



OWEMANCO

MORTGAGE TRUST

September 30, 2009

OFFERING MEMORANDUM

The securities described in this Offering Memorandum are offered for sale only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is it to be construed as, a public offering or advertisement of these securities. No securities commission or similar regulatory authority has reviewed this Offering Memorandum or in any way contemplated the merits of the securities offered hereunder and any representation to the contrary is an offence. The securities offered hereunder will be subject to resale restrictions imposed under the securities laws of the Province of Ontario.

Unit Offering and Exchange Offering

Owemanco Mortgage Trust (the "Trust")

Up to \$200,000,000 (200,000,000 Units)

The Trust is offering on a private placement basis a maximum of 140,000,000 Units at a price of \$1.00 per Unit (the "Unit Offering"). Each Unit represents an undivided beneficial interest in the assets of the Trust, which will principally be comprised of indirect interests in mortgage loans. See "The Trust". The Trust is also offering a maximum 60,000,000 Units as consideration to various clients of Ontario Wealth Management Corporation (the "Mortgage Manager") who may accept offers to transfer interests in certain outstanding mortgage interests managed by the Mortgage Manager in exchange for transferring such interests to the Owemanco Mortgage Limited Partnership (the "Partnership") as satisfaction for the Trust's subscription for units in the Partnership (the "Exchange Offering"). See "The Exchange Offering".

Summary

The Trust:

The Trust was settled as an unincorporated closed end investment trust under the laws of the Province of Ontario to invest in mortgages pursuant to a declaration of trust dated January 6, 2009 (the "Declaration of Trust"). The term of the Trust is indefinite, subject to certain conditions. See "The Trust".

The Partnership	Owemanco Mortgage Limited Partnership (the "Partnership") is a limited partnership formed under the laws of the Province of Ontario as of December 1, 2008. The Trust on closing will be the sole limited partner in the Partnership.
Objective:	The objective of the Partnership will be to provide its limited partner (and ultimately Unitholders) with an opportunity to participate in a portfolio of mortgage investments secured by real property in Ontario.
Eligibility for Investment:	Units of the Trust will be qualified investments under the Income Tax Act (Canada) (the "ITA") for RRSP's, RRIF's, RESP's, RDSP's and DPSP's, (each an "Exempt Plan") and TSFA's subject to limitations described herein.
The Mortgage Manager:	The mortgage manager retained by the Trust is Ontario Wealth Management Corporation (the "Mortgage Manager"). The directors and officers of the Mortgage Manager have extensive experience in mortgage lending including the origination, evaluation, management and servicing of mortgages and the operation of a mortgage brokerage company that is active in the mortgage market. On September 28, 2009, National Instrument 31-103 came into force. This Instrument introduces a new "investment fund manager" registration requirement. If it is determined that the Mortgage Manager, by providing ongoing administrative services to the Trust under the Trust Management Agreement, is acting as "investment fund manager", the Mortgage Manager intends to make application for registration as an investment fund manager in compliance with National Instrument 31-103.
The Trust Manager:	The Trust will initially engage Ontario Wealth Management Corporation to manage the day to day operations of the Trust together with any agents appointed by the Trust Manager.
General Partner:	Owemanco GP Inc. is an Ontario corporation owned by 32082857 Ontario Limited. The sole officer and director of the General Partner is Jonah Bonn.
Subscription:	Subscriptions will be received subject to acceptance or rejection in whole or in part. The right is reserved to close the subscription books at any time without notice.
Exchange Agreement:	Subscribers may subscribe for Units in the Exchange Offering by delivering an executed Exchange Agreement in the form provided with this Offering Memorandum to the Trust at the address shown in the Exchange Agreement.
Distributions:	The Trust intends to distribute, on a monthly basis, 100% of the Trustees' estimate of the amount of available cash which shall be calculated as set out under the heading "Distribution Policy" ("Distributable Cash").
Income Tax:	The income tax summary contained herein addresses the principal Canadian federal income tax considerations of an investment in Units ("Tax Commentary"). Subscribers are

cautioned that the Tax Commentary is a general summary only and does not constitute tax advice to any particular subscriber. The Tax Commentary identifies certain tax risks and contains assumptions, limitations, qualifications and caveats. **Prospective subscribers should review these risks, assumptions, limitations and caveats with their professional tax advisors and reach their own conclusion as to the merits and likely tax consequences of an investment in Units.**

Risk Factors:

There are certain risk factors pertaining to an investment in the Units as set out under the heading "Risk Factors".

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THE TRUST

The Trust was settled as an unincorporated investment trust under the laws of the Province of Ontario on January 6, 2009 pursuant to a declaration of trust (the "Trust Declaration"). The Trust intends to finance its activities by selling units and investing the Trust's funds in Partnership Units to allow the investment by the Partnership in mortgage loans. The Trust will continue in full force and effect so long as any property of the Trust is held by the Trustees and the Trustees retain the powers conferred on them by law or by the Declaration of Trust. Ontario Wealth Management Corporation is the manager of the Trust under a management contract. The principal place of business for the Trust is located at 2950 Keele Street, Suite 201, Toronto, Ontario M3M 2H2.

The Trust is intended to qualify as a "unit trust" and as a "mutual fund trust" under the provisions of the ITA. As such, the Trust intends to annually distribute substantially all of its net income and net realized capital gains, as distributions during each year or within ninety (90) days of its year-end. Net income for tax purposes may differ from accounting income due to the treatment of certain revenue and expense items under the ITA that is different from such treatment under generally accepted accounting principles.

The Trust Declaration provides for a minimum of two and a maximum of ten Trustees, the initial number of Trustees shall be three. Between annual meetings of Unitholders the Trustees may fill any vacancies that occur. Provided that Ontario Wealth Management Corporation remains the Manager, it shall have the right to appoint three Trustees.

Unless otherwise required by law, the Trustees will not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations under the Trust Declaration nor will the Trustees be required to devote their entire time to the investments, purpose or affairs of the Trust. The Trust Declaration limits the liability of the Trustees to the Trust and the Unitholders, restricting liability to gross negligence, willful misconduct or actual fraud by a Trustee. The Trust Declaration further provides an indemnity for each Trustee and officer of the Trust by the Trust and states that, in the exercise of the powers, authorities or discretion conferred upon the Trustees by the Trust Declaration or any other agreement, the Trustees are conclusively deemed to be acting as trustees of the assets of the Trust and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges, damages, penalties or expenses against or with respect to the Trust or the assets or property of the Trust and, without limiting the generality of the foregoing, the Trust will be solely liable therefore and resort will be had solely to the Trust assets for payment or performance thereof.

Trustees are entitled to receive such reasonable compensation, if any, as the Trustees may determine from time to time for their services as Trustees, including compensation for attending board or committee meetings. Trustees are also entitled to reimbursement of their reasonable out-of-pocket expenses incurred in acting as Trustees and to receive remuneration, as determined by the Trustees, for services rendered to the Trust in any other capacity, either directly or indirectly. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker or underwriter, whether performed by a Trustee or any person affiliated or associated with a Trustee.

Under the provisions of the Mortgage Management Agreement, a Trustee who is also a director, officer, employee or agent of the Manager will be paid such compensation, if any, by the Manager. Currently all of the Trustees are directors, officers or agents of the Manager.

TRUSTEES

The Trustees and their municipalities of residence and office with the Trust are set forth below.

Name	Municipality of Residence	Position with the Trust
Graham Tobe	Toronto	President
Warren Morris	Toronto	Vice President
Stephen Lidsky	Toronto	Secretary

Biographies of Trustees

Graham M. Tobe

Graham Tobe founded Ontario Wealth Management Corporation ("Owemanco") in 2001.

Prior to the formation of Owemanco, Mr. Tobe practiced business and real estate law for 18 years. In addition to arranging mortgages in his capacity as a solicitor, Mr. Tobe's law practice focused on mortgage enforcement and conveyancing.

Mr. Tobe currently serves as legal counsel to the Independent Mortgage Brokers Association ("IMBA") of Ontario.

Mr. Tobe studied economics at the University of Western Ontario from 1977 to 1979 and went on to obtain an LL.B. from Osgoode Hall Law School in 1982. He was called to the bar in 1984.

Warren Morris

Warren Morris has worked with Ontario Wealth Management Corporation as a mortgage agent since 2005 and is now a registered mortgage broker.

Prior to joining Owemanco Mr. Morris practiced as a lawyer, mediator, arbitrator, ombudsman and dispute resolution consultant.

Mr. Morris obtained his Bachelor of Laws from the University of Western Ontario in 1989 and was called to the bar in 1991. He also holds a Master of Laws from Osgoode Hall Law School at York University and is a Chartered Mediator.

Stephen Lidsky

Mr. Lidsky joined Owemanco as a mortgage agent in 2003 and assisted in formulating Owemanco's mortgage administration policies and procedures. Mr. Lidsky became a registered mortgage broker in 2007.

Prior to working at Owemanco, Mr. Lidsky was a mortgage specialist with Home Loans Canada, a subsidiary of CIBC.

Mr. Lidsky holds a B.A. from the University of Western Ontario and Masters Degree in Industrial Relations from the University of Toronto.

THE UNIT OFFERING

The Trust is offering (the "Unit Offering") a maximum of 140,000,000 Units at a price of \$1.00 per Unit, each of which shall represent an equal undivided interest in the Trust with all outstanding Units.

All Units outstanding from time to time shall participate, pro rata, in any distributions by the Trust and, in the event of the termination of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. No Unit shall have any preference or priority over any other. The Trust has not engaged an agent, underwriter or other investment dealer in connection with the Offering.

The Units will be offered on a "private placement" basis in the Province of Ontario in reliance upon exemptions from the prospectus requirements set out in National Instrument 45-106. On September 28, 2009 changes to the securities laws governing registration requirements and related exemption from the registration requirements came into force in Ontario. To the extent that the new registration requirements are found to be applicable to the Trust and/or its activities, the Trust will take the necessary steps to comply with such requirements.

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States. This document does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States.

THE EXCHANGE OFFERING

The Manager has reviewed the mortgages that it manages for the purposes of ascertaining mortgages eligible for exchange. Only first mortgages that are currently in good standing ("Eligible Mortgages") are eligible for exchange. The exchange price for each Eligible Mortgage will be approved by the Trustees. There will be no independent valuation of such Eligible Mortgages. An offer (the "Exchange Offer") will be made to clients of the Manager to exchange their interests in each Eligible Mortgage for Units in the Trust. Each client may choose whether or not to accept such Exchange Offer. Each client accepting the Exchange Offer must select which mortgages of his portfolio of Eligible Mortgages to be exchanged. Partial interests in Eligible Mortgages will not be exchanged. The entirety of an investor's interest in an Eligible Mortgage must be exchanged or omitted from the exchange. The interests in Eligible Mortgages that are accepted for exchange will constitute the Initial Mortgage Portfolio.

The closing of the Exchange Offering will be contemporaneous with the first closing of the Unit Offering.

Subsequent to the closing of the Exchange Offering, those interests in Eligible Mortgages that the Trust will acquire will be transferred to the Partnership in accordance with the terms of the exchange agreements. The exchange agreements are agreements to be entered into on or before the Exchange Closing between the Trust, the Partnership and various clients of the Manager whereby the Partnership will acquire interests in the Eligible Mortgages from such parties in exchange for Partnership Units.

As the response to the Exchange Offer is not yet known, at the time of this Offering the Trustees cannot determine which Eligible Mortgage or how much of an Eligible Mortgage will be transferred to the Partnership. Due to the nature of the offer being made, it is possible that partial interests in certain Eligible Mortgages may be transferred to the Trust and then to the Partnership. The General Partner has determined that each Eligible Mortgage meets the

objectives and investment policies of the Partnership. The Initial Mortgage Portfolio was initially sourced and underwritten by the Manager.

DESCRIPTION OF TRUST UNITS

Units are subject to the terms and conditions of the Trust Declaration. The statements in this Offering Memorandum concerning the Trust Declaration are intended to be only a summary of the provisions of the Trust Declaration and do not purport to be complete. A copy of the Trust Declaration will be provided to each prospective subscriber on request in writing to the Trustees. Prior to executing the subscription documents, each prospective purchaser should review with his, her or its advisors the provisions of the Trust Declaration for the complete details of these provisions and all other provisions thereof. All capitalized terms in this section not otherwise defined herein shall have the meaning as set out in the Trust Declaration.

Transfer of Units

A Unit may be transferred to any other person to the extent permitted under the Trust Declaration and only if in compliance with all applicable securities laws.

Residency of Unit Owner

The Trust needs to qualify at all times as a "unit trust" and "mutual fund trust" under the ITA and as such non-residents cannot become beneficial owners of more than 49% of the Units. The Trustees may require declarations as to the residency of Unitholders. If the ownership by non-residents is approaching 49% the Trustees reserve the right not to accept subscriptions for Units from non-residents.

Unitholder Redemption Rights

Subject to the conditions set out in the Declaration of Trust and summarized below, each Unitholder is entitled to require the Trust to redeem, at any time and from time to time, at the demand of the Unitholder, all or any part of the Units registered in the name of the Unitholder.

The 15th day of each month will be a redemption date ("Redemption Date"). If the 15th day of a month is not a Business Day, the Redemption Date for that month will be the next succeeding Business Day. In order to tender Units for redemption, a Unitholder must deliver to the Trustees (i) a duly completed and properly executed notice (the "Notice") requiring the Trust to redeem the Units, and (ii) the Unit Certificate(s) representing the Units to be redeemed, if applicable. No Notice shall be accepted by the Trustees unless such Notice is in all respects satisfactory to the Trustees and is accompanied by any evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such Notice. The Notice and the Unit Certificate(s), if applicable, must be received by the Trustees at least 30 days before a Redemption Date for a redemption to be considered for such Redemption Date. If the Notice and the Unit Certificate(s), if applicable, are not received by the Trustees at least 30 days before a Redemption Date, the Trustees will not be required to consider redeeming the Units until the next subsequent Redemption Date. The Trustees shall be entitled, in their sole discretion, to accelerate a Redemption Date specified by a Unitholder in a Notice.

All Notices shall be time and date stamped on receipt by the Trustees. **The Trustees will not be required to cause the Trust to pay the Unit Redemption Price (as such term is defined in the following paragraph) to a Unitholder for a Unit tendered for redemption on a particular Redemption Date if the aggregate amount payable on such Redemption Date by the Trust, its affiliates and subsidiaries, to Unitholders who have tendered their Units for redemption**

prior to such redemption request exceeds 1% of the aggregate Fair Market Value of Units (as defined in the Declaration of Trust) outstanding on the Valuation Date (as defined in the Declaration of Trust) immediately preceding such Redemption Date. If a Unitholder does not receive the Unit Redemption Price for a Unit tendered for redemption on a particular Redemption Date due to the application of the above referenced restriction, payment to such Unitholder shall be deferred to the next subsequent Redemption Date at which time the above referenced restriction shall again be applied. Payments shall be made to Unitholders in respect of Units tendered for redemption on a priority basis based on the time and date Notices are received by the Trustees. Additionally, the Trustees shall be entitled, in their sole discretion, to extend the time for payment of any Unit Redemption Price for a Unit tendered for redemption if, in the reasonable opinion of the Trustees, such payment would be materially prejudicial to the interests of the remaining Unitholders in the Trust.

The Unitholder will not cease to have rights with respect to the Units tendered for redemption until the Unit Redemption Price (as such term is defined below) for each such Unit has been paid in full. Subject to the following paragraph, the term "Unit Redemption Price" is defined as the price per Unit equal to the Fair Market Value of the Unit to be redeemed calculated as at the Valuation Date immediately preceding the Redemption Date on which the Unit is actually redeemed, plus the pro rata share of any unpaid distributions on such Unit which have been declared payable to Unitholders but remain unpaid as at the Redemption Date on which the Unit is actually redeemed to the extent such unpaid distributions are not otherwise included in the Fair Market Value of the Unit to be redeemed.

The Unit Redemption Price for a Unit tendered for redemption will be reduced by an amount equal to 2% of the original purchase price of the Units, if such Units are redeemed within 6 months of the date on which the Unitholder acquires Units in the Trust (the "Acquisition Date"), 1.5% of the original purchase price of the Units, if such Units are redeemed between 6 and 9 months of the Acquisition Date and 1% of the original purchase price of Units, if such Units are redeemed between 9 and 12 months of the Acquisition Date.

The Unit Redemption Price payable in respect of a Unit tendered for redemption will be paid in cash by direct deposit or cheque, drawn on a Canadian chartered bank or trust company in lawful money of Canada, payable at par to, or deposited to the account of the registered Unitholder of the Unit tendered for redemption, or payable or deposited as otherwise instructed in writing by such registered Unitholder. Cash payments of the Unit Redemption Price made by the Trust are conclusively deemed to have been made when deposited by direct deposit or upon the mailing of a cheque in a postage pre-paid envelope addressed to the payee unless such cheque is dishonoured upon presentment. Once the Unit Redemption Price for each Unit has been paid in full in accordance with the Declaration of Trust, the Trustees and the Trust will be discharged from all liability to the former registered Unitholder in respect of the Units so redeemed.

Trustees Redemption Rights

The Trustees may in their sole discretion at any time, by providing a written redemption notice to a Unitholder, redeem all or any of the Units held by such Unitholder at a price per Unit to be redeemed equal to the Fair Market Value of the Unit(s) to be redeemed, calculated as at the Valuation Date immediately preceding the redemption date (the "Calculation Time"), plus the pro rata share of any unpaid distributions thereon which have been declared payable to Unitholders but remain unpaid as at the Calculation Time to the extent same are not otherwise included in the Fair Market Value of the Unit(s) to be redeemed. As set out in the Trust Declaration, the Redemption Date is set by the Trustees and will be a date that is not less than 1 or more than 60 days from the date of the Notice, all in accordance with the conditions set out in the Trust Declaration. From and after the date of the Notice, the holder of the Units to be redeemed will be entitled to exercise any of the rights of a Unitholder in respect thereof until the Unit Redemption Price has been paid in full.

Distribution Policy

The Unitholders will have a right to receive, on or about the 15th day of each month (the "Distribution Date"), 100% of the Trustees' estimate of Distributable Cash of the Trust for the month.

If the Trustees are of the view that cash reserves should be provided for any ensuing period and determine that it would be in the best interests of the Trust and the Unitholders, the Trustees may reduce for any period the percentage of Distributable Cash to be distributed to Unitholders. Distributable Cash may reflect adjustments determined by the Trustees in their discretion and Distributable Cash may be estimated whenever the actual amount has not been fully determined. Distributions may be adjusted for amounts paid in prior periods if the actual Distributable Cash for the prior periods is greater than or less than the Trustees' estimates for the prior periods. The Unitholders will also have a right to receive on the Distribution Date after December 31st of each year:

- (a) the net capital gains (i.e. the capital gains for the taxation year less capital losses for that taxation year) of the Trust for the calendar year then ended; and
- (b) any excess of the net income of the Trust for purposes of the ITA over distributions otherwise made for the year.

Reinvestment Right

Subject to all applicable securities and other laws and the right of the Trustees to suspend or terminate such right in accordance with the Trust Declaration, a Unitholder has the right at any time and from time to time to purchase additional Units using the cash distributions allotted and payable to the Unitholder on account of the Units held by the Unitholder from time to time in accordance with the terms outlined in the Trust Declaration.

Register

The Register will be kept under the direction of the Trustees, which Register will contain the names and addresses of Unitholders, the respective number of Units held by them, the certificate numbers of the certificates representing such Units and a record of all transfers thereof. The Trustees may appoint an entity to act as transfer agents and to act as registrars for the Units and may provide for the transfer of Units in one or more places within Canada. The Register will at all reasonable times be open for inspection by the Trustees.

Only persons whose Units are recorded on the Register are entitled to vote, receive distributions or otherwise exercise or enjoy the rights of Unitholders. The Trustees will have the right to treat the person registered as a Unitholder on the Register of the Trust as the owner of such Units for all purposes.

Unit Certificates

Each Unitholder or their duly authorized agent is entitled to a certificate bearing an identifying number in respect of the Units held by him and signed in the manner prescribed in the Trust Declaration, but the Trustees are not bound to issue more than one certificate in respect of a Unit or Units held jointly or in common by two or more persons, and delivery of a certificate to one of them will be sufficient delivery to all. Notwithstanding the foregoing, it is the Trust's current administrative policy to issue a certificate to a Unitholder only upon receiving a written request for a certificate. The Trustees may establish a reasonable fee to be charged for every certificate issued or re-issued as the case may be. Notwithstanding the preceding paragraph, Units purchased by a Unitholder pursuant to the exercise of the Reinvestment Right will be recorded on

the Register in respect of that Unitholder. Unless a Unit Certificate representing such Units is otherwise requested by a Unitholder, a Unit Certificate in respect of whole Units only will be issued annually or on termination of the Reinvestment Right or its exercise in accordance with the Trust Declaration. In the event that any Unit certificate is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit certificate for the same number of Units in lieu thereof. The Trustees may, but need not, in their sole discretion, before the issuance of such new Unit certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees deem necessary and may require the applicant to provide to the Trust a "lost certificate bond" or similar bond in such reasonable amount as the Trustees direct, indemnifying the Trust and its agents for so doing.

Where any Certificate representing Units is registered in more than one name, the distributions (if any) in respect thereof may be paid to the order of all such holders failing written instructions from them to the contrary and such payment will be a valid discharge to the Trustees and any transfer agent of the Trust. In the case of the death of one or more joint holders, the distributions (if any) in respect of any Units may be paid to the survivor or survivors of such holders and such payment will be a valid discharge to the Trustees and any transfer agent of the Trust.

Information and Reports

By March 31st in each year the Trustees will forward to each Unitholder who was shown on the Register as a Unitholder at the end of the immediately preceding fiscal period such prescribed forms as are needed for the completion of Unitholders' tax returns under the ITA and equivalent provincial legislation. By June 30th in each year, subject to compliance with applicable laws, the Trustees will make available to each Unitholder who was shown on the Register as a Unitholder at the end of the immediately preceding fiscal period an annual report for the immediately preceding fiscal period containing: (a) audited financial statements of the Trust as at the end of and for the fiscal period, with comparative financial statements as at the end of and for the immediately preceding fiscal period, if any; and (b) such other information as, in the opinion of the Trustees, is material to the activities of the Trust. A copy of such materials will be provided to a Unitholder upon request in writing to the Trustees.

Also, prior to each meeting of Unitholders, the Trustees will provide to each Unitholder, together with the notice of the meeting, a form of proxy which can be used by a Unitholder to appoint a proxy, who need not be a Unitholder, to attend and act at the meeting on behalf of the Unitholder, in the manner and to the extent authorized by the proxy and all information required by applicable law.

The Trust will maintain at its principal office or at any other place in Canada designated by the Trustees, records containing: (i) the Trust Declaration; (ii) minutes of meetings and resolutions of Unitholders; (iii) the Trustees' regulations (if any); and (iv) the Register. The Trust will also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof subject to all applicable privacy and access to information laws in effect from time to time, a Unitholder may examine the Trust Declaration and any amendments thereto, any regulations adopted by the Trustees in accordance with the Trust Declaration, the minutes of meetings and resolutions of Unitholders and any other documents or records which the Trustees, in their sole discretion, determine should be available for inspection by such persons, during normal business hours at the principal office of the Trust.

MANAGEMENT OF THE TRUST

The operations of the Trust are subject to the control and direction of the Trustees. The Trust has retained Ontario Wealth Management Corporation (the "Trust Manager") to manage the day to day operations of the Trust.

The Trust Manager's duties will include, without limitation, conducting day to day relations with consultants, lenders, accountants, lawyers, and insurers; maintaining the books and financial records of the Trust; ensuring preparation of reports and other information required to be sent to Unitholders; preparation of all documentation relating to meetings of Unitholders; recommending suitable individuals for nomination as Trustees; providing office space and equipment and the necessary staff for the administration of the day-to-day operations of the Trust; supervising the administration on behalf of the Trust of the payment of interest and distributions from the Trust and supervising the processing and registration of subscription for and transfers of Units; and working with the Trust's auditors.

The Trust shall pay all expenses relating to the operations and activities of the Trust reasonably incurred by the Trust Manager in the performance of the duties of the Trust Manager. Additionally, the Trust Manager shall be entitled to a fee equal to the discount in the Redemption Price for any Units redeemed within 12 months of the date on which the Unitholder acquires Units in the Trust.

MANAGEMENT OF THE PARTNERSHIP

The operations of the Partnership are subject to the control and direction of the General Partner. The General Partner is Owemanco GP Inc.

The sole officer and director of the General Partner is Jonah Bonn. Mr. Bonn has been a mortgage agent with the Mortgage Manager since 2004. Prior to 2004 Mr. Bonn worked at a land development company based in Ottawa where he was responsible for managing the finances and planning functions for a portfolio of urban development parcels. Before that, he was employed as an auditor at KPMG Chartered Accountants LLP in Toronto. In 2009 Mr. Bonn was appointed to the Board of Directors of The Independent Mortgage Brokers Association of Ontario. Mr. Bonn attended the University of Ottawa from 1992 to 1997 where he earned his B.Sc. and B.A. degrees. He went on to earn a Masters degree in Management and Professional Accounting from the Rotman School of Management at The University of Toronto in 1999.

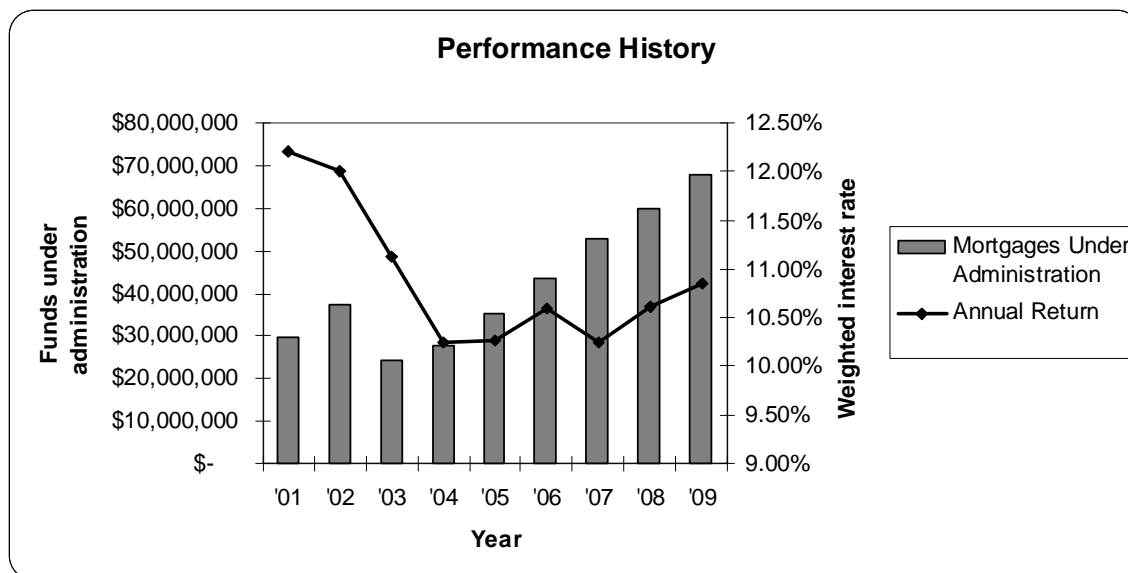
The provision and supervision of the Partnership's investments is carried out by the Mortgage Manager. The Partnership has retained Mortgage Manager to advise the Partnership and manage its operations in accordance with the Mortgage Management Agreement. The Mortgage Manager's head office is located at 2950 Keele Street, Suite 201, Toronto, Ontario M3M 2H2.

The Mortgage Manager was incorporated on February 20, 2001 under the laws of the province of Ontario. Since then the Mortgage Manager has been continuously active in the business of mortgage brokerage, mortgage syndication and the management of mortgage investments.

The following illustrates the growth of the mortgage portfolio under administration by the Mortgage Manager on the 30th day of September each year:

Year	Mortgages Under Administration	Annual Return	Annual Growth
'01	\$ 29,729,669	12.21%	N/A
'02	\$ 37,275,158	12.01%	25.4%
'03	\$ 24,466,304	11.13%	-34.4% ^{Note 1}
'04	\$ 27,463,085	10.24%	12.2%
'05	\$ 35,121,244	10.27%	27.9%
'06	\$ 43,599,515	10.60%	24.1%
'07	\$ 52,722,139	10.25%	20.9%
'08	\$ 60,059,631	10.62%	13.9%
'09	\$ 68,023,229	10.85%	13.3%

Note 1 Decrease in mortgage portfolio was due to departure of Tobe's business associate and related investors.



The Mortgage Manager's mortgage portfolio has consistently demonstrated liquidity as evidenced by the dollar value of mortgages discharged each year.

<u>Year</u>	<u>Mortgages Discharged</u>
2004	\$ 12,327,918.93
2005	\$ 17,191,835.32
2006	\$ 24,577,347.34
2007	\$ 16,278,383.35
2008	\$ 22,542,069.73
2009 ^{Note 2}	\$ 13,668,413.00

Note 2 For the 9 months ended September 30, 2009.

The Mortgage Manager is engaged until such time that the Partnership provides twelve months' notice of termination. The responsibilities of the Mortgage Manager include the following:

1. Advising the Partnership with respect to its investment policies;
2. Selecting mortgages for review by an investment committee (the "Investment Committee") and negotiating their origination or acquisition by the Partnership;
3. Arranging financing for the Partnership's operations;
4. Negotiating with other lenders to participate in mortgages; and
5. Administering the mortgages held by the Partnership.

The sole shareholder and director of the Mortgage Manager is Graham Tobe. The officers of the Mortgage Manager are Graham Tobe, President, and Jonah Bonn, Chief Operating Officer. The director and officers of the Mortgage Manager have extensive experience in mortgage lending including the origination, evaluation, management and servicing of mortgages and the operation of a mortgage brokerage company that is active in the mortgage market. See "Officers of the Trust" and "Portfolio Development".

Expenses and Management Fees

In consideration of the services provided by the Mortgage Manager, as described above, the Partnership will pay to the Mortgage Manager a monthly fee equal to 1/12th (one twelfth) of 0.75% of the total of the mortgage receivables plus the bank balance, if any, of the Partnership as of the last business day of each calendar month together with a monthly fee calculated to be equal to any discount charged on the redemption of Units in the preceding calendar month. This management fee may be subject to adjustment in accordance with the terms of the Mortgage Management Agreement.

The Mortgage Manager will earn mortgage brokerage fees on mortgages it arranges and presents to the Partnership generally being 2% of the principal amount regardless of term of each new mortgage and 1% of the principal amount per year for the renewal of each mortgage. Under the Mortgage Management Agreement, the Mortgage Manager is responsible for the employment expenses of its personnel, including but not limited to, salaries, wages and the cost of employee benefit plans and temporary help expenses, expenses of the trustees of the Trust who are directors, officers, employees or agents of the Mortgage Manager or an affiliate of the Mortgage Manager (except expenses incurred in attending meetings of Trustees or a committee appointed by the Trustees), costs associated with the sourcing and arranging of eligible investments for presentation to the Partnership, rent, telephone, utilities, office furniture and supplies, equipment and machinery and other office expenses of the Mortgage Manager and miscellaneous administrative expenses relating to the performance by the Mortgage Manager of its functions under the Mortgage Management Agreement.

The obligation of the Partnership to the Mortgage Manager will be secured by the Partnership General Security Agreement. The Trust has agreed to guarantee payment of the amounts owing to the Mortgage Manager from time to time by the Partnership under the terms of the Mortgage Management Agreement. Under the terms of the Guarantee, the Mortgage Manager is required to take reasonable steps to exercise its remedies against the Partnership before exercising its rights under the Guarantee. The Guarantee will be secured by the Trust General Security Agreement. See "Material Agreements".

Liability and Indemnity

The Mortgage Manager will only be liable to the Partnership, the General Partner or the Limited Partners of the Partnership by reason of acts constituting bad faith, willful misconduct or gross negligence in respect of its duties under the Mortgage Management Agreement. The Partnership has agreed to indemnify and hold harmless the Mortgage Manager, as well as its directors, officers, shareholders, employees, affiliates and agents, from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the foregoing, reasonable legal fees and expenses, arising from or in connection with any actions or omissions which the Mortgage Manager takes as Mortgage Manager under the Mortgage Management Agreement, provided that such action or omission is taken, or not taken, in good faith and without willful misconduct or gross negligence or is taken pursuant to and is in compliance with that agreement. This indemnity will survive the removal or resignation of the Mortgage Manager in connection with any and all of its duties and obligations under the Mortgage Management Agreement.

THE MORTGAGE PORTFOLIO

As at September 30, 2009 the Mortgage Manager's mortgage portfolio consisted of 80 Eligible Mortgages with a total principal balance of \$47,496,521.86. The Eligible Mortgages mature within 2 years of the settlement date of the Trust and have a weighted average interest rate of 10.39%. After deduction of the Mortgage Manager's administration fee on each mortgage, which currently is either 0.50% or 0.75%, the weighted average interest rate net to the investors is 9.79%.

The following is a list of the Eligible Mortgages as at September 30, 2009:

File	Borrower	Address	City	Principal	Interest Rate
3385	Boltonway Forming	45 Progress Court	Brampton	\$160,000.00	11.50%
3982	Little Valley Estate Ltd/Colluci	71 Peelar Road	Concord	\$325,000.00	10.50%
4441	Thorco Contracting Limited	1700 Midland, 3&11 Charlesworth	Toronto/Wiarton	\$255,000.00	10.50%
4821	Goldbright Trading Inc.	94 McNab Street North	Hamilton	\$375,000.00	11.50%
4822	Rosen Ridge Farms Ltd	40581 Moncrieff Rd	Blyth	\$250,000.00	10.50%
4930	L.C.E. Investments Ltd.	Lot 5 Dundas Street	Erin	\$80,000.00	10.75%
4976	Kneider Brothers Limited	176-180 Queen Street/130 Broad Street	Dunnville	\$183,170.15	10.00%
4992	David Budd	380 Concession 16,Walpole RR#1	Hagersville	\$202,000.00	9.75%
5002	Turcotte	14 Williamsburg Road Unit 12	Kitchener	\$75,000.00	9.50%
5007	Uddin	70 North Woodrow Boulevard	Toronto	\$120,000.00	10.50%
5029	Pineland Amusements Ltd.	3145 Conroy Road	Ottawa	\$600,000.00	10.50%
5074	1133029 Ontario Limited	1238 Mosley Street	Wasaga Beach	\$120,000.00	8.50%
5079	Gabor Horvath	6973 Seventh Line	Alliston	\$140,000.00	10.00%
5129	3993663 Canada Inc./City Limits Enterprises Inc.	17369 Cornwall Centre Road	Cornwall	\$350,000.00	11.50%
5186	1639329 Ontario Limited	2010 Dundas Street West	London	\$1,800,000.00	10.50%
5190	Cleave Management & Investment Services Ltd.	145 Farley Avenue	Belleville	\$151,501.72	12.00%
5206	Look Communications	8250 Lawson Drive	Milton	\$1,800,000.00	10.00%
5209	Homeland Developments/E&P Vahamaki	1632 King St./15 Wydlewood Court	Prince Albert/Scugog	\$315,000.00	10.50%
5223	J&G Soares/G. DaSilva	560 King Street West/11 Strathcona Avenue North	Hamilton	\$350,000.00	10.50%

5226	M. Seenivasagam	Units 38 and 39 5310 Finch Ave East	Toronto	\$175,000.00	9.75%
5244	W&L Oliver	1830 Oliver's Road/2 Choate Street	Cobourg/Port Hope	\$530,000.00	10.50%
5256	2121256 Ontario Inc.	210 Rutherford Road South/30 Stafford Road	Brampton/Mississauga	\$587,553.67	10.50%
5259	105 Schneider Properties Inc.	105 Schneider Road	Ottawa	\$2,800,000.00	9.50%
5266	1599861 Ontario Inc.	135 Marlee Avenue Unit 2302	Toronto	\$85,000.00	9.50%
5271	1168483 Ontario Inc/Pettit	1560 Triole Street	Ottawa	\$1,000,000.00	10.50%
5288	R.D. Strickland Inc./Osbourne	26 Sideroad 17	Erin	\$240,000.00	9.50%
5302	Marvin Holden	11656 Plank Road/397 Con 1	Eden/Langton	\$140,000.00	10.50%
5306	S. Trandovski	96 Ellice Street West	Fenelon Falls	\$100,000.00	10.75%
5307	Moe Zadeh	1810 Midland Ave/161 Bridge St	Toronto/Belleville	\$502,158.15	11.00%
5313	R&G Boyles	3701 Pollard Road	Hamilton	\$18,000.00	10.50%
5321	C&A Canejo	Multiple Properties	Hamilton	\$261,750.00	9.50%
5325	S. Incardona/E. Giacomini	6 Glen Hill Trail	Whitcurch-Stouffville	\$125,000.00	10.50%
5339	Wing Wah Cheung	6327 Roslyn Avenue	Ottawa	\$900,000.00	11.50%
5359	C&A Innisfil Beach Dev Corp & Carlos Canejo	828 Innisfil Beach Road	Innisfil	\$200,000.00	10.50%
5360	Carlos Canejo	1259 College Street	Toronto	\$400,788.17	10.00%
5362	Sidhu Agriculture Farm/ J&K Dhillon	6740 and 7404 Tremaine Road	Milton	\$1,300,000.00	10.50%
5364	Cindi and Kristi Sturgess-Newman	9695 Duff's Road/140 Myrtle Road West	Ashburn	\$750,000.00	9.50%
5367	Karen Leslie McCarthy	301 Lawrence Avenue East	Toronto	\$1,245,500.00	10.50%
5373	1616234 Ontario Inc./Charles and Tanya Lovricks	718314 First Line	Mulmur	\$475,000.00	10.00%
5377	Wildpine Holdings Inc., D. Kenneth Gibson	4 Wildpine Place	Ottawa	\$800,000.00	10.50%
5383	United Empire Farms and Linda Doty	543 Bayshore Drive, RR#1	Bath	\$400,000.00	10.50%
5385	David Oleson	1524 King Street West	Toronto	\$300,000.00	9.50%
5387	Tony and Antonella Gereige	1 Maiden Lane	Windsor	\$135,000.00	10.50%
5389	W&V Kuhendiran	480 Main Street	Listowel	\$840,000.00	10.50%
5391	Larry F. Johnson	70 Coleman Lane	Janetville	\$75,000.00	10.50%
5393	Keampa Property/Ross Alexander	3668 Homewood Lane	London	\$630,000.00	10.00%
5395	2174256 Ontario Inc./Jibril Ravo	202 Upper Mount Albion Road	Stoney Creek	\$130,000.00	10.50%
5400	1604945 Ontario Inc./K. Judge	283 Duke Street	Kitchener	\$1,200,000.00	10.50%
5403	Toronto Shiva Satsang Sabha	1270 Finch Avenue West Unit 17	Toronto	\$135,000.00	9.50%
5409	Spago's Restaurant/Alleva/Vitti/Moscardelli	690 Erie Street	Windsor	\$440,000.00	10.50%
5411	King City Holdings Ltd and Mel Dancy	Palmer Avenue	Belleville	\$300,000.00	10.00%
5412	Roman Kirpa	12 Albright Avenue	Toronto	\$303,750.00	10.50%
5414	Teresa Caracciolo	190 Marycroft Avenue Unit 4	Woodbridge	\$47,000.00	9.50%
5417	Fifteen St. Catharine Inc.	11-23 St. Catharine Street	St. Thomas	\$160,000.00	10.50%
5423	The Danforth Community Centre	3114 Danforth Avenue	Toronto	\$1,100,000.00	10.50%
5425	1713515 Ontario Limited/R. Christopher/K. Kelly/H. MacGregor	81 Walton Street	Port Hope	\$666,000.00	11.50%
5429	R&L McGarvey	1192 St. John's Road	Innisfil	\$90,000.00	10.50%
5430	Tripp Motors and Matt Smith	1120 Dupont Street	Toronto	\$1,000,000.00	9.75%
5432	Devco Group and Moe Zadeh	161 Bridge Street	Belleville	\$3,810,000.00	10.50%
5435	Beachfront Developments Inc. and Dov Levy	45-53,59 Beach Drive/30 Second Street	Wasaga Beach	\$3,600,000.00	10.50%
5447	Yoganathan Thanendran	80 Nashdene Road Unit 27	Toronto	\$61,750.00	10.25%

5455	The Kids Yard Inc.	18 Gormley Industrial Avenue	Gormley	\$2,100,000.00	10.75%
5458	Paul and Danielle Bisque and 1001 Eastern Holdings	1001 Eastern Avenue	Toronto	\$680,000.00	10.75%
5459	Bryan Jackson	27 Springfield Road	Ottawa	\$1,437,000.00	10.75%
5465	Barry and Cheryl Devereux	7389 Hwy 15	Carleton Place	\$325,000.00	10.25%
5466	Ronald Hitti and Ron-Dal Investments Limited	254 Adelaide Street West	Toronto	\$1,200,000.00	10.75%
5470	Concept Marketing and Prmotions/C. Best and R. Elstub	5100 South Service Road Units 22&23	Burlington	\$200,000.00	9.75%
5472	2200228 Ontario Limited/M&P Lacroix	74 Hanna Street West	Windsor	\$183,600.00	10.75%
5473	Wayne Halashewski	285 Queen Street	Woodstock	\$170,000.00	10.75%
5474	La Fondation Olangi Wosho	2586 St. Joseph Blvd	Ottawa	\$600,000.00	10.75%
5477	Dr Charles McFarlane	112 Huron Street	Stratford	\$210,000.00	9.75%
5478	2034665 Ontario Limited/v&P&A Giannopoulos	20 George St North/151 Zinnia Place	Brampton/Woodbridge	\$550,000.00	10.75%
5481	1643117 Ontario Inc. and Martin Zucker	1437 Middletown Road	Flamborough	\$650,000.00	10.75%
5487	Abraham Harper and Katherine Eliopoulos	376 Morrish Road	Toronto	\$215,000.00	10.50%
5488	1295326 Ontario Inc./Chapman	310 Louisa Street	Kitchener	\$105,000.00	12.00%
5489	1632671 Ontario Inc/S. Mahmood/I. Waraich	1625 Scugog Street	Port Perry	\$510,000.00	9.75%
5490	Ken Judd/Charles Sheppard/Accutrac Capital	74 Mississauga Street East	Orillia	\$325,000.00	10.75%
5491	Pembroke Residence Limited/M&M Dewji	117 Pembroke St.	Toronto	\$1,550,000.00	10.75%
5495	Eugenio Mario lenzi	183 Preston street	Ottawa	\$225,000.00	9.75%
5497	Robert Sheridan	77-79 & 87 King Street East	Brockville	\$550,000.00	10.75%
				\$47,496,521.86	

Dual Class Structure

The Trust intends to submit a request to the Canada Revenue Agency for an advance income tax ruling (a "Ruling Request") to provide for a dual class unit structure for the Trust. The two classes of units will enable the Trust to operate two mortgage pools under the umbrella of the Trust. If the Trust receives a favourable ruling then the Eligible Mortgages will be segregated into Pool A, which, thereafter, will consist only of first mortgage investments. A new mortgage pool, Pool B, will be established to invest in subordinated mortgages or mortgages that, in the opinion of the Mortgage Manager and the Investment Committee, have a higher degree of risk and accordingly, a higher yield. If such favourable ruling is obtained then the Declaration of Trust will require amendment which will need the approval of a vote of 2/3 of the Unitholders.

Investment Committee

An Investment Committee will be formed to review all mortgage commitments proposed by the Mortgage Manager for presentation to the Partnership. The Investment Committee shall consist of 3 Unitholders who each hold at least 250,000 Units in the Trust, either individually or through non-arm's length affiliation with other Unitholders. The Mortgage Manager will select a new Investment Committee every three months.

Each member of the Investment Committee will be compensated \$1,000 per month by the Partnership. The Partnership has agreed to indemnify and hold harmless the members of the Investment Committee, from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including without limiting the foregoing, reasonable legal fees and expenses, arising from or in connection with any actions or omissions

arising from the members fulfilling their duties. This indemnity will survive on change in the composition of the Investment Committee.

In the event that a member of the Investment Committee is either an agent of the Mortgage Manager sourcing the prospective mortgage investment or is an appraiser who has provided an opinion of value on the prospective mortgage, that member shall refrain from voting thereon and shall be replaced by a member selected by the Mortgage Manger.

In order to be accepted as an investment for the Partnership, each prospective mortgage will require majority approval by the Investment Committee.

Apart from participation in the Investment Committee, Unitholders have no right to take part in the management of, or the stated purpose of the Trust or the Partnership and the Trust will be bound by the decisions of the Trustees as provided in the Declaration of Trust. It would be inappropriate for investors who are unwilling to rely on the Trustees to this extent to subscribe for Units.

INVESTMENT POLICIES

The Partnership has adopted investment policies that are consistent with legislation governing the Partnership, the Trust, the ITA governing mutual fund trusts and the Declaration of Trust. The investment policies are as follows:

1. Mortgages, together with any prior ranking mortgages, will typically not exceed 65 % of the appraised value of a property.
2. Lending will be restricted to first or second mortgages. Second mortgages are not to exceed 20% of the total value of the mortgage portfolio.
3. Real Estate values will be established by qualified appraisers or realtors.
4. A majority of the mortgages will be on properties located in urban areas of Ontario, although mortgage loans may be secured on properties located elsewhere in Ontario.
5. If leverage is utilized then funds borrowed by the Partnership at a floating rate of interest must be matched or exceeded by mortgages issued at a greater floating rate of interest.
6. When advantageous to the Partnership, the Mortgage Manager may sell any of the mortgages held by the Partnership to other financial institutions and lenders.
7. Mortgages will typically have terms of one (1) or two (2) years.
8. The Partnership may participate in mortgages with other lenders on a syndicated basis.
9. The Partnership will not invest more than 10% of its capital in any single mortgage investment or with any single borrower other than to pay out a prior ranking security.
10. The Trust shall not make any investment, take any action or omit to take any action that would result in Units not being classified as units of a "mutual fund trust" within the meaning of the ITA, that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans, that would result in the Trust being liable under the ITA to pay a tax as a result of holdings by the Trust of foreign property as defined in the ITA, that would result in Units being foreign property for the purpose of the ITA or that would result in the Trust paying a tax under the registered investment provisions of the ITA for exceeding certain investment limits.

11. While not invested in mortgages, the funds of the Trust will be placed on deposit with banks or trust companies whose deposits are insured by the Canada Deposit Insurance Corporation.

PORTFOLIO DEVELOPMENT

Utilizing the services of the Mortgage Manager, the Partnership for the benefit of the Trust will develop its mortgage portfolio using the following activities:

1. Referral Sources

Origination of mortgages through referral sources such as Real Estate Agents and Brokers, Mortgage Agents and Brokers, Lawyers, Accountants, and previous borrowers.

2. Direct Origination

Origination of mortgages through direct negotiations with mortgage borrowers such as home builders, industrial and commercial developers and home owners, and those referred by financial institutions.

3. Purchases in the Secondary Market

Participation in the secondary market in which mortgages are bought and sold at market yields by financial institutions, investment dealers, pension funds and other investors.

4. Agency Origination

Participation in mortgages originated by other qualified market intermediaries.

The Mortgage Manager is responsible for managing the operations of the Partnership in accordance with the Partnership's investment policies and is responsible, among other things, for selecting mortgages for review by the Investment Committee and servicing the Partnership's mortgage portfolio as provided for under the heading "Management Agreement". Mortgages must be approved by the Partnership and the Investment Committee. The Partnership is responsible for establishing bad debt allowances.

BORROWING POLICIES

Borrowing

The Partnership and/or the Trust may from time to time borrow funds from entities other than the Trust with a view to obtaining a spread between the interest rate payable to the Partnership of the Mortgage investments made with the proceeds of such borrowings and the interest rate paid by the Partnership in respect of such borrowings. The Partnership and/or Trust may borrow to the extent that the Mortgage Manager, acting in accordance with the policies established by the Trustees and the General Partner, is satisfied that the borrowing and additional investments will increase the overall profitability of the Trust.

Debt obligations of the Trust and/or Partnership could bear both fixed and floating rates of interest as necessary to satisfy the matching requirements of the Trust. The Trust will fund its investments with equity, bank loans and fixed rate debt instruments.

Such borrowings are subject to the restriction that the total indebtedness from such entities may not exceed 20% of the book value of the Mortgages held by the Partnership as at the date of

drawdown of the borrowed funds and will be secured by a general security agreement forming a first charge over the Trust's mortgage portfolio. (see Risk Factors: Borrowing)

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Unitholder who acquires Units pursuant to this Offering and who, for the purposes of the ITA, is resident in Canada, holds the Units as capital property and deals at arm's length with the Trust. Units will generally be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Unitholders who would not otherwise hold Units as capital property may be entitled to make an irrevocable election under subsection 39(4) of the ITA to treat all "Canadian Securities", as defined in the ITA, which includes the Units, as capital property.

This summary is not applicable to: (i) a Unitholder that is a "financial institution", as defined in the ITA for purposes of the "mark-to-market" rules; (ii) a Unitholder an interest in which is a "tax shelter" or "tax shelter investment" as defined in the ITA; or (iii) a Unitholder that is a "specified financial institution" as defined in the ITA. Any such Unitholder should consult its own tax advisor with respect to an investment in Units.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the ITA in force as of the date hereof, all specific proposals to amend the ITA that have been publicly announced prior to the date hereof and the Trustees' understanding, based on publicly available published materials as of the date hereof, of the current published administrative and assessing policies of the Canada Revenue Agency ("CRA"). This summary assumes that any proposed amendments will be enacted in the form proposed; however, no assurance can be given that any proposed amendments will be enacted in the form proposed, if at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account any changes in the law, whether by legislative, governmental or judicial action, or any changes in the administrative policies and assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is based upon the assumption that the Trust will, at all times, qualify as a mutual fund trust within the meaning of the ITA. Further, this summary is based on the assumption that the Specified Investment Flow-Through ("SIFT") Tax Proposals will not apply to the Trust or the Partnership.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE UNITHOLDER. ACCORDINGLY, PROSPECTIVE UNITHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Mutual Fund Trust Status

It is intended that the Trust qualifies as a "unit trust" and as a "mutual fund trust" under the provisions of the ITA by March 31, 2010, and that an election under section 132(6.1) of the ITA will be made. This summary is based on the assumption that the Trust will qualify, at all times, as a "unit trust" and a "mutual fund trust" within the meaning of the ITA.

To qualify as a mutual fund trust at any particular time, a trust must meet the following conditions:

- (a) the trust must be a unit trust (as defined in the ITA) resident in Canada;
- (b) the only undertaking of the trust must be limited to the investing of funds in property (other than real property or an interest in real property), or the acquiring, holding, maintaining, improving, leasing or managing of real property (or an interest in real property) that is capital property of the trust, or any combination of such activities; and
- (c) the trust must comply with certain prescribed requirements (the "Distribution Requirements") including that the trust units be qualified for distribution to the public and that at all relevant times there must be no fewer than 150 beneficiaries of the trust, each of whom holds at least one block of trust units having an aggregate fair market value of not less than \$500 each (for these purposes, a block of units means 10,000 units).

In addition, in order to maintain its status as a mutual fund trust, the Trust cannot, and may not at any time, reasonably be considered to be established or maintained primarily for the benefit of non-resident persons unless, at all times, all or substantially all of its property consists of property other than certain taxable Canadian property. Proposed amendments released on September 16, 2004 would modify this provision. Under the proposed amendments, a trust would cease to qualify as a mutual fund trust if the fair market value of all Units held by non-residents or partnerships which are not "Canadian partnerships" is more than 50% of the fair market value of all issued and outstanding Units unless no more than 10% (based on fair market value) of the Trust's property is at any time "taxable Canadian property" within the meaning of the ITA and certain other types of specified property. On December 6, 2004, the Minister of Finance (Canada) (the "Minister") suspended implementation of these Tax Proposals pending further discussion with the private sector. Taking into consideration the anticipated investors in the Trust and the restriction on ownership of Units by non-residents, the Trustees do not anticipate that these Tax Proposals (if enacted as proposed) would lead to a loss of mutual fund trust status for the Trust. See "Description of Units - Limitation on Non-Resident Ownership" for more information.

If the Trust does not qualify or ceases to qualify as a mutual fund trust, the income tax considerations would, in some respects, be materially different from those described below.

SIFT Rules

With the Royal Assent of Bill C-52 on June 22, 2007, the ITA was amended to add rules (the "SIFT Rules") relating to the taxation of publicly-listed or traded trusts and partnerships. These rules are designed to ensure that those trusts and partnerships pay income tax at a rate that is equivalent to general corporate tax rates. The SIFT Rules apply to a SIFT trust and a SIFT partnership.

A trust or partnership will be a SIFT trust or a SIFT partnership, respectively, if, among other conditions, investments in the trust or partnership are listed or traded on a stock exchange or other public market. The SIFT Rules will not apply to the Trust or the Partnership provided that no unit, security or other interest is listed or traded on a stock exchange or other public market.

The Trustees do not intend to list or allow trading of Units of the Trust or any interest in the Partnership on a stock exchange or other public market. This summary assumes that the SIFT Rules will not apply to the Trust or the Partnership.

Taxation of the Trust

The Trust will be subject to tax under Part I of the ITA on the amount of its income for a taxation year, including the taxable portion of net realized capital gains. In computing its income for tax purposes, the Trust may deduct reasonable administrative expenses and 20% of its respective share of the total issue expenses of the Offering, prorated for any taxation year which is less than 365 days, to the extent that the expenses were not otherwise deductible in a preceding year. The taxation year of the Trust ends on December 31.

The Trust will be required to include or, subject to certain restrictions, will be entitled to deduct, in computing its income, its share of the net income or loss for tax purposes of the Partnership allocated to the Trust for the fiscal period of the Partnership ending in the Trust's taxation year or coinciding with the end of the Trust's taxation year, whether or not a distribution is received. In general, the Trust's share of any income or loss of the Partnership from a particular source will be treated in its hands as if it were also income from that source and any provisions of the ITA applicable to that type of income will apply to the Trust. See "Taxation of the Partnership" below.

Upon the actual or deemed disposition of a security held by the Trust as capital property, the Trust will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security. The Trust will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the ITA based on the redemption of Units during the year ("Capital Gains Refund"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

The Trust will also be entitled to deduct from its income for a taxation year otherwise determined, after taking into account the inclusions and deductions outlined above, the portion of such income that becomes payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Trust or a Unitholder is entitled in the year to enforce payment of the amount. The Declaration of Trust requires that the Trust distribute or make payable its net income for tax purposes for each taxation year of the Trust to Unitholders to such an extent that the Trust will not be liable in any taxation year for income tax under Part I of the ITA on such net income (after taking into account any applicable losses of the Trust).

Taxation of the Partnership

The Partnership will not be subject to tax under the ITA. Each partner of the Partnership, including the Trust, will be required to include in computing the partner's income the partner's share of the income or loss (limited to its "at-risk amount") of the Partnership for its fiscal year end ending in or coincident with the partner's taxation year, whether or not such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if the Partnership were a separate person resident in Canada. In computing the income or loss of the Partnership, deductions may be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income from its business and investments and available capital cost allowances, generally including interest on borrowed funds used to purchase Mortgage investments.

Certain Tax Proposals released on October 31, 2003, if enacted in the form originally proposed, could limit the deduction of losses of the Partnership in a particular taxation year. Under these Tax Proposals, with effect for taxation years commencing after 2004, a taxpayer will have a loss for a taxation year from a particular source that is a business or property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or

property during the time that the taxpayer has carried on the business or has held the property, and can reasonably be expected to carry on the business or hold the property. Profit in this sense will not include capital gains. If the deduction of losses of the Partnership is limited in a particular year, the taxable income of the Partnership would be increased along with the taxable amount allocated to the Trust. On February 23, 2005, the Minister announced that an alternative proposal to replace the Tax Proposals of October 31, 2003 would be released for comment. No such alternative proposal has been released to date.

The income (including taxable capital gains) or loss of the Partnership for a fiscal year will be allocated to the partners of the partnership, including the Trust, on the basis of their respective share of such income or loss, subject to the detailed rules in the ITA in that regard. If the adjusted cost base of a partner's unit is negative at the end of a fiscal period of the Partnership, the amount by which it is negative will be deemed to be a capital gain realized by the partner at that time and the partner's adjusted cost base of such unit will be increased by the amount of the deemed gain.

Taxation of Unitholders

A Unitholder will generally be required to include in income for a particular taxation year of the Unitholder such portion of the net income, including the taxable portion of the net realized capital gains, of the Trust for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year. Provided that appropriate designations are made by the Trust, such portion of the net realized taxable capital gains of the Trust, the foreign source income of the Trust and the taxable dividends received or deemed received by the Trust on shares of taxable Canadian corporations as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder. To the extent that the Trust so designates in accordance with the ITA, Unitholders will be entitled to treat their proportionate share of foreign taxes paid by the Trust as foreign taxes paid by the Unitholders for the purpose of computing their foreign tax credits. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations after 2005. Any loss of the Trust for purposes of the ITA cannot be allocated to, and cannot be treated as a loss by the Unitholders.

The non-taxable portion of net realized capital gains of the Trust that are paid or become payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of a Unitholder's share of the net income of the Trust for a taxation year that is paid or becomes payable to the Unitholder in such year will not generally be included in computing the Unitholder's income for the year but will reduce the adjusted cost base of Units to the Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

The cost to a Unitholder of a Unit acquired pursuant to the Offering will equal the purchase price of the Unit plus the amount of any reasonable costs incurred in connection therewith. The adjusted cost base of a particular Unit will be the average cost of all Units of the Trust held by the Unitholder as capital property at a particular time.

Upon the disposition or deemed disposition by a Unitholder of a Unit, including on the redemption of a Unit by the Trust, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Trust which represents an amount that must otherwise be included in the Unitholder's income as described above) are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs associated with the disposition.

A Unitholder will be required to include one-half of the amount of any resulting capital gain (a "Taxable Capital Gain") in income and will be entitled to deduct one-half of the amount of any resulting capital loss (an "Allowable Capital Loss") against Taxable Capital Gains realized in the year of disposition. Allowable Capital Losses not deducted in the taxation year in which they are realized may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following years against Taxable Capital Gains realized in such years, to the extent and under the circumstances specified in the ITA.

Taxable Capital Gains realized by a Unitholder that is an individual and certain trusts may give rise to alternative minimum tax depending on the Unitholder's circumstances. A Unitholder, which is throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the ITA) will be subject to a refundable tax of 26 2/3% in respect of its "aggregate investment income" for the year (as defined in the ITA). A Unitholder, which is subject to the 26 2/3% tax, will be entitled to a refund of the tax as taxable dividends are paid at the rate of \$1 for every \$3 of the dividends paid by the corporation, subject to certain limitations contained in the ITA.

Eligibility for Investment

Provided that the Trust qualifies as a "mutual fund trust" within the meaning of the ITA, the Units will be qualified investments for Exempt Plans.

USE OF PROCEEDS

The expenses of this offering are estimated at \$100,000 including advertising, legal and accounting costs and printing.

The net proceeds of the Unit Offering will be used to subscribe for additional capital in the Partnership thereby allowing the Partnership to have the capital to purchase investments as described under "Investment Policies". The Partnership, after completion of this offering will be able to fund additional investments through its borrowing activities. See "Borrowing and Matching Policies".

PLAN OF DISTRIBUTION

It is anticipated that the Closings will take place periodically commencing in 2010. If a Closing of the Offering is not completed by March 31, 2010, or as otherwise contemplated herein, the Offering will be terminated and all amounts received from prospective Subscribers will be promptly returned to them without interest or deduction.

Subscriptions received are subject to rejection or allotment by the General Partner in whole or in part. The Trustees reserve the right to close the subscription books at any time without notice. If any subscription is not accepted, all applicable Subscription Documents and subscription proceeds will be returned to the potential Subscribers, without interest or deduction.

There is no market through which the Units may be sold. The Trustees determined the Unit Subscription Price arbitrarily. There has been no independent valuation of the Eligible Mortgages and the Trustees have determined the Exchange Price.

The minimum number of Units required to be subscribed for each Subscriber is 10,000 Units.

The Trustees reserve the right to waive the minimum number of Units subscribed for, provided that it is in compliance with applicable securities laws.

Unless relying on an alternate exemption from the prospectus and registration requirements, Subscribers resident in or otherwise subject to the securities laws of any province where the Units may be sold are required to fall within the definition of “accredited investor” set out under applicable securities laws or be purchasing Units for aggregate consideration in excess of \$150,000 in order to purchase the Units.

SUBSCRIPTION PROCEDURE

Subscribers may subscribe for Units in the Unit Offering by delivering the following documents to the Trust at the address shown in the Subscription Agreement:

- (a) an executed subscription agreement, in the form provided with this Offering Memorandum; and
- (b) a cheque made payable to “Owemanco Mortgage Trust” in the amount of the subscription price for the Units or an irrevocable direction to a financial institution to deliver to the Trust full payment for the Units upon delivery of certificates representing such Units to the financial institution or to the Subscriber.

Subscribers may subscribe for Units in the Exchange Offering by delivering an executed Exchange Agreement in the form provided with this Offering Memorandum to the Trust at the address shown in the Exchange Agreement. The Trust will hold the Exchange Agreements in trust until midnight on the second business day after the day on which it receives a signed Exchange Agreement. After this, the Trust will hold the Exchange Agreements in trust pending a closing under this Offering.

The Trust will hold subscription funds in trust until midnight on the second business day after the day on which it received a signed Subscription Document. After this, the Trust will hold the subscription funds in trust pending a closing under this Offering.

The Trust may collect, use and disclose individual personal information in accordance with the privacy policy of the Trust and will obtain consent to such collection, use and disclosure from time to time as required by its policy and the law. A copy of its current privacy policy will be provided with the subscription agreement.

This Offering is subject to a minimum subscription level of 10 million Units being achieved from a combination of both the Unit Offering and the Exchange Offering. If such minimum subscription level is not achieved the funds received from subscribers will be refunded.

The Trust anticipates that there will be multiple closings. The Trust anticipates completing the first closing prior to March 31, 2010. The Trust may close the Unit Offering on an earlier date as it may determine. The Trust reserves the right to accept or reject in whole or in part any subscription for Units and the right to close the subscription books at any time without notice. Any investment funds for subscription that are not accepted will be promptly returned after it has been determined not to accept the investment funds. At a Closing of the Unit Offering, the Trust will deliver to Subscribers certified copies of or, if requested, original certificates representing fully paid and non-assessable Units, provided the subscription price has been paid in full. At the Closing of the Exchange Offering the Trust will deliver to Subscribers certified copies of or, if requested, original certificates representing fully paid and non-assessable Units provided the executed Exchange Agreement has been provided.

The Trust anticipates that there will be one closing of the Exchange Offering. The Trust anticipates completing and closing the Exchange Offering prior to March 31, 2010. The Trust may close the Exchange Offering on an earlier date as it may determine. The Closing of the

Exchange Offering is conditional upon there being 150 Unitholders upon the closing of the Exchange Offering.

Subscribers should carefully review the terms of the Subscription Document accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of subscribers and the Trust. Execution and delivery of a Subscription Document will bind subscribers to the terms hereof, whether executed by Subscribers or by an agent on their behalf. Subscribers should consult with their own professional advisors. See "Risk Factors".

RISK FACTORS

The purchase of the Units offered hereby involves a number of risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following factors.

No Guaranteed Return

There is no guarantee that an investment in Units will generate a return to Unitholders in the short or long term. Moreover, the interest rates being charged for mortgages reflect the general level of interest rates and, as interest rates fluctuate, the aggregate yield on mortgage investments may also change. The Offering is not suitable for investors who cannot afford to assume any significant risks in connection with their investments.

Nature of Investments

Investments in mortgages are affected by general economic conditions, local real estate markets, demand for leased premises, fluctuation in occupancy rates, operating expenses and various other factors. The value of land, rights or interest in land (including without limitation leaseholds, air rights and rights in condominiums, but excluding mortgages and any buildings, structures, improvements and fixtures located thereon) ("Real Property"), may ultimately depend on the credit and financial stability of the tenants.

Investments in mortgages are relatively illiquid, and as such may limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. Investments in mortgages relating to construction and land development may be riskier than investments in mortgages relating to property purchases or mortgage receivables.

The Units Are Not Insured

The Trust is not a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Units are redeemable at the option of the holder, but only under certain circumstances. See: "Description of Trust Units".

Dilution

The number of Units the Trust is authorized to issue is 200,000,000. The proceeds of the Offering may not be sufficient to accomplish all of the Trust's proposed objectives. In addition to alternate financing sources, the Trust may conduct future offerings of Units in order to raise the funds required which will result in a dilution of the interests of the Unitholders in the Trust and the income or loss from the Trust.

Marketability

Although Units are transferable, there is no market for Units and a market for Units is not expected to develop. As there is no developed market for the Units and the Units are subject to overall restrictions under securities laws, a Unitholder will not be able to liquidate his investment or withdraw his capital at will. Other than in accordance with the redemption rights attached to the Units, a Unitholder may never be able to sell his Units and recover any part of his investment. Accordingly, an investment in Units should only be considered by investors who do not require liquidity.

Shortfall in Financing

Financing for the Trust's operations arranged for by the Mortgage Manager ("Operation Financing") may not be sufficient to cover any shortfalls in Distributable Cash or on payments to be made on Redemption or on termination of the Trust. Operation Financing shall be restricted to funds required to meet administrative and overhead expenses and to finance losses. If the Trust is fully invested in mortgages, there may be delays in liquidating same or losses associated with such investments. Notwithstanding the payment of the distributions, there is no guarantee that funds will be available to repay the aggregate Redemption Amount upon Redemption.

Borrowing

Debt incurred by the Trust/Partnership could increase the risk of the Trust's insolvency and the risk of Unitholder liability. There can be no assurance that such a strategy will enhance returns and in fact the strategy may reduce returns and increase the riskiness of an investment in the Units.

The security which the Trust/Partnership is required to furnish may include an assignment of mortgages to a third party lender. If the Trust is unable to service its debt to such lender, a loss could result if the lender exercises its rights of foreclosure and sale.

Reliance on the Trustee, Mortgage Manager and Investment Committee

In assessing the risk of an investment in Units, potential investors should be aware that they will be relying on the good faith, experience and judgment of the Trustee, the Mortgage Manager and the Investment Committee to assess the acquisition and disposition of the Trust's investments. Although investments made by the Trust will be carefully selected, there can be no assurance that such investments will earn a positive return in the short or long term or that losses may not be incurred from such investments. There is no guarantee that the Trustees and the directors and officers of the Mortgage Manager will remain unchanged. It is contemplated that the directors, officers and employees of the Mortgage Manager will devote to the Trust's affairs only such time as may be reasonably necessary to conduct its business.

Reliance on the General Partner

In assessing the risk of an investment in Units, potential investors should be aware that they will be relying on the good faith, experience and judgment of management of the General Partner and those advisors appointed by the General Partner to assess the acquisition and disposition of the Partnership's investments. Although investments made by the Partnership will be carefully selected, there can be no assurance that such investments will earn a positive return in the short or long term or that losses may not be incurred by the Partnership from such investments.

“Mutual Fund Trust” Status

In order for the Trust to maintain its status as a “mutual fund trust” under the ITA, the Trust cannot carry on an active business and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Changes in the Economy and Credit Markets

Historically, global financial markets have been subject to periods of volatility and uncertainty, driven by a wide range of factors at any given point in time. Currently, financial markets are experiencing unprecedented volatility. This volatility may impact the ability of the Partnership to maintain a funding facility with arm’s length third party institutions on terms favourable to the Partnership. Volatility in financial markets may also be reflected in volatility in the market value of the real property underlying the Mortgage Portfolio.

No History of Operation

The Trust is a newly-formed, unincorporated closed end investment trust with no history of operations. However, the Trustees and the directors and officers of the Mortgage Manager have had substantial experience in the real estate and/or mortgage industries. Unitholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the Trustees and the directors and officers of the Mortgage Manager.

Limited Sources of Borrowing

The Canadian financial marketplace is characterized as having a limited number of financial institutions that provide credit to certain entities. The limited availability of sources of credit may limit the Trust’s ability to take advantage of leveraging opportunities to enhance the yield on its mortgage investments. The Trust intends to limit its exposure to the potential scarcity of such funds by continuously seeking out new sources of credit.

Renewal of Mortgages

There can be no assurances that any of the mortgages invested in by the Trust (the “Mortgage Portfolio”) from time to time can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. With respect to each mortgage in the Mortgage Portfolio, it is possible that the mortgagor, the mortgagee or both, will not elect to renew such mortgage. In addition, if such mortgages are renewed, the principal balance of such renewals, the interest rates and the other terms and conditions of such mortgages will be subject to negotiations between the mortgagor, the mortgagee and the Mortgage Manager at the time of renewal.

Composition of the Mortgage Portfolio

The composition of the Mortgage Portfolio may vary widely from time to time and may be concentrated by type of security, business or location, resulting in the Mortgage Portfolio being less diversified than anticipated. A lack of diversification may result in exposure to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, business or location.

Tax Matters

The return on the Unitholder’s investment in Units is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax

proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Unitholders acquiring, holding or disposing of Units.

If the Trust ceases to meet the conditions to qualify as a "mutual fund trust" under the ITA, the Units may cease to be qualified investments for Deferred Plans. This could result in Deferred Plans which hold Units becoming liable for a penalty tax under the ITA.

The Trust recommends that prospective Unitholders consult their tax advisors for advice with respect to the tax consequences of subscribing for units.

Conflicts of Interest

All of the Trustees are also directors, officers or agents of the Mortgage Manager, the Trust Manager and the sole officer and director of the General Partner is also an officer and agent of the Mortgage Manager.

The Trust will be subject to various potential conflicts of interest arising from its relationship with the Mortgage Manager, the Trust Manager and the officers, directors and agents thereof, and the Investment Committee. In addition, there may be situations where the interests of the Trust conflict with the interests of the officers, directors and agents of the Mortgage Manager and the Trust Manager. The risk exists that such conflicts will not be resolved in the best interests of the Partnership, the Trust and the Unitholders. Among the factors, which should be considered by prospective investors, are the following:

- (a) Agreements between the Partnership and the Mortgage Manager. Transactions between the Partnership and the Mortgage Manager and one or more of the affiliates or associates of the Mortgage Manager or the officers, directors and agents thereof may be entered into without the objectivity of arm's length bargaining. Therefore, situations may arise in which the Mortgage Manager may be making determinations which could benefit itself, its affiliates or its associates or its officers, directors or agents to the detriment of the Partnership, the Trust or the Unitholders. Unitholders must rely on the standard of care owed by the Mortgage Manager to perform its duties and responsibilities under the Mortgage Management Agreement honestly and in good faith.
- (b) Directors and Officers of the Mortgage Manager. They will devote to the Trust's and Partnership's affairs only such time as may be necessary to conduct its business and to discharge their fiduciary obligations to the Trust and the Partnership.
- (c) Fees. In addition to the fees paid to the Mortgage Manager, the Mortgage Manager will earn fees from placing, arranging or renewing mortgages against real properties and performing due diligence.
- (d) Graham Tobe & Associates Professional Corporation (the "Professional Corporation") may from time to time be engaged by the Partnership to act on the closing of mortgage transactions or to undertake mortgage realizations and enforcement proceedings. Unit holders must rely on the standard of care owed by the Professional Corporation to the Partnership to perform its duties and responsibilities in such retainers honestly and in good faith.
- (e) Catherine Tobe, the wife of Graham Tobe, who is the president of the Trust, and the president of the Mortgage Manager, may be engaged by the Partnership from time to time to sell properties under mortgage enforcement. As such, she may earn commissions for such services. Catherine Tobe is a licensed realtor and the Unit holders must rely on the standard of care owed by her as a licensed realtor to perform her duties and responsibilities in such retainer honestly and in good faith.

(f) Whenever a conflict of interest arises between the Partnership, on the one hand, and the Mortgage Manager on the other hand, the parties involved, in resolving that conflict or determining any action to be taken or not taken, will be entitled to consider the relative interests of all of the parties involved in the conflict or that will be affected by such action, any customary or accepted industry practices, and such other matters as the parties deem appropriate in the circumstances. The Trust Declaration contains conflicts of interest provisions requiring the Trustees to disclose material interests in material contracts and transactions. The Mortgage Manager shall present all prospective mortgages and investments to the Partnership for investment. The Mortgage Manager will not be sourcing investment opportunities for its own account or the account of others. The Mortgage Manager in exercising its discretion will use its best judgment and act in such manner as it sees fit, having regard to the relative sizes, investment objectives, portfolio composition and financial capabilities of all of the entities involved, including specifically the Partnership.

Personal Liability of Unitholders

The Declaration of Trust provides that no Unitholder shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder. Moreover, the Trustees shall cause the operations of the Trust to be conducted in such a way as to avoid, to the extent practicable and consistent with their fiduciary duty, any material risk of liability on the Unitholders for claims against the Trust. The Trust is the sole limited partner of the Partnership, with the goal of providing enhanced liability protection for Unitholders. As a result of this structure, no business operation will be conducted by the Trust and the liability of the Trust is intended to be limited to its capital contribution as a limited partner in the Partnership.

Notwithstanding the above, to the extent that claims are not satisfied by the Trust, there is a risk that a Unitholder will be held personally liable for obligations of the Trust where the liability is not disclaimed in the contracts or arrangements entered into by the Trust with third parties. Personal liability may also arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered by the Trust's management to be remote due to the nature of the Trust's activities as beneficiary and creditor. In the event that payment of a Trust obligation is required to be made by a Unitholder, such Unitholder is entitled to reimbursement from the available assets of the Trust.

MATERIAL CONTRACTS

The material contracts entered into by the Trust are:

1. the Declaration of Trust;
2. the Mortgage Management Agreement;
3. the Trust Management Agreement;
4. the Limited Partnership Agreement; and
5. the Guarantee and GSA.

Copies of all Material Contracts are available for review at the offices of the Trust.

AUDITORS

The auditors of the Trust are KPMG LLP, chartered accountants, Toronto, Ontario.

PURCHASER'S STATUTORY RIGHTS

Purchasers' Rights of Action and Rescission

In the event this offering memorandum contains an untrue statement of material fact or omits to state a material fact that is required to be stated or is necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (herein called a "misrepresentation") and it was a misrepresentation on the date of investment, an investor to whom this offering memorandum was delivered who purchases the securities offered hereby (the "investor") shall be deemed to have relied upon such misrepresentation and shall have, subject as hereinafter in this paragraph provided, a right, to either an action for damages, or alternatively, rescission against the Trust while still an owner of the securities, provided that:

- (a) the Trust will not be held liable under this paragraph if it proves that the investor purchased the securities with knowledge of the misrepresentation;
- (b) in an action for damages, the Trust is not liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (c) in no case will the amount recoverable exceed the price at which the securities were sold to the investor; and

In the case of an action for rescission, no action may be commenced more than 180 days from the day of the transaction that gave rise to the cause of action. In the case of an action for damages, no action may be commenced more than the earlier of (i) 180 days from the day that the Subscriber first had knowledge of the facts giving rise to the cause of action, or (ii) 3 years from the day of the transaction that gave rise to the cause of action.

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CERTIFICATE

The foregoing contains no misrepresentation or untrue statement of a material fact, as such terms is defined in the Ontario Securities Act, and does not omit to state a material fact that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The preparation and contents of this Offering Memorandum have been approved by the Trustees of the Trust.

DATED this 30th day of September, 2009.

OWEMANCO MORTGAGE TRUST

“Graham Tobe”

(SIGNED) GRAHAM TOBE
Trustee

“Stephen Lidsky”

(SIGNED) STEPHEN LIDSKY
Trustee

“Warren Morris”

(SIGNED) WARREN MORRIS
Trustee



OWE MANCO

MORTGAGE TRUST