

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS

Initial Public Offering and Continuous Distribution

September 21, 2018

FBC Distributed Ledger Technology Adopters ETF

FBC Distributed Ledger Technology Adopters ETF (the “**ETF**”) is an open-end mutual fund trust established under the laws of British Columbia. This prospectus qualifies the distribution of Canadian-dollar-denominated units (the “**CAD Units**”) and U.S.-dollar-denominated units (the “**USD Units**”) of the ETF. The CAD Units and the USD Units are collectively referred to as “**Units**”.

The investment objective of the ETF is to achieve capital appreciation by investing, directly or indirectly, primarily in equity securities of companies located anywhere in the world that develop, invest in, use and/or supply distributed ledger technology, such as blockchain technology, in their business lines and/or operations, including to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy. See “Investment Objective”.

A majority of the assets of the ETF are invested in companies that adopt distributed ledger technology as a small part of their business operations. Only a limited proportion of the assets of the ETF are invested in companies that primarily derive their revenues from the development, design, licensing and/or support of distributed ledger technology.

First Block Capital Inc. (the “**Manager**” or “**First Block**”), the promoter of the ETF, is the trustee, the investment fund manager and the portfolio manager of the ETF. The Manager is responsible for the management and administration of the ETF, including managing and directing the investments of the ETF. See “Organization and Management Details of the ETF – Manager of the ETF”, “Organization and Management Details of the ETF – Trustee of the ETF” and “Organization and Management Details of the ETF – Portfolio Manager”. The Manager has retained StoneCastle Investment Management Inc. (the “**Sub-Advisor**”) to act as sub-advisor of the ETF. See “Organization and Management Details of the ETF – Sub-Advisor”.

Listing of Units

The ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued.

Units of the ETF have been conditionally approved for listing on Aequitas NEO Exchange Inc. (the “**NEO Exchange**”). Subject to satisfying the NEO Exchange’s original listing requirements in respect of the ETF, and a receipt being issued for the final prospectus of the ETF by the securities regulatory authorities, the Units will be listed on the NEO Exchange and offered on a continuous basis, and an investor will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides. The CAD Units will be listed on the NEO Exchange under the symbol FBCN and will trade in Canadian dollars, and the USD Units will be listed on the NEO Exchange under the symbol FBCN.U and will trade in U.S. dollars.

The ability to purchase USD Units in U.S. dollars is offered as a convenience for investors who wish to purchase using U.S. dollars and to receive sale or redemption proceeds in U.S. dollars. The USD 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 Units. Unitholders may redeem Units in any number for cash, for a redemption price of 95% of the closing trading price of the Units, subject to a maximum redemption price of the applicable NAV per Unit (defined below), or may exchange a minimum of a prescribed number of Units (and any additional multiple thereof) for cash. See “Redemption of Units”.

The ETF will issue Units directly to the Designated Broker and Dealers. The initial issuance of Units will not occur until the ETF has received, in aggregate, subscriptions sufficient to satisfy the NEO Exchange's original listing requirements.

Eligibility for Investment

In the opinion of Borden Ladner Gervais LLP, the Units of the ETF will be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") for a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, tax-free savings account, deferred profit sharing plan or registered disability savings plan (a "**Registered Plan**") at any time that the ETF qualifies or is deemed to qualify as a "mutual fund trust" for the purposes of the Tax Act or the Units are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the NEO Exchange. The ETF has applied to list its Units on the NEO Exchange.

A Unit of the ETF that is a qualified investment may nevertheless be a "prohibited investment" for a Registered Plan that is a registered retirement savings plan, registered retirement income fund, registered education savings plan, tax-free savings account, or registered disability savings plan. Generally, Units of the ETF will not be a prohibited investment under the Tax Act at any time for such Registered Plan unless the holder/annuitant/subscriber of the Registered Plan (together with non-arm's length persons and partnerships) holds Units having a fair market value of 10% or more of all the Units of the ETF. However, under a safe harbour for newly established mutual funds, the Units of the ETF will not be a prohibited investment under the Tax Act for such a Registered Plan at any time during the first 24 months of existence if at all times during that period the ETF qualifies or is deemed to qualify as a "mutual fund trust" under the Tax Act and either remains in substantial compliance with the requirements of NI 81-102 or follows a reasonable policy of investment diversification. Investors should consult their own tax advisors for advice on whether Units of the ETF would be prohibited investments for their Registered Plans.

In the case of a disposition of Units of the ETF by a Registered Plan in exchange for a Basket of Securities of the ETF or a distribution *in specie* on the termination of the ETF, the Registered Plan may receive securities. The securities so received may or may not be qualified investments for the Registered Plan and may or may not be prohibited investments for the Registered Plan. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments and not prohibited investments for their Registered Plans.

Additional Considerations

No Dealer or Designated Broker has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus and, as such, the Dealers and the Designated Broker do not perform many of the usual underwriting activities in connection with the distribution by the ETF of its Units under this prospectus.

Prospective investors should read carefully the risk factors described in this prospectus for a discussion of certain factors that should be considered prior to making an investment in Units. See "Risk Factors".

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

The ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada.

Documents Incorporated by Reference

Additional information about the ETF is available in the most recently filed ETF Facts, in the most recently filed annual financial statements, any interim financial report filed after those annual financial statements, the most recently filed annual management report of fund performance ("**MRFP**") and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See "Documents Incorporated by Reference" for further details.

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IMPORTANT TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

Administration Services Agreement – the agreement dated September 11, 2018 between the Manager and the Administrator, as the same may be amended or restated from time to time.

Administrator – RBC Investor Services Trust, in its capacity as administrator of the ETF, and its successors or assigns.

Basket of Securities – a group of securities selected by the Portfolio Manager or Sub-Advisor from time to time that collectively reflect the constituents of the portfolio of the ETF.

CAD Units – the Canadian-dollar-denominated units of the ETF.

Canadian securities legislation – the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities, as the same may be amended, restated or replaced from time to time.

CDS – CDS Clearing and Depository Services Inc.

CDS Participant – a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

CRA – the Canada Revenue Agency.

Custodian – RBC Investor Services Trust and its successors and assigns.

Custodian Agreement – the custodian agreement dated September 11, 2018 between First Block, on behalf of the ETF, and the Custodian, as the same may be amended or restated from time to time.

Dealer – a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the ETF, and that subscribes for and purchases Units from the ETF as described under “Purchases of Units – Issuance of Units”.

Declaration of Trust – the master declaration of trust establishing the ETF dated September 11, 2018, as the same may be amended or restated from time to time.

Designated Broker – a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of the ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to the ETF.

Distributed Ledger Technology or **DLT** – technology that permits information or data to be consensually shared and synchronized across multiple sites, institutions or geographies, and includes blockchain and other technology permitting the decentralization of databases.

distribution payment date – a date, which is no later than the tenth business day following the applicable distribution record date, on which the ETF pays a distribution to its Unitholders.

distribution record date – a date designated by the Manager as a record date for the determination of Unitholders entitled to receive a distribution from the ETF.

ETF – FBC Distributed Ledger Technology Adopters ETF, an investment trust established under the laws of British Columbia pursuant to the Declaration of Trust.

ETF Facts – a document that summarizes certain features of the CAD Units or the USD Units of the ETF.

GST/HST – the taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

IRC – the Independent Review Committee of the ETF.

Management Agreement – the management agreement dated September 11, 2018 between First Block, as Trustee of the ETF, and the Manager, as the same may be amended or restated from time to time.

Manager or First Block – First Block Capital Inc., a corporation incorporated under the laws of Canada, and, if applicable, its successors and assigns.

MRFP – management report of fund performance as defined in NI 81-106.

NAV and NAV per Unit – the net asset value of the ETF and the net asset value per CAD Unit or USD Unit, as the case may be, in each case calculated by the Administrator as described under “Calculation of Net Asset Value”.

NEO Exchange – Aequitas NEO Exchange Inc.

NI 81-102 – National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

NI 81-106 – National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

NI 81-107 – National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

Portfolio Manager – First Block Capital Inc., a corporation incorporated under the laws of Canada, and, if applicable, its successors and assigns.

Prescribed Number of Units – the number of CAD Units or USD Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Registered Plans – registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, deferred profit sharing plans and registered disability savings plans.

Registrar and Transfer Agent – AST Trust Company (Canada) and its successors and assigns.

securities regulatory authorities – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

SIFT Rules – rules in the Tax Act that are applicable to “SIFT trusts” and “SIFT partnerships” (as defined in the Tax Act).

Sub-Advisor – StoneCastle Investment Management Inc., in its capacity as sub-advisor of the ETF, and, if applicable, its successors and assigns.

Sub-Advisory Agreement – the sub-advisory agreement dated September 11, 2018 between the Portfolio Manager and the Sub-Advisor, as the same may be amended or restated from time to time.

Tax Act – the *Income Tax Act* (Canada) and the regulations issued thereunder, as amended, restated or replaced from time to time.

Trading Day – unless otherwise agreed by the Manager, a day on which a session of the NEO Exchange is held and the primary market or exchange for the securities held by the ETF is open for trading.

Trustee – First Block Capital Inc., in its capacity as trustee of the ETF, and, if applicable, its successors and assigns.

Unit – a redeemable, transferable unit of the ETF, which represents an equal, undivided interest in the ETF, and includes a CAD Unit and a USD Unit, and **Units** includes the CAD Units and the USD Units.

Unitholder – a holder of Units.

USD Units – the U.S.-dollar-denominated units of the ETF.

Valuation Date – each business day or any other day designated by the Manager on which the NAV and NAV per Unit is calculated.

Valuation Time – 4:00 p.m. (Toronto time) or such other time that the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Units of the ETF and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus. Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars.

| | |
|---------------------------------|--|
| Issuer: | FBC Distributed Ledger Technology Adopters ETF (the “ ETF ”). The ETF is an exchange-traded mutual fund established as a trust under the laws of British Columbia. First Block is the trustee, manager and portfolio manager of the ETF. |
| Units: | The ETF offers CAD Units and USD Units. |
| Continuous Distribution: | Units of the ETF are being offered on a continuous basis and there is no maximum number of Units that may be issued. Units of the ETF have been conditionally approved for listing on the NEO Exchange. Subject to satisfying the NEO Exchange’s original listing requirements in respect of the ETF, and a receipt being issued for the final prospectus of the ETF by the securities regulatory authorities, the Units will be listed on the NEO Exchange and offered on a continuous basis, and an investor will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides. The CAD Units will be listed on the NEO Exchange under the symbol FBCN and will trade in Canadian dollars, and the USD Units will be listed on the NEO Exchange under the symbol FBCN.U and will trade in U.S. dollars. The ability to purchase USD Units in U.S. dollars is offered as a convenience for investors who wish to purchase using U.S. dollars and to receive sale or redemption proceeds in U.S. dollars. The USD 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 Units. Investors may trade Units in the same way as other securities listed on the NEO Exchange, including by using market orders and limit orders. The ETF will issue Units directly to the Designated Broker and Dealers. From time to time, as may be agreed between a prospective purchaser and the Designated Broker or the Dealers, the Designated Broker and the Dealers may agree to accept securities as payment for Units from prospective purchasers. See “Purchases of Units – Issuance of Units” and “Purchases of Units – Buying and Selling Units”. |
| Investment Objectives: | The investment objective of the ETF is to achieve capital appreciation by investing, directly or indirectly, primarily in equity securities of companies located anywhere in the world that develop, invest in, use and/or supply Distributed Ledger Technology, such as blockchain technology, in their business lines and/or operations, including to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy. See “Investment Objectives”. |
| Investment Strategies: | The Manager and the Sub-Advisor believe that Distributed Ledger Technology, which includes blockchain technology, is a fundamental technology that will transform global commerce. Over the long run, the Manager and the Sub-Advisor expect that companies that adopt DLT in their businesses will outperform those companies that do not. The Manager and the Sub-Advisor believe that DLT represents a foundational shift in the economy, one which has the potential to |

dramatically reduce the costs of transactions and streamline business processes, such as managing complex supply chains. However, this transformation will take time to materialize. Companies need to invest effort and resources today in educating staff, targeting investments and developing/adopting proprietary applications unique to the firm's purposes. Those that are in the process of developing and/or adopting DLT will have a head start on those that have yet to engage with the technology or assess its implications for their businesses. By taking these steps now, the Manager and the Sub-Advisor are of the view that early adopters of DLT are positioning themselves for outperformance versus their peers.

The Manager has designed the ETF to provide investors with an actively managed, diversified portfolio primarily consisting of publicly-traded equity securities of companies located anywhere in the world that are adopters of Distributed Ledger Technology, such as blockchain technology, in their business lines and/or operations. Companies may develop, invest in, use and/or supply their own DLT and/or may develop, invest in, use and/or supply existing DLT, such as blockchain technology, to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy. This may include public companies in a number of business sectors that have adopted DLT and public technology-based companies that develop and supply DLT.

The ETF may also invest up to 25% of its net assets in publicly-traded equity securities of companies that are actively involved in, and are committing material resources to, the development, design, licensing and/or support of DLT, whether for their proprietary use or for the use by others.

See "Investment Strategies".

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 ETF. The ETF has obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of the ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

Other than as a result of any applicable exemptive relief obtained from the securities regulatory authorities, the ETF will comply with all applicable requirements of NI 81-102.

See "Purchases of Units – Special Considerations for Unitholders".

Risk Factors:

There are certain general risk factors inherent in an investment in the ETF, including:

An investment in Units is subject to certain risk factors, including:

- no assurances on achieving investment objective or earning a positive return;
- general risks of equity investments;
- general risks of foreign investments;
- risks associated with investing in issuers in the distributed ledger technology sector;
- concentration and volatility risk;
- illiquid securities risk;
- risk of security breaches;
- momentum pricing;
- potential intellectual property right claims;
- use of derivative instruments;
- securities lending risk;
- risks of short sales;
- no operating history;
- dependence on the Manager and key persons;

- fees and expenses;
- changes in applicable law;
- tax risk;
- currency risk;
- cyber security risk;
- subscription risk;
- trading price of Units risk;
- fluctuations in NAV risk;
- series risk;
- potential conflicts of interest;
- halted trading of Units risk;
- not a trust company;
- nature of Units; and
- no ownership interest.

See “Risk Factors”.

Income Tax Considerations:

Each year a Unitholder (other than a Registered Plan) is generally required to include in computing income for tax purposes the amount of any income and the taxable portion of any capital gains of the ETF distributed to the Unitholder in the year, whether or not the distribution is paid in cash or reinvested in additional Units. A Unitholder will generally realize 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.

See “Income Tax Considerations”.

Exchanges and Redemptions:

In addition to the ability to sell Units through a marketplace like the NEO Exchange, Unitholders may either (i) redeem Units in any number for cash for a redemption price of 95% of the closing trading price of the Units, subject to a maximum redemption price of the applicable NAV per Unit, or (ii) exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for Baskets of Securities and cash or, in certain circumstances, for cash or securities and cash.

See “Redemption of Units”.

Distributions:

Each year, the ETF intends to distribute a sufficient amount of its net income and net realized capital gains to Unitholders as is necessary to ensure that the ETF will not be liable for ordinary income tax. Such distributions will be paid in the form of CAD Units or USD Units, as applicable. Immediately following payment of any distribution, the number of CAD Units or USD Units outstanding, as the case may be, will be automatically consolidated, such that the number of CAD Units or USD Units outstanding after such distribution will generally be equal to the number of CAD Units or USD Units outstanding immediately prior to such distribution. The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.

See “Distribution Policy”.

Termination:

The ETF does not have a fixed termination date, but may be terminated by the Manager upon not less than 60 days written notice to Unitholders.

See “Termination of the ETF”.

Documents Incorporated by Reference:

Additional information about the ETF is available in the most recently filed ETF Facts, in the most recently filed annual financial statements, any interim financial report filed after those annual financial statements, the most recently filed annual MRFP and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager's website at www.firstblock.capital and may be obtained upon request, at no cost, by calling 604-669-5165 or by contacting a registered dealer. These documents and other information about the ETF are also publicly available at sedar.com.

See "Documents Incorporated by Reference".

Eligibility for Investment:

The Units of the ETF will be a qualified investment under the Tax Act for a Registered Plan at any time that the ETF qualifies or is deemed to qualify as a "mutual fund trust" under the Tax Act or that the Units are listed on a "designated stock exchange" within the meaning of the Tax Act, which includes the NEO Exchange.

Investors should consult their own tax advisors for advice on whether Units of the ETF would be a "prohibited investment" under the Tax Act for their Registered Plan in their particular circumstances.

See "Eligibility for Investment".

ORGANIZATION AND MANAGEMENT OF THE ETF

Manager:

First Block Capital Inc. is the investment fund manager of the ETF and is responsible for the administration and operations of the ETF. The registered office of the ETF and the Manager is located at 3318 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

See "Organization and Management Details of the ETF – Manager of the ETF".

Trustee:

First Block Capital Inc. is the trustee of the ETF pursuant to the Declaration of Trust and holds title to the assets of the ETF in trust for the Unitholders.

See "Organization and Management Details of the ETF – Trustee".

Portfolio Manager:

First Block Capital Inc. is the portfolio manager to the ETF. The Portfolio Manager provides, or causes to be provided, investment management services with respect to the ETF. The Portfolio Manager has the authority to appoint sub-advisors to provide investment management services in respect of the ETF.

See "Organization and Management Details of the ETF – Portfolio Manager".

Sub-Advisor:

The Portfolio Manager has retained StoneCastle Investment Management Inc. to act as sub-advisor to the ETF. The Sub-Advisor manages the investment portfolio of the ETF, provides analysis and makes investment decisions. The Sub-Advisor is a registered portfolio manager based in Kelowna, British Columbia.

See "Organization and Management Details of the ETF – Sub-Advisor".

Promoter:

First Block Capital Inc. has taken the initiative in founding and organizing the ETF and is, accordingly, the promoter of the ETF within the meaning of securities legislation of certain provinces and territories of Canada.

See "Organization and Management Details of the ETF – Promoter".

Custodian: RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is the Custodian of the assets of the ETF and holds those assets in safekeeping. The Custodian is entitled to receive fees as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the ETF.

See “Organization and Management Details of the ETF – Custodian”.

Registrar and Transfer Agent: AST Trust Company (Canada), at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Units of the ETF and maintains the register of registered Unitholders. The register of the ETF is kept in Toronto, Ontario.

See “Organization and Management Details of the ETF – Registrar and Transfer Agent”.

Auditor: MNP LLP, at its principal offices in Toronto, Ontario, is the auditor of the ETF. The auditor audits the ETF’s annual financial statements and provides an opinion as to whether they present fairly the ETF’s financial position, financial performance and cash flows. The auditor is independent of the Manager.

See “Organization and Management Details of the ETF – Auditor”.

Administrator: RBC Investor Services Trust, at its principal offices in Toronto, Ontario, has been retained as the administrator of the ETF. The Administrator is responsible for certain aspects of the day-to-day administration of the ETF, including NAV calculations, accounting for net income and net realized capital gains of the ETF and maintaining books and records with respect to the ETF.

See “Organization and Management Details of the ETF – Administrator”.

SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that an investor may have to pay if the investor invests in the ETF. An investor may have to pay some of these fees and expenses directly. The ETF will have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the ETF.

See “Fees and Expenses”.

Fees and Expenses Payable by the ETF

Type of Fee

Amount and Description

Management Fee:

The ETF pays a management fee, plus applicable taxes, to the Manager based on an annual rate of 0.75% of the NAV of the ETF. However, the Manager has agreed to waive a portion of the management fee equal to 0.10% per annum of the NAV of the ETF until February 28, 2019. As a result of this waiver, the effective management fee until February 28, 2019 will be 0.65% per annum. The management fee is calculated and accrued daily and paid monthly in arrears. The management fee payable by the ETF is subject to applicable taxes, including GST/HST.

Operating Expenses:

In addition to the management fee, the ETF pays for all of its operating expenses, including: (i) brokerage commissions, any related transaction fees and other costs of portfolio transactions; (ii) custodian fees, safekeeping fees, insurance fees, transfer agency fees, filing fees, listing fees, audit fees and legal expenses; (iii) fees under any derivative instrument used by the ETF; (iv) fees and expenses relating to the operation of the IRC; (v) costs of complying with regulatory requirements; (vi) fees and expenses charged by third party service providers; (vii) any termination costs that may be allocated by the Manager to the ETF; (viii) other fees and expenses incurred in connection with the operation and administration of the ETF; and (ix) any applicable taxes, including income, withholding or other taxes, and also including GST/HST on expenses.

Fees and Expenses Payable Directly by Unitholders

Type of Fee

Amount and Description

Other Charges:

An amount of up to 0.25% of the issue, exchange or redemption price, as the case may be, of the ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of a marketplace like the NEO Exchange. See “Purchases of Units” and “Redemption of Units”.

See “Fees and Expenses”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE ETF

The ETF is an exchange-traded fund established as a trust under the laws of the Province of British Columbia. The ETF has been established pursuant to the Declaration of Trust.

The ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada.

The principal office of the ETF and the Manager is located at 3318 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

INVESTMENT OBJECTIVES

The investment objective of the ETF is to achieve capital appreciation by investing, directly or indirectly, primarily in equity securities of companies located anywhere in the world that develop, invest in, use and/or supply Distributed Ledger Technology, such as blockchain technology, in their business lines and/or operations, including to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy.

INVESTMENT STRATEGIES

Principal Investment Strategies

The Manager and the Sub-Advisor believe that Distributed Ledger Technology, which includes blockchain technology, is a fundamental technology that will transform global commerce. Over the long run, the Manager and the Sub-Advisor expect that companies that adopt DLT in their businesses will outperform those companies that do not. The Manager and the Sub-Advisor believe that DLT represents a foundational shift in the economy, one which has the potential to dramatically reduce the costs of transactions and streamline business processes, such as managing complex supply chains. However, this transformation will take time to materialize. Companies need to invest effort and resources today in educating staff, targeting investments and developing/adopting proprietary applications unique to the firm's purposes. Those that are in the process of developing and/or adopting DLT will have a head start on those that have yet to engage with the technology or assess its implications for their businesses. By taking these steps now, the Manager and the Sub-Advisor are of the view that early adopters of DLT are positioning themselves for outperformance versus their peers.

The Manager has designed the ETF to provide investors with an actively managed, diversified portfolio primarily consisting of publicly-traded equity securities of companies located anywhere in the world that are adopters of Distributed Ledger Technology, such as blockchain technology, in their business lines and/or operations. Companies may develop, invest in, use and/or supply their own DLT and/or may develop, invest in, use and/or supply existing DLT, such as blockchain technology, to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy. This may include public companies in a number of business sectors that have adopted DLT and public technology-based companies that develop and supply DLT.

The ETF may also invest up to 25% of its net assets in publicly-traded equity securities of companies that are actively involved in, and are committing material resources to, the development, design, licensing and/or support of DLT, whether for their proprietary use or for the use by others.

Distributed Ledger Technology, which includes blockchain technology, is a shared ledger that is distributed across members by a decentralized network of independent computers. This network eliminates the need for third-party verification of transactions by providing a transparent and secure process to transfer and digitally record information via a distributed peer-to-peer computer network updated on a continual basis. Blockchain itself is comprised of "blocks" containing data, such as a transaction or an asset, and an algorithmic function that links it to the previous block. The joining of each successive block to its predecessor via this cryptographic process results in the creation of a "chain". In this manner, each member can determine the authenticity of a transaction by checking it against the previous transaction. If the majority of members do not agree, the transaction is rejected as invalid. The unique

cryptographic signature of each block makes the ledger an auditable, immutable history of all transactions in the chain. Blockchain networks may be either private or public. The former, also known as “permissioned blockchains”, are accessible only to those provided with explicit access to the network. The latter, also known as “permissionless blockchains”, require no such special privileges and are accessible to anyone.

The ETF will not have direct exposure to cryptocurrencies and will not participate in initial coin or token offerings; however, the ETF may invest in issuers that are exposed, directly or indirectly, to an investment in cryptocurrencies.

The ETF may hold cash or cash equivalents. The ETF does not currently hedge against fluctuations in any foreign currency relative to the Canadian dollar. However, it may do so the future.

Subject to securities legislation, the Manager may adopt and amend from time to time, in its sole discretion, the investment strategies of the ETF if the Manager determines that such changes are necessary or appropriate in the circumstances in order to achieve the investment objective of the ETF.

Investments in Underlying Funds

The ETF may, in compliance with NI 81-102, invest in securities of investment funds managed by the Manager or its affiliates, or by third parties. However, there will be no duplication of management fees charged in connection with such investments. See “Fees and Expenses – Fees and Expenses Payable by the ETF – Management Fee”.

Use of Derivative Instruments

Any use of derivative instruments by the ETF must be in compliance with NI 81-102 and any exemptive relief obtained by the ETF from the requirements of NI 81-102 and must be consistent with the investment objectives and investment strategies of the ETF.

The ETF may use forward contracts, futures contracts, options and/or swaps. A forward contract is an agreement entered into by two parties to buy or sell a specific amount of an asset at a specified point of time in the future at a predetermined price. A futures contract is like a forward contract, except that it is a standardized contract, with a futures exchange acting as an intermediary between the two parties. Options are securities transaction agreements that give the buyer the right (but not the obligation) to buy or sell the underlying asset at a fixed price in the future. Swaps are instruments that involve the exchange of assets (typically securities, cash flows, interest rates or currencies).

The ETF may invest in or use derivative instruments for hedging or for non-hedging purposes. For example, the ETF may use derivatives, such as forwards, futures, options or swaps, to gain exposure to a particular issuer or class of issuers in circumstances where it is determined that synthetic exposure would be preferable to a direct investment.

Securities Lending

The ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it. Currently, the Portfolio Manager does not expect to engage in securities lending transactions for the ETF.

Short Selling

In the future, the ETF may engage in short selling as permitted by securities legislation. The ETF may do so as a complement to its investment strategy in circumstances where the Sub-Advisor expects that the securities of an issuer will decrease in market value.

For Purposes of a Merger or other Transaction

For purposes of a merger, termination or other transaction, the ETF may hold all or a portion of its assets in cash or money market instruments. As a result, in these limited circumstances, the ETF may not be fully invested in accordance with its investment objectives and, in a rising market, there could be a negative impact on performance relative to other fully invested exchange-traded funds with a similar objective.

Surplus Cash Management

From time to time, the ETF may receive or hold surplus cash. The ETF may temporarily hold this cash or invest it in money market instruments. Alternatively, the ETF may use the cash to pay its operating expenses or to purchase additional equity securities.

OVERVIEW OF THE SECTORS IN WHICH THE ETF INVESTS

The ETF is an actively managed ETF that invests in the publicly-traded equity securities of companies actively involved in the development or utilization of transformational data sharing technologies. The ETF invests globally in companies that develop, invest in, use and/or supply distributed ledger technology, such as blockchain technology, in their business lines and/or operations, including to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy.

INVESTMENT RESTRICTIONS

The ETF is subject to certain restrictions and practices contained in securities legislation, including NI 81-102. The ETF is managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions obtained from the Canadian securities regulatory authorities. A change to the investment objective of the ETF would require the approval of the Unitholders. Please see “Unitholder Matters – Matters Requiring Unitholders Approval”.

The ETF is also restricted from making an investment or undertaking an activity that would result in the ETF failing to qualify as a “mutual fund trust” for the purposes of the Tax Act. In addition, the ETF may not invest in any property or engage in any undertaking that would cause the ETF to have “non-portfolio earnings” as defined in section 122.1 of the Tax Act in an amount that would result in the ETF paying a material amount of income tax.

Exemptions and Approvals

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

- the purchase by a Unitholder of more than 20% of the Units of the ETF without regard to the takeover bid requirements of applicable Canadian securities legislation; and
- to relieve the ETF from the requirement to include in the prospectus a certificate of an underwriter.

Additionally, certain dealers of the ETF, including the Designated Broker and Dealers, have received exemptive relief from the securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Facts of the ETF to a purchaser if the dealer does not deliver a copy of this prospectus. This relief will expire upon the coming into force of amendments to National Instrument 41-101 *General Prospectus Requirements*, which will codify the exemptive relief. Currently, the amendments are expected to come into force on December 10, 2018.

FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the ETF. An investor may have to pay some of these fees and expenses directly. The ETF will have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the ETF.

Fees and Expenses Payable by the ETF

Management Fee

The ETF pays a management fee to the Manager based on an annual rate of 0.75% of the NAV of the ETF. However, the Manager has agreed to waive a portion of the management fee equal to 0.10% per annum of the NAV of the ETF until February 28, 2019. As a result of this waiver, the effective management fee until February 28, 2019 will be 0.65% per annum. The management fee is calculated and accrued daily and paid monthly in arrears. The management fee payable by the ETF is subject to applicable taxes, including GST/HST.

The management fee compensates the Manager for providing, or arranging for the provision of, portfolio advisory and investment management services to the ETF in addition to the following services: (i) authorizing the payment of, and paying, the operating expenses incurred on behalf of the ETF; (ii) providing office space, facilities and personnel; (iii) preparing financial statements, financial and accounting information and tax returns as required by the ETF; (iv) 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; (v) ensuring that the ETF complies with regulatory requirements and applicable stock exchange listing requirements; (vi) preparing the ETF's reports, including interim and annual MRFPs, and delivering such reports to Unitholders and the securities regulatory authorities; (vii) determining the amount of distributions to be made by the ETF; (viii) communicating with Unitholders and calling meetings of Unitholders as required; (ix) ensuring that the NAV per Unit is calculated and published; (x) administering the purchase, exchange and redemption of Units; (xi) negotiating contractual agreements with third party providers of services, including the Designated Broker, the Dealers, the Custodian, the Registrar and Transfer Agent, the Administrator, the auditor, legal counsel and printers; and (xii) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the ETF.

The ETF may, in compliance with NI 81-102, invest in securities of investment funds managed by the Manager or its affiliates, or by third parties ("**Underlying Funds**"). If the ETF invests in an Underlying Fund managed by the Manager or an affiliate of the Manager, the management fee of the ETF will be reduced by the amount of the management fee that the manager of the Underlying Fund receives from the Underlying Fund for the ETF's investment in the Underlying Fund. If the ETF invests in an Underlying Fund managed by a third party and there are management fees payable by the ETF that would duplicate a fee payable by the Underlying Fund for the same service, then the management fee of the ETF will be reduced by the amount of the management fee that the manager of the third-party Underlying Fund receives from the Underlying Fund for the ETF's investment in the Underlying Fund.

To encourage very large investments in the ETF by a particular Unitholder, the Manager may, in its discretion, agree to charge the ETF a reduced management fee as compared to the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the ETF to the Unitholder as a management fee distribution. Management fee distributions will be paid first out of net income and net realized capital gains of the ETF and then out of capital. Any reduction will depend on a number of factors, including the amount invested, the NAV of the ETF and the expected amount of account activity. The tax consequences of a management fee distribution will generally be borne by the Unitholder who receives the distribution.

Operating Expenses

In addition to the management fee, the ETF pays for all of its operating expenses, including: (i) brokerage commissions, any related transaction fees and other costs of portfolio transactions; (ii) custodian fees, safekeeping fees, insurance fees, transfer agency fees, filing fees, listing fees, audit fees and legal expenses; (iii) fees under any derivative instrument used by the ETF; (iv) fees and expenses relating to the operation of the IRC; (v) costs of complying with regulatory requirements; (vi) fees and expenses charged by third party service providers; (vii) any termination costs that may be allocated by the Manager to the ETF; (viii) other fees and expenses incurred in connection with the operation and administration of the ETF; and (ix) any applicable taxes, including income, withholding or other taxes, and also including GST/HST on expenses.

To the extent the ETF holds securities of one or more Underlying Funds, the expenses incurred by such Underlying Funds in connection with its operations will be indirectly borne by the ETF in addition to those operating expenses incurred directly by the ETF.

Fees and Expenses Payable Directly by Unitholders

Other Charges

An amount of up to 0.25% of the issue, exchange or redemption price, as the case may be, of the ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of a marketplace like the NEO Exchange. See “Purchases of Units” and “Redemption of Units”.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that could adversely affect the ETF and/or an investment in the ETF. Prospective investors should consider these risks before purchasing Units.

No Assurances on Achieving Investment Objective or Earning Positive Return

There is no assurance that the ETF will achieve its investment objective or earn a positive return.

General Risks of Equity Investments

The value of equity securities in which the ETF may from time to time invest may fluctuate in accordance with changes in the financial condition of those equity security issuers, the condition of equity markets generally and other factors. The issuers and weighting of the equity securities held by the ETF also may change from time to time.

The ETF will be subject to the risks inherent in investments in equity securities, including the risk that the financial condition of the issuers in which the ETF invests may become impaired or that the general condition of the stock markets may deteriorate. Equity securities are susceptible to general equity market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic and banking crises. Certain of the issuers in which the ETF may from time to time invest may have limited operating histories. The value of the holdings of the ETF will be influenced by factors that are not within the control of the ETF, which may include the financial performance of the respective issuers, interest rates, exchange rates and the hedging policies employed by such issuers. The performance of issuers in which the ETF may invest also may be affected by the performance of their competitors and demand for specific products and services, and may be adversely affected by a change in any of such conditions.

General Risks of Foreign Investments

The ETF may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with equity investments, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when the ETF does not price its securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell Units. Information about corporations not subject to Canadian or American reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada or the United States and may not be subject to the same level of government supervision or regulation as would be the case in Canada or the United States.

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be

difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation. Dividends or distributions on the foreign securities held directly or indirectly by the ETF will be subject to any applicable foreign withholding taxes.

Risks Associated with Investing in Issuers in the Distributed Ledger Technology Sector

Distributed Ledger Technology is a relatively untested technology. As is the case for any untested technology, the risks associated with DLT may not emerge until the technology is widely used. Access to a particular DLT may require an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of DLT other than the intrinsic public nature of the technology. Any future regulatory developments could affect the viability and expansion of the use of DLT. Because DLT systems may operate across many national boundaries and regulatory jurisdictions, it is possible that this technology may be subject to widespread and inconsistent regulation. DLT is not a product or service that provides identifiable revenue for companies that implement or otherwise use it. Therefore, the values of the companies that are held by the ETF may not be a reflection of their connection to DLT, but may be based on other business operations. As DLT, such as blockchain, is currently associated with digital currencies, problems in digital currency markets could have a wider effect on companies associated with DLT. DLT also may never be implemented to a scale that provides identifiable economic benefit to the companies engaged in its development or use. There are currently a number of competing DLT platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives.

Concentration and Volatility Risk

The Portfolio Manager anticipates that the ETF will hold a diversified portfolio of publicly-traded equity securities consistent with the ETF's investment objective. A significant portion of the ETF's portfolio is expected to consist of equity securities of large, well established companies from a variety of industry and geographic sectors. However, from time to time, the ETF's portfolio may be concentrated in a particular issuer, sector, single country or region. Generally and as permitted under NI 81-102, concentration of investments allows a fund to focus on the potential of a particular issuer, sector, country or region. However, concentration also means that the value of the fund tends to be more volatile than the value of a more diversified fund because the fund's value is affected more by the performance of that particular issuer, sector, country or region. To the extent the ETF's investments are, from time to time, concentrated in a particular issuer, sector, country or region, it will be subject to concentration and volatility risk.

Illiquid Securities Risk

There is no assurance that an adequate market will exist for the securities held by the ETF. The ETF cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their respective net asset values, if applicable. If the market for a specific security is particularly illiquid, the ETF may be unable to dispose of such securities or may be unable to dispose of such securities at a reasonable price. In addition, if the Manager is unable, or determines that it is inappropriate, to dispose of some or all of the securities held by the ETF prior to the date of the termination of the ETF, Unitholders may, subject to applicable laws, receive distributions of securities *in specie* for which there may be an illiquid market. The ETF is, however, subject to the illiquid asset restrictions in NI 81-102.

Risk of Security Breaches

Security breaches, computer malware and computer hacking attacks are a prevalent concern for most businesses. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm the business operations of the issuers that the ETF invests in, which may result in a reduction in the price of the Units.

Momentum Pricing

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. The Manager believes that momentum pricing

of companies involved in the DLT sector has resulted, and may continue to result, in speculation regarding future appreciation in the value of the securities of such companies, inflating and making the market price of such securities more volatile.

Potential Intellectual Property Right Claims

Intellectual property rights claims may adversely affect the operation or use of distributed ledger technology. Regardless of the merit of any intellectual property or other legal action, any threatened action may impact the issuers held by the ETF and, as a result, the price of the Units.

Use of Derivative Instruments

The ETF may utilize derivative instruments from time to time in accordance with NI 81-102 as described under “Investment Strategies”. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include, without limitation:

- hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain;
- there is no guarantee that a market will exist when the ETF wants to complete the derivative contract, which could prevent the ETF from reducing a loss or making a profit;
- securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the ETF from completing the derivative contract;
- the ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and
- if the ETF has an open position in an option, a futures contract or a forward contract or a swap with a dealer or counterparty who goes bankrupt, the ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that dealer or counterparty.

Securities Lending Risk

The ETF may engage in securities lending in accordance with NI 81-102. Although it will receive collateral for the loans and such collateral will be marked-to-market, the ETF may be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Risks of Short Sales

While the ETF will not currently engage in short selling securities and will not maintain short positions, it may do so in the future. Any short sale of a security may expose the ETF to losses if the price of the security sold short increases because the ETF may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the ETF wishes to do so, thereby requiring the ETF to borrow the security elsewhere or purchase the security in the market at an unattractive price, which particularly may be the case with respect to illiquid securities as a lesser number of such securities will be available for borrowing and then only at a higher cost. In the event that numerous lenders of the security in the market simultaneously recall the same security, a “short-squeeze” may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

No Operating History

The ETF is a relatively newly organized investment fund with no previous operating history. There can be no assurance that an active public market for the Units will develop or be sustained after completion of the Offering.

Dependence on the Manager and Key Persons

Unitholders will be dependent on the ability of the Manager to effectively manage the ETF in a manner consistent with the investment objective and strategies of the ETF. The ETF relies upon the good faith and expertise of the Manager and other service providers of the ETF. If, for any reason, the Manager is unable or unwilling to continue to act as manager of the ETF, there could be significant adverse consequences to the ETF. The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the ETF's activities. The loss of such individuals for any reason could impair the ability of the Manager to perform its duties in respect of the ETF. In addition, as the Manager and its management have no meaningful history of operating a public investment vehicle like the ETF, their experience may be inadequate or unsuitable to manage the ETF, and the operations of the ETF may be adversely affected.

Fees and Expenses

The ETF is obligated to pay a fee to the Manager for its services, regardless of whether the ETF realizes a profit. In addition, the ETF is obligated to pay its operating expenses.

Changes in Applicable Law

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the ETF and its Unitholders.

Tax Risk

In order to qualify as a "mutual fund trust" under the Tax Act, the ETF must comply with various requirements contained in the Tax Act. If the ETF were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the current Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: becoming subject to alternative minimum tax; becoming subject to tax under Part XII.2 of the Tax Act; becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; and Units ceasing to qualify as "Canadian securities" for the purposes of the election provided in subsection 39(4) of the Tax Act.

The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more "non-portfolio properties" (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market ("**SIFT trust**"). Under the SIFT Rules, if the ETF were a SIFT trust it will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, "non-portfolio earnings" under the Tax Act). Unitholders who receive distributions from the ETF of this income and gain are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by the ETF on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Declaration of Trust requires the ETF to restrict its investments and activities so its non-portfolio earning and, thus, tax liability as a SIFT trust, are immaterial; however, no assurance can be given in this regard.

If the ETF experiences a "loss restriction event", it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the ETF's taxable income at such time to Unitholders so that the ETF is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the ETF will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the ETF, or a group of persons becomes a "majority-interest

group of beneficiaries” of the ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the ETF will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the ETF. Trusts that qualify as “investment funds”, as defined in the rules in the Tax Act, relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If the ETF were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

Currency Risk

The ETF invests in companies located anywhere in the world, so some of the ETF’s investments will be purchased and sold in foreign currencies. The ETF does not currently hedge against fluctuations in any foreign currency relative to the Canadian dollar. However, it may do so the future.

Cyber Security Risk

Cyber security risk is the risk of loss and liability to an organization resulting from a failure or breach of the information technology systems used by or on behalf of the organization and its service providers, including incidents resulting in unauthorized access, use or disclosure of sensitive, regulated or protected data. The use of the internet and information technology systems by the Manager, the ETF and their service providers may expose the Manager and the ETF to potential loss or liability arising from cyber security incidents.

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (e.g., employees, contractors, service providers, suppliers and operational risks) or external sources (e.g., nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include, but are not limited to, unauthorized access to information systems and data (e.g., through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (e.g., efforts to make network services unavailable to intended users).

A cyber incident that affects the ETF, the Manager or their service providers (including the Registrar and Transfer Agent, the Custodian and the Administrator) might cause disruptions and adversely affect their respective business operations (e.g., interference with the ability to calculate the ETF’s net asset value and impediments to trading, to Unitholder transactions with the ETF and to the ETF’s processing of transactions, including redeeming Units) and might also result in violations of applicable law (e.g., personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate, remediate and prevent cyber incidents.

The Manager has established an internal cybersecurity risk management program, risk management systems, and business continuity plan designed to prevent cyber incidents and to limit any loss or liability associated with cyber incidents. However, there is no assurance that these programs, systems and plans will be effective.

Subscription Risk

Subscriptions for Units by the Designated Broker and Dealers may impact the market for the securities held by the ETF, as the Designated Broker or Dealer seeks to buy or to borrow the securities to constitute the Baskets of Securities to be delivered to the ETF as payment for the Units to be issued.

Trading Price of Units Risk

Units may trade in the market at a premium or a discount to the applicable NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the ETF's NAV, as well as market supply and demand on the NEO Exchange or another exchange or marketplace.

Fluctuations in NAV Risk

The NAV per Unit of an ETF will vary according to, among other things, the value of the securities and financial instruments held by the ETF. The Manager and the ETF have no control over the factors that affect the value of the securities and financial instruments held by the ETF, including factors that affect the markets generally, such as general economic and political conditions, and other events.

Series Risk

The ETF offers more than one series of units. If one series of units is unable to pay its expenses or satisfy its liabilities, then the assets of the other series will be used to pay the expenses or satisfy the liability. This could lower the investment returns of the other series.

Potential Conflicts of Interest

The Manager and its directors and officers may engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the ETF. Although officers, directors and professional staff of the Manager will devote as much time to the ETF as is deemed appropriate to perform their duties, they may have conflicts in allocating their time and services among the ETF and the other funds managed by the Manager.

Halted Trading of Units Risk

Trading of Units on the NEO Exchange may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Units may also be halted if the Units are delisted from the NEO Exchange without first being listed on another exchange or if NEO Exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect Unitholders.

Not a Trust Company

The ETF is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

Nature of Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the ETF. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

No Ownership Interest

An investment in Units does not constitute an investment by Unitholders in the assets of the ETF. Unitholders will not own the assets held by the ETF.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The investment risk level of the ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the ETF's historical volatility as measured by the 10-year standard deviation of the returns of the ETF. As the ETF does not have any performance history, the 10-year standard deviation has been calculated by imputing the return history for a reference index. In the case of the ETF, the reference index is MSCI World Index and the risk rating is medium.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the ETF, as set out above, is reviewed annually and anytime it is no longer reasonable in the circumstances. The standardized risk classification methodology used to identify the investment risk level of the ETF is available on request, at no cost, by writing to the Manager at 3318 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

DISTRIBUTION POLICY

Each year, the ETF intends to distribute a sufficient amount of its net income and net realized capital gains to Unitholders as is necessary to ensure that the ETF will not be liable for ordinary income tax (after taking into account all available deductions, credits and refunds). Such distributions will be paid in the form of CAD Units or USD Units, as applicable. Any such distribution will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of any distribution, the number of CAD Units or USD Units outstanding, as the case may be, will be automatically consolidated, such that the number of CAD Units or USD Units outstanding after such distribution will be equal to the number of CAD Units or USD Units outstanding immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution.

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 ETF may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units.

Management fee distributions, if any, will be paid first out of the net income and net realized capital gains of the ETF and then out of capital.

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

PURCHASES OF UNITS

Continuous Distribution

Units of the ETF are being offered on a continuous basis and there is no maximum number of Units that may be issued.

Initial Investment in the ETF

In compliance with NI 81-102, the ETF will not issue Units to the public until subscriptions aggregating not less than \$500,000 have been received by the ETF from investors other than persons or companies related to the Manager or its affiliates and have been accepted by the ETF.

Designated Broker

The ETF has a Designated Broker. The Manager, on behalf of the ETF, has entered into a designated broker agreement with the Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to the ETF including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the NEO Exchange's

original listing requirements; (ii) to subscribe for Units when cash redemptions of Units occur as described under “Redemption of Units”; and (iii) to post a liquid two-way market for the trading of 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 Units of the ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the ETF. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the second Trading Day after the subscription notice has been deemed to be received.

Issuance of Units

To Designated Broker and Dealers

Generally, all orders to purchase Units directly from the ETF must be placed by the Designated Broker or Dealers. The ETF reserves the absolute right to reject any subscription order placed by the Designated Broker or a Dealer. No fees will be payable by the ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, an amount may be charged to the Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

After the initial issuance of Units to the Designated Broker to satisfy the NEO Exchange’s original listing requirements, on any Trading Day, a Dealer (who may also be the Designated Broker) may place a subscription order for the minimum of a Prescribed Number of Units (and any additional multiple thereof) of the ETF. If a subscription order is received by the ETF by the Valuation Time on a Trading Day, the ETF will issue to the Dealer a minimum of a Prescribed Number of Units (and any additional multiple thereof) based on the NAV per Unit determined on such Trading Day. If a subscription order is not received by the Valuation Time on a Trading Day, subject to the discretion of the Manager, the subscription order will be deemed to be received only on the next Trading Day.

For each Prescribed Number of Units issued, a Dealer must deliver payment consisting of, in the Manager’s discretion: (i) one 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 Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, 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 Units next determined following the receipt of the subscription order. In respect of USD Units, any cash component will be in U.S. dollars. Where a Dealer subscribes for a Prescribed Number of Units of the ETF and, with the consent of the Manager, makes payment, in whole or in part, in cash, the ETF may, at the Manager’s discretion, charge a fee to the Dealer that reflects the brokerage commissions, trading expenses and other costs and expenses that the ETF expects to incur in effecting portfolio transactions with such cash payment.

The Manager will make available to the Designated Broker and the Dealers information as to the Prescribed Number of Units and the Basket of Securities for the ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

To Designated Broker in Special Circumstances

Units may also be issued by the ETF to the Designated Broker in certain special circumstances, including when cash redemptions of Units occur as described under “Redemption of Units – Redemption of Units in any Number for Cash” or the ETF otherwise has cash that the Manager wants to invest.

Costs Associated with Issuances

An amount of up to 0.25% of the issue price of the ETF may be charged to Unitholders to offset certain transaction costs associated with the issuance of Units of the ETF.

To Unitholders

Units will be issued by the ETF to Unitholders on the automatic reinvestment of distributions as described under “Distribution Policy – Distributions”, and “Income Tax Considerations — Taxation of the ETF”.

Buying and Selling Units

Units of the ETF have been conditionally approved for listing on the NEO Exchange. Subject to satisfying the NEO Exchange’s original listing requirements in respect of the ETF, and a receipt being issued for the final prospectus of the ETF by the securities regulatory authorities, the Units will be listed on the NEO Exchange and offered on a continuous basis, and an investor will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides.

The ETF offers USD Units. USD Units are offered as a convenience for investors who wish to purchase with U.S. dollars and receive the proceeds of sale or redemption in U.S. dollars. The USD 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 Units. Investors may trade Units in the same way as other securities listed on the NEO Exchange, including by using market orders and limit orders. Unitholders may redeem Units in any number for cash, for a redemption price of 95% of the closing trading price of the Units, subject to a maximum redemption price of the applicable NAV per Unit, or may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for cash. See “Redemption of Units”.

The ETF will issue Units directly to the Designated Broker and Dealers.

From time to time, as may be agreed by a prospective purchaser and the Designated Broker and the Dealers, the Designated Broker and the Dealers may agree to accept securities as payment for Units from a prospective purchaser.

Purchase and redemption cash payments in respect of USD Units will be made in U.S. dollars.

Special Considerations for Unitholders

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 ETF. The ETF has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of the ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of the ETF at any time during which more than 10% of the property of the ETF consists of certain “taxable Canadian property” (as defined in the Tax Act). The Manager shall inform the Registrar and Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of the ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may, on behalf of such Unitholders, sell such Units and, in the interim, shall suspend the voting and distribution rights

attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager reasonably determines that the failure to take any such action would not adversely impact the status of the ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the ETF as a mutual fund trust for purposes of the Tax Act. Such action may include, without limitation, causing the ETF to redeem the Units of that Unitholder for a redemption price equal to their net asset value on the redemption date.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable Unitholders. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the ETF nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Units must look solely to CDS Participants for payment made by the ETF to CDS.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The ETF has the option to terminate registration of the Units through the book-entry only system, in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

REDEMPTION OF UNITS

Redemption of Units in any Number for Cash

On any Trading Day, Unitholders may redeem Units of the ETF in any number for cash at a redemption price per Unit equal to 95% of the closing trading price of the Units on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit. Because Unitholders 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, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered through a CDS Participant by 9:00 a.m. (Toronto time) on that day to the ETF at its head office or as the Manager may otherwise direct. If a cash redemption request is received after 9:00 a.m. (Toronto time) on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from the Manager.

A Unitholder that exercises this cash redemption right 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 be entitled to receive the applicable distribution in respect of those Units.

In connection with the redemption of Units, the ETF will generally dispose of securities or other assets in order to fund the required redemption proceeds. The redemption price paid to a Unitholder may include income and/or capital gains realized by the ETF. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The Manager reserves the right to cause the ETF to redeem the Units held by a Unitholder 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 ETF to do so.

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

Exchange of Prescribed Number of Units

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for Baskets of Securities, cash and/or securities and cash. To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the ETF at its head office or as the Manager may otherwise direct by the Valuation Time on a Trading Day. The exchange price will be equal to the aggregate applicable NAV per Unit of the Prescribed Number of Units on the effective day of the exchange request, payable by delivery of Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. In certain circumstances and only with the consent of the Manager, the exchange price may be paid fully in cash or in securities and cash. If the exchange price is paid only in cash, the Manager may, in its discretion, require the Unitholder to pay or reimburse the ETF for the trading expenses incurred or expected to be incurred by the ETF in connection with the sale by the ETF 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 USD Units, the cash payment will be in U.S. dollars.

If an exchange request is not received by the Valuation Time on a Trading Day, subject to the discretion of the Manager, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities, cash and/or securities and cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request.

The Manager will make available to the Designated Broker and the Dealers information as to the Prescribed Number of Units and the Basket of Securities for the ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

A Unitholder that 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 distribution record date will be entitled to receive the applicable distribution in respect of those Units.

If securities held in the portfolio of the ETF 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 a Unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

Characterization of Redemption or Exchange Amount

The exchange or redemption price paid to a Unitholder may include income and/or capital gains realized by the ETF. The remaining portion of the exchange or redemption price will be proceeds of disposition.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange and/or redemption of Units or the payment of the exchange or redemption price of the ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the ETF are listed and traded, if these securities represent more than 50% by value or

underlying market exposure of the total assets of the ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the ETF; or (ii) with the prior permission of the securities regulatory authorities. The suspension shall apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the official rules and regulations promulgated by any government body having jurisdiction over the ETF, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchanges and Redemptions

An amount of up to 0.25% of the exchange or redemption price of the ETF may be charged to Unitholders to offset certain transaction costs associated with the exchange or redemption of Units of the ETF.

Exchange and Redemption of Units through CDS Participants

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 Participants through which they hold Units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify the Manager or as the Manager 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 at this time, as the ETF is an exchange-traded fund that is primarily traded in the secondary market.

INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the ETF and for a prospective investor in the ETF who is a natural individual and for the purpose of the Tax Act, who is resident in Canada, holds Units of the ETF either directly as capital property or in a Registered Plan, is not affiliated with the ETF and deals at arm's length with the ETF. This summary is based on the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date of this prospectus (“**Tax Proposals**”) and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it 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 therefore consult their own tax advisors about their individual circumstances.

This summary is based on the assumption that the ETF will: (i) qualify or be deemed to qualify as a “mutual fund trust” under the Tax Act at all material times; (ii) not be a “SIFT trust” as defined in section 122.1 of the Tax Act at any time; (iii) not invest in any “offshore investment fund property” as defined in section 94.1 of the Tax Act; (iv) not invest 10% or more in an “exempt foreign trust” as described in section 94.2 of the Tax Act; (v) not invest in securities of an issuer that would be treated as a “foreign affiliate” or a “controlled foreign affiliate” of the ETF; and (vi) not enter into any arrangement where the result would be a “dividend rental arrangement” under the Tax Act. The Manager has advised counsel that it expects this to be the case and that these assumptions are reasonable.

Status of the ETF

This summary is based on the assumption that the ETF will qualify as a “mutual fund trust” under the Tax Act effective at all material times. If the ETF were not to so qualify as a mutual fund trust under the Tax Act throughout a taxation year, the ETF, among other things: (i) may become liable for alternative minimum tax under the Tax Act in such year; (ii) would not be eligible for capital gains refunds under the Tax Act for such year; (iii) may be subject to the “mark-to-market” rules described below; (iv) would be required to withhold on capital gains distributions made to Unitholders who are non-residents of Canada for purposes of the Tax Act; and (v) may be subject to a special tax under Part XII.2 of the Tax Act in such year.

If the ETF does not qualify as a mutual fund trust and more than 50% (based on fair market value) of the Units of the ETF are held by one or more Unitholders that are considered “financial institutions” for the purposes of certain mark-to-market rules in the Tax Act, then the ETF itself will be treated as a financial institution under those rules. As a result, the ETF will be required to recognize income for each taxation year during which it is a deemed financial institution on the full amount of any gains and losses accruing on certain types of securities that it holds, and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to Unitholders. If more than 50% of the Units of the ETF cease to be held by financial institutions, the tax year of the ETF will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the ETF and will be distributed to Unitholders. A new taxation year for the ETF will then begin and for that and subsequent taxation years, for so long as not more than 50% of the Units of the ETF are held by financial institutions or the ETF qualifies as a mutual fund trust, the ETF will not be subject to these mark-to-market rules. Initially, following the creation of the ETF, financial institutions will hold all the outstanding Units of the ETF.

Taxation of the ETF

The ETF 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 ETF 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 ETF’s assets. The capital gains refund for a particular taxation year may not completely offset the tax liabilities of the ETF with respect to capital gains for such taxation year, which may arise upon the sale or other disposition of securities in connection with the redemption of Units. The Declaration of Trust requires the ETF 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 ETF 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 ETF 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 ETF is generally required to include in the calculation of its income interest as it accrues and capital gains and losses when they are realized. The ETF is required to include in computing its income for each taxation year dividends received (or deemed to be received) by it in such taxation year on a security held in its portfolio. Foreign source income received by the ETF is generally received net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld are included in the calculation of the ETF’s income. Trust income that is paid or becomes payable to the ETF in a calendar year is generally included in income for the taxation year of the ETF that ends in the calendar year. Trust income paid or payable to the ETF by a Canadian-resident trust that is not a SIFT trust may have the character of ordinary property income, foreign source income, dividends received from a taxable Canadian corporation or capital gains.

In computing its income under the Tax Act, the ETF may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the rules in the Tax Act.

Gains or losses realized by the ETF on the disposition of securities held as capital property constitute capital gains or capital losses. Securities will generally be considered to be held by the ETF as capital property unless the ETF 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 Manager has advised counsel that the ETF purchases 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 its securities (other than gains and losses on certain derivative instruments) are capital gains and capital losses. Generally, a gain or loss from a cash settled option, futures contract, forward contract, total return swap and other derivative instrument is treated on account of income rather than as a capital gain or loss unless the derivative is used by the ETF as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the ETF.

The ETF will enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of portfolio securities. The cost and proceeds of disposition of securities and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the ETF may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Net capital losses and non-capital losses of the ETF for a taxation year cannot be allocated to Unitholders, but generally can be carried forward to be used to shelter income and capital gains of the ETF in future taxation years in accordance with the Tax Act. In certain circumstances, a capital loss realized by the ETF may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by the ETF 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 ETF (or a person affiliated with the ETF for 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.

The ETF generally may be subject to loss restriction rules at any time when a person, partnership or group becomes a “majority-interest beneficiary,” or a “majority interest group of beneficiaries”, as defined in the Tax Act, of the ETF, unless the ETF meets certain investment requirements and qualifies as an “investment fund” under the rules. A Unitholder will be a majority-interest beneficiary of the ETF at any time when Units held by that Unitholder and all persons with whom that Unitholder is affiliated represent more than 50% of the fair market value of the ETF. Each time the loss restriction rules apply, the taxation year of the ETF will be deemed to end and the ETF will be deemed to realize its capital losses. The ETF 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 losses will expire and may not be deducted by the ETF in future years. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of the ETF for each taxation year (including a taxation year that is deemed to end by virtue of the loss restriction rules) so that the ETF will not be liable for income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the ETF and the Units of the ETF are immediately consolidated to the predistribution NAV.

Taxation of Unitholders (other than Registered Plans)

Distributions

A Unitholder is required to include in the calculation of income for tax purposes, the Canadian dollar amount of any income and the taxable portion of any capital gains of the ETF that is paid or payable to the Unitholder in the year (including by way of management fee distributions), whether such amounts are paid in cash or reinvested in additional Units. The non-taxable portion of any capital gains of the ETF that is paid or payable to the Unitholder in the year is not included in the Unitholder’s income and, provided the ETF makes the appropriate designation on its tax return, does not reduce the adjusted cost base of the Unitholder’s Units of the ETF. 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 ETF may, and is expected to designate to the extent permitted by the Tax Act, the portion of the net income of the ETF distributed to Unitholders that may reasonably be considered to consist of net taxable capital gains realized or considered to be realized by the ETF. Any amount so designated is deemed for tax purposes to be received or realized by Unitholders in the year as a taxable capital gain. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, the ETF 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 (and not deducted) by the ETF. A loss realized by the ETF may not be allocated to, and may not be treated as a loss, of the Unitholders of the ETF.

Tax Implications of the ETF's Distribution Policy

A portion of the value of a Unit of the ETF may reflect income and capital gains accrued or realized by the ETF before the Unit was acquired by a Unitholder. In particular, this may be the case when Units are acquired shortly before a distribution. The income and taxable portion of capital gains paid or payable to a Unitholder must be included in the calculation of the Unitholder's income in the manner described above, even if it relates to a period before the Unitholder owned the Units.

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 USD 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 ETF held by the Unitholder at a particular time is the total amount paid for all Units of the ETF 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 ETF previously disposed of by the Unitholder. The adjusted cost base to a Unitholder of one Unit is the average adjusted cost base of all Units owned by the Unitholder as capital property at that time.

When a Unitholder disposes of a Unit of the ETF on the redemption of the Unit for cash or on the exchange of the Unit for Baskets of Securities and cash or securities and cash, the ETF may distribute income and capital gains to the Unitholder as partial payment of the redemption price or exchange price, as applicable. 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 or exchange price, as the case may be, for Units in determining the Unitholder's proceeds of disposition. The cost of any securities acquired by the Unitholder from the ETF on the exchange of Units will generally be the fair market value of the securities at that time. Unitholders who redeem or exchange 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 ETF, and are also advised to consult with their own tax advisors.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder (other than a Registered Plan) and the amount of any net taxable capital gains realized or considered to be realized by the ETF and designated by the ETF in respect of the Unitholder is included in the Unitholder's income as a taxable capital gain. One-half of a capital loss realized by a Unitholder may be deducted from the Unitholder's taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

International Information Reporting

Generally, investors will be required to provide their dealer with information related to their tax residency or citizenship and, if applicable, a foreign tax identification number. If an investor is identified as a U.S. citizen or a foreign (including U.S.) tax resident, additional details about the investor and their investment in the ETF will be reported to the CRA, unless the investment is held within a Registered Plan. The CRA is expected to provide that information to the relevant foreign tax authority if that foreign country has signed an exchange of financial information agreement with Canada.

Taxation of Registered Plans

A Registered Plan that holds Units of the ETF and the holder/annuitant/subscriber of that Registered Plan will generally not be subject to tax on the value of the Units or the income or capital gains distributed by the ETF or a gain realized on the disposition of the Units provided the Units are qualified investments for the Registered Plan and in the case of certain Registered Plans, not prohibited investments for the Registered Plan.

A Registered Plan may acquire securities from the ETF on the redemption of Units of the ETF or on the termination of the ETF. The securities so received may or may not be qualified investments for the Registered Plan and may or may not be prohibited investments for the Registered Plan. Investors should consult their own tax advisers for advice on whether or not such securities would be qualified investments and not prohibited investments for their Registered Plan.

ORGANIZATION AND MANAGEMENT DETAILS OF THE ETF

Manager of the ETF

First Block Capital Inc. is the investment fund manager of the ETF. The Manager is an investment firm established in March 2017 and is registered as an investment fund manager and exempt market dealer under applicable securities legislation in British Columbia, Ontario, Québec and Newfoundland and Labrador, and is registered as a portfolio manager under applicable securities legislation in British Columbia. The head office of the Manager is located at 3318 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

Duties and Services Provided by the Manager

Pursuant to the Management Agreement, the Manager has been appointed as the investment fund manager of the ETF and has the exclusive authority to manage the business and affairs of the ETF, to make all decisions regarding the business of the ETF and to bind the ETF. 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 ETF to do so.

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

- authorizing the payment of, and paying, the operating expenses incurred on behalf of the ETF;
- providing office space, facilities and personnel;
- preparing financial statements, financial and accounting information and tax returns as required by the ETF;
- 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 ETF complies with regulatory requirements and applicable stock exchange listing requirements;
- preparing the ETF's reports, including interim and annual MRFPS, and delivering such reports to Unitholders and the securities regulatory authorities;
- determining the amount of distributions to be made by the ETF;
- communicating with Unitholders and calling meetings of Unitholders as required;
- ensuring that the NAV per Unit for the CAD Units and the USD Units 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, the Dealers, the Custodian, the Registrar and Transfer Agent, the 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 ETF.

Details of the Management Agreement

Pursuant to 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 ETF 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 ETF 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 ETF 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 Tax Act 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 as described under "Fees and Expenses – Management Fee". The Manager and each of its directors, officers, employees and agents (the "**Indemnified Parties**") are indemnified by the ETF 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 ETF 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 ETF. 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 ETF) or from engaging in other activities. See "Conflicts of Interest" below.

Officers and Directors of the Manager of the ETF

The name and municipality of residence of each of the directors and executive officers of the Manager, and their principal occupations, are as follows:

| Name and municipality of residence | Office with the Manager | Principal occupation |
|--|--|---|
| Sean Clark Vancouver, British Columbia | Founder, Chief Executive Officer and Director | Founder, Chief Executive Officer and Director, First Block Capital Inc. |
| Marc van der Chijs West Vancouver, British Columbia | Founder, Corporate Development and Director | Founder, Corporate Development and Director, First Block Capital Inc. |
| William Stormont Vancouver, British Columbia | Chief Operating Officer | Chief Operating Officer, First Block Capital Inc. |

| Name and municipality of residence | Office with the Manager | Principal occupation |
|--|--------------------------|---|
| Michael Sorbo Burnaby, British Columbia | Chief Compliance Officer | Founder, WestCoast Compliance Solutions |

A description of the experience and background of each of the directors and executive officers of the Manager is set out below.

| Name | Experience and background |
|--|--|
| Sean Clark Founder, Chief Executive Officer and Director | <p>Sean Clark has significant experience in capital markets, fundraising, acquiring, merging and operating online companies at scale. Mr. Clark founded SHOEme.ca in 2012, which was sold in 2014 to Shoes.com, where he held the title of Chief Revenue Officer and helped the company achieve \$300,000,000 in annual revenue. Mr. Clark was responsible for all aspects of the company's sales, growth, corporate governance and financings. In addition, Mr. Clark previously served as Interim Chief Executive Officer of bitcoin miner, Hut 8 Mining Corp.</p> <p>As Chief Executive Officer of First Block, Mr. Clark is responsible for the overall management of the business and affairs of the firm and has been designated as its Ultimate Designated Person in connection with the firm's registration with Canadian securities regulators.</p> <p>Mr. Clark received his MBA from the University of British Columbia and was the winner of the 2016 EY Entrepreneur of the Year.</p> |
| Marc van der Chijs Founder, Corporate Development and Director | <p>Marc van der Chijs has been Managing Partner of venture capital firm CrossPacific Capital Partners for the past four years. During that time his main investments were in financial technologies, with a focus on bitcoin and Blockchain. He regularly speaks at bitcoin and Blockchain conferences and has a strong network in the cryptocurrency community. Among his current industry related roles, Mr. van der Chijs sits on the board of Emercoin. Before becoming a venture capitalist, Mr. van der Chijs spent over 13 years as an entrepreneur in China, where he co-founded China's leading online video site Tudou.com and online games company Spil Games Asia. He started his career at Daimler headquarters in Germany where he held several management positions in finance.</p> <p>Mr. van der Chijs has a Master's degree of Business Economics from Maastricht University, with a focus on corporate finance.</p> |

| Name | Experience and background |
|--|---|
| <p>William Stormont Chief Operating Officer and Portfolio Manager</p> | <p>William Stormont has worked in the financial services industry since 2000. He was a co-founder of Voyageur Capital/Private Investor, a boutique corporate advisory and consulting services firm that was founded in 2015. Before that, Mr. Stormont worked in the macro specialist sales group at Absolute Strategy Research, as the co-manager of a large equity fund at Henderson Global Investors in London and in equity research and sales with ABN Amro Bank in London. He has developed client/investor outreach programmes as a broker and fund manager.</p> <p>As Chief Operating Officer of First Block, Mr. Stormont is responsible for the oversight and management of the operations of the firm.</p> <p>As Portfolio Manager, Mr. Stormont is principally responsible for the development of investment policies and strategies, taking into consideration market and economic conditions, and the implementation of investment policies and strategies, including research, selection and portfolio construction.</p> <p>Mr. Stormont received his MBA from the University of British Columbia.</p> |
| <p>Michael Sorbo Chief Compliance Officer</p> | <p>Michael Sorbo has worked in the financial services industry for over 18 years. After starting at Wood Gundy in 1987, Mr. Sorbo held various positions at investment firms in the areas of accounting, fund management and trading. He then moved to the British Columbia Securities Commission in 1996 where he held a number of positions, including leading the Examinations Team. He also worked on the CSA Compliance Committee and implemented an educational outreach program.</p> <p>In 2014 Mr. Sorbo formed WestCoast Compliance Solutions, a consulting firm that provides compliance consulting services and training to registered firms.</p> <p>Mr. Sorbo is an alumni of Simon Fraser University, holds the professional designation of Chartered Financial Analyst (CFA) and is a Chartered Professional Accountant (CPA, CGA).</p> |

Portfolio Manager

First Block Capital Inc., a registered portfolio manager, is the Portfolio Manager of the ETF. Under the Management Agreement, the Portfolio Manager is responsible for providing, or causing to be provided, portfolio advisory and investment management services to the ETF and has the authority to engage the services of sub-advisors in connection with any investment advice and/or portfolio management services required by the ETF.

Sub-Advisor

StoneCastle Investment Management Inc. has been retained by the Portfolio Manager pursuant to the Sub-Advisory Agreement to provide all portfolio management services to the ETF. Established in 2001, the Sub-Advisor is a Kelowna-based investment management company that specializes in niche investment strategies managed by experienced investment managers with proven track records. The Sub-Advisor's infrastructure adheres to institutional standards with independent risk management and compliance, and well known third party service providers. The Sub-Advisor is registered as a portfolio manager under the securities laws of Alberta, British Columbia, Ontario and Saskatchewan, as an exempt market dealer under the securities laws of Alberta, British Columbia and Ontario and as an investment fund manager under the securities laws of British Columbia.

The individuals principally responsible for providing advice to the ETF on behalf of the Sub-Advisor are as follows:

| Name and Title | Years with the Sub-Advisor | Notes |
|--|----------------------------|---|
| Bruce Campbell President and Portfolio Manager | 10 years | Mr. Campbell has over 25 years of investment management experience. Prior to founding the Sub-Advisor, Mr. Campbell managed investments at a variety of bank-owned firms as well as large independent firms. Through the Sub-Advisor, Mr. Campbell oversees or manages a number of public investment funds. As a regular guest on Bloomberg Business News Network's Market Call and Market Call Tonight programs, he is a popular speaker at industry events and in the media. Mr. Campbell is member and founder of Decisive Dividend Corporation (TSX-V), a private equity focused acquisition corporation. He is currently a director of the Sub-Advisor and has been on the Audit committee since its inception in 2013. Mr. Campbell is a graduate of the University of Alberta with a Bachelor of Commerce degree specializing in finance. In addition, he holds multiple designations in investment management, including the Chartered Alternative Investment Analyst (CAIA) and the Chartered Financial Analyst (CFA) designation. Mr. Campbell is a past president of the Okanagan CFA society. |
| Jordan Youl Associate Portfolio Manager | 7 years | Jordan Youl is an Associate Portfolio Manager at the Sub-Advisor with 13 years of investment management experience. Jordan formerly traded proprietary capital as an equity trader for a major Canadian financial institution. He is a Chartered Investment Manager (CIM), a Level One candidate in the Chartered Financial Analyst (CFA) programme and has completed the certificate of Technical Analysis from the Canadian Securities Institute. |

Details of the Sub-Advisory Agreement

Under the terms of the Sub-Advisory Agreement, the Sub-Advisor is responsible for providing all necessary portfolio management services in respect of the ETF and for executing portfolio transactions on behalf of the ETF in compliance with the ETF's investment objective, strategies and restrictions.

The Sub-Advisor is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the ETF and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

During the term of the Sub-Advisory Agreement, the Sub-Advisor will not, directly or indirectly, provide investment advice to, or manage the assets of, any other investment fund governed by NI 81-102 with substantially similar investment objectives or strategies to those of the ETF, or that otherwise principally invest in, or gain exposure to, cryptocurrencies or issuers connected to the development or application of blockchain or similar technologies, without the prior written consent of the Portfolio Manager.

Pursuant to the Sub-Advisory Agreement, the ETF will indemnify the Sub-Advisor and its directors, officers and employees for any loss, expense or liability suffered or incurred in connection with the services provided by the Sub-Advisor under the Sub-Advisory Agreement, provided that the loss, expense or liability does not result from the wilful misconduct, bad faith, negligence or reckless disregard by the Sub-Advisor of its duties under the Sub-Advisory Agreement or otherwise from the breach of the Sub-Advisor's standard of care or a material breach or default of the Sub-Advisor's obligations under the Sub-Advisory Agreement.

The Portfolio Manager may terminate the Sub-Advisory Agreement: (i) upon 90 days' notice; (ii) if the Sub-Advisor commits a material breach of the Sub-Advisory Agreement and such breach is not cured within 30 days after notice thereof has been given to the Sub-Advisor by the Portfolio Manager; (iii) if there is a dissolution and commencement of winding-up of the Sub-Advisor; (iv) if the Sub-Advisor becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Sub-Advisor or a substantial portion of its assets; (v) if the Sub-Advisor has been subject to a change of control that has resulted in a change in senior investment staff, which the Portfolio Manager believes, on a reasonable basis, would result in a change in the Sub-Advisor's ability to perform its duties under the Sub-Advisory Agreement; (vi) if the assets of the Sub-Advisor have become subject to seizure or confiscation by any public or governmental organization; (vii) if the Sub-Advisor has lost any registration, permit, license or other authorization required by law to provide its services in accordance with the Sub-Advisory Agreement and applicable laws or is otherwise deemed unable to perform its services under the Sub-Advisory Agreement; or (viii) if the Sub-Advisor has breached its standard of care.

The Sub-Advisor may terminate the Sub-Advisory Agreement: (i) upon 90 days' notice; (ii) if the Portfolio Manager commits a material breach of the Sub-Advisory Agreement and such breach is not cured within 30 days after notice thereof has been given to the Portfolio Manager by the Sub-Advisor; (iii) if there is a dissolution and commencement of winding-up of the Portfolio Manager; (iv) if the Portfolio Manager becomes bankrupt or insolvent or make a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Portfolio Manager or a substantial portion of its assets; or (v) if the assets of the Portfolio Manager become subject to seizure or confiscation by any public or governmental organization.

If the Sub-Advisory Agreement is terminated, the Portfolio Manager may appoint a successor sub-advisor to carry out the portfolio management activities in respect of the ETF.

The Sub-Advisor is entitled to receive a fee from the Portfolio Manager for its services under the Sub-Advisory Agreement. This fee is paid by the Portfolio Manager and not by the ETF.

Brokerage Arrangements

The purchase and sale of portfolio securities is arranged by the Sub-Advisor through registered brokers or dealers. The Sub-Advisor has a regulatory obligation to make reasonable efforts to achieve best execution of those portfolio trades when acting for the ETF. Best execution refers to the most advantageous execution terms reasonably available under the circumstances.

The elements that the Sub-Advisor considers in determining the most advantageous execution terms reasonably available under the circumstances and the weight given to each can vary depending on the circumstances, including the needs of the ETF, the particular security and the prevailing market conditions. These elements include price, speed of execution, certainty of execution, overall cost of the transaction, the ability to preserve the confidentiality of the Sub-Advisor's trading strategy and the quality of any research services received. In assessing the overall cost of the transaction the Sub-Advisor includes, where appropriate, commission fees charged by a dealer, as well as all costs associated with accessing an order and/or executing a trade that are passed on to the ETF.

In addition to order execution goods and services, dealers or third parties may provide research goods and services, which include (i) advice relating to the value of securities and the advisability of effecting transactions in securities and (ii) analyses and reports concerning securities, portfolio strategy, issuers, industries, or economic or political factors and trends. Such goods and services may be provided by the executing broker-dealer directly.

The Sub-Advisor makes a good faith determination that the ETF receives a reasonable benefit from the use of research goods and services, if any, considering both the use of such services and the amount of brokerage commissions paid. Specifically, the Sub-Advisor determines allocation to broker-dealers based on a process that evaluates the broker-dealers' ability to provide best execution of trades on an aggregate basis over time, as described above, and the range and quality of research goods and services utilized.

Conflicts of Interest

First Block and the Sub-Advisor are each engaged in a range of business activities. The services provided by First Block in its capacity as Manager and Portfolio Manager under the Management Agreement are not exclusive and nothing in such agreement prevents First Block from providing similar services to other investment funds and other persons (whether or not their investment objectives, strategies and policies are similar to those of the ETF) or from engaging in other activities. Similarly, subject to the requirement to obtain the prior consent of the Portfolio Manager in respect of certain activities as described above under “Organization and Management Details of the ETF – Sub-Advisor – Details of the Sub-Advisory Agreement”, the services provided by the Sub-Advisor under the Sub-Advisory Agreement are not exclusive and the Sub-Advisor may provide similar services to other investment funds and other persons (whether or not their investment objectives, strategies and policies are similar to those of the ETF) or engage in other activities.

The Sub-Advisor’s investment advice regarding the securities held by the ETF from time to time will be made independently of the advice provided to its other clients and independently of its own investments. On occasion, however, the Sub-Advisor may decide on the same investment for the ETF and for one or more of its other clients. If the ETF and one or more of the other clients of the Sub-Advisor are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. See “Brokerage Arrangements”.

The Manager, the Sub-Advisor or their respective affiliates may act as the manager to other funds that may invest primarily in the same securities as the ETF from time to time invests and that may be considered competitors of the ETF. In addition, the directors and officers of the Manager, the Sub-Advisor or their respective affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the ETF may acquire securities or of corporations that act as the manager of other funds that invest primarily in the same securities as the ETF from time to time invests and that may be considered competitors of the ETF. The Manager, the Sub-Advisor or their respective affiliates may be managers or portfolio managers of one or more issuers in which the ETF may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the ETF. A decision to invest in such issuers will be made independently and without consideration of the relationship of the Manager, the Sub-Advisor or their respective affiliates with such issuers.

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

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the ETF of its Units under this prospectus. Units of the ETF do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the ETF to such Designated Broker or Dealers.

One or more registered dealers act or may act as the Designated Broker, a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest that investors should consider in relation to an investment in the ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the ETF 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 ETF, with the issuers of securities making up the investment portfolio of the ETF or with the Manager or any funds sponsored by the Manager, 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 may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager.

Independent Review Committee

NI 81-107 requires all publicly offered investment funds, including the ETF, to establish an independent review committee to whom the Manager must refer each conflict of interest matter for review or approval. NI 81-107 also

requires the ETF to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the independent review committee in carrying out its functions. The independent review committee is required to be comprised of three independent members and will be subject to requirements to conduct regular assessments and provide reports to the Manager and to Unitholders in respect of its functions.

The Manager has established an IRC in accordance with NI 81-107. The fees and expenses of the IRC are borne by the ETF.

Each member of the IRC is independent of the Manager, the ETF and any other party related to the Manager as the term is defined under NI 81-107.

The names of the members of the IRC are as follows:

Geoff Salmon (Chair of the IRC)
Lorna Calder Johnson
John Durfy

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 ETF;
- the compliance of the Manager and the ETF 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 will prepare a report, at least annually, of its activities for Unitholders. Such report will be available upon the Unitholder's request at no cost by calling the Manager at 604-669-5165, or by request to the Unitholder's dealer. Unitholders can also get a copy of such report on the Manager's website at www.firstblock.capital or by sending an e-mail request to info@firstblock.capital.

Each member of the IRC receives an annual retainer of \$6,000 (\$8,000 for the Chair). An additional fee of \$6,000 is paid in respect of each meeting required in excess of four per year, which amount is shared among the IRC members and the secretariat of 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.

Trustee

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

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 ETF will be terminated.

The Declaration of Trust provides that the Trustee shall act honestly, in good faith and in the best interests of the ETF 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 ETF pursuant to the Custodian Agreement. The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the ETF has securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon 12 months' written notice.

The Custodian is entitled to receive fees as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the ETF.

Auditor

The auditor of the ETF is MNP LLP, at its principal offices in Toronto, Ontario.

Registrar and Transfer Agent

AST Trust Company (Canada), at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Units of the ETF. The register of the ETF is kept in Toronto, Ontario.

Promoter

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

Administrator

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

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of the ETF are calculated by the Administrator as of the Valuation Time on each Valuation Date. The NAV of the ETF on a particular date is equal to the aggregate value of the assets of the ETF less the aggregate value of the liabilities of the ETF, including any accrued management fees and any income, net realized capital gains or other amounts payable to Unitholders on or before such date.

A separate net asset value is determined for each series of Units of the ETF. Canadian dollars is used as the base currency for the ETF for purposes of calculating the separate net asset value of each of the series of Units and any foreign-denominated assets or liabilities of the ETF are converted into Canadian dollars at the applicable rate of exchange on the date of calculation for purposes of calculating the net asset value of each of the series of Units of the ETF. The net asset value of the CAD Units is therefore expressed in Canadian dollars. The net asset value of the USD Units is calculated and expressed in U.S. dollars.

The NAV per Unit on any day is obtained by dividing the net asset value of the applicable series on such day by the number of Units of that series then outstanding. The NAV per Unit is expressed in Canadian dollars for CAD Units and in U.S. dollars for the USD Units.

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

Valuation Policies and Procedures of the ETF

The following valuation principles apply for purposes of determining the NAV of the ETF:

- the value of any cash on hand, on deposit or on call loan, prepaid expenses, cash dividends declared on an ex-dividend basis and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Administrator determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Administrator determines to be the fair value thereof;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on the Valuation Date at such times as the Administrator, in its discretion, deems appropriate. Short-term investments, including notes and money market instruments, shall be valued at cost plus accrued interest;
- the value of any security, index futures or index options that is listed on any recognized exchange shall be determined by the closing sale price at the Valuation Time or, if there is no closing sale price, the average between the closing bid and the closing asked price on the Valuation Date, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Administrator;
- the value of any security, the resale of which is restricted or limited shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the ETF's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the ETF shall be reflected as a deferred credit, which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV of the ETF. The securities, if any, that are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;
- the value of a futures contract or a forward contract shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- property of the ETF valued in a foreign currency and all liabilities and obligations of the ETF payable by the ETF in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Administrator, including, but not limited to, the Administrator or any of its affiliates;
- all expenses or liabilities (including fees payable to the Manager) of the ETF shall be calculated on an accrual basis; and
- for the purpose of calculating the net asset value of each series of Units of the ETF, the liabilities of that particular series of Units shall comprise the liabilities of the ETF that are attributable to that particular series plus its proportionate share of any common expenses of the ETF that are not allocated to any series of Units of the ETF.

The value of any security or property to which, in the opinion of the Administrator, the above valuation principles cannot be applied (because no price or yield equivalent quotations are available as provided above, the current pricing

option is not appropriate, or for any other reason), shall be the fair value as determined in such manner by the Administrator from time to time, provided that any change to the standard pricing principles as set out above shall require prior consultation and written agreement with the Manager.

Each portfolio transaction of the ETF will be reflected in the NAV of the ETF no later than the computation of the NAV of the ETF next made after the date on which the transaction becomes binding. The issue, exchange or redemption of Units of the ETF will be reflected in the computation of the NAV of the ETF next made after the computation made for the purpose of such issue, exchange or redemption.

Reporting of Net Asset Value

The Manager will publish the NAV and the applicable NAV per Unit for the ETF following the Valuation Time on the Valuation Date on its website at www.firstblock.capital.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

The ETF is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an equal, undivided interest in the ETF. The CAD Units are denominated in Canadian dollars and the USD Units are denominated in U.S. dollars.

On March 30, 2006, the *Income Trust Liability Act* (British Columbia) came into force. This statute provides that despite any express or implied indemnity of a trustee of a British Columbia income trust (as defined in the Act) by a beneficiary of the trust, the beneficiary is not, as a beneficiary, liable for any act, default, obligation or liability of the trustee. Under this Act, a “British Columbia income trust” means a trust that (a) exists under a trust instrument governed by the laws of British Columbia, and (b) is a reporting issuer under the *Securities Act* (British Columbia). The ETF exists under the Declaration of Trust which is governed by the laws of British Columbia and will be a reporting issuer under the *Securities Act* (British Columbia).

Certain Provisions of the Units

Each Unit of the ETF entitles the owner to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units of the ETF with respect to all distributions made by the ETF to Unitholders, other than management fee distributions and amounts paid on the exchange or redemption of Units. Units are issued only as fully paid and are non-assessable.

Exchange of Units for Baskets of Securities and Cash, Cash or Securities and Cash

On any Trading Day, Unitholders may submit an exchange request for a minimum of a Prescribed Number of Units (and any additional multiple thereof) for Baskets of Securities and cash, cash only or securities and cash. See “Redemption of Units – Exchange of Prescribed Number of Units”.

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem Units of the ETF in any number for cash at a redemption price per Unit equal to 95% of the closing trading price of the Units on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit. See “Redemption of Units – Redemption of Units in any Number for Cash”.

Modification of Terms

All rights attached to the Units of the ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the ETF or to create a new class or series of units of the ETF without notice to existing Unitholders of the ETF, unless such amendment in some way affects the existing Unitholders' rights or the value of their investment.

UNITHOLDER MATTERS

Meeting of Unitholders

Except as otherwise required by law, meetings of Unitholders of the ETF will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting.

Matters Requiring Unitholders Approval

Under the Declaration of Trust, Unitholders are entitled to vote on any matter that pursuant to Canadian securities legislation must be submitted to Unitholders for approval. NI 81-102 requires that Unitholders of the ETF approve the following:

- any change to the basis of the calculation of a fee or expense that is charged to the ETF or directly to its Unitholders if such change could result in an increase in charges to the ETF or its Unitholders, except where:
 - the ETF is at arm's length with the person or company charging the fee or expense;
 - the Unitholders have received at least 60 days' written notice before the effective date of the change; and
 - the right to notice described above is disclosed in the prospectus of the ETF;
- the introduction of a fee or expense, to be charged to the ETF or directly to its Unitholders by the ETF or the Manager in connection with the holding of Units of the ETF that could result in an increase in charges to the ETF or its Unitholders (which would not include expenses associated with complying with governmental or regulatory requirements introduced after the creation of the ETF);
- any change to the Manager, unless the new manager of the ETF is an affiliate of the Manager;
- any change to the fundamental investment objective of the ETF;
- the decrease in the frequency of the calculation of the ETF's NAV per Unit;
- the undertaking by the ETF of a reorganization with, or transfer of its assets to, another mutual fund, if the ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the ETF becoming securityholders in the other mutual fund, unless:
 - the IRC of the ETF has approved the change;
 - the ETF 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;
 - the Unitholders have received at least 60 days' written notice before the effective date of the change;
 - the right to notice described above is disclosed in the prospectus of the ETF; and
 - the transaction complies with certain other requirements of applicable securities legislation; and
- the undertaking by the ETF of a reorganization with, or acquisition of assets from, another mutual fund, if the ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders of the ETF and the transaction would be a material change to the ETF.

In addition, the auditor of the ETF 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.

Approval of Unitholders of the ETF of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the ETF duly called and held for the purpose of considering the same approve the related resolution.

Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust from time to time but may not, without the approval of a majority of the votes of Unitholders of the ETF voting at a meeting of Unitholders duly called for such purpose make any

amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders.

Unitholders are entitled to one vote per Unit held on the record date established for voting at any meeting of Unitholders.

Accounting and Reporting to Unitholders

The fiscal year end of the ETF is December 31. The ETF will deliver or make available to Unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

Each Unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the ETF owned by such Unitholder in respect of the preceding taxation year of the ETF.

The Manager will ensure that the ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the ETF during normal business hours at the offices of the Administrator. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the ETF.

Permitted Mergers

The ETF may, without Unitholder approval, enter into a merger or other similar transaction that has the effect of combining the ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the ETF, subject to:

- approval of the merger by the IRC;
- compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with any such merger, the merging funds will be valued at their respective net asset values and Unitholders of the ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

TERMINATION OF THE ETF

The ETF may be terminated by the Manager on at least 60 days’ notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate the ETF if the Trustee resigns or becomes incapable of acting and is not replaced. Upon such termination, the securities and derivative instruments held by the ETF, cash and other assets remaining after paying or providing for all liabilities and obligations of the ETF and any termination-related expenses payable by the ETF shall be distributed *pro rata* among the Unitholders of the ETF.

The rights of Unitholders to exchange and redeem Units described under “Redemption of Units” will cease as and from the date of termination of the ETF.

RELATIONSHIP BETWEEN THE ETF AND DEALERS

The Manager, on behalf of the ETF, may enter into various continuous distribution dealer agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units of the ETF as described under “Purchases of Units – Issuance of Units”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the ETF of its Units under this prospectus. The ETF has obtained exemptive relief from the Canadian securities regulatory authorities to relieve them from the requirement that this prospectus contain a certificate of the underwriter or underwriters.

PRINCIPAL HOLDERS OF SECURITIES OF THE ETF

CDS & Co, the nominee of CDS, is the registered owner of the Units of the ETF, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, more than 10% of the CAD Units or USD Units of the ETF may be beneficially owned, directly or indirectly, by one or more Designated Broker or Dealers.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has delegated the right and obligation to vote proxies relating to the securities in the portfolio of the ETF to the Sub-Advisor as part of the Sub-Advisor's portfolio management responsibilities. The Sub-Advisor will vote such proxies in accordance with its proxy policies and procedures described below.

The complete proxy voting record of the ETF 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 3318 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2, calling 604-669-5165 or by checking our website at www.firstblock.com.

Proxy Voting Policies and Procedures

The Sub-Advisor votes proxies for the ETF in accordance with the proxy voting policies and procedures adopted by it. In the case of both routine and non-routine matters, the Sub-Advisor will take reasonable steps to ensure that proxies are received and voted in accordance with the best interests of the ETF, which generally means voting proxies with a view to enhancing the value of the shares held in the ETF. The financial interest of the ETF is the primary consideration in determining how proxies should be voted. In the case of social and political issues that do not primarily involve financial considerations, the Sub-Advisor generally votes in accordance with the recommendations of management and/or a third-party advisor, although, on occasion, the Sub-Advisor abstains from voting on these issues.

The Sub-Advisor generally does not vote proxies when the cost of voting on a particular proxy proposal could exceed the expected benefit to the ETF. For example, voting proxies for shares of foreign stocks may involve significantly greater effort and corresponding costs, such as translation of proxy materials. Some countries have laws that prevent the Sub-Advisor from selling shares for a period of time before or after voting at a shareholder meeting. The Sub-Advisor may decide not to vote shares of foreign stocks subject to these restrictions when it believes the benefit from voting the shares is outweighed by the interest of maintaining client liquidity in the shares.

The Sub-Advisor is committed to resolving all conflicts in its clients' best interests. The Sub-Advisor will vote in a manner consistent with the best interests of the ETF. Possible resolutions of such conflicts may include: (i) voting in accordance with the guidance of an independent consultant or outside counsel; (ii) erecting information barriers around the person or persons making voting decisions; (iii) designating a person or committee to vote that has no knowledge of any relationship between the Sub-Advisor and the issuer, its officers or directors, director candidates, or proxy proponents; or (iv) voting in other ways that are consistent with the ETF's best interests.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

- Declaration of Trust;
- Management Agreement;
- Sub-Advisory Agreement; and
- Custodian Agreement.

Copies of the agreements referred to above may be inspected during business hours at the principal office of the Manager.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

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

EXPERTS

Borden Ladner Gervais LLP, legal counsel to the ETF and the Manager, has provided certain legal opinions regarding the principal Canadian federal income tax considerations that apply to an investment in the Units by a Canadian resident individual and by a Registered Plan. See “Income Tax Considerations” and “Eligibility for Investment”.

MNP LLP, the auditor of the ETF, has consented to the use of its report dated September 21, 2018. MNP LLP has confirmed that it is independent with respect to the ETF within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

EXEMPTIONS AND APPROVALS

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

- the purchase by a Unitholder of more than 20% of the Units of the ETF without regard to the takeover bid requirements of applicable Canadian securities legislation;
- to relieve the ETF from the requirement to include in the prospectus a certificate of an underwriter.

Other than as a result of any applicable exemptive relief obtained from the securities regulatory authorities, the ETF will comply with all applicable requirements of NI 81-102.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or if there is non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of Units of the ETF will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

During the period in which the ETF is in continuous distribution, additional information is available in:

- the most recently filed ETF Facts for each series of Units of the ETF, filed either concurrently with or after the date of the prospectus;
- the most recently filed comparative annual financial statements of the ETF, together with the accompanying report of the auditor;
- any interim financial reports of the ETF filed after those annual financial statements;
- the most recently filed annual MRFP of the ETF; and
- any interim MRFP of the ETF filed after the most recently filed annual MRFP.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. An investor can get a copy of these documents upon request and at no cost by calling the Manager at 604-669-5165 or by contacting a registered dealer.

These documents are available on the Manager's website at www.firstblock.capital and on the internet at **sedar.com**.

In addition to the documents listed above, any document of the type described above that are filed on behalf of the ETF after the date of this prospectus and before the termination of the distribution of the ETF are deemed to be incorporated by reference into this prospectus.

INDEPENDENT AUDITORS' REPORT

To the Trustee of FBC Distributed Ledger Technology Adopters ETF:

We have audited the accompanying statement of financial position of FBC Distributed Ledger Technology Adopters ETF, as at September 11, 2018 (date of formation), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the opening statement of financial position in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the statement of financial position based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of financial position present fairly, in all material respects, the financial position of FBC Distributed Ledger Technology Adopters ETF as at September 11, 2018 in accordance with International Financial Reporting Standards.

Toronto, Ontario
September 21, 2018

(signed) MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

**FBC DISTRIBUTED LEDGER TECHNOLOGY ADOPTERS ETF
STATEMENT OF FINANCIAL POSITION**

As at September 11, 2018

| | Note | |
|---|------|-------|
| Assets | | |
| Current assets: | | |
| Cash | | \$ 10 |
| | | \$ 10 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | | \$ - |
| Net assets attributable to redeemable unitholders | | \$ 10 |
| Represented by: | | |
| 1 CAD Unit | | \$ 10 |
| - USD Unit | | - |
| | | \$ 10 |

See accompanying notes to statement of financial position.

First Block Capital Inc., as trustee and manager of FBC Distributed Ledger Technology Adopters ETF:

“Sean Clark”
Director

“Marc van der Chijs”
Director

FBC DISTRIBUTED LEDGER TECHNOLOGY ADOPTERS ETF

Notes to Statement of Financial Position as at September 11, 2018

1. Operations:

FBC Distributed Ledger Technology Adopters ETF (the “ETF”) is an open-end mutual fund trust established under the laws of British Columbia. The ETF was established on September 11, 2018 pursuant to the master declaration of trust dated September 11, 2018, as the same may be amended or restated from time to time (the “Declaration of Trust”).

The investment objective of the ETF is to achieve capital appreciation by investing, directly or indirectly, primarily in equity securities of companies located anywhere in the world that develop, invest in, use and/or supply distributed ledger technology, such as blockchain technology, in their business lines and/or operations, including to increase operational efficiencies, optimize settlement processes, enhance customer experience and/or increase data security, integrity or privacy.

First Block Capital Inc. (the “Manager” or “Portfolio Manager”), the promoter of the ETF, is the trustee, the investment fund manager and the portfolio manager of the ETF. The Manager is responsible for the management and administration of the ETF, including managing and directing the investments of the ETF.

The registered office of the ETF is located at PO Box 49243, Four Bentall Centre, Suite 3318 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2.

2. Basis of preparation:

(a) Basis of accounting:

These financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

Statement of compliance:

These financial statements were approved and authorized for issue by the Manager on September 21, 2018.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis. (c) Functional and presentational currency:

The financial statements are presented in Canadian dollars, which is the ETF’s functional currency.

(d) Use of estimates:

The preparation of financial statements in conformity with IFRS requires the ETF to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. Significant accounting policies:

(a) Financial instruments:

The ETF elected to early adopt IFRS 9, “Financial Instruments” (IFRS 9) as issued by the International Accounting Standards Board (IASB) in July 2014. The new accounting policies have been applied from September 11, 2018. As these are the ETF’s first financial statements reported under IFRS, the adoption of IFRS 9 did not result in any transition adjustments being recognized as at September 11, 2018.

Recognition

Financial assets and financial liabilities are recognized on the statement of financial position when the ETF becomes a party to the contractual provisions of the instrument.

Classification

The ETF classifies its financial assets and financial liabilities in the following measurement categories: amortized cost and held for trading recognized through profit or loss. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are measured at amortized cost where the business model is to hold the financial asset to collect its contractual cash flows. Financial liabilities are classified to be measured at amortized cost. For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. The ETF reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The ETF classifies and measures financial assets on initial recognition as described below:

- Cash and cash equivalents are classified as and measured at amortized cost.
- Assets receivable are classified as and measured at amortized cost using the effective rate method, less any impairment allowance.
- Investments are classified as held for trading and measured at fair value through profit or loss.

Accounts payable and accrued liabilities and redemptions payable are classified as other financial liabilities and are measured at carrying amount.

Measurement

All financial instruments are initially measured at fair value. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amounts outstanding, are generally measured at amortized cost at the end of the subsequent accounting periods. Investments designated as held for trading are measured at fair value at the end of subsequent accounting periods, with changes recognized in profit or loss.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the ETF has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either the ETF has transferred substantially all the risks and rewards of the asset, or the ETF has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Fair value of financial instruments

The ETF primarily applies the market approach for recurring fair value measurements. Three levels of inputs may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included in Level 1 that are observable or can be corroborated by observable market data

Level 3 – unobservable inputs that are supported by no market activity

4. Unitholders entitlements:

The ETF is authorized to issue an unlimited number of redeemable, transferable units (“Units”), each of which represents an equal, undivided interest in the ETF. The CAD Units are denominated in Canadian dollars and the USD Units are denominated in U.S. dollars.

Each Unit of the ETF entitles the owner to one vote at all meetings of unitholders and is entitled to participate equally with all other Units of the ETF with respect to all distributions made by the ETF to unitholders, other than management fee distributions and amounts paid on the exchange or redemption of Units. Units are issued only as fully paid and are non-assessable.

On any trading day, unitholders may submit an exchange request for a minimum of a prescribed number of Units (and any additional multiple thereof) for baskets of securities and cash, cash only or securities and cash.

On any trading day, unitholders may redeem Units of the ETF in any number for cash at a redemption price per Unit equal to 95% of the closing trading price of the Units on the effective day of the redemption, subject to a maximum redemption price of the applicable net asset value (“NAV”) per Unit.

5. Management fees and expenses:

The ETF pays a management fee to the Manager based on an annual rate of 0.75% of the NAV of the ETF. However, the Manager has agreed to waive a portion of the management fee equal to 0.10% per annum of the NAV of the ETF until February 28, 2019. As a result of this waiver, the effective management fee until February 28, 2019 will be 0.65% per annum. The management fee is calculated and accrued daily and paid monthly in arrears.

In addition to the management fee, the ETF pays for all of its operating expenses, including: (i) brokerage commissions, any related transaction fees and other costs of portfolio transactions; (ii) custodian fees, safekeeping fees, insurance fees, transfer agency fees, filing fees, listing fees, audit fees and legal expenses; (iii) fees under any derivative instrument used by the ETF; (iv) fees and expenses relating to the operation of the independent review committee (“IRC”); (v) costs of complying with regulatory requirements; (vi) fees and expenses charged by third party service providers; (vii) any termination costs that may be allocated by the Manager to the ETF; (viii) other fees and expenses incurred in connection with the operation and administration of the ETF; and (ix) any applicable taxes, including income, withholding or other taxes, and also including GST/HST on expenses.

6. Commitments:

The ETF has entered in to the following agreements in respect of its future operations:

StoneCastle Investment Management Inc. (the “Sub-Advisor”) has been retained by the Portfolio Manager pursuant to the sub-advisory agreement dated September 11, 2018 between the Portfolio Manager and the Sub-Advisor, as the same may be amended or restated from time to time (the “Sub-Advisory Agreement”), to provide all portfolio management services to the ETF. The Sub-Advisor is entitled to receive a fee from the Portfolio Manager for its services under the Sub-Advisory Agreement.

Pursuant to the Declaration of Trust, the Manager is also appointed the trustee of the ETF (the “Trustee”). 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.

RBC Investor Services Trust (the “Custodian”) is custodian of the assets of the ETF pursuant to the custodian agreement dated September 11, 2018 between First Block, on behalf of the ETF, and the Custodian, as the same may be amended or restated from time to time. 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 ETF.

RBC Investor Services Trust (the “Administrator”) is the administrator of the ETF. The Administrator is responsible for certain aspects of the day-to-day administration of the ETF, including NAV calculations, accounting for net income and net realized capital gains of the ETF and maintaining books and records with respect to the ETF.

CERTIFICATE OF THE ETF, THE TRUSTEE, MANAGER AND PROMOTER

Dated: September 21, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

**FIRST BLOCK CAPITAL INC.
as Trustee and Manager of the ETF**

(signed) "Sean Clark"

Sean Clark
Chief Executive Officer

(signed) "Marc van der Chijs"

Marc van der Chijs
Founder, Corporate Development
in the capacity of Chief Financial Officer

On behalf of the Board of Directors of First Block Capital Inc.

(signed) "Sean Clark"

Sean Clark
Director

(signed) "Marc van der Chijs"

Marc van der Chijs
Director

**FIRST BLOCK CAPITAL INC.
as Promoter of the ETF**

(signed) "Sean Clark"

Sean Clark
Chief Executive Officer