Disposition of Units

Generally, a unitholder realizes a capital gain (or loss) on the sale, redemption, exchange or other disposition of a unit to the extent that the proceeds of disposition for the unit exceed (or are less than) the total of the adjusted cost base to the unitholder of the unit and any reasonable costs of disposition, each calculated in Canadian dollars. For ETF USD Series units, proceeds of disposition and each component of adjusted cost base is calculated in Canadian dollars based on the currency exchange rate at the time of the particular transaction. In general, the adjusted cost base of all units of the Emerge Fund held by the unitholder at a particular time is the total amount paid for all units of the Emerge Fund currently and previously held by the unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any units of the Emerge Fund previously disposed of by the unitholder. The adjusted cost base to a unitholder of one unit is the average adjusted cost base of all identical units owned by the unitholder as capital property at that time. A consolidation of units after the reinvestment of a distribution in additional units will not be regarded as a disposition of units.

When a unitholder redeems units of the Emerge Fund, the Emerge Fund may distribute income and capital gains to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. Any amount so distributed should be deducted from the redemption price for the units in determining the unitholder's proceeds of disposition. As described in the Simplified Prospectus under "Risk Factors - Taxation of the Emerge Fund Risk", draft legislation released by the Minister of Finance (Canada) on July 30, 2019, proposed amendments to the Tax Act that would (a) deny the Emerge Fund a deduction for any income of the Emerge Fund designated to a unitholder on a redemption of a unit, where the unitholder's proceeds of disposition are reduced by the designation, and (b) deny the Emerge Fund a deduction for the portion of a capital gain of the Emerge Fund designated to a unitholder that is greater than the unitholder's accrued gain. As a result, no amount of income or capital gains in excess of a unitholder's accrued gain is expected to be distributed to unitholders as partial payment of their redemption price.

A unitholder may acquire securities in specie from the Emerge Fund on the redemption of units or on the termination of the Emerge Fund. The cost of any securities acquired by the unitholder from the Emerge Fund on the redemption of the units will generally be the fair market value of the securities at that time. Unitholders who redeem units are advised to confirm with the Manager the details of any distributions paid at the time of redemption and the fair market value of any securities received from the Emerge Fund, and are also advised to consult with their own tax advisers.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a unitholder and the amount of any net taxable capital gains realized or considered to be realized by the Emerge Fund and designated by the Emerge Fund in respect of the unitholder is included in the unitholder's income as a taxable capital gain. One-half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

Alternative Minimum Tax

Unitholders may be liable for alternative minimum tax in respect of Canadian dividends and realized capital gains (including capital gains distributions received).

Taxation of Investors (Registered Plans)

A Registered Plan that holds units of the Emerge Fund, and the planholder of that Registered Plan, will generally not be subject to tax on the value of the units, income or capital gains distributed by the Emerge Fund to the Registered Plan, or a gain realized by the Registered Plan on the disposition of the units provided the units are qualified investments under the Tax Act for the Registered Plans and, in the case of the Registered Plans (other than deferred profit sharing plans), not a prohibited investment for the Registered Plan. Withdrawals from a Registered Plan may be subject to tax.

A Registered Plan may acquire securities in specie from the Emerge Fund on the redemption of units or on the termination of the Emerge Fund. The Registered Plan and annuitant, planholder or subscriber, as the case may be, of the Registered Plan will generally not be subject to tax on the value of those securities, income received by the Registered Plan from those securities or gains realized by the Registered Plan on the disposition of those securities, provided each of those securities is a qualified investment under the Tax Act for the Registered Plan at all times that the security is held by the Registered Plan and, the case of Registered Plans (other than deferred profit sharing plans), not a prohibited investment for the Registered Plan. Investors should consult with their own tax advisers for advice on whether or not such securities would be qualified investments and prohibited investments for their Registered Plans.

MATERIAL CONTRACTS

The only material contracts that have been entered into by the Emerge Fund are as follows:

- Declaration of Trust by the Manager, in its capacity as trustee, in respect of, among others, the Emerge Fund originally dated as of June 14, 2019, with amendments as of March 18, 2021, as described under "Management of the Emerge Fund"
- Management Agreement between the Manager and, among others, the Emerge Fund dated as of June 14, 2019, as amended and restated to date, as described under "Management of the Emerge Fund"
- Sub-Advisory Agreement between the Manager and Emerge Capital Management Inc. dated as of June 14, 2019, as amended to date, as described under "Management of the Emerge Fund"
- ARK Sub-Advisory Agreement between Emerge Capital Management Inc. and ARK dated as of October 24, 2018, as amended to date, as described under "Management of the Emerge Fund"
- Custodian agreement between the Manager, on behalf of, among others, the Emerge Fund, and the Custodian dated as of June 14, 2019, as amended to date, as described under "Management of the Emerge Fund".

Copies of the foregoing may be inspected during ordinary business hours on any business day at the principal office of the Manager.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Emerge Fund is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Emerge Fund.

CERTIFICATE OF EMERGE ARK SPACE EXPLORATION ETF, THE MANAGER AND THE PROMOTER

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 19th day of March, 2021.

**EMERGE CANADA INC.
as Trustee and Manager of the Emerge Fund**

(signed) "Lisa Langley"

LISA LANGLEY
Chief Executive Officer

(signed) "Desmond Alvares"

DESMOND ALVARES
Chief Financial Officer

On behalf of the Board of Directors of Emerge Canada Inc.

(signed) "Lisa Langley"

LISA LANGLEY
Director

(signed) "Desmond Alvares"

DESMOND ALVARES
Director

(signed) "Edward Collins"

EDWARD COLLINS
Director

**EMERGE CANADA INC.
as Promoter of the Emerge Fund**

(signed) "Lisa Langley"

LISA LANGLEY
Chief Executive Officer



ANNUAL INFORMATION FORM

Emerge ARK Space Exploration ETF

Emerge Canada Inc.

26 Wellington Street East, Suite 901, Toronto, Ontario M5E 1S2
Telephone: 1-833-363-7432
www.emergecm.ca

You can find more information about the Emerge Fund in the Emerge Fund's Simplified Prospectus, Fund Facts, ETF Facts, management report of fund performance, if any, and financial statements. For a free copy of these documents, call us toll-free at 1-833-363-7432 or ask your advisor. You may find these documents and other information about the Emerge Fund, such as material contracts, at www.emergecm.ca or at sedar.com.

