Tier One Capital Limited Partnership

Unaudited Financial Statements

Nine Months Ended September 30, 2016

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS
Tier One Capital Limited Partnership hereby gives notice that the Limited Partnership's independent auditor has not performed a review of these Interim Financial Statements in accordance with standards established by Chartered Professional Accountants of Canada.

Tier One Capital Limited Partnership
STATEMENTS OF FINANCIAL POSITION (Unaudited)

As at September 30, 2016 and December 31, 2015

	September 30, 2016	December 31, 2015
ASSETS		
Cash	$ 1,187,470	$ 350,363
Accrued interest and other receivables	1,096,667	357,359
Receivable on the sale of investments (note 9)	792,417	547,416
Investments	33,324,967	37,830,929
Total Assets	36,401,521	39,086,067
LIABILITIES		
Accounts payable and accrued liabilities	146,910	151,012
Deferred income on venture investments	252,622	242,532
Note payable (note 6)	-	1,615,913
Total Liabilities	399,532	2,009,457
EQUITY		
Limited partnership units	38,206,308	37,884,788
General partner interest (note 7)	2,538,447	1,669,606
Deficit	(4,742,766)	(2,477,784)
Total Equity	36,001,989	37,076,610
Total Liabilities & Equity	$ 36,401,521	$ 39,086,067

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

Robert Roy
Director

John Richardson
Director

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

Tier One Capital Limited Partnership
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

For the three and nine-month periods ended September 30, 2016

	Three months ended		Nine months ended	
	September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**
INCOME				
Net (loss) gain on investments at fair value through profit and loss	$ (140,871)	$ 1,975,784	$ 1,815,805	$ 3,579,005
	(140,871)	1,975,784	1,815,805	3,579,005
EXPENSES				
Management fees (note 7)	103,752	115,040	329,744	333,509
Interest expense and administration fee on note payable (note 6 and 7)	-	34,858	222,323	42,453
Audit fees	73,290	41,000	166,359	110,507
Transfer agent, registrar and administrative (note 7)	42,244	71,658	151,301	166,390
Legal fees	7,123	34,567	86,793	54,591
Directors' fees and expenses	20,672	11,933	37,985	29,491
Custodian fees (note 7)	2,764	2,600	6,946	7,364
Unitholder reporting costs	-	538	2,051	6,794
	249,845	312,194	1,003,502	751,099
Net and comprehensive income (loss)	$ (390,716)	$ 1,663,590	$ 812,303	$ 2,827,906
Income (loss) per unit	$ (0.10)	$ 0.45	$ 0.22	$ 0.77

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

Tier One Capital Limited Partnership

STATEMENTS OF CHANGES IN EQUITY (Unaudited)

For the nine month periods ended September 30, 2016 and September 30, 2015

2016	Limited Partners units	Limited Partner (deficit)/retained earnings	General Partner interest	Share Capital Broker Warrants	Total
Total equity - balance beginning of period	$ 37,884,788	$ (2,477,784)	$ 1,669,606	$ -	$ 37,076,610
Net and comprehensive income for the period	-	812,303	-	-	812,303
Issuance of Limited Partnership Units	321,520	-	-	-	321,520
General Partner Priority Profit allocation	-	(791,431)	791,431	-	-
General Partner Priority Profit declaration of distribution	-	-	(809,601)	-	(809,601)
Performance allocation	-	(887,011)	887,011	-	-
Performance allocation declaration of distribution	-	-	-	-	-
Distributions to Limited Partners	-	(1,398,843)	-	-	(1,398,843)
Total equity - balance end of period	$ 38,206,308	$ (4,742,766)	$ 2,538,447	$ -	$ 36,001,989

2015	Limited Partners units	Limited Partner (deficit)/retained earnings	General Partner interest	Share Capital Broker Warrants	Total
Total equity - balance beginning of period	$ 37,541,646	$ (197,659)	$ 864,782	$ 33,576	$ 38,242,345
Net and comprehensive income for the period	-	2,827,906	-	-	2,827,906
Issuance of Limited Partnership Units	242,025	-	-	-	242,025
Issuance of broker warrants	(124,569)	-	-	-	(124,569)
Exercise of broker warrants	-	-	-	124,569	124,569
General Partner Priority Profit allocation	-	(802,109)	802,109	-	-
General Partner Priority Profit declaration of distribution	-	-	(781,221)	-	(781,221)
Performance allocation	-	(655,810)	655,810	-	-
Performance allocation declaration of distribution	-	-	(102,661)	-	(102,661)
Distributions to Limited Partners	-	(1,372,352)	-	-	(1,372,352)
Total equity - balance end of period	$ 37,659,102	$ (200,024)	$ 1,438,819	$ 158,145	$ 39,056,042

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

Tier One Capital Limited Partnership
STATEMENTS OF CASH FLOWS (Unaudited)

For the nine month periods ended September 30, 2016 and September 30, 2015

	Nine months ended	
	September 30, 2016	**September 30, 2015**
Cash flows from operating activities		
Net and comprehensive income	$ 812,303	$ 2,827,906
Adjustments for:		
Change in unrealized depreciation (appreciation) on investments	2,112,039	(514,221)
Realized (gains) on sale of investments	(611,917)	(528,367)
Non-cash interest and other income	(18,714)	(45,247)
Net change in non-cash balances related to operations	(725,990)	120,514
Proceeds from maturities of short-term investments	2,798,320	6,593,914
Proceeds from disposal of venture investments	12,593,654	9,602,759
Purchase of short-term investments	(5,796,550)	(2,198,094)
Purchase of venture investments	(6,823,201)	(15,330,007)
	4,339,944	529,157
Cash flows from financing activities		
Proceeds from issue of notes payable	3,915,000	4,009,193
Repayment of notes payable	(5,530,913)	(2,350,000)
Proceeds from issue of limited partnership units	-	242,025
Distributions to limited partners	(1,077,323)	(1,372,352)
General Partner Priority Profit distribution	(809,601)	(781,221)
Performance allocation distribution	-	(102,661)
	(3,502,837)	(355,016)
Increase in cash during the period	837,107	174,141
Cash - Beginning of period	350,363	2,759,473
Cash - End of period	$ 1,187,470	$ 2,933,614
Supplemental Information *		
Interest Paid	$ 111,603	$ 34,201
Interest Received	$ 2,306,922	$ 2,350,404

* 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 (Unaudited)
As at September 30, 2016

Par value/ number of shares	Issuer	Maturity date/ expiration date	Cost $	Fair value $
	PUBLIC COMPANY INVESTMENTS (0.04%)*			
31,000	Cymat Technologies Ltd., common shares		55,800	4,805
593,353	TransGaming Inc., common shares		69,731	8,900
	Total public company investments		125,531	13,705
	SHORT TERM INVESTMENTS (8.32%)*			
3,000,000	Royal Bank, Banker's Acceptance, 0.718%	October 28, 2016	2,998,230	2,998,230
	Total short term investments		2,998,230	2,998,230

Par value/ number of shares	Investee companies	Maturity date/ expiration date	Cost $	Fair value $
	VENTURE INVESTMENTS (84.20%)*			
	Financial Technology and eCommerce (10.95% of total venture investments)			
	Carta Solution Holding Corporation			
680,000	Promissory note, 13.00%	November 20, 2016	680,000	
107,936	Common shares purchase warrant	November 20, 2018	-	
	FinanceIT Canada Inc.			
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, 13.50%	April 1, 2018	1,000,000	
500,000	Promissory note, 13.50%	April 2, 2018	500,000	
225,000	Promissory note, 13.50%	December 22, 2018	225,000	
914,000	Promissory note, 13.50%	June 30, 2019	914,000	
243,364	Common shares purchase warrant	April 1, 2021	-	
31,814	Common shares purchase warrant	December 22, 2021	-	
	Total Financial Technology and eCommerce		3,319,000	3,319,000
	Media Technology (22.32% of total venture investments)			
	Camouflage Software Inc.			
225,000	Promissory note, 15.00%	March 23, 2019	225,000	
1	Common shares purchase warrant	March 23, 2021	-	
	Dejero Labs Inc.			
1,680,000	Promissory note, 13.75%	October 14, 2018	1,680,000	
500,000	Promissory note, 13.75%	October 14, 2018	500,000	
121,588	Common shares purchase warrant	April 15, 2019	-	
103,300	Common shares purchase warrant	October 14, 2020	-	
	Electronic Systems Software Solutions Inc.			
1,726,699	Promissory note, 16.50%	November 30, 2018	1,726,699	
950,000	Common shares purchase warrant	June 30, 2021	-	
	GroupBy Inc.			
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		6,029,223	6,765,599

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited)
As at September 30, 2016

Par value/ number of shares	Issuer	Maturity date/ expiration date	Cost $	Fair value $
	Health Care and Health Care Information Technology (1.87% of total venture investments)			
	ArcticAx Inc.			
320,205	Promissory note, 17.00%	December 31, 2016	320,205	
55,000	Common shares purchase warrant	March 26, 2019	-	
71,497	Common shares purchase warrant	January 26, 2019	-	
	Health Care Services International Inc.			
246,120	Promissory note, 18.00%	January 22, 2019	246,120	
1	Common shares purchase warrant	December 31, 2020	-	
	Infonaut Inc.			
508	Common shares		-	
	Skura Corp.			
31,350	Common shares, Class E		-	
	Total Health Care Information Technology		566,325	566,325
	Security Software and Services (29.14% 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.			
1,330,000	Convertible Debenture, 14.00%	November 18, 2016	1,250,886	
1,166,667	Common shares purchase warrant	November 18, 2018	190,627	
	Total Security Software and Services		14,865,352	8,832,286

Tier One Capital Limited Partnership
SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited)
As at September 30, 2016

Par value/ number of shares	Issuer	Maturity date/ expiration date	Cost $	Fair value $
	Other Technology and Financial (35.72% of total venture investments)			
	Brompton Corporation			
42,291	Common shares		-	
	Garner Distributed Workflow Inc.			
267,000	Promissory note, 16.50%	July 8, 2021	267,000	
213,600	Common shares purchase warrant	December 8, 2018	-	
	Iogen Biogas Investment Corporation			
478,392	Common shares		416,201	
	Iogen Corporation			
2,677,988	Class A Common shares		3,349,210	
	Indegene Skura Inc.			
2,300,000	Promissory note, 13.50%	April 27, 2019	2,300,000	
	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	
205,714	Common shares purchase warrant	December 5, 2019	-	
181,790	Common shares purchase warrant	December 5, 2019	-	
142,287	Common shares purchase warrant	December 5, 2019	-	
360,000	Common shares purchase warrant	November 25, 2020	-	
	Roadhouse Holdings Inc.			
126,000	Promissory note, 24.00%	August 31, 2017	126,000	
1,800,000	Promissory note, 14.50%	May 11, 2019	1,800,000	
291,986	Common shares purchase warrant	May 11, 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		1,522,797	
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		17,662,242	10,829,822
	Total venture investments (84.20%)*		42,442,142	30,313,032
	Total investments (92.56%)*		45,565,903	33,324,967
	Other net assets (7.44%)*			2,677,022
	Total equity (100.00%)*			$ 36,001,989

* 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. The interests of the limited partners of the Limited Partnership are represented by limited partnership units (the "Units").

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 and traded 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 November 18, 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 including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). The accounting policies followed in these financial statements are consistent with those applied in the Limited Partnership's audited annual financial statements for the year ended December 31, 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Limited Partnership 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.

Short-term liquid debt investments are valued at amortized cost which approximates fair value.

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 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. 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.

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 measured at amortized cost, which approximates fair value due to their short-term nature.

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

Note payable is measured at amortized cost, which approximates fair value.

Units of the Limited Partnership and the General Partner interest 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.

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 through profit and loss 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 (loss) 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.

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 Statements of Comprehensive Income (Loss).

Net income (loss) per Unit

Net income (loss) per unit is disclosed in the Statements of Comprehensive Income (Loss) and is determined by dividing net income (loss) for the period 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 management fees and the distributions to the General Partner under the General Partner Priority Profit Allocation 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 and these differences could be significant.

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 may recognize 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 capital appreciation 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:

Issued	**Number of Units 2016**	**Number of Units 2015**
Limited Partner Units		
Balance forward from prior period	3,715,400	3,659,605
Issued on Distribution Reinvestment Plan	48,350	-
Exercise of warrants	-	45,925
Balance at end of period	3,763,750	3,705,530

John Richardson, the Chief Executive Officer of the general partner of the General Partner of the Limited Partnership, owns or controls, directly and indirectly through BEST Capital Administration Inc., 466,870 Units or approximately 12.40% of the total Units issued and outstanding as at September 30, 2016 (December 31, 2015: 441,731 Units, 11.89%).

General Partner interest

Included in the General Partner interest amount are the General Partner Priority Profit Allocation and the Performance Allocation amounts which are attributed to the General Partner but have not been paid nor 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 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.

6. CREDIT FACILITY

The Limited Partnership is able to borrow up to 50.00% of the Limited Partnerships net asset value. The Limited Partnership had 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). The terms of the credit facility were detailed in the Credit Facility Agreement dated June 12, 2015. Each advance was subject to interest at the rate of 7.50% per annum, accrued daily and payable monthly in arrears. The Limited Partnership also paid an administration fee of up to 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 was no later than 24 months from the date of the advance. The purpose of the credit facility was 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. Advances under the credit facility were secured by a fixed security interest on all of the Limited Partnership's assets as set out in a General Security Agreement. The credit facility was terminated on June 30, 2016. As at December 31, 2015 $1,615,913 had been advanced to the Limited Partnership under the credit facility with a maturity date of no later than October 13, 2017.

7. OPERATING ARRANGEMENTS AND RELATED PARTIES

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 "General Partner 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 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 must equal or exceed 12% per annum; and (c) the Limited Partnership 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 or period to fully allocate an amount equal to the General Partner Priority Profit Allocation and the Performance Allocation for the year or period 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 or periods, including in the year or period in which the termination of the General Partner occurs. The General Partner Priority Profit Allocation and the Performance Allocation must be approved by the independent directors of the Board of Directors of the general partner of the General Partner. 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, 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.

Related Parties

During the nine-month period ended September 30, 2016, the Limited Partnership incurred management fees of $329,744 (nine-month period ended September 30, 2015: $333,509). Included in accounts payable and accrued liabilities as at September 30, 2016 are accrued Management fees owing to the General Partner of $33,619 (December 31, 2015: $37,309).

B.E.S.T. Investment Counsel Limited is the Advisor of the Limited Partnership. During the nine-month period ended September 30, 2016, the Limited Partnership had incurred $Nil (September 30, 2015: $Nil) advisory fees for services provided by the Advisor.

The Limited Partnership allocated a Priority Profit Allocation to the General Partner during the nine-month period ended September 30, 2016 of $791,431 (September 30, 2015: $802,109). At September 30, 2016, the Limited Partnership had an allocated but not approved for distribution amount of Priority Profit Allocation to the General Partner of $245,747 (December 31, 2015: $263,917) which is included in General Partner interest in the Statement of Changes in Equity.

The Limited Partnership allocated a Performance Allocation amount to the General Partner during the nine-month period ended September 30, 2016 of $887,011 (September 30, 2015: $655,810). At September 30, 2016, the Limited Partnership had an allocated but not approved for distribution Performance Allocation amount of $2,292,700 (December 31, 2015: $1,405,689) included in General Partner interest in the Statement of Changes in Equity.

During the nine-month period ended September 30, 2016, the Limited Partnership incurred interest and administration fees of $222,323 (September 30, 2015: $42,453) 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. As at September 30, 2016, $Nil (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 Inc. for the provision or administration of the credit facility.

8. FINANCIAL INSTRUMENTS

The Limited Partnership’s investment objectives are 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 debt instruments, convertible debt, preferred shares, common shares 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 has financial instruments 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 other price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

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 summarizes the Limited Partnership's financial instruments denominated in a currency other than the Canadian dollar.

September 30, 2016

Asset	USD	Reasonable possible shift	Movement in value
Accounts Receivable	$22,212	+/- 5%	$1,111/($1,111)

December 31, 2015

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

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as promissory notes 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.

September 30, 2016

	Less than 1 year	1 -5 years	Non-interest bearing	Total
Investments	$7,594,321	$17,653,719	$8,076,927	$33,324,967
Cash			$1,187,470	$1,187,470
Other financial assets	$539,658		$1,349,426	$1,889,084
Financial liabilities			$146,910	$146,910

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

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 investments in the amount of $2,998,230 (December 31, 2015: $Nil) and debt securities of private companies in the amount of $4,596,091 (December 31, 2015: $9,113,009) 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 other price risk arising from uncertainties about future prices of the instruments.

As at September 30, 2016, 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 $685 or approximately 0.002% of total net assets (December 31, 2015: $1,279 or 0.004%).

The Limited Partnership's venture investments (unlisted) are susceptible to other 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 September 30, 2016, 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 $403,161 or approximately 1.12% of net assets (December 31, 2015: $738,973 or 2.09%).

Credit Risk and Concentration 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 September 30, 2016 and December 31, 2015. 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:

September 30, 2016

Asset	Security	Counterparty	Amount
Cash		CIBC Mellon	$1,187,470
Short-term Investments	Banker's Acceptance	Royal Bank of Canada	$2,998,230
Debt Securities	Secured by General Security Agreement	ArticAX Inc., Dejero Labs Inc., Carta Solutions Holding Corporation, Electronic Systems Software Solutions Inc., Camouflage Software Inc., Garner Distributed Workflow Inc., Health Care Services International Inc., Intelligent Mechatronic Systems Inc., NuData Security Inc., Mobify Research and Development Inc., PitchPoint Solutions Inc., Ridetones Inc., Indegene Skura Inc., 2315257 Ontario Inc., ERMS Corporation, Roadhouse Holdings Inc.	$22,249,810
Total cash and debt securities			$26,435,510

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 Solutions 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

Credit risk arising on short-term 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. Credit risk on debt securities in the venture portfolio is assessed by reviewing the financial position and cash flows of the venture portfolio company. The Limited Partnership mitigates the credit risk on debt securities in the venture portfolio by seeking companies with sufficient assets available as collateral and current and expected cash flows to support the payment of interest and repayment of the debt security.

Other than outlined above, there were no significant concentrations of credit risk to counterparties as at September 30, 2016 or December 31, 2015.

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 several broad industry sectors: i) financial technology and eCommerce, ii) media technology, iii) healthcare and health care information technology, iv) security and software services, and v) other technology and financial businesses. The 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 or any one industry. As at September 30, 2016, the Limited Partnership's venture investments exposed to credit risk were concentrated in the following sectors:

	September 30, 2016		**December 31, 2015**	
Industry	**% of total investments**	**# of companies**	**% of total investments**	**# of companies**
Financial Technology and eCommerce	9.96%	2	17.22%	4
Media Technology	17.68%	4	15.14%	4
Health Care and Health Care Technology	1.70%	2	3.89%	3
Security Software and Services	9.65%	3	8.55%	3
Other Technology and Financial	27.78%	4	16.17%	1
Total Venture Debt Investments	66.77%	15	60.97%	15

Liquidity Risk

Liquidity risk is the risk that the Limited Partnership may not be able to settle or meet its obligations on time or at a reasonable price. Liquidity risk is considered to be low. The Limited Partnership maintains adequate cash balances to meet short term requirements. In addition, the Limited Partnership is not exposed to daily cash redemptions of the Units.

All the financial liabilities of the Limited Partnership as at September 30, 2016 and December 31, 2015, with the exception of the note payable, fall due within twelve months. The note payable may have a maturity date of up to 24 months from the date of advance. There were no notes outstanding as at September 30, 2016. The maturity date of the note payable outstanding as at December 31, 2015 was October 13, 2017.

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 amortized cost which approximates fair value with accrued interest earned included in interest receivable.

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

September 30, 2016

	Quoted Prices in Active Market (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Fixed Term	-	$2,998,230	$22,249,810	$25,248,040
Equities	$13,705	-	$8,063,222	$8,076,927
Total	$13,705	$2,998,230	$30,313,032	$33,324,967

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

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 nine-month period ended September 30, 2016 and the year ended December 31, 2015 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	September 30, 2016	December 31, 2015
Balance - beginning of period	$37,805,357	$30,516,698
Purchases	$6,841,915	$20,777,651
Sales, maturities and repayments	($12,845,985)	($12,645,455)
Realized Gains	$611,917	$24,293
Change in Unrealized Gains (Losses)	($2,100,172)	($867,830)
Balance – end of period	$30,313,032	$37,805,357
Change in Unrealized Gains (Losses) during the period attributed to investments held at end of the period	($1,682,701)	($902,409)

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 may be 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, the need for further financing and the availability of collateral to secure the debt 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:

September 30, 2016

Debt Securities Valuation Metrics	Fair Value	Valuation Technique	Unobservable Inputs	Input Range	Weighted Average Input	Reasonable Possible Shift	Change in Valuation +/(-)
Performing debt	$21,673,810	Discounted cash flow	Discount rate	13.00% - 24.00%	17.81%	1.00%	$2,804,338/($2,183,295)
Non-performing debt	$576,000	Estimated realizable value	Impairment provision	70%	70%	20%	$115,200/($115,200)

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	$5,425,123	Comparable Multiples	Enterprise value/revenue multiple	1.80 – 5.90	4.82	20%	$1,085,025/($1,085,025)
Common Shares and Common Share Purchase Warrants	$2,638,099	Transaction Value	Transaction Value	-	-	10%	$263,810/($263,810)

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)
Common Share Purchase Warrants	$18,134	Black-Scholes Model	Volatility	90%	90%	20%	$7,914/($7,854)

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.

9. RECEIVABLE ON SALE OF INVESTMENTS

Included in the receivable on sale of investments is a portion of the proceeds from the sale of venture investments which are being held in escrow in accordance with escrow agreements between the purchasers and the investors of the venture companies. The escrow agreements were established to protect the purchasers of the venture companies against unforeseen claims at the time of the purchase. The proceeds held in escrow will be received based on the escrow agreements release provisions and any legitimate claims against these funds. As at September 30, 2016, the Limited Partnership had recorded a receivable of $770,205 (December 31, 2015: $539,658) for proceeds held in escrow based on its best estimate of the cash flows that the Limited Partnership expects to ultimately recover. In addition, the Limited Partnership has included in the receivable on the sale of investments an amount of $22,212 (December 31, 2015: $Nil) for a revenue share agreement from the purchaser of the assets of one of the Limited Partnership's venture investments. The estimates of amounts to be received from the funds held in the escrow and from the revenue share agreement are based on inherent uncertainties and the resulting values may differ from the amounts ultimately realized.

10. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES

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

September 30, 2016

Investment	Principal Place of Business	Country of Incorporation	Nature of Limited Partnership's 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

December 31, 2015

Investment	Principal Place of Business	Country of Incorporation	Nature of Limited Partnership's 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
XPI Holdings Inc.	Ontario	Canada	Preferred Shares	6,104		
(DisclosureNet Inc.)			Common Shares	325,160	26.23	26.23

11. 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, changes in the entities own credit risk 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.

IFRS 15, Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, was issued by IASB in May 2014 and will replace IAS 18, Revenue and IAS 11 construction contracts. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Limited Partnership is in the process of evaluating the impact of IFRS 15 on the Limited Partnership's financial statements.

12. 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.

Statements of Changes in Equity

The Statement of Changes in Equity for the nine-month period ended September 30, 2015 was revised to present the allocation of total equity between the Limited Partners' interest and the General Partner's interest. The General Partner Priority Profit distribution of $781,221 and performance allocation distribution of $102,661 are presented separately under General Partner Interest.

The opening balance of General Partner's interest reflects 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.

Statements of Cash Flows

The Statement of Cash Flows for the nine-month period ended September 30, 2015 was revised to present the payment of distributions to the General Partner and the Limited Partners. The General Partner Priority Profit Share and Performance Allocation distribution previously presented as $802,109 was revised to be presented as General Partner Priority Profit distribution of $781,221 and Performance Allocation distribution of $102,661. The amount for Net change in non-cash balances related to operations was increased to $120,514 to reflect the change for the amounts paid for General Partner Priority Profit Allocation and Performance Allocation distribution.

13. SUBSEQUENT EVENT

The Limited Partnership made a distribution of $0.125 per unit on October 28, 2016 to Unitholders of record on October 18, 2016. Following the October 28, 2016 distribution, the Limited Partnership issued 20,351 Units to participants in the Distribution Reinvestment Plan. Net cash distributed to Limited Partners on October 28, 2016 was $353,054.