

PR%F CAPITAL



**THE EVOLUTION OF INVESTING IN
ALTERNATIVE ASSETS**

APRIL 2022

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JUST A NORMAL DAY AT THE NATION'S MOST IMPORTANT FINANCIAL INSTITUTION...



Source: The Economist

ESCAPE THE VOLATILITY OF THE PUBLIC MARKETS

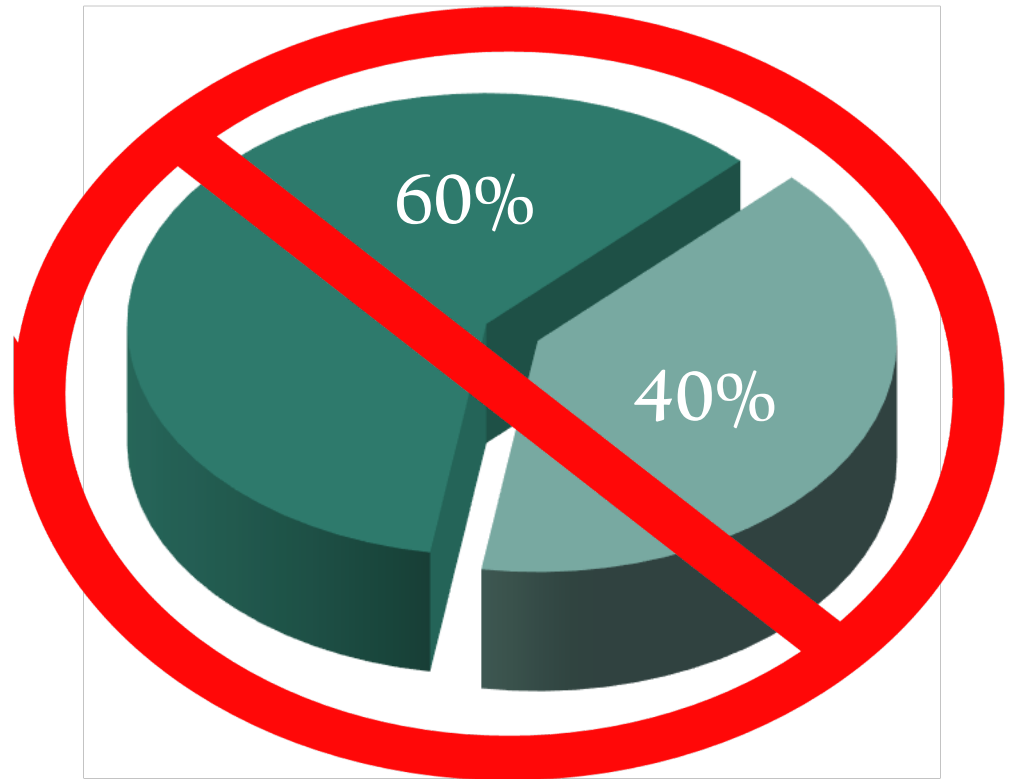
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THE EVOLUTION OF THE MARKETS

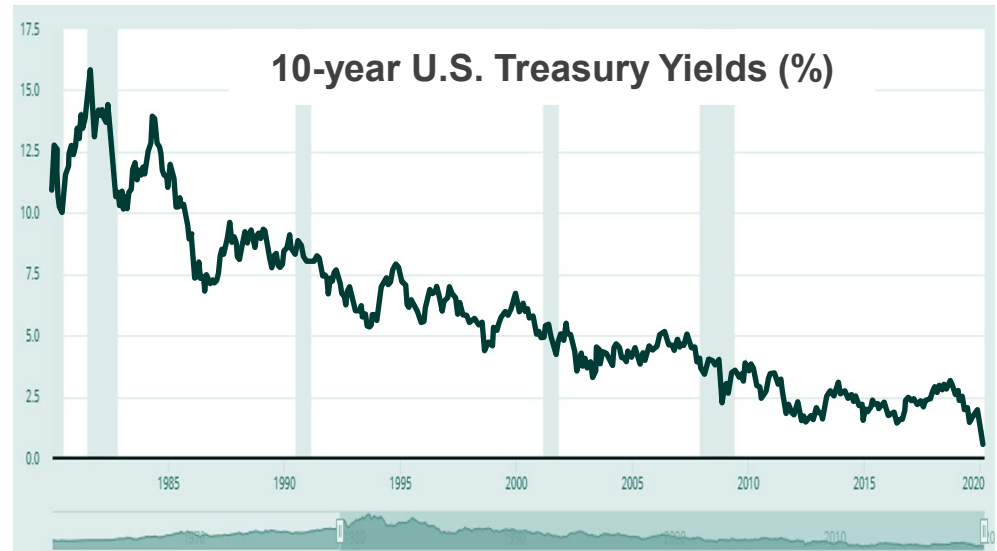
Once the foundation of institutional portfolios, the 60 / 40 portfolio of stocks vs. bonds is now OUTDATED.

Interest rates at near-zero and robust alternatives in private investments have given investors the motivation and the opportunity to change.

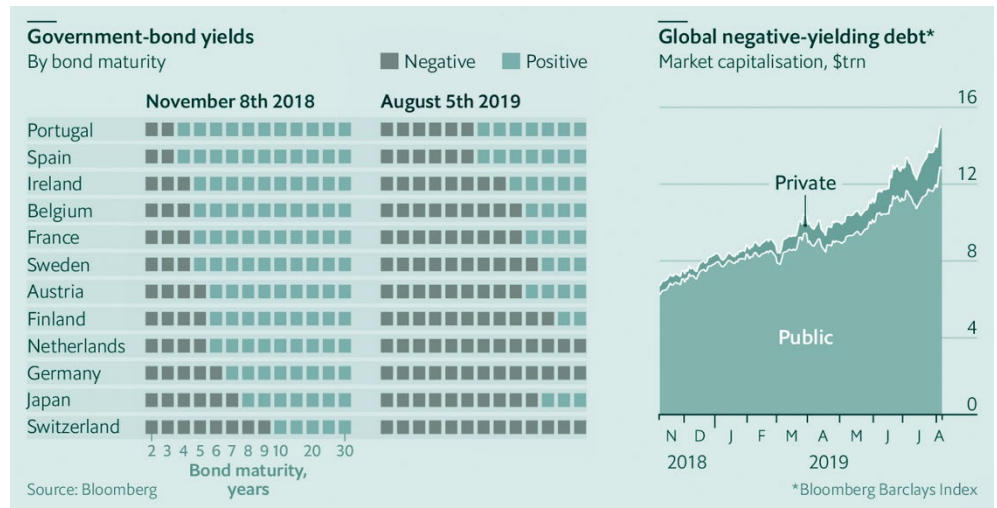


INTEREST RATES DECLINING - FIXED INCOME CHALLENGED

Three decades of deflationary pressures have taken 10-year Treasury yields from double digit levels to **under 1%**.



Almost 1/3rd of global bonds now have negative yields. This is forcing pension funds and endowments to re-think their investment strategies.



EQUITY MARKET CORRELATIONS INCREASING

The increased correlation between traditional markets has nullified the benefits of traditional diversification.

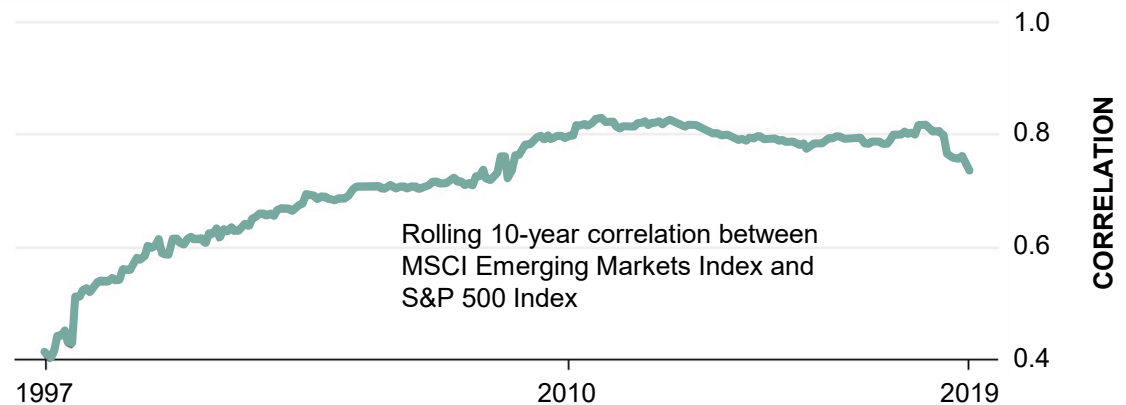
As global economies and supply chains become more and more connected, traditional markets are increasingly moving in the same direction at the same time.



Positive Correlation

SMALL WORLD

U.S. and emerging market stocks are increasingly moving in concert

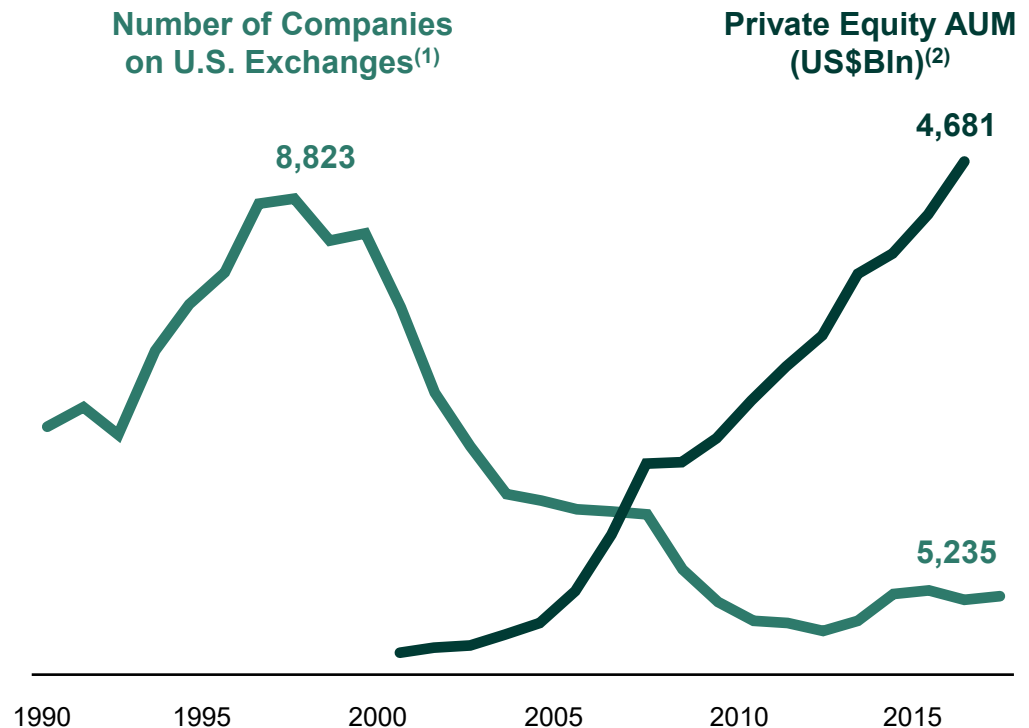


PUBLIC COMPANY LISTINGS DECLINING

Public listings have declined as private markets have expanded.

The public investable universe has been cut in half over the past 20 years.
Your small cap fund isn't what is used to be...

Due to the expansion of private equity markets many entrepreneurs are now either less likely to take their companies public, or are considering doing so much later in their growth cycles.



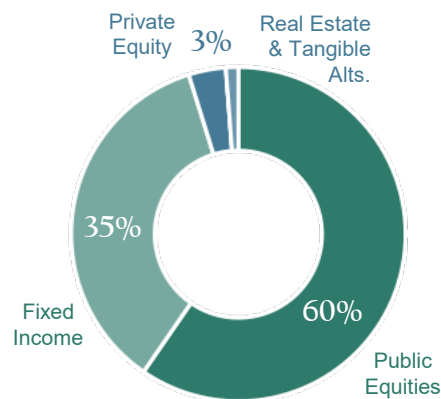
PROFESSIONAL INVESTORS HAVE ADAPTED

Over 60% of CPP's assets are now private alternative investments.

Pension funds have led the shift to private alternatives from the public markets.



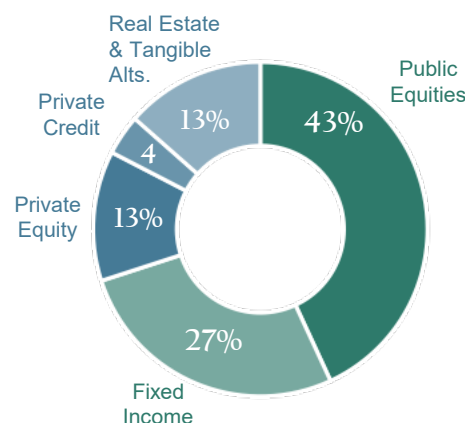
2005



5%

Private Markets

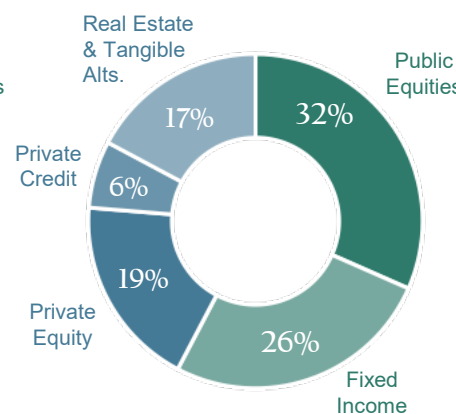
2010



30%

Private Markets

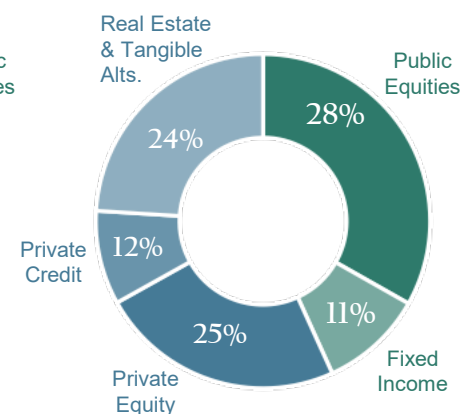
2015



42%

Private Markets

2020



61%

Private Markets

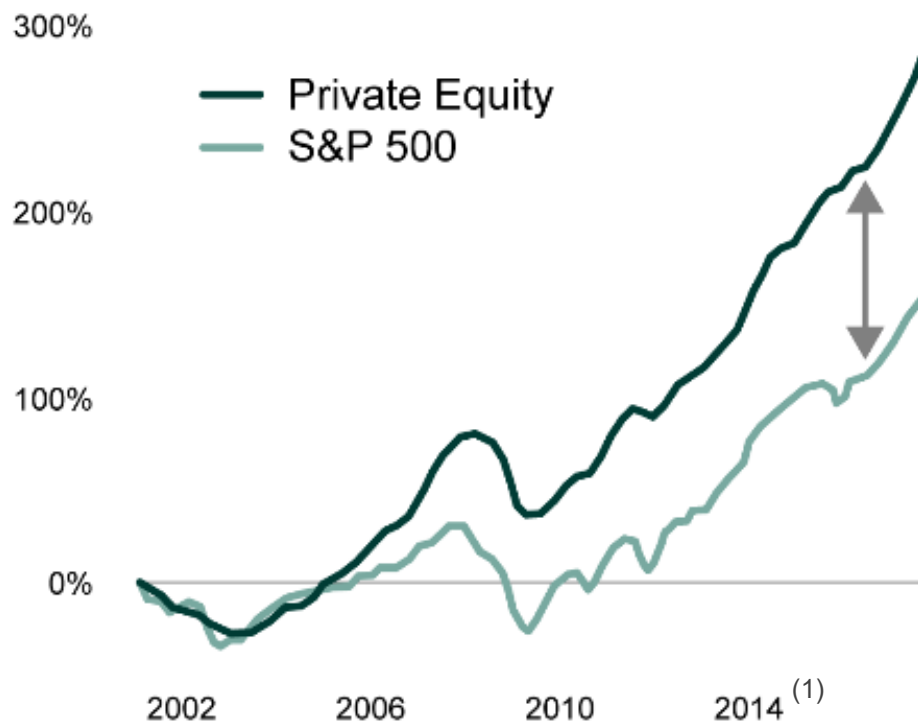


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Source: Canadian Pension Plan annual reports for 1999, 2005, 2010, 2015, and 2020.

SHIFT TO ALTERNATIVES SUCCESSFUL

Driven by alternative investments, both private equity and Canadian pension funds have outperformed the public markets.

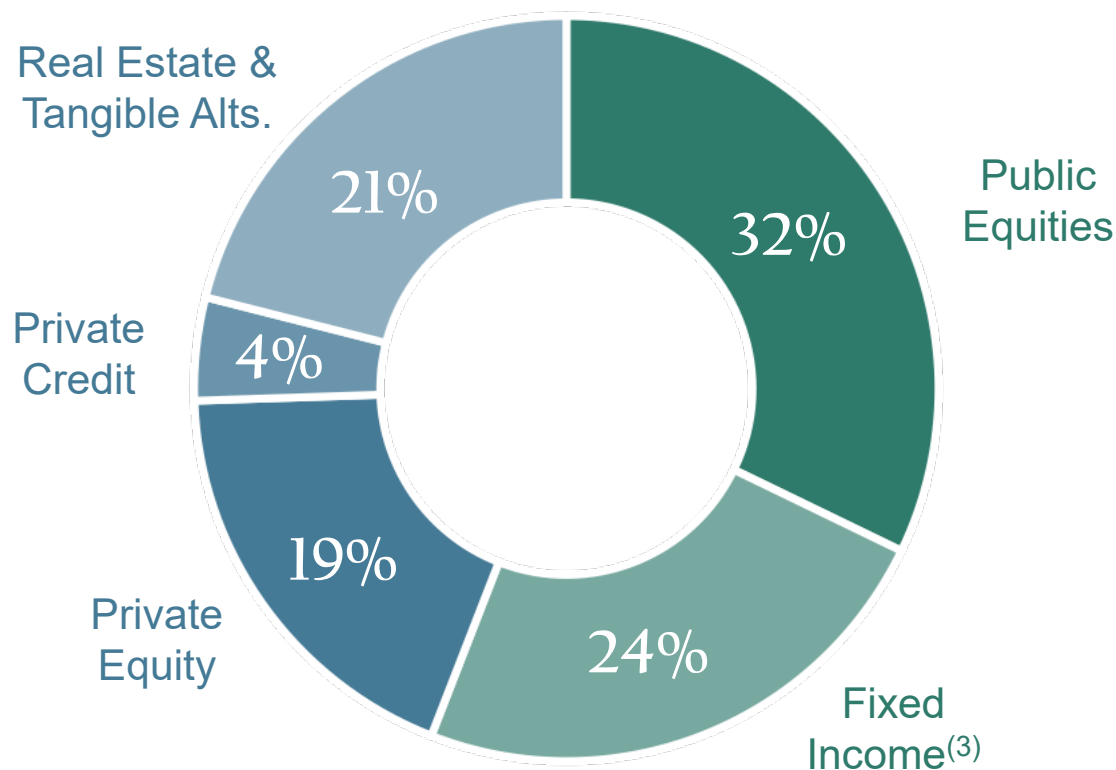


Canadian Pensions

5-Year Net Total Return ⁽²⁾ (2014-2019)	
CPP	10.3%
OTPP	8.0%
OMERS	8.1%
Average	8.8%
TSX Comp. ⁽³⁾	4.7%

LARGE FAMILY OFFICES NOT FAR BEHIND...

Wealthy families are not far behind. According to a global study done by UBS⁽¹⁾, alternative investments now account for 44% of assets in large family offices⁽²⁾.

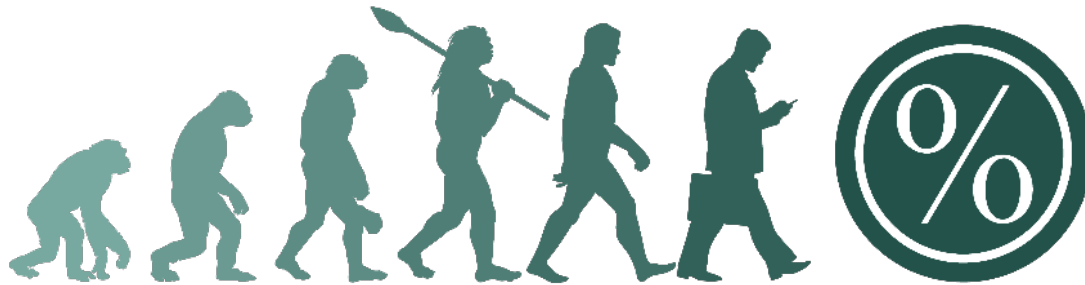


1) Source: The UBS / Campden Wealth Global Family Office Survey 2019.

2) Average AUM of \$917 million. Geographic breakdown of 360 family offices surveyed: 36% North America, 32% Europe, 24% Asia-Pacific, 7.8% Africa and the Middle East.

3) Fixed Income weighting includes cash balance of 7.6%.

PR%F CAPITAL



WHY INVEST IN PROOF FUNDS?⁽¹⁾

ALTERNATIVE ASSET FOCUS: Institutional-quality private investments previously exploited by pensions and private equity.

1 | HIGHER RETURN POTENTIAL

- 27.3% actual annualized return over 7-year performance history.⁽²⁾
- Monthly cash distributions.

2 | LOW VOLATILITY & WEALTH PROTECTION

- Excess volatility a main reason investors sell during periods of market stress.
- Proof targets alternative investments that are uncorrelated with the public markets.

3 | REAL DIVERSIFICATION

- Real assets have a low correlation to the public capital markets.
- Proof believes tangible alternatives are the best option for real diversification.

4 | LIQUIDITY

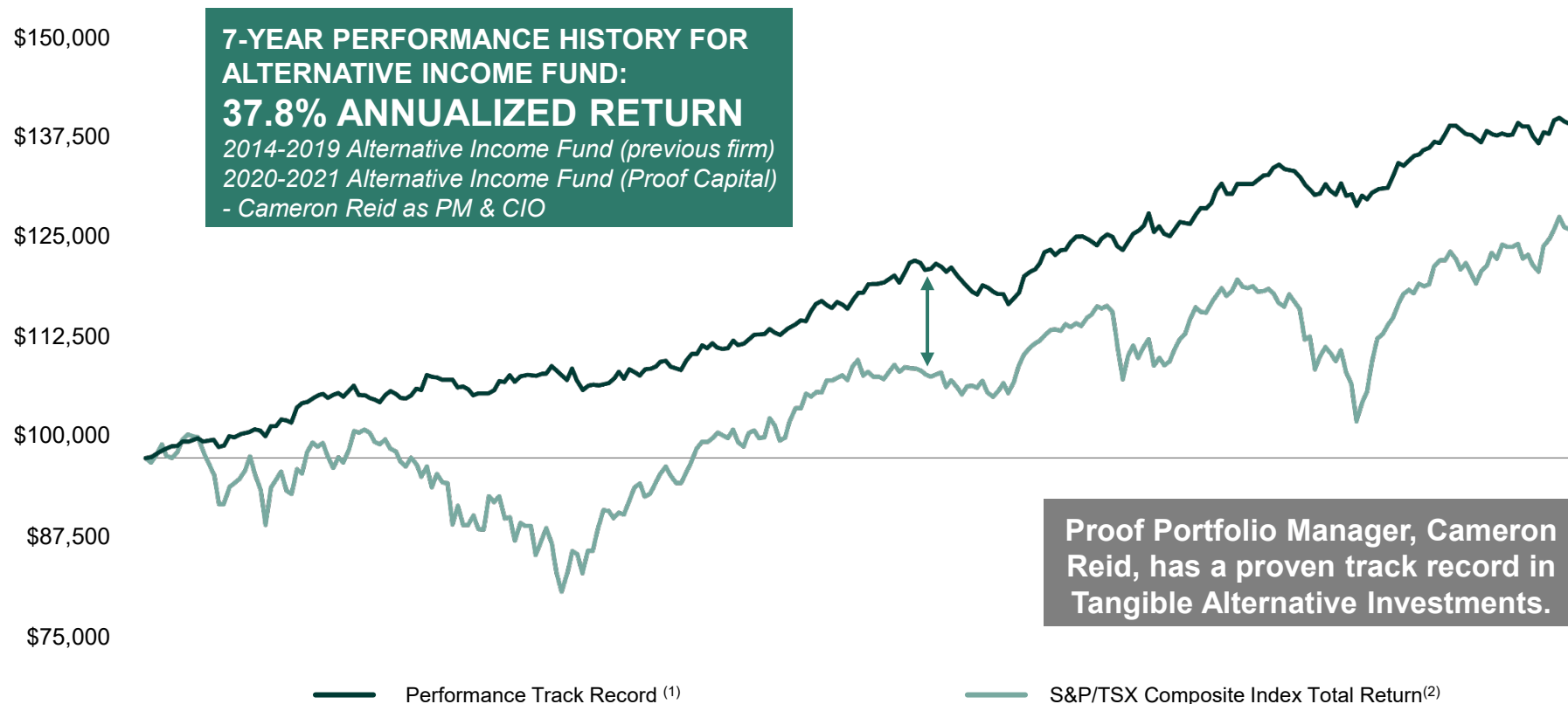
- Open-ended structure.
- Monthly liquidity.⁽³⁾

1) Qwest Investment Fund Management Ltd. ("QIFM"), a registered manager, dealer and adviser, is the investment fund manager and portfolio manager for the Proof's funds; and Cameron Reid, Advising Representative with QIFM, manages the each fund's portfolio. Mr. Reid is also the Chief Investment Officer of Proof.

2) Actual Total Return from June 2014 to June 2019 of the Alternative Income Fund of Cameron Reid's previous firm while Mr. Reid was PM & CIO as well as Actual Total Return from January 2020 to present of the Proof Capital Alternative Income Fund. Past performance of investments described herein is provided for illustrative purposes only and is not necessarily indicative of future results.

3) See offering documents of a fund for particulars.

HIGHER RETURN POTENTIAL

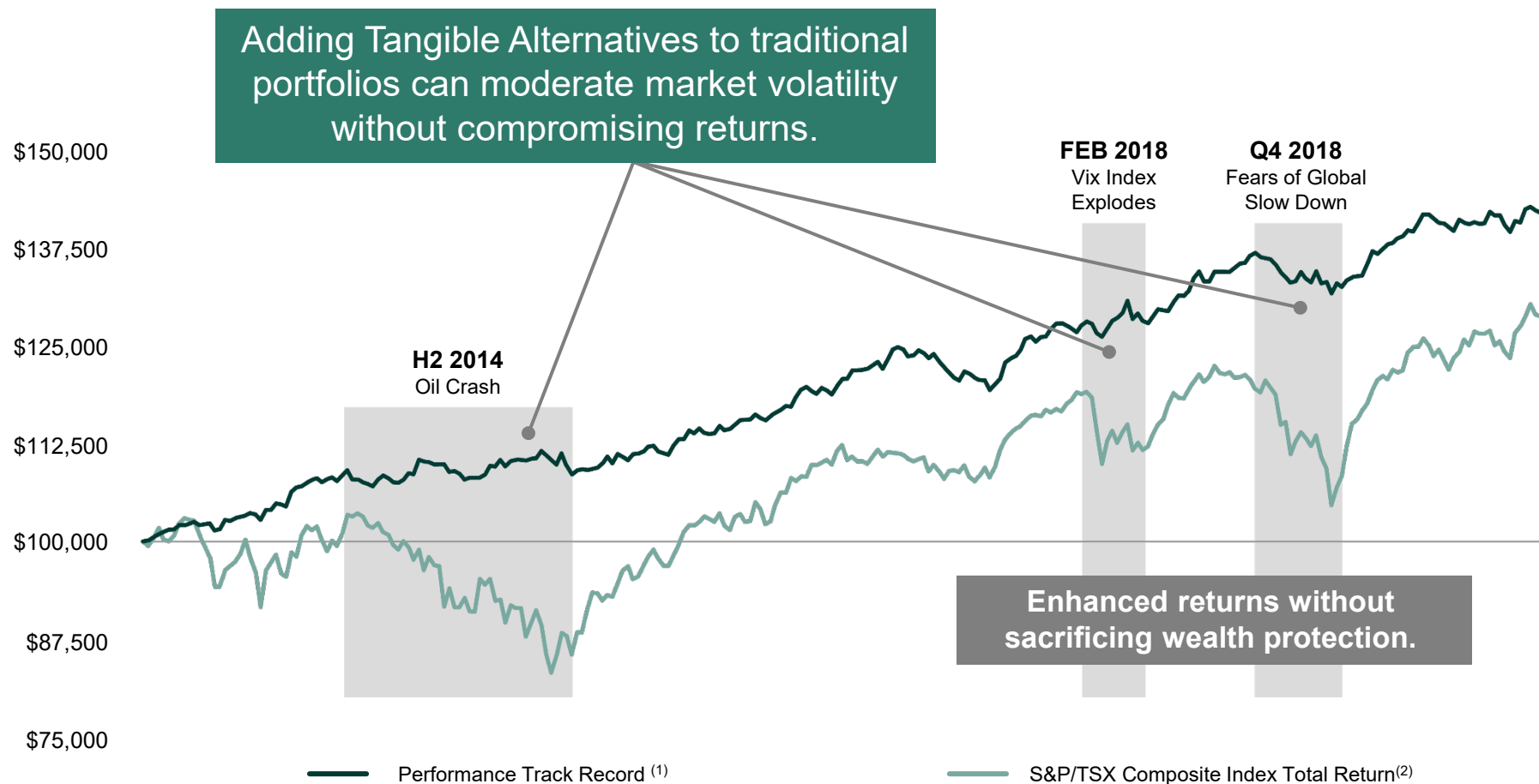


Monthly Returns (Class F)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽⁴⁾
2022	-0.5	0.6	5.6	1.0	-	-	-	-	-	-	-	-	6.8	-1.3
2021	3.7	5.1	3.4	5.4	78.2	0.7	4.7	6.1	6.5	-0.7	23.9	0.2	196.8	25.1
2020	0.0	0.0	0.0	0.0	0.0	-0.1	0.3	9.2	0.0	0.0	4.8	2.6	18.5	5.6

- 1) Actual Total Return from June 2014 to June 2019 of the Balanced Model Portfolio of Cameron Reid's previous firm while Mr. Reid was PM & CIO. The Alternative Income Fund made up a 35% weight in the Balanced Model Portfolio.
- 2) The S&P/TSX index was chosen as a widely used benchmark the Canadian equity market. While Proof uses this index for long-term performance comparisons, it is not managed relative to the composition of the index.

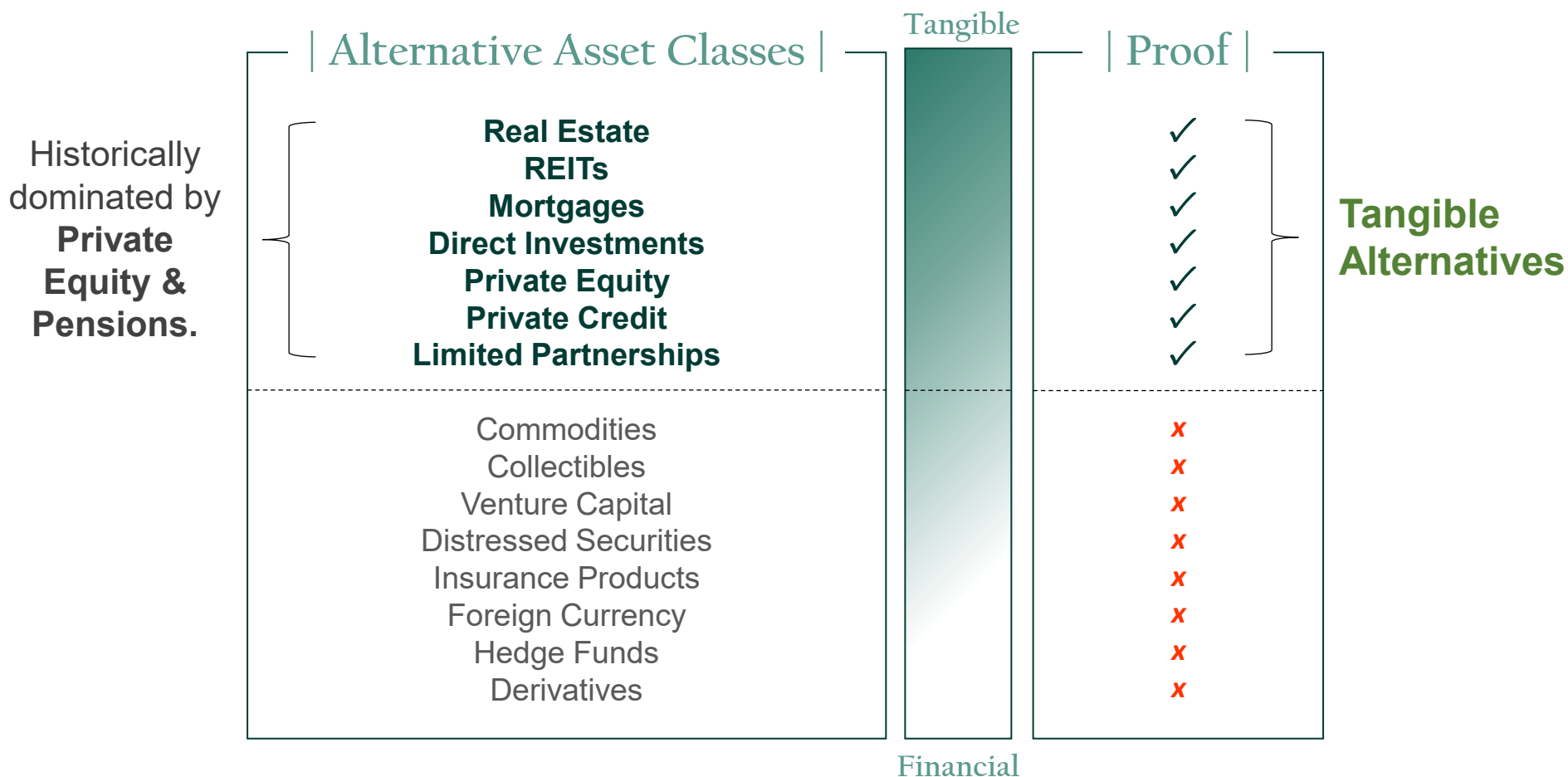
LOW VOLATILITY



- 1) Actual Total Return from June 2014 to June 2019 of the Balanced Model Portfolio of Cameron Reid's previous firm while Mr. Reid was PM & CIO.
- 2) The S&P/TSX index was chosen as a widely used benchmark the Canadian equity market. While Proof uses this index for long-term performance comparisons, it is not managed relative to the composition of the index.

PROOF'S FOCUS - TANGIBLE ALTERNATIVES

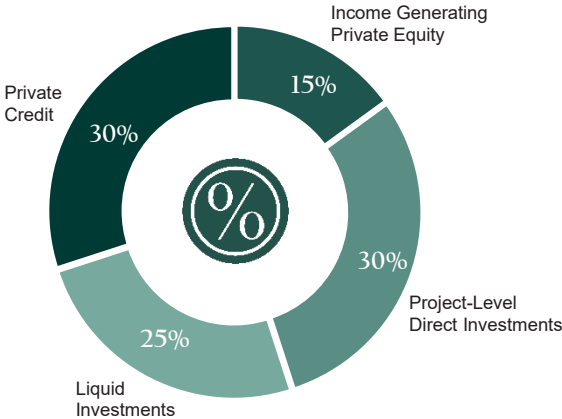
Proof focuses on high-quality, **tangible alternative assets** in a unique **open-ended** structure that provides **monthly liquidity**.⁽¹⁾



FUND INVESTMENT CRITERIA & ALLOCATIONS

Fund criteria for all **underlying** alternative investments:

- 1) **EVENT-DRIVEN, SPECIAL SITUATIONS** chosen to enhance returns without sacrificing quality.
- 2) **INDUSTRY AGNOSTIC**, but with a targeted 25% max weighting to any industry at any time.
- 3) High quality private investments challenged by **LIMITED ACCESS TO CAPITAL**

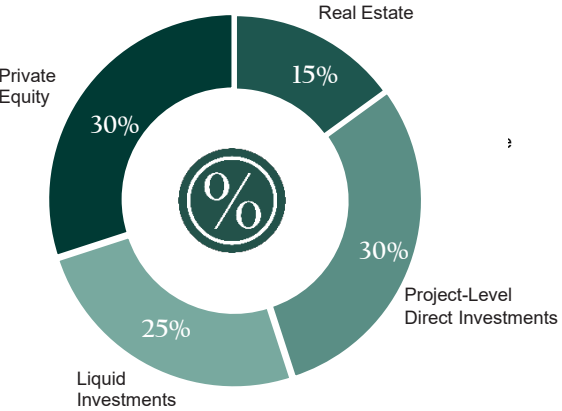


ALTERNATIVE INCOME FUND

The mandate of Proof’s Alternative Income Fund is to invest primarily in alternative **private credit** and direct investment opportunities with **stable distributable cash flows**. Permitted investment vehicles include private mortgages, asset backed securities, direct investments, bonds, preferred shares, and other cash-distributing securities.

Monthly Returns (Class F)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽⁴⁾
2022	-0.5	0.6	5.6	1.0	-	-	-	-	-	-	-	-	6.8	-1.3
2021	3.7	5.1	3.4	5.4	78.2	0.7	4.7	6.1	6.5	-0.7	23.9	0.2	196.8	25.1
2020	0.0	0.0	0.0	0.0	0.0	-0.1	0.3	9.2	0.0	0.0	4.8	2.6	18.5	5.6



ALTERNATIVE GROWTH FUND

The mandate of Proof’s Alternative Growth Fund is to invest primarily in alternative **private equity** and direct investment opportunities with **strong growth profiles**. Permitted investment vehicles include real property and/or securities invested in real property, private REITs, private equity investments, bonds offering the prospect of capital appreciation, and other growth-orientated securities.

Monthly Returns (Class F)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽⁴⁾
2022	0.3	-0.6	1.5	3.7	-	-	-	-	-	-	-	-	4.9	-1.3
2021	7.8	6.5	-0.2	7.6	96.2	0.2	4.9	6.1	6.5	1.2	17.4	0.1	231.7	25.1
2020	0.0	0.0	0.0	0.0	0.0	0.4	-0.1	2.9	0.0	-0.2	-0.8	2.4	10.5	5.6

PROOF'S TENETS

Access to Alternative Asset Classes

Proof offers families access to alternative asset classes that can offer both higher return potential and lower expected volatility relative to opportunities in the traditional public markets. Until now, we believe limitations on private wealth has prevented many families from capturing the full benefit of private investments in alternative assets.

|1|

LESS-EFFICIENT MARKETS

Challenged access-to-capital can create special situations in which assets are worth more than companies. Proof looks for market inefficiencies that create such opportunities.

|2|

LIQUIDITY IS OVERPRICED

Quality, less-liquid long term investments can be very rewarding. Our funds focus on long term investments, but are still able to offer investors monthly liquidity.

|3|

HIGH-QUALITY INTERNAL DEAL FLOW

Proof leverages high quality internal deal flow focused on private, event-driven special situations.

|4|

REAL DIVERSIFICATION

Real diversification is best achieved by investments in tangible alternative assets that have low correlations to the public markets.

PRINCIPALS



Jeremy Kaliel MBA

PRESIDENT & CHIEF EXECUTIVE OFFICER

Jeremy Kaliel is the President & Chief Executive Officer of Proof Capital, which he founded in early 2016. He is also an Associate Advising Representative and a Dealing Representative with Qwest Investment Fund Management Ltd. under the supervision of Cameron Reid (Advising Representative). From July 2017 to September 2018, Mr. Kaliel was the Vice President of Corporate Strategy & Communications for Frontera Energy (FEC-TSX), a publicly listed \$2Bln market cap oil company operating in Colombia and Peru. Prior thereto, Mr. Kaliel had over 12 years of experience in equity research at CIBC, Scotia Capital, and Raymond James - during which time he was ranked the #1 sell-side analyst in his sector multiple times.

Jeremy has an MBA degree from HEC Montreal, and a Bachelor of Arts degree from the University of Alberta.



Cameron Reid MBA, CFA

CHIEF INVESTMENT OFFICER & PORTFOLIO MANAGER

Cameron Reid is the Chief Investment Officer of Proof Capital, which he joined in September 2019. He is also an Advising Representative with Qwest Investment Fund Management Ltd. Most recently, Cameron Reid was the Portfolio Manager & Chief Investment Officer for WealthCo Asset Management, where he helped grow his firms AUM to close to \$500MM. Prior to joining WealthCo, Mr. Reid was a Portfolio Manager at BCV Asset Management Inc, and was an Associate Portfolio Manager at Brownstone Asset Management. His early career included an Investment Banking Analyst role with Banc of America Securities LLC.

Cameron has an MBA degree from the University of Western Ontario, and a Bachelor of Arts degree from the University of British Columbia. He also holds the Chartered Financial Analyst designation.



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Cameron Reid – Chief Investment Officer⁽²⁾
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1) *Jeremy Kaliel is also an Associate Advising Representative and a Dealing Representative with Qwest Investment Fund Management Inc.*

2) *Cameron Reid is also an Advising Representative with Qwest Investment Fund Management Ltd.*