

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

## PROSPECTUS

*Initial Public Offering and Continuous Offering*

February 20, 2026



This prospectus qualifies the distribution of units (“Units”) of the following exchange-traded fund (the “**Dynamic ETF**”), which is a trust created under the laws of the province of Ontario. The Dynamic ETF is an “alternative mutual fund” as defined under National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”).

### **Dynamic Active Multi-Crypto ETF (“DXMC”)**

**The Dynamic ETF is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The Dynamic ETF provides exposure to an actively managed selection of crypto assets. Given the speculative nature of such crypto assets and the volatility of the crypto asset markets, there is no assurance that the Dynamic ETF will be able to meet its investment objective. An investment in the Dynamic ETF is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in the Dynamic ETF is considered high risk.**

1832 Asset Management L.P. (the “**Manager**” and “**Trustee**”) is the manager, trustee and portfolio adviser of the Dynamic ETF. 1832 Asset Management L.P. is also the promoter of the Dynamic ETF. The head office of the Manager is located at 40 Temperance Street East, 16th Floor, Toronto, Ontario, M5H 0B4. The Manager has retained 3iQ (the “**Sub-adviser**”) to act as the sub-adviser for the Dynamic ETF. See “Organization and Management Details of the Dynamic ETF”.

### **Investment Objectives**

DXMC seeks to provide the opportunity for long-term capital appreciation through exposure to the performance of an actively managed selection of crypto assets, and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies.

See “Investment Objectives”.

### **Listing of Units**

The Units of the Dynamic ETF have been conditionally approved for listing on Cboe Canada Inc. (“**Cboe**”). Subject to satisfying Cboe’s original listing requirements, the Units of the Dynamic ETF will be listed on Cboe and investors will be able to buy and sell such Units on Cboe through registered brokers and dealers in the province or territory where the investor resides. The Units are denominated in Canadian dollars.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Dynamic ETF in connection with buying or selling of Units on Cboe. Holders of Units may also (i) redeem Units of the Dynamic ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on Cboe on the effective day of redemption, subject to a maximum redemption price per Unit equal to the net asset value per Unit (“**NAV per Unit**”) on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a Prescribed Number of Units (as defined herein) (or an integral multiple thereof) for Baskets of Securities (as defined herein) and cash or, in certain circumstances, for cash. See “Exchange and Redemption of Units – Redemption of Units of the Dynamic ETF for

Cash” and “Exchange and Redemption of Units – Exchange of Units of the Dynamic ETF at NAV per Unit for Baskets of Securities and/or Cash” for further information.

**The Dynamic ETF will generally issue Units directly to the designated broker and dealers.**

### **Eligibility for Investment**

In the opinion of Blake, Cassels & Graydon LLP, if the Units of the Dynamic ETF are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes Cboe), or if the Dynamic ETF qualifies as a mutual fund trust within the meaning of the Tax Act, the Units of the Dynamic ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan, a tax-free savings account or a first home savings account (collectively, “**Registered Plans**”).

See “Income Tax Considerations – Taxation of Registered Plans”.

### **Additional Considerations**

The Dynamic ETF is an alternative mutual fund (as defined under NI 81-102) and is permitted to use investment strategies that are generally prohibited for conventional mutual funds, such as the ability to borrow cash, to short sell and invest in crypto assets beyond the limits prescribed for conventional mutual funds and to generally employ leverage. While these strategies will only be used in accordance with its investment objectives and strategies, during certain market conditions they may accelerate the risk that an investment in the Dynamic ETF decreases in value.

Given the speculative nature of crypto assets, including bitcoin, ether, SOL, and XRP, and the volatility of the digital currency markets, there is no assurance that the Dynamic ETF will be able to meet its investment objective. An investment in the Dynamic ETF is not intended as a complete investment program and is appropriate only for investors who have a sophisticated knowledge and understanding of the crypto assets to which the Dynamic ETF may be exposed and the capacity to absorb a loss of some or all of their investment. An investment in the Dynamic ETF is considered high risk.

No designated broker or dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and as such, the designated broker and dealers do not perform many of the usual underwriting activities in connection with the distribution by the Dynamic ETF of its Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the Dynamic ETF, see “Risk Factors”.

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

### **Documents Incorporated by Reference**

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

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## GLOSSARY

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

*allowable capital loss* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

*AML Regulation* – statutes, regulations and other laws enacted by the government of the applicable jurisdiction aimed at the prevention and detection of money laundering and terrorist financing activities.

*Basket of Securities* – means, in relation to the Dynamic ETF, a group of securities and/or assets determined by the Manager from time to time.

*bitcoin* – means the digital currency that is the native unit of account within the Bitcoin Network.

*Bitcoin Network* – is the network of computers running the software protocol underlying bitcoin, which maintains the database of bitcoin ownership and facilitates the transfer of bitcoin among parties.

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

*Capital Gains Refund* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Dynamic ETF”.

*Cboe* – means Cboe Canada Inc.

*CDS* – means CDS Clearing and Depository Services Inc.

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

*Close Price* – has the meaning ascribed thereto under “Calculation of NAV – Differences from IFRS Accounting Standards”.

*Constituent Issuers* – means the issuers included in the portfolio of the Dynamic ETF from time to time.

*Constituent Securities* – means the securities included in the portfolio of the Dynamic ETF from time to time.

*CRA* – means the Canada Revenue Agency.

*CRS Provisions* – has the meaning ascribed thereto under “Unitholder Matters – International Information Reporting”.

*Crypto Asset* – means bitcoin, ether, Solana or XRP, as applicable, and collectively, the “*Crypto Assets*”.

*Custodian* – means State Street Trust Company Canada, in its capacity as custodian of the Dynamic ETF pursuant to the Custodian Agreement.

*Custodian Agreement* – means the amended and restated master custodian agreement dated April 27, 2004, as amended, between the Manager, on behalf of the Dynamic ETF, and the Custodian, as may be further supplemented, amended and/or amended and restated from time to time.

*Dealer* – means a registered dealer (that may or may not be a Designated Broker), including Scotia Capital Inc., an affiliate of the Manager, that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the Dynamic ETF, and that subscribes for and purchases Units from that Dynamic ETF.

*Declaration of Trust* – means, in respect of the Dynamic ETF, the amended and restated master declaration of trust dated February 3, 2020 and a supplemental trust indenture establishing the Dynamic ETF dated February 20, 2026, as the same may be amended, restated or replaced from time to time.

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

*DFA Rules* – has the meaning ascribed thereto under “Risk Factors – Taxation of the Dynamic ETF”.

*Distribution Record Date* – means a date determined by the Manager as a record date for the determination of the Unitholders of the Dynamic ETF entitled to receive a distribution.

*DPSP* – means a deferred profit sharing plan within the meaning of the Tax Act.

*DRIP* – means the distribution reinvestment plan of the Dynamic ETF as described under “Distribution Policy – Distribution Reinvestment Plan”.

*Dynamic ETF* – means DXMC, an investment trust established under the laws of the province of Ontario pursuant to the Declaration of Trust.

*ETF Facts* – means the ETF Fact document prescribed by Canadian Securities Legislation in respect of an exchange-traded fund, which summarizes certain features of the exchange-traded fund and which is publicly available at [www.sedarplus.ca](http://www.sedarplus.ca) and provided or made available to registered dealers for delivery to purchasers of securities of an exchange-traded fund.

*ether* – means the digital currency that is the native unit of account within the Ethereum Network.

*Ethereum Network* – means the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the blockchain, and the source algorithmic protocols governing such network.

*FHSA* – means a first home savings account within the meaning of the Tax Act.

*Financial Statements* – has the meaning ascribed thereto under “Calculation of NAV – Differences from IFRS Accounting Standards”.

*General Partner* – has the meaning ascribed thereto under “Organization and Management Details of the Dynamic ETF – Manager”.

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

*Holder* – has the meaning ascribed thereto under “Income Tax Considerations”.

*IFRS* – has the meaning ascribed thereto under “Calculation of NAV – Differences from IFRS Accounting Standards”.

*IGA* – has the meaning ascribed thereto under “Unitholder Matters – International Information Reporting”.

*IRC or Independent Review Committee* – means the independent review committee of the Dynamic ETF established under NI 81-107.

*KYC* – identity verification and recordkeeping procedures under AML Regulation and applicable securities laws.

*Lending Agent* – means State Street Bank and Trust Company, in its capacity as lending agent pursuant to the Securities Lending Agreement.

*Manager* – has the meaning ascribed thereto on the cover page.

*Management Fee* – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF – Management Fees”.

*Management Fee Distributions* – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF – Management Fees”.

*Minimum Distribution Requirements* – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Dynamic ETF”.

*MRFP* – means management report of fund performance.

*NAV and NAV per Unit* – means the net asset value of the Dynamic ETF and the net asset value per Unit, calculated by the Valuation Agent, as described under “Calculation of NAV”.

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

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

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

*Non-Portfolio Income* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Dynamic ETF”.

*Other Funds* – collectively, investment funds which may or may not be managed by the Manager or an affiliate, in which the Dynamic ETF is permitted to invest in accordance with NI 81-102.

*Permitted Mergers* – has the meaning ascribed thereto under “Unitholder Matters – Permitted Mergers”.

*Plan Participant* – has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

*Plan Units* – has the meaning ascribed thereto under “Distribution Policy – Distribution Reinvestment Plan”.

*PNU or Prescribed Number of Units* – means, in relation to the Dynamic ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

*Proxy Voting Policy* – has the meaning ascribed thereto under “Proxy Voting Disclosure for Portfolio Securities Held”.

*RDSP* – means a registered disability savings plan within the meaning of the Tax Act.

*Registered Plans* – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Dynamic ETF”.

*Registrar and Transfer Agent* – means State Street Trust Company Canada or its successor.

*Reporting Date* – has the meaning ascribed thereto under “Calculation of NAV – Differences from IFRS Accounting Standards”.

*RESP* – means a registered education savings plan within the meaning of the Tax Act.

*RRIF* – means a registered retirement income fund within the meaning of the Tax Act.

*RRSP* – means a registered retirement savings plan within the meaning of the Tax Act.

*Scotiabank* – means The Bank of Nova Scotia.

*Securities Lending Agreement* – means the securities lending agreement dated October 1, 2015, as amended, between the Manager, in its capacity as trustee and manager of the Dynamic ETF, and the Lending Agent, as may be further supplemented, amended and/or amended and restated from time to time.

*Securities Regulatory Authorities* – means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

*SIFT Rules* – has the meaning ascribed thereto under “Risk Factors – Taxation of the Dynamic ETF”.

*SIFT trust* – means a specified investment flow-through trust within the meaning of the Tax Act.

*SOL or Solana* – means the crypto asset Solana that is the native unit of account within the Solana Network.

*Solana Network* – means the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the blockchain, and the source algorithmic protocols governing such network.

*Staking Activities* – means the staking of ether or SOL held in the portfolio of certain Other Funds by certain third-party service providers at the discretion of the manager of the Other Funds, including a sub-custodian and select validators of the Other Fund.

*Sub-adviser* – means 3iQ Corp., in its capacity as sub-adviser of the Dynamic ETF.

*Sub-Advisory Agreement* – means the portfolio management sub-advisory agreement dated January 13, 2026 between the Manager, in its capacity as trustee and manager of the Dynamic ETF, and 3iQ Corp., as may be further supplemented, amended and/or amended and restated from time to time.

*Substituted Property* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Dynamic ETF”.

*Tax Act* – means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

*Tax Amendment* – means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

*taxable capital gain* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

*Tax Treaties* – has the meaning ascribed thereto under “Risk Factors – Taxation of the Dynamic ETF”.

*TFSA* – means a tax-free savings account within the meaning of the Tax Act.

*TIPS* – means treasury inflation-protected securities.

*Trading Day* – means a day on which a session of Cboe is held.

*Trustee* – has the meaning ascribed thereto on the cover page.

*unbonding* – has the meaning ascribed thereto under “Risk Factors – Risk Factors Relating to Staking Activities – Staking Timeline and Unbonding Periods Risk”.

*Unit* – means a redeemable, transferable unit of the Dynamic ETF, which represents an equal, undivided interest in the net assets of the Dynamic ETF.

*Unitholder* – means a holder of Units of the Dynamic ETF.

*Valuation Agent* – means State Street Bank and Trust Company, which maintains its principal place of business at One Congress Street, Suite 1, Boston, Massachusetts 02114, USA.

*Valuation Date* – means each Trading Day or any other day designated by the Manager on which the NAV and NAV per Unit of the Dynamic ETF is calculated.

*Valuation Time* – means, in relation to the Dynamic ETF, 4:00 p.m. (Toronto time) on a Valuation Date or such other time that the Manager deems appropriate on each Valuation Date.

*XRP* – means the crypto asset XRP that is the native unit of account within XRPL.

*XRPL* – means the XRP Ledger.

*XRPL Network* – means the online, end-user-to-end-user computer network hosting a public transaction ledger, known as the XRPL, and the source algorithmic protocols governing such network.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

<b>Issuer:</b>	<p><b>Dynamic Active Multi-Crypto ETF (“DXMC” or the “Dynamic ETF”)</b></p> <p>The Dynamic ETF is an exchange traded fund established as a trust under the laws of the Province of Ontario. The Dynamic ETF is an “alternative mutual fund” as defined under NI 81-102. 1832 Asset Management L.P. (the “<b>Manager</b>” and “<b>Trustee</b>”) is the manager, trustee and portfolio adviser of the Dynamic ETF. 1832 Asset Management L.P. is also the promoter of the Dynamic ETF. See “Overview of the Legal Structure of the Dynamic ETF.”</p>
<b>Continuous Distribution:</b>	<p>The Dynamic ETF issues units (“<b>Units</b>”) on a continuous basis and there is no maximum number of Units that may be issued. The Units are denominated in Canadian dollars.</p> <p>The Units of the Dynamic ETF have been conditionally approved for listing on Cboe Canada Inc. (“<b>Cboe</b>”). Subject to satisfying Cboe’s original listing requirements, the Units of the Dynamic ETF will be listed on Cboe and investors will be able to buy and sell such Units on Cboe through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Dynamic ETF in connection with the buying or selling of Units on Cboe. Investors may trade Units in the same way as other securities listed on Cboe, including by using market orders and limit orders.</p> <p>See “Purchases of Units – Continuous Distribution” and “Purchases of Units – Buying and Selling Units of the Dynamic ETF”.</p>
<b>Investment Objectives:</b>	<p>DXMC seeks to provide the opportunity for long-term capital appreciation through exposure to the performance of an actively managed selection of crypto assets, and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies.</p> <p>See “Investment Objectives”.</p>
<b>Investment Strategies:</b>	<p><b>Specific Investment Strategies</b></p> <p>In seeking to achieve its investment objectives, DXMC will invest primarily in an actively managed portfolio of crypto assets and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies anywhere in the world.</p> <p>DXMC does not invest in crypto assets directly. The Manager has retained 3iQ Corp. (“<b>3iQ</b>”) to act as the sub-adviser for the portion of the portfolio that is exposed to crypto assets. To gain exposure to crypto assets, DXMC invests in investment funds, including exchange-traded funds that invest directly in crypto assets. The selection of underlying funds for inclusion in the portfolio and the allocation among the selected underlying funds is reviewed and determined quarterly by the Manager in consultation with the Sub-adviser, based on investment criteria including but not limited to the underlying crypto asset’s recent performance, growth potential, valuation, liquidity, regulatory environment and the underlying technology. The crypto asset portfolio is actively managed by the Sub-adviser using a quantitative allocation model. The crypto assets held by the underlying funds are monitored by the Sub-adviser on a continuous basis and the allocation among the underlying funds may be modified between quarterly reviews. As of the date hereof, DXMC invests in 3iQ Bitcoin ETF, 3iQ Ether Staking ETF, 3iQ Solana Staking ETF, and 3iQ XRP ETF (collectively, the “<b>3iQ ETFs</b>”), each of which is an investment fund currently managed by 3iQ.</p>

DXMC may also invest in equity securities of a broad spectrum of crypto companies that operate in various businesses including Web 3, blockchain, exchanges, wallet and custody services, crypto mining and treasury, financial services, non-fungible tokens (NFTs), decentralized finance (DeFi) and other related technologies. The portion of the portfolio that is exposed to equity securities of crypto companies is not sub-advised.

The Manager initially expects that approximately 90% of DXMC's investments will be in the crypto asset portion of the portfolio and the remaining 10% will be in the crypto companies portion of the portfolio. The crypto asset portfolio will initially be allocated among the 3iQ ETFs as follows: 3iQ Bitcoin ETF (30%), 3iQ Ether Staking ETF (25%), 3iQ Solana Staking ETF (25%), and 3iQ XRP ETF (20%). These approximate allocations reflect the Manager's expectations at the time of launch and may change over time. DXMC has no fixed target allocations, and the Manager may, in its discretion, adjust both the allocation between the crypto asset portion of the portfolio and crypto companies portion of the portfolio and, in consultation with the Sub-adviser, the selection of and allocation among underlying funds included in the crypto asset portfolio.

DXMC may invest up to 100% of its assets in foreign securities and may invest in cash and cash equivalent securities for strategic reasons.

#### **General Investment Strategies**

The Dynamic ETF may invest, directly or indirectly, in a portfolio comprised of various assets, securities and instruments which may include, but are not limited to, crypto assets, equity and equity related securities, fixed income securities and derivatives (provided such investments are consistent with the Dynamic ETF's investment objectives and strategies). Equity related securities held by the Dynamic ETF may include, but are not limited to, American depository receipts, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Dynamic ETF may seek to invest a substantial portion of its assets in cash and cash equivalents or other money market instruments in order to meet its current obligations.

#### *Investment in other Investment Funds*

In accordance with applicable securities legislation, including NI 81-102 or an exemption therefrom, the Dynamic ETF may invest in one or more Other Funds. Such underlying funds may themselves invest in securities of other investment funds, which include mutual funds, including alternative mutual funds, non-redeemable investment funds and/or exchange-traded funds, and may be managed by the same, affiliated or third-party investment fund managers. The Dynamic ETF may indirectly bear its share of an underlying fund's fees and expenses. The fees and expenses of the underlying funds may be higher than the fees and expenses payable by the Dynamic ETF. However, neither management fees nor performance fees will be paid to the manager of an underlying fund by the Dynamic ETF which, to a reasonable investor, would duplicate a fee payable by the underlying funds for the same service.

#### *ESG Considerations*

The Dynamic ETF does not incorporate environmental, social and governance (ESG) considerations into its investment objectives or primary investment strategies, does not seek to achieve any ESG-related outcome or attributes at the security or portfolio level, and does not make any commitments regarding the ESG-related attributes at the security or portfolio level. ESG factors are considered, when deemed material, alongside many other factors, through the lens of how they could impact the fund's risk and/or return and investment objectives. ESG factors are not considered for crypto assets (including investments that provide exposure to crypto assets).

For the crypto companies portion of the portfolio, ESG factors are considered as part of the fundamental investment process, which means that relevant financial and non-financial factors (ESG and otherwise) are considered when researching and analyzing securities and

	<p>may include shareholder engagement strategies. Incorporating ESG factors into the investment process may include proprietary research, and a systematic approach to risks and opportunities. Issuers may also be evaluated based on ESG data provided by third-party research. ESG-related factors that may be considered could include but are not limited to: direct or indirect impacts of climate change (e.g., greenhouse gas emissions and associated regulatory costs, property damage, supply disruptions), poor labour standards and/or hiring practices, and weak or ineffective governance policies and procedures (e.g., lack of ethics policies, bribery and corruption). Company engagement may include meetings with issuers to foster a deeper understanding of specific companies and issues, direct engagement with issuers to communicate views to management, and exercising proxy voting rights.</p> <p>Proxy voting is informed by many considerations, including relevant ESG factors, but these activities are not necessarily directed towards any ESG related outcome. Proxies will be voted in the best interest of the Dynamic ETF in all cases. The rationale for proxy votes could be informed by ESG considerations along with many other factors to determine what is in the best interest of the Dynamic ETF.</p> <p><i>Use of Derivatives</i></p> <p>The Dynamic ETF may use warrants and derivatives such as options, forward contracts, futures contracts and swaps to (i) hedge against losses from changes in the prices of the fund’s investments and from exposure to foreign currencies; (ii) gain exposure to individual securities, assets and markets instead of buying the securities or assets directly; and (iii) generate income. For example, the Dynamic ETF may use derivatives to gain exposure to a particular issuer or class of issuers in circumstances where the Manager has determined that synthetic exposure would be preferable to a direct investment.</p> <p>Any use of derivative instruments by the Dynamic ETF must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Dynamic ETF.</p> <p><i>Leverage</i></p> <p>Generally, the Dynamic ETF does not intend to borrow money for investment purposes but may incur leverage from time to time as a consequence of its use of derivatives. Any leverage employed by the Dynamic ETF will be in accordance with the restrictions applicable to an alternative mutual fund under NI 81-102.</p> <p><i>Securities Lending</i></p> <p>The Dynamic ETF may enter into securities lending transactions and repurchase and reverse purchase transactions in compliance with NI 81-102 in order to earn additional income for the Dynamic ETF.</p> <p>See “Investment Strategies”.</p>
<p><b>Special Considerations for Purchasers:</b></p>	<p>The provisions of the so-called “early warning” requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Dynamic ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units of the Dynamic ETF through purchases on Cboe without regard to the take-over bid requirements of Canadian Securities Legislation.</p> <p>See “Attributes of the Securities – Description of the Securities Distributed”.</p>
<p><b>Risk Factors:</b></p>	<p>There are certain risks inherent in an investment in the Dynamic ETF, including certain risks associated with exposure to investments in bitcoin, ether, SOL and XRP. See “Risk Factors”.</p>

<p><b>Income Tax Considerations:</b></p>	<p>This summary of Canadian federal income tax considerations for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under the heading “Income Tax Considerations”.</p> <p>A Unitholder of the Dynamic ETF who is an individual (other than a trust) resident in Canada will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by the Dynamic ETF in that year (including such income that is paid in Units of the Dynamic ETF or reinvested in additional Units of the Dynamic ETF).</p> <p>A Unitholder of the Dynamic ETF who disposes of a Unit of the Dynamic ETF that is held as capital property (within the meaning of the Tax Act), including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Dynamic ETF which represents capital gains allocated and designated to the redeeming Unitholder in accordance with the Declaration of Trust), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.</p> <p>Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units of the Dynamic ETF by obtaining advice from his or her tax adviser.</p> <p>See “Income Tax Considerations”.</p>				
<p><b>Exchanges and Redemptions:</b></p>	<p>In addition to the ability to sell Units on Cboe, Unitholders may also (i) redeem Units of the Dynamic ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on Cboe on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a PNU (or an integral multiple thereof) for Baskets of Securities and cash or, in certain circumstances, for cash.</p> <p>See “Exchange and Redemption of Units – Redemption of Units of the Dynamic ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of the Dynamic ETF at NAV per Unit for Baskets of Securities and/or Cash”.</p>				
<p><b>Distributions:</b></p>	<p>The Dynamic ETF will distribute, in each taxation year, any net income and any net realized capital gains of the Dynamic ETF to such an extent that the Dynamic ETF will not be liable for non-refundable income tax under the Tax Act in respect of the taxation year.</p> <p>Cash distributions on Units of the Dynamic ETF, if any, will be made in the currency in which Units of the Dynamic ETF are denominated and are expected to be made periodically as set out in the table below:</p> <table border="1" data-bbox="451 1402 1401 1530"> <thead> <tr> <th data-bbox="451 1402 1094 1482">Dynamic ETF</th> <th data-bbox="1094 1402 1401 1482">Frequency of Distributions</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1482 1094 1530">DXMC</td> <td data-bbox="1094 1482 1401 1530">Annually</td> </tr> </tbody> </table> <p>Distributions are not guaranteed and the Manager may, in its sole discretion, change the frequency or amount of such distributions, which change will be announced by the Manager in a press release.</p> <p>Depending on the underlying investments of the Dynamic ETF, distributions on Units may consist of ordinary income, including interest, foreign source income and taxable dividends from taxable Canadian corporations, sourced from dividends or distributions received by the Dynamic ETF but may also include net realized capital gains, in any case, less the expenses of the Dynamic ETF. Distributions on Units may also include returns of capital which will generally reduce the adjusted cost base of the Unitholder’s Units of the Dynamic ETF.</p>	Dynamic ETF	Frequency of Distributions	DXMC	Annually
Dynamic ETF	Frequency of Distributions				
DXMC	Annually				

	<p>In addition to the distributions described above, the Dynamic ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital.</p> <p>The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.</p> <p>See “Distribution Policy”.</p>
<b>Distribution Reinvestment Plan:</b>	<p>At any time, a Unitholder may elect to participate in the DRIP by contacting the CDS Participant through which the Unitholder holds its Units. Under the DRIP, cash distributions will be used to acquire additional Units (commission free to the Unitholder) of the same Dynamic ETF by purchasing them at market price on an exchange, which Units will be credited to the account of the Unitholder’s broker through CDS.</p> <p>See “Distribution Policy – Distribution Reinvestment Plan” below for additional information relating to the DRIP.</p>
<b>Termination:</b>	<p>The Dynamic ETF does not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust. See “Termination of the Dynamic ETF”.</p>
<b>Eligibility for Investment:</b>	<p>If the Units of the Dynamic ETF are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes Cboe), or if the Dynamic ETF qualifies as a mutual fund trust within the meaning of the Tax Act, the Units of the Dynamic ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for Registered Plans.</p> <p>Notwithstanding the foregoing, an annuitant of an RRSP or RRIF, the holder of a TFSA, FHSA or RDSP or the subscriber of an RESP may be subject to a penalty tax in respect of Units of the Dynamic ETF held by the RRSP, RRIF, RESP, RDSP, TFSA or FHSA if the Units of that Dynamic ETF are “prohibited investments” for such RRSP, RRIF, RESP, RDSP, TFSA or FHSA as determined under the Tax Act.</p> <p>See “Income Tax Considerations – Taxation of Registered Plans”.</p>
<b>Documents Incorporated by Reference:</b>	<p>Additional information about the Dynamic ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“<b>MRFP</b>”), any interim MRFP filed after the annual MRFP for the Dynamic ETF, and the most recently filed ETF Facts for the Dynamic ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus.</p> <p>These documents are available at no charge by calling 1-800-268-8186, or by asking your registered investment professional. Unitholders will also find these documents on the Dynamic ETF’s designated website at <a href="http://www.dynamic.ca">www.dynamic.ca</a>. These documents and other information about the Dynamic ETF are also available at <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>.</p> <p>See “Documents Incorporated By Reference”.</p>

## *Organization and Management of the Dynamic ETF*

- The Manager, Trustee and Portfolio Adviser:** 1832 Asset Management L.P. manages the overall business and operations of the Dynamic ETF, including providing portfolio management, fund accounting and administration services and promoting the sales of the securities of the Dynamic ETF.
- The general partner of the Manager, 1832 Asset Management G.P. Inc. (the “**General Partner**”), is wholly-owned by The Bank of Nova Scotia. The Bank of Nova Scotia also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and MD Management Limited and Scotia Capital Inc., each an investment dealer.
- The principal office of the Dynamic ETF and 1832 Asset Management L.P. is located at 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario, M5H 0B4.
- See “Organization and Management Details of the Dynamic ETF – Manager” and “Organization and Management Details of the Dynamic ETF – Trustee”.
- Sub-Adviser:** 3iQ Corp. has been appointed as sub-adviser to the Dynamic ETF.
- See “Organization and Management Details of the Dynamic ETF – Sub-Adviser”.
- Promoter:** 1832 Asset Management L.P. has taken the initiative of founding and organizing the Dynamic ETF, and is, accordingly, the promoter of the Dynamic ETF, within the meaning of securities legislation of certain provinces and territories of Canada.
- See “Organization and Management Details of the Dynamic ETF – Promoter”.
- Custodian:** State Street Trust Company Canada is the custodian of the Dynamic ETF and is independent of the Manager. The Custodian provides custodial services to the Dynamic ETF. The Custodian is located in Toronto, Ontario.
- See “Organization and Management Details of the Dynamic ETF – Custodian”.
- Valuation Agent:** State Street Bank and Trust Company provides accounting services in respect of the Dynamic ETF. State Street Bank and Trust Company maintains its principal place of business in Boston, Massachusetts, USA.
- See “Organization and Management Details of the Dynamic ETF – Valuation Agent”.
- Registrar and Transfer Agent:** State Street Trust Company Canada, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units of the Dynamic ETF and maintains the register of registered Unitholders. The register of the Dynamic ETF is kept in Toronto, Ontario.
- See “Organization and Management Details of the Dynamic ETF – Transfer Agent and Registrar”.
- Lending Agent:** State Street Bank and Trust Company may act as the securities lending agent for the Dynamic ETF pursuant to a Securities Lending Agreement.
- See “Organization and Management Details of the Dynamic ETF – Lending Agent”.
- Auditor:** KPMG LLP, at its principal offices in Toronto, Ontario, is the auditor of the Dynamic ETF. The auditor will audit the Dynamic ETF’s annual financial statements and provide an opinion as to whether they present fairly the Dynamic ETF’s financial position, financial performance and cash flows in accordance with IFRS. The auditor is independent with respect to the Dynamic ETF within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.
- See “Organization and Management Details of the Dynamic ETF – Auditor”.

## Summary of Fees and Expenses

The following table lists the fees and expenses that an investor may have to pay, directly or indirectly, if the investor invests in the Dynamic ETF. An investor may have to pay some of these fees and expenses directly. The Dynamic ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Dynamic ETF. See “Fees and Expenses”.

Some of these fees and expenses are subject to Goods and Services Tax (“**GST**”) or Harmonized Sales Tax (“**HST**”) including management fees and operating expenses (as set out below), at a rate determined based on the residence for tax purposes of the Unitholders of the Dynamic ETF.

GST is currently charged at a rate of 5% and HST is currently charged at a rate of between 13% and 15% depending on the province. Changes in existing GST or HST rates, changes to which provinces impose GST or HST and changes in the breakdown of the residence for tax purposes of the Dynamic ETF’s Unitholders will have an impact on the total expenses payable by the Dynamic ETF.

The Manager is responsible for each of the Dynamic ETF’s fees and expenses except the fees and expenses payable by the Dynamic ETF described under “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF”. The fees and expenses for which the Manager is responsible include the fees payable to the Custodian, Registrar and Transfer Agent and other service providers retained by the Manager as described under “Organization and Management Details of the Dynamic ETF – Manager”.

### *Fees and Expenses Payable by the Dynamic ETF*

Type of Fee	Amount and Description				
<b>Management Fee:</b>	<p>The annual management fees (the “<b>Management Fees</b>”) cover the costs of managing the Dynamic ETF, arranging for investment analysis, recommendations and investment decision making for the Dynamic ETF, marketing and promotion of the Dynamic ETF and providing or arranging for other services. See “Organization and Management Details of the Dynamic ETF – Duties and Services to be Provided by the Manager” for a description of the services provided by the Manager.</p> <p>The Dynamic ETF pays the Manager a Management Fee for providing general management services. The Management Fee paid by the Dynamic ETF is accrued and calculated daily and paid monthly.</p> <p>The Management Fee (not including applicable GST/HST) is based on a percentage of the NAV of the Dynamic ETF and is set out below:</p> <table border="1"><thead><tr><th>Dynamic ETF</th><th>Management Fee (annual rate)</th></tr></thead><tbody><tr><td>DXMC</td><td>0.45 %</td></tr></tbody></table>	Dynamic ETF	Management Fee (annual rate)	DXMC	0.45 %
Dynamic ETF	Management Fee (annual rate)				
DXMC	0.45 %				
	<p>As of the date hereof, the Manager is temporarily waiving a portion of the Management Fee until March 1, 2027. After giving effect to the temporary waiver, the Manager receives an annual Management Fee of 0.25%.</p>				
	<p>See “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF - Management Fee”.</p>				
<b>Management Fee Distributions:</b>	<p>To encourage very large investments in the Dynamic ETF and to ensure Management Fees are competitive for these investments, the Manager may at its discretion agree to charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the Dynamic ETF with respect to investments in the Dynamic ETF by Unitholders that hold, on average during any period specified by the Manager from time to time (currently a quarter), Units having a specified aggregate value. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the Dynamic ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the reduced</p>				

fee of the Dynamic ETF will be distributed quarterly in cash by the Dynamic ETF, at the discretion of the Manager, to those Unitholders as management fee distributions. See “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF - Management Fee Distributions”.

**Operating Expenses:** The Dynamic ETF pays certain other operating expenses, including all applicable taxes and fees and expenses of the IRC (collectively, “**Fund Costs**”).

The Dynamic ETF is allocated its own Fund Costs and its proportionate share of Fund Costs that are common to all funds and ETFs managed by the Manager.

See “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF – Operating Expenses”.

#### Underlying Fund Fees and Expenses

There are fees and expenses payable by the Other Funds whose securities are held by the Dynamic ETF, in addition to the fees and expenses directly payable by the Dynamic ETF. The Dynamic ETF indirectly bears its share of such fees and expenses. The fees and expenses of such underlying funds may be higher than the fees and expenses payable by the Dynamic ETF. To ensure that there is no duplication of management fees chargeable in connection with the Dynamic ETF that, to a reasonable person, would duplicate any management fees or performance fees payable by the underlying funds for the same service, the Manager will absorb such fees that are incurred resulting from its investments in any underlying fund. No sales charges or redemption fees are payable by the Dynamic ETF in relation to their purchases or redemptions of securities of the underlying funds that are managed by the Manager or any of its affiliates or associates or that, to a reasonable person, would duplicate a fee payable by Unitholders of the Dynamic ETF. Certain underlying funds held by the Dynamic ETF may pay performance fees, including performance fees to the Manager.

Pursuant to the terms of the Strategic Alliance (as defined herein), 3iQ has agreed to reduce all or a portion of the management fee payable by the 3iQ ETFs to 3iQ resulting from the Dynamic ETF’s investment in the 3iQ ETFs. The difference between the management fee otherwise chargeable and the reduced management fee will be accrued daily based on the net asset value determined on the previous business day for each 3iQ ETF and distributed monthly by the applicable 3iQ ETF to the Dynamic ETF as a management fee distribution. The amount and payment of management fee distributions are subject to the terms of a negotiated agreement between the Dynamic ETF and 3iQ. Management fee distributions shall be paid first out of net income of the applicable 3iQ ETF, then out of capital gains of the 3iQ ETF and thereafter out of capital of the 3iQ ETF. 3iQ or its affiliate, as applicable, will receive staking service fees, a portion of the revenues generated from staking and/or management fees from certain of the 3iQ ETFs in which the Dynamic ETF invests. See “Organization and Management Details of the Dynamic ETF – Sub-Adviser – Strategic Alliance with 3iQ”.

#### Management Expense Ratio

The management expense ratio (“**MER**”) is based on the total expenses (including applicable management fees and operating expenses) of the Dynamic ETF and a proportional share of any underlying fund fees and expenses, where applicable, and is expressed as an annualized percentage of the Dynamic ETF’s daily average net asset value during the period, calculated in accordance with applicable securities legislation.

The Manager, in its sole discretion, may waive or absorb a portion of the Dynamic ETF’s total expenses. Such waivers or absorptions may be terminated at any time without notice.

Portfolio and derivative transaction costs, and income taxes, where applicable, are not included in the MER.

### Portfolio and Derivatives Transaction Costs

The Dynamic ETF pays its portfolio transaction costs, which include costs associated with the purchase and sale of securities and other property, such as brokerage fees, commissions, service charges and research and execution costs.

The Dynamic ETF may also use a variety of derivatives, including options, forward contracts and swaps to hedge against foreign currency risk, among other things. The Dynamic ETF is responsible for paying the transaction costs associated with these derivative contracts.

See “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF – Operating Expenses”.

**Expenses of the Issue:** Apart from the initial organizational costs of the Dynamic ETF, all expenses related to the issuance of Units of the Dynamic ETF shall be borne by the Dynamic ETF unless otherwise waived or reimbursed by the Manager. See “Fees and Expenses”.

### *Fees and Expenses Payable Directly by Unitholders*

**Administration Fee:** An amount as may be agreed to between the Manager and the Designated Broker or Dealer, of the Dynamic ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Dynamic ETF.

This charge does not apply to Unitholders who buy and sell their Units through the facilities of Cboe.

See “Exchange and Redemption of Units – Administration Fee”.

## OVERVIEW OF THE LEGAL STRUCTURE OF THE DYNAMIC ETF

The Dynamic ETF is an exchange-traded mutual fund established under the laws of the province of Ontario, pursuant to the terms of the Declaration of Trust. The Dynamic ETF is a mutual fund under Canadian Securities Legislation.

1832 Asset Management L.P. is the trustee, manager and portfolio adviser of the Dynamic ETF and is responsible for the administration of the Dynamic ETF.

The principal office of the Dynamic ETF and the Manager is located at 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario, M5H 0B4.

The Dynamic ETF is considered an “alternative mutual fund”, as defined under NI 81-102. As an alternative mutual fund, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the Dynamic ETF. The Dynamic ETF is subject to the restrictions and practices contained in securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by any exemptions from such restrictions obtained by the Manager. See “Exemptions and Approvals”.

The following chart sets out the full legal name as well as the Cboe ticker symbol for the Dynamic ETF:

Dynamic ETF	Cboe Ticker Symbol
Dynamic Active Multi-Crypto ETF	DXMC

## INVESTMENT OBJECTIVES

DXMC seeks to provide the opportunity for long-term capital appreciation through exposure to the performance of an actively managed selection of crypto assets, and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies.

The investment objective of the Dynamic ETF may not be changed except with the approval of its Unitholders. See “Unitholder Matters”.

## INVESTMENT STRATEGIES

### Specific Investment Strategies

In seeking to achieve its investment objectives, DXMC will invest primarily in an actively managed portfolio of crypto assets and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies anywhere in the world.

DXMC does not invest in crypto assets directly. The Manager has retained 3iQ Corp. (“**3iQ**”) to act as the sub-adviser for the portion of the portfolio that is exposed to crypto assets. To gain exposure to crypto assets, DXMC invests in investment funds, including exchange-traded funds that invest directly in crypto assets. The selection of underlying funds for inclusion in the portfolio and the allocation among the selected underlying funds is reviewed and determined quarterly by the Manager in consultation with the Sub-adviser, based on investment criteria including but not limited to the underlying crypto asset’s recent performance, growth potential, valuation, liquidity, regulatory environment and the underlying technology. The crypto asset portfolio is actively managed by the Sub-adviser using a quantitative allocation model. The crypto assets held by the underlying funds are monitored by the Sub-adviser on a continuous basis and the allocation among the underlying funds may be modified between quarterly reviews. As of the date hereof, DXMC invests in 3iQ Bitcoin ETF, 3iQ Ether Staking ETF, 3iQ Solana Staking ETF, and 3iQ XRP ETF (collectively, the “**3iQ ETFs**”), each of which is an investment fund currently managed by 3iQ.

DXMC may also invest in equity securities of a broad spectrum of crypto companies that operate in various businesses including Web 3, blockchain, exchanges, wallet and custody services, crypto mining and treasury, financial services,

non-fungible tokens (NFTs), decentralized finance (DeFi) and other related technologies. The portion of the portfolio that is exposed to equity securities of crypto companies is not sub-advised.

The Manager initially expects that approximately 90% of DXMC's investments will be in the crypto asset portion of the portfolio and the remaining 10% will be in the crypto companies portion of the portfolio. The crypto asset portfolio will initially be allocated among the 3iQ ETFs as follows: 3iQ Bitcoin ETF (30%), 3iQ Ether Staking ETF (25%), 3iQ Solana Staking ETF (25%), and 3iQ XRP ETF (20%). These approximate allocations reflect the Manager's expectations at the time of launch and may change over time. DXMC has no fixed target allocations, and the Manager may, in its discretion, adjust both the allocation between the crypto asset portion of the portfolio and crypto companies portion of the portfolio and, in consultation with the Sub-adviser, the selection of and allocation among underlying funds included in the crypto asset portfolio.

DXMC may invest up to 100% of its assets in foreign securities and may invest in cash and cash equivalent securities for strategic reasons.

### **General Investment Strategies**

The Dynamic ETF may invest, directly or indirectly, in a portfolio comprised of various assets, securities and instruments which may include, but are not limited to, crypto assets, equity and equity related securities, fixed income securities and derivatives (provided such investments are consistent with the Dynamic ETF's investment objectives and strategies). Equity related securities held by the Dynamic ETF may include, but are not limited to, American depositary receipts, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Dynamic ETF may seek to invest a substantial portion of its assets in cash and cash equivalents or other money market instruments in order to meet its current obligations.

### ***Investment in other Investment Funds***

In accordance with applicable securities legislation, including NI 81-102 or an exemption therefrom, the Dynamic ETF may invest in one or more Other Funds. Such underlying funds may themselves invest in securities of other investment funds, which include mutual funds, including alternative mutual funds, non-redeemable investment funds and/or exchange-traded funds, and may be managed by the same, affiliated or third-party investment fund managers. The Dynamic ETF may indirectly bear its share of an underlying fund's fees and expenses. The fees and expenses of the underlying funds may be higher than the fees and expenses payable by the Dynamic ETF. However, neither management fees nor performance fees will be paid to the manager of an underlying fund by the Dynamic ETF which, to a reasonable investor, would duplicate a fee payable by the underlying funds for the same service.

### ***ESG Considerations***

The Dynamic ETF does not incorporate environmental, social and governance (ESG) considerations into its investment objectives or primary investment strategies, does not seek to achieve any ESG-related outcome or attributes at the security or portfolio level, and does not make any commitments regarding the ESG-related attributes at the security or portfolio level. ESG factors are considered, when deemed material, alongside many other factors, through the lens of how they could impact the fund's risk and/or return and investment objectives. ESG factors are not considered for crypto assets (including investments that provide exposure to crypto assets).

For the crypto companies portion of the portfolio, ESG factors are considered as part of the fundamental investment process, which means that relevant financial and non-financial factors (ESG and otherwise) are considered when researching and analyzing securities and may include shareholder engagement strategies. Incorporating ESG factors into the investment process may include proprietary research, and a systematic approach to risks and opportunities. Issuers may also be evaluated based on ESG data provided by third-party research. ESG-related factors that may be considered could include but are not limited to: direct or indirect impacts of climate change (e.g., greenhouse gas emissions and associated regulatory costs, property damage, supply disruptions), poor labour standards and/or hiring practices, and weak or ineffective governance policies and procedures (e.g., lack of ethics policies, bribery and corruption). Company engagement may include meetings with issuers to foster a deeper understanding of specific companies and issues, direct engagement with issuers to communicate views to management, and exercising proxy voting rights.

Proxy voting is informed by many considerations, including relevant ESG factors, but these activities are not necessarily directed towards any ESG related outcome. Proxies will be voted in the best interest of the Dynamic ETF

in all cases. The rationale for proxy votes could be informed by ESG considerations along with many other factors to determine what is in the best interest of the Dynamic ETF.

### *Use of Derivatives*

The Dynamic ETF may use warrants and derivatives such as options, forward contracts, futures contracts and swaps to (i) hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies; (ii) gain exposure to individual securities, assets and markets instead of buying the securities or assets directly; and (iii) generate income. For example, the Dynamic ETF may use derivatives to gain exposure to a particular issuer or class of issuers in circumstances where the Manager has determined that synthetic exposure would be preferable to a direct investment.

Any use of derivative instruments by the Dynamic ETF must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Dynamic ETF.

### *Use of Leverage*

Generally, the Dynamic ETF does not intend to borrow money for investment purposes but may incur leverage from time to time as a consequence of its use of derivatives. Any leverage employed by the Dynamic ETF will be in accordance with the restrictions applicable to an alternative mutual fund under NI 81-102.

### *Securities Lending*

The Dynamic ETF may, in compliance with NI 81-102, lend securities to securities borrowers that are acceptable to it pursuant to the terms of a Securities Lending Agreement under which: (i) the borrower will pay to the Dynamic ETF a negotiated securities lending fee and will make compensation payments to the Dynamic ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Dynamic ETF will receive collateral security. The Lending Agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis. Any securities lending revenue earned by the Dynamic ETF will be credited to the account of the Dynamic ETF.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with securities lending by requiring that each Securities Lending Agreement be, at a minimum, secured by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with parties the Manager considers to be qualified borrowers. In the case of securities lending or repurchase transactions, the aggregate market value of all securities lent and sold by the Dynamic ETF will not exceed more than 50% of the NAV of the Dynamic ETF immediately after the Dynamic ETF enters into such a transaction.

Policies and procedures relating to any securities lending, repurchase and reverse repurchase transaction entered into on behalf of the Dynamic ETF will be developed by the Manager and the Lending Agent in administering the transaction. Such policies and procedures will set out (i) the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions and (ii) the risk management procedures, including limits and other controls on such transactions, applicable to the Dynamic ETF.

The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to the Dynamic ETF relating to securities lending will be reviewed and approved annually by senior management of the Manager. At present, there are no simulations used to test the portfolios under stress conditions to measure risk in connection with the use of securities lending transactions.

## **OVERVIEW OF THE SECTORS IN WHICH THE DYNAMIC ETF INVESTS**

The Dynamic ETF invests indirectly in crypto assets, including bitcoin, ether, SOL, and XRP, in accordance with its investment objective and investment strategies. Crypto assets are also commonly referred to as "cryptocurrencies," or more generally as "digital assets".

Bitcoin, ether, SOL, and XRP are crypto assets that are not issued by any government, bank or central organization. Such crypto assets are based on the decentralized, open source protocol of the peer-to-peer bitcoin computer network (the “**Bitcoin Network**”), Ethereum computer network (the “**Ethereum Network**”), Solana network (the “**Solana Network**”), or XRP Ledger (the “**XRPL**”), respectively (collectively, the “**Networks**” and each, a “**Network**”). Each Network creates a decentralized public transaction ledger, known as the “blockchain,” on which all transactions are recorded. Movement of crypto assets is facilitated by digital, transparent and immutable ledger, enabling the rapid transfer of value across the internet without the need for centralized intermediaries. The applicable network software source code includes the protocol that governs the creation of crypto assets and the cryptographic operations that verify and secure transactions. The blockchain is an official record of every transaction (including creation or “mining” of new crypto assets).

## **Bitcoin**

The Bitcoin Network software source code includes the protocol that governs the creation of bitcoin and the cryptographic operations that verify and secure bitcoin transactions. It is common practice to refer to Bitcoin with a capital “B” when referring to the protocol or network, and bitcoin with a lowercase “b” when referring to the crypto asset. The blockchain is an official record of every bitcoin transaction (including creation or “mining” of new bitcoin) and every bitcoin address associated with a quantity of bitcoin. The Bitcoin Network, and software applications built atop it, can interpret the blockchain to determine the exact bitcoin balance, if any, of any public bitcoin address listed in the blockchain. A bitcoin private key controls the transfer or “spending” of bitcoin from its associated public bitcoin address. A bitcoin “wallet” is a collection of public bitcoin addresses and their associated private key(s). It is designed such that only the owner of bitcoin can send bitcoin, only the intended recipient of bitcoin can unlock what the sender sent and the transactional validation and bitcoin ownership can be verified by any third party anywhere in the world.

The entire Bitcoin Network can be described using the analogy of a computer. The most basic level of any computer is the hardware that all of the software runs upon. The hardware providers for the Bitcoin Network are called “miners”. Miners buy specialized computational equipment in the form of servers that are composed of primarily application specific integrated circuits (ASICs), and these servers have been constructed entirely for the purpose of verifying bitcoin transactions, building bitcoin’s blockchain and thereby minting new bitcoin.

## **Ethereum and Solana**

The open-source Ethereum Network and Solana Network software codes include the protocols that govern the creation of ether and SOL, respectively, and the cryptographic operations that verify and secure their transactions. Each Network goes beyond a peer-to-peer money system as it supports peer-to-peer contracts, known as smart contracts, as well as decentralized applications.

Application developers and other participants on the Ethereum Network and Solana Network use ether or SOL, respectively, to pay the transactional fees and computational services associated with creating and running applications on their respective Networks. Those who help maintain the Networks – miners on Ethereum Network and validators on Solana Network – are compensated for their services with ether or SOL, as applicable, through their complex validation processes.

Additionally, ether and SOL can be converted into fiat currencies at rates based on either crypto asset trading platforms or transactions between end-users. Since individuals are contributing to, and being compensated by, ether and SOL, both the Ethereum Network and the Solana Network remain sustainable.

## **XRP**

The open-source XRPL software code includes the protocol that governs the creation of XRP and the cryptographic operations that verify and secure XRP transactions. The XRPL’s primary use case is facilitating and settling cross-currency transactions. Participants on the XRPL use XRP to pay the transactional fees on the XRPL and to move value across geographies. Validators support the XRPL’s operation by verifying transactions and contributing to the consensus mechanism. Additionally, XRP can be converted into fiat currencies at rates based on either crypto asset trading platforms or transactions between end-users.

## **Crypto Asset and Blockchain Technology Sector**

The Dynamic ETF may also invest in equity securities of a broad spectrum of crypto companies that operate in various businesses including Web 3, blockchain, exchanges, wallet and custody services, crypto mining and treasury, financial services, non-fungible tokens (NFTs), decentralized finance (DeFi) and other related technologies.

Please see “Investment Objectives” and “Investment Strategies” for additional information on the sectors applicable to the Dynamic ETF.

### **INVESTMENT RESTRICTIONS**

The Dynamic ETF is subject to certain investment restrictions and practices contained in Canadian Securities Legislation, including NI 81-102, which are designed in part to ensure that the investments of the Dynamic ETF are diversified and relatively liquid, and to ensure their proper administration. A change to the fundamental investment objectives of the Dynamic ETF would require the approval of the Unitholders of the Dynamic ETF. Please see “Unitholder Matters – Matters Requiring Unitholder Approval”.

As an alternative mutual fund (as defined under NI-81-102), the Dynamic ETF is permitted to use strategies that are generally prohibited for conventional mutual funds, such as the ability to borrow cash, to short sell and invest in crypto assets beyond the limits prescribed for conventional mutual funds and to generally employ leverage. While these strategies will only be used in accordance with its investment objectives and strategies, during certain market conditions they may accelerate the risk that an investment in the Dynamic ETF decreases in value.

Subject to the following, and any exemptive relief that has been or will be obtained, the Dynamic ETF is managed in accordance with the investment restrictions and practices set out in the applicable Canadian Securities Legislation, including NI 81-102.

See “Exemptions and Approvals”.

#### **Tax Related Investment Restriction**

The Dynamic ETF will not make an investment or conduct any activity that would result in the Dynamic ETF (i) failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act, or (ii) being subject to the tax applicable to “SIFT trusts” for purposes of the Tax Act.

The Manager intends to monitor the activities of the Dynamic ETF if it is not a “mutual fund trust” for purposes of the Tax Act so as to ensure that the Dynamic ETF does not have any “designated income” for purposes of the Tax Act.

### **FEES AND EXPENSES**

These sections list the fees and expenses that an investor may have to pay, directly or indirectly, if the investor invests in the Dynamic ETF. An investor may have to pay some of these fees and expenses directly. The Dynamic ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Dynamic ETF. Some of these fees and expenses are subject to Goods and Services Tax (“GST”) or Harmonized Sales Tax (“HST”) including management fees and operating expenses (as set out below), at a rate determined based on the residence for tax purposes of the Unitholders of the Dynamic ETF.

GST is currently charged at a rate of 5% and HST is currently charged at a rate of between 13% and 15% depending on the province. Changes in existing GST or HST rates, changes to which provinces impose GST or HST and changes in the breakdown of the residence for tax purposes of the Dynamic ETF’s Unitholders will have an impact on the total expenses payable by the Dynamic ETF.

The Manager is responsible for the Dynamic ETF’s fees and expenses except the fees and expenses payable by the Dynamic ETF described under “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF”. The fees and expenses for which the Manager is responsible include the fees payable to the Custodian, Registrar and Transfer Agent

and other service providers retained by the Manager as described under “Organization and Management Details of the Dynamic ETF – Manager”.

### **Fees and Expenses Payable by the Dynamic ETF**

#### *Management Fees*

The annual management fees (the “**Management Fees**”) cover the costs of managing the Dynamic ETF, arranging for investment analysis, recommendations and investment decision making for the Dynamic ETF, marketing and promotion of the Dynamic ETF and providing or arranging for other services.

The Dynamic ETF pays the Manager a management fee for providing general management services. The Management Fee paid by the Dynamic ETF is accrued and calculated daily and paid monthly.

The Management Fee (not including applicable GST/HST) is based on a percentage of the NAV of the following Dynamic ETF and is set out below:

<b>Dynamic ETF</b>	<b>Management Fee (annual rate)</b>
DXMC	0.45 %

As of the date hereof, the Manager is temporarily waiving a portion of the Management Fee until March 1, 2027. After giving effect to the temporary waiver, the Manager receives an annual Management Fee of 0.25%.

#### *Management Fee Distributions*

To encourage very large investments in the Dynamic ETF and to ensure Management Fees are competitive for these investments, the Manager may at its discretion agree to charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the Dynamic ETF with respect to investments in the Dynamic ETF by Unitholders that hold, on average during any period specified by the Manager from time to time (currently a quarter), Units having a specified aggregate value. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the Dynamic ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the Dynamic ETF will be distributed quarterly in cash by the Dynamic ETF, at the discretion of the Manager, to those Unitholders as management fee distributions (the “**Management Fee Distributions**”).

The availability and amount of Management Fee Distributions with respect to Units of the Dynamic ETF will be determined by the Manager. Management Fee Distributions for the Dynamic ETF will generally be calculated and applied based on a Unitholder’s average holdings of Units of the Dynamic ETF over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the Dynamic ETF, then out of capital gains of the Dynamic ETF and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units of the Dynamic ETF must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner’s behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by the Dynamic ETF generally will be borne by the Unitholders of the Dynamic ETF receiving these distributions from the Manager.

### *Operating Expenses*

The Dynamic ETF pays certain other operating expenses, including all applicable taxes and fees and expenses of the IRC (collectively, “**Fund Costs**”).

The Dynamic ETF is allocated its own Fund Costs and its proportionate share of Fund Costs that are common to all funds and ETFs managed by the Manager.

### Underlying Fund Fees and Expenses

There are fees and expenses payable by the Other Funds whose securities are held by the Dynamic ETF, in addition to the fees and expenses directly payable by the Dynamic ETF. The Dynamic ETF indirectly bears its share of such fees and expenses. The fees and expenses of such underlying funds may be higher than the fees and expenses payable by the Dynamic ETF. To ensure that there is no duplication of management fees chargeable in connection with the Dynamic ETF that, to a reasonable person, would duplicate any management fees or performance fees payable by the underlying funds for the same service, the Manager will absorb such fees that are incurred resulting from its investments in any underlying funds. No sales charges or redemption fees are payable by the Dynamic ETF in relation to their purchases or redemptions of securities of the underlying funds that are managed by the Manager or any of its affiliates or associates or that, to a reasonable person, would duplicate a fee payable by Unitholders of the Dynamic ETF. Certain underlying funds held by the Dynamic ETF may pay performance fees, including performance fees to the Manager.

Pursuant to the terms of the Strategic Alliance (as defined herein), 3iQ has agreed to reduce all or a portion of the management fee payable by the 3iQ ETFs to 3iQ resulting from the Dynamic ETF’s investment in the 3iQ ETFs. The difference between the management fee otherwise chargeable and the reduced management fee will be accrued daily based on the net asset value determined on the previous business day for each 3iQ ETF and distributed monthly by the applicable 3iQ ETF to the Dynamic ETF as a management fee distribution. The amount and payment of management fee distributions are subject to the terms of a negotiated agreement between the Dynamic ETF and 3iQ. Management fee distributions shall be paid first out of net income of the applicable 3iQ ETF, then out of capital gains of the 3iQ ETF and thereafter out of capital of the 3iQ ETF. 3iQ or its affiliate, as applicable, will receive staking service fees, a portion of the revenues generated from staking and/or management fees from certain of the 3iQ ETFs in which the Dynamic ETF invests. See “Organization and Management Details of the Dynamic ETF – Sub-Adviser – Strategic Alliance with 3iQ”.

### Management Expense Ratio

The management expense ratio (“**MER**”) is based on the total expenses (including applicable management fees and operating expenses) of the Dynamic ETF and a proportional share of any underlying fund fees and expenses, where applicable, and is expressed as an annualized percentage of the Dynamic ETF’s daily average net asset value during the period, calculated in accordance with applicable securities legislation.

The Manager, in its sole discretion, may waive or absorb a portion of the Dynamic ETF’s total expenses. Such waivers or absorptions may be terminated at any time without notice.

Portfolio and derivative transaction costs, and income taxes, where applicable, are not included in the MER.

### Portfolio and Derivatives Transaction Costs

The Dynamic ETF pays its portfolio transaction costs, which include costs associated with the purchase and sale of securities and other property, such as brokerage fees, commissions, service charges and research and execution costs.

The Dynamic ETF may also use a variety of derivatives, including options, forward contracts and swaps to hedge against foreign currency risk, among other things. The Dynamic ETF is responsible for paying the transaction costs associated with these derivative contracts.

### *Expenses of Issue*

Apart from the initial organizational costs of the Dynamic ETF, all expenses related to the issuance of Units of the Dynamic ETF shall be borne by the Dynamic ETF unless otherwise waived or reimbursed by the Manager.

## **Fees and Expenses Payable Directly by the Unitholders**

### *Administration Fees*

An amount as may be agreed to between the Manager and the Designated Broker or Dealer, of the Dynamic ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Dynamic ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of Cboe.

## **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units.

### **General Risks Relating to an Investment in the Dynamic ETF**

#### *No Assurances of Achieving Objective*

There is no assurance that the Dynamic ETF will be able to achieve its investment objective.

#### *Possible Loss of Investment*

An investment in the Dynamic ETF is appropriate only for investors who have the capacity to absorb a loss on their investment.

#### *No Guaranteed Return*

There is no guarantee that an investment in the Dynamic ETF will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Dynamic ETF's investments. All prospective Unitholders should consider an investment in the Dynamic ETF within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

#### *General Risks of Investments*

The value of the underlying securities of the Dynamic ETF, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities, the condition of equity and currency markets generally and other factors. The identity and weighting of the Constituent Issuers and Constituent Securities in the Dynamic ETF also change from time to time.

The risks inherent in investments in equity securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate (either of which may cause a decrease in the value of the Constituent Securities and, as a result, a decrease in the value of the Units of the Dynamic ETF). Equity securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

#### *Asset Class Risk*

The Constituent Securities may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

### *Issuer Risk*

Changes in the financial condition of a company or other issuer, changes in specific market, economic, political, regulatory, geopolitical, and other conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, regulatory, geopolitical and other conditions can adversely affect the price of an investment. The prices of securities of smaller, less well-known issuers can be more volatile than the prices of securities of larger issuers or the market in general.

### *Illiquid Securities Risk*

Liquidity risk is the risk that the Dynamic ETF may not be able to dispose of securities or close out derivatives transactions readily at favorable times or prices (or at all) or at prices approximating those at which the Dynamic ETF currently values them. For example, certain investments may be subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for the Dynamic ETF to value illiquid securities accurately. The market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. Disposal of illiquid securities may entail registration expenses and other transaction costs that are higher than those for liquid securities.

### *Reliance on Key Personnel*

Unitholders are dependent on the abilities of the Manager and the Sub-adviser to effectively manage the Dynamic ETF in a manner consistent with its investment objectives, investment strategies and investment restrictions. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the Dynamic ETF will continue to be employed by the Manager or the Sub-adviser.

### *Trading Price of Securities*

The securities of the Dynamic ETF and any Other Funds that are ETFs held by the Dynamic ETF may trade below, at, or above their respective NAV per Unit. The NAV per Unit will fluctuate with changes in the market value of the portfolio investments of the Dynamic ETF or an Other Fund. The trading prices of the securities of the Dynamic ETF or an Other Fund will fluctuate in accordance with changes in the NAV per Unit of the Dynamic ETF or the Other Fund, as well as market supply and demand for the Units of the Dynamic ETF or the securities of the Other Fund on the market(s) on which such Units or securities are traded. However, under normal market conditions, given that Dealers may subscribe for, and Unitholders and Dealers may exchange, the Prescribed Number of Units of the Dynamic ETF for securities and cash of total value equal to the NAV per Unit of the Dynamic ETF, the Manager believes that large discounts or premiums to the NAV per Unit of the Dynamic ETF should not be sustained. However, in periods of market distress, elevated volatility, severe liquidity disruption, or abnormal market conditions generally, larger and more sustained differences between trading prices and NAV per Unit are possible.

If a Unitholder or the Dynamic ETF purchases securities of the Dynamic ETF or an Other Fund at a time when the market price of a security is at a premium to the NAV per Unit or sells securities of the Dynamic ETF or an Other Fund at a time when the market price of a security is at a discount to the NAV per Unit, the Unitholder or the Dynamic ETF may sustain a loss.

### *Fluctuations in NAV and NAV per Unit and the Value of Crypto Assets*

The NAV and NAV per Unit of the Dynamic ETF will vary according to, among other things, the value of the securities held by the Dynamic ETF. The Manager and the Dynamic ETF have no control over the factors that affect the value of the securities held by the Dynamic ETF, including factors that affect the equity markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each Constituent Issuer, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events, as well as factors unique to Crypto Assets.

### *Currency Fluctuation Risk*

Direct or indirect investments in issuers in different countries are often denominated in currencies different from the Dynamic ETF's base currency. The NAV of the Units of the Dynamic ETF, when measured in the base currency in which the Units are denominated, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the base currency which may have a positive or negative effect on the values of the Dynamic ETF's investments denominated in those currencies.

The values of other currencies relative to the Dynamic ETF's base currency may fluctuate in response to, among other factors, interest rate changes, intervention (or failure to intervene) by national governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, and other political or regulatory developments. Currency values can decrease significantly both in the short term and over the long term in response to these and other developments.

### *Cease Trading of Securities Risk*

If the securities of an issuer included in the portfolio of the Dynamic ETF or an Other Fund are cease-traded by order of the relevant Securities Regulatory Authority or are halted from trading by the relevant stock exchange, the Dynamic ETF or Other Fund may halt trading in its securities. Accordingly, securities of the Dynamic ETF bear the risk of cease-trading orders against all issuers whose securities are included in its portfolio or in the Other Fund's portfolio, not just one. If portfolio securities of the Dynamic ETF or the Other Fund are cease-traded by order of a Securities Regulatory Authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the Dynamic ETF or the applicable Other Fund may suspend the right to redeem securities for cash as described under "Exchange and Redemption of Units – Suspension of Exchanges and Redemptions", subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the Dynamic ETF or the applicable Other Fund may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

### *Concentration Risk*

The Dynamic ETF's investment objective includes seeking to provide Unitholders with exposure to the performance of an actively managed selection of crypto assets. The Dynamic ETF currently intends to invest primarily in the Other Funds. Other than cash or cash equivalents, each Other Fund will invest substantially all of its assets directly or indirectly in the applicable Crypto Asset. As a result, the Dynamic ETF's holdings are not diversified. The NAV of the Dynamic ETF may be more volatile than the value of a more broadly diversified portfolio or investment fund and may fluctuate substantially over short periods of time. This may have negative impacts on the NAV of the Dynamic ETF. An investment in the Dynamic ETF may be deemed speculative and is not intended as a complete investment program. An investment in the Dynamic ETF should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Dynamic ETF. Investors should review closely the objective and strategy of the Dynamic ETF and familiarize themselves with the risks associated with an investment in the Dynamic ETF.

### *Use of Derivative Instruments*

The Dynamic ETF may use derivative instruments from time to time in accordance with NI 81-102 as described under "Investment Strategies". The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Dynamic ETF wants to complete the derivative contract, which could prevent the Dynamic ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Dynamic ETF from completing the derivative contract; (iv) the Dynamic ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the Dynamic ETF has an open position in an option, a futures contract or a forward contract or a swap with a counterparty who goes bankrupt, the Dynamic ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that counterparty; and (vi) if a

derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative.

#### *Risk of Volatile Markets*

Market prices of investments held by the Dynamic ETF will go up or down, sometimes rapidly or unpredictably. The Dynamic ETF's investments are subject to changes in general economic conditions, market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in the Dynamic ETF could decline if the particular industries, sectors or companies in which the Dynamic ETF invests do not perform well or are adversely affected by events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

#### *Market Disruptions Risk*

Significant events such as natural disasters, incidents of war, terrorism, civil unrest, disease outbreaks, significant policy or legislative changes (such as the imposition of tariffs or other trade restrictions), or public uncertainty about whether and to what extent such events may occur, and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on regional and global economies and markets. Such disruptive events may have effects that cannot be predicted and may have acute effects on individual issuers or related groups of issuers. When a disruptive event occurs, the impacted countries may not efficiently and quickly recover, which could adversely affect borrowers and other developing economic enterprises in such countries. These and other impacts of disruptive events may significantly reduce the value of the Dynamic ETF's investments and adversely affect the Dynamic ETF's performance.

#### *Changes in Legislation*

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Dynamic ETF or the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts, SIFT trusts or other tax matters affecting trusts will not be changed in a manner that adversely affects the Dynamic ETF or the Unitholders.

Changes in domestic and foreign tax laws, regulatory laws, or the administrative practices or policies of a tax or regulatory authority may adversely affect the Dynamic ETF and its investors. For example, the domestic and foreign tax and regulatory environment for derivative instruments is evolving, and changes in the taxation or regulation of derivative instruments may adversely affect the value of derivative instruments held by the Dynamic ETF and the ability of the Dynamic ETF to pursue its investment strategies. In addition, interpretation of the law and the application of administrative practices or policies by a taxation authority may also affect the characterization of the Dynamic ETF's earnings as capital gains or income. In such a case, the net income of the Dynamic ETF for tax purposes and the taxable component of distributions to investors could be determined to be more than originally reported, with the result that investors or the Dynamic ETF could be liable to pay additional income tax. The Dynamic ETF may also become liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Any liability imposed on the Dynamic ETF may reduce the value of the Dynamic ETF and the value of an investor's investment in the Dynamic ETF.

#### *Significant Unitholder Risk*

The Dynamic ETF may have particular investors who own a large proportion of the outstanding Units of it. For example, institutions such as banks and insurance companies or fund companies may purchase Units of the Dynamic ETF for their own mutual funds, including affiliated mutual funds of the Dynamic ETF, segregated investment funds, structured notes or discretionary managed accounts. Retail investors may also own a significant amount of Units of the Dynamic ETF.

If one of those investors redeems a large amount of their investment in the Dynamic ETF, the Dynamic ETF may have to sell a significant portion of its portfolio investments at unfavourable prices to meet a redemption request, which can result in significant price fluctuations to the NAV of the Dynamic ETF and may potentially reduce the returns of the Dynamic ETF. Conversely, if a large investor were to increase its investment in the Dynamic ETF, that Dynamic ETF may have to hold a relatively large portion in cash for a period of time until the Manager finds suitable investments, which could also negatively impact the performance of the Dynamic ETF.

### *Settlement Risk*

Markets in different countries have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions. Delays in settlement may increase credit risk to the Dynamic ETF's portfolio, limit the ability of the Dynamic ETF to reinvest the proceeds of a sale of securities, hinder the ability of the Dynamic ETF to lend its portfolio securities, and potentially subject the Dynamic ETF to penalties for its failure to deliver. Delays in the settlement of securities purchased by the Dynamic ETF may limit the ability of the Dynamic ETF to sell those securities at prices it considers desirable, and may subject the Dynamic ETF to losses and costs due to its own inability to settle with subsequent purchasers of the securities from it.

### *Taxation of the Dynamic ETF*

It is anticipated that the Dynamic ETF will meet, before the 91<sup>st</sup> day after the end of its first taxation year, and will continue to meet all the requirements to qualify as a "mutual fund trust" for the purposes of the Tax Act at all times thereafter and the Dynamic ETF is expected to make an election in its first tax return so that it qualifies or will qualify under the Tax Act as a mutual fund trust from the commencement of its first taxation year. If the Dynamic ETF does not qualify as a mutual fund trust under the Tax Act, or were to cease to so qualify, the income tax considerations described under the heading "Income Tax Considerations" would be materially and adversely different in certain respects. For instance, if the Dynamic ETF does not qualify as a mutual fund trust throughout a taxation year, it may become subject to the special tax on designated income pursuant to Part XII.2 of the Tax Act and would not be entitled to the Capital Gains Refund. In addition, if the Dynamic ETF does not qualify as a mutual fund trust and one or more "financial institutions", as defined in the Tax Act, owns more than 50% of the fair market value of the Units of the Dynamic ETF, the Dynamic ETF will be a "financial institution" for purposes of the "mark-to-market property" rules contained in the Tax Act. In that event, gains and losses of the Dynamic ETF on property that is "mark-to-market property" for purposes of these rules will be fully included in or deducted from income on an annual mark-to-market basis. See the concluding paragraphs of this risk factor for further information on the consequences of not qualifying as a mutual fund trust.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met. The Declaration of Trust contains a restriction on the number of permitted non-resident Unitholders. See "Plan of Distribution – Non-Resident Unitholders".

The tax treatment of gains and losses realized by the Dynamic ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph, subject to the discussion below pertaining to the case where the Dynamic ETF is a "financial institution" for purposes of the mark-to-market rules in the Tax Act. The CRA has stated that gains (or losses) of a taxpayer resulting from transactions in cryptocurrency (which by extension may include the units of an Other Fund that invests in cryptocurrency) should generally be treated for tax purposes as capital gains (or capital losses), unless the gains (or losses) result from carrying on a business or an adventure or concern in the nature of trade. However, the CRA has also stated that it generally treats cryptocurrency like a commodity for purposes of the Tax Act and that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. As the Dynamic ETF intends to be a long-term holder of its portfolio securities (including the units of Other Funds), in determining its income for tax purposes, the Dynamic ETF will generally treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses (unless, generally, if the Dynamic ETF

is a financial institution, such securities are mark-to-market property). In addition, the Dynamic ETF will make (if applicable) an election under subsection 39(4) of the Tax Act in its taxation year in which it first disposes of “Canadian securities” (as defined in the Tax Act) to have all such Canadian securities deemed to be capital property of the Dynamic ETF. Such election will affect a disposition of securities if, at the time of such disposition, the Dynamic ETF is a mutual fund trust for purposes of the Tax Act or is not (i) a financial institution for purposes of the “mark-to-market property” rules in the Tax Act, or (ii) a trader or dealer in securities. In general, gains and losses realized by the Dynamic ETF from derivative transactions and in respect of short sales of securities (other than Canadian securities if the Dynamic ETF has made the election under subsection 39(4)) will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided the Dynamic ETF is not a financial institution and there is sufficient linkage, subject to the DFA Rules discussed below.

Designations with respect to the Dynamic ETF’s income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. In addition, there can be no assurance that the CRA will agree with the tax treatment otherwise adopted by the Dynamic ETF in filing its tax return. If the CRA disagrees with any tax treatment adopted by the Dynamic ETF, including if the foregoing dispositions or transactions of the Dynamic ETF are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Dynamic ETF for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Dynamic ETF being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Dynamic ETF.

The Dynamic ETF may invest in securities of one or more Other Funds (which may include the 3iQ ETFs). To the extent that the Dynamic ETF holds trust units issued by an Other Fund, the Dynamic ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Dynamic ETF by such Other Fund in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. The Dynamic ETF understands that the 3iQ ETFs generally treat gains and losses on dispositions of cryptocurrency on capital account, treat their expenses (including management fees and any staking service fees) as deductible, and take the position that they are not SIFT trusts for purposes of the SIFT Rules described below. However, the tax treatment of cryptocurrency (including the tax treatment of forks, air drops and other occurrences affecting cryptocurrency, as described under “Additional Risks Relating to an Investment in the Dynamic ETF – Risks Relating to the Networks”) is subject to considerable uncertainty, and the CRA may disagree with positions taken by an Other Fund in this regard. To the extent that the CRA disagrees with any tax treatment adopted by an Other Fund in filing its tax return, the net income of the Other Fund for tax purposes made payable to the Dynamic ETF and the taxable component of distributions to the Dynamic ETF could increase, and as a result the net income made payable by the Dynamic ETF and the taxable component of distributions by the Dynamic ETF could be more than originally reported, with the result that investors or the Dynamic ETF could be liable to pay additional income tax.

The Tax Act contains rules (the “**SIFT Rules**”) concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. For this purpose, “non-portfolio property”, would include (i) property that the trust (or a person or partnership that does not deal at arm’s length with the trust for purposes of the Tax Act) uses in the course of carrying on a business in Canada and (ii) certain investments in Other Funds that themselves hold “non-portfolio property”. The CRA has indicated that the characterization of staking rewards as income from property or a business depends on the “level of activity” of the taxpayer in earning that income, and that this determination should be based on an examination of all the circumstances. However, there remains significant uncertainty with respect to the tax treatment of cryptocurrency staking, including the potential application of the SIFT Rules in this context. The Dynamic ETF intends to take the position that it is not a SIFT trust, and it understands that each of the 3iQ ETFs takes the position that it is not a SIFT trust. However, no advance income tax ruling has been sought or obtained from the CRA in respect of the status of the Dynamic ETF or the 3iQ ETFs under the SIFT Rules, and therefore the CRA could seek to assess or reassess the Dynamic ETF or the 3iQ ETFs as a SIFT trust. If the SIFT Rules apply to the Dynamic ETF or the 3iQ ETFs, the

after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any derivatives to be utilized by the Dynamic ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, if the Dynamic ETF experiences a “loss restriction event” it (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Dynamic ETF’s net income and net realized capital gains, if any, at such time to Unitholders so that the Dynamic ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses (with the result that the taxable component of distributions in the future may be larger). Generally, the Dynamic ETF will be subject to a loss restriction event if a Unitholder becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Dynamic ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Dynamic ETF is a beneficiary in the income or capital, as the case may be, of the Dynamic ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Dynamic ETF. Please see “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally exempted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not holding any property that is used in the course of carrying on a business and complying with certain asset diversification requirements (including a requirement that, generally, the trust not hold more than 20% of the securities of any class of a person other than an “investment fund”). The rules relating to “loss restriction events” would similarly apply to Other Funds that are trusts resident in Canada (which may include the 3iQ ETFs). If the Dynamic ETF or an Other Fund does not qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above. It may not be possible for the Dynamic ETF or an Other Fund to determine whether or when a loss restriction event has occurred because of the nature of its investments and the way Units are bought and sold. Therefore, there can be no assurances that the Dynamic ETF or an Other Fund will not experience a loss restriction event, and there can be no assurances regarding when or to whom the distributions resulting from a loss restriction event will be made or that the Dynamic ETF or an Other Fund will not be required to pay tax notwithstanding such distributions.

Pursuant to the Declaration of Trust, the Dynamic ETF may allocate and designate as payable any capital gains realized by the Dynamic ETF as a result of any disposition of property of the Dynamic ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Dynamic ETF has the authority to distribute, allocate and designate any capital gains of the Dynamic ETF to a Holder who has redeemed or exchanged Units during a year in an amount equal to the Holder’s share, at the time of redemption or exchange, of the Dynamic ETF’s capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder’s proceeds of disposition.

Based on rules in the Tax Act applicable to trusts that are “mutual fund trusts” for purposes of the Tax Act throughout the taxation year, amounts of taxable capital gains so allocated and designated to redeeming Unitholders will be deductible to the Dynamic ETF to the extent of the redeeming Unitholders’ pro rata share (as determined under the Tax Act) of the net taxable capital gains of the Dynamic ETF for the year. Any such taxable capital gains that would not be deductible by the Dynamic ETF if allocated to redeeming or exchanging Unitholders may be made payable to non-redeeming or non-exchanging Unitholders of the Dynamic ETF so that the Dynamic ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or non-exchanging Unitholders of the Dynamic ETF may be greater than they would have been in the absence of the rules described above.

The Dynamic ETF may invest in global equity securities and may invest in one or more Other Funds that invest in cryptocurrency. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends or distributions paid or credited to persons who are not resident in such countries. Under foreign tax laws and subject to limits set out in any applicable Tax Treaties, investments in global equity securities and cryptocurrency may subject the Dynamic ETF to foreign taxes on dividends or distributions paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Dynamic ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid directly by the Dynamic ETF exceeds 15% of the amount included in the Dynamic ETF’s income from such investments, such excess may generally be deducted by the Dynamic ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid by the Dynamic ETF (or paid by an Other Fund and deemed to be paid by the Dynamic ETF) does not exceed 15% of the amount included in the Dynamic ETF’s income from such investments and has not been deducted in computing the Dynamic ETF’s income and the Dynamic ETF designates its income from a foreign source in respect of a Unitholder of the Dynamic ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder’s proportionate share of foreign taxes paid by the Dynamic ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of the Dynamic ETF is subject to the detailed rules in the Tax Act.

The Tax Act provides for a special tax on the designated income of certain trusts (other than a trust that was throughout the year a mutual fund trust) that have designated beneficiaries. The Manager intends to monitor the activities of the Dynamic ETF if it is not a mutual fund trust so as to ensure that the Dynamic ETF does not earn any designated income for purposes of the Tax Act. On this basis, it is anticipated that the Dynamic ETF will not have any liability with respect to this special tax. However, if the Dynamic ETF is not a mutual fund trust for purposes of the Tax Act and is considered to be carrying on business in respect of any of its investing activities for purposes of these rules, the income related thereto may be designated income and may be subject to the above-noted special tax.

If the Dynamic ETF does not qualify as a mutual fund trust under the Tax Act and more than 50% of the fair market value of all interests in the Dynamic ETF are held by holders that are “financial institutions”, as such term is defined for purposes of the “mark-to-market property” rules in the Tax Act, the Dynamic ETF will be a “financial institution” for purposes of these rules. In that event, gains and losses of the Dynamic ETF on property that is “mark-to-market property” for purposes of these rules will be fully included in or deducted from income on an annual mark-to-market basis. A trust that becomes or ceases to be a financial institution for the above purposes will be deemed to have a year-end for tax purposes at such time, and will be deemed to have disposed of certain properties at their fair market value and to have reacquired them immediately thereafter. A deemed taxation year-end would result in an unscheduled distribution of the Dynamic ETF’s net income and net realized capital gains, if any, at such time to Unitholders so that the Dynamic ETF is not liable for income tax on such amounts under Part I of the Tax Act. Please see “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled or other distribution to Unitholders.

Given the manner in which the Units of the Dynamic ETF are distributed, there may be circumstances in which it may not be possible to identify whether the Dynamic ETF has become, or ceased to be, a financial institution. As a result, there can be no assurance as to when and to whom any distributions arising on the change in financial institution status of the Dynamic ETF will be made, or that the Dynamic ETF will not be required to pay tax on any undistributed income or taxable capital gains realized on such event.

### *Valuation Risk*

Some portfolio holdings, and potentially a large portion of the Dynamic ETF’s investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including “fair valued” securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Dynamic ETF could sell or close out a portfolio position for the value established for it at any time, and the Dynamic ETF could incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Dynamic ETF at that time.

### *Cybersecurity Risk*

Technology is used in virtually all aspects of the Manager's business and operations and those of the Dynamic ETF and other service providers. The Manager has a robust and evolving information security program that features policies, processes, technologies and dedicated professionals that protect information, systems and networks. Despite this, there can be no assurances that these measures will be successful in every instance in protecting our networks and information assets against attacks. The Manager and its service providers may not be able to anticipate or to implement effective preventive measures against all disruptions or privacy and security breaches, especially as attack techniques change frequently, increase in sophistication, are often not recognizable until launched, and can originate from a wide variety of sources. The Manager is likely to continue to be the target of cyberattacks that could result in the violation of privacy laws or information security regulations, or that could materially disrupt network access or business operations. This may result in the disclosure of confidential information, access to sensitive information or destruction or corruption of data.

### *Cease Trading of Units*

If Constituent Securities of the Dynamic ETF are cease-traded at any time by a Securities Regulatory Authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units of the Dynamic ETF until such time as the transfer of the securities is permitted as described under "Exchange and Redemption of Units – Suspension of Exchanges and Redemptions".

### *Portfolio Management Risk*

The investment portfolios of the Dynamic ETF are subject to a degree of management risk. The Manager's judgments about the implementation of a strategy or the attractiveness, relative value, or potential appreciation of a particular sector, security, or investment strategy may prove incorrect and may cause the Dynamic ETF to incur losses. There can be no assurance that the Manager's investment techniques and decisions will produce the desired results.

### *Securities Lending Risk*

The Dynamic ETF may enter into securities lending transactions to generate additional income from securities held in the Dynamic ETF's portfolio. In lending its securities, the Dynamic ETF is exposed to the risk that the borrower may not be able to satisfy its obligations under the securities lending agreement and the lending Dynamic ETF is forced to take possession of the collateral held. Losses could result if the collateral held by the Dynamic ETF is insufficient, at the time the remedy is exercised, to replace the securities borrowed. To address these risks, any securities lending transactions entered into by the Dynamic ETF will comply with applicable securities laws, including the requirement that each agreement be, at a minimum, fully collateralized by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The Dynamic ETF will enter into securities lending transactions only with parties that the Manager believes, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements. Prior to entering into a securities lending agreement, the Dynamic ETF must ensure that the aggregate value of the securities loaned, together with those that have been sold pursuant to repurchase transactions, does not exceed 50% of the NAV of the Dynamic ETF immediately after the Dynamic ETF enters into the transaction.

### *Withholding Tax Risk*

As the Dynamic ETF's portfolio may consist of securities issued by foreign issuers, distributions received by the Dynamic ETF on the securities in its portfolio may be subject to foreign withholding tax. The return on such the Dynamic ETF's portfolio will be net of such foreign withholding tax, unless the terms of the securities in its portfolio require the issuers of such securities to "gross-up" distributions and gains, as applicable, so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) distributions and gains on securities held in the Dynamic ETF's portfolio will not be subject to foreign withholding tax or (ii) the terms of securities held in the Dynamic ETF's portfolio will provide for the gross-up referred to above.

### *Underlying ETFs and Underlying Funds Risk*

The Dynamic ETF may invest, directly or indirectly, in Other Funds that are ETFs. The investments of ETFs may include securities and other financial instruments, including crypto assets. ETFs and their underlying investments are subject to the same general types of investment risks as those that apply to the Dynamic ETF found in this prospectus. The risk of each ETF will be dependent on the structure and underlying investments of the ETF.

The Dynamic ETF's ability to realize the full value of an investment in an ETF will depend on its ability or the ability of an Other Fund in which it invests, as the case may be, to sell such ETF units or shares on a stock exchange. If the Dynamic ETF or an Other Fund in which it invests, as the case may be, chooses to exercise its rights to redeem ETF units or shares, then the Dynamic ETF or the Other Fund, as the case may be, may receive less than 100% of the ETF's then net asset value per unit or share. The trading price of the units or shares of ETFs will fluctuate in accordance with changes in the ETFs' net asset value, as well as market supply and demand on the respective stock exchanges on which they are listed. Units or shares of an ETF may trade in the market at a premium or discount to the ETF's net asset value per unit or share and there can be no assurance that units or shares will trade at prices that reflect their net asset value. The ETFs are or will be listed on a Canadian or U.S. stock exchange, or such other stock exchanges as may be approved from time to time by Canadian securities regulators, however there is no assurance that an active public market for an ETF will develop or be sustained.

The Dynamic ETF invests in securities of underlying Other Funds, including underlying Other Funds managed by the Manager or an affiliate or associate of the Manager. The proportions and types of underlying Other Funds held by the Dynamic ETF will vary according to the risk and investment objectives of the Dynamic ETF.

Pursuant to the requirements of applicable securities legislation, the Dynamic ETF will not vote any of the securities it holds in an underlying Other Fund managed by the Manager or any of the Manager's affiliates and associates.

To the extent that the Dynamic ETF invests in underlying Other Funds it will have the same risks as the underlying Other Funds.

### *Limited Operating History and Absence of an Active Market*

The Dynamic ETF is a newly organized investment trust with no operating history. Although the Dynamic ETF may be listed on Cboe, there is no assurance that an active public market for the Units will develop or be sustained.

## **Additional Risks Relating to an Investment in the Dynamic ETF**

### *Borrowing Risk*

From time to time, the Dynamic ETF may borrow cash as permitted by applicable Canadian securities legislation and any applicable exemptive relief, including, as applicable, as a temporary measure to fund the portion of any distributions payable to Unitholders that represents amounts that have not yet been received by the Dynamic ETF, to accommodate requests for redemptions of Units of the Dynamic ETF while the Dynamic ETF effects an orderly liquidation of portfolio assets, or to permit the Dynamic ETF to settle portfolio transactions. There is a risk that the Dynamic ETF will not be able to repay the borrowed amount because it is unable to collect a distribution from the applicable issuer or because a trading counterparty is unable to deliver cash or securities. Under these circumstances, the Dynamic ETF would be required to repay the borrowed amount by disposing of portfolio assets. Commitment fees and/or interest charges associated with borrowing may reduce the NAV of the Dynamic ETF.

### *ESG Factor Risk*

The ESG factors considered in the Dynamic ETF's investment process and the extent to which they are considered, if at all, depend on the Dynamic ETF's particular investment objectives and strategies. The Dynamic ETF does not incorporate ESG considerations into its investment objectives, does not seek to achieve any ESG-related outcome or attributes at the security or portfolio level, and does not make any commitments regarding the ESG-related attributes at the security or portfolio level. ESG factors are considered, when deemed material, alongside many other factors, through the lens of how they could impact the investment objectives of the Dynamic ETF. ESG factors are not

considered for crypto assets (including investments that provide exposure to crypto assets). The investment approach of the Manager or sub-adviser, as applicable, may not eliminate the possibility of the Dynamic ETF having exposure to companies that certain investors may perceive to exhibit negative ESG characteristics or poor performance on certain ESG factors. Investors can differ in their views of what constitutes positive or negative ESG performance on any given ESG factor. As a result, the Dynamic ETF may invest in issuers that do not reflect the beliefs and values of every investor.

#### *Foreign Investment Risk*

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

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of the Dynamic ETF holding foreign securities, whether directly or indirectly, dividends, interest or distributions on those foreign securities may be subject to withholding taxes.

#### *General Risks of Equity Investments*

The market prices of equity securities owned by the Dynamic ETF, whether directly or indirectly, may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced demand for the issuer's goods or services. The values of equity securities also may decline due to general industry or market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the Constituent Securities. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the Constituent Issuers and general economic conditions. Therefore, there can be no assurance that the Constituent Issuers will pay dividends or distributions on Constituent Securities.

#### ***Risk Factors Relating to Investing in Crypto Assets***

##### *Banking Services*

In the uncertain regulatory climate for crypto assets, including bitcoin, ether, SOL and XRP, Canadian and/or non-Canadian regulated financial institutions may cease to support transactions involving crypto assets, including the receipt of cash proceeds from sales of crypto assets. Banks may also refuse to provide bank accounts and other banking services to Crypto Asset-related companies or companies that accept the Crypto Assets for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide Crypto Asset-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of the Crypto Assets as a payment system and harming public perception of the Crypto Assets or could decrease their usefulness and harm their public perception in the future. Similarly, the

usefulness of the Crypto Assets as payment systems and the public perception of the Crypto Assets could be damaged if banks were to close the accounts of many or of a few key businesses providing Crypto Asset-related services. This could decrease the value of the Crypto Asset held by an Other Fund and therefore adversely affect the net asset value of the applicable Other Fund and an investment in the Units.

#### *Control of Outstanding Crypto Assets*

A portion of the total supply of bitcoin may be concentrated among a relatively small number of holders. These holdings may be associated with early adopters, trading platforms, custodians, or institutional investors. Due to the pseudonymous nature of blockchain transactions, a single entity may control multiple wallets, resulting in a greater effective concentration than may be apparent from publicly available data. As with other crypto assets, the large-scale sale of bitcoin by one or more significant holders could adversely affect market prices and contribute to volatility, which may negatively impact an investment in the Dynamic ETF.

The founders of the Ethereum Network may control large amounts of ether. There are several crypto asset trading platforms that have large holdings of ether, which can be found at: <https://etherscan.io/accounts>. Where there appear to be a few concentrated holders of ether based on individual addresses, some holders may have their ether spread across multiple addresses.

While publicly available information concerning the identity of SOL holders and the amount of SOL they hold is limited, the information that is publicly available suggests that a substantial minority (and possibly a majority) of SOL currently outstanding are held by Solana Labs, Inc., the Solana Foundation, the founders of SOL, its early employees and service providers and early investors in the technology. It is not uncommon for a relatively small number of digital wallets to hold a substantial amount of the outstanding supply of any given cryptocurrency, and it is possible that some of these wallets would be controlled by the same person or entity. Moreover, it is possible that other persons or entities control multiple wallets that collectively hold a significant amount of any given cryptocurrency, even if each wallet individually only holds a small amount.

If one of these top holders or group of holders of the Crypto Assets were to liquidate their position, it could cause volatility in the price of the applicable Crypto Asset and in turn adversely affect net asset value of an Other Fund and an investment in the Units.

#### *Cryptocurrency Risk*

Cryptocurrency (notably, bitcoin, ether, SOL and XRP), often referred to as “virtual currency” or “digital currency”, operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or the banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e., bitcoin, ether, SOL and XRP) may experience high volatility and related investment vehicles may be affected by such volatility. Funds holding cryptocurrency may also trade at a significant premium or discount to net asset value. Cryptocurrency is not legal tender. Federal, provincial, territorial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation is still developing. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware which could have an adverse impact on the net asset value per unit of that applicable Other Fund and an investment in the Units.

#### *Effects of Blockchain Analytics*

The Crypto Assets utilize public blockchains on which all transactions are publicly viewable and contain certain information about the transaction, such as the public wallet addresses and amounts involved. Accordingly, individual Crypto Assets can be traced through statistical analysis, big data and by imposing an accounting convention such as “last in, first out” or “first in, first out.” These methods are commonly referred to as “blockchain analytics.” The fact that blockchain analytics can be performed implies that the Crypto Assets are not perfectly fungible because prospective purchasers can theoretically discriminate against the Crypto Assets by making certain assumptions about their particular transaction history in light of any legal risks associated with holding “tainted” currency, as the legal framework protecting fungibility of government-issued currency does not clearly apply to the Crypto Assets. Potential risks include (i) a holder being exposed to conversion tort liability if the Crypto Asset was previously stolen or (ii) a

crypto asset trading platform refusing to exchange the Crypto Asset for government-issued currency on anti-money laundering or economic sanctions grounds.

#### *Irrevocable Nature of Blockchain-Recorded Transactions and Improper Transfers*

Crypto Asset transactions recorded on the applicable blockchain are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the applicable Network's aggregate hash rate. Once a transaction has been verified and recorded in a block that is added to the applicable blockchain, an incorrect transfer of the Crypto Asset or a theft of the Crypto Asset generally will not be reversible, and the applicable Other Fund may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, the Crypto Assets of an Other Fund could be transferred from custody accounts in incorrect quantities or to unauthorized third parties. To the extent that the Other Fund is unable to seek a corrective transaction with such third party or is incapable of identifying the third party that has received the Other Fund's Crypto Asset through error or theft, the Other Fund will be unable to revert or otherwise recover incorrectly transferred Crypto Asset. To the extent that the Other Funds are unable to seek redress for such error or theft, such loss could adversely affect the net asset value of the Other Funds and an investment in the Units.

#### *Limited Insurance*

Neither the Dynamic ETF, the Other Funds nor their respective custodians maintain insurance against risk of loss of bitcoin, ether, SOL and XRP held by the Other Funds, as such insurance is not currently available in Canada on economically reasonable terms.

With respect to the 3iQ ETFs, the Crypto Assets are held offline in "cold storage" by the sub-custodian of the 3iQ ETFs. The Crypto Assets held in cold storage are protected by the sub-custodian's security measures, which reflect best practices in the crypto asset custody space. The Crypto Assets of the 3iQ ETFs may also be temporarily held online in a "hot wallet". An affiliate of the 3iQ ETF's sub-custodian maintains commercial crime insurance. The commercial crime insurance program covers both cold and hot storage assets held by the affiliate and all its subsidiaries, including the sub-custodian.

#### *Loss of "Private Keys"*

The loss or destruction of certain "private keys" (numerical codes required by the Other Funds to access their respective Crypto Assets, as applicable) could prevent the Other Funds from accessing their Crypto Assets, as applicable. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of an investment in an Other Fund.

#### *Potential Decrease in Global Demand for Crypto Assets*

Crypto Assets can each serve as a means of exchange, store of value, and unit of account. Many people using Crypto Assets as money-over-internet-protocol (MoIP) do so with it as an international means of exchange. Speculators and investors using Crypto Assets as a store of value then layer on top of means of exchange users, creating further demand. If consumers stop using a particular Crypto Asset as a means of exchange, or its adoption therein slows, then that Crypto Asset's price may suffer, adversely affecting the Other Funds and an investment in the Units.

Investors should be aware that there is no assurance that a Crypto Asset will maintain its long-term value in terms of purchasing power in the future or that the acceptance of such Crypto Asset for payments will continue to grow. In the event that the price of a particular Crypto Asset declines, the net asset value is likely to decline proportionately. As relatively new products and technologies, bitcoin, ether, SOL, XRP and the Networks have yet to become widely accepted as a means of payment for goods and services by major retail and commercial outlets, and use of Crypto Assets by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Network-based transactions, process wire transfers to or from crypto asset trading platforms, Crypto Asset- or crypto asset- related companies or service providers, or maintain accounts for

persons or entities transacting in Crypto Assets. Conversely, a portion of Crypto Asset demand is generated by speculators and investors seeking to profit from the short- or long-term holding of that Crypto Asset.

The regulation of Crypto Assets continues to evolve in North America and within foreign jurisdictions, which may impact the demand for the Crypto Assets.

#### *Risks of Political or Economic Crises*

Political or economic crises may motivate large-scale sales of the Crypto Assets and other cryptocurrencies, which could result in a reduction in the price of the Crypto Assets and adversely affect the net asset value of an Other Fund and an investment in the Units. As an alternative to fiat currencies that are backed by central governments, cryptocurrencies, such as bitcoin, ether, SOL and XRP, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be affected by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoin, ether, SOL and XRP either globally or locally.

#### *Risk that Crypto Asset Holdings May Become Illiquid*

The Other Funds may not always be able to acquire or liquidate their assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on crypto asset trading platforms. When transacting in the applicable Crypto Asset's markets, the Other Funds will be competing for liquidity with other large investors, including speculators, miners, other investment funds and institutional investors.

Unexpected market illiquidity, and other conditions beyond the control of the Other Funds, may cause major losses to the holders of a cryptocurrency or crypto asset, including the Crypto Assets. The large position in the Crypto Assets that the Other Funds may acquire increases the risks of illiquidity by making the Crypto Assets difficult to liquidate. In addition, liquidation of significant amounts of the Crypto Assets by the Other Funds may impact the market prices of the Crypto Assets.

#### *Scaling Obstacles*

Many crypto asset networks face significant scaling challenges. As the use of crypto asset networks increases without a corresponding increase in throughput of the Networks, average fees and settlement times can increase significantly. The Networks have been, at times, at capacity, which has led to increased transaction fees and decreased settlement speeds.

Increased fees and decreased settlement speeds could preclude certain use cases for the Crypto Assets and could reduce demand for and the prices of the Crypto Assets, which could adversely impact the net asset value of the Other Funds and an investment in the Units.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of transactions in the Crypto Assets will be effective, or how long these mechanisms will take to become effective, which could adversely impact the prices of the Crypto Assets, the net asset value of the Other Funds and an investment in the Units.

#### *Short History Risk*

The Crypto Assets and their respective Networks are new technological innovations with a limited history. Due to their short history, it is not clear how all elements of the Crypto Assets will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long-term security model as the rate of inflation of the Crypto Assets decreases. There is no assurance that usage of the Crypto Assets and their blockchains will continue to grow. The net asset values of the Other Funds are dependent on the development and widespread acceptance of the Crypto Assets and the Network, as applicable. A contraction in the use of the Crypto Assets or their

blockchains may result in increased volatility or a reduction in the prices of the Crypto Assets which could have a material adverse effect on the Other Fund and an investment in the Units.

#### *SOC 1 Type 2 and/or SOC 2 Type 2 Report of the 3iQ ETF Sub-Custodian*

With respect to the 3iQ ETFs, the sub-custodian of the 3iQ ETFs has advised 3iQ that a SOC 1 Type 2 and/or SOC 2 Type 2 Report of its internal controls is available for review by the auditors of the 3iQ ETFs in connection with the audit of the annual financial statements of the 3iQ ETFs. However, there is a risk that such SOC 1 Type 2 and/or SOC 2 Type 2 Report of the sub-custodian of the 3iQ ETFs will not be available. In the event that a SOC 1 Type 2 and/or SOC 2 Type 2 Report of a 3iQ ETF is not available, 3iQ will request confirmation from the sub-custodian of the 3iQ ETF in writing to permit the auditor of the 3iQ ETF to test its internal controls. Although 3iQ has received reasonable assurances from the custodian and the sub-custodian of the 3iQ ETFs that such written confirmation will be provided in the event that a SOC 1 Type 2 and/or SOC 2 Type 2 report of the sub-custodian is not available, there is a risk that such written confirmation will not be provided and/or that the auditor of the 3iQ ETFs will not be able to test the internal controls of the custodian and the sub-custodian of the 3iQ ETFs directly. Each 3iQ ETF filed an undertaking with applicable securities regulatory authorities that provides that while it remains a reporting issuer, the applicable 3iQ ETF will obtain from the sub-custodian of the 3iQ ETF's applicable Crypto Asset, a SOC 1 Type 2 and/or SOC 2 Type 2 report or written confirmation from the sub-custodian to permit the auditor of the 3iQ ETF to test its controls.

In the event that the auditor of a 3iQ ETF cannot: (i) review a SOC 1 Type 2 and/or SOC 2 Type 2 Report of the sub-custodian; or (ii) test the internal controls of the sub-custodian directly in connection with its audit of a 3iQ ETF's annual financial statements, the auditor of the 3iQ ETF would not be able to complete its audit of the annual financial statements of the 3iQ ETF in accordance with the current guidance of the Canadian Public Accountability Board.

#### *Uncertain Regulatory Framework*

Regulation of Crypto Assets, both in Canada and globally, remains uncertain and continues to evolve. The legal and regulatory classification of Crypto Assets varies across jurisdictions and may be subject to ongoing interpretation by securities regulators, courts, and other governmental authorities. Canadian securities regulators have not issued definitive guidance regarding the classification or treatment of most Crypto Assets under securities laws.

In the United States and other jurisdictions, regulators have initiated or pursued enforcement actions and legal proceedings involving issuers, developers, and trading platforms of various Crypto Assets, alleging violations of securities, commodities, or other financial regulations. The outcomes of such proceedings – including ongoing litigation involving certain Crypto Assets – may materially influence how similar assets are treated under applicable law and could result in new or heightened regulatory requirements or restrictions.

If a Canadian or foreign court or regulator determines that one or more Crypto Assets constitute securities or derivatives, or if other material regulatory developments occur affecting the treatment, trading, or custody of Crypto Assets, the market for such assets may be adversely affected. Any such determination or development could adversely affect the liquidity, valuation, or net asset value of the Other Funds and an investment in the Units.

While the regulatory framework governing Crypto Assets may continue to develop in a manner that balances innovation with investor protection, the emergence of an unfavorable or restrictive regulatory environment could have a material adverse effect on the operations and performance of the Dynamic ETF and the Other Funds in which it invests, and their ability to achieve their respective investment objectives.

In addition, many marketplaces and over-the-counter counterparties that trade or facilitate trading exclusively in crypto assets are not subject to registration or licensing requirements with any financial services regulatory body and, therefore, are not directly subject to prescribed KYC, reporting and recordkeeping requirements which apply to financial services firms and other "reporting entities" under AML Regulation. With respect to the 3iQ ETFs, 3iQ will use all reasonable efforts to confirm that each exchange and institutional liquidity provider from which the 3iQ ETFs may purchase one or more Crypto Assets has adopted KYC procedures which reflect industry best practices to seek to ensure compliance with AML Regulation requirements which apply generally in the jurisdictions where they carry on business. In addition, the 3iQ ETFs' sub-custodian, Coinbase, complies with federal and state anti-money

laundering laws, as well as federal trade and economic sanctions. As a Money Services Business registered with the Financial Crimes Enforcement Network, Coinbase must comply with applicable provisions of the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, the laws, regulations and Executive Orders administered by the US Office of Foreign Assets Control as well as state regulations enforced by the New York State Department of Financial Services and other state regulators.

### *Underlying Value Risk*

Bitcoin, ether, SOL and XRP represent a new form of digital value that is still being digested by society. Their underlying value is driven by its utility as a store of value, means of exchange, and unit of account, and the demand for bitcoin, ether, SOL and XRP within those use cases. Just as oil is priced by the supply and demand of global markets, as a function of its utility to, for instance, power machines and create plastics, so too are bitcoin, ether, SOL and XRP priced by the supply and demand of global markets for its own utility within remittances, B2B payments, time-stamping, etc.

### *Volatility in the Price of Crypto Assets*

The Crypto Asset markets are sensitive to new developments, and since volumes are still maturing, any significant changes in market sentiment (by way of sensationalism in the media or otherwise) can induce large swings in volume and subsequent price changes. Such volatility can adversely affect the net asset value of the Other Funds and an investment in the Units.

The price of crypto assets, including bitcoin, ether, SOL and XRP, on public crypto asset trading platforms have a limited history and as a whole have been volatile and subject to influence by many factors including the levels of liquidity on crypto asset trading platforms. Even the largest crypto asset trading platforms have been subject to operational interruption, limiting the liquidity of the Crypto Assets on the crypto asset trading platform market and resulting in volatile prices and a reduction in confidence in the applicable Networks and the crypto asset market generally. Volatility in the price of the Crypto Assets on crypto asset trading platforms could adversely affect the net asset value of the Other Funds and an investment in the Units.

Despite the advantage of the applicable Networks over other digital protocols, it is possible that another digital protocol could become materially popular due to either a perceived or exposed shortcoming of the applicable Network that is not immediately addressed by the applicable contributor community or a perceived advantage of an alternative digital token or “altcoin” that includes features not incorporated into bitcoin, ether, SOL and XRP or other crypto asset which the Other Funds may invest. For example, if a crypto asset obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce bitcoin’s, ether’s, SOL’s or XRP’s market share and have a negative impact on the demand for, and price of, bitcoin, ether, SOL and XRP and thereby adversely affect the net asset value of the Other Funds and an investment in the Units.

### ***Risk Factors Relating to Staking Activities***

Certain of the Other Funds expect to engage in Staking Activities in order to earn rewards for the applicable Other Fund, which rewards will, following the deduction of applicable fees, be reinvested in the Other Fund for the benefit of its unitholders (including the Dynamic ETF). In carrying out the Staking Activities, the applicable Other Fund will stake ether or SOL held in the Other Fund’s portfolio through one or more validators with experience acting as a validator.

### *Due Diligence on Validators May Be Insufficient*

Other Funds that engage in Staking Activities will be exposed to the risk of loss of staked ether or SOL if any third-party service provider selected to act as a validator fails to operate its network node(s) in accordance with the rules of the a Ethereum Network or Solana Network, as ether and SOL may be “slashed” or inactivity penalties may be applied if the validator node “double signs” or experiences extended downtime. Such Other Funds may also be prevented from obtaining rewards in respect of periods during which a validator is inactive on the applicable Network. In respect of

the 3iQ ETFs, 3iQ intends to mitigate these risks by conducting due diligence on the third-party service providers to act as validators for the Staking Activities.

Notwithstanding efforts to mitigate risks related to malicious or incompetent validators, new facts may come to light which demonstrate that the initial assessment of a validator was flawed. In such instances, the applicable Other Fund may be subject to the risks identified in “Slashing and Missed Rewards”, and the Staking Activities could be interrupted or disrupted. The selection of third-party validators and third-party service providers in providing the Staking Activities, could cause significant interruptions, disruptions or delays. In addition, notwithstanding the occurrence of an event that demonstrates that the initial assessment of a validator was flawed, the ether or SOL staked with that validator may still be subject to an unbonding period during which the applicable Other Fund will continue to have to rely on the services provided by such validator. See “Staking Timeline and Unbonding Periods Risk”.

#### *Due Diligence on the Ethereum Network or Solana Network May Be Insufficient*

Should new information emerge indicating that the initial review of the applicable Network’s staking mechanism failed to identify an unacceptable risk to the applicable Other Fund, the Staking Activities may be discontinued. Such an undertaking may occur concurrently with a rapid decline in the value of ether or SOL and may also be a contributing factor to such decline. The applicable Other Fund may be subject to the risk that there may be very little liquidity in ether or SOL, as applicable, while the Other Fund is undertaking these steps – especially if ether or SOL, as applicable, continues to be staked or subject to the unbonding period referenced in “Staking Timeline and Unbonding Periods Risk”.

#### *No Guarantee of Receiving Rewards*

There is no guarantee that an applicable Other Fund will receive any rewards in respect of staked ether or SOL. Past rewards are not indicative of future returns. The staking rewards that the applicable Other Fund may receive from staking ether or SOL, if any, may be affected by, among other factors:

- fluctuations in the inflation rate of the applicable Network;
- the total amount of ether or SOL staked by users of the applicable Network;
- the total amount of ether or SOL staked pursuant to the Staking Activities;
- changes to the applicable Network as a result of protocol governance decisions;
- changes to validator fees set by approved validators;
- anticipated or unanticipated downtime by approved validators;
- halts, outages or other anticipated or unanticipated interruptions affecting the applicable Network;
- temporary outages or other anticipated or unanticipated interruptions affecting third-party service providers involved in the Staking Activities;
- “slashing” of delegated ether or SOL as a result of a violation of applicable Network rules by approved validators;
- validators ceasing to be eligible to participate in the applicable Network’s proof-of-stake mechanism and earn rewards;
- “bonding,” “unbonding” or other lock-up periods specified by the applicable Network;
- whether staking rewards are re-staked, either automatically by the applicable Network or as part of the operational processes of the Other Fund;
- re-delegation of the applicable Other Fund’s ether or SOL to different validators; and
- delays or other operational factors related to or otherwise impacting the Staking Activities.

### *Reliance on Third-Party Vendors*

The Staking Activities could be disrupted if any third-party service providers selected to act as validators, or even the vendors and third-party service providers of any third-party service providers acting as validators, experience operational or other systems difficulties, terminate their services, fail to comply with regulations, raise their prices or dispute key intellectual property rights sold or licensed to, or developed for, the applicable Other Fund. An applicable Other Fund may also suffer the consequences of such vendors' and third-party service providers' mistakes. For example, if a sub-custodian or any third-party service providers selected to act as validators fail to behave as expected, suffer cybersecurity attacks, experience security issues or encounter other problems, the assets of an applicable Other Fund may be irretrievably lost. The failure or capacity restraints of vendors and third-party services, a cybersecurity breach involving any third-party service providers or the termination or change in terms or price of a vendor, third-party software license or service agreement on which an Other Fund relies, could disrupt the Staking Activities. Replacing vendors and third-party service providers or addressing other issues with vendors and third-party service providers could entail significant delay, expense and disruption for an Other Fund. As a result, if these vendors and third-party service providers experience difficulties, are subject to cybersecurity breaches, terminate their services, dispute the terms of intellectual property agreements or raise their prices, the Other Fund is unable to replace them with other vendors and service providers, particularly on a timely basis, the Staking Activities could be interrupted or disrupted.

### *Slashing and Missed Rewards*

The Ethereum and Solana Networks dictate requirements for participation in the relevant decentralized governance activity and may impose slashing penalties if the relevant activities are not performed correctly, for example, if the validator acts maliciously on the network, “double signs” any transactions or experiences extended downtime. If any service provider selected to act as validator for Staking Arrangements is slashed by the applicable Network, a variable amount of assets of the applicable Other Fund will be burned by the Network and irretrievable by the Other Fund. There is no assurance that the applicable Other Fund or any staking service providers will not be subject to slashing penalties or that the Other Fund will be able to recover any percentage of ether or SOL that has been subject to slashing penalties.

Validator downtime incurs a minor inactivity penalty by the Ethereum Network or Solana Network not exceeding the activity reward earned when a validator is functioning correctly. Penalties incurred during downtime can be offset by the validator resuming its duties. During a period of extended downtime, the applicable Other Fund may also be prevented from obtaining rewards in respect of periods during which the validator is inactive on the applicable Network.

The Ethereum and Solana Networks also impose “bonding” periods on newly staked ether or SOL during which staked ether or SOL is ineligible for rewards. Once staking is initiated, a validator enters a queue to become “activated,” which takes approximately two days. During the bonding period, the staked assets of the applicable Other Fund will not be eligible to receive any staking rewards and may not be withdrawn.

While programmatic slashing (i.e., the mechanism for slashing that exists on the Ethereum Network) is not yet implemented on the Solana Network, it is likely that programmatic slashing will be implemented in the near future. In the current configuration of the Solana Network, the network halts when there is a “safety violation” (e.g., a validator acts maliciously) and slashing is based on social consensus once the network is restarted.

### *Staking Timeline and Unbonding Periods Risk*

Those who have staked ether or SOL are able to withdraw their staked ether or SOL and rewards from the applicable Network, however there are risks associated with withdrawing all or some of the staked ether or SOL (“**unbonding**”). If the timing associated with the process of unbonding is for any reason delayed, the applicable Other Fund will not be able to withdraw or liquidate the staked ether or SOL. If there is a delay in the unbonding of ether or SOL, this may prevent the applicable Other Fund, from realizing the fiat value of the staked ether or SOL and rewards earned on staked ether or SOL during the unbonding period. Given the volatility of ether and SOL, the value of the staked ether or SOL at the time of completion of the unbonding period may be significantly less than the value of the ether or SOL

at the time a decision is taken to withdraw staked ether or SOL. Such delay may adversely affect the business and liquidity of and the net asset value of the applicable Other Fund and an investment in the Units.

#### *Uncertain Tax Consequences*

The application to the applicable Other Funds of income, sales and other taxes to staking rewards earned through the Staking Activities is currently unclear as Canadian tax authorities have not yet published any guidance relating to this matter. As such, no assurance can be given that the Canadian tax authorities will agree with the position taken by an applicable Other Fund in connection with its Staking Activities. Any contrary position taken by Canadian tax authorities may materially and adversely impact the net asset value of the applicable Other Fund and an investment in the Units.

#### ***Risks Relating to the Networks***

##### *Airdrops*

Crypto Assets may become subject to an occurrence similar to a fork, which is known as an “air drop.” In an air drop, the promoters of a new crypto asset announce to holders of another crypto asset that they will be entitled to claim a certain amount of the new crypto asset at no-cost. For the same reasons as described below with respect to hard forks, the Other Funds may or may not choose, or be able, to participate in an air drop, or may or may not be able to realize the economic benefits of holding the new crypto asset. The timing of any such occurrence is uncertain and the managers of the Other Funds have sole discretion whether to claim a new asset created through an airdrop.

##### *Blockchain may Temporarily or Permanently Fork and/or Split*

The Networks’ software and protocol are open source. When a modification is released by the developers and a substantial majority of miners or validators, as applicable, consent to the modification, the change is implemented and the applicable Network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a “hard fork” (i.e. a split) of the applicable Network (and the blockchains). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets.

XRPL operates under a similar principle, but with a unique mechanism. When a modification is released by the developers and more than 80% of validators (assuming all trusted validators are equally trusted) consent, the change is implemented and the XRPL continues uninterrupted. However, it is possible for different participants in the XRPL Network to select different trusted validators (i.e., different UNLs) and disagree on whether to accept such modification. Therefore, it is possible for some XRPL Network participants to accept the modification and other XRPL Network participants to reject the modification. In this scenario, a hard fork of the XRPL could occur, with some participants following the pre-modified software and others following the post-modification software. Both resulting blockchains would run in parallel, each building an independent ledger with independent native assets, and it is conceivable that both could claim to be a continuation of the XRPL.

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect the applicable Crypto Asset’s viability.

In the event that a fork in a Crypto Asset’s blockchain results in: (i) issuance to an Other Fund of an additional crypto asset alongside the Crypto Asset held by that Other Fund; or (ii) a choice to keep the existing Crypto Asset, or exchange or replace it with a different crypto asset, the manager of the applicable Other Fund will make the investment decision that it believes is in the best interest of the Other Fund and its unitholders at the time.

It is ultimately an investment decision of the manager of the applicable Other Fund to determine how the Other Fund will deal with a fork in the blockchain of the applicable Crypto Asset. There will likely be many factors relevant to such decision, including the value and liquidity of the new/replacement asset (the “**Forked Asset**”) and whether a

disposition of such Forked Asset would trigger a taxable event for the Other Fund. As such, if it was in the best interest of the Other Fund to receive a Forked Asset or otherwise participate in a fork in the blockchain that is not supported by the sub-custodian of the Other Fund, the manager of the Other Fund could instruct the custodian of the Other Fund to move the Other Fund's Crypto Asset, as applicable, from the sub-custodian to an account with another sub-custodian which would support such fork.

In the event of a fork or split of the blockchain of the applicable Crypto Asset (or the blockchain of another Forked Asset held by the applicable Other Fund), the Other Fund would not be required to reflect ownership of any resulting Forked Asset on its financial statements until such asset is released by the sub-custodian of the Other Fund (or the relevant Forked Asset custodian) into the Other Fund's account.

With respect to the 3iQ ETFs, 3iQ will ensure that redeeming unitholders of the Other Fund (including the Dynamic ETF) receive the appropriate redemption price for their units of the Other Fund, including in circumstances where a Forked Asset held by the Other Fund cannot be liquidated due to restrictions imposed by the custodian of the Forked Asset or other market forces. However, 3iQ does not guarantee that ultimately the right Forked Asset will be chosen.

#### *Competitors to Crypto Assets*

A competitor to the Crypto Assets which gains popularity and greater market share may precipitate a reduction in demand, use and prices of the Crypto Assets, which may adversely impact the net asset value of the Other Funds and an investment in the Units. Similarly, the Crypto Assets and the price of the Crypto Assets could be reduced by competition from incumbents in the credit card and payments industries, which may adversely impact the net asset value of the Other Funds and an investment in the Units.

#### *Decrease in Block and Staking Rewards – Bitcoin Network, Ethereum Network and Solana Network*

The block reward on the Bitcoin Network will decrease over time. As the block reward on the Bitcoin Network continues to decline, the mining incentive structure will transition to a higher reliance on transaction verification fees in order to incentivize miners to continue to dedicate processing power to the blockchain. If transaction verification fees become too high, the marketplace may be reluctant to use bitcoin. Decreased demand for bitcoin may adversely affect the net asset value of the applicable Other Funds and an investment in the Units.

In the event of a material decrease in the block reward to the Ethereum Network, miners may cease to provide their computational power to the consensus mechanism for the Ethereum Network blockchain.

Validators earn revenue in the Solana Network by charging a commission on the staking rewards that they generate. In the event of a material decrease in the staking reward on the Solana Network, validators may cease to provide their computational power to the consensus mechanism for the Solana Network blockchain.

#### *Dependence on Network Developers*

While many contributors to each Network's open-source software are employed by companies in the industry, most of them are not directly compensated for helping to maintain the protocol. As a result, there are no contracts or guarantees that they will continue to contribute to the applicable Network's software.

#### *Dependence on the Internet*

Users and developers access Crypto Assets via the internet. A significant disruption in internet connectivity could impair the operation of a Network until the disruption is resolved, and such an event could have an adverse effect on the price of a Crypto Asset, the net asset value of the applicable Other Funds, an investment in the Units, and the ability of a Network to function. Accordingly, the Networks are dependent on the continued reliable functioning of the internet.

### *Faulty Code*

In the past, flaws in the source code for Crypto Assets have been exposed and exploited, including those that exposed users' personal information and/or resulted in the theft of users' Crypto Assets. Several errors and defects have been publicly found and corrected, including those that disabled some functionality for users and exposed users' personal information. Discovery of flaws in, or exploitations of, the source code that allow malicious actors to take or create money in contravention of known network rules have occurred. In addition, the cryptography underlying the Crypto Assets could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to steal the Crypto Assets, which would adversely affect an investment in the units of the Funds. Any reduction in confidence in the source code or cryptography of the underlying Crypto Assets generally could negatively impact the demand for the Crypto Assets and therefore adversely affect the prices of the Crypto Assets, the net asset value of the Other Funds and an investment in the Units.

### *Gateway Protocol Hijackings*

Crypto assets are also susceptible to Border Gateway Protocol hijacking, or BGP hijacking. Such an attack can be a very effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes and miners are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues. If BGP hijacking occurs on the Networks, participants may lose faith in the security of the Crypto Assets, which could affect the Crypto Assets' values and consequently the value of the units of the Funds. Any future attacks that impact the ability to transfer the Crypto Assets could have a material adverse effect on the prices of the Crypto Assets and the value of an investment in the units of the Other Fund and the Units.

### *Intellectual Property*

Code underlying the Networks is available under open source licenses and as such the code is generally open to use by the public. Nonetheless, other third parties may assert intellectual property claims relating to the holding and transfer of the Crypto Assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer the Crypto Assets may adversely affect the net asset value of the Other Funds and an investment in the Units. Additionally, a meritorious intellectual property claim could prevent the Other Funds and other end-users from accessing, holding, or transferring the Crypto Assets, which could force the liquidation of the Other Funds' holdings of the Crypto Assets (if such liquidation is possible). As a result, an intellectual property claim against the Other Funds or other large Network participants could adversely affect the net asset value of the Other Funds and an investment in the Units.

### *Issues with Cryptography Underlying the Networks*

The Networks and other cryptographic and algorithmic protocols governing the use of crypto assets represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for crypto assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' crypto assets. The cryptography underlying bitcoin, ether, SOL or XRP could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry, and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the bitcoin, ether, SOL or XRP held by an Other Fund, which would adversely affect the net asset value of the Other Funds and an investment in the Units. Moreover, functionality of the Networks may be negatively affected such that it is no longer attractive to users, thereby dampening demand for bitcoin, ether, SOL or XRP. Even if another crypto asset were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying crypto assets generally could negatively affect the demand for crypto assets and therefore adversely affect the net asset value of the Other Funds and an investment in the Units.

### *Issues with Decentralization of Solana Network*

The hardware requirements and the amount of SOL a validator must own to maintain a node are significant, and this has created a large barrier to entry for new validators seeking to operate on the Solana Network. This barrier to entry has contributed to less validators operating on the Solana Network, which creates centralization concerns. In the context of crypto assets, centralization concerns arise when a small number of nodes or entities have a disproportionate amount of control over the network's decision making, rules and governance. There are many risks associated with centralization in the context of crypto assets, including risks relating to security, control, fairness, manipulation and double spending.

In connection with the Solana Network's proof-of-stake consensus model, centralization becomes a particular concern when a small number of validators control a large portion of the total stake of the crypto asset. This is because, with a proof-of-stake consensus model, validators controlling over one-third of the total stake can collude to halt consensus on the blockchain (often referred to as a "super minority"), thereby halting the particular network.

In addition, Solana Labs, the company which originally developed the Solana Network, remains involved in the continued development and maintenance of the Solana Network. The Solana Foundation, a non-profit organization dedicated to the decentralization, growth and security of the Solana network, also continues to support the Solana Network, including by awarding grants to developers for projects in connection with the Solana Network. These organizations maintain a considerable amount of influence over the Solana Network and its operations. If significant issues were to arise within these organizations, confidence in SOL may be reduced, which may adversely affect the net asset value of the applicable Other Funds and an investment in the Units.

### *Issues with Decentralization of XRPL Network*

There are hardware requirements to run a node or validator on the XRPL. While such requirements are modest in comparison to some other networks, these requirements can create a barrier to entry to new validators and nodes on the XRPL Network. The XRPL relies on a set of trusted validators, commonly referred to as the Unique Node List ("UNL"), to reach consensus and maintain the integrity of its ledger. Validators included on the UNL have the ability to vote on changes to the XRP Ledger software, and a supermajority of such validators must approve any proposed amendments for them to take effect.

In the context of crypto assets, centralization concerns arise when a small number of nodes or entities have a disproportionate amount of control over the network's decision making, rules and governance. There are many risks associated with centralization in the context of crypto assets, including risks relating to security, control, fairness, manipulation and double spending. In connection with the XRPL Network's proof-of-association consensus model, centralization becomes a particular concern because a small number of nodes can slow down or halt the XRPL Network.

### *Malicious Attacks on the Network*

Crypto asset networks, including the Networks, are subject to control by entities that capture a significant amount of the applicable Network's processing power or a significant number of developers important for the operation and maintenance of such Network.

A malicious actor may also obtain control over a Network through its influence over core or influential developers. For example, this could allow the malicious actor to block legitimate Network development efforts or attempt to introduce malicious code to a Network under the guise of a software improvement proposal by such a developer. Any actual or perceived harm to a Network as a result of such an attack could result in a loss of confidence in the source code or cryptography underlying the Network, which could negatively impact the demand for the applicable Crypto Asset and therefore adversely affect the prices of such Crypto Asset, the net asset value of the applicable Other Funds and an investment in the Units.

## *Moving from Proof-of-Work to Proof-of-Stake Consensus Mechanism for the Ethereum Network*

The Ethereum Network underwent a significant upgrade referred to as “The Merge” which occurred on September 15, 2022. The Merge was intended to improve the scalability and security of the Ethereum Network. It amended the consensus mechanism of the Ethereum Network, moving from a “proof-of-work” consensus mechanism to a “proof-of-stake” consensus mechanism. The Merge integrated the Ethereum mainnet (execution layer) with a separate consensus layer known as the Beacon Chain, eliminating the need for energy-intensive mining and enabling the network to be secured using staked ether. Following The Merge, mining is no longer the mechanism for producing valid blocks. Instead, validators now propose blocks and validate transactions. Like mining, validating mints new ether into circulation, but it requires a staked deposit and uses significantly less computational power, thereby lowering energy usage.

Proof-of-stake blockchain networks are newer and generally not as widely used as proof-of-work blockchain networks and may be untested at scale. As a result, proof-of-stake blockchain networks may not work as intended. If proof-of-stake blockchain networks do not function as intended or fail to gain adoption, the value of crypto assets relying on proof-of-stake mechanisms (such as ether) may be negatively affected, which could adversely affect the net asset value per unit, and the value of the staked ether and any rewards earned by the applicable Other Fund and an investment in the Units.

### *Network Control and 51% Attack Risks*

The Networks rely on decentralized participants to validate and record transactions. If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains control of a substantial portion of a Network’s validating power, such control could have material adverse effects on the processing of transactions and the value of the applicable Crypto Asset.

#### (a) Threat of Percentage-Based Attacks on XRPL Validators

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains control of more than certain percentages of the validators (assuming that all trusted validators are equally trusted), such actor or botnet may be able to cause certain undesirable effects on the XRPL:

- Above 20%, such malicious actor or botnet could slow or cease the processing of transactions on the XRPL.
- Above 50%, such malicious actor or botnet could censor the transactions accepted by the XRPL, which means that it could selectively block valid transactions from being reflected in the XRPL.
- Above 80%, such malicious actor or botnet could alter the XRPL by constructing fraudulent blocks or rewriting historical activity, and control, exclude or modify the ordering of transactions. To the extent that such malicious actor or botnet did not yield its control of the processing power on the XRPL or the XRPL Network did not reject the fraudulent blocks as malicious, reversing any changes made to the XRPL may not be possible.

Further, a malicious actor or botnet could create a flood of transactions in order to slow down the XRPL. Although there are no known reports of such control of the XRPL, if groups of coordinating or connected actors managed to achieve such control, they could negatively impact the processing of transactions on the XRPL, which may adversely affect the net asset value of the Other Fund and an investment in the Units.

#### (b) Risk if an Entity Gains a 51% Share of the Bitcoin Network or Ethereum Network

If an entity gains control over 51% of the compute power (hash rate) of the Bitcoin Network or Ethereum Network, the entity could use its majority share to double-spend bitcoin or ether. This could be accomplished by sending bitcoin or ether to one recipient while simultaneously creating a shadow blockchain that sends the same bitcoin or ether to another entity under its control. When the hidden blockchain is released, it may reverse previously confirmed transactions, and due to the way mining works, the new blockchain would be recognized as the record of truth. Such

control could significantly erode trust in the Bitcoin Network or Ethereum Network as a means of exchange and store of value, which may materially decrease the value of bitcoin or ether and, in turn, the net asset value of the applicable Other Fund and an investment in the Units. Currently, the two largest miners or pools of Ethereum control, in aggregate, more than 51% of the Ethereum Network.

(c) Threat of a 51% Attack on Solana

If a malicious actor or botnet obtains control of more than 50% of the validating power on the Solana Network, such actor or botnet may be able to alter the Solana Blockchain by constructing fraudulent blocks, preventing certain transactions from completing in a timely manner, or controlling, excluding, or modifying the ordering of transactions. While new SOL tokens could not be generated, the actor could double-spend its own tokens and prevent confirmation of other users' transactions for as long as control is maintained.

Further, a malicious actor or botnet could create a flood of transactions to slow the Solana Network. Although no such control has been reported, if groups of coordinating or connected SOL holders collectively control more than 50% of outstanding SOL, and if such holders run validators, they could exert authority over transaction validation. This risk is heightened if over 50% of validating stake falls within a single jurisdiction. Failure by Network participants, including core developers and validator pool administrators, to ensure greater decentralization increases the feasibility of such an attack, which could adversely affect the net asset value of an Other Fund and an investment in the Units.

*Network Governance*

Governance of decentralized networks, such as the Networks, is achieved through voluntary consensus and open competition. In other words, the Crypto Assets have no central decision-making body or clear manner in which participants can come to an agreement other than through overwhelming consensus. The lack of clarity on governance may adversely affect the Crypto Assets' utility and ability to grow and face challenges, both of which may require solutions and directed effort to overcome problems, especially long-term problems. Should a lack of clarity in the Networks' governance slow the Networks' development and growth, the prices of the Crypto Assets, the net asset value of the Other Funds and an investment in the Units may be adversely affected.

*Possible Changes in Crypto Asset Rewards or Transaction Fees*

(a) Solana Network

If the crypto asset rewards for validating blocks or the transaction fees for recording transactions on the Solana Network are not sufficiently high to incentivize validators, or if certain jurisdictions limit or otherwise regulate validating activities, validators may cease expending validating power or demand high transaction fees, which could negatively impact the value of SOL, the net asset value of the applicable Other Funds and an investment in the Units.

To the extent that any validators cease to record transactions because the crypto asset reward or the transaction fee is too low, such transactions will not be recorded on the Solana Blockchain until a block is validated by a validator who is willing to accept the lower fee. Any widespread delays in the recording of transactions could result in a loss of confidence in the Solana Network.

Validators have historically accepted relatively low transaction confirmation fees on most crypto asset networks. If validators demand higher transaction fees for recording transactions on the Solana Blockchain or a software upgrade automatically charges fees for all transactions on the Solana Network, the cost of using SOL may increase and the marketplace may be reluctant to accept SOL as a means of payment. Alternatively, validators could collude in an anti-competitive manner to reject low transaction fees on the Solana Network and force users to pay higher fees, thus reducing the attractiveness of the Solana Network. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of the Solana Network, the value of SOL, the net asset value of the applicable Other Funds and an investment in the Units.

(b) Bitcoin Network and Ethereum Network

Bitcoin and ether miners, functioning in their transaction confirmation capacity, collect fees for confirming blocks. Miners confirm transactions by adding previously unconfirmed transactions to new blocks in the blockchain. Miners are not forced to confirm any specific transaction, but they are economically incentivized to confirm valid transactions as a means of collecting fees. Miners have historically accepted relatively low transaction confirmation fees because miners have very low marginal cost of validating unconfirmed transactions.

If miners collude in an anticompetitive manner to reject low transaction fees, then bitcoin or ether users, as applicable, could be forced to pay higher fees, thus reducing the attractiveness of the Bitcoin Network and the Ethereum Network. Bitcoin and Ether mining occurs globally and it may be difficult for authorities to apply antitrust regulations across multiple jurisdictions. Any collusion among miners to attempt an attack on the Bitcoin Network or Ethereum Network, as the case may be, may adversely impact the trust in the Bitcoin Network or Ethereum Network, as applicable, bitcoin or ether, as applicable, and thus the net asset value of the applicable Other Funds and an investment in the Units.

#### *Risk that a Network Will be Used to Facilitate Illicit Activities*

Crypto asset networks have in the past been, and may continue to be, used to facilitate illicit activities. If a Network is used to facilitate illicit activities, businesses that facilitate transactions in bitcoin, ether, SOL or XRP, as applicable, could be at increased risk of potential criminal or civil liability, or of having banking or other services cut off, and the applicable Crypto Asset could be removed from crypto asset exchanges as a result of these concerns. Other service providers of such businesses may also cut off services if there is a concern that a Network is being used to facilitate crime. Any of the aforementioned occurrences could increase regulatory scrutiny of a Network and/or adversely affect the price of a Crypto Asset, the attractiveness of a Network, the new asset value of the applicable Other Fund and an investment in the Units.

#### *Service Outages and Attacks on the Networks*

The Networks are periodically subject to distributed denial of service attacks (“**DDoS Attacks**”) to clog the list of transactions being verified by validators or tabulated by miners, which can slow the verification or confirmation of authentic transactions and lead to network outages.

Outages and attacks on a Network may reduce confidence in the applicable Crypto Asset, which may adversely affect the net asset value of the applicable Other Funds and an investment in the Units. When there is a Network outage, the Other Funds will not be able to withdraw or liquidate their holding of the affected Crypto Asset.

#### *Short History Risk for Proof-of-History and Proof-of-Stake for Solana Network*

The Solana Network operates on both a proof-of-history and proof-of-stake consensus model. Proof-of-history and proof-of-stake blockchain networks are newer and generally not as widely used as proof-of-work blockchain networks and may be untested at scale. As a result, proof-of-history and/or proof-of-stake blockchain networks may not work as intended. If proof-of-history and/or proof-of-stake blockchain networks do not function as intended or fail to gain adoption, the value of crypto assets relying on proof-of-history and/or proof-of-stake mechanisms (such as SOL) may be negatively affected, which could adversely affect the net asset value, and the value of the staked SOL and any rewards earned by the applicable Other Fund, and an investment in the Units.

#### *Short History Risk for Proof-of-Association for XRPL Network*

The XRPL Network operates on a proof-of-association consensus model. Proof-of-association blockchain networks are newer and generally not as widely used as proof-of-work blockchain networks and may be untested at scale. As a result, proof-of-association blockchain networks may not work as intended. If proof-of-association blockchain networks do not function as intended or fail to gain adoption, the value of crypto assets relying on proof-of-association mechanisms (such as XRP) may be negatively affected, which could adversely affect the net asset value of the applicable Other Fund and an investment in the Units.

### *Significant Energy Consumption to run the Networks*

Mining the Crypto Assets requires significant computing power and the Networks' energy consumption may be deemed to be, or indeed become, unsustainable (barring improvements in efficiency which could be designed for the protocol). This could pose a risk to broader and sustained acceptance of the Networks as peer-to-peer transactional platforms, which may adversely impact the prices of the Crypto Assets, the net asset value of the Other Funds and an investment in the Units.

### *Significant Increase in Usage of Crypto Assets or a Network Could Affect the Ability of a Network to Accommodate Demand*

A Network may experience network congestion due to surges in transaction activity. Such congestion may result from increased user demand, trading activity, or other network events. If congestion arises and persists, and the relevant network community is unable to develop the applicable Network at a pace sufficient to meet transaction demand, users may become frustrated and lose confidence in that Network. A loss of confidence in a Network could adversely affect the value, liquidity, or usability of the associated Crypto Assets, which may, in turn, adversely effect the net asset value of any fund holding such assets. Solana has experienced recent congestion resulting in widespread transaction failures, and similar issues could occur on the XRPL or other Networks.

### ***Risks Associated with Crypto Asset Trading Platforms***

#### *Closure of Crypto Asset Trading Platform(s)*

Crypto asset trading platforms have been closed due to fraud, failure, security breaches or distributed denial of service attacks. In many of these instances, the customers of such crypto asset trading platforms were not compensated or made whole for the partial or complete losses of their account balances in such crypto asset trading platforms. The potential for instability of crypto asset trading platforms and the closure or temporary shutdown of exchanges may reduce confidence in one or more Crypto Assets, which may adversely affect the net asset value of the Other Funds and an investment in the Units.

#### *Different Prices of Crypto Assets on the Crypto Asset Trading Platforms May Adversely Affect the NAV of the Units*

Most platforms operate as isolated pools of liquidity, and so when demand spikes for a specific platform the market price for a Crypto Asset on that platform can also spike, making it trade at a premium to other platforms.

#### *Hacking of Crypto Asset Trading Platforms May Have a Negative Impact on Perception of the Security of the Network*

Crypto Asset trading platforms may be hacked. A hack of a trading platform could shake confidence in a Crypto Asset and its related trading infrastructure and result in a decrease of such Crypto Asset's price, which may adversely affect the net asset value of the Other Funds and an investment in the Units.

#### *Liquidity Constraints on Crypto Asset Markets may Impact Holdings of an Other Fund*

An Other Fund may not always be able to acquire or liquidate its assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on crypto assets exchanges. When transacting in the Crypto Asset markets, the Other Funds will be competing for liquidity with other large investors, including speculators, miners and other investment funds and institutional investors.

Unexpected market illiquidity, and other conditions beyond the Other Funds' control, may cause major losses to the holders of a Crypto Asset. The large position in such Crypto Asset that an Other Fund may acquire increases the risks of illiquidity by making the Crypto Asset, difficult to liquidate. In addition, liquidation of significant amounts of a Crypto Asset by an Other Fund may impact the market price of that Crypto Asset.

### *Regulation of Crypto Asset Trading Platforms and Risk of Manipulation*

Crypto asset trading platforms are spot markets in which Crypto Assets can be exchanged for various government-issued or fiat currencies, including the U.S. dollar, the Euro and the Chinese Yuan and for other cryptocurrencies, such as bitcoin. Some crypto asset trading platforms have been known to permit and/or report artificially high order volumes and/or trading volumes. Not all crypto asset trading platforms are required to adopt policies and procedures for the purpose detecting and preventing manipulative and deceptive trading activities and, in the event that manipulative and deceptive trading activities are detected, crypto asset trading platforms may not have procedures for, or jurisdiction to, sanction or otherwise deter such activities and/or to detect, investigate and prosecute fraud.

It is the stated position of the Canadian Securities Administrators (CSA) that crypto asset trading platforms must be licensed to operate in Canada and, absent exemptive relief or the execution of a pre-registration undertaking (known as a PRU), must be licensed as a securities dealer (known as a crypto trading platform or CTP) with the Canadian Investment Regulatory Organization (CIRO). With respect to the 3iQ ETFs, 3iQ will seek to ensure that the crypto asset trading platforms through which the 3iQ ETFs transact in Canada are in compliance with the applicable securities law framework and that any platforms through which it may transact in the United States or other global jurisdictions are reputable and in compliance with AML Regulation.

### *Settlement of Transactions on the Network*

There is no central clearing house for cash-to-Crypto Asset transactions. Current practice is for the purchaser of a Crypto Asset to send fiat currency to a bank account designated by the seller, and for the seller to broadcast the transfer of the Crypto Asset to the purchaser's public Crypto Asset address upon receipt of the cash. The purchaser and seller monitor the transfer with a transaction identification number that is available immediately upon transfer and is expected to be included in the next block confirmation. When an Other Fund purchases a Crypto Asset from a Crypto Asset source, there is a risk that the Crypto Asset source will not initiate the transfer on the applicable Network upon receipt of cash from the Other Fund, or that the bank where the Crypto Asset source's account is located will not credit the incoming cash from the Other Fund for the account of the Crypto Asset source. The 3iQ ETFs seek to mitigate this risk by transacting with regulated Crypto Asset sources that have undergone due diligence and by confirming the solvency of the applicable Crypto Asset source and the bank designated by each Crypto Asset source based on publicly available information.

### **Risk Ratings of the Dynamic ETF**

As required by applicable securities legislation, the Manager determines the investment risk level of the Dynamic ETF in accordance with a standardized risk classification methodology that is based on the Dynamic ETF's historical volatility as measured by the 10-year standard deviation of the returns of the Dynamic ETF. Standard deviation is a statistical tool used to measure the historical variability of a fund's returns relative to the fund's average return. The higher the standard deviation of the Dynamic ETF, the greater the range of returns it has experienced in the past. The Dynamic ETF with a higher standard deviation will be classified as riskier.

For a newly established fund, the standardized methodology requires the use of the standard deviation of a reference fund or reference index that is reasonably expected to approximate the standard deviation of the fund. Where a fund has offered securities to the public for less than 10 years, the standardized methodology will calculate the standard deviation of the fund using the available return history of the fund and imputing the return history of the reference fund or reference index for the remainder of the 10-year period. Once the Dynamic ETF has 10 years of performance history, the methodology will calculate the standard deviation of the Dynamic ETF using the return history of the Dynamic ETF rather than that of the reference index. The Dynamic ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The following chart sets out a description of the reference index used for the Dynamic ETF:

<b>Dynamic ETF</b>	<b>Reference Index</b>	<b>Description</b>
DXMC	30% CME CF Bitcoin Reference Rate - New York Variant (C\$)	The CME CF Bitcoin Reference Rate – New York Variant (C\$) is a daily benchmark price for bitcoin in Canadian dollars. It is calculated by aggregating trade data from several major cryptocurrency exchanges that meet the CME CF Constituent Exchange Criteria.
	25% CME CF Solana-Dollar Reference Rate – New York Variant (C\$)	The CME CF Solana-Dollar Reference Rate – New York Variant (C\$) is a daily benchmark price for Solana in Canadian dollars. It is calculated by aggregating trade data from multiple markets operated by major cryptocurrency exchanges that meet CF Benchmarks’ rigorous regulatory standards.
	25% CME CF Ether-Dollar Reference Rate - New York Variant (C\$)	The CME CF Ether-Dollar Reference Rate – New York Variant (C\$) is a daily benchmark price for ether in Canadian dollars. It is calculated by aggregating trade data from multiple markets operated by major cryptocurrency exchanges that meet the CME CF Constituent Exchange Criteria.
	20% CME CF XRP-Dollar Reference Rate – New York Variant (C\$)	The CME CF XRP-Dollar Reference Rate – New York Variant (C\$) is a daily benchmark price for XRP in Canadian dollars. It is calculated by aggregating trade data from multiple markets operated by major cryptocurrency exchanges that meet CF Benchmarks’ rigorous regulatory standards.

The Manager reviews the investment risk rating of the Dynamic ETF at least annually as well as if there is a material change in the Dynamic ETF’s investment objectives or investment strategies.

Historical performance may not be indicative of future returns and the Dynamic ETF’s historical volatility may not be indicative of its future volatility. There may be times when the Manager believes the standardized methodology produces a result that does not reflect the Dynamic ETF’s risk based on other qualitative factors. As a result, the Manager may assign a higher risk rating to the Dynamic ETF if the Manager determines it is reasonable to do so in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Dynamic ETF is available on request, at no cost, by calling toll-free at 1-800-268-8186 or by writing to the Manager at 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario M5H 0B4.

#### **DISTRIBUTION POLICY**

Cash distributions on Units of the Dynamic ETF, if any, will be made in the currency in which Units of the Dynamic ETF are denominated and are expected to be made periodically as set out in the table below:

<b>Dynamic ETF</b>	<b>Frequency of Distributions</b>
DXMC	Annually

Distributions are not guaranteed and the Manager may, in its sole discretion, change the frequency or amount of such distributions, which change will be announced by the Manager in a press release.

Depending on the underlying investments of the Dynamic ETF, distributions on Units may consist of ordinary income, including interest, foreign source income and taxable dividends from taxable Canadian corporations, sourced from dividends or distributions received by the Dynamic ETF but may also include net realized capital gains, in any case,

less the expenses of the Dynamic ETF. Distributions on Units of the Dynamic ETF may also include returns of capital which will generally reduce the adjusted cost base of the Unitholder's Units of the Dynamic ETF.

If, for any taxation year, the Dynamic ETF has not otherwise distributed the full amount of its net income and net realized capital gains, the Dynamic ETF will, after December 15 but on or before December 31 of that calendar year (in the case of a taxation year that ends on December 15), or by the end of the taxation year (in any other case), be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Dynamic ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the Dynamic ETF and/or cash. Any special distributions payable in Units of the Dynamic ETF will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

See "Income Tax Considerations".

### **Distribution Reinvestment Plan**

At any time, a Unitholder may elect to participate in the Dynamic ETF's distribution reinvestment plan (the "DRIP") by contacting the CDS Participant through which the Unitholder holds its Units. Under the DRIP, cash distributions will be used to acquire additional Units of the same class ("Plan Units") by purchasing them at market price on an exchange and will be credited to the account of the Unitholder's broker through CDS.

#### *Fractional Units*

No fractional Plan Units will be delivered under the DRIP. Payment in cash for any remaining uninvested funds will be made in lieu of delivering fractional Plan Units by the plan agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the account of the Unitholder participating in the DRIP via the applicable CDS Participant.

#### *Amendments, Suspensions or Termination of the DRIP*

A Unitholder may withdraw from the DRIP by providing notice to the CDS Participant through which the Unitholder holds Units. The Unitholder must provide such notice to the CDS Participant sufficiently in advance of the applicable distribution record date in respect of the next expected distribution in which the Unitholder does not wish to participate. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the Unitholder exercising its rights to terminate participation in the DRIP.

The Manager is permitted to terminate the DRIP, in its sole discretion, upon not less than 30 days' notice to Unitholders participating in the DRIP, via the CDS Participants through which Unitholders hold their Units, and to the plan agent, subject to any required regulatory approval. The Manager is also permitted to amend, modify or suspend the DRIP at any time in its sole discretion, provided that it complies with certain requirements, gives notice of that amendment, modification or suspension to Unitholders participating in the DRIP and to the plan agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the DRIP. The Manager reserves the right to regulate and interpret the DRIP as it deems necessary or desirable to ensure the efficient and equitable operation of the DRIP.

### *Other Provisions*

Participation in the DRIP is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than “Canadian partnerships” as defined in the Tax Act) are not eligible to participate in the DRIP. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a participant in the DRIP (a “**Plan Participant**”) shall notify its CDS Participant and terminate participation in the DRIP immediately.

Each Plan Participant will be provided annually, for tax reporting purposes, with information regarding the amounts paid or payable by the Dynamic ETF to the Plan Participant in the preceding taxation year. The automatic reinvestment of distributions under the DRIP will not relieve Plan Participants of any income tax applicable to such distributions.

## **PURCHASES OF UNITS**

### **Initial Investment in the Dynamic ETF**

In compliance with NI 81-102, the Dynamic ETF will not issue Units to the public until orders aggregating not less than \$500,000 are received and accepted by the Dynamic ETF from investors other than the Manager, or its directors, officers or securityholders.

### **Continuous Distribution**

Units of the Dynamic ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued. The Units are denominated in Canadian dollars.

### **Designated Broker**

All orders to purchase Units directly from the Dynamic ETF must be placed by the Designated Broker or Dealers. The Manager reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by the Dynamic ETF to the Designated Broker or a Dealer in connection with the issuance of Units of the Dynamic ETF. On the issuance of Units, the Manager may, at its discretion, charge an administrative fee to a Dealer or Designated Broker to offset any expenses (including any applicable Cboe additional listing fees) incurred in issuing the Units.

On any Trading Day, a Designated Broker or a Dealer may place a subscription order for the PNU or integral multiple PNU of the Dynamic ETF. If a subscription order is received by the Dynamic ETF at or before 1:30 p.m. (Toronto time) on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the Dynamic ETF will generally issue to the Dealer or Designated Broker the PNU (or an integral multiple thereof) within one Trading Day from the effective date of the subscription order. The Dynamic ETF must receive payment for the Units subscribed for within one Trading Day from the effective date of the subscription order. The effective date of a subscription order is currently the Trading Day the subscription order is received (provided it is received at or before 1:30 p.m. (Toronto time)) on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of the Dynamic ETF, a Dealer or Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the NAV of the applicable PNU of the Dynamic ETF determined at the Valuation Time on the effective date of the subscription order. The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Dynamic ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, administration fees including associated brokerage expenses, commissions, transaction costs and other costs and expenses that the Dynamic ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds.

The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of the Dynamic ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the Dynamic

ETF, or such other amount as may be agreed to by the Manager and the Designated Broker. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the first Trading Day after the subscription notice has been delivered.

The Manager will, except when circumstances prevent it from doing so, disclose the number of Units comprising a PNU for the Dynamic ETF to applicable investors, the Designated Broker and Dealers following the close of business on each Trading Day. The Manager may, at its discretion, increase or decrease the applicable PNU from time to time and will provide notice of such change to applicable investors, the Designated Broker and Dealers.

#### ***To Unitholders of the Dynamic ETF Distributions Paid in Units***

In addition to the issuance of Units as described above, distributions may be made by way of the issuance of Units in accordance with the distribution policy of the Dynamic ETF. See “Distribution Policy”.

#### **Buying and Selling Units of the Dynamic ETF**

The Units of the Dynamic ETF have been conditionally approved for listing on Cboe. Subject to satisfying Cboe’s original listing requirements, the Units of the Dynamic ETF will be listed on Cboe and investors will be able to buy and sell such Units on Cboe through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units of the Dynamic ETF. No fees are paid by investors to the Manager or the Dynamic ETF in connection with buying or selling of Units of the Dynamic ETF on Cboe.

#### ***Special Considerations for Unitholders***

The provisions of the so-called “early warning” requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Dynamic ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units of the Dynamic ETF through purchases on Cboe without regard to the take-over bid requirements of Canadian Securities Legislation.

### **EXCHANGE AND REDEMPTION OF UNITS**

#### **Exchange of Units of the Dynamic ETF at NAV per Unit for Baskets of Securities and/or Cash**

Unitholders of the Dynamic ETF may exchange the applicable PNU (or an integral multiple thereof) of the Dynamic ETF on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units of the Dynamic ETF, a Unitholder must submit an exchange request in the form and at the location prescribed by the Dynamic ETF from time to time at or before 1:30 p.m. (Toronto time) on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to applicable investors, Dealers and the Designated Broker the applicable PNU to redeem Units of the Dynamic ETF on each Trading Day. The effective date of an exchange request is currently the Trading Day the exchange request is received (provided it is received at or before 1:30 p.m. (Toronto time)) on which the Valuation Time that applies to such exchange request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay applicable administration fees, including associated brokerage expenses, commissions, transaction costs and other costs and

expenses that the Dynamic ETF incurs or expects to incur in selling securities on the market to obtain the necessary cash for the exchange.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the first Trading Day after the effective day of the exchange request.

If any securities in which the Dynamic ETF has invested are cease traded at any time by order of a Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or Designated Broker on an exchange of the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under “Book-Entry Only System”, registration of interests in, and transfers of, Units are made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

### **Redemption of Units of the Dynamic ETF for Cash**

On any Trading Day, Unitholders of the Dynamic ETF may redeem (i) Units of the Dynamic ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on Cboe on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of the Dynamic ETF or a multiple PNU of the Dynamic ETF for cash equal to the NAV of that number of Units of the Dynamic ETF less any applicable administration fee determined by the Manager, in its sole discretion from time to time. Because Unitholders will generally be able to sell Units at the market price on Cboe through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the Dynamic ETF are advised to consult their brokers, dealers or investment advisers before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or the Dynamic ETF in connection with selling Units on Cboe.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the Dynamic ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before 9:30 a.m. (Toronto time) on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the first Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or Dealer.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of the Dynamic ETF, the Dynamic ETF will generally dispose of securities or other financial instruments.

### **Suspension of Exchanges and Redemptions**

The exchange or redemption of Units may be suspended or postponed by the Dynamic ETF, provided that such suspension complies with applicable securities legislation.

The Manager may suspend the exchange or redemption of Units of the Dynamic ETF or payment of redemption proceeds of the Dynamic ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Dynamic ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Dynamic ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the

Dynamic ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Dynamic ETF or which impair the ability of the Custodian to determine the value of the assets of the Dynamic ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Dynamic ETF, any declaration of suspension made by the Manager shall be conclusive.

### **Administration Fee**

An amount, as may be agreed to between the Manager and the Designated Broker or Dealer of the Dynamic ETF, may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Dynamic ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of Cboe.

### **Allocations of Capital Gains to Redeeming or Exchanging Unitholders**

Pursuant to the Declaration of Trust, the Dynamic ETF may allocate and designate as payable any capital gains realized by the Dynamic ETF as a result of any disposition of property of the Dynamic ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Dynamic ETF has the authority to distribute, allocate and designate any capital gains of the Dynamic ETF to a Unitholder who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Dynamic ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

Based on rules in the Tax Act applicable to trusts that are "mutual fund trusts" for purposes of the Tax Act throughout the taxation year, amounts of taxable capital gains so allocated and designated to redeeming Unitholders will be deductible to the Dynamic ETF to the extent of the redeeming Unitholders' pro rata share (as determined under the Tax Act) of the net taxable capital gains of the Dynamic ETF for the year. Any such taxable capital gains that would not be deductible by the Dynamic ETF if allocated to redeeming or exchanging Unitholders may be made payable to non-redeeming or non-exchanging Unitholders of the Dynamic ETF so that the Dynamic ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or non-exchanging Unitholders of the Dynamic ETF may be greater than they would have been in the absence of the rules described above.

### **Book-Entry Only System**

Registration of interests in, and transfers of, Units of the Dynamic ETF are made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of the Dynamic ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither the Dynamic ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

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

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

### **Short-Term Trading**

Unlike conventional open-end mutual fund trusts in which short term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the Dynamic ETF at this time as: (i) the Dynamic ETF is an exchange-traded fund that is primarily traded in the secondary market; and (ii) the few transactions involving Units of the Dynamic ETF that do not occur on the secondary market involve Designated Brokers and Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administration fee. The administration fee is intended to compensate the Dynamic ETF for any costs and expenses incurred by the Dynamic ETF in order to satisfy and process the redemption.

### **INCOME TAX CONSIDERATIONS**

In the opinion of Blake, Cassels & Graydon LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of the Dynamic ETF by a Unitholder of the Dynamic ETF who acquires Units of the Dynamic ETF pursuant to this prospectus. This summary only applies to a prospective Unitholder of the Dynamic ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act who deals at arm's length with the Dynamic ETF and any Designated Broker or Dealer and is not affiliated with the Dynamic ETF or any Designated Broker or Dealer and who holds Units of the Dynamic ETF as capital property (a "**Holder**").

Generally, Units of the Dynamic ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Dynamic ETF qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the Dynamic ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary assumes that the Dynamic ETF will comply with its investment restrictions, which include not making an investment or conducting any activity that would result that would result in the Dynamic ETF being subject to the tax applicable to "SIFT trusts" for purposes of the Tax Act. The Dynamic ETF will be a "SIFT trust" if its units are listed or traded on a stock exchange or other public market and it holds any "non-portfolio property", which would include (i) property that the Dynamic ETF (or a person or partnership that does not deal at arm's length with the Dynamic ETF for purposes of the Tax Act) uses in the course of carrying on a business in Canada and (ii) certain investments in Other Funds (which may include the 3iQ ETFs) that themselves hold "non-portfolio property".

The CRA has indicated that the characterization of staking rewards as income from property or a business depends on the "level of activity" of the taxpayer in earning that income, and that this determination should be based on an examination of all the circumstances. However, there remains significant uncertainty with respect to the tax treatment of cryptocurrency staking, including the potential application of the SIFT Rules in this context.

The Manager will take the position that the Dynamic ETF (and any person or partnership that does not deal at arm's length with the Dynamic ETF for purposes of the Tax Act) will not be a SIFT trust, and it understands that each of the 3iQ ETFs takes the position that it (and any person or partnership that does not deal at arm's length with the 3iQ ETF for purposes of the Income Tax Act) is not a SIFT trust. However, no advance income tax ruling has been sought or

obtained from the CRA in respect of the status of the Dynamic ETF or the 3iQ ETFs under the SIFT Rules, and therefore the CRA could seek to assess or reassess the Dynamic ETF or the 3iQ ETFs as a SIFT trust. The remainder of this summary assumes that none of the Dynamic ETF or the 3iQ ETFs will be a SIFT trust at any time, although there can be no assurances in this regard.

This summary also assumes that at all times the Dynamic ETF will (i) not make or hold any investment in property that would be “taxable Canadian property” (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof) if more than 10% of the Dynamic ETF’s property consisted of such property; (ii) not invest in or hold (a) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Dynamic ETF (or the partnership) would be required to include significant amounts in income pursuant to section 94.1 of the Tax Act, (b) an interest in a trust (or a partnership which holds such an interest) which would require the Dynamic ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (c) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest); (iii) not invest in any security that would be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; (iv) not invest in any security of an issuer that would be a “foreign affiliate” of the Dynamic ETF or of any Holder for purposes of the Tax Act; and (v) not enter into any arrangement (including the acquisition of securities for the Dynamic ETF’s portfolio) where the result is a “dividend rental arrangement” for purposes of the Tax Act.

This summary is based on the facts described herein, the current provisions of the Tax Act, counsel’s understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof and certificates of the Manager. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of the Dynamic ETF. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units of the Dynamic ETF. The income and other tax consequences of investing in Units will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of the Dynamic ETF. Prospective investors should consult their own tax advisers with respect to the income tax consequences to them of an acquisition of Units of the Dynamic ETF based on their particular circumstances.**

#### **Status of the Dynamic ETF**

**This summary is based on the assumptions (a) that the Dynamic ETF is a “unit trust” for purposes of the Tax Act and will qualify or be deemed to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act, (b) that the Dynamic ETF is not and will not be subject to tax under section 183.3 of the Tax Act, and (c) that the Dynamic ETF has not been established and will not be maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).**

To qualify as a mutual fund trust (i) the Dynamic ETF must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Dynamic ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Dynamic ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the Dynamic ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class (the “**Minimum Distribution Requirements**”). In this connection, the Manager has advised counsel that (i) it will endeavour to cause the Dynamic ETF to qualify as a unit

trust throughout the life of the Dynamic ETF, (ii) the Dynamic ETF's undertaking conforms with the restrictions for mutual fund trusts, (iii) the Manager intends to file the necessary election so that the Dynamic ETF will qualify as a mutual fund trust from its inception in 2026, and the Manager has no reason to believe that the Dynamic ETF will not comply with the Minimum Distribution Requirements before the 91<sup>st</sup> day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events") and at all times thereafter, thereby permitting the filing by the Dynamic ETF of such election (although there can be no assurances in this regard).

**If the Dynamic ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of the Dynamic ETF.**

For instance, if the Dynamic ETF does not qualify as a mutual fund trust throughout a taxation year may become subject to the special tax on designated income pursuant to Part XII.2 of the Tax Act and would not be entitled to the Capital Gains Refund. In addition, if the Dynamic ETF does not qualify as a mutual fund trust and one or more "financial institutions", as defined in the Tax Act, owns more than 50% of the fair market value of the Units of the Dynamic ETF, that Dynamic ETF will be a "financial institution" for purposes of the "mark-to-market property" rules contained in the Tax Act. In that event, gains and losses of the Dynamic ETF on property that is "mark-to-market property" for purposes of these rules will be fully included in or deducted from income on an annual mark-to-market basis. A trust that becomes or ceases to be a financial institution for the above purposes will be deemed to have a year-end for tax purposes at such time, and will be deemed to have disposed of certain properties at their fair market value and to have reacquired them immediately thereafter. A deemed taxation year-end would result in an unscheduled distribution of the Dynamic ETF's net income and net realized capital gains, if any, at such time to Unitholders so that the Dynamic ETF is not liable for income tax on such amounts under Part I of the Tax Act. The Manager has advised counsel that it intends to monitor the status of the Dynamic ETF with a view to identifying any deemed taxation year-ends and allocating the net income and realized taxable capital gains of the Dynamic ETF for such taxation years to Unitholders, such that no non-refundable income tax should be payable by the Dynamic ETF in respect of such deemed taxation year-ends. However, there can be no assurances in this regard.

Provided that the Units of the Dynamic ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes Cboe), or the Dynamic ETF qualifies as a mutual fund trust within the meaning of the Tax Act, the Units of that Dynamic ETF will be qualified investments under the Tax Act for a trust governed by an RRSP, a RRRIF, an RDSP, a DPSP, an RESP, a TFSA or an FHSA (collectively, "**Registered Plans**"). See "Income Tax Considerations – Taxation of Registered Plans" for the consequences of holding Units in Registered Plans.

**Taxation of the Dynamic ETF**

The Manager has advised counsel that the Dynamic ETF will elect (if available) to have a taxation year that ends on December 15 of each calendar year. If the Dynamic ETF has not validly made such election, it will have a taxation year that ends on December 31 of each calendar year. The Dynamic ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable (or deemed to be paid or payable) to its Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder of the Dynamic ETF in a calendar year if it is paid to the Unitholder in that year by the Dynamic ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that the Dynamic ETF is not liable for any non-refundable income tax under Part I of the Tax Act.

The Dynamic ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

To the extent the Dynamic ETF holds trust units issued by a trust resident in Canada (which may include a 3iQ ETF) that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the Dynamic ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Dynamic ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust or may be paid or made payable as a management fee distribution. Provided that appropriate designations are made

by such trust, generally net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Dynamic ETF will effectively retain their character in the hands of the Dynamic ETF. The Dynamic ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Dynamic ETF except to the extent that the amount was included in calculating the income of the Dynamic ETF or was the Dynamic ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Dynamic ETF. If the adjusted cost base to the Dynamic ETF of such units becomes a negative amount at any time in a taxation year of the Dynamic ETF, that negative amount will be deemed to be a capital gain realized by the Dynamic ETF in that taxation year and the Dynamic ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

At any time that the Dynamic ETF is a financial institution for purposes of the "mark-to-market property" rules contained in the Tax Act, gains and losses on the disposition of "mark-to-market property" will be on income account and will be brought into income for each taxation year on a mark-to-market basis. In respect of securities in the portfolio of the Dynamic ETF that are not "mark-to-market properties", or provided the Dynamic ETF is not a financial institution, in general, the Dynamic ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio, to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security, unless the Dynamic ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Dynamic ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade.

The CRA has stated that gains (or losses) of a taxpayer resulting from transactions in cryptocurrency (which by extension may include the units of an Other Fund that invests in cryptocurrency) should generally be treated for tax purposes as capital gains (or capital losses), unless the gains (or losses) result from carrying on a business or an adventure or concern in the nature of trade. However, the CRA has also stated that it generally treats cryptocurrency like a commodity for purposes of the Tax Act and that gains (or losses) of mutual fund trusts resulting from transactions in commodities should generally be treated for income tax purposes as ordinary income rather than as capital gains, although the treatment in each particular case remains a question of fact to be determined having regard to all the circumstances. As the Dynamic ETF intends to be a long-term holder of its portfolio securities (including the units of Other Funds), the Manager has advised counsel that the Dynamic ETF will generally take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses, provided such gains and losses are (i) in respect of property that is not "mark-to-market property" where the Dynamic ETF is a financial institution for purposes of the "mark-to-market property" rules, or (ii) in respect of any securities in the portfolio of the Dynamic ETF where the Dynamic ETF is not a financial institution. In addition, the Dynamic ETF will make (if applicable) an election under subsection 39(4) of the Tax Act in its taxation year in which it first disposes of "Canadian securities" (as defined in the Tax Act) to have all such Canadian securities deemed to be capital property of the Dynamic ETF. Such election will affect a disposition of securities if, at the time of such disposition, the Dynamic ETF is a mutual fund trust for purposes of the Tax Act or is not (i) a financial institution for purposes of the "mark-to-market property" rules in the Tax Act, or (ii) a trader or dealer in securities.

The Dynamic ETF will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act 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 Tax Act based on the redemptions of Units of the Dynamic ETF during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Dynamic ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the Dynamic ETF.

In general, gains and losses realized by the Dynamic ETF from derivative transactions and in respect of short sales of securities (other than Canadian securities if the Dynamic ETF has made the election under subsection 39(4)) will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided the Dynamic ETF is not a financial institution and there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Dynamic ETF.

A loss realized by the Dynamic ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Dynamic ETF, or a person affiliated with the Dynamic ETF, acquires a property (a “**Substituted Property**”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Dynamic ETF, or a person affiliated with the Dynamic ETF, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, the Dynamic ETF cannot deduct the loss from the Dynamic ETF’s capital gains until the Substituted Property is disposed of and no Substituted Property is acquired by the Dynamic ETF, or a person affiliated with the Dynamic ETF, within 30 days before and after the disposition.

The Dynamic ETF will enter into transactions denominated in currencies other than the Canadian dollar including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, dividends, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Dynamic ETF may be affected by fluctuations in the value of other currencies relative to the Canadian dollar.

The DFA Rules target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any derivatives to be utilized by the Dynamic ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Dynamic ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid directly by the Dynamic ETF exceeds 15% of the amount included in the Dynamic ETF’s income from such investments, such excess may generally be deducted by the Dynamic ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid by the Dynamic ETF (or paid by an Other Fund and deemed to be paid by the Dynamic ETF) does not exceed 15% of the amount included in the Dynamic ETF’s income from such investments and has not been deducted in computing the Dynamic ETF’s income, the Dynamic ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Dynamic ETF’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Dynamic ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

The Dynamic ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units to the extent they are incurred to earn income (other than taxable capital gains). Such issue expenses paid by the Dynamic ETF and not reimbursed will be deductible by the Dynamic ETF rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the Dynamic ETF may deduct reasonable administrative and other expenses incurred to earn income (other than taxable capital gains).

Losses incurred by the Dynamic ETF in a taxation year cannot be allocated to Holders, but may be deducted by the Dynamic ETF in future years in accordance with the Tax Act.

The Tax Act provides for a special tax on the designated income of certain trusts (other than a trust that was throughout the taxation year a mutual fund trust) that have designated beneficiaries. The Manager intends to monitor the activities of the Dynamic ETF if it does not qualify as a mutual fund trust so as to ensure that the Dynamic ETF does not earn any designated income for purposes of the Tax Act. On this basis, it is anticipated that the Dynamic ETF will not have any liability with respect to this special tax. However, if the Dynamic ETF is considered to be carrying on business in respect of any of its investing activities, the income related thereto may be designated income and may be subject to the above-noted special tax.

### **Taxation of Holders**

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the Dynamic ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such

amount is reinvested in additional Units, or whether as a Management Fee Distribution). If the Dynamic ETF has validly elected to have a December 15 taxation year end, amounts paid or payable by the Dynamic ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, the Dynamic ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income and net realized taxable capital gains for the calendar year to the extent necessary to enable the Dynamic ETF to use, in that taxation year, losses from prior years without affecting the ability of the Dynamic ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of the Dynamic ETF but not deducted by the Dynamic ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the Dynamic ETF will be reduced by such amount. The non-taxable portion of the Dynamic ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of the Dynamic ETF for a taxation year that is paid or becomes payable to the Holder for the year (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the Dynamic ETF. To the extent that the adjusted cost base of a Unit of the Dynamic ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Dynamic ETF, such portion of the net realized taxable capital gains of the Dynamic ETF, the taxable dividends received or deemed to be received by the Dynamic ETF on shares of taxable Canadian corporations and foreign source income of the Dynamic ETF as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act, within the limits contemplated in the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. Where the Dynamic ETF makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Dynamic ETF to that country that is equal to the Holder's share of the Dynamic ETF's income from sources in that country.

Any loss of the Dynamic ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of the Dynamic ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Dynamic ETF which represents capital gains allocated and designated to the redeeming Holder, as further described below), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units of the Dynamic ETF, when additional Units of the Dynamic ETF are acquired by the Holder (including as a result of a distribution by the Dynamic ETF in the form of Units or a reinvestment in Units of the Dynamic ETF), the cost of the newly acquired Units of the Dynamic ETF will be averaged with the adjusted cost base of all Units of the Dynamic ETF that are identical to the newly acquired Units owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested. A consolidation of Units of the Dynamic ETF following a distribution paid in the form of additional Units of the Dynamic ETF as described under "Distribution Policy" will not be regarded as a disposition of Units of the Dynamic ETF and will not affect the aggregate adjusted cost base to a Holder.

In the case of an exchange of Units of the Dynamic ETF for a Basket of Securities, a Holder's proceeds of disposition of Units of the Dynamic ETF would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost to a Holder of any property received from the Dynamic ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Registered Plans. If such securities are not qualified investments for

Registered Plans, such as Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Registered Plans.

Pursuant to the Declaration of Trust, the Dynamic ETF may allocate and designate as payable any capital gains realized by the Dynamic ETF as a result of any disposition of property of the Dynamic ETF undertaken to permit or facilitate the redemption or exchange of Units of the Dynamic ETF to a Holder whose Units are being redeemed or exchanged. In addition, the Dynamic ETF has the authority to distribute, allocate and designate any capital gains of the Dynamic ETF to a Holder who has redeemed or exchanged Units during a year in an amount equal to the Holder's share, at the time of redemption or exchange, of the Dynamic ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition.

Based on rules in the Tax Act applicable to trusts that are "mutual fund trusts" for purposes of the Tax Act throughout the taxation year, amounts of taxable capital gains so allocated and designated to redeeming Unitholders will be deductible to the Dynamic ETF to the extent of the redeeming Unitholders' pro rata share (as determined under the Tax Act) of the net taxable capital gains of the Dynamic ETF for the year. Any such taxable capital gains that would not be deductible by the Dynamic ETF if allocated to redeeming or exchanging Unitholders may be made payable to non-redeeming or non-exchanging Unitholders of the Dynamic ETF so that the Dynamic ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or non-exchanging Unitholders of the Dynamic ETF may be greater than they would have been in the absence of the rules described above.

One-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of the Dynamic ETF or a taxable capital gain designated by the Dynamic ETF in respect of the Holder for a taxation year of the Holder will generally be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the Dynamic ETF in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

A Holder will be required to compute all amounts relating to the acquisition, holding and disposition of Units (including the adjusted cost base and proceeds of disposition of Units, as well as distributions received from the Dynamic ETF) in Canadian dollars in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by a Holder may be affected by fluctuations in the value of other currencies relative to the Canadian dollar.

Amounts designated by the Dynamic ETF to a Holder of the Dynamic ETF as taxable capital gains or dividends from taxable Canadian corporations, as well as taxable capital gains realized on the disposition of Units of the Dynamic ETF, may increase the Holder's liability for alternative minimum tax.

### **Taxation of Registered Plans**

Amounts of income and capital gains included in a Registered Plan's income are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Registered Plan for purposes of the Tax Act.

Notwithstanding the foregoing, the holder of a TFSA, FHSA or RDSP, the annuitant under an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such TFSA, FHSA, RRSP, RDSP, RESP or RRIF, as the case may be, if such Units are a "prohibited investment" for such TFSA, FHSA, RRSP, RDSP, RESP or RRIF for the purposes of the Tax Act. The Units of the Dynamic ETF will not be a "prohibited investment" for a trust governed by a TFSA, FHSA, RRSP, RDSP, RESP or RRIF unless the holder of the TFSA, FHSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Dynamic ETF for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Dynamic ETF. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in

the Dynamic ETF unless the holder, annuitant or subscriber, as the case may be, owns Units of the Dynamic ETF that have a fair market value of 10% or more of the fair market value of all Units of the Dynamic ETF, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the Units of the Dynamic ETF will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, FHSA, RRSP, RDSP, RESP or RRIIF.

Holders should consult with their own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan. Holders, annuitants or subscribers should consult their own tax advisers with respect to whether Units of the Dynamic ETF would be prohibited investments, including with respect to whether such Units would be excluded property.

### **Tax Implications of the Dynamic ETF's Distribution Policy**

The NAV per Unit of the Dynamic ETF will, in part, reflect any income and gains of the Dynamic ETF that have accrued or have been realized, but have not been made payable at the time Units of the Dynamic ETF were acquired. Accordingly, a Holder of the Dynamic ETF who acquires Units of the Dynamic ETF, including on a reinvestment of distributions or a distribution of Units of the Dynamic ETF, may become taxable on the Holder's share of such income and gains of the Dynamic ETF. In particular, an investor who acquires Units of the Dynamic ETF at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, provided that the Dynamic ETF has validly elected to have a December 15 taxation year end, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE DYNAMIC ETF**

### **Manager**

1832 Asset Management L.P. manages the overall business and operations of the Dynamic ETF, including providing portfolio management, fund accounting and administration services and promoting the sales of the securities of the Dynamic ETF. 1832 Asset Management L.P. is registered (i) with the Ontario Securities Commission as a portfolio manager, investment fund manager, exempt market dealer and commodity trading manager; (ii) as an investment fund manager in Québec, Newfoundland and Labrador and Northwest Territories; (iii) as a portfolio manager in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Prince Edward Island, Québec, Saskatchewan and Yukon; and (iv) as an exempt market dealer in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Québec.

The General Partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia. The Bank of Nova Scotia also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, MD Management Limited and Scotia Capital Inc., each an investment dealer.

The principal office of the Dynamic ETF and 1832 Asset Management L.P. is located at 40 Temperance Street, 16th Floor, Toronto, Ontario, M5H 0B4.

### **Duties and Services to be Provided by the Manager**

Pursuant to the Declaration of Trust, the Manager provides and arranges for the provision of required portfolio management and administrative services to the Dynamic ETF including, without limitation: negotiating contracts with certain third-party service providers, including, but not limited to, sub-advisers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the Dynamic ETF; maintaining accounting records; preparing the reports to Unitholders and to the applicable Securities Regulatory Authorities; calculating the amount and determining the frequency of distributions by the Dynamic ETF; preparing financial statements, income tax returns and financial and accounting information as required; ensuring that

Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the Dynamic ETF comply with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; arranging for any payments required upon termination of the Dynamic ETF; and dealing and communicating with Unitholders. The Manager will provide office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the Dynamic ETF. The Manager will also monitor the investment strategies of the Dynamic ETF to ensure that it comply with its investment objectives, investment strategies and investment restrictions and practices.

No manager of the Dynamic ETF shall be a person who (i) is not a resident of Canada for purposes of the Tax Act or, if a partnership, a partnership that is not managed and controlled in Canada, or (ii) does not agree to carry out its functions of managing the Dynamic ETF in Canada.

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the Dynamic ETF, to make all decisions regarding the business of the Dynamic ETF and to bind the Dynamic ETF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Dynamic ETF to do so.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to the Dynamic ETF or to any Unitholder or any other person for any loss or damage relating to any matter regarding the Dynamic ETF, including any loss or diminution of value of the assets of the Dynamic ETF if it has satisfied its standard of care set forth above.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of the Dynamic ETF from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the Dynamic ETF as long as the person acted honestly and in good faith with a view to the best interests of the Dynamic ETF.

The Manager may resign upon 90 days' prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the Dynamic ETF. The Manager may, in its discretion, terminate the Dynamic ETF without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the Dynamic ETF and/or it would otherwise be in the best interests of Unitholders to terminate the Dynamic ETF.

The administration and management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Dynamic ETF) or from engaging in other activities.

### **Executive Officers and Directors of the General Partner of the Manager**

The Board of Directors of the General Partner currently consists of eight members.

Directors are appointed to serve on the Board of Directors of the General Partner until such time as they retire or are removed and their successors are appointed. The directors and executive officers of the General Partner collectively have extensive experience in the analysis and understanding of the risks associated with many of the businesses

underlying the securities that may comprise the Dynamic ETF's investments. The Manager will draw upon this experience, when necessary, in analyzing potential investments for the Dynamic ETF.

The names, municipalities of residence, offices and principal occupations during the past five years for each of the directors and executive officers of the General Partner are as follows:

<b>Name and Municipality of Residence</b>	<b>Positions Held with the General Partner</b>	<b>Principal Occupation</b>
Raquel Costa Toronto, Ontario	Chair of the Board and Director	Senior Vice President, International Wealth Management, Scotiabank
Neal Kerr Toronto, Ontario	President and Director	President, the Manager Executive Vice President, Asset Management, Global Wealth Management, Scotiabank
Gregory Joseph Grimbsby, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Vice President, Financial Planning and Analysis, Asset Management and Global Wealth Management, Scotiabank
Aziza Amity Aurora, Ontario	Director	Senior Vice President and Chief Financial Officer, Global Wealth Management, Scotiabank
Rosemary Chan Toronto, Ontario	Director	Senior Vice President, Internal Control and Regulatory Affairs, Scotiabank
Jean-Francois Courville Westmount, Quebec	Director	President, Quebec, Canadian Banking, Scotiabank
Todd Flick Burlington, Ontario	Director	Vice President, Managing Director & Head, Scotia Jarislowsky Fraser, Scotiabank
Craig Gilechrist Toronto, Ontario	Director	Senior Vice President, Vice Chairman and Head Global Family Office, Global Strategic Client Group Scotiabank
Jim Morris Caledon, Ontario	Director	Senior Vice President and Head, Investment Management, Global Asset Management, Scotiabank
John Pereira Richmond Hill, Ontario	Director	Senior Vice President and Chief Operating Officer, Global Asset Management, Scotiabank
Simon Mielniczuk Toronto, Ontario	Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the directors and executive officers of the General Partner have held their present principal occupations (or similar positions with their current employer or its affiliates) except for Mr. Courville who prior to November 2024 was President and Chief Client Officer with Purpose Unlimited Inc. and Prior to July 2024 was Managing Partner with Purpose Advisor Solutions.

### Executive Officers of the Manager

The names and municipalities of residence of the executive officers of the Manager, their principal occupations over the past five years, and the positions and offices held with the Manager are as follows:

Name and Municipality of Residence	Positions Held with the Manager	Principal Occupation
Neal Kerr Toronto, Ontario	President and Ultimate Designated Person	President, the Manager Executive Vice President, Asset Management, Global Wealth Management, Scotiabank
Gregory Joseph Grimsby, Ontario	Chief Financial Officer	Chief Financial Officer, the Manager Director, Global Asset Management Finance, Scotiabank
Kevin Brown Milton, Ontario	Chief Compliance Officer	Chief Compliance Officer, the Manager Vice President, Asset Management Compliance, Scotiabank
Simon Mielniczuk Toronto, Ontario	Secretary	Senior Manager, Legal Services, Global Asset Management, Scotiabank

During the past five years, all of the directors and executive officers of the Manager have held their present principal occupations (or similar positions with their current employer or its affiliates).

### Portfolio Management

The following table sets forth the names of the members of the Manager, their position and their principal occupation (where different from their current principal occupation) in the last five years who are principally responsible for the day-to-day portfolio management of the Dynamic ETF.

Name and Title	Length of Service with the Manager and Principal Occupation in the Last Five Years
Nick Stogdill, Vice President & Portfolio Manager	Joined in 2018

### Sub-Adviser

The Manager has appointed 3iQ as sub-adviser to the Dynamic ETF, pursuant to the Sub-Advisory Agreement. 3iQ is independent of the Manager. The following table sets forth the names of the members of 3iQ, their position and their principal occupation (where different from their current principal occupation) in the last five years who are principally responsible for the day-to-day portfolio management of the Dynamic ETF.

Name and Title	Length of Service with the Sub-Adviser and Principal Occupation in the Last Five Years
Greg Benhaim, EVP, Product & Head of Trading	Joined in 2023  Prior to July 2023, Mr. Benhaim was a Portfolio Manager & Execution Trader at Lucy Labs Inc.

### ***Details of the Sub-Advisory Agreement***

The Sub-adviser will provide its services to the Dynamic ETF pursuant to the Sub-Advisory Agreement entered into between the Manager and the Sub-adviser. Pursuant to the Sub-Advisory Agreement, the Sub-adviser will manage certain assets held by the Dynamic ETF in accordance with its investment objectives and investment strategy and subject to applicable investment restrictions. The Sub-adviser agrees to exercise its powers and discharge its duties honestly, in good faith and in the best interest of the Dynamic ETF and shall exercise the degree of care, diligence and skill which a prudent and diligent investment adviser would exercise in similar circumstances. The Sub-Advisory Agreement provides that it may be terminated by (i) the Manager at any time upon 60 days' prior written notice to the Sub-adviser, (ii) the Sub-adviser after two years from the effective date of the Sub-Advisory Agreement upon 12 months' prior written notice to the Manager, or (iii) either party if the other party commits certain acts or fails to perform its duties under the agreement. The Manager is responsible for fees payable to the Sub-adviser, if any, under the Sub-Advisory Agreement.

### ***Strategic Alliance with 3iQ***

3iQ and 1832 Asset Management L.P. have entered into a strategic alliance (the “**Strategic Alliance**”) with regard to their mutual commitment to the product development, distribution support and marketing of the Dynamic ETF in Canada. The Strategic Alliance establishes a contractual strategic relationship without the establishment of a joint venture entity. 3iQ will not receive any form of payment from the Manager pursuant to the Strategic Alliance, other than a sub-advisory fee, if applicable, in accordance with the Sub-Advisory Agreement. However, 3iQ or its affiliate, as applicable, will receive staking service fees, a portion of the revenues generated from staking and/or management fees from certain of the 3iQ ETFs in which the Dynamic ETF invests. See “Fees and Expenses – Fees and Expenses Payable by the Dynamic ETF – Operating Expenses – Underlying Fund Fees and Expenses”.

### **Designated Broker**

The Manager, on behalf of the Dynamic ETF, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to the Dynamic ETF including, without limitation: (i) to subscribe for a sufficient number of Units of the Dynamic ETF to satisfy Cboe's original listing requirements; (ii) to subscribe for Units of the Dynamic ETF on an ongoing basis; and (iii) to post a liquid two-way market for the trading of Units of the Dynamic ETF on Cboe. Payment for Units of the Dynamic ETF must be made by the Designated Broker, and those Units will be issued, by no later than the first Trading Day after the subscription notice has been delivered.

Units do not represent an interest or an obligation of such Designated Broker or Dealers or any affiliate thereof and a Unitholder of the Dynamic ETF will not have any recourse against any such parties in respect of amounts payable by the Dynamic ETF to such Designated Broker or Dealers.

### **Brokerage Arrangements**

The Manager has established policies and procedures for selecting and retaining, on behalf of the Dynamic ETF, dealers to effect securities transactions for the Dynamic ETF, in accordance with which the Manager is required to, among other things, obtain internal approvals and comply with the conditions of the IRC's standing instruction on brokerage arrangements. When selecting a dealer, on behalf of the Dynamic ETF, to effect a securities transaction the Manager seeks to achieve the most favourable terms possible, and to that end the Manager follows a process that involves compliance with its policies and procedures, including consideration of numerous factors such as the requirements of the transaction, the ability of the dealer to efficiently effect the transaction and the total cost to the funds of effecting the transaction. The Manager also considers whether research and/or order execution goods and services will be received as part of a given transaction, subject always to the priority of seeking best execution. The Manager follows the same process in determining whether to effect securities transactions through a dealer that is an affiliate of the Manager, such as Scotia Capital Inc., as it would use in relation to any other dealer.

From time to time the Manager may enter into brokerage arrangements whereby a portion of the commissions paid by the Dynamic ETF are used to obtain research and/or order execution goods and services that directly benefit the

Dynamic ETF. These arrangements include both transactions with dealers who will provide proprietary research and/or order execution goods and services and transactions with dealers where a portion of the brokerage commissions will be used to pay for third party research and/or order execute on goods and services.

Research and/or order execution goods and services obtained through such brokerage arrangements, including research reports, access to databases, trade-matching, clearance and settlement and order management systems (OMS), assist the Manager with investment and trading decisions and with effecting securities transactions on behalf of the Dynamic ETF. The Manager conducts a fact-based analysis, including an examination of alternative sources of goods and services and their relative costs, in order to make a good faith determination as to the benefits of the research and/or order execution services received compared to the relative costs of obtaining such benefits.

The Manager may receive goods and services that include research and/or order execution goods and services as well as other forms of goods and services, in which case the goods and services are considered to be “mixed-use” goods and services. In the event that the Manager receives mixed-use goods and services, the Manager will only direct a portion of brokerage commissions that are paid by the Dynamic ETF to those goods and services that constitute research and/or order execution goods and services and which are used by the Manager in connection with its investment and trading decisions and with effecting securities transactions on behalf of the Dynamic ETF.

The services provided to the Manager and its advisers or sub-advisers to the Dynamic ETF include industry and company analysis, economic analysis, statistical data about the capital markets or securities, analysis or reports on issuer performance, industries, economic or political factors and trends, and other services, including databases or software to deliver or support those services.

The name of any dealer or third party that provides research and/or order execution goods and services through a brokerage arrangement to the Manager and its advisers or sub-advisers on behalf of the Dynamic ETF will be provided upon request by contacting the Manager at 1-800-268-8186 or at [invest@dynamic.ca](mailto:invest@dynamic.ca).

The Dynamic ETF does not pay sales charges or redemption fees when it purchases or redeems securities of a mutual fund managed by the Manager or an affiliate of the Manager.

### **Conflicts of Interest**

The Manager, the Sub-adviser and their affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Declaration of Trust, and by the Sub-adviser under the Sub-Advisory Agreement, are not exclusive and nothing in such agreements prevents the Manager, the Sub-adviser or any of their affiliates from providing similar services to other investment funds and other persons (whether or not their investment objectives, strategies and policies are similar to those of the Dynamic ETF) or from engaging in other activities. The Manager’s and the Sub-adviser’s investment decisions for the Dynamic ETF will be made independently of those made for other persons and independently of its own investments.

The Sub-adviser currently manages investment funds that invest in Crypto Assets and the Manager, the Sub-adviser and their respective directors, officers, and their affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest in Crypto Assets or other crypto assets in the future.

The directors and officers of the Manager and the Sub-adviser or any of their respective affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the Dynamic ETF may acquire securities. The Manager, the Sub-adviser and their affiliates may be engaged as managers or portfolio managers for one or more issuers in which the Dynamic ETF may acquire securities and may be managers or portfolio managers of funds or accounts that invest in the same securities as the Dynamic ETF. The Dynamic ETF is permitted to purchase, sell and hold securities of certain issuers that are directly or indirectly related to the Manager. Such transactions will only be undertaken where permitted by applicable securities laws and upon obtaining any required regulatory approvals.

The Manager and the Sub-adviser act on a basis which is fair, reasonable and equitable to the Dynamic ETF in recommending from among the particular investment opportunities that come to the Manager and the Sub-adviser

those investment opportunities which they presents to the Dynamic ETF. Subject to this obligation, the Manager and the Sub-adviser are not obligated to present any particular investment opportunity to the Dynamic ETF even if the opportunity is of a character which, if presented to the Dynamic ETF, could be taken by the Dynamic ETF and the Manager or the Sub-adviser may take for its own account or recommend to others any such particular investment opportunity. When the Manager or the Sub-adviser decides to buy or sell the same security for the Dynamic ETF as the Manager, the Sub-adviser, or one or more of their affiliates has purchased for one or more of its clients or for clients of its affiliates, the orders for all such security transactions shall be placed for execution by methods determined by the Manager or the Sub-adviser, as applicable, to be considered fair and equitable over time. The Manager or the Sub-adviser may effect portfolio transactions on behalf of the Dynamic ETF through their affiliates.

The Manager and its shareholders, affiliates and associates may have other business interests and may engage in other activities similar or in addition to those relating to the activities to be performed hereunder, including rendering of services and advice to other persons, including persons which may invest in securities of the same issuer as the Dynamic ETF, the ownership, development and management of other investments including investments of the Manager and its affiliates in securities of the same issuers in which the Dynamic ETF invests, and participation, whether as exclusive distributor, dealer, broker or otherwise, in the distribution of securities issued by corporations, unit investment trusts or other organizations and the Manager shall not be called upon to account in respect of such transactions or activity or benefit derived therefrom by virtue only of the relationship between the parties concerned. The Manager or its affiliates may own securities of the Dynamic ETF and shall be free to dispose of or deal with any such investments in any manner it considers appropriate. The Manager may use information provided to it by third parties in providing services to the Dynamic ETF in providing services to others. A registered dealer acts as a Designated Broker, and one or more dealers acts or may act as a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in the Dynamic ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the Dynamic ETF in the secondary market, may therefore have economic interests which differ from and may be adverse to those of Unitholders.

Any such registered Dealer and its affiliates may, at present or in the future, engage in business with the Dynamic ETF, the issuers of securities making up the investment portfolio of the Dynamic ETF, the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered Dealer and its affiliates and the Manager may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager, or its affiliates.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The applicable Designated Broker and Dealers do not act as underwriters of the Dynamic ETF in connection with the distribution of Units under this prospectus. Units of the Dynamic ETF do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Dynamic ETF to the applicable Designated Broker or Dealers. The Securities Regulatory Authorities have provided the Dynamic ETF with a decision exempting the Dynamic ETF from the requirement to include a certificate of any underwriter in the prospectus.

The Manager and its affiliates may at times have interests that differ from the interests of the Unitholders of the Dynamic ETF. Where the Manager or its affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible. See “Organization and Management Details of the Dynamic ETF – Independent Review Committee”.

### ***Policies on Related Party Transactions***

The Dynamic ETF may, in certain circumstances, invest in securities offerings where a related underwriter is involved or trade securities of related parties or trade with related parties.

An IRC has been established to oversee such investments, with a view to ensuring that the Dynamic ETF’s investment decisions are based on the best interests of the Dynamic ETF and are made free from any influence by a related

underwriter, related party, or associates or affiliates of the Manager. In fulfilling its responsibilities, the Manager is required to act honestly, in good faith and in the best interest of the Dynamic ETF. In so doing, the Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Manager has developed written policies and procedures relating to investments by the funds it manages, including the Dynamic ETF, in securities involving related parties, such as The Bank of Nova Scotia, an affiliate of the Manager, and Scotia Capital Inc., a related underwriter to the Manager. These policies and procedures were prepared and reviewed by senior management of the Manager, and were further reviewed and approved by the IRC, including, where applicable, to ensure compliance with the conditions of exemptions in securities legislation and any exemptive relief. Subject to the oversight by the IRC, the decision by the Dynamic ETF to trade securities of, or involving a related party, is made by senior portfolio managers of the Manager and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures.

In addition, the IRC will review and assess, at least once every calendar quarter, the adequacy and effectiveness of: (a) any standing approvals granted by it for the funds managed by the Manager; and (b) the Manager's written policies and procedures to ensure compliance with applicable laws for related party transactions and the conditions of exemptions in securities legislation and any exemptive relief.

### **Independent Review Committee**

The Manager has established an IRC in accordance with NI 81-107 with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Dynamic ETF. The IRC is responsible for overseeing the Manager's decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between the Dynamic ETF and other investment funds, and any change of the auditor of the Dynamic ETF. Subject to any corporate and securities law requirements, no Unitholder approval will be obtained in such circumstances, but Unitholders will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, Unitholder approval may be required to approve certain mergers.

The IRC has four members, Stephen J. Griggs (Chair), Steven Donald, Heather A. T. Hunter, and Cecilia Mo, each of whom is independent of the Manager.

The IRC prepares and files a report to the Unitholders each fiscal year that describes the IRC and its activities for Unitholders as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the Unitholders is available on the Manager's website at [www.dynamic.ca](http://www.dynamic.ca) or, at no cost, by contacting the Manager at 1-800-268-8186.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Dynamic ETF as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses.

As at the date of this prospectus, each member of the IRC receives an annual retainer (\$62,000 per member, and \$77,000 for the Chair) and is reimbursed for reasonable expenses incurred. These fees and expenses were split equally among all of the investment funds managed by the Manager for which the IRC acts as the independent review committee.

### **Trustee**

Pursuant to the Declaration of Trust, 1832 Asset Management L.P. is also the trustee of the Dynamic ETF. The Trustee may resign upon 90 days' written notice to the Manager, or any shorter notice period acceptable to the Manager. The

address of the Trustee where it principally provides services to the Dynamic ETF is 40 Temperance Street, 16th Floor, Toronto, Ontario, M5H 0B4.

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

The Trustee must be removed if the Trustee ceases to (i) be resident in Canada for purposes of the Tax Act or, if a partnership, be a partnership that is managed and controlled in Canada; (ii) carry out its function of managing the Dynamic ETF in Canada; or (iii) exercise the main powers and discretions of the Trustee in respect of the Dynamic ETF in Canada. If the Trustee resigns or if it becomes incapable of acting as trustee, the Trustee may appoint a successor trustee prior to its resignation, and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days after the Trustee has provided the Manager with 90 days' notice of its intention to resign, the Dynamic ETF will be terminated, and the property of the Dynamic ETF shall be distributed in accordance with the terms of the Declaration of Trust.

### **Custodian**

State Street Trust Company Canada is the custodian of the Dynamic ETF's assets pursuant to the Custodian Agreement. The Custodian is located in Toronto, Ontario. Pursuant to the Custodian Agreement, the Custodian is required to exercise its duties with the same degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or, if higher, the degree of care, diligence and skill that the Custodian exercises in respect of its own property of a similar nature in its custody. Provided the Custodian has not breached its standard of care as set out in the Custodian Agreement, the Custodian shall not be responsible for the holding or control of any property of the Dynamic ETF which is not directly held by the Custodian.

State Street Trust Company Canada will not custody crypto assets, as the Dynamic ETF does not hold crypto assets directly. Crypto assets, including bitcoin, ether, SOL and XRP, will be held separately by the appointed custodian and/or sub-custodian of the underlying funds in which the Dynamic ETF invests. For greater certainty, State Street Trust Company Canada is not the custodian of the underlying funds in which the Dynamic ETF invests, has not appointed any sub-custodian to custody crypto assets, has not guaranteed any sub-custodian's obligations to hold crypto assets, nor performed any form of diligence on the custodian or sub-custodian of the underlying funds to which the Dynamic ETF currently intends to invest.

Under the Custodian Agreement, the Manager shall pay fees to the Custodian at such rate as determined by the parties from time to time and shall reimburse the Custodian for all reasonable expenses and disbursements incurred in the performance of its duties under the Custodian Agreement. The Dynamic ETF shall also indemnify the Custodian or any of its officers, directors, employees or agents for any loss, damage or expense, including reasonable legal and expert's fees and expenses, arising in connection with the Custodian Agreement, except to the extent caused by a breach by the Custodian of its standard of care under the Custodian Agreement. The Manager and the Dynamic ETF will be indemnified in certain circumstances as set out in the Custodian Agreement. Either party may terminate the Custodian Agreement upon at least 90 days' written notice or immediately if the other party becomes insolvent, makes an assignment for the benefit of creditors, a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days or if the other party is in material breach of the Custodian Agreement and such breach has not been remedied within a period of 30 days after notice of such breach has been given by the terminating party.

### **Auditor**

The auditor of the Dynamic ETF is KPMG LLP located in Toronto, Ontario. The auditor of the Dynamic ETF may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change.

### Valuation Agent

State Street Bank and Trust Company provides accounting services in respect of the Dynamic ETF. State Street Bank and Trust Company maintains its principal place of business in Boston, Massachusetts, USA.

### Transfer Agent and Registrar

State Street Trust Company Canada, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Dynamic ETF pursuant to registrar and transfer agency agreements entered into as of the date of the initial issuance of Units of the Dynamic ETF.

### Lending Agent

State Street Bank and Trust Company may act as the securities lending agent for the Dynamic ETF pursuant to the Securities Lending Agreement. The Lending Agent is not an affiliate or associate of the Manager.

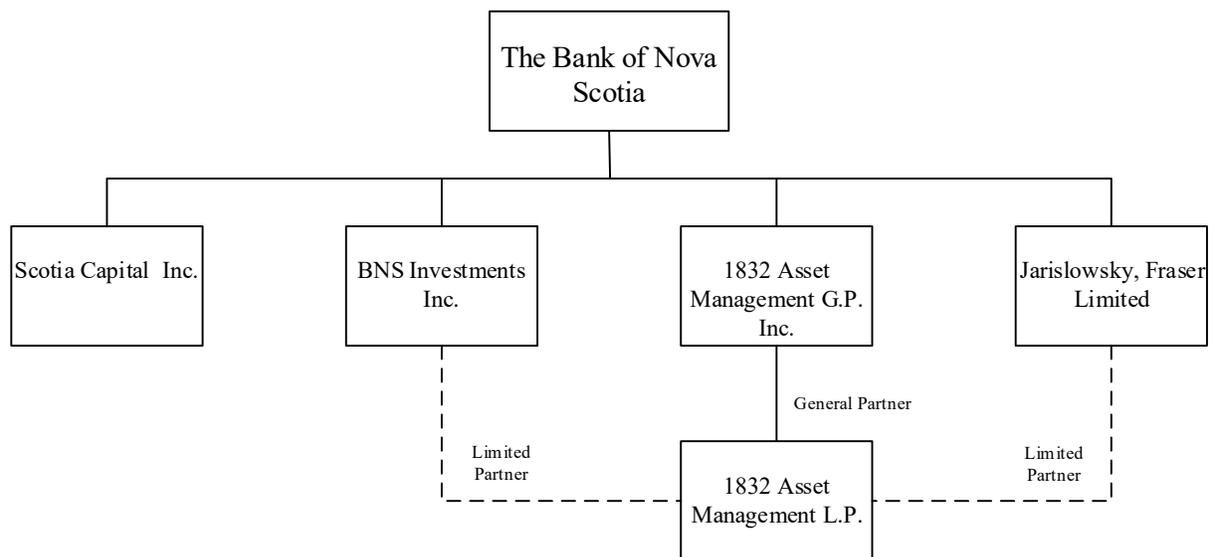
Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Dynamic ETF will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the Dynamic ETF, the Dynamic ETF will also benefit from a borrower default indemnity provided by the Lending Agent. The Lending Agent's indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities.

### Promoter

The Manager is the promoter of the Dynamic ETF, within the meaning of the securities legislation of certain provinces and territories of Canada by reason of its initiative of organizing the Dynamic ETF. The promoter will not receive any benefits, directly or indirectly, from the issuance of Units offered hereunder other than as described under "Fees and Expenses".

### Affiliated Entities

The only affiliated entities that provide services to the Dynamic ETF and to the Manager in connection with the Dynamic ETF are Scotiabank and Scotia Capital Inc. The amount of fees received from the Dynamic ETF by these entities each year is disclosed in the Dynamic ETF's audited annual financial statements. The following diagram shows the relationship between the Manager and these entities:



## **Designated Website**

An investment fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Dynamic ETF can be found at the following location: [www.dynamic.ca](http://www.dynamic.ca).

## **CALCULATION OF NAV**

### **Net Asset Value**

How much the Dynamic ETF or one of its series of Units is worth is called its “net asset value”. When the Dynamic ETF calculates its net asset value, it determines the fair value of all of the assets attributable to the Dynamic ETF and subtracts all of its liabilities solely referable to the Dynamic ETF and all series of Units.

The net asset value of Units of the Dynamic ETF includes the Management Fee which is equal to a specified percentage of the net asset value for each series of the Dynamic ETF. Separate net asset values are calculated for each series. The liabilities and Management Fee Distributions in respect of each series of Units of the Dynamic ETF are then deducted but Unitholders of such series of Units of the Dynamic ETF generally will not be affected by the Management Fee and other expenses specific to the other series of the Dynamic ETF.

The net asset value per Unit per series of the Dynamic ETF is very important because it is the basis on which Units of the Dynamic ETF are purchased and redeemed. The net asset value per Unit per series of the Dynamic ETF varies from day to day. Every day that Cboe is open for business is a “Valuation Date”. Units will be purchased or redeemed at the net asset value per Unit determined after the receipt by the Dynamic ETF of the purchase or redemption order.

### **Calculation of Net Asset Value**

We calculate a separate net asset value per Unit of each series of the Dynamic ETF by:

- adding up the fair value of the assets of the Dynamic ETF and determining the proportionate share of the series;
- subtracting the liabilities of the Dynamic ETF allocated to that series; and
- dividing the remaining value by the total number of outstanding Units of that series.

The net asset value and the net asset value per Unit of the Dynamic ETF will be made available to the public, at no cost, on the Manager’s website at [www.dynamic.ca](http://www.dynamic.ca).

### **Valuation Policies and Procedures of the Dynamic ETF**

In calculating the NAV of the Dynamic ETF at any time:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to unitholders of record on a date before the date as of which the NAV of the Dynamic ETF and any series NAV are being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof; unless determined that any such deposit, bills, demand notes, account receivable, prepaid expenses, cash dividends received or distributions received (or receivable) or accrued interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;
- (b) the value of any security which is listed on a stock exchange will be the official closing sale price or, if there is no such sale price, the average of the bid and the ask price at that time by the close of trading of Cboe, generally 4:00 p.m. (Toronto time), all as reported by any report in common use or authorized as official by the stock exchange, provided that if such official closing sale price is not

within the latest available bid and ask quotations on the Valuation Date then the Manager has the discretion to determine a value which it considers to be fair and reasonable (the “fair value”) for the security based on market quotations the Manager believes most closely reflect the fair value of the investment. The trading hours for foreign securities that trade in foreign markets may end prior to 4:00 p.m. (Toronto time) and therefore may not take into account, among other things, events that occur after the close of the foreign market. In these circumstances, the Manager may determine what it considers to be a fair value for the foreign securities which may differ from such securities’ most recent closing market prices. These adjustments are intended to minimize the potential for market timing strategies which are largely focused on mutual funds with significant holdings in foreign securities;

- (c) the value of the securities of any unlisted mutual fund will be the NAV per unit or NAV per share on the Valuation Date or, if such date is not a valuation date of the mutual fund, the NAV per unit or NAV per share on the most recent valuation date for the mutual fund;
- (d) the value of any security which is traded on an over-the-counter market will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and the ask prices at that time, all as reported by the financial press;
- (e) the value of long positions and short positions in clearing corporation options is based on the mid-price and the value of long positions and short positions in debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;
- (f) the value of long positions and short positions in clearing corporation options on futures is based on the daily settlement price determined by the respective exchange (if available); if no settlement price is available, the last reported closing sale price on the Valuation Date; or, if no closing sale price is available, the last reported settlement price of such security;
- (g) where a covered clearing corporation option or over-the-counter option is written by the Dynamic ETF the premium received by the Dynamic ETF will be reflected as a deferred credit; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Dynamic ETF; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (e) above;
- (h) the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless “daily limits” are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;
- (i) over-the-counter swap contracts are valued at the amount that the Dynamic ETF would receive or pay to terminate the swap, based on the current value of the underlying interest on the Valuation Date; centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available);
- (j) the value of any security or other asset for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied, will be its fair value on the Valuation Date determined in a manner by the Manager in its discretion; and

- (k) the liabilities of the Dynamic ETF include:
  - i. all bills, notes and accounts payable;
  - ii. all administrative expenses payable or accrued (including management fees);
  - iii. all contractual obligations for the payment of money or property, including unpaid distributions;
  - iv. all allowances authorized or approved by the Trustee for taxes; and
  - v. all other liabilities of the Dynamic ETF; except liabilities represented by outstanding series of Units of the Dynamic ETF.

For the purpose of determining the NAV of the Dynamic ETF, the Dynamic ETF has also adopted the valuation requirements for restricted securities and for margin paid or deposited which have been established by the Canadian securities regulatory authorities.

The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange established at 4:00 p.m. (Toronto time) on each Valuation Date. For the purposes of all such conversions to Canadian currency, the rate of exchange as determined by customary banking sources will be used.

#### **Differences from IFRS Accounting Standards**

In accordance with NI 81-106, the fair value of a portfolio security used to determine the daily price of the Dynamic ETF's Units for purchases and redemptions by investors will be based on the Dynamic ETF's valuation principles set out above, which comply with the requirements of NI 81-106 but differ in some respects from the requirements of IFRS Accounting Standards ("**IFRS**"), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of the Dynamic ETF (the "**Financial Statements**") are required to be prepared in compliance with IFRS. The Dynamic ETF's accounting policies for measuring the fair value of its investments (including derivatives) are identical to those used in measuring its NAV for transactions with unitholders, except as disclosed below.

The fair value of the Dynamic ETF's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the "**Reporting Date**"). The fair value of the Dynamic ETF's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the "**Close Price**"). In contrast, for IFRS purposes, the Dynamic ETF uses the Close Price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment or other fair value adjustments the Manager may determine and considers to be fair and reasonable for the security, the fair value of the financial assets and liabilities of the Dynamic ETF determined under IFRS may differ from the values used to calculate the NAV of that Dynamic ETF.

The Notes to the Financial Statements of the Dynamic ETF will include a reconciliation of the differences between the NAV calculated based on IFRS and NI 81-106.

## **Reporting of NAV**

The NAV and NAV per Unit of a class will be calculated as of the Valuation Time on every Valuation Date. Such information will be provided by the Manager to Unitholders on request via email at invest@dynamic.ca, or through its website at www.dynamic.ca.

## **ATTRIBUTES OF THE SECURITIES**

### **Description of the Securities Distributed**

The Dynamic ETF is authorized to issue an unlimited number of classes or series of redeemable, transferable Units, each of which represents an undivided interest in the net assets of that Dynamic ETF.

On December 16, 2004, the Trust Beneficiaries' *Liability Act*, 2004 (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the province of Ontario. The Dynamic ETF is a reporting issuer under the *Securities Act* (Ontario) and the Dynamic ETF is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

### **Certain Provisions of the Units**

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Dynamic ETF with respect to all payments made to Unitholders, other than Management Fee Distributions and capital gains allocated and designated to a redeeming Unitholder, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Dynamic ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of that class of the Dynamic ETF. All Units will be issued as fully paid. Unitholders are entitled to require the Dynamic ETF to redeem their Units of the Dynamic ETF as outlined under the heading "Exchange and Redemption of Units – Redemption of Units of the Dynamic ETF for Cash" and "Exchange and Redemption of Units – Exchange of Units of the Dynamic ETF at NAV per Unit for Baskets of Securities and/or Cash".

### **Exchange of Units for Baskets of Securities**

As set out under "Exchange and Redemption of Units – Exchange of Units of the Dynamic ETF at NAV per Unit for Baskets of Securities and/or Cash", Unitholders may exchange the applicable PNU (or an integral multiple thereof) of the Dynamic ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged.

### **Redemptions of Units for Cash**

On any Trading Day, Unitholders may redeem Units of the Dynamic ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on Cboe on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on Cboe through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

### **Modification of Terms**

Any amendment to the Declaration of Trust that creates a new class of Units of the Dynamic ETF will not require notice to existing Unitholders of the Dynamic ETF unless such amendment in some way affects the existing Unitholders' rights or the value of their investment. An amendment such as the re-designation of Units of the Dynamic

ETF, or the termination of a class of Units of the Dynamic ETF, which has an effect on a Unitholder's holdings will only become effective after 30 days' notice to Unitholders of the applicable classes of Units of the Dynamic ETF.

All other rights attached to the Units of the Dynamic ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust.

### **Voting Rights in the Portfolio Securities**

Holders of Units will not have any voting rights in respect of the securities in the Dynamic ETF's portfolio.

## **UNITHOLDER MATTERS**

### **Meetings of Unitholders**

Meetings of Unitholders of the Dynamic ETF will be held if called by the Manager or upon the written request to the Manager of Unitholders of the Dynamic ETF holding not less than 25% of the then outstanding Units of the Dynamic ETF.

### **Matters Requiring Unitholder Approval**

NI 81-102 requires a meeting of Unitholders of the Dynamic ETF to be called to approve certain changes as follows:

- (i) the basis of the calculation of a fee or expense that is charged to the Dynamic ETF or its Unitholders is changed in a way that could result in an increase in charges to the Dynamic ETF or to its Unitholders, except where (a) the Dynamic ETF is at arm's length with the person or company charging the fee; and (b) the Unitholders have received at least 60 days' notice before the effective date of the change;
- (ii) a fee or expense, to be charged to the Dynamic ETF or directly to its Unitholders by the Dynamic ETF or the Manager in connection with the holding of Units of the Dynamic ETF that could result in an increase in charges to the Dynamic ETF or its Unitholders, is introduced, except where (a) the Dynamic ETF is at arm's length with the person or company charging the fee; and (b) the Unitholders have received at least 60 days' notice before the effective date of the change;
- (iii) the Manager is changed, unless the new manager of the Dynamic ETF is an affiliate of the Manager;
- (iv) the fundamental investment objective of the Dynamic ETF is changed;
- (v) the Dynamic ETF decreases the frequency of the calculation of its NAV per Unit;
- (vi) other than a Permitted Merger for which Unitholder approval is not required, the Dynamic ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Dynamic ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Dynamic ETF becoming securityholders in the other mutual fund;
- (vii) the Dynamic ETF undertakes a reorganization with, or acquires assets from, another mutual fund, if the Dynamic ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders, and the transaction would be a material change to the Dynamic ETF; or
- (viii) any matter which is required by the constitutive documents of the Dynamic ETF, by the laws applicable to the Dynamic ETF or by any agreement to be submitted to a vote of the Unitholders.

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

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

### **Amendments to the Declaration of Trust**

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders of the Dynamic ETF shall take effect until the Manager has obtained the prior approval of not less than a majority of the votes cast at such meeting of Unitholders of the Dynamic ETF.

Subject to any longer notice requirements imposed under securities legislation, the Trustee is entitled to amend the Declaration of Trust by giving not less than 30 days' notice to Unitholders of the Dynamic ETF affected by the proposed amendment in circumstances where:

- (a) securities legislation requires that written notice be given to Unitholders of that Dynamic ETF before the change takes effect;
- (b) the change would not be prohibited by securities legislation; or
- (c) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the Unitholders of that Dynamic ETF, so that it is equitable to give Unitholders of that Dynamic ETF advance notice of the proposed change.

All Unitholders of the Dynamic ETF shall be bound by an amendment affecting the Dynamic ETF from the effective date of the amendment.

The Trustee may amend the Declaration of Trust, without the approval of or prior notice to any Unitholders, if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of Unitholders of the Dynamic ETF or that the proposed amendment is necessary to:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Dynamic ETF or the distribution of its Units;
- (b) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the Dynamic ETF, the Trustee or its agents;
- (c) make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- (d) facilitate the administration of the Dynamic ETF as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the Dynamic ETF or its Unitholders;
- (e) protect the Unitholders of the Dynamic ETF; or
- (f) make any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current market practice within the securities or investment fund industries or curing or correcting any administrative difficulty.

## Permitted Mergers

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

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

In connection with a Permitted Merger, the merging funds will be valued at their respective NAVs and Unitholders of the Dynamic ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

## Reporting to Unitholders

The fiscal year of the Dynamic ETF is the calendar year. The annual financial statements of the Dynamic ETF will be audited by its auditor in accordance with Canadian generally accepted auditing standards. The auditor will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS.

The Manager will ensure that the Dynamic ETF comply with all applicable reporting and administrative requirements, including preparing and issuing unaudited interim financial statements. Each Unitholder of the Dynamic ETF, other than a Registered Plan, will be mailed annually, within the first 90 days after the Dynamic ETF’s taxation year or such other time as required by applicable law, prescribed tax information with respect to amounts paid or payable by the Dynamic ETF in respect of that taxation year of that Dynamic ETF.

The Manager will keep adequate books and records reflecting the activities of the Dynamic ETF. A Unitholder or his or her duly authorized representative will have the right to examine the books and records of the Dynamic ETF during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Dynamic ETF.

## International Information Reporting

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States (the “**IGA**”) and related Canadian legislation in the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. tax residents and U.S. citizens (including U.S. citizens who are tax residents and/or citizens of Canada) or certain entities the “controlling persons” of which are “U.S. Persons”, as defined under the IGA (excluding Registered Plans), to the CRA.

Pursuant to the provisions of the Tax Act that implement the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS Provisions**”), “Canadian financial institutions” (as defined in the CRS Provisions) would be required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are tax resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information would be exchanged on a reciprocal, bilateral basis with the countries, where such countries have agreed to a bilateral information exchange with Canada under the Common Reporting Standard in which the account holders or such controlling persons are tax resident. Under the CRS Provisions, Unitholders will be required to provide certain information regarding their investment in the Dynamic ETF for the purpose of such information exchange, unless the investment is held within Registered Plans.

## TERMINATION OF THE DYNAMIC ETF

Subject to complying with applicable securities law, the Manager may terminate the Dynamic ETF at its discretion. In accordance with the terms of the Declaration of Trust and applicable securities law, Unitholders of the Dynamic ETF will be provided 60 days' advance written notice of the termination.

If the Dynamic ETF is terminated, the Trustee is empowered to take all steps necessary to effect the termination of the Dynamic ETF. Prior to terminating the Dynamic ETF, the Trustee may discharge all of the liabilities of the Dynamic ETF and distribute the net assets of the Dynamic ETF to the Unitholders of the Dynamic ETF.

Upon termination of the Dynamic ETF, each Unitholder of the Dynamic ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the Dynamic ETF: (i) payment for that Unitholder's Units at the NAV per Unit for that class of Units of the Dynamic ETF determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that have been made payable to such Unitholder but that have not otherwise been paid to such Unitholder; less (iii) any applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Unitholder and drawn on the Dynamic ETF's bankers and may be mailed by ordinary post to such Unitholder's last address appearing in the registers of Unitholders of that Dynamic ETF or may be delivered by such other means of delivery acceptable to both the Manager and such Unitholder.

The Trustee shall be entitled to retain out of any assets of the Dynamic ETF, at the date of termination of the Dynamic ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee to be due or to become due in connection with or arising out of the termination of the Dynamic ETF and the distribution of its assets to the Unitholders of the Dynamic ETF. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

## PLAN OF DISTRIBUTION

Units are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units that may be issued. The Units shall be offered for sale at a price equal to the NAV of such class of Units determined at the Valuation Time on the effective date of the subscription order.

### Non-Resident Unitholders

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

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Dynamic ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Dynamic ETF as a mutual fund trust for purposes of the Tax Act.

#### **RELATIONSHIP BETWEEN THE DYNAMIC ETF AND THE DEALERS**

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

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

#### **PRINCIPAL HOLDERS OF UNITS**

CDS & Co., the nominee of CDS, is the registered owner of the Units of the Dynamic ETF, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a Designated Broker, Dealer, Dynamic ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of the Dynamic ETF.

#### **PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD**

##### **Policies and Procedures**

Subject to compliance with the provisions of applicable securities legislation, the Manager, in its capacity as portfolio adviser, acting on the Dynamic ETF’s behalf, receives proxies from the issuers held on behalf of the Dynamic ETF. In certain circumstances, the Manager may delegate the right to vote proxies to the Dynamic ETF’s sub-adviser, if any, as part of such sub-adviser’s discretionary authority to manage the Dynamic ETF’s assets. Proxies provide shareholders voting rights on proposals brought forth by the issuer or other groups associated with the issuer. Proxies may include proposals such as the election of the board of directors, the approval of stock and compensation plans as well as special company events such as mergers and acquisitions.

In many cases, the issuer’s management provides a voting recommendation for each proxy proposal. The Manager has retained the services of an independent firm to provide further analysis and recommendation on the proxies it receives as portfolio adviser to the Dynamic ETF. The Manager assesses each proxy including the recommendations of the independent proxy provider and votes such proxies in the best interests of the Dynamic ETF.

As part of the Manager’s active investment management approach, it believes that it is important to engage with issuers on relevant ESG factors, which includes engagement through proxy voting. Accordingly, special or non-routine matters related to ESG issues are brought to the attention of portfolio manager(s) of the Dynamic ETF. Portfolio managers assess such matters within the context of their overall investment process and take appropriate action that they believe to be in the best interests of the Dynamic ETF.

On occasion, the Manager or sub-adviser may abstain from voting a proxy or a specific proxy item when it is concluded that the potential benefit of voting the proxy of that issuer is outweighed by the cost of voting the proxy. In addition, the Manager will not vote proxies received for issuers of portfolio securities which are no longer held in the Dynamic ETF’s account. Pursuant to the requirements of securities legislation, the Manager, on behalf of the Dynamic ETF, will not vote any of the securities the Dynamic ETF holds in underlying funds managed by the Manager or any of its

affiliates or associates (as such terms are defined in the *Securities Act* (Ontario)). However, the Manager, in its sole discretion, may arrange for securityholders of the Dynamic ETF to vote their share of those securities of the underlying fund.

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, in order to balance the interest of the Dynamic ETF in voting proxies with the desire to avoid the perception of a conflict of interest, the Manager has instituted procedures to help ensure that the Dynamic ETF's proxy is voted in accordance with the business judgment of the person exercising the voting rights on behalf of the Dynamic ETF, uninfluenced by considerations other than the best interests of the Dynamic ETF.

The procedures for voting issuers' proxies where there may be a conflict of interest include escalation of the issue to members of the IRC, all of whom are independent of the Manager, for its consideration and advice, although the responsibility for deciding how to vote the Dynamic ETF's proxies and for exercising the vote remains with the Manager.

The Manager has adopted conflict of interest procedures in the event it receives a voting proxy from a related party such as The Bank of Nova Scotia. The Manager has referred these procedures to the IRC of the Dynamic ETF. All proxies voted with respect to related parties are reported to the IRC for further review and recommendation.

#### **Disclosure of Proxy Voting Guidelines and Record**

A copy of the proxy voting guidelines and the most recent proxy voting record for the Dynamic ETF for the period ended June 30 of each year will be available on our website ([www.dynamic.ca](http://www.dynamic.ca)) or will be sent, at no cost, upon request by calling 1-800-268-8168 or writing to 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario, M5H 0B4, to securityholders of the Dynamic ETF at any time after August 31 of that year.

#### **MATERIAL CONTRACTS**

The only contracts material to the Dynamic ETF are the Declaration of Trust, Custodian Agreement, Securities Lending Agreement and Sub-Advisory Agreement.

Copies of the agreements referred to above after the execution thereof may be inspected during business hours at the principal office of the Manager during the course of distribution of the Units offered hereby.

#### **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

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

#### **Penalties and Sanctions**

The Manager entered into a settlement agreement with the Ontario Securities Commission (the "OSC") on April 24, 2018 (the "**Settlement Agreement**"). The Settlement Agreement states that, between November 2012 and October 2017, the Manager failed to (i) comply with National Instrument 81-105 Mutual Fund Sales Practices ("**NI 81-105**") by not meeting the minimum standards of conduct expected of industry participants in relation to certain sales practices; (ii) have systems of controls and supervision over sales practices sufficient to provide reasonable assurances the Manager was complying with its obligations under NI 81-105; and (iii) maintain adequate books, records and other documents to demonstrate compliance with NI 81-105. The Manager agreed to (i) pay an administrative penalty of \$800,000 to the OSC; (ii) submit to a review of its sales practices, procedures and controls by an independent consultant; and (iii) pay costs of the OSC's investigation in the amount of \$150,000. Other than the foregoing, the Manager has had no disciplinary history with any securities regulator.

## EXPERTS

The matters referred to under “Income Tax Considerations” and certain other legal matters relating to the securities offered hereby will be passed upon on behalf of the Dynamic ETF by Blake, Cassels & Graydon LLP.

KPMG LLP, Chartered Professional Accountants, the auditor of the Dynamic ETF, has prepared the independent auditor’s report on the Dynamic ETF’s statement of financial position as at February 20, 2026. KPMG LLP, Chartered Professional Accountants, has confirmed that it is independent with respect to the Dynamic ETF within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

## EXEMPTIONS AND APPROVALS

The Manager, on behalf of the Dynamic ETF, has applied for, or obtained exemptive relief from the Canadian Securities Regulatory Authorities:

- (a) to permit a Unitholder to acquire more than 20% of the Units of the Dynamic ETF through purchases on Cboe without regard to the takeover bid requirements of applicable Canadian Securities Legislation;
- (b) to relieve the Dynamic ETF from the requirement that a prospectus contain a certificate of the underwriters;
- (c) to permit the Dynamic ETF to reference in its sales communications Lipper, Inc. (“**Lipper**”) leader ratings and Lipper awards (where such Dynamic ETF has been awarded a Lipper award), provided that certain conditions are met;
- (d) to permit the Dynamic ETF to reference in its sales communications FundGrade Ratings and FundGrade A+ Awards (where such Dynamic ETF has been awarded a FundGrade A+ Award), provided that certain conditions are met;
- (e) to permit certain investment funds and managed accounts managed by the Manager, or an affiliate of the Manager, to purchase securities of the Dynamic ETF by delivering securities to the ETF as payment of the issue price, or to redeem securities of the Dynamic ETF by receiving securities from the investment portfolio of the ETFs as payment of redemption proceeds, provided that certain conditions, including approval by the IRC, are met.
- (f) to permit the Dynamic ETF to make an investment during, or for 60 days after, the period (the “**Prohibition Period**”) in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in an offering in the following circumstances:
  - (i) to purchase debt securities of a non-reporting issuer during the Prohibition Period for which a dealer related to the Manager, such as Scotia Capital Inc., acts as an underwriter or agent, provided the IRC of the Dynamic ETF approves of the investment in accordance with the approval requirements of NI 81-107 and certain other conditions are satisfied;
  - (ii) to invest in equity securities of an issuer that is not a reporting issuer in Canada during the Prohibition Period, whether relating to a private placement of the issuer in Canada or the United States or a prospectus offering of the issuer in the United States of securities of the same class even if an affiliate of the Manager acts as underwriter in the private placement or prospectus offering, provided the issuer is at the time a registrant in the United States and the IRC of the Dynamic ETF approves of the investment in accordance with certain other conditions;
- (g) to permit the Dynamic ETF to invest in exchange-traded funds that are traded on a stock exchange in the United States and that hold or seek to replicate the performance of gold, permitted gold

certificates or specified derivatives, of which the underlying interest is gold or permitted gold certificates, on an unlevered basis (“**Gold ETFs**”), up to 10% of its net assets, taken at the market value thereof at the time of investment, in gold (whether directly or indirectly, including Gold ETFs);

- (h) to permit the Dynamic ETF to invest in closed-end funds that are traded on a stock exchange in the United States, provided that certain conditions are met, including that immediately after each such investment no more than 10% of the net asset value of the Dynamic ETF is invested in closed-end funds;
- (i) to exclude purchases and holdings by the Dynamic ETF of fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the “**US Securities Act**”), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as such term is defined in the US Securities Act) from consideration as an “illiquid asset” under NI 81-102, provided that certain conditions are met;
- (j) to permit the Dynamic ETF to appoint more than one custodian for the Dynamic ETF, and/or to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 10% of the net asset value of the Dynamic ETF at the time of deposit;
- (k) to permit the Dynamic ETF, in accordance with its investment objectives and strategies, to invest a portion of its assets in investment funds managed by the Manager or an affiliate of the Manager, that are not reporting issuers in Canada and that are not subject to NI 81-102 or NI 81-107 (“**Private Asset Funds**”), which may in turn invest more than 10% of their net asset values in other investment funds, including investment funds managed by the Manager or an affiliate of the Manager. Any investment by the Dynamic ETF in a Private Asset Fund is subject to certain conditions, including approval by the IRC.
- (l) to permit the Dynamic ETF to deposit as margin portfolio assets of up to 35% of the Dynamic ETF’s NAV as at the time of deposit with any one futures commission merchant in Canada or the United States and up to 70% of the Dynamic ETF’s NAV at the time of deposit with all dealers in the aggregate, for transactions involving standardized futures, clearing corporation options, options on futures, or cleared specified derivatives.

#### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information about the Dynamic ETF is, or will be, available in the following documents:

- (i) the most recently filed ETF Facts of the Dynamic ETF;

- (ii) the most recently filed comparative annual financial statements of the Dynamic ETF, together with the accompanying report of the auditor;
- (iii) any unaudited interim financial statements of the Dynamic ETF filed after the most recently filed comparative annual financial statements of the Dynamic ETF;
- (iv) the most recently filed annual MRFP of the Dynamic ETF; and
- (v) any interim MRFP of the Dynamic ETF filed after that most recently filed annual MRFP of the Dynamic ETF.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

These documents are available at no charge by calling 1-800-268-8186, or by asking your registered investment professional. Unitholders will also find these documents on the Dynamic ETF's designated website at [www.dynamic.ca](http://www.dynamic.ca). These documents and other information about the Dynamic ETF are also available at [www.sedarplus.ca](http://www.sedarplus.ca).

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



**KPMG LLP**  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Telephone 416 777 8500  
Fax 416 777 8818

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of 1832 Asset Management G.P. Inc., the General Partner of 1832 Asset Management L.P., Unitholder and Trustee of Dynamic Active Multi-Crypto ETF (the "Fund")

### ***Opinion***

We have audited the financial statement of the Fund, which comprises:

- the statement of financial position as at February 20, 2026
- and notes to the financial statement, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Fund as at February 20, 2026 in accordance with IFRS Accounting Standards relevant to preparing such a financial statement.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statement***" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statement***

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRS Accounting Standards relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.



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In preparing the financial statement, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

February 20, 2026

**DYNAMIC ACTIVE MULTI-CRYPTO ETF  
STATEMENT OF FINANCIAL POSITION**

**(all amounts in Canadian dollars)**

**As at February 20, 2026**

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**ASSETS**

**Current Assets**

Cash ..... \$20

**Total Assets** ..... \$20

**NET ASSETS ATTRIBUTABLE TO HOLDER OF REDEEMABLE UNITS**

Net assets attributable to holder of redeemable units (1 Unit)..... \$20

**NET ASSETS ATTRIBUTABLE TO HOLDER OF REDEEMABLE UNITS PER UNIT**..... \$20

**Approved on Behalf of the Board of Directors of 1832 Asset Management G.P. Inc., general partner for and on behalf of 1832 Asset Management L.P., as Trustee of the Dynamic Active Multi-Crypto ETF**

*“Neal Kerr”*

Neal Kerr  
President  
1832 Asset Management G.P. Inc., as general partner  
for and on behalf of 1832 Asset Management L.P.

*“Gregory Joseph”*

Gregory Joseph  
Chief Financial Officer  
1832 Asset Management G.P. Inc., as general partner for  
and on behalf of 1832 Asset Management L.P.

*The accompanying notes are an integral part of this statement of financial position.*

## Dynamic Active Multi-Crypto ETF (the “Dynamic ETF”) Notes to the Financial Statement

(all amounts in Canadian dollars)

February 20, 2026

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### 1. General Information

The Dynamic ETF is an exchange-traded mutual fund established under the laws of the province of Ontario, pursuant to the terms of the amended and restated master declaration of trust dated February 3, 2020, as the same may be amended, restated or replaced from time to time. The Dynamic ETF is a mutual fund under the securities legislation of the provinces and territories of Canada. 1832 Asset Management L.P. (the “**Manager**” and “**Trustee**”) is the promoter, manager, trustee and portfolio adviser of the Dynamic ETF and is responsible for the administration of the Dynamic ETF. The principal office of the Dynamic ETF and Manager is 40 Temperance Street East, 16<sup>th</sup> Floor, Toronto, Ontario, M5H 0B4.

The investment objectives for the Dynamic ETF are as presented below:

The Dynamic ETF seeks to provide the opportunity for capital appreciation through exposure to the performance of an actively managed selection of crypto assets, and may also invest in companies that may benefit from the further development or utilization of blockchain, crypto assets or related technologies.

The financial statement as at February 20, 2026 was authorized for issue by the Manager on February 20, 2026.

### 2. Summary of Material Accounting Policy Information

The principal accounting policies applied in the preparation of this financial statement are set out below.

#### 2.1 *Basis of Preparation*

The financial statement of the Dynamic ETF has been prepared in accordance with those requirements of IFRS Accounting Standards (“**IFRS**”) relevant to preparing such a financial statement. The financial statement of the Dynamic ETF has been prepared under the historical cost convention.

#### 2.2 *Functional and Presentation Currency*

The financial statement of the Dynamic ETF is presented in Canadian dollars, which is the functional and presentation currency of the Dynamic ETF.

#### 2.3 *Financial Instruments*

The Dynamic ETF recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash comprises amounts held in trust with the legal counsel of the Dynamic ETF and is stated at fair value.

#### 2.4 Redeemable Units

The Dynamic ETF is authorized to issue an unlimited number of classes and series of redeemable, transferable units, each of which represents an undivided interest in the net assets of the Dynamic ETF (the “Units”).

The Units qualify as “puttable instruments” and have been classified as liabilities as per the International Accounting Standard 32, Financial Instruments: Presentation (“IAS 32”) which states that units or shares of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liability if certain criteria are not met.

Unitholders of the Dynamic ETF may redeem Units of the Dynamic ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on Cboe Canada Inc. on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the net asset value per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time. This feature violates criteria that are required in order for the redeemable units to be presented as equity under IAS 32. Consequently, the Dynamic ETF’s outstanding redeemable Units are classified as financial liabilities in this financial statement.

### 3. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the obligation of the Dynamic ETF for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

### 4. Risks associated with financial instruments

The Dynamic ETF’s overall risk management program seeks to maximize the returns derived for the level of risk to which the Dynamic ETF is exposed and seeks to minimize potential adverse effects on the Dynamic ETF’s financial performance.

#### 4.1 Credit risk

The Dynamic ETF is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at February 20, 2026, the credit risk is considered limited as the cash balance was held in trust with legal counsel.

#### 4.2 Liquidity risk

Liquidity risk is the risk that the Dynamic ETF will encounter difficulty in meeting obligations associated with financial liabilities. The Dynamic ETF maintains sufficient cash on hand to fund anticipated redemptions.

### 5. Capital Risk Management

The capital of the Dynamic ETF is represented by the net assets attributable to holders of Units. The amount of net assets attributable to holders of redeemable units can change.

### 6. Authorized units

The Dynamic ETF is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an undivided interest in the net assets of the Dynamic ETF.

Each Unit entitles the owner to one vote at meetings of Unitholders and is entitled to participate equally with all other Units of the Dynamic ETF with respect to all payments made to Unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Dynamic ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of the Dynamic ETF. All Units are fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law.

In accordance with the objectives outlined in Note 1 and the risk management policies in Note 4, the Dynamic ETF endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

The Manager has initially purchased one Unit of the Dynamic ETF.

**7. Management Fee and other expenses**

An annual management fee (the “**Management Fee**”) is paid by the Dynamic ETF to the Manager in consideration for providing, or arranging for the provision of, management, trustee, portfolio advisory and custodial services, maintaining portfolio systems used to manage the Dynamic ETF, maintaining the website of the Dynamic ETF, marketing and promotional services. See “Organization and Management Details of the Dynamic ETF – Manager – Duties and Services to be Provided by the Manager” for a description of the services provided by the Manager.

The Management Fee is based on a percentage of the NAV of the Dynamic ETF and is listed below:

Dynamic ETF	Management Fee (annual rate)
DXMC	0.45 %

As of the date hereof, the Manager is temporarily waiving a portion of the Management Fee until March 1, 2027. After giving effect to the temporary waiver, the Manager receives an annual Management Fee of 0.25%.

The Management Fees paid to the Manager by the Dynamic ETF are calculated and accrued daily and are paid monthly. The Management Fee is exclusive of GST/HST.

The Dynamic ETF is responsible for fees and expenses incurred in complying with NI 81-107, including the fees payable and expenses reimbursed to members of the IRC, brokerage expenses and commissions, fees relating to the usage of derivatives, income tax, GST/HST, withholding and other taxes.

**CERTIFICATE OF THE DYNAMIC ETF AND THE MANAGER**

Dated: February 20, 2026

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**1832 ASSET MANAGEMENT L.P.**

(as trustee and manager and on behalf of the Dynamic ETF)

*“Neal Kerr”*

Neal Kerr  
President

*(Signing in the capacity of Chief Executive Officer)*  
1832 Asset Management G.P. Inc., as general partner  
for and on behalf of 1832 Asset Management L.P.

*“Gregory Joseph”*

Gregory Joseph  
Chief Financial Officer

1832 Asset Management G.P. Inc., as general partner for  
and on behalf of 1832 Asset Management L.P.

the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as trustee and manager of the Dynamic ETF.

*“Todd Flick”*

Todd Flick  
Director

*“Jim Morris”*

Jim Morris  
Director

## CERTIFICATE OF THE PROMOTER

Dated: February 20, 2026

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

### **1832 ASSET MANAGEMENT L.P.** (as promoter of the Dynamic ETF)

*“Neal Kerr”*

Neal Kerr  
President

*(Signing in the capacity of Chief Executive Officer)*  
1832 Asset Management G.P. Inc., as general partner  
for and on behalf of 1832 Asset Management L.P.

*“Gregory Joseph”*

Gregory Joseph  
Chief Financial Officer

1832 Asset Management G.P. Inc., as general partner for  
and on behalf of 1832 Asset Management L.P.

the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as promoter of the Dynamic ETF.

*“Todd Flick”*

Todd Flick  
Director

*“Jim Morris”*

Jim Morris  
Director