Tier One Capital Limited Partnership

Financial Statements

For the year ended December 31, 2015 and the period ended December 31, 2014

April 29, 2016

Independent Auditor's Report

To the Partners of Tier One Capital Limited Partnership (the Partnership)

We have audited the accompanying financial statements of the Partnership, which comprise the statements of financial position as at December 31, 2015 and 2014 and the statements of comprehensive income (loss), changes in equity and cash flows for the year ended December 31, 2015 and the period from October 1, 2013 to December 31, 2014 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

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

Auditor's responsibility

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

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

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

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Opinion
In our opinion, the financial statements presents fairly, in all material respects, the financial position of the Partnership as at December 31, 2015 and 2014 and its financial performance and its cash flows for the year ended December 31, 2015 and the period from October 1, 2013 to December 31, 2014 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Tier One Capital Limited Partnership
STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015 and 2014

		2015		2014
ASSETS				
Cash	$	350,363	$	2,759,473
Accrued interest and other receivables		357,359		167,606
Receivable on the sale of investments (note 10)		547,416		826,184
Investments		37,830,929		34,942,908
Total Assets		39,086,067		38,696,171
LIABILITIES				
Payable on redemption of Class P shares		-		102
Accounts payable and accrued liabilities		151,012		142,407
Deferred income on venture investments		242,532		311,317
Note payable (note 6)		1,615,913		-
Total Liabilities		2,009,457		453,826
EQUITY				
Limited partnership units		37,884,788		37,541,646
Broker warrants		-		33,576
General partner interest (note 7)		1,669,606		864,782
Deficit		(2,477,784)		(197,659)
Total Equity		37,076,610		38,242,345
Total Liabilities & Equity	$	39,086,067	$	38,696,171

Approved by the Board of Directors of T1 General Partner Corp.

Robert Roy	John Richardson
Director	Director

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the year ended December 31, 2015 and the fifteen month period ended December 31, 2014

		2015		2014
INCOME				
Net gain on investments at fair value through profit and loss	$	2,598,578	$	1,591,865
		2,598,578		1,591,865
EXPENSES				
Management fees (note 7)		448,863		603,668
Transfer agent, registrar and administrative (note 7)		109,577		431,781
Audit fees		113,066		113,051
Interest expense and administration fee on note payable (note 6)		312,209		-
Legal fees		37,097		270,581
Directors' fees and expenses		40,050		169,076
Custodian fees (note 7)		8,164		28,358
Shareholders' reporting costs		7,354		85,498
Remeasurement of Class P shares (note 7)		-		326,425
Advisory fees (note 7)		-		496,742
Selling costs (note 7)		-		42,416
Sponsor's fees (note 7)		-		36,852
Independent Review Committee expenses		-		13,255
Transaction fees		-		798
		1,076,380		2,618,501
Income (loss) before finance costs		1,522,198		(1,026,636)
FINANCE COSTS				
Remeasurement of Class A redeemable shares		-		(499,647)
Net and comprehensive income (loss)	$	1,522,198	$	(526,989)
Income (loss) per unit (share)	$	0.41	$	(0.18)

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership
STATEMENTS OF CHANGES IN EQUITY
For the year ended December 31, 2015 and the fifteen month period ended December 31, 2014

July 7, 1905	Limited Partners units	Limited Partner retained earnings	General Partner interest	Share Capital Broker Warrants	Total
Total equity - balance beginning of year	$ 37,541,646	$ (197,659)	$ 864,782	$ 33,576	$ 38,242,345
Net and comprehensive income for the year		1,522,198			1,522,198
Issuance of Limited Partnership Units	343,142				343,142
Issuance of broker warrants				25,891	25,891
Exercise of broker warrants				(59,467)	(59,467)
General Partner Priority Profit allocation		(1,066,027)	1,066,027		-
General Partner Priority Profit declaration of distribution			(1,059,288)		(1,059,288)
Performance allocation		(900,746)	900,746		-
Performance allocation declaration of distribution			(102,661)		(102,661)
Distributions to Limited Partners		(1,835,550)			(1,835,550)
Total equity - balance end of year	$ 37,884,788	$ (2,477,784)	$ 1,669,606	$ -	$ 37,076,610

July 6, 1905	Class L, Series I Shares	Limited Partners units	Retained Earnings	General Partner interest	Broker Warrants	Total
Total equity - balance beginning of period	$ 16,838,743		$ 3,967,089			$ 20,805,832
Redemption of Class L, Series I Shares	(49,840)		(8,938)			(58,778)
Net and comprehensive loss (from October 1, 2013 to July 10, 2014)			(888,387)			(888,387)
Conversion of Class L, Series I Shares to Limited Partnership Units	(16,788,903)	19,858,667	(3,069,764)			-
Limited Partnership units on conversion of Class A Shares		9,972,285				9,972,285
Issuance of Limited Partnership units		7,744,270				7,744,270
Issuance of broker warrants		(33,576)			33,576	-
Net and comprehensive income (from July 11, 2014 to December 31, 2014)			361,398			361,398
General Partner initial capital				507,133		507,133
General Partner Priority Profit allocation			(458,586)	458,586		-
General Partner Priority Profit declaration of distribution				(201,408)		(201,408)
Performance allocation declaration of distribution			(100,471)	100,471		-
Total equity - balance end of period	$ -	$ 37,541,646	$ (197,659)	$ 864,782	$ 33,576	$ 38,242,345

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2015 and the fifteen month period ended December 31, 2014

		2015		2014
Cash flows from operating activities				
Net and comprehensive income (loss)	$	1,522,198	$	(526,989)
Adjustments for:				
Net (loss) on remeasurement of Class A redeemable shares		-		(499,647)
Change in unrealized depreciation (appreciation) depreciation on investments		872,648		(5,507,671)
Realized (gain) loss on sale of venture investments		(24,293)		6,841,219
Non-cash interest and other income		(51,137)		(94,740)
Net change in non-cash balances related to operations		28,732		(480,162)
Proceeds from maturities of short-term investments		6,593,914		34,968,910
Proceeds from disposal of venture investments		12,643,948		15,048,335
Proceeds from disposal of public company investments		-		58,426
Purchase of short-term investments		(2,198,094)		(35,368,210)
Purchase of venture investments		(20,725,007)		(17,393,406)
		(1,337,091)		(2,953,935)
Cash flows from financing activities				
Proceeds from issue of notes payable		5,682,263		-
Repayment of notes payable		(4,066,350)		-
Proceeds from issue of Limited Partnership units		309,566		8,067,653
Amounts paid for Class A shares redeemed		-		(1,776,335)
Amounts paid for Class L shares redeemed		-		(58,778)
Commissions paid on issuance of Limited Partnership units		-		(323,383)
Redemption fees charged for Class A, Series I shares early redemption		-		1,589
Distributions to limited partners		(1,835,550)		-
Priority profit allocation		(1,059,287)		(458,586)
Performance allocation		(102,661)		-
		(1,072,019)		5,452,160
(Decrease) increase in cash during the period		(2,409,110)		2,498,225
Cash - Beginning of period		2,759,473		261,248
Cash - End of period	$	350,363	$	2,759,473
Supplemental Information *				
Interest Paid	$	73,964	$	-
Interest Received	$	2,683,472	$	1,422,187

* classified as cash flows from operations

The accompanying notes are an integral part of the financial statements.

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2015

Par value/ number of shares	Issuer	Cost	Fair value
	PUBLIC COMPANY INVESTMENTS (0.07%)*		
31,000	Cymat Technologies Ltd., common shares	55,800	$ 4,805
593,353	TransGaming Inc., common shares	69,731	20,767
	Total public company investments	$ 125,531	$ 25,572

Par value/ number of shares	Investee companies	Maturity date/ expiration date	Cost $	Fair value $
	VENTURE INVESTMENTS (101.97%)*			
	Financial Technology and eCommerce (36.14% of total venture investments)			
	Carta Solution Holding Corporation			
680,000	Promissory note, 16.00%	November 20, 2016	680,000	
107,936	Common shares purchase warrant	November 20, 2018	-	
	Clayco Capital Ventures, LLC (previously nCrowd Inc.)			
771,407	Promissory Note 8.00%	September 24, 2019	771,407	
	XPI Holdings Inc. (DisclosureNet Inc.)			
14	Preferred Shares		-	
6,090	Preferred Shares		5,440,796	
7,980	Common Shares, Class A		-	
317,180	Common Shares, Class B		649,204	
	FinanceIT Canada Inc.			
3,600,000	Promissory note, 14.50%	January 31, 2016	3,600,000	
69,000	Common shares purchase warrant	April 19, 2017	-	
103,680	Common shares purchase warrant	April 21, 2018	-	
	Mobify Research and Development Inc.			
1,000,000	Promissory note, 15.00%	April 1, 2018	1,000,000	
500,000	Promissory note, 15.00%	April 2, 2018	500,000	
225,000	Promissory note, 15.00%	December 22, 2018	225,000	
243,364	Common shares purchase warrant	April 1, 2021	-	
31,814	Common shares purchase warrant	December 22, 2021	-	
	Total Financial Technology and eCommerce		$ 12,866,407	$ 13,662,408
	Media Technology (15.19% of total venture investments)			
	Dejero Labs Inc.			
1,680,000	Promissory note, 13.75%	October 14, 2018	1,680,000	
121,588	Common shares purchase warrant	April 15, 2019	-	
103,300	Common shares purchase warrant	October 14, 2020	-	
	Electronic Systems Software Solutions Inc.			
1,900,000	Promissory note, 13.75%	November 30, 2018	1,900,000	
950,000	Common shares purchase warrant	June 30, 2021	-	
	GroupBy Inc.			
384,849	Promissory note, 19.00%	June 15, 2018	384,849	
763,232	Common shares purchase warrant	June 15, 2020	-	
	Hipplay Inc.			
1,048	Common shares		-	
	2315257 Ontario Inc. (One Up Sports)			
1,760,000	Promissory note, 14.50%	April 19, 2018	1,760,000	
4,484,368	Common shares purchase warrant	October 19, 2020	-	
	TransGaming Inc.			
1,812,500	Common shares purchase warrant	July 5, 2018	137,524	
	Total Media Technology		$ 5,862,373	$ 5,742,983

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2015

Par value/ number of shares	Issuer		Cost	Fair value
	Health Care and Health Care Information Technology (3.89% of total venture investments)			
	ArcticAx Inc.			
401,048	Promissory note, 17.00%	March 26, 2016	401,048	
55,000	Common shares purchase warrant	March 26, 2019	-	
84,333	Common shares purchase warrant	January 26, 2019	-	
	Health Care Services International Inc.			
250,000	Promissory note, 15.00%	January 22, 2019	250,000	
1	Common shares purchase warrant	December 31, 2020	-	
	Infonaut Inc.			
508	Common shares		-	
	Skura Corp.			
570,000	Promissory note, 14.00%	September 13, 2016	570,000	
250,000	Promissory note, 14.00%	September 13, 2016	250,000	
1	Common shares purchase warrant	September 13, 2018	-	
	Total Health Care Information Technology		$ 1,471,048	$ 1,471,048
	Security and Software Services (26.11% of total venture investments)			
	ERMS Corporation			
75,000	Promissory note, 20.00%	June 30, 2017	75,000	
2,824	Preferred shares		3,558,436	
264,464,964	Common shares		376,902	
	Geminare Inc.			
3,603,604	Preferred shares		4,000,000	
3,599,560	Common shares, Class B		-	
75,313	Common shares, Class A		-	
	Interset Software Inc.			
2,144,005	Preferred shares, Class A		2,189,904	
1,317,650	Preferred shares, Class A1		332,947	
60,795	Common shares		1,000,000	
	NuData Security Inc.			
1,890,650	Promissory note, 14.00%	December 31, 2017	1,890,650	
1	Common shares Class B purchase warrant	December 31, 2019	-	
	PitchPoint Solutions Inc.			
1,367,333	Convertible Debenture, 14.00%	November 18, 2016	1,266,961	
1,166,667	Common shares purchase warrant	November 18, 2018	190,627	
	Total Security Software & Services		$ 14,881,427	$ 9,870,262

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO
As at December 31, 2015

Par value/ number of shares	Issuer		Cost	Fair value
	Other Technology and Financial (18.67% of total venture investments)			
	Brompton Corporation			
42,291	Common shares		-	
	Iogen Corporation			
2,677,988	Class A Common shares		3,349,210	
	Intelligent Mechatronic System Inc.			
3,768,250	Promissory note, 15.00%	June 30, 2017	3,768,250	
1	Common shares purchase warrant	November 20, 2019	-	
1	Common shares purchase warrant	December 5, 2019	-	
	Ridetones Inc.			
600,000	Promissory note, 15.00%	December 31, 2016	600,000	
530,000	Promissory note, 15.00%	December 31, 2016	530,000	
415,000	Promissory note, 15.00%	December 31, 2016	415,000	
800,000	Promissory note, 15.00%	December 31, 2016	800,000	
1	Common shares purchase warrant	December 5, 2019	-	
1	Common shares purchase warrant	November 25, 2020	-	
	Shareholderco (7182171 Canada Inc.)			
5,843,131	Non-Voting common shares		-	
5,843,131	Special voting shares		3	
	Spinco (4515218 Canada Inc.)			
1,000,000	Series A exchangeable preferred shares		1,522,796	
1,463,195	Series B exchangeable preferred shares		977,471	
3,379,936	Series C exchangeable preferred shares		790,305	
5,843,131	Special voting shares		5	
	Total Other Technology and Financial		$ 12,753,040	$ 7,058,656
	Total venture investments (101.97%)*		47,834,295	37,805,357
	Total investments (102.03%)*		$ 47,959,826	$ 37,830,929
	Other net assets (-2.03%)*			(754,319)
	Total equity (100.00%)*			$ 37,076,610

* Percentages shown relate to investments at fair value to total equity.

1. STATUS AND OPERATIONS

Tier One Capital Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Ontario. The Limited Partnership became a limited partnership effective on February 21, 2014, the date of filing of its declaration of Limited Partnership. The General Partner of the Limited Partnership is T1 General Partner LP a limited partnership formed under the laws of the Province of Ontario. The general partner of the General Partner is T1 General Partner Corp., a corporation incorporated under the laws of Ontario.

On July 11, 2014 (the "Effective Date"), the Limited Partnership acquired substantially all of the assets of The Business, Engineering, Science & Technology Discoveries Fund Inc. (the "Fund") as part of a transaction (the "Transaction") that was approved by shareholders of the Fund at a special meeting held on March 28, 2014. In exchange for the assets of the Fund, the shareholders of the Fund received limited partnership units (the "Units") of the Limited Partnership.

Each Class A Shareholder and Class L Shareholder of the Fund received an equivalent value of Units in payment for the redemption price of the Class A Shares and Class L Shares held by that shareholder on the Effective Date. The number of Units that a Class A Shareholder or Class L Shareholder received was calculated as the number of Class A Shares or Class L Shares held multiplied by the net asset value per share of the applicable series of shares on the valuation date immediately prior to the Effective Date divided by the deemed issue price per Unit of $14.00. Fractional Units were not issued, and the number of Units issued to a shareholder of the Fund was rounded down to the next whole number of Units. The net asset value per share for each series of outstanding Class A Shares and Class L Shares used in the exchange ratio calculation was as follows: (i) $9.3384 Class A Shares, Series I; (ii) $9.2352 Class A Shares, Series II; (iii) $9.3009 Class A Shares, Series III; (iv) $9.4066 Class A Shares, Series IV; and (v) $9.4804 Class L Shares, Series I.

The Limited Partnership is focused on funding rapidly growing private Canadian companies by providing them with the capital needed to execute their growth strategies and acquisition plans. It is primarily focused on companies with recurring revenue streams in the technology, healthcare and financial services industries. The Limited Partnership focuses its investments on companies in the expansion phase of development in mid to late stages. The Limited Partnership is not subject to any investment restrictions regarding any particular sector, industry or stage of development.

The Units are listed on the Canadian Securities Exchange under the symbol "TLP.UN."

The principal address of the Limited Partnership, the General Partner and the general partner of the General Partner is 15 Toronto Street, Suite 400, Toronto, Ontario, M5C 2E3.

These financials statements were authorized for issue by the General Partner on April 29, 2016.

2. BASIS OF PRESENTATION

These financial statements of the Limited Partnership have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

As a result of the Transaction, the comparable financial statements for the period ended December 31, 2014 include results of the Fund for the period from October 1, 2013 to July 11, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Limited Partnership and the Fund are as follows:

Financial instruments

The Limited Partnership recognizes financial instruments at fair value upon initial recognition plus transaction cost in the case of financial instruments measured at amortized cost.

Regular way purchases and sales of financial assets are recognized at their trade date. The Limited Partnership's investments in financial assets have been designated at fair value through profit and loss (FVTPL) and are measured at fair value through profit and loss.

Short-term investments and publicly traded investments are valued based on quoted bid prices.

Investments in securities not having quoted market values are recorded at estimated fair value determined on a going concern basis, or if appropriate, assuming an orderly disposition over a reasonable period of time. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is determined using an appropriate valuation methodology after considering the history and nature of the business, operating results and financial conditions, the general economic and market conditions, capital market and transaction market conditions, independent valuations of businesses, contractual rights relating to the investment, public market comparable transactions and other pertinent considerations.

- Where the investment is progressing satisfactorily in relation to the Limited Partnership's expectations, a reasonable multiple of sustainable earnings, cash flow, revenue or discounted cash flow (as considered appropriate) with a cross-reference to, and an assessment of, tangible asset value may be used. Such valuation multiples will be developed through reference to comparable public entities discounted to reflect the inherent differences between private and public holdings such as size, performance and lack of marketability. Where appropriate, consideration will be given to the planned timing of an initial public offering of the investee company.

- New investments are valued at fair value giving consideration to whether there is a substantial arm's length transaction which establishes a different value or there is a significant change from the General Partner's expectations.

- If there is a significant arm's length enforceable offer or transaction with respect to an investment, values used in such offer or transaction may be used in the valuation of the investment. In such circumstances, consideration will be given to whether new or existing investors participated in the offer or transaction and the current level of market interest in the investment. If there is a valuation prepared by a qualified independent party, such valuation will be considered to provide a valid indication of the estimated fair market value of an investment.

- Debt instruments, other than short-term liquid debt instruments will be valued at fair value (with accrued interest and discounts earned included in interest receivable) and giving consideration to whether the instrument is in arrears or whether a write-down or other provision is considered prudent due to the unlikelihood of full realization on the investment. Where there is a decline in the carrying value of a debt instrument, the instrument and related accrued interest will be written down.

For warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique such as the Black-Scholes model is used; if no such market inputs are available, other appropriate methodologies are used.

Cash and receivables represent loans and receivables and are subsequently measured at amortized cost, which approximates fair value due to their short-term nature.

Accounts payable and accrued liabilities and Note payable are classified as other financial liabilities and are measured at amortized cost, which approximates fair value due to their short term nature.

Units of the Limited Partnership are non-redeemable, do not carry any fixed dividends and have been classified as equity.

Broker warrants issued to dealers on the issuance of new Units have been classified as equity.

Prior to the Transaction, Class A shares were redeemable on an ongoing basis and were convertible into Class L shares. They were classified as financial liabilities as they were equally subordinate to other classes of shares issued by the Fund which did not have identical features.

Class B shares had no dividend entitlement, did not participate in the residual returns of the Fund and were redeemable for $1 upon liquidation. The Class B shares were classified as financial liabilities prior to the Transaction.

Class P shares were redeemable in certain circumstances and contained a mandatory cumulative dividend equal to the Manager's Incentive Performance Amount and therefore, were classified as financial liabilities prior to the Transaction.

The Class A, B and P shares were accounted for at amortized cost. In measuring the Class P shares at amortized cost, an adjustment was recorded in net income each period based on the revised cash flows expected to be paid as dividends pursuant to the incentive participation amount (IPA) (see note 7). The adjustment incorporated the IPA payable based on realization events which have occurred and the contingent portion of the IPA which represents the IPA which would be payable if the portfolio were to be liquidated based on the fair value of investments held at the measurement date.

Class L shares were non-redeemable, did not carry any fixed dividends and were classified as equity prior to the Transaction.

Investments in subsidiaries, associates and joint ventures

Subsidiaries are all entities over which the Limited Partnership has control. The Limited Partnership controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Limited Partnership has determined that it is an investment entity and as such, it accounts for subsidiaries at fair value with the exception of any subsidiaries which provide services related to the Limited Partnership’s investment activities, which are consolidated. Associates and joint ventures are investments over which the Limited Partner has significant influence or joint control, which have been designated at fair value through profit or loss.

Income recognition, transaction costs and expenses

Gains and losses on investments includes realized gains (losses), changes in unrealized appreciation (depreciation) and interest and are recorded as Net gain on investments at fair value through profit and loss on the Statements of Comprehensive Income (Loss).

Transaction fees, if incurred, are expensed in the Statements of Comprehensive Income (Loss). Transaction fees are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers.

Expenses directly attributable to a series or class were charged to that series or class. Other expenses were allocated proportionately to each series or class based upon the relative net asset values of each series.

Deferred income on venture investments

Fees received by the Limited Partnership on the initiation of venture investments are deferred and amortized over the term of the investment. The amortization of the deferred balance is included in Net gain on investments at fair value through profit and loss on the Statement of Comprehensive Income.

Earnings per Unit

Earnings per unit is disclosed in the Statements of Comprehensive Income (Loss) and is determined by dividing net income for the period divided by the weighted average number of units outstanding during the period.

Income taxes

These financial statements represent the assets and liabilities of the Limited Partnership and do not include the other assets, liabilities, income and expenses of the partners. Income taxes are the responsibility of the partners and not the Limited Partnership. Accordingly, no provisions for income taxes have been recorded in the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management's estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant estimates include the fair value of venture investments. The valuation of venture investments impacts the level of expenses such as the management fees and the Performance Allocation (note 7). While management believes that the estimates used in preparing its financial statements are reasonable and prudent, actual results could differ from these estimates.

The process of valuing venture investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized. Also, because these venture investments have been valued on a going concern basis, the values may differ materially from those realized on forced sale or liquidation.

The Limited Partnership recognizes a Performance Allocation amount which includes an unrealized component that may become distributable at a future date on the realized income and gains and unrealized appreciation in the investment portfolio, based on the assumption that all the investments are liquidated at the estimated fair value as at the date of the financial statements.

Investment entity status

The Limited Partnership has adopted the amendments made to IFRS 10 *Consolidated financial statements* and IFRS 12 *Disclosure of interests in other* entities for investment entities. A significant judgment made in preparing the Limited Partnership's financial statements relate to the determination that the Limited Partnership is an investment entity, including that its objective is to invest in eligible Canadian venture investments solely for the purpose of generating investment income and that fair value is the primary measurement attribute to measure and evaluate the performance of substantially all of its investments. This also includes management's judgment that investment related activities with its subsidiaries do not represent a substantial business activity or source of income.

General Partner allocations

The Limited Partnership has determined that the General Partner allocations as described in note 7 of the financial statements which are comprised of the General Partner Priority Profit allocation and the Performance allocation represent equity allocations to the General Partner rather than compensation for services provided.

5. NET ASSETS ATTRIBUTABLE TO PARTNERS

The following is a description of the authorized and issued Units of the Limited Partnership:

Authorized and issued Units of the Limited Partnership:

The interests of the Limited Partners are represented by Units. The Units are treated as equity as they are not redeemable at the option of the Limited Partner.

Issued	**Number of Units 2015**	**Number of Units 2014**
Limited Partner Units		
Balance forward from prior period	3,659,605	-
Issued on Transaction	-	2,128,741
Issued from treasury on private placement	-	1,530,864
Exercise of broker warrants	45,925	-
Issued on Distribution Reinvestment Plan	9,870	-
Balance at end of period	3,715,400	3,659,605

In 2014, the Limited Partnership issued 2,128,741 Units to shareholders of the Fund for the acquisition of substantially all the assets of the Fund. The Limited Partnership issued 1,530,864 Units on the closing of two tranches of a private placement for $5.27 per Unit for total gross proceeds of $8,067,653. The Units were subject to resale restrictions pursuant to applicable securities law requirements. The first tranche became freely tradable on January 16, 2015 and the second tranche became freely tradeable on February 21, 2015. The Limited Partnership paid a placement fee representing 5% of the gross proceeds together with issuing 45,925 broker warrants equal to 3% of the total number of Units sold.

John Richardson, the Chief Executive Officer and a director of T1 General Partner Corp. participated in the Private Placement both directly and through BEST Capital Administration Inc., a corporation that is wholly-owned by Mr. Richardson and acquired 303,605 Units for aggregate consideration of $1,600,000. BEST Capital Administration acquired 294,767 Units for $1,553,422 and Mr. Richardson personally acquired 8,838 Units for a total consideration of $46,576. Mr. Richardson owns or controls, directly and indirectly through BEST Capital Administration Inc., 441,731 Units or approximately 11.89% of the total Units issued and outstanding as at December 31, 2015.

Broker warrants

During the year ended December 31, 2015, warrants issued to brokers as compensation for the distribution of Units were exercised at the exercise price of $5.27 for total proceeds of $242,025.

General Partner interest

Included in the General Partner interest are the General Partner Priority Profit allocation and the Performance allocation amounts which are attributed to the General Partner but have not been paid or authorized for distribution to the General Partner.

Distribution Reinvestment Plan

The Limited Partnership has implemented a distribution reinvestment plan (the “DRIP”). Unitholders that participate in the plan can chose to have their cash distributions reinvested in new Units of the Limited Partnership. The price for the new Units is determined by the General Partner and is equal to 96% of the volume weighted average trading price of Units on the Canadian Securities Exchange for the twenty trading days immediately preceding the relevant distribution date. Fractional Units are not distributed.

Capital risk management

Units issued and outstanding are considered to be the capital of the Limited Partnership. The Units are not redeemable. The Units are entitled to distributions, if any, at the discretion of the General Partner. The Units are traded on the Canadian Securities Exchange under the symbol “TLP.UN.” The Limited Partnership’s objective is to invest the Limited Partnership’s capital in order to provide a return to the partners in accordance with the objective and strategy of the Limited Partnership. The Limited Partnership is not subject to any externally imposed capital requirements.

Prior to the Transaction

Shares issued and outstanding in all classes and series were capital of the Fund. The Fund was a mutual fund corporation which derived its capital from subscriptions from investors in Class A Shares of the Fund. The Class A Shares were redeemable and were entitled to distributions, if any, and to payment of a proportionate share based on the Class A net asset value per share upon redemption.

The Fund’s capital also consisted of Class L Shares, Series I which were generally not redeemable but which were tradable on the Canadian Securities Exchange under the symbol “VC." The Class L Shares, Series I were entitled to distributions, if any, at the discretion of the Board of Directors.

The Fund made investments in eligible Canadian businesses as defined in the Community Small Business Investment Funds Act with the objective of achieving maximum long-term capital appreciation. The Fund’s objective was to invest the Fund’s capital in order to provide a return to shareholders in accordance with the objective and strategy of the Fund. The Fund was not subject to any externally imposed capital requirements.

The Fund's accounting policies for measuring the fair value of its investments were identical to those used in measuring its net asset value for transactions with shareholders. A net asset value was calculated on every valuation date for each series of Class A shares and Class L shares.

6. CREDIT FACILITY

The Limited Partnership has established a credit facility with B.E.S.T. Leveraged Tier One Capital LP (the "Lender"), a limited partnership formed in accordance with the Limited Partnership Act (Ontario), for the purposes of advancing funds to the Fund to be invested in accordance with the Limited Partnership's investment strategy and objections. The terms of the credit facility are detailed in the Credit Facility Agreement dated June 12, 2015. The Limited Partnership is able to borrow up to 50.00% of the Limited Partnerships net asset value. Each advance is subject to interest at the rate of 7.50% per annum, accrued daily and payable monthly in arrears. The Limited Partnership also pays an administration fee of 4.50% of the amount advanced and an advance fee of $2,500 at the time of each advance. The maturity date of each advance is no later than 24 months from the date of the advance. The purpose of the credit facility is to provide additional capital to the Limited Partnership, together with the capital provided by its limited partners, to permit the Limited Partnership to continue to undertake its investment activities. The credit facility is secured by a fixed security interest in all of the Fund's assets as set out in a General Security Agreement. As at December 31, 2015, the outstanding advances to the Limited Partnership under the credit facility were $1,615,913.

7. OPERATING ARRANGEMENTS AND RELATED PARTIES

Limited Partnership

Management Fees

The General Partner, which provides key personnel to the Limited Partnership, will be entitled to receive an annual management fee (the "LP Management Fee") equal to 0.995%, plus applicable taxes, of the total assets of the Limited Partnership. The LP Management Fee will be calculated and paid monthly in arrears based on the total assets of the Limited Partnership as at the end of the applicable month.

General Partner Priority Profit Allocation

The General Partner may share in the profits of the Limited Partnership by receiving, among other things, a priority share of the net income of the Limited Partnership (the "Priority Profit Allocation"). Distributions may be made to the General Partner (the "Priority Profit Distribution") in respect of its established or potential future Priority Profit Allocation, calculated as of the last day of each calendar quarter, equal to one quarter of 2.68% of the total assets of the Limited Partnership as at the last day of each calendar quarter.

Performance Allocation

The General Partner may be entitled to an additional share of the net income of the Limited Partnership if certain conditions are satisfied (the "Performance Allocation").

The Performance Allocation shall be an amount equal to the aggregate of: (a) 100% of the realized gains and income earned on investments in portfolio companies in excess of a 12% annual average rate of return on such investments up to and including a 15% annual average rate of return on such investments; and (b) 20% of the realized gains and income earned on such investments in excess of the 15% annual average rate of return earned on such investments.

In order for the Performance Allocation to be allocable to the General Partner, the following conditions (the "Performance Allocation Conditions") must be satisfied: (a) the total net realized and unrealized gains and income from the Limited Partnership from its portfolio of eligible investments since January 1, 1997 must have generated a return greater than the annualized average rate of return on five year Guaranteed Investment Certificates offered by a Schedule 1 Canadian chartered bank plus 2%; (b) the compounded annual rate of return (including realized and unrealized gains and income) from the particular eligible investment since its acquisition by the Limited Partnership (or the Fund for investments held by the Fund and transferred to the Limited Partnership in the Transaction) must equal or exceed 12% per annum; and (c) the Limited Partnership (including the time such investments were held by the Fund for investments held by the Fund and transferred to the Limited Partnership in the Transaction) must have recouped an amount equal to all capital or principal invested in the particular investment.

Allocation of Income to the General Partner

To the extent that the net income of the Limited Partnership is insufficient in any year to fully allocate an amount equal to the General Partner Priority Profit Allocation and the Performance Allocation for the year to the General Partner, the differential will be carried forward and factored into the allocation of the net income of the Limited Partnership in subsequent years, including in the year in which the termination of the General Partner occurs. The Priority Profit Allocation and the Performance Allocation must be approved by the independent directors of the Board of Directors of the Limited Partnership. Under the Limited Partnership Agreement there is no mandatory distribution of these amounts, but rather there is discretion as to whether these amounts can be paid out of the Limited Partnership, depending on whether it is in the best interest of the Limited Partnership.

Advisor Fees

The General Partner and the Limited Partnership have engaged B.E.S.T. Investment Counsel Limited (the “Advisor”) to provide oversight and advice to the General Partner in respect of the investment activities of the Limited Partnership; assist the General Partner in the formation of the investment objectives, restrictions and procedures of the Limited Partnership; assist the General Partner in analyzing and evaluating potential investments; and provide such other services as agreed to from time to time by the General Partner and the Advisor. The General Partner will pay to the Advisor an advisory fee equal to an amount agreed to in a separate letter agreement between the General Partner and the Advisor commensurate with the Services provided under this Agreement.

Custodian Fees

The Limited Partnership and the General Partner have retained CIBC Mellon Global Security Services Company to provide custody services to the Limited Partnership. The fees paid to CIBC Mellon Global Security Services Company are included in Custodian fees.

Transfer agent, registrar and administration fees

The Limited Partner pays all direct costs and expenses incurred in the operation of the Limited Partnership, including: transfer agent and registrar fees and insurance, legal, audit, director fees, valuation and marketing expenses. The Limited Partnership and the General Partner have retained TMX Equity Financial Trust to provide transfer agent and registrar services.

The Fund

Prior to the Transaction, the Fund had an agreement with B.E.S.T. Investment Counsel Limited (the “Manager” and “Management Advisor”) to provide management and advisory services.

The Fund paid an annual management fee to the Manager of 1.50% per annum of the net asset value of the Fund plus applicable taxes and subject to meeting certain conditions, an Incentive Participation Amount (“IPA”). The Fund also paid the Management Advisor an annual advisor fee of 1.75% of the net asset value of the Fund and, subject to certain conditions, an IPA. The Manager and the Management Advisor were not entitled to receive the IPA unless: (1) the compound annual internal rate of return, including realized and unrealized gains and income, from an eligible investment since its acquisition equaled or exceeded 12.00% per year; (2) the total net realized and unrealized gains and income from the portfolio of eligible investments since January 1, 1997 exceeded the annualized average rate of return on five-year Guaranteed Investment

Certificates offered by a Schedule 1 Canadian chartered bank plus 2.00%; and (3) the Fund had recouped an amount equal to all principal invested in the particular eligible investment.

Upon satisfying the above conditions, the IPA was determined on the following basis:

The proceeds from the disposition of each particular eligible investment in each calendar quarter of the Fund after deducting the cost of such investment was allocated and paid as follows:

a) The Fund received an amount equal to all gains and income earned from each particular eligible investment which provides a cumulative investment return at an annual average rate equal to 12.00% since investment.

b) The Management Advisor received all gains and income earned from each particular eligible investment in excess of the 12.00% annual average rate of return up to and including 15.00% of the annual average rate of return earned from the particular eligible investment.

c) All gains and income earned on each particular investment after deducting the amounts calculated in accordance with (a) and (b) above was allocated as 80.00% to the Fund; 16.00% to the Management Advisor; and 4.00% to the Manager.

The IPA was paid as a dividend on the Class P shares held by the Manager and the Management Advisor.

The Fund retained Convexus Managed Services Inc. ("Convexus") to provide fund accounting, shareholder recordkeeping and administration services, including registrar and transfer agency services. The Fund paid Convexus a fund accounting fee at a fixed amount and shareholder recordkeeping and administration fees at a fixed amount per account. The fees paid to Convexus for these services are included in Transfer agent, registrar and administrative costs.

The Fund and the Manager retained Equity Financial Trust Company to provide registrar and transfer agent services to the Fund for the Class L Shares, Series I. The fees paid to Equity Financial Trust Company are included in Transfer agent, registrar and administrative costs.

The Fund and the Manager retained the Management Advisor to provide sales and marketing services to the Fund pursuant to the terms of a sales and marketing services agreement dated July 10, 2003 effective August 1, 2003. The Fund paid the Management Advisor an annual sales and marketing fee (calculated daily and paid monthly in arrears) as follows: (i) the aggregate of 0.425% on the first $50 million of the net asset value of the Fund, 0.40% on the next $50 million, 0.375% on the next $50 million and 0.35% on any amount of the net asset value of the Fund above $150 million, (ii) less $96,000. The fees paid to the Management Advisor for sales and marketing services are included in Selling costs.

The Fund and the Manager also retained the Management Advisor to provide accounting and administrative services to the Fund and to supervise the services to be provided by the registrar pursuant to the terms of an accounting and administrative services agreement dated as of September 1, 2003. The Fund paid the Management Advisor an annual accounting and administrative fee (payable monthly in arrears) equal to $96,000. The fees paid to the Management Advisor for accounting and administrative services are included in Transfer agent, registrar and administrative costs.

The Fund and the Manager retained CIBC Mellon Global Security Services Company to provide custody services to the Fund. The fees paid to CIBC Mellon Global Security Services Company are included custodian fees.

The Fund pays all direct costs and expenses incurred in the operation of the Fund, including directors' fees, custodian fees, insurance, legal, audit, valuation and marketing expenses.

The International Federation of Professional and Technical Engineers – Local #164, the sponsor of the Fund, received an annual fee of 0.15% of the net asset value of the Fund.

Related Parties

The Limited Partnership

During the year ended December 31, 2015, the Limited Partnership incurred management fees of $448,863. Included in accounts payable and accrued liabilities as at December 31, 2015 are accrued Management Fees owing to the General Partner of $37,309 (December 31, 2014: $35,696).

B.E.S.T. Investment Counsel Limited is the Advisor of the Limited Partnership. During the year ended December 31, 2015, the Limited Partnership and the General Partner had incurred $Nil advisory fees for services provided by the Advisor.

The Limited Partnership allocated a General Partner Priority Profit Allocation to the General Partner during the year ended December 31, 2015 of $1,066,027. At December 31, 2015, the Limited Partnership had an undeclared amount of General Partner Priority Profit Allocation to the General Partner of $263,917 (December 31, 2014: $257,178) which is included in General Partner interest.

The Limited Partnership allocated a Performance Allocation amount to the General Partner during the year ended December 31, 2015 of $900,746. At December 31, 2015, the Limited Partnership had an undeclared Performance Allocation amount of $1,405,689 (December 31, 2014: $607,604) included in General Partner interest.

During the year ended December 31, 2015, the Limited Partnership incurred interest and administration fees of $312,209 for the credit facility provided by B.E.S.T. Leveraged Tier One Capital LP (the “Lender”). The general partner of the Lender is B.E.S.T. Funds Inc. which is a corporation wholly owned by John Richardson, the Chief Executive Officer of the general partner of the General Partner of the Limited Partnership. As at December 31, 2015, $10,293 of interest payable to the Lender was included in accounts payable and accrued liabilities. No amount was paid to the General Partner or B.E.S.T. Funds for the provision or administration of the credit facility.

The Fund

B.E.S.T. Investment Counsel Limited was the Manager and Management Advisor for the Fund until the conversion of the Fund to the Limited Partnership on July 11, 2014.

During the period to July 11, 2014, the Fund incurred management and management advisor fees paid to B.E.S.T. Investment Counsel Limited of $419,156 and $496,742 respectively.

The Fund retained the Management Advisor to provide sales and marketing services. During the period to July 11, 2014, the Fund incurred sales and marketing expenses of $33,725 for services provided by the Advisor.

The Fund paid the Management Advisor an annual accounting and administrative fee of $96,000 plus taxes. During the period to July 11, 2014 the Fund incurred accounting and administrative fees inclusive of taxes equal to $81,360.

During the period to July 11, 2014, the Fund paid B.E.S.T. Capital Administration Inc. $25,425 for storage and facilities costs. B.E.S.T. Capital Administration Inc. is wholly owned by the Chief Executive Officer of the Fund.

During the period to July 11, 2014, the Fund paid the Manager and Management Advisor, Incentive Participation Amount of $647,360.

All related party transactions are in the normal course of operations and have been recorded at the exchange amount on the date that they occur.

8. INCOME TAXES

The Limited Partnership

Income taxes are the responsibility of the partners and not the Limited Partnership. Accordingly, no provisions for income taxes have been recorded in the financial statements.

9. FINANCIAL INSTRUMENTS

The Limited Partnership's investment objectives will be to provide a return on investment for Limited Partners and provide regular cash distributions.

The Limited Partnership's financial instruments consist primarily of marketable securities and venture investments. Venture investments in private companies consist of convertible debt, equity, or equity equivalents. These investments in private companies are typically illiquid. The Limited Partnership seeks to reduce the risks typically associated with such investments by diversifying the investment portfolio, by investing in eligible companies that are in differing stages of development in a variety of high growth potential industries, by using a disciplined investment decision process and by working with investee companies through, among other things, providing business advice and other services, aiding in the recruitment process, and helping in the process of raising additional capital.

The Limited Partnership's activities expose it to a variety of financial risks: market risk (comprising currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The General Partner seeks to minimize potential adverse effects of these risks on the Limited Partnership's performance by employing professional experience, daily monitoring of the Limited Partnership's positions and market events, by diversifying the investment portfolio within the constraints of the investment objectives and by structuring investments to provide the Limited Partnership with the maximum protection in the event of problems with the issuer of the security. The investment portfolio is primarily comprised of small and medium-sized private Canadian companies, many of which are at an early stage of development. Investments of this type, by their nature, involve a longer investment time horizon than that which is typical for other types of investments. There is no assurance that the portfolio companies will be successful in developing and bringing their products to market in commercially viable quantities at reasonable costs and consequently, there is no assurance that the Limited Partnership's holdings in these portfolio companies will achieve desired returns.

Sensitivity analyses are provided for information purposes only. In practice, the actual results may differ from the sensitivity analysis and the differences may be material.

Currency Risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Limited Partnership's functional and presentation currency. The Limited Partnership is exposed to the risk that the fair value of securities denominated in other currencies will fluctuate due to changes in the exchange rates.

The Limited Partnership holds an investment denominated in a currency other than the Canadian dollar, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides analysis between monetary and non-monetary items to meet the requirements of IFRS 7.

The Limited Partnership does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements.

While the Limited Partnership has direct exposure to foreign exchange rate changes on the price of non-Canadian dollar denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Limited Partnership invests, even if those companies' securities are denominated in Canadian dollars. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Limited Partnership's net assets.

The table below summarises the Limited Partnership's investments denominated in a currency other than the Canadian dollar.

December 31, 2015

Asset	USD	Reasonable possible shift	Movement in value
Investments	$504,705	+/- 5%	$25,235/($25,235)

The Limited Partnership did not have any non-Canadian dollar denominated assets or liabilities in the period ended December 31, 2014.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds and debentures. The Limited Partnership is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The table below summarizes the Limited Partnership's exposure to interest rate risks. It includes the Limited Partnership's financial assets and liabilities, categorized by the earlier of contractual re-pricing or maturity dates.

December 31, 2015

	Less than 1 year	**1 -5 years**	**Non-interest bearing**	**Total**
Investments	$9,113,009	$13,938,454	$14,779,466	$37,830,929
Cash			$350,363	$350,363
Other financial assets	$539,658		$365,117	$904,775
Financial liabilities		$1,615,913	$151,012	$1,766,925

December 31, 2014

	Less than 1 year	**1 -5 years**	**Non-interest bearing**	**Total**
Investments	$5,553,636	$13,891,660	$15,497,612	$34,942,908
Cash			$2,759,473	$2,759,473
Other financial assets		$539,658	$454,132	$993,790
Financial liabilities			$142,509	$142,509

Refer to tables below which present significant unobservable inputs used in the fair value measurements of investments classified as Level 3 for the impact of interest rate increases or decreases on the change in valuation of these investments.

The interest bearing securities with a maturity of less than one year are comprised of short-term commercial paper investments of $NIL (December 31, 2014: $4,395,820) and venture investment in debt securities of $9,113,009 (December 31, 2014: $1,157,816) which mature in less than one year.

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The General Partner moderates this risk through careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Limited Partnership's equity and debt instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at December 31, 2015, if equity prices on the Toronto Stock Exchange had increased or decreased by 5%, all other variables held constant, the net assets of the Limited Partnership attributed to public portfolio companies would have increased or decreased, respectively, by approximately $1,279 or approximately 0.004% of total net assets (December 31, 2014: $1,519 or 0.004%).

The Limited Partnership's venture investments (unlisted) are susceptible to market price risk arising from uncertainties about future values of the investment securities. The General Partner and the Advisor provide the Limited Partnership with investment advice and its portfolio companies with business advice to limit and manage market risk.

As at December 31, 2015, if the value of the Limited Partnership's equity venture investments had increased or decreased by 5%, all other variables held constant, the net assets of the Limited Partnership attributed to venture investments would have increased or decreased respectively by approximately $738,973 or approximately 2.09% of net assets (December 31, 2014: $763,830 or 2.04%).

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Limited Partnership. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of the debt investments as presented below represents the maximum credit risk exposure as at December 31, 2015 and 2014. This also applies to other assets, as they have a short term to settlement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trades will fail if the other party fails to meet its obligations. All transactions in private issuers are settled/paid for upon delivery using a third party agent such as a law firm as an intermediary. The risk of default is considered minimal as delivery of the securities sold is only made once the agent or legal counsel acting as the intermediary has received payment.

The Limited Partnership's financial assets exposed to credit risk were concentrated in the following asset categories:

December 31, 2015

Asset	Security	Counterparty	Amount
Cash		CIBC Mellon	$350,363
Debt Securities	Secured by General Security Agreement	ArticAX Inc., Dejero Labs Inc., Carta Solutions Holding Corporation, Electronic Systems Software Solutions Inc., FinanceIT Canada Inc., Intelligent Mechatronic Systems Inc., GroupBy Inc., NuData Security Inc., Mobify Research and Development Inc., PitchPoint Soltuions Inc., Ridetones Inc. Skura Inc., 2315257 Ontario Inc. Clayco Capital Ventures LLC., ERMS Corporation	$23,051,463
Total cash and debt securities			$23,401,826

December 31, 2014

Asset	Security	Counterparty	Amount
Cash		CIBC Mellon	$2,759,473
Debt Securities	Secured by General Security Agreement	AcuityAds Inc., ArticAX Inc., Cognivue Corp., Datazen Inc., Dealer-FX Group Inc., Dejero Labs Inc., FinanceIT Canada Inc., Intelligent Mechatronic Systems Inc., NuData Security Inc., PitchPoint Soltuions Inc., Skura Inc., TransGaming Inc., Couch Commerce Inc., ERMS Corporation, nCrowd Inc.	$15,049,476
Total cash and debt securities			$17,808,949

Credit risk arising on debt instruments is partially mitigated by investing primarily in rated instruments of R1 for commercial paper instruments or by investing in debt securities which are secured by a general security agreement on the assets of the issuing portfolio company. The R1 ratings is a credit rating scale developed by Dominion Bond Rating Services (DBRS) which provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims. The R1 rating signifies that, according to DBRS, the issuer has substantial capacity for the payment of short-term financial obligations as they come due. Investments in the debt securities in the venture portfolio are non-investment grade and therefore subject to higher credit risk.

Other than outlined above, there were no significant concentrations of credit risk to counterparties as at December 31, 2015 or December 31, 2014.

The business of the Limited Partnership is to make investments in small and medium-sized eligible businesses in order to generate interest and dividend income and long-term capital appreciation. In order to achieve this objective the Limited Partnership invests in two broad industry sectors: i) industrial and financial and ii) technology related businesses. The Limited Partnership's General Partner and Advisor seek out eligible investments which will meet the investment objectives of the Limited Partnership while maintaining risk at acceptable levels. The Limited Partnership attempts to limit the risk to any one venture investment by limiting the amount invested in any one company. As at December 31, 2015, 97.49% of the Limited Partnership's venture investments were concentrated in the Technology Sector and spread between fourteen venture companies (December 31, 2014: 82.69%, fifteen venture companies).

Liquidity Risk

The Limited Partnership is not exposed to daily cash redemptions of the Units.

Prior to the Transaction, the Fund was exposed to daily cash redemptions on its redeemable Class A shares. The Fund invested a portion of its assets in investments that were traded in an active market that could be readily disposed of and the Fund retained sufficient cash and cash equivalent positions to maintain liquidity. In any financial year, the Fund was not required to redeem Class A shares having an aggregate redemption price exceeding 20% of the net asset value of the Class A shares of the Fund calculated on the last day of the preceding financial year end and could have suspended redemptions for substantial periods of time in such circumstances. Shareholders that redeemed their Class A shares before the eighth anniversary of their original purchase were required to repay the tax credit they received upon the purchase of the shares. Rules directed at ensuring liquidity and diversification of investments and certain other investment restrictions and practices normally applicable to mutual funds did not apply to the Fund.

All the financial liabilities of the Limited Partnership as at December 31, 2015 and December 31, 2014 fall due within twelve months. The note payable may have a maturity date of up to 24 months from the date of advance.

Fair value measurement

The Limited Partnership classifies its investments within a fair value hierarchy, based on the inputs used in their fair value measurement. The hierarchy of inputs is summarized as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

In determining the value of assets for which there does not exist a published market, the General Partner will be guided, where appropriate, but not bound by, the following criteria:

- Investments are valued at fair value (the highest price available in an open and unrestricted market between fully informed and prudent parties, acting at arm's length, under no compulsion to transact, expressed in terms of cash).

- The fair value of investments is determined on the basis of expected realizable value of the investments on a going concern basis or if they were disposed of in an orderly disposition over a reasonable period of time, as appropriate.

- Where the investment is progressing satisfactorily in relation to the Limited Partnership's expectations, a reasonable multiple of sustainable earnings, cash flow, revenue or discounted cash flow (as considered appropriate) with a cross-reference to, and an assessment of, tangible asset value may be used. Such valuation multiples are developed through reference to comparable public entities discounted to reflect the inherent differences between private and public holdings such as size, performance and lack of marketability. Consideration will be given to the planned timing of an initial public offering of the investee company.

- New investments are valued at fair value giving consideration to whether there is a substantial arm's length transaction which establishes a different value or there is a significant change from the General Partner's expectations.

- If there is a significant arm's length enforceable offer or transaction with respect to an investment, values used in such offer or transaction may be used in the valuation of the investment. In such circumstances, consideration will be given to whether new or existing investors participated in the offer or transaction and the current level of market interest in the investment. Similarly, if there is a valuation prepared by a qualified independent party, such valuation will be considered to provide a valid indication of the estimated fair market value of an investment.

- Debt instruments, other than short-term liquid debt instruments will be valued at fair value (with accrued interest and discounts earned included in interest receivable) and giving consideration to whether the instrument is in arrears or whether a write-down or other provision is considered prudent due to the unlikelihood of full realization on the investment. Where there is a decline in the carrying value of a debt instrument, the instrument and related accrued interest will be written down.

- Short-term liquid debt instruments (having a term to maturity of 365 days or less) are valued at cost which approximates fair value with accrued interest or discounts earned included in interest receivable.

The following tables indicate the fair value hierarchy of the inputs used in valuing the Limited Partnership's investments.

December 31, 2015

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Term	-	-	$23,051,463	$23,051,463
Equities	$25,572	-	$14,753,894	$14,779,466
Total	$25,572	-	$37,805,357	$37,830,929

December 31, 2014

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Term	-	$4,395,820	$15,049,476	$19,445,296
Equities	$30,390	-	$15,467,222	$15,497,612
Total	$30,390	$4,395,820	$30,516,698	$34,942,908

The carrying value of all other financial instruments of the Limited Partnership, which may include receivables on the sale of investments, accrued interest and other receivables, accounts payable and accrued liabilities approximates their fair value. During the period ended December 31, 2015 and the period ended December 31, 2014 there were no investments transferred between Level 1, Level 2, or Level 3. The Limited Partnership's policy is to recognize transfers into and out of the fair value hierarchy as of the date of the event or change in circumstances giving rise to the transfer.

Level 3	December 31, 2015	December 31, 2014
Balance - beginning of year	$30,516,698	$29,433,533
Purchases	$20,777,651	$17,488,146
Sales	($12,645,455)	($15,048,335)
Realized Gains (Losses)	$24,293	($6,868,642)
Unrealized Gains (Losses)	($867,830)	$5,511,996
Balance – end of year	$37,805,357	$30,516,698
Unrealized Gains (Losses) during the year attributed to investments held at end of the year	($902,409)	$4,326

The equity investments are valued with reference to the last round of equity financing, comparable public companies, transactions involving similar companies and reference to third party valuations among other things. If the equity investment includes a put right the investment may be valued by applying a discount for the expected time to exercise the Limited Partnership's put right to realize on this investment.

The Limited Partnership considers the following factors to identify "comparable companies": the same or similar industries, business models, size in terms of revenues and market capitalization, geographic location, market focus and financial structure. The General Partner will also consult with management of the investee companies to help identify comparable companies which are often direct competitors to the investee company.

Comparable multiples such as enterprise value to revenue multiple is applied to the trailing twelve months actual revenues of the investee company to determine the enterprise value of the investee company. An additional discount maybe applied to the enterprise value to take into consideration that the investee company is a private company and therefore its securities are illiquid. Once the enterprise value of the investee company is determined the net debt is removed (total debt less cash) and the remaining equity value is allocated to the capital of the investee company in order of ranking (e.g., preferred shares, common shares).

The fixed term securities are valued at fair value. Adjustments to fair value are made in cases where the operating results and financial condition of the investee company suggest that the Limited Partnership may not be able to realize the full amount of the investment. The Limited Partnership reviews the investee company's compliance with financial covenants, ability to make interest and principal payments, changes in the market interest rates for similar investments, operating performance relative to budget and the need for further financing among other factors in determining the fair value of the investment.

The following tables present significant unobservable inputs used in the fair value measurements of investments classified as Level 3:

December 31, 2015

Debt Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/(-)
Performing debt	$23,051,463	Discounted cash flow	Discount rate	8.00% – 20.00%	14.51%	1.00%	$4,238,514/($3,174,671)

Equity Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/(-)
Common Shares and Preferred Shares	$13,599,727	Comparable Multiples	Enterprise value/revenue multiple	2.89 – 8.20	4.45	20%	$2,719,945/($2,719,945
Common Shares	$1,136,033	Transaction Value	Transaction Value	-	-	10%	$113,603/($113,603)
Warrants	$18,134	Black-Scholes Model	Volatility	90%	90%	20%	$7,914/($7.854)

December 31, 2014

Debt Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/(-)
Performing debt	$14,738,091	Discounted cash flow	Discount rate	8.00% – 20.00%	14.27%	1.00%	$2,877,831/($2,168,003)
Non-performing debt	$311,385	Estimated realizable value	Impairment provision		37.55%	10%	$31,139/($31,139)

Equity Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/(-)
Common Shares and Preferred Shares	$13,554,611	Comparable Multiples	Enterprise value/revenue multiple	3.0 – 7.8	4.74	20%	$2,710,922/($2,710,922)
Common Shares	$1,677,285	Comparable Multiples	Intangible asset value/capital invested multiple	0.33	0.33	20%	$335,457/($335,457)
Common Shares	$191,050	Transaction Value	Transaction Value	-	-	10%	$19,105/($19,105)
Warrants	$44,276	Black-Scholes Model	Volatility	90%	90%	20%	$16,675/($17,534)

Sensitivity analyses are provided for information purposes only. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

10. RECEIVABLE ON SALE OF INVESTMENTS

Included in the receivable on sale of investments is a portion of the proceeds from the sale of a venture investment which is being held in escrow in accordance with an escrow agreement between the purchaser and the investors of the venture company. The escrow was established to protect the purchaser of the venture company against unforeseen claims at the time of the purchase. The proceeds held in escrow will be received based on the escrow agreement release provisions and any legitimate claims against these funds. The Limited Partnership has recorded a receivable of $539,658 for the escrow amount based on its best estimate of the cash flows that it ultimately expects to recover on December 31, 2015 (December 31, 2014: $539,658). This estimate is based on inherent uncertainties and the resulting values may differ from the amounts ultimately realized.

11. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES

Information about the Fund's interests in unconsolidated subsidiaries, associates and structured entities are as follows:

December 31, 2015

Investment	Principal Place of Business	Country of Incorporation	Nature of Funds Interests	Number of Units	Ownership %	Voting %
ERMS Corporation	Ontario	Canada	Preferred Shares	2,824		
			Common Shares	264,464,964	71.30	71.30
Geminare Inc.	Ontario	Canada	Preferred Shares	3,603,604		
			Common Shares	3,674,873	22.12	22.12
DisclosureNet Inc.	Ontario	Canada	Preferred Shares	6,104		
			Common Shares	325,160	26.23	26.23

December 31, 2014

Investment	Principal Place of Business	Country of Incorporation	Nature of Funds Interests	Number of Units	Ownership %	Voting %
ERMS Corporation	Ontario	Canada	Preferred Shares	2,824		
			Common Shares	264,464,964	73.70	73.70
Geminare Inc.	Ontario	Canada	Preferred Shares	3,603,604		
			Common Shares	3,674,873	22.12	22.12
DisclosureNet Inc.	Ontario	Canada	Preferred Shares	6,104		
			Common Shares	325,160	27.63	27.63

12. FUTURE ACCOUNTING CHANGES

IFRS 9, Financial instruments

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Limited Partnership is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

13. COMPARATIVE PERIOD ADJUSTMENTS

These financial statements include adjustments to the comparative financial statements related to the General Partner allocations, which were made to better reflect the General Partner's allocations of interest and equity in the Limited Partnership, on a comparable basis year over year.

Statement of Financial Position

As at December 31, 2014, Accounts payable and accrued liabilities was adjusted to reclassify amounts relating to the General Partner Priority Profit Allocation ($257,178) and the Performance Allocation ($607,604), previously classified as financial liabilities to the General Partner interest within equity. There is no impact on the total net assets attributable to the Limited Partners.

Statement of Comprehensive Income

Performance allocations to the General Partner of $100,471, previously included in the Statement of Comprehensive Income for the period ended December 31, 2014, was reclassified to the Statement of Changes in Equity.

Statement of Changes in Equity

The Statement of Changes in Equity for the period ended December 31, 2014 was revised to present the allocation of total equity between the Limited Partners' interest and the General Partner's interest.

Financial Statement Notes

Disclosure in Financial Instrument (Note 9) was revised to properly reflect the breakdown of Realized Losses and Unrealized Gains.

Level 3	Revised December 31, 2014	As previously reported December 31, 2014
Balance - beginning of year	$29,433,533	$29,433,533
Purchases	$17,488,146	$17,488,146
Sales	($15,048,335)	($15,048,335)
Realized Gains (Losses)	($6,868,642)	-
Unrealized Gains (Losses)	$5,511,996	($1,356,646)
Balance – end of year	$30,516,698	$30,516,698
Unrealized Gains (Losses) during the year attributed to investments held at end of the year	$4,326	$4,326

14. SUBSEQUENT EVENT

The Limited Partnership made a distribution of $0.125 per unit on February 2, 2016 to Unitholders of record on January 26, 2016. Following the February 2, 2016 distribution, the Limited Partnership issued 13,776 Units to participants in the DRIP.