<u>**CONFLICTS OF INTEREST DISCLOSURE STATEMENT**</u>

FORGE FIRST ASSET MANAGEMENT INC.

(the "Manager")

This conflicts of interest disclosure statement is designed for investors in the Forge First Funds who purchase their Units directly from the Manager (the "EMD Clients"), and describes the material conflicts of interest that arise or may arise between the Manager and such clients or a Forge First Fund, and between the Manager's registered representatives and such clients or a Forge First Fund. Canadian securities laws require the Manager to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in a client's best interest and tell clients about them, including how the conflicts might impact clients and how the Manager addresses them in a client's best interest.

What is a Conflict of Interest?

A conflict of interest may arise where (a) the interests of the Manager or those of its representatives and those of a client may be inconsistent or different, (b) the Manager or its representatives may be influenced to put the Manager or the representative's interests ahead of those of a client, or (c) monetary or non-monetary benefits available to the Manager, or potential negative consequences for the Manager, may affect the trust a client has in the Manager.

How Does the Manager Address Conflicts of Interest?

The Manager and its representatives always seek to resolve all material conflicts of interest in the client's best interest. Where it is determined that the Manager cannot address a material conflict of interest in the client's best interest, the Manager and its representatives will avoid that conflict.

The Manager has adopted policies and procedures to assist it in identifying and controlling any conflicts of interest that the Manager and its representatives may face.

Material Conflicts of Interest

A description of the material conflicts of interest that the Manager has identified in relation to its role as investment fund manager and portfolio manager to the Forge First Funds, as portfolio manager to the Forge First Funds and as exempt market dealer to the EMD Clients, the potential impact and risk that each conflict of interest could pose, and how each conflict of interest has been or will be addressed, is set out below.

Proprietary products

As an exempt market dealer, we intend only to sell interests in investments funds which are managed and advised by us and listed in **Schedule "A"** (the "**Forge First Funds**") and therefore, are proprietary products.

We will not receive any compensation from the Forge First Funds in connection with the distribution of interests of the Forge First Funds as exempt market dealer to our EMD Clients. We do earn fees from our ongoing management of the Forge First Funds, but there are no commissions payable to us on the sale of securities of investment funds we manage.

The potential conflict is that we are only providing our EMD Clients with access to investment funds managed and advised by us (proprietary products) where we receive management and/or advisory fees and not providing EMD Clients with access to a wider universe of investment funds managed by third-party fund managers. Further, because we only place proprietary products on our shelf for our EMD Clients, the suitability determination we conduct (if applicable) will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting our EMD Clients' investment needs and objectives.

To manage the conflicts inherent in making investment recommendations or taking investment actions for our EMD Clients in proprietary product only, we will only cause and EMD Client to be invested in securities of the Forge First

Funds if we consider such securities to be suitable for such EMD Client and we consider that investing in such securities are in such EMD Client's best interest.

Fair allocation of investment opportunities

The Manager is the portfolio manager of the Forge First Funds and may act as the portfolio manager to other funds or accounts in the future. The size and mandate of these funds or accounts differ and the portfolios are not identical. As a consequence, the Manager may purchase or sell a security for the portfolio of one fund or account prior to other funds or accounts. This could occur, for example, as a result of the specific investment objectives of the funds or accounts, or the different cash resources of the funds or accounts. If the availability of any particular security is limited and that security is appropriate for the investment objective of one or more of the funds or accounts, any purchase of that security will be allocated on an equitable basis in accordance with the Manager's Fair Allocation of Investment Opportunities Policy. A copy of this policy is available upon request.

Personal trading

Employee personal trading can create a conflict of interest because employees with knowledge of the Manager's trading decisions could use that information for their own benefit. The Manager has adopted a policy intended to restrict and monitor personal trading by employees, officers or directors of the Manager in order to ensure that there is no conflict between such personal trading and the interests of the Fund, other funds managed by the Manager or the Manager's other clients. Each of the Manager's employees, officers and directors are required to put the interests of clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of the funds or other clients of the Manager, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to the Manager's clients. These individuals are only allowed to make a personal trade if it falls within a general exception in the Manager's personal trading policy or if the Manager's Chief Compliance Officer has determined that such trade will not conflict with the best interest of the Manager's clients.

Broker-dealer selection/best execution

Unless otherwise directed by a client in writing, all decisions as to the purchase and sale of securities for the Fund or any other fund or account managed by the Manager and all decisions as to the execution of portfolio transactions, including the selection of execution venues, the broker-dealer and the negotiation, where applicable, of commissions or spreads, will be made by the Manager as the portfolio manager of the fund or account.

The Manager uses third party dealers to execute trades on behalf of the Fund and other accounts, but the Manager also may have many other relationships with them. It is possible that the Manager may be biased in its selection of broker-dealers based on these relationships, or by certain incentives offered by some broker-dealers. This may result in the commissions paid by our clients being somewhat higher than those that might be charged by different dealers.

In selecting broker-dealers to effect portfolio transactions for funds and other accounts, the Manager has a fiduciary duty to seek to obtain best execution (i.e., the most advantageous execution terms reasonably available under the circumstances, but may not necessarily be the lowest price). In selecting broker-dealers, the Manager assesses each broker-dealer's order execution capabilities (which involves a number of factors, including execution price, speed of execution, certainty of execution, and overall cost of the transaction) and research products and services. The Manager uses the same criteria in selecting all of its broker-dealers, regardless of whether the Manager has other relationships with them.

The Manager maintains a list of approved broker-dealers that meet its requirements for execution and research capabilities. The Manager performs periodic evaluations of order execution capabilities and products and services received from the approved broker-dealers and will update the list, as appropriate. The Manager may select broker-dealers from this list of approved broker-dealers, who may charge a commission in excess of that charged by other broker-dealers, if the Manager determines in good faith that the commission is reasonable in relation to the services utilized by it. These determinations can be viewed in terms of either the specific transaction or the Manager's overall responsibility to all clients.

Soft dollar arrangements

"Soft dollars" is a term generally used to describe the research or other benefits provided to a portfolio manager by a broker-dealer as a result of commissions generated from financial transactions executed by the dealer for funds or other client accounts managed by the portfolio manager. In a soft dollar arrangement, the portfolio manager directs commissions generated by a fund or other client's transactions to a dealer as payment for research or other benefits provided to the manager. Although the dealers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions and such arrangements will not always benefit all clients at all times, a portfolio manager will nonetheless enter into such arrangements when it is of the view that such dealers provide best execution and/or the value of the research and other services exceeds any incremental commission costs, and the arrangements are for the benefit of its clients. The Manager currently participates in soft dollar arrangements in compliance with applicable laws including by providing disclosure of such arrangements when required.

Proxy voting

A potential for conflict arises when the Manager has the opportunity to vote a proxy in a manner that is in its own interest and not in the best interest of clients. The Manager has adopted a proxy voting policy which its follows which reduces the potential for voting decisions to be made that are not in clients' best interests.

Performance-based fees or profit allocations

The General Partner will share in profits of the Partnership by receiving distributions, and other entities and/or the Manager may receive performance fees or profit allocations with respect to other investment funds and/or managed accounts. Such performance fee or profit allocation arrangements create potential conflicts of interest because of the incentive for portfolio managers to favour these accounts in the allocation of investment opportunities over accounts that are not subject to performance fees or profit allocations. The Manager may also have differing compensation arrangements for portfolio managers managing performance-based fee or profit allocation accounts as compared to non-performance-based fee or non-profit allocation accounts. This may create a potential conflict of interest for portfolio managers, as the differences in the compensation arrangements may provide the portfolio manager with an incentive to favour the performance-based fee or profit allocation accounts when, for example, placing securities transactions that the portfolio manager believes could more likely result in favourable performance.

Due to the different fee and profit allocation structures of various accounts, there may be a perceived incentive to favour a performance-based fee or profit allocation account over a non-performance-based fee or non-profit allocation account. The Manager has policies and procedures in place to ensure that over time, no client is favoured to the detriment of another.

In addition, since the General Partner and the Manager are affiliated entities, the distributions payable to the General Partner may create an incentive for the Manager to cause the Partnership to make investments that are riskier or more speculative than would be the case in the absence of distributions payable to the General Partner based on the performance of the Partnership; however, this conflict of interest is addressed by ensuring that such investments will only be made in the context of a portfolio that meets the Partnership's investment objectives and risk tolerance and the Manager will always act in the Partnership's best interest.

Fair valuation of assets

When the Manager earns fees based on assets under management, there is a potential conflict in valuing the assets held in the portfolios because a higher value results in a higher fee paid to the Manager. Overstating the value of the assets can also create improved performance.

The Manager addresses this by engaging an independent third party to conduct valuations for the Fund and all other funds and accounts it manages, and by ensuring that such party conducts such valuations in accordance with valuation principles established by the Manager, including the Manager's fair valuation policy.

Investment in underlying funds

The Manager may implement “fund of fund” structures where it causes an investment fund managed by it to invest in an underlying investment fund managed by it. The Manager will address conflicts of interest associated with such fund of fund structures by ensuring that there is no duplication of fees for the same service.

Error correction

The Manager makes reasonable efforts to keep trade errors to a minimum and ensure fairness to the Fund and all other funds and accounts it manages with respect to protection from errors made within their account. A trade error is an inadvertent error in the placement, execution or settlement of a transaction. A trade error is not an intentional or reckless act of misconduct, or an error of judgment. When a trade error occurs, a client will keep any resulting gain or the Manager will reimburse the client for any material loss. Clients may not be reimbursed for errors when the impact is not material, which materiality will be determined on a case-by-case basis. Where more than one transaction is involved in an error, the gain will be determined net of any associated loss. Although errors or issues are an inevitable by-product of the operational process, the Manager strives to establish controls and processes that are designed to reduce the possibility of their occurrence.

Expense allocation

The charging and allocation of expenses among the investment funds managed by the Manager creates a potential conflict of interest because the Manager could inappropriately charge expenses to benefit itself over the funds or one fund over another fund.

The Manager manages this conflict by ensuring that the offering documents for the funds clearly disclose the nature of the expenses charged to the funds, and by establishing and following policies and procedures to ensure that expenses are charged and allocated among the funds fairly and in accordance with the documentation establishing each fund.

Outside Activities

At times, our representatives may participate in activities outside of their employment with the Manager, such as serving on a board of directors, participating in community events or pursuing personal outside business interests, whether paid or unpaid. A potential conflict can arise from a representative of the Manager engaging in such activities as a result of compensation received, the time commitment required or the position held by the representative in respect of these outside activities. The potential impact and risk to you are that these outside activities may call into question the representative’s ability to carry out their responsibilities to you or properly service you, there may be confusion which entity(ies) the representative is acting for when providing you with services and/or if the outside activity places the representative in a position of power or influence over you.

We address this conflict by requiring all representatives to disclose any proposed outside activities to us prior to engaging in such activities. The Chief Compliance Officer of the Manager must approve the outside activity before a representative can engage in such activity. We will not allow the representative to proceed with the outside activity if we determine that the outside activity will give rise to material conflicts of interest that cannot be addressed in our clients’ best interest.

Referral arrangements

The Manager may enter into referral arrangements from time to time whereby it pays or provides a fee or other benefit for the referral of a client to the Manager or to one of the funds it manages, or whereby it receives a fee or other benefit for the referral of a client to another entity. Referral arrangements may be entered into both with other registrants and with non registrants.

In all cases, the referral arrangement will be set out in a written agreement which will be entered into in advance of any referrals being made. Details of how the referral fee is calculated and paid and to whom it is paid and other required information regarding each referral arrangement will be provided to affected clients as required.

The Manager also has policies and procedures that are designed to ensure that fees and other benefits received or paid or provided, as applicable, in connection with referral arrangements are appropriate and do not provide inappropriate incentives, and that any referral by the Manager is in the client's best interest. The Manager undertakes periodic reviews of referral arrangements. Clients do not pay any additional charges and fees in connection with referrals and are not obligated to purchase any product or service in connection with a referral. As at the date of this Subscription Agreement, the Manager does not currently have any referral arrangements in place.

Compensation and incentive practices

The Manager and its representatives earn compensation in connection with the investments made in your account. The potential conflict is that we may be incentivized to provide you with more products or services to earn more fees or to seek to invest your assets in investments that earn us more fees. We address this conflict by, among other things, compensating our representatives not based on products and services sold to clients, but by a combination of a base salary and a bonus based upon the overall performance of the firm. In addition, the compensation of our compliance and supervisory staff is not tied to sales or revenue of the representatives that the compliance and supervisory staff supervise.

Gifts and entertainment

The receipt of gifts and/or entertainment from business partners may result in a perceived conflict as it gives rise to the perception that our representatives will favour such business partners when making investment decisions. To manage this perceived conflict of interest, the Manager has adopted a gifts and entertainment policy, which prohibits its representatives from accepting gifts or entertainment beyond what the Manager considers consistent with reasonable business practice and applicable laws. The Manager sets maximum thresholds for such permitted gifts and entertainment so that there cannot be a perception that the gifts or entertainment will influence decision-making.

Complaint handling

Addressing a complaint by a client can create a potential conflict if the Manager has a choice between addressing the complaint in a manner that is beneficial to the Manager or addressing the complaint in the best interests of the client. The potential risk to you is that we act in our own business interests.

To control this potential conflict, the Manager has a client complaint handling policy which applies to its activities as a portfolio manager and exempt market dealer. If we receive a complaint, we will provide you with an acknowledgment which includes a description of our obligations under applicable securities laws, the steps you must take to avail yourself of the Ombudsman for Banking Services and Investments ("**OBSI**"), an independent dispute resolution mechanism, and the name and contact information for OBSI. If we decide to reject a complaint or make an offer to resolve a complaint, we must provide you with written notice of our decision as soon as possible and we must make OBSI available to you at our expense. Any claims to OBSI must be no greater than $350,000.

Schedule A
Proprietary Products of Forge First

Forge First Long Short LP
Forge First Multi Strategy LP