

OFFERING MEMORANDUM

THIS OFFERING MEMORANDUM CONSTITUTES AN OFFERING OF SECURITIES ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS TO WHOM THEY MAY LAWFULLY BE SOLD. THE OFFERING CONTEMPLATED IN THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS A PUBLIC OFFERING OF THE SECURITIES DESCRIBED HEREIN.

NEW ISSUE

September 11, 2006

HORIZON FX LIMITED PARTNERSHIP

Head Office
 1003 - 1001 Richards Street
 Vancouver, B.C. V6B 1J6
 Tel: 604 637-4962 Fax: 604 974-4809
 E-mail: gem.ali@horizonfxinvestments.com
www.horizonfxinvestments.com

Listing/Reporting Status:

Currently Listed or Quoted: No. These securities do not trade on any exchange or market
 Reporting Issuer: No.

The Offering

Securities offered: Up to 80,000,000 Units
 Jurisdictions: British Columbia, Alberta, Saskatchewan, Manitoba and Ontario ⁽¹⁾
 Price per Unit: US \$1. This price was determined arbitrarily by the General Partner.
 Minimum Offering: The offering is not subject to any minimum amount (\$0). **You may be the only purchaser.**
 Maximum Offering: The maximum offering is 80,000,000 Units for a total offering of approximately US\$80,000,000.
 Minimum subscription: Minimum Subscription of Cdn \$5,000. Purchasers in Alberta, Saskatchewan and Manitoba may be limited to a maximum subscription of Cdn \$10,000.
 Payment Terms: Subscription funds are payable in full at time of subscription by way of cheque, bank draft or wire transfer.
 Proposed closing date(s): Initial closing on or before September 15, 2006. Subsequent closings will occur from time to time as sufficient Units have been sold to warrant a closing.
 Tax Consequences: There are important tax consequences to these securities. See Item 6.
 Selling Agent: Yes. The Partnership will pay a 5% commission to authorized selling agents in connection with the offering of Units hereunder. Further, Horizon FX Investments Inc. will pay a trailer fee of US\$1 for each full contract trade made on the Units sold by authorized selling agents. See Item 7.

Resale Restrictions

You will be restricted from selling your Units for an indefinite period. See Item 10.

Purchaser's Rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel this agreement. See item 11.

NO SECURITIES REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8.

- (1) The Partnership will only sell Units to residents of Ontario who qualify as “accredited investors”. Accordingly, the 2 day right of cancellation will not apply to Subscribers resident in Ontario. See Item 5.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum, including the financial statements included herein, that are not historical may be considered “forward looking statements” and are prospective. These forward-looking statements sometimes include words to the effect that the Partnership or management believes or expects a stated condition or result. All estimates and all statements that describe the Partnership’s objectives, goals, or future plans are forward looking statements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements due to any number of factors, including, but are not limited to, fluctuations in interest rates, political and economic conditions, industry competition and the Partnership’s ability to attract and retain key personnel. The General Partner does not undertake to review or update these forward-looking statements.

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Appendix I Subscription Agreement

DEFINITIONS

In this Offering Memorandum, except as otherwise expressly provided or as the context otherwise requires, the following words and phrases have the following meanings:

Affiliate, in describing the relationship between two Persons, means that:

- a) one of them is an affiliate, an associate, or an associate of an affiliate of the other, as those terms are defined in the *Business Corporations Act*;
- b) one is a director or senior officer as defined in the *Business Corporations Act* of the other or of an affiliate of the other; or
- c) one does not deal at arm's length with the other.

Applicable Securities Legislation means the applicable securities legislation in the Offering Jurisdictions, as amended from time to time, together with the regulations and rules made and promulgated under such legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by all securities regulatory authorities having jurisdiction under such legislation.

Business Corporations Act means the *Business Corporations Act* (British Columbia), as amended from time to time. Closing means a closing of one or more subscriptions for Units from time to time.

Closing means a closing of one or more subscriptions for Units from time to time.

Contract within the Forex market means the standard Unit of trading. Usually this is in blocks of US \$100,000.

CRA means Canada Revenue Agency (formerly CCRA or Canada Customs and Revenue Agency).

Currency Pair also known as a "trading pair" means the two currencies that make up a foreign exchange rate. For example, EUR/USD.

Extraordinary Resolution means a resolution passed by not less than 75% of the principal amount of the Units represented and voting at a meeting of Unitholders or an instrument or instruments in writing signed by the holders of not less than 75% of the principal amount of all outstanding Units.

FDIC means the Federal Deposit Insurance Corporation, the US regulatory agency responsible for administering bank depository insurance in the United States.

Forex or FX means Foreign Exchange, the simultaneous buying of one currency and the selling of another.

General Partner means Horizon FX Investments Incorporated., a company validly subsisting under the laws of the Province of British Columbia, or any Person admitted to the Partnership as a successor to the General Partner;

Going Long means the purchase of a stock, commodity, or currency for investment or speculation. Going Short means the selling of a currency or instrument not owned by the seller.

HFX means Horizon FX Management Services Inc., a company validly subsisting under the laws of the Province of British Columbia.

Limited Partner means the Initial Limited Partner and each person who is admitted to the Partnership as a subscriber for, or by succession to, or as an assignee of, a Unit, and includes the General Partner in respect of a Unit held by it;

Management Services Agreement means the agreement dated September 11, 2006 between the General Partner on behalf of the Partnership and Horizon FX Management Services Inc. pursuant to which Horizon FX Management

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Services Inc. has agreed to provide certain management, administrative and supervisory services to the Partnership as more particularly described in Item 2.7 "Material Agreements".

Margin –means the required equity that an investor must deposit to collateralize a position.

Margin Call means a request from a broker or dealer for additional funds or other collateral to guarantee performance on a position that has moved against the customer.

Offering means the offering of Units by the Partnership.

Offering Jurisdictions means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Offering Memorandum means this offering memorandum of the Partnership, as amended from time to time.

Ordinary Resolution means a resolution passed by not less than 50% of the principal amount of the Units represented and voting at a meeting of Unitholders or an instrument or instruments in writing signed by the holders of not less than 50% of the principal amount of all outstanding Units.

Partner means the General Partner or any Limited Partner

Partnership means Horizon FX Limited Partnership, a limited partnership created pursuant to the *Partnership Act* and the Partnership Agreement;

Partnership Act means the *Partnership Act* (British Columbia), as amended from time to time;

Partnership Agreement means the agreement of limited partnership dated September 11, 2006 by and among the General Partner , Horizon FX Management Services Inc. and each person admitted to the Partnership as a Limited Partner;

Person means an individual, a corporation including a bank, a body corporate, partnership, joint venture, association, trust or unincorporated organization or a trustee, executor, administrator or other legal representative.

Position means the netted total holdings of a given currency.

Register means the register of Unitholders of the Partnership maintained pursuant to the *Partnership Act*.

Risk Management means the employment of financial analysis and trading techniques to reduce and/or control exposure to various types of risk.

Sharing Ratio means; with respect to Unitholders with an account balance less than US\$6,950.00, the ratio of the Unitholders account balance divided by the aggregate account balance of all Unitholders with an account balance less than US\$6,950.00 times the number on contracts purchased for that group and with respect to Unitholders with an account balance of US\$6,950.00 or more, Sharing Ratio means the number of contracts that can be purchased for the Unitholder at a Margin Account of US\$6,950.00 per contract (for clarity, a Unitholder with an account balance of US\$16,000 would have two contracts purchased for them),

Short Position means an investment position that benefits from a decline in market price. When the base currency in the pair is sold, the position is said to be short.

Spot Price means the current market price. Settlement of spot transactions usually occurs within two business days.

Stop Loss Order means an order type whereby an open position is automatically liquidated at a specific price. This is normally used to minimize exposure to losses if the market moves against an investor's position. As an example, if an investor is long USD at 156.27, they might wish to put in a stop loss order for 155.49, which would limit losses should the dollar depreciate, possibly below 155.49.

Subscriber means a Person who, with respect to a Unit, has duly executed and delivered to the Partnership a Subscription Agreement that has been accepted by the General Partner.

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Subscription Agreement means the form of subscription agreement attached as Appendix I to this Offering Memorandum.

Subscription Date means, with respect to a Unit or Units subscribed for by a Subscriber, the date upon which the Subscription Agreement for such Unit or Units is completed and delivered by such Subscriber notwithstanding the date upon which such Subscription Agreement is accepted by the General Partner.

Subscription Price means the purchase price of US\$6,950 per Unit.

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

Unit means the undivided interest in the Partnership of a Limited Partner, other than the Initial Limited Partner, having thereto the rights and obligations set out in the Partnership Agreement.

Unitholders mean, at any time, the persons who are shown on the Register as the holders of Units at that time. **Uptick** means a new price quote at a price higher than the preceding quote.

Uptick Rule means, in the U.S., a regulation whereby a security may not be sold short unless the last trade prior to the short sale was at a price lower than the price at which the short sale is executed.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular include the plural and vice versa where the context so requires.

All sums of money to be paid or calculated pursuant to this Offering Memorandum shall be paid or calculated in currency of Canada unless otherwise expressly stated.

ITEM 1 USE OF NET PROCEEDS

1.1 Net Proceeds

The gross proceeds to be derived by the Partnership from the sale of Units will aggregate approximately US \$80,000,000 if the entire Offering is subscribed for. All dollar values shown are in Canadian dollars unless otherwise stated.

This Offering, however, is not subject to any minimum subscription level and therefore, save and except as set out in Item 11 “Purchasers’ Rights”, any funds received from you are available to the Partnership and need not be refunded to you.

		Assuming minimum Offering	Assuming maximum Offering
A	Amount to be raised by this Offering	\$ 0	US \$80,000,000
B	Selling commissions and fees ⁽¹⁾	\$ 0	US \$4,000,000 ⁽¹⁾
C	Estimated offering costs (e.g. legal, accounting, audit)	\$ 0	\$0 ⁽²⁾
D	Net proceeds: D = A - (B + C)	\$ 0	US \$76,000,000

- (1) The Partnership will pay a commission of 5% of to authorized selling agents in connection with the offering of Units hereunder. A trailer fee equal to US \$1, or such other amount as deemed appropriate by HFX, will be paid on each contract traded or portion thereof by HFX, to authorized selling agents on a weekly basis. See Item 7 “Compensation Paid to Sellers and Finders”.
- (2) Pursuant to the terms of the Management Services Agreement, HFX has agreed to fund all start-up and operational costs of the Partnership including, but not limited to, any offering costs (i.e. legal, accounting, audit) incurred by the Partnership in connection with this Offering save and except for the commission noted in (1) above and the Trading Fee. See Item 2.7 “Material Agreements – Management Services Agreement”.

1.2 Use of Net Proceeds

The principal purposes for which the net proceeds set out in Item 1.1 above and the estimated amount to be spent on each are:

Description of intended use of net proceeds listed in order of priority	Assuming minimum Offering	Assuming maximum Offering
Enter Into Contracts on the Foreign Exchange Market	\$ 0	US \$76,00,000
Office Expense and Overhead	\$ 0	\$0 ⁽¹⁾
Total	\$ 0	US \$76,000,000

- (1) Pursuant to the terms of the Management Services Agreement, HFX has agreed to fund all the Partnership’s initial start-up and operational expenses except for the Selling Commission and the Trading Fee. See Item 2.7 “Material Agreements – Management Services Agreement”.

1.3 Reallocation

We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons.

1.4 Working Capital Deficiency

As of September 11, 2006, the Partnership had a working capital deficiency of \$0.00. This amount is zero due to HFX contracting to pay all various costs of issue incurred in connection with this Offering in exchange for receiving a US \$30 trading fee for each contract traded on the Forex Market under the terms of the Management Services Agreement. See Item 2.7 "Material Agreements".

ITEM 2 BUSINESS OF HORIZON FX LIMITED PARTNERSHIP

2.1 Structure

The Partnership was formed as of September 11, 2006 under the name "Horizon FX Limited Partnership" and became a limited partnership under the laws of British Columbia on September 11, 2006 by filing the Certificate in accordance with the *Partnership Act* (British Columbia). The General Partner of the Partnership is Horizon FX Investments Incorporated and the Initial Limited Partner of the Partnership is Horizon FX Management Services Inc. The fiscal year end of the Partnership is December 31.

2.2 Our Business

Overview

The Partnership has been formed for the sole purpose of investing in contracts on the Spot Foreign Exchange or Forex markets.

To facilitate the making of such investments, Horizon FX Management Inc. took the initiative in forming the Partnership as a vehicle for raising funds through the sale of Units in the Offering Jurisdictions. See Item 5 "Description of Securities Offered".

Where permissible, a commission of 5% of the Gross proceeds will be payable by the Partnership to authorized selling Agents in connection with the sale of the Units (see Item 7 "Compensation Paid to Seller and Finders"). HFX has also agreed to pay a trailer fee equal to US \$1 on each contract traded to the authorized selling Agents.

On a day-to-day basis, the Partnership's operations will include processing Unit sales, processing contract trades in the Forex markets, paying out profit to the account of the Unitholders and reporting to Unitholders on a weekly basis.

Foreign Exchange

Background: The Foreign Exchange market, also referred to as the "Forex" or "FX" market, is the largest financial market in the world, with an average turnover of more than US \$1.6 trillion per day. In comparison, the daily volume of the New York Stock Exchange is approximately US\$30 billion per day.

Until now, professional traders from major international commercial and investment banks have dominated the FX market. Other market participants range from large multinational corporations, global money managers, registered dealers, international money brokers, and futures and options traders, to private speculators.

There are three main reasons to participate in the FX market. One is to facilitate an actual commercial transaction, whereby international corporations convert profits made in foreign currencies into their domestic currency. Corporate treasurers and money managers also enter the FX market in order to hedge against unwanted exposure to future price movements in the currency market. The third and more popular reason is speculation for profit. In fact, today it is estimated that less than 5% of all trading on the FX market is actually facilitating a true commercial transaction.

How it Works: Foreign Exchange is the simultaneous buying of one currency and selling of another. The world's currencies are on a floating exchange rate and are always traded in pairs, for example Euro/US Dollar (EUR/USD) or US Dollar/Yen (USD/JPY). In trading parlance, a long position is one in which a trader buys a currency at one price and aims to sell it later at a higher price. A short position is one in which the trader sells a currency in anticipation that it will depreciate. In every open position, an investor is long in one currency and shorts the other. FX traders

express a position in terms of the first currency in the pair. For example, someone who has bought dollars and sold yen (USD/JPY) at 104.37 is considered to be long US Dollars and short Yen.

The most often traded or "liquid" currencies are those of countries with stable governments, respected central banks, and low inflation. Today, over 85% of all daily transactions involve trading of the major currencies, including the US Dollar, Japanese Yen, Euro, British Pound, Swiss Franc, Canadian Dollar and Australian Dollar.

Factors Affecting the Market: The FX market is considered an Over The Counter (OTC) or "Interbank" market, due to the fact that transactions are conducted between two counterparts over the telephone or via an electronic network. Trading is not centralized on an exchange, as with the stock and futures markets. A true 24-hour market, Forex trading begins each day in Sydney, and moves around the globe as the business day begins in each financial center, first to Tokyo, London, and New York. Unlike any other financial market, investors can respond to currency fluctuations caused by economic, social and political events at the time they occur, day or night. Currency prices are affected by a variety of economic and political conditions, most importantly interest rates, inflation and political stability. Moreover, governments sometimes participate in the Forex market to influence the value of their currencies, either by flooding the market with their domestic currency in an attempt to lower the price, or conversely buying in order to raise the price. This is known as Central Bank intervention. Any of these factors, as well as large market orders, can cause high volatility in currency prices. However, the size and volume of the Forex market makes it impossible for any one entity to "drive" the market for any length of time.

Currency traders make decisions using both technical factors and economic fundamentals. Technical traders use charts, trend lines, support and resistance levels, and numerous patterns and mathematical analyses to identify trading opportunities, whereas fundamentalists predict price movements by interpreting a wide variety of economic information, including news, government-issued indicators and reports, and even rumour.

Fundamental vs. Technical Analysis: The most dramatic price movements however, occur when unexpected events happen. The event can range from a Central Bank raising domestic interest rates to the outcome of a political election or even an act of war. Nonetheless, more often it is the expectations surrounding an event that drives the market rather than the event itself.

Spot Market vs. Forward Market: The two types of trades on the cash market are the Spot Market and the Forward Market. In spot trades, the transactions are considered to be immediate, because the transaction must close within 2 days after the trade is matched. In the forward market, the transaction closes at some point beyond this 2 day window. The close can be as far as several months away, but the investor must always remember that the longer the close involved, the greater the risk of a currency fluctuation in the interim

Benefits of Investing In Forex

24 - Hour Trading: The main advantage of the Forex market over the stock market and other exchange-traded instruments is that the Forex market is a true 24-hour market. Whether it's 6pm or 6am, somewhere in the world there are always buyers and sellers actively trading Forex so that investors can respond to breaking news immediately. In the currency markets, your portfolio won't be affected by after hours earnings reports or analyst conference calls.

Recently, after hours trading has become available for US stocks, with several limitations. These ECNs (Electronic Communication Networks) exist to bring together buyers and sellers when possible. However, there is no guarantee that every trade will be executed, nor at a fair market price. Quite frequently, stock traders must wait until the market opens the following day in order to receive a tighter spread. With a daily trading volume that is 50x larger than the New York Stock Exchange, there are always broker/dealers willing to buy or sell currencies in the FX markets. The liquidity of this market, especially that of the major currencies, helps ensure price stability. Investors can always open or close a position quickly, and more importantly, receive a fair market price.

Liquidity: Because of the lower trading volume, investors in the stock market and other exchange-traded markets are more vulnerable to liquidity risk, which results in a wider dealing spread or larger price movements in response to any relatively large transaction. In the Forex market, trades can be normally executed in less than 2 seconds.

50:1 Leveraged trading, also called **Margin Trading,** allows investors in the Forex market to execute trades in blocks of US \$100,000 with an initial margin of only US \$2000 or less. However, it is important to remember that while this type of leverage allows investors to maximize their profit potential, the potential for loss is equally great. A more

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pragmatic margin trade would be 20:1 or even 10:1 which would allow one contract of US \$100,000 to be traded with a Margin account balance of US \$5,000 or US \$10,000 respectively but ultimately depends on the investor's appetite for risk. The Partnership has made a risk decision to maintain a Margin account balance of not less than US \$6,950.00 for each contract opened.

Equal Access to Market Information: Professional traders and analysts in the equity market have a definitive competitive advantage by virtue of that fact that they have first access to important corporate information, such as earning estimates and press releases, before it is released to the general public. In contrast, in the Forex market, pertinent information is equally accessible, ensuring that all market participants can take advantage of market-moving news as soon as it becomes available.

Profit potential in both rising and falling markets: In every open FX position, an investor is long in one currency and short in the other. A short position is one in which the trader sells a currency in anticipation that it will depreciate. This means that potential exists in a rising as well as a falling FX market. The ability to sell currencies without any limitations is one distinct advantage over equity trading. It is much more difficult to establish a short position in the US equity markets, where the Uptick rule prevents investors from shorting stock unless the immediately preceding trade was equal to or lower than the price of the short sale.

The HFX Philosophy

HFX has contracted with some of the most successful Forex advisors and established traders in both New York and London. Our team of senior analysts and Foreign Exchange traders manage hundreds of millions of dollars of client money. These managed accounts accommodate those investors who wish to allocate a portion of their risk capital to the foreign exchange markets but are either unable to watch the markets 24 hours a day or prefer to have their risk capital managed by professionals. It is management's philosophy that the best performance can only be consistently achieved through the best available people.

Our management program focuses solely on spot trading in the Foreign Exchange market using highly experienced traders with the most advanced trading technologies.

Managed accounts offer investors the following benefits:

- Asset diversification and the possible risk reduction associated with adding a managed alternative to the equity investments in your portfolio;
- An alternative to low-yielding Bonds and deposits;
- Professional account management from well-capitalized consulting base;
- Short-term tactical trading in G7 currencies.
- The ability to employ leverage to maximize profits with risk limited to your account balance using a margin account of US \$6,950 or higher per contract;
- Profit potential in both rising and falling markets;
- Accurate account management with weekly reporting;
- Liquidity of assets - funds may be withdrawn and received within 48 hours

The traders selected by HFX have a proven track record of performance.

Account Protection

HFX has carefully selected these traders based on past performance and professionalism. Their client accounts are protected by both FDIC (Federal Deposit Insurance Corporation) and fidelity bond insurance to protect client funds.

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FDIC insurance covers up to US \$100,000 of deposited funds. Fidelity bond insurance further protects funds against employee and third party dishonesty, forgery, alteration and other dishonest acts. Investment products themselves are neither FDIC insured or covered under the terms of the fidelity bond insurance, and therefore are not protected against losses.

POTENTIAL SUBSCRIBERS WHO ARE NOT FINANCIALLY ABLE TO WITHSTAND THE RISK OF TRADING IN THE FOREX MARKET WITHOUT SIGNIFICANT IMPACT ON THEIR FINANCIAL WELL BEING SHOULD NOT PURCHASE UNITS.

2.3 Development of Business

The Partnership was formed under the laws of the Province of British Columbia on September 11, 2006. Since its formation, the Partnership has not carried on any business or incurred any liabilities other than those disclosed in this Offering Memorandum. The Partnership intends to utilize the net proceeds of this Offering to make investments in the Foreign Exchange Spot Market, see Item 1.2 "Use of Net Proceeds". The General Partner will assess and evaluate the Traders to be used to manage the Partnerships investment as more particularly described in Item 2.2 "Our Business". Save and except as aforesaid, the Partnership will not carry on any other business.

2.4 Long Term Objectives

The long-term objective of the Partnership is to earn profits for our Unitholders through trading in the Foreign Exchange Spot Market.

2.5 Short Term Objectives and How We Intend to Achieve Them

Our business objectives for the next 12 months are as follows:

1. to raise funds from the sale of Units under the Offering to be in a position to make trades in the Foreign Exchange Spot Market; and
2. to establish a sufficient portfolio of funds to generate trading income in an amount sufficient to meet all of the Partnership's general operating expenses for the year including, but not limited to, any monies due to HFX under the Management Services Agreement.

What we must do and how we will do it	Target completion date or number of months to complete	Estimated cost to complete
Work closely with investors, investment clubs, high net worth individuals who want to diversify their equity portfolios.	Ongoing - 12 months	\$0.00 ⁽¹⁾
In consultation with HFX, set up the Partnership's administrative, accounting and reporting systems to support the Partnership's business	1 to 2 months	\$0.00 ⁽¹⁾

(1) These costs will be paid by HFX pursuant to the terms of the Management Services Agreement. See Item 2.7 "Material Agreements".

2.6 Insufficient Proceeds

As of the date of this Offering Memorandum the Partnership has nominal resources and, depending upon the total Units sold under the Offering, the Partnership may not have adequate financial resources to accomplish all of its proposed objectives. In particular, the Partnership may not generate sufficient trade revenue to meet all of its obligations and to cover its general overhead and operating expenses. Under the terms of the Management Services Agreement, HFX has agreed to pay general operating expense of the Partnership to satisfy capital requirements and operating expenses. However, in the event that HFX declines or fails to advance sufficient monies to the Partnership to cover

its ongoing operating expenses, the Partnership's ongoing business and operations may be dependent upon the Partnership's ability to obtain additional or alternative funds. There are no assurances that additional or alternative funds will be available to the Partnership on commercially reasonable terms or at all.

2.7 Material Agreements

Management Services Agreement

Under the terms of the Management Services Agreement, HFX has agreed to assist the Partnership with the Offering and thereafter provide ongoing management, administrative and supervisory services including, but not be limited to, the following:

- (a) hiring, discharging and supervising all employees and independent contractors of the Partnership;
- (b) negotiating and, subject to the prior approval of the Partnership, entering into contracts on behalf of the Partnership with third parties in respect of the Partnership's business;
- (c) performing obligations pursuant to contracts entered into by the Partnership;
- (d) paying or causing to be paid on behalf of the Partnership all operating charges and expenses relating to the Partnership;
- (e) arranging for all insurance as may be prudent for the Partnership to obtain in connection with its business;
- (f) ensuring compliance with all laws, regulations, governmental orders and the like pertaining to the Partnership and its business;
- (g) purchasing on behalf of the Partnership all equipment and supplies required in connection with its business;
- (h) maintaining up to date and complete records relating to the business and affairs of the Partnership including monthly financial statements and weekly client statements;
- (i) assisting with the financial planning of the Partnership;
- (j) preparing weekly progress reports for distribution; and
- (k) performing such other services as may be agreed upon by the Partnership and HFX.

HFX will also provide the Partnership with a business office and all related administrative and secretarial services and facilities, including secretarial, clerical and bookkeeping equipment, facilities, services and staff, as is reasonably required to operate and manage the business of the Partnership in an efficient and professional manner.

In consideration for such services and facilities, the Partnership has agreed to pay to HFX, on a weekly basis, a fee (the "Fee") equal to US \$30.00 US per Forex contract opened that week for the Partnership. From this Fee, HFX will pay all trading fees and all operating costs of the Partnership save and except the sales commission on Units sold.

The Management Services Agreement is for a period of ten (10) years and is automatically renewed on an annual basis from year to year unless the Partnership gives HFX at least 90 days prior written notice of its desire to not renew the agreement or any renewal thereof.

See Item 8 "Risk Factors - Conflicts of Interest" relating to potential conflicts of interest between the directors, officers and principal shareholders of HFX and the Partnership.

ITEM 3 DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

The General Partner was incorporated under the laws of the province of British Columbia on September 11, 2006 and became the general partner of the Partnership on September 11, 2006. The principal business address and registered office of the General Partner is Suite 1003 – 1001 Richards Street, Vancouver, B.C., V6B 1J6.

The General Partner is responsible for the management of the Partnership on a day-to-day basis in accordance with the terms and conditions of the Partnership Agreement and does not now, and does not intend to, carry on any other business except as disclosed in this Offering Memorandum. The management services to be provided by the General Partner, or others engaged by it including HFX, to the Partnership include, without limitation, conducting the ongoing business operations of the Partnership, arranging for the preparation of required government filings as well as annual financial statements of the Partnership and income tax materials for distribution to Limited Partners, and arranging and reporting to Limited Partners on the activities of the Partnership. See Item 9 “Reporting Obligations”.

The General Partner owns a 0.01 % interest in the Partnership and will be entitled to receive 0.01 % of the cash on hand distributed by the Partnership and an allocation of 0.01% of the taxable income or loss of the Partnership. See Item 5.1 “Terms of Securities - Allocations and Distributions by the Partnership”.

The authorized capital of the General Partner consists of 100 common shares without par value, of which 100 shares are issued and outstanding and held 100% by Gem Ali. Gem Ali, the President and sole director of the General Partner, is also the President and sole director of HFX.

3.1 Compensation and Securities Held

The following table sets out information about each of our directors, officers and promoters and each person who directly or indirectly beneficially owns or controls 10% or more of any class of our voting securities (a “principal holder”):

Name and municipality of principal residence	Positions held with the General Partner (i.e.) director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by us in the most recently completed financial year and the compensation anticipated to be paid in the current financial year.	Number, type and percentage of our securities held after completion of minimum offering	Number, type and percentage of our securities held after completion of maximum offering ⁽¹⁾
Gem Ali, Vancouver, B.C.	President and Director since incorporation	Nil ⁽¹⁾	N/A	Nil
Horizon FX Investments Incorporated	Promoter	Nil	N/A	Nil

(1) Mr. Ali is the President, Director and shareholder of HFX and the General Partner and will be remunerated for any services provided to the Partnership through HFX. See Item 2.7 “Material Agreements”

3.2 Management Experience

Directors and Officers

The following is a summary of the qualifications of our directors and officers:

Horizon FX Limited Partnership

Name	Principal Occupation and Related Experience
Cem Ali	<p>Businessman.</p> <p>1999 to Present Senior Information Technologist, Business Objects (Formerly Seagate Software)</p> <p>2006 to Present, President and Director of Horizon FX Investments Incorporated</p> <p>Present, President and Director of Horizon FX Management Services Inc.</p> <p>Mr. Ali has been extensively trained in a broad base of computer applications, SAP Basis Administrator, Business Objects InfoCenter Administrator, SQL database management, network and computer hardware configuration, Microsoft Exchange configuration and analysis software.</p> <p>Mr. Ali maintains a close relationship with the Forex traders in New York and has successfully invested directly and through HFX in the Forex market since early 2005. The relationship Mr. Ali has maintained with the New York traders is an integral component of our company business.</p>

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the General Partner has, within the ten years prior to the date of this Offering Memorandum, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded company, theft, fraud or otherwise or been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

No director, executive officer or control person of the General Partner is, or within the 10 years prior to the date of this Offering Memorandum, has been a director, executive officer or control person of any other Issuer (as that term is defined in the *Securities Act* (BC)) that, while that person was acting in such capacity was the subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded company, theft, fraud or otherwise or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that Issuer.

ITEM 4 CAPITAL STRUCTURE

4.1 Partnership Capital

The capital of the Partnership is comprised of the capital contributions of the General Partner and the Limited Partners. The General Partner has contributed the sum of \$10 to the capital of the Partnership.

The interest in the Partnership of the Limited Partners is divided into and represented by a total of Units issued and outstanding at the date hereof of which one Unit is outstanding as of September 11, 2006. The Partnership is authorized to issue up to 80,000,000 Units.

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Description of security	Number authorized to be issued	Number outstanding as at September 11, 2006	Number outstanding after minimum offering	Number outstanding after maximum Offering
Units	80,000,000	1 ⁽¹⁾	1	80,000,000

Notes:

(1) This Unit was issued to Horizon FX Management Services Inc., the initial limited partner.

4.2 Long Term Debt

DESCRIPTION OF LONG TERM DEBT	Interest Rate	Repayment Terms	Amount Outstanding as at September 11, 2006	Amount Outstanding after minimum offering	Amount Outstanding after maximum offering
N/A ⁽¹⁾	N/A	N/A	N/A	N/A	N/A

(1) See Item 2.7 "Material Agreements" for details of Expenses covered by HFX.

4.3 Prior Sales

The Partnership has not issued any Units as of the date of this Offering Memorandum other than one Unit to Horizon FX Management Services Inc., the initial limited partner.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities General

The rights and obligations of the General Partner and the Limited Partners are governed by the Partnership Agreement, the *Partnership Act* and applicable legislation in the jurisdictions in which the Partnership will carry on business. The statements set out in this Offering Memorandum concerning the Partnership Agreement summarize only some of its provisions and do not purport to be complete. A copy of the Partnership Agreement is available for inspection at 1003 – 1001 Richards Street, Vancouver, B.C., V6B 1J6, during ordinary business hours throughout the period of this Offering and for 30 days thereafter. Reference should be made to the Partnership Agreement and to the *Partnership Act* for complete details of these and other provisions.

Management

Under the terms of the Partnership Agreement, the General Partner is given full power and authority to administer, manage, control and operate the business of the Partnership and, where appropriate, to hold title to the property of the Partnership. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and to exercise the care, diligence and skill of a prudent and qualified person. The power and authority vested in the General Partner to manage the business and affairs of the Partnership is broad and includes all authority necessary or incidental to carry out the objects, purposes and business of the Partnership.

The General Partner has an interest in the Partnership (see "Allocations and Distributions of the Partnership" below) and is entitled to charge the Partnership all its expenses incurred in acting as General Partner of the Partnership.

No Limited Partner is permitted to take part in the management of the business of the Partnership.

The General Partner is accountable to the Partnership as a fiduciary and consequently must exercise good faith and integrity in managing the business of the Partnership and the utmost fairness towards the Limited Partners. The General Partner is required to act in the best interests of all Limited Partners. The Partnership Agreement provides that the General Partner will not be liable for damages to any Limited Partner except as a result of its failure to act honestly,

Horizon FX Limited Partnership

in good faith and in what it reasonably believes to be the best interests of the Limited Partners or except as a result of an act or omission which results in a loss of limited liability or otherwise exposes the Limited Partner to unlimited liability.

Business

The Partnership has been formed for the purposes of acquiring and trading spot market contracts in the Foreign Exchange market, with a view to profiting from the fluctuations in exchange rates of currency trading pairs. The Partnership has entered into a Management Services Agreement with Horizon FX Investments Inc. to handle the day-to-day management of the Partnership and to maintain trading accounts on behalf of the partnership. See "Nature of Business of the Partnership and Nature of Project to be Financed".

The Partnership Agreement provides that the General Partner or any Affiliated Entity may engage in or hold an interest in any other business, venture, investment or activity as it considers appropriate, whether or not similar to or competitive with the business of the Partnership, and will not be liable to account therefore to the Partnership or any Limited Partner. Neither the General Partner nor any Affiliated Entity will be required to offer or make available to the Partnership any property or other business or investment opportunity which the General Partner or any such Affiliated Entity may determine to acquire or engage in for its own account and neither the acquisition nor the pursuit of any such other property, business, venture, investment or activity will be wrongful, even if competitive with the business of the Partnership.

Term

The Partnership was formed as of September 11, 2006 and became a limited partnership under the laws of British Columbia on September 11, 2006 by filing the Certificate in accordance with the *Partnership Act*.

The Partnership will be dissolved on the earliest of:

- (a) the end of its Fiscal Period, 2020;
- (b) a date determined and approved by the General Partner and approved by Extraordinary Resolution of the Partners; and
- (c) 180 days after the deemed resignation of the General Partner on the bankruptcy, insolvency, dissolution, liquidation or winding-up of the General Partner, or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner, or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner, unless within that 180 day period a new General Partner is admitted to the Partnership.

Capitalization and Capital Contributions

The capital of the Partnership is comprised of the capital contributions of the General Partner and the Limited Partners. The General Partner has contributed the sum of \$10 to the capital of the Partnership. The Initial Limited Partner contributed the sum of \$1 to the capital of the Partnership in consideration of the issuance of the Initial Unit which unit will be repurchased by the Partnership for a price equal to the Initial Limited Partner's capital contribution and cancelled.

The interest in the Partnership of the Limited Partners is divided into and represented by a total of Units issued and outstanding at the date hereof of which zero Units were outstanding as of September 11, 2006. See "Capital Structure".

The General Partner will establish a separate capital account on the books of the Partnership for the General Partner and each of the UnitHolders of Units issued by the Partnership, to which:

- (a) contributions to the capital of the Partnership, and any amounts which the UnitHolders have agreed to contribute to the Partnership as capital, will be credited and amounts distributed as a return of capital will be debited; and

Horizon FX Limited Partnership

- (b) Net Income is to be credited and Net Loss and amounts distributed other than as a return of capital will be debited.

Units may not be divided or split into fractions and the Partnership will not accept any subscription for, record any assignment of, or otherwise recognize any interest in less than a whole Unit.

There is no restriction on the number of Units that may be held by a Unitholder. The General Partner may, in its discretion, refuse to accept a subscription for a Unit. A Subscriber will become a Limited Partner on acceptance of the subscription by the General Partner and entry of the Subscriber's name in the Register.

Limited Partners

A Person who subscribes for or purchases a Unit does not become a Limited Partner and is not entitled to any of the rights of a Limited Partner or to share in any allocations or distributions made by the Partnership until the name of that Person is entered on the Register. The General Partner will cause the Register to be amended from time to time as required to reflect the admission of additional and substitute Limited Partners to the Partnership. Each Unit entitles the Unitholder to the same rights and obligations as the holder of any other Unit and no Subscriber is entitled to any privilege, priority, or preference in relation to any other Subscriber.

Allocations and Distributions by the Partnership

The Partnership Agreement provides that Partners are to be allocated a portion of the Net Income, Net Loss, Tax Income and Tax Loss of the Partnership for each Fiscal Period. Material provisions of the Partnership Agreement relating to allocations and distributions to the Partners are as follows:

- (a) Net income or net loss for each week will be allocated and credited at the end of each week as follows:
 - (i) 0.01 % to the General Partner; and
 - (ii) 99.99% to the Unitholders;
- (b) Tax income and tax loss in respect of a Fiscal Period will be allocated as at the end of the period amongst those Partners who were members of the Partnership at the end of the period as follows:
 - (i) Tax income or tax loss will, to the extent permitted under the *Tax Act* having regard to allocations made in respect of previous weeks and fiscal periods, be allocated among the Partners in the proportions that like amounts of net income and net loss respectively would have been allocated; and
 - (ii) Tax income and tax loss not allocable pursuant to subsection (i) will be allocated in such manner as the General Partner determines to be fair and equitable and consistent with the intent reflected in subsection (i).
- (c) Any amount that is, pursuant to any provision of the Partnership Agreement, to be allocated to or distributed among Partners will, without regard to the number of days during which any Partner has been a Limited Partner or has held any Unit, be allocated amongst them pro rata in accordance with their Sharing Ratio on a weekly basis.
- (d) Until a determination has been made to dissolve the Partnership, the General Partner will cause the Partnership to distribute (a "Distribution") in cash, within 120 days following the end of each Fiscal Period, to those persons that are Limited Partners at the date of such Distribution, the amount by which the cumulative net income of the Partnership to the end of that fiscal period exceeds the aggregate of all Distributions previously made by the Partnership to Limited Partners at any time before the end of that fiscal period and such reserves as may be established by the General Partner. As between the General Partner and the Limited Partners, as a group, such amount shall be distributed as follows:
 - (i) 0.01 % to the General Partner; and

- (ii) 99.99% to the Limited Partners, as a group.
- (e) The General Partner intends to make weekly interim distributions of cash to the Limited Partners account on a like basis as other distributions. If a Limited Partner require a withdrawal of cash from its Limited Partner account, a US \$30.00 wire transfer and handling fee will be deductible for each withdrawal.
- (f) If any Limited Partner has received an amount that is in excess of his entitlement, such Limited Partner shall forthwith reimburse the Partnership to the extent of such excess upon written demand by the General Partner, and if such excess is not then repaid, the General Partner may deduct such excess from any subsequent distribution to such Limited Partner.

Limited Liability of Limited Partners

The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership to the extent that they exceed the value of the assets of the Partnership. The General Partner will indemnify each Limited Partner from all loss, liability and expense suffered or incurred by the Limited Partner by reason that liability of the Limited Partner is not limited. The General Partner has limited financial resources, which may affect its obligation to indemnify Limited Partners. See "Risk Factors - Financial Resources of the General Partner". The liability of each Limited Partner for the debts, liabilities and obligations of the Partnership is limited to the amount of the unpaid Subscription Price, if any, in respect of each Unit held by such Limited Partner, any undistributed income, any repayment of capital and any distributions of income to the extent capital is reduced, with interest.

Limited liability will be lost by a Limited Partner who takes part in the management of the business of the Partnership, and in respect of certain liabilities of the Partnership, limitation of liability may not be available because applicable law may not recognize the limitation of liability. Limited Partners may also lose the protection of limited liability if the Partnership carries on business in a territorial jurisdiction or other country that does not recognize the limitation of liability conferred under the *Partnership Act*. The principles of law in Canada recognizing the limitation of liability of limited partners have not been authoritatively established with respect to a limited partnership formed under the laws of British Columbia but carrying on business or incurring obligations in another jurisdiction or country.

Accounting and Reporting

The Partnership is not a reporting issuer under applicable securities legislation and will not become a reporting issuer in any of Alberta, British Columbia, Saskatchewan, Manitoba or Ontario following completion of the issuance of Units pursuant to this Offering Memorandum. As a consequence, the Partnership will not be required to comply with the continuous disclosure requirements of the relevant securities acts in these jurisdictions.

The initial fiscal period (the "Fiscal Period") commenced September 11, 2006 and will end on December 31, 2006 and subsequent Fiscal Periods will commence on January 1 in each year and end on December 31 of the same year. The Partnership Agreement provides that by March 31 in each year the General Partner will forward to each Person who was shown on the Register as a Partner at the end of the immediately preceding Fiscal Period:

- (a) annual financial statements of the Partnership for such period together with a report of the Partnership's accountant on such financial statements, a report on allocations and distributions to the Limited Partners and other information material to the business of the Partnership;
- (b) information concerning the amount of tax income or tax loss and credits and debits to the capital account or accounts allocated to such Limited Partner; and
- (c) such information as is reasonably necessary to enable such Limited Partner to file returns with respect to his income from the Partnership in respect of each Fiscal Period.

In addition, the General Partner will, within a reasonable period of time after the end of the second fiscal quarter of each Fiscal Period forward to each Limited Partner an unaudited report showing in summary form the income or loss and change in the financial position of the Partnership in the period and a condensed balance sheet of the Partnership as at the end of the second fiscal quarter.

Meetings

The General Partner will call an annual meeting of Limited Partners to be held as soon as practical after March 31, but in any event no later than December 31, in each year. Meetings may also be called by the General Partner or on the requisition of Limited Partners holding in the aggregate 25% or more the outstanding Units. Notice of not less than 21 days or more than 60 days is to be given for each meeting. All meetings of Limited Partners are to be held at a location in Canada selected by the General Partner or the Limited Partner calling the meeting. A Limited Partner may attend a meeting of the Partners in person or by proxy or, in the case of a corporate Limited Partner, by a representative. A quorum is two individuals present in person at the commencement of the meeting holding or representing by proxy five percent or more of the Units outstanding. If a quorum fails to appear at a duly called meeting that was requisitioned by Subscribers, the meeting will be terminated. If such meeting was called by the General Partner, it will be reconvened at the same time and, if available, the same place not less than 5 days or more than 28 days later. At the reconvened meeting the quorum for the meeting and for any specific resolution to be passed at such meeting will consist of Limited Partners then present in person or represented by proxy at such reconvened meeting.

Each Unit entitles the Limited Partner to one vote. If the General Partner or an Affiliated Entity is a Unitholder, the General Partner or the Affiliated Entity will be entitled to vote in respect of such Unit except on a resolution to remove the General Partner. The Unitholder in respect of which a portion of the Subscription Price is due and remains unpaid will not be entitled to exercise any voting right in respect of the Unit.

Powers of Attorney

The forms of subscription and assignment required to be executed by a Subscriber or assignee for the issue or assignment of a Unit include an irrevocable power of attorney authorizing the General Partner on behalf of the holder of the Unit to execute, under seal or otherwise, any instrument, deed or document in carrying on the business of the Partnership as authorized by the Partnership Agreement, to attend to certain formalities required to record changes in the ownership of Units and amendments of the Partnership Agreement, and to maintain the good standing of the Partnership. The powers of attorney also authorize the General Partner to make elections or designations under tax statutes including any election required by the *Tax Act* to have the income or loss of the Partnership computed as Capital Gains or Capital Loss. See Item 6 "Income Tax Consequences".

Amendment

The Partnership Agreement may be amended by the General Partner if such amendment is authorized by Extraordinary Resolution of the Limited Partners and:

- (a) except for the removal of the General Partner, if the amendment adversely affects the rights or interests of the General Partner, the amendment is approved by the General Partner;
- (b) if the amendment adversely affects the rights or interests of the Limited Partners, the resolution is consented to by, or receives affirmative votes cast by, the holders of 75% or more of the Units (other than Units held by the General Partner and Affiliated Entities);

but no amendment may be made which in any manner allows any Limited Partner to take part in the management of the business of the Partnership or which would have the effect of reducing the General Partner's share of Net Income, reducing the interest in the Partnership of any Limited Partner, allowing any Limited Partner to exercise control over the business of the Partnership, changing the right of a Limited Partner to vote at any meeting of Partners or changing the Partnership from a limited partnership to a general partnership. The General Partner is entitled to make certain amendments to the Partnership Agreement without the consent of the Limited Partners if, in the opinion of counsel, such amendments are for the protection of the Limited Partners or do not adversely affect the rights of any Limited Partner.

Transfer of Units

Units are not transferable except as permitted by the Partnership Agreement. A Unit may be transferred by the Unitholder by executing and having the purchaser execute and deliver to the General Partner a transfer and power of attorney in a form acceptable to the General Partner together with the certificate representing the Units to be

Horizon FX Limited Partnership

transferred. The purchaser will not become a Limited Partner until his name is entered on the Register. The transferor of a Unit remains liable to repay any capital distributed and any income distributed to the extent capital is reduced, with interest, in the circumstances described above under "Limited Liability of Limited Partners". See "Canadian Federal Income Tax Consequences" with respect to the income tax consequences of a transfer of Units. See also "Restrictions on Resale of Units" regarding restrictions on the resale of Units under applicable securities legislation.

No purchaser will be registered as the holder of a Unit or become a Limited Partner unless the General Partner has given its prior written consent to the transfer, which consent may be arbitrarily withheld, and to the entry of the purchaser as a Limited Partner on the Register. The General Partner may, in its discretion, refuse to record an assignment to an purchaser.

Subscribers should note that allocations and distributions to Limited Partners will be made in accordance with the provisions of the Partnership Agreement only to those Persons that are shown on the Register as Limited Partners. A Limited Partner contemplating transferring Units may wish to consult his own professional advisers to ensure that appropriate financial adjustments are made between such Limited Partner and the transferee with respect to the Units to be transferred.

Change, Resignation or Removal of General Partner

The General Partner is entitled to resign as the General Partner of the Partnership at any time and will be deemed to have resigned upon its bankruptcy, insolvency or dissolution and in certain other circumstances. The resignation of the General Partner will become effective upon the earlier of the appointment of a new General Partner by the Limited Partners by Ordinary Resolution and the expiration of 180 days following the deemed resignation or written notice to the Limited Partners of the voluntary resignation of the General Partner. The General Partner is not entitled to resign if the effect of its resignation would be to dissolve the Partnership. The Limited Partners are entitled, by Extraordinary Resolution, to remove the General Partner and appoint a new General Partner in its place. Such a resolution may not be voted on by the General Partner or any Affiliated Entity.

On the resignation or removal of the General Partner and the admission of a new General Partner, the resigning or retiring General Partner will transfer title to the Partnership property to the new General Partner.

Acquisition Procedure

The Partnership Agreement provides that a Person who, under a scheme or pursuant to a contract or takeover bid, makes an offer to acquire Units of the Partnership, which offer has, within 4 months after the making of the offer, been accepted by Limited Partners holding in the aggregate not less than 80% of the issued and outstanding Units as at the date of the offer, may, within 5 months after the making of such offer give written notice to any Limited Partner who did not accept such offer that it desires to acquire his Units for the same price and on the same terms as set out in the original offer. A Limited Partner to whom such a notice has been given shall have the right, within 2 months from the date of the notice, to apply to the Supreme Court of British Columbia to fix the price and terms of payment for such Limited Partner's Units and make any consequential orders or directions as the Court considers appropriate.

Exemptions From the Prospectus Requirements

The Units are being offered for sale to Subscribers pursuant to certain exemptions from the registration and prospectus requirements of Applicable Securities Legislation in the Offering Jurisdictions.

In British Columbia, Alberta, Saskatchewan and Manitoba the Units will be offered pursuant to, among other things, section 2.9 of National Instrument 45-106 (*Prospectus and Registration Exemptions*) ("NI 45-106") which provides that the dealer registration and prospectus requirements do not apply to a distribution by an Issuer of a security of its own issue if the purchaser purchases the security as principal and, at the same time or before the purchaser signs the agreement to purchase the security, the Issuer delivers an offering memorandum to the purchaser in the prescribed form and obtains a signed risk acknowledgement form from the purchaser (the "Offering Memorandum Exemption"). The prescribed form of offering memorandum is Form 45-106F2, to which this document is meant to adhere, and the Risk Acknowledgement Form is attached to the Subscription Agreement. In the case of Subscribers resident in Alberta, Saskatchewan or Manitoba who are seeking to purchase Units having an aggregate subscription price in excess of Cdn \$10,000, such Subscribers must also qualify as an "eligible investor" as defined in NI 45-106. See the Eligible Investor Certificate included in the Subscription Agreement for a description of the categories of persons or

companies who qualify as “eligible investors”. In addition, no commission or finder’s fee may be paid to any person, other than a registered dealer in connection with the sale of Units to Subscribers resident in the Province of Saskatchewan pursuant to the Offering Memorandum Exemption.

The Offering Memorandum Exemption is NOT, however, available to residents of Ontario and accordingly the Units will only be offered for sale in Ontario to “accredited investors” as defined in section 1.1 of NI 45-106. See the Form 1 “Certificate of Eligibility” included in the Subscription Agreement for a description of the categories of persons or companies who qualify as “accredited investors”.

Governing Law

The Units will be governed by and construed in accordance with the laws of the Province of British Columbia.

5.2 Subscription Procedure

British Columbia, Alberta, Saskatchewan and Manitoba Residents Only

To subscribe for Units, Subscribers must complete and execute the following forms and submit them to the Partnership at Suite 1003, 1001 Richards Street, Vancouver, B.C. V6B 1J6:

- (i) a completed and executed Subscription Agreement in the form attached hereto as Appendix I, including a signed Form 1 “Certificate of Eligibility”;
- (ii) the full amount of the Subscription price by way of cheque, certified cheque or bank draft payable to:

Horizon FX Limited Partnership
Suite 1003, 1001 Richards Street
Vancouver, B.C., V6B 1J6
Phone: 604 637-4962
FAX: 604 974-4809
Email: gem.ali@horizonfxinvestments.com

- (iii) a properly executed, originally-signed Form 45-106F4, Risk Acknowledgement, in the form attached as Appendix “C” to Form 1 “Certificate of Eligibility” attached to the Subscription Agreement (please retain one original copy for your records);
- (iv) for Subscribers resident in Alberta, Saskatchewan or Manitoba acquiring Units having an aggregate acquisition cost in excess of Cdn \$10,000, a properly executed “Eligible Investor Certificate” (attached as Appendix “B” to Form 1 “Certificate of Eligibility”) in the form included in the Subscription Agreement; and
- (v) such other forms or documents, if any, which may be required under Applicable Securities Legislation.

Ontario Residents Only

To subscribe for Units, Subscribers must complete and execute the following forms and submit them to the Partnership at Suite 1003, 1001 Richards Street, Vancouver, B.C. V6B 1J6:

- (i) a completed and executed Subscription Agreement in the form attached hereto as Appendix I;
- (ii) the full amount of the Subscription price by way of cheque, certified cheque, or bank draft payable to:

Horizon FX Limited Partnership

Horizon FX Limited Partnership
Suite 1003, 1001 Richards Street
Vancouver, B.C., V6B 1J6
Phone: 604 637-4962
FAX: 604 974-4809
Email: gem.ali@horizonfxinvestments.com

- (iii) an executed Form 1 “Certificate of Eligibility” (including Appendix A to Form 1) in the form included in the Subscription Agreement together with the “Declaration of Accredited Investor Status” attached as Appendix “A” to Form 1; and
- (iv) such other forms or documents, if any, which may be required under Applicable Securities Legislation.

The General Partner reserves the right to reject subscriptions, return subscriptions, or allot subscriptions at its sole discretion and without reason or notice given to the Subscriber.

Proceeds Held in Trust – British Columbia, Alberta, Saskatchewan and Manitoba Only

If you are a resident of British Columbia, Alberta, Saskatchewan or Manitoba, you have 2 business days to cancel your purchase. To do so you must send notice before midnight on the 2nd full business day after you sign the Subscription Agreement to purchase the Units by fax or email or deliver it in person to the General Partner at its business address as set out on the cover page of this Offering Memorandum.

All funds received from Subscribers will be held in trust by the General Partner until midnight on the 2nd full business day after you sign the Subscription Agreement, after which time the funds may be used by the Partnership for the purposes stated in Item 1 “Use of Net Proceeds”.

If, however, you are a resident of Ontario, any subscription funds received from you will not be held in trust and will, upon acceptance of your Subscription by the General Partner, be immediately available to the Partnership for the purposes stated in Item 1 “Use of Net Proceeds”.

5.3 Closing

Closing of this Offering will take place from time to time (each of which will be a “Closing”) as subscription funds are received at the discretion of the General Partner.

Since this Offering is not subject to any minimum subscription level, the Offering may be completed upon the sale of such number of Units as the General Partner, in its sole discretion, determines.

The General Partner reserves the right to accept or reject any subscription for Units, in whole or in part. A Subscriber whose subscription for Units has been accepted by the General Partner will become a Limited Partner upon the entering of his or her name in the Register.

The Subscriber acknowledges that the General Partner may be required by law or otherwise to disclose to regulatory authorities the personal information concerning the Subscriber contained in the Subscription Agreement. The personal information is collected on behalf of and used by Canadian securities commissions for the purposes of the administration and enforcement of securities laws and by executing the Subscription Agreement a Subscriber will be deemed to have consented to such disclosure.

ITEM 6 INCOME TAX CONSEQUENCES

6.1 Independent Advice

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 Summary of Principal Federal Income Tax Consequences

The following has been prepared by management of the General Partner and is a fair and adequate summary of the principal federal income tax consequences arising under the *Income Tax Act (Canada)* (the "*Tax Act*") to a Subscriber who is an individual resident in Canada and who acquires Units as described in this Offering Memorandum.

The income tax consequences will not be the same for all Subscribers, but may vary depending on a number of factors including the province or provinces in which the Subscriber resides or carries on business, whether Units acquired by the Subscriber will be characterized as capital property, and the amount that taxable income would be but for his participation in this Offering.

THE FOLLOWING DISCUSSION OF THE CANADIAN INCOME TAX CONSEQUENCES IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF THE INCOME TAX CONSEQUENCES AND SHOULD NOT BE INTERPRETED AS LEGAL OR TAX ADVICE TO ANY PARTICULAR SUBSCRIBER. EACH PROSPECTIVE SUBSCRIBER SHOULD OBTAIN ADVICE FROM HIS OR HER OWN TAX ADVISOR AS TO BOTH THE FEDERAL AND PROVINCIAL INCOME TAX CONSEQUENCES OF HIS OR HER ACQUISITION OF UNITS.

This summary is based on the current provisions of the *Tax Act*, the Regulations to the *Tax Act* (the "*Regulations*"), all specific amendments to the *Tax Act* and Regulations proposed by the Minister of Finance prior to the date hereof, and counsel's understanding of the current administrative practices of the CRA.

This following summary is based on the facts previously set out in this Offering Memorandum and on the following assumptions:

- (a) the Subscriber is an individual resident in Canada for purposes of the *Tax Act*; and
- (b) the Subscriber acquires the Units pursuant to this Offering Memorandum and holds the Units as capital property.
- (c) Subscribers hold Units for the purpose of earning a profit and have a reasonable expectation of earning a profit from holding the Units; and

With respect to the assumption stated in (c) above, it is incumbent on a Subscriber to investigate and substantiate the Subscriber's expectation of earning a profit from holding Units, having regard to his expected financing costs and any projections he may wish to obtain from the General Partner.

There is no assurance that any of the proposed amendments to the *Tax Act* will be enacted in their present form, or at all, or that the *Tax Act* and related Regulations will not otherwise be amended in a manner that fundamentally alters the income tax consequences to Subscribers who acquire Units.

There has been no application for an Advance Income Tax Ruling from CRA on any aspect of the transactions proposed in the Offering Memorandum, nor is it intended that such an application will be made.

6.3 The Partnership's Business

The business of the Partnership consists of speculating in the Spot Foreign Exchange markets and with the objective of receiving capital gains profits.

Under the *Tax Act*, a Partnership is considered to be a speculator by taking one or more futures positions or acquiring a commodity other than as part of a regular active business. For the purposes of the *Tax Act*, the Partnership will be considered a speculator and any profits or losses earned from trading in spot foreign exchange markets will be considered taxable capital gains or capital losses.

Fiscal Period

The fiscal period of the Partnership will be the calendar year as adopted pursuant to the Partnership Agreement.

Computation of Partnership's Profit or Loss

The profit or loss of the Partnership will be computed in Canadian currency and as if the Partnership was a separate person resident in Canada. However, the Partnership is not actually subject to tax under the *Tax Act*. Rather, each Limited Partner will be required to include in computing his capital gain or capital loss for a taxation year his share of the Partnership's profit or loss as described below under *Allocation of the Partnership's Profit or Loss to the Limited Partners*.

The Administration Agreement

The Partnership has contracted with Horizon FX Management Services Inc. for the management and development of the Spot Foreign Exchange trading of the Partnership. The amounts paid by the Partnership to HFX pursuant to the Management Services Agreement will be deductible by the Partnership in the fiscal period in which the payments are made to the extent that the payment is reasonable in the circumstances, does not constitute an outlay, loss or replacement of capital or a payment on account of capital, and the amounts are not the cost of inventory subject to the mandatory inventory adjustment.

Any amount paid by the Partnership to HFX for the Partnership's business will be deductible by the Partnership in the fiscal period in which the payment is made.

Financing Expenses

Expenses incurred and paid by the Partnership in the course of issuing Units will be deductible by the Partnership over a five year amortization period, provided and to the extent that the amount of each such expense is reasonable in the circumstances. The deduction must be prorated in any taxation year of the Partnership which is less than 365 days. In the event that the Partnership is dissolved in a fiscal period, the Partnership will not be entitled to deduct any amount in respect of financing expenses for that period. However, each person that was a Limited Partner immediately before the dissolution of the Partnership will be entitled to deduct his share of the undeducted financing expenses over the balance of the five year amortization period ending at or after that time.

Capital Gain or Income

There are no provisions in the Tax Act which specify whether a foreign exchange gain or loss is on account of income or capital. In determining whether such a gain or loss is on account of income, the basic principles of determining income from a business or property for purposes of subsection 9(1) of the Tax Act must be applied (Interpretation Bulletin IT-95R). Thus the major problem in determining the income tax status of foreign exchange gains or losses is the identification of the transactions from which they resulted, or, in the case of funds borrowed in a foreign currency, the use of the funds. A related problem is the determination of the method of accounting to be followed in reporting foreign exchange gains or losses for tax purposes.

A taxpayer who has transaction in foreign currency or foreign currency futures that does not form part of business operations, or are merely the result of sundry dispositions of foreign currency by an individual, will be accorded by the Department the same treatment as that of a "speculator" in commodity futures (see IT-346R). However, if such a taxpayer has special "inside" information concerning foreign exchange, he will be required to report his gains and losses on income account.

Disposition of Capital Property by the Partnership

On the sale or other disposition of all or part of the capital property of the Partnership, the net proceeds (gross proceeds less costs of disposition) must be allocated on a reasonable basis among the property sold.

To the extent that such net proceeds relate to the disposition of a particular depreciable property, the lesser of the net proceeds allocated to the property and its capital cost is deducted from the undepreciated capital cost of the class, which

includes the property. "Recapture" of capital cost allowance previously claimed may result from the disposition of depreciable property if, at the end of a particular fiscal period, the balance of the class is a negative amount. The recapture of capital cost allowance is fully included in computing income or loss of the Partnership. Where, at the end of a particular fiscal period, the lesser of the net proceeds allocated to all dispositions of depreciable property of a particular class and its capital cost does not exceed the undepreciated capital cost of the class, no recapture will result. The undepreciated capital cost of the class will be reduced by the lesser of the net proceeds and the capital cost of the property thereby reducing future capital cost allowance claims in respect of property remaining in the class.

Where, at the end of a particular fiscal period, all property of a class has been sold, a "terminal loss" will be incurred to the extent that the undepreciated capital cost of such class has a positive balance. A terminal loss is fully deductible in computing income or loss of the partnership.

A capital gain or capital loss will be realized to the extent that the net proceeds allocated to a capital property exceed, or are exceeded by, the capital cost (or adjusted cost base) of the property. One-half of any capital gain or capital loss realized by the Partnership will be allocated among the Subscribers as a taxable capital gain or allowable capital loss.

6.4 Allocation of the Partnership's Profit or Loss to the Limited Partners

A Limited Partner must include in his income for a taxation year his share of the Partnership's income or capital gain for its fiscal year that ends in the Limited Partner's taxation year, regardless of whether the Subscriber has received any cash or other property from the Partnership.

Capital Gains

As a general rule, it is acceptable for speculators to report all their gains and losses from transactions in foreign exchange futures or in commodities as capital gains and losses provided such reporting is followed consistently from year to year.

Where a partnership, including one with limited partners, has transactions to which the comments of this bulletin (IT-346R) apply, the determination of the treatment of such transactions for tax purposes is made at the partnership level in accordance with paragraph 96(1)(a). If the facts support the proposition:

- a) that the income treatment is required, then the gain or loss on such transactions is income or loss from a business for the purposes of subparagraph 96(1)(a)(ii) and each partner's share flows through to each partner by paragraph 96(1)(f) or 96(1)(g), or
- b) that the partnership qualifies as a speculator, then each partner's share of the gain or loss must be given the same treatment.

Where all the partners choose to have the income treatment apply, the gain or loss is treated as in (a) above. Where all the partners choose to have the capital or the allowable capital loss from the disposition of partnership property for the purposes of subparagraph 96(1)(c)(i) and each partner's share flows through to each partner by paragraphs 96(1)(f) or 96(1)(g).

Whichever reporting practice is initially chosen must be followed consistently from year to year in respect of a particular partnership's gains or losses on such transactions. Where a partner has transactions on his or her own account and qualifies as a speculator in respect thereof regarding these transactions, that partner is not committed to the treatment chosen by the partnership. Similarly, a partnership is not committed to the treatment which one of the partners may have chosen previously in respect of transactions on his or her own account.

Limited Partner's Share of Capital Gain or Loss

The Partnership Agreement provides for the allocation of Partnership profits and losses. Generally, the profits and losses of the Partnership will be allocated among the Limited Partners on the basis of the number of Units held by each such Limited Partner. Each Limited Partner will be allocated a portion of trades made each week on behalf of the Partnership and their net profit or loss will be credited to their capital account each week. Unitholders with a capital account less than US \$6,950 will be grouped together and share pro rata in the profit or loss of the number of contracts

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purchased for that group. Unitholders with capital accounts greater than US \$6,950 will have allocated to them based on the total number of contracts in multiples of US \$6,950 in their account (see the "Sharing Ratio").

The profit or loss of the Partnership for accounting purposes may differ from the profit or loss of the Partnership for Canadian income tax purposes. For example, depreciation rates under generally accepted accounting principles may differ from capital cost allowance rates, and certain items, which are capitalized for accounting purposes, may be deducted for Canadian income tax purposes. For this reason, cash distributions to a Limited Partner on account of his share of Partnership profits may differ from income allocated to him for the purposes of the *Tax Act*.

Interest Deductibility

If a taxpayer finances transactions in futures or commodities through borrowings and such transactions are given income treatment, the interest on the borrowed funds is a deductible expense provided the normal tests of reasonableness, legal liability, etc. are met.

To the extent that a taxpayer's borrowings are used to finance futures or commodity transactions that are given capital treatment, interest in respect thereof is not included in computing the taxpayer's adjusted cost base for the purposes of Subdivision c of the Act and is also not deductible under Subdivision b in computing the taxpayer's income.

Reallocation Rule

Under the *Tax Act*, a Limited Partner's share in the income or loss of the Partnership will be deemed to be the amount that is reasonable having regard to all the circumstances where the principal reason for the agreement by the Limited Partners to share income or loss in a certain manner may reasonably be considered to be the reduction or postponement of tax that might otherwise have been or become payable under the *Tax Act*. Whether the principal reason for a particular sharing arrangement is the reduction or postponement of tax is a question of fact on which management expresses no opinion.

6.5 Other Partnership Matters

Dissolution of the Partnership

Upon the dissolution or termination of the Partnership, all property that is distributed to the Limited Partners will be deemed to have been disposed of by the Partnership at that time at its fair market value and acquired by the Limited Partners at a cost equal to the same amount. Each Subscriber will also be deemed to have disposed of his Units at that time for the fair market value of other property, if any, received from the Partnership in satisfaction of his Units.

The *Tax Act* provides that, in certain circumstances, a partnership *all* partners of which are residents of Canada may be dissolved in a tax-free manner and undivided interests in its property distributed, free of tax, among its partners to be held by them as tenants-in-common.

Adjusted Cost Base of Units

Subject to the comments on limited recourse financing below, the cost to a Limited Partner of his Units (plus or minus certain adjustments required under the *Tax Act*) will be the adjusted cost base of the Units at any particular time, and against which a capital gain or capital loss will be measured on a sale or other deemed disposition of the Units.

Adjustments to cost base required under the *Tax Act* include additions for income for tax purposes (including 100% of capital gains) allocated to a Limited Partner for all fiscal periods of the Partnership ending before such time, and reductions for losses for tax purposes (including 100% of capital losses) allocated to a Limited Partner for all fiscal periods of the Partnership ending before such time plus all amounts distributed by the Partnership to the Limited Partner.

Distributions of Partnership capital are generally free from tax. However, if the adjusted cost base of a Limited Partner's Unit becomes a negative amount as a result of these adjustments at the end of the fiscal year of the Partnership, the Limited Partner will be deemed to realize an immediate capital gain equal to the negative adjusted cost base for

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the taxation year of the Limited Partner in which the Partnership's taxation year ends. The gain so realized will be added to the adjusted cost base of the Limited Partner's interest in the Partnership restoring the adjusted cost base to nil. In addition, the amount by which the adjusted cost base is negative at the time the Units are disposed of by a Limited Partner is added in computing the capital gain on that disposition.

Where a Limited Partner (other than a partnership and certain trusts) has realized a capital gain resulting from a negative adjusted cost base in respect of his interest in the Partnership, the Limited Partner may generally elect at the end of a subsequent fiscal year end of the Partnership to treat as a capital loss an amount equal to the lesser of the capital gain previously included in his income (by reason of the negative adjusted cost base) and the Limited Partner's positive adjusted cost base of his interest in the Partnership at that time. Provided that such election is made within three years from the year in which the capital gain was deemed to have been realized, the Limited Partner will be able to carry back the capital loss so realized and apply it to offset the capital gain of that earlier year.

Gain or Loss on Disposition of Units

A Limited Partner will be considered to have disposed of his Units when he assigns or sells his Units, his Units are the subject of a gift, upon the Limited Partner's death, or where the Partnership is wound-up or otherwise terminated. Units which are the subject of a gift or which are held by a Limited Partner at the time of the Limited Partner's death are generally deemed to be disposed of for proceeds equal to their fair market value at that time. However, in certain circumstances a capital gain (other than a capital gain arising from a negative adjusted cost base) or capital loss will be deferred where the Units are transferred by gift or bequest to the Limited Partner's spouse.

Generally, a Limited Partner will realize a capital gain, or sustain a capital loss, equal to the amount by which the proceeds received or deemed to have been received on the disposition of a Unit exceed, or are exceeded by, the adjusted cost base of the Unit. As noted, the amount by which a Limited Partner's adjusted cost base is negative at the time of the disposition will be included in computing the Limited Partner's capital gain.

Limited Partners will include one-half of the capital gain in computing taxable income as a "taxable capital gain". Similar proportions of a capital loss will be an "allowable capital loss" that may be used to offset taxable capital gains in the year that the capital loss is sustained. To the extent the allowable capital loss is not offset against taxable capital gains in that year, it may be carried back three years and forward indefinitely to offset taxable capital gains realized in those years.

Partnership Returns

Each partner of a partnership that, at any time in a fiscal period of the Partnership, is a "Canadian partnership" or that carries on business in Canada is required by the Tax Act to file a partnership return for each such fiscal period with CRA. The General Partner has undertaken to file all prescribed information returns and all forms for each applicable fiscal period of the Partnership on behalf of the Limited Partners, and to supply the Limited Partners with the necessary information to file their tax returns. Each of the Limited Partners will be solely responsible for filing in a timely manner all Canadian federal and provincial tax returns applicable to him.

General Anti-Avoidance Rule

The Tax Act contains a general anti-avoidance rule ("GAAR"), which allows the CRA to alter the tax consequences of certain transactions in order to deny a tax benefit resulting from the transactions. The GAAR can be applied to a transaction that results, or that is part of a series of transactions that result, directly or indirectly, in a tax benefit unless the transaction or the series of transactions may reasonably be considered to have been undertaken primarily for bona fide purposes other than to obtain the tax benefit, or it may reasonably be considered that the transaction would not result directly or indirectly in a misuse of the provisions of the Tax Act or an abuse having regard to the provisions of the Tax Act read as a whole.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Units will be offered for sale by the Partnership in the Offering Jurisdictions directly through the directors, officers, employees and other duly authorized agents of the Partnership in reliance upon exemptions from the prospectus and registration requirements of Applicable Securities Legislation. A commission of 5% of the offering

price of the Units will be paid, where permissible, to all dealers and other duly authorized agents, whether registered or otherwise, in respect of any Units sold by such dealers and agents, other than with respect to any Subscriptions from Subscribers resident in Saskatchewan unless such Units are sold by a registered dealer. Directors, officers and employees of the General Partner may also be eligible to receive this commission in respect of any Units sold by them. HFX has agreed to provide a US \$1 per trade trailer fee to duly authorized agents as further compensation.

Pursuant to the terms of the Management Services Agreement, HFX has agreed to fund the initial start-up costs and the ongoing, day to day operating costs of the Partnership including, but not limited to, the costs of issue of this Offering for a fee equal to US \$30.00 for each contract traded by the Partnership. See Item 2.7 "Material Agreements – Management Services Agreement" for details regarding the terms of the Management Services Agreement.

ITEM 8 RISK FACTORS

This is a speculative Offering. The purchase of Units involves a number of significant risk factors and is suitable only for Subscribers who have no immediate need for liquidity. Prospective purchasers of Units should consider the following risks in connection with purchasing Units in addition to the factors set forth elsewhere in this Offering Memorandum and are strongly advised and encouraged to consult with their own independent professional legal, tax, investment and accounting advisors to assess, prior to purchasing any Units, the investment merits, income tax, legal and other aspects of this investment, including its suitability to their own particular financial circumstances and goals. Subscribers are also advised that the Partnership's solicitors and accountants act for the Partnership and do not act for individual Subscribers in this transaction.

PROSPECTIVE SUBSCRIBERS ARE STRONGLY ADVISED TO READ THIS OFFERING MEMORANDUM IN ITS ENTIRETY.

8.1 Investment Risk (in order of importance)

Security of Units

The Units are unsecured and, therefore, the Unitholders will have limited security available to secure repayment of the Units. There is significant risk that the income from spot foreign exchange trades will be insufficient to return the Subscriber's capital to the Subscriber.

Speculative Nature of Investment

An investment in Units is highly speculative in nature. The Units are primarily suitable for Subscribers whose net worth and income from other sources is sufficient that the Subscriber is prepared to accept the risks inherent in spot foreign exchange trading and is able to bear the loss of the Subscriber's entire investment. There is no assurance of a return on an investment in the Units.

Marketability and Transferability of Units

There is no market for the Units of the Partnership and there are no assurances that any market will develop in the future or at all. The Partnership is not a "reporting issuer" as defined under Applicable Securities Legislation and the Units are subject to resale restrictions thereunder. Accordingly, an investment in Units is unsuitable for those who may be required to liquidate their investment on a timely basis.

Possible Loss of Limited Liability

The *Partnership Act* provides that a limited partner benefits from limited liability unless, in addition to exercising his rights and powers as a limited partner, the limited partner takes part in the management or control of, or transacts business on behalf of, or acts as agent of the partnership of which he is a limited partner. A limited partner is liable for the subscription price of its units, any distributions from capital, any distributions of income to the extent capital is reduced and interest is accrued thereon, and the limited partner's pro rata share of undistributed income retained by the Partnership. In order that the liability of the Limited Partners remain limited to the extent described, certain legal requirements under the *Partnership Act* and other applicable legislation must be satisfied.

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Notwithstanding the foregoing, Limited Partners may also lose the protection of limited liability if the Partnership carries on business in a territorial jurisdiction or other country that does not recognize the limitation of liability conferred under the *Partnership Act*.

Other than as disclosed above, no Subscriber will become liable to make an additional contribution beyond the Subscription Price for his Units.

Non-Regulated Business

The business to be conducted by the Partnership is not a "trust business", "deposit business" or "insurance business" for the purposes of the *Financial Institutions Act* (British Columbia) or otherwise and accordingly the Partnership is not subject to the minimum capital requirements and other regulatory provisions imposed on such businesses by such Act. Furthermore, the Units are not being issued pursuant to a trust indenture and the Unitholders will not have the benefit of a trustee to hold their securities or to co-ordinate enforcement and realization in the event of a default by the Company. Each Subscriber is advised to seek independent legal advice concerning subscribing for any Units.

Minimum Offering and Use of Proceeds

This Offering is not subject to any aggregate minimum offering. Any funds received from a Subscriber will be available to us and need not be refunded to the Subscriber, subject to the Subscriber's statutory rights of rescission. See Item 11 "Purchaser's Rights".

The use of proceeds and the dollar amounts of each item are estimates only. The actual use will vary from the estimates and such variation may be significant. Any negative variation may leave us short of capital and such shortage may cause the business to fail or require additional funds at non-competitive or uneconomic prices, and the Subscribers' returns may be significantly eroded or Subscribers may receive no return, or repayment on their investment (see Item 1.2 "Use of Net Proceeds").

Review by Regulatory Authority

This Offering Memorandum constitutes a private offering of the Units only in those jurisdictions where and to those persons whom, they may be lawfully offered for sale under exemptions in Applicable Securities Legislation. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus, advertisement or a public offering of these Units. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

Arbitrary Determination of Price

The offering price for the Units was arbitrarily determined by the Partnership and is not based on any specific recognized criteria of value or other practices. There is no market for the Units.

Income Tax Consequences

No advance income tax ruling from the CRA has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. The Subscriber and the Subscriber's advisors should carefully review the discussion under Item 6 "Income Tax Consequences" contained in this Offering Memorandum.

The tax consequences associated with an investment in Units are subject to changes in federal and provincial laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to a Subscriber from those described under Item 6 "Income Tax Consequences".

8.2 Risks Specific to the Partnership (in order of importance)

Investment in the Foreign Exchange Markets

Investment in the Spot Foreign Exchange market is a highly leveraged investment and therefore the chance of losing all your investment is significant. The investment relies solely on the performance of the traders and advisors chosen by

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the General Partner. Although the General Partner has made a reasonable effort to choose the best advisors and traders based on many factors and past performance, there can be no assurance that the advisors and traders so chosen will continue to perform and the risk of losing all your investment is significant.

Lack of Operating History and Nominal Net Worth

The Partnership has no history of business operations or revenues and has nominal assets. Accordingly, the business of the Partnership is subject to the risks inherent in the establishment of a new business enterprise. There are no assurances that the Partnership will be able to successfully complete this Offering and its development plans or to operate profitably over the short or long term. The Partnership currently has no source of revenues and there is no guarantee that it will be able to achieve revenues or operate profitability in the future. The likelihood that the Partnership will be able to continuously generate revenues, profits or capital gains sufficient to pay its obligations must be considered in view of the problems, expenses, difficulties and delays frequently encountered in connection with the development of a new business. Investment in business operations with limited operational history and no history of generating income is a significant risk. Risks associated with this Partnership include:

- a) competition from competitors with longer operating histories, significantly greater financial, technical, product development, marketing and other resources, greater name recognition or a larger installed base of customers;
- b) dependence on key personnel and the ability to attract, assimilate or retain qualified technical and managerial personnel; and
- c) uncertainty of additional financing, or the terms associated with new financing.

Reliance Upon Single Business Venture

The Partnership's sole business is to earn profits from trading in the Spot Foreign Exchange markets. Reliance on a single business venture has a significant degree of risk as the failure of this single business could cause investors to lose all their investment.

No Assurance of Profitability of Operations

Notwithstanding the business plan and internal projections developed by the Partnership, there can be no assurance that the Partnership will be able to operate successfully and in fact, may ultimately fail. Even if its commercial operations are successful, there is no assurance that any specific level of profitability will be achieved by the Partnership.

Currency Fluctuations

A significant part of the Partnership's expenditures will be in U.S. dollars. Fluctuations in the exchange rate between Canadian dollars and the U.S. dollar, may adversely affect the ability of the Partnership to implement its business plan as set out herein.

Financial Resources of the General Partner

While the General Partner has unlimited liability for the obligations of the Partnership and has agreed to indemnify the Limited Partners in certain circumstances, at present the General Partner has nominal financial resources. The General Partner may be unable to meet its obligations under such indemnity.

Merits as an Investment

All prospective Subscribers are urged to consider the purchase of Units hereunder based upon the merits of such Units. The majority of the proceeds of this Offering have been allocated towards the entering into contract trades on the Spot Foreign Exchange markets. As a limited partner of the Partnership, Subscribers will have no part in the management or control of the business of the Partnership. Accordingly, in assessing the risks and rewards of an investment in Units, potential Subscribers should appreciate that they are relying on the good faith, judgment and ability of the directors,

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officers and employees of the General Partner to make appropriate decisions with respect to the management of the business of the Partnership and will be bound by the decisions of such directors, officers and employees. It would be inappropriate for Subscribers unwilling to rely on the directors, officers and employees of the General Partner to the extent set forth above to purchase Units.

Key Personnel

The operations of the Partnership are highly dependent upon the participation of Cem Ali. The loss of their services may materially affect the ability of the Partnership to implement its business plan. Because of this, the absence of key-man insurance represents an additional risk to the successful completion of the project. In addition, Mr. Ali is also involved in other projects (see "Conflicts of Interest" below) and may have a conflict of interest in allocating his time between the business of the General Partner and the Partnership, and other businesses or projects in which he is or may become involved. Mr. Ali has, however, agreed to devote as much time to the General Partner and the Partnership as is required for the effective management of the General Partner and the Partnership. The directors and officers of the General Partner owe a fiduciary duty to the General Partner and the General Partner in its role of general partner of the Partnership owes a fiduciary duty to the Partnership.

Conflicts of Interest

Some of the promoters, directors and officers of the General Partner may have conflicts of interest as to management resources, ownership, and interests between the Partnership and their own professional or corporate business(s) in which they may be involved. The General Partner's officers are appointed by the board of directors and, therefore, may be changed at any time.

The promoters, officers and directors of the General Partner are not limited or affected in their ability to carry on other business ventures for their own accounts and for the accounts of others, and may be engaged in ownership, acquisition and operation of businesses which compete with the Partnership. An investment in Units of the Partnership will not carry the right for the Partnership or any Subscriber to invest in any other venture or any other business or to participate in any profit therefrom. The directors and officers are required to exercise their powers honestly, in good faith and in what they reasonably believe to be in the best interests of the Partnership.

Cem Ali, the sole director and officer of HFX, is the sole director and officer of the General Partner. Under the terms of the Management Services Agreement, HFX is entitled to receive a trading fee equal to US \$30.00 per contract traded by the Partnership.

See Item 2.7 "Material Agreements" for details regarding the above material contract. This agreement was entered into by the Partnership at a time when Mr. Ali controlled the General Partner and, accordingly, such agreements have not been negotiated by persons dealing at arm's length.

Reliance on Management

Unitholders must rely entirely on the discretion and judgment of the General Partner, with the assistance of HFX, in assessing and choosing the traders to be used by the Partnership. The Partnership has no previous operating or investment history. HFX has a limited operating history. Subscribers who are not willing to rely on the discretion and judgment of the General Partner and HFX should not subscribe for Units.

Characterization of Expenditures to be Incurred and Other Tax Matters

While the Partnership is committed to apply the majority of the proceeds of the Offering of Units under this Offering Memorandum to invest in the Spot Forex markets from which capital gains and losses would be generated, the allocation of the Partnership's profit or loss to the Limited Partners as a capital gain or capital loss could be viewed by CRA as "income" (and require full inclusion of the net profit as taxable income) for tax purposes as opposed to capital gains (which requires only 50% inclusion as a taxable capital gain). There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of Units. There is also a risk that CRA may reassess the returns of Subscribers relating to their investments in the Units. A Subscriber is also required to take into account, in computing its profit and loss for income tax

purposes for a taxation year, its share of the profit or loss of the Partnership. This amount may be greater than or less than the cash distributions, if any, received by the Subscriber in such year.

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum including the deductibility and the timing of deductions in respect of services or other expenses, the allocation of costs between capital and expenses, the effect of the limited recourse rules on money borrowed to purchase Units, or the application of the general anti-avoidance rule. The Subscriber and his advisors should carefully review the discussion under Item 6 "Income Tax Consequences" contained in this Offering Memorandum.

8.3 Industry Risk (in order of importance)

Foreign Exchange Trading

Trading in Foreign Exchange contracts involves a high degree of risk that even a combination of careful evaluation, experience and knowledge may not be able to avoid. There is no assurance that a sufficient number of profitable trades can be made to provide Subscribers with a return on their investment. There are many factors that affect the movement of the exchange rate between any two currencies including but certainly not limited to government intervention, interest rates, balance of trade, unemployment, inflation, deflation, supply and demand etc. The effects of these factors cannot be accurately predicted. There is no assurance that the General Partner will be able to select qualified traders to successfully make profitable trades.

Competition

The market for the Partnership's Units is specifically targeted to a single group of investors seeking to acquire qualified investments; however, there can be no guarantee that these investors will purchase any Units. The marketplace for investment products similar to limited partnership units is very competitive and includes a variety of institutions, financial and otherwise, that offer a variety of products and services to address this market, many of whom have longer operating histories, significantly greater financial, technical, product development, marketing and other resources, greater name recognition or a larger base of customers than the Partnership. There can be no assurances that the Partnership will be able to compete successfully against these competitors.

Change of Law

The Canadian securities, tax, financial and banking industry is continuing to grow and evolve and there is a risk that it may be subject to further governmental regulation, including new laws and different interpretations or applications of existing laws and as such may hinder our ability to issue Units and grant Loans.

ITEM 9 REPORTING OBLIGATIONS

The Partnership is not a reporting issuer, as that term is defined in Applicable Securities Legislation, nor will it become a reporting issuer in the Offering Jurisdictions following the completion of the Offering. As a result, the Partnership will not be subject to the continuous disclosure requirements of such securities legislation, including, without limitation, requirements relating to the preparation and filing of audited annual financial statements and other financial information, the dissemination of news releases disclosing material changes in the business and affairs of the Partnerships and the filing of material change reports.

The fiscal period of the Partnership is December 31 and the Partnership Agreement provides that by March 31 in each year the General Partner will forward to each person who was shown on the register as a Limited Partner at the end of the immediately preceding fiscal period:

- (a) annual financial statements of the Partnership for such period together with a report of the Partnership's accountant on such financial statements, a report on allocations and distributions to the Limited Partners and other information material to the business of the Partnership;
- (b) information concerning the amount of tax income or tax loss and credits and debits to the capital account or accounts allocated to such Limited Partner; and

- (c) such information as is reasonably necessary to enable such person to file returns with respect to his income from the Partnership in respect of each fiscal period.

In addition, the General Partner will, within a reasonable period of time after the end of the second fiscal quarter of each Fiscal Period forward to each Limited Partner an unaudited report showing in summary form the income or loss and change in the financial position of the Partnership in the period and a condensed balance sheet of the Partnership as at the end of the second fiscal quarter.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the Units before the date that is 4 months and a day after the date the Partnership becomes a “reporting issuer” in any province or territory of Canada.

As described in Item 9 “Reporting Obligations”, the Partnership is not now, and has no immediate plans to become, a “reporting issuer” in any province or territory. Subscribers wishing to sell their Units will only be able to dispose of their Units if the transfer is made pursuant to an exemption from the registration and prospectus requirements of the Applicable Securities Legislation. As there is no market for the Units, it may be difficult or even impossible for you to sell them. As noted above, you should consult your own legal advisor for advice in this regard.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the Units without the prior written consent of the regulator in Manitoba unless:

- (a) the Partnership has filed a prospectus with the regulator in Manitoba with respect to the Units you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) you have held the Units for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASER'S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

1. **Two-Day Cancellation Right for a Subscriber purchasing pursuant to the offering memorandum exemption in NI 45-106 (not applicable to Subscribers resident in Ontario)**

If you are purchasing Units pursuant to the offering memorandum exemption in NI 45-106, you can cancel your agreement to purchase these securities by delivering a notice to the Partnership by midnight on the 2nd full business day after you sign the agreement to buy the securities.

2. **Statutory Rights of Action in the Event of a Misrepresentation**

Applicable Securities Legislation in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto or any documents incorporated or deemed incorporated by reference into the Offering Memorandum, contains a

Misrepresentation. Unless otherwise noted, in this section, a “**Misrepresentation**” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

This statutory right to sue is available to you whether or not you relied on the Misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the Misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable statutory rights are summarized below and will be deemed to form part of the Subscription Agreement. **Subscribers should refer to the Applicable Securities Legislation of their respective Offering Jurisdictions for the particulars of these rights or consult with professional advisors.**

Rights for Subscribers in the Provinces of British Columbia and Alberta

Pursuant to this Offering Memorandum, a Subscriber who is a resident in British Columbia or Alberta has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Partnership if this Offering Memorandum, together with any amendments hereto or any documents incorporated or deemed incorporated by reference into the Offering Memorandum, contains a Misrepresentation. In Alberta and British Columbia, a Subscriber has additional statutory rights of action for damages against every director of the Partnership at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a Misrepresentation which was a Misrepresentation at the time the Units were purchased, the Subscriber will be deemed to have relied upon the Misrepresentation and will, as provided below, have a right of action against the Partnership for damages or alternatively, while still the owner of any of the Units purchased by that Subscriber, for rescission. If the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Partnership, provided that:

- (a) no person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the Misrepresentation;
- (b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation;
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and
- (d) in the case of a Subscriber resident in Alberta, no person or company, other than the Partnership, will be liable if such person or company is entitled to rely upon certain statutory provisions set out in subsections 204(b) – (d) of the *Securities Act* (Alberta).

In British Columbia and Alberta, no action may be commenced more than:

- (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

Rights for Subscribers in the Province of Saskatchewan

The *Securities Act, 1988* (Saskatchewan), as amended, provides that, subject to limitations, where an offering memorandum, together with any amendment to the offering memorandum, or any advertising or sales literature relating to an offering, contains a misrepresentation (as defined in that Act), a purchaser who purchases a security

Horizon FX Limited Partnership

covered by the offering memorandum or an amendment to the offering memorandum, or that is referred to in the advertising or sales literature, has a right of action for damages against the Partnership (or a selling security holder), promoters of the Partnership, every person or company whose consent has been filed with the offering memorandum or amendment to the offering memorandum but only with respect to reports, opinions or statements that have been made by them, every person who signed the offering memorandum or the amendment to the offering memorandum, and every person or company that sells securities on behalf of the Partnership under the offering memorandum or amendment to the offering memorandum or in the offering with respect to which the advertising or sales literature was disseminated. In addition, where an individual makes an oral statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the oral statement is made either before or contemporaneously with the purchase of the security, the purchaser has a right of action for damages against the individual who made the oral statement. As well, a purchaser has a right to void the agreement and recover the purchase price if the securities are sold in contravention of *The Securities Act, 1988* (Saskatchewan) or the regulations under that Act, or a right of action for damages or rescission if the Offering Memorandum is not delivered to the purchaser before the Subscription Form.

No action may be commenced to enforce any of the foregoing rights:

- (a) in the case of rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; and
- (b) in the case of any other action, other than an action for rescission, more than the earlier of (i) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) six (6) years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and without derogation from any other right or remedy which a purchaser might have at law.

Rights for Subscribers in the Province of Manitoba

A Subscriber of Units:

- (a) will not be bound by a contract for the purchase of Units if the person or company from whom the Units were purchased or such person or company's agent receives written or telegraphic notice evidencing the Subscriber's intention not to be bound not later than midnight on the second (2nd) business day after receipt or deemed receipt by the Subscriber or the Subscriber's agent of this Offering Memorandum or any amendment thereto; and
- (b) as the right to rescind a contract for the purchase of the Units, while still the owner thereof, if this Offering Memorandum and any amendment thereto, as of the date of receipt or deemed receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made, but no action to enforce this right may be commenced by a Subscriber after the expiration of the later of 180 days from the date of receipt of this Offering Memorandum or any amendment thereto by the Subscriber or the agent of the Subscriber, or the date of the contract for the purchase of the Units.

In the event that this Offering Memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made, a Subscriber also has a right of action for damages against the Partnership, the promoter and the principal sales agent in Manitoba and against every director who, on the date this Offering Memorandum or any amendment thereto was signed, was a director of any such person or company, for any loss or damage that the Subscriber has sustained as a result of the purchase of the Units, unless it is proved:

- (a) that this Offering Memorandum or any amendment thereto was delivered to prospective Subscribers of the Units without the director's knowledge or consent;
- (b) that, after the delivery of this Offering Memorandum or any amendment thereto to the Subscriber and before the purchase of the Units by the Subscriber, on becoming aware of any false statement in this Offering Memorandum or any amendment thereto, the director withdrew his or her consent to the delivery

Horizon FX Limited Partnership

of this Offering Memorandum or any amendment thereto to prospective Subscribers and gave reasonable public notice of such withdrawal and of the reason therefore;

- (c) that, with respect to every false statement, the director had reasonable grounds to believe and did believe that the statement was true;
- (d) that where a false statement was that of an expert, the director had no reasonable grounds to believe that the expert who made the statement in this Offering Memorandum or any amendment thereto or whose valuation or report was produced or fairly summarized therein was not competent to make such statement, valuation or report; or
- (e) that, with respect to every false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, it was a correct and fair representation of the statement or copy of or extract from the document,

but no action to enforce these rights of action for damages against the signatories of this Offering Memorandum or any amendment thereto or any of their directors may be commenced by a Subscriber after the expiration of the later of one (1) year from the date of receipt or deemed receipt of this Offering Memorandum or any amendment thereto by the Subscriber or the agent of the Subscriber or the date of the contract for the purchase of the Units.

ITEM 12 FINANCIAL STATEMENTS

The unaudited interim financial statements of the Partnership and the General Partner as at September 11, 2006 are included after this page.

FINANCIAL STATEMENTS

HORIZON FX LIMITED PARTNERSHIP

UNAUDITED BALANCE SHEET

For September 11, 2006

ASSETS

Subscription Issue	\$10.00
Total Assets	<u>\$10.00</u>

LIABILITIES

Accounts Payable	\$0.00
Management Services From HFX	<u>0.00</u>
Total Liabilities	<u>0.00</u>

PARTNER'S CAPITAL

Authorized 80,000,000 Limited Partnership Units at US \$1	
Issued	
Limited Partnership Units	\$10.00
Net Income	<u>0.00</u>
Net Equity	\$10.00
Total Liabilities & Partners Equity	<u>\$10.00</u>

FINANCIAL STATEMENTS

HORIZON FX LIMITED PARTNERSHIP

STATEMENT OF INCOME AND DEFICIT

Ending September 11, 2006

INCOME

Income	<u>\$0.00</u>
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EXPENSES

Total Expenses	<u>0.00</u>
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Net Gain For The Year	<u>0.00</u>
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Deficit, Beginning Of Year	0.00
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Deficit, End Of Year	<u>\$0.00</u>
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ON BEHALF OF THE BOARD:

(Original signed by) "Cem Ali"

Cem Ali
Director

THESE FINANCIAL STATEMENTS HAVE NOT BEEN AUDITED.

FINANCIAL STATEMENTS

HORIZON FX INVESTMENTS INCORPORATED

UNAUDITED BALANCE SHEET

For September 11, 2006

ASSETS

Bank	\$12.00
Total Assets	<u>\$12.00</u>

LIABILITIES

Accounts Payable	\$0.00
Total Liabilities	<u>0.00</u>

PARTNER'S CAPITAL

Authorized 100,000,000 Common Shares, No Par Value	
Issued 1,200 Common Shares (no par value)	\$12.00
Net Income	<u>0.00</u>
Net Equity	\$12.00
Total Liabilities & Equity	<u>\$12.00</u>

FINANCIAL STATEMENTS

HORIZON FX INVESTMENTS INCORPORATED

STATEMENT OF INCOME AND DEFICIT

Ending September 11, 2006

INCOME

Income	<u>\$0.00</u>
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EXPENSES

Total Expenses	<u>0.00</u>
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Net Gain For The Year	<u>0.00</u>
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Deficit, Beginning Of Year	0.00
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Deficit, End Of Year	<u>\$0.00</u>
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ON BEHALF OF THE BOARD:

(Original signed by) "Cem Ali"

Cem Ali
Director

THESE FINANCIAL STATEMENTS HAVE NOT BEEN AUDITED.

ITEM 13 DATE AND CERTIFICATE

Dated: September 11, 2006

This offering memorandum does not contain a misrepresentation.

**HORIZON FX LIMITED PARTNERSHIP
By its General Partner
Horizon FX Investments Inc.**

(Original signed by) "Cem Ali"

Cem Ali
President

**On behalf of the Board of Directors of
HORIZON FX INVESTMENTS INCORPORATED**

(Original signed by) "Cem Ali"

Cem Ali
Director

**HORIZON FX INVESTMENTS INCORPORATED
in its capacity as promoter of the Offering**

(Original signed by) "Cem Ali"

Cem Ali
President

Appendix 1
Subscription Agreement