

PR%F CAPITAL



THE EVOLUTION OF INVESTING IN ALTERNATIVE ASSETS

MAY 2023

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IMPORTANT INFORMATION WITH RESPECT TO THE PROOF CAPITAL FAMILY OF FUNDS IS SET OUT IN THE FUNDS’ OFFERING DOCUMENTS, TRUST AGREEMENTS AND SUBSCRIPTION DOCUMENTS WHICH SHOULD BE REVIEWED PRIOR TO INVESTMENT. THIS DOCUMENT IS PROVIDED FOR GENERAL INFORMATION PURPOSES AND IS NOT INTENDED TO BE A SOLICITATION OF AN OFFER TO PURCHASE SECURITIES. INTERESTS IN THE PROOF CAPITAL FAMILY OF FUNDS ARE BEING OFFERED ONLY PURSUANT TO AVAILABLE EXEMPTIONS FROM THE PROSPECTUS REQUIREMENT SET OUT IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS.”

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



Source: The Economist

ESCAPE
THE
VOLATILITY
OF THE
PUBLIC
MARKETS

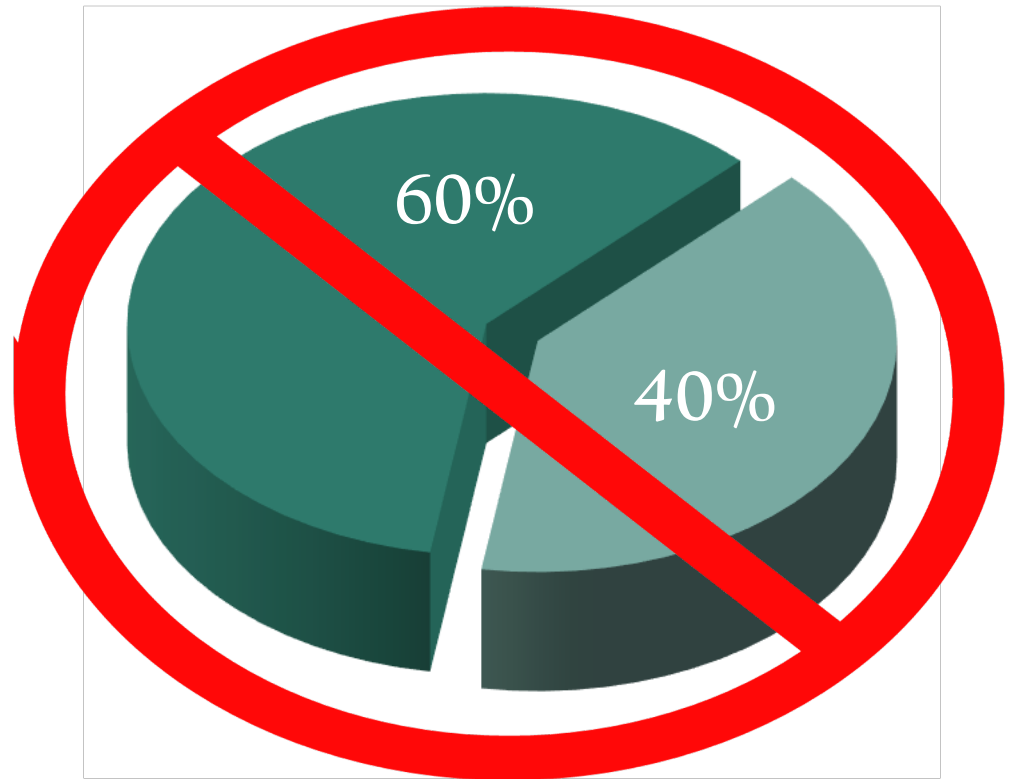
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THE EVOLUTION OF THE MARKETS

Once the foundation of institutional portfolios, the 60 / 40 portfolio of stocks vs. bonds is now OUTDATED.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



EQUITY MARKET CORRELATIONS INCREASING

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

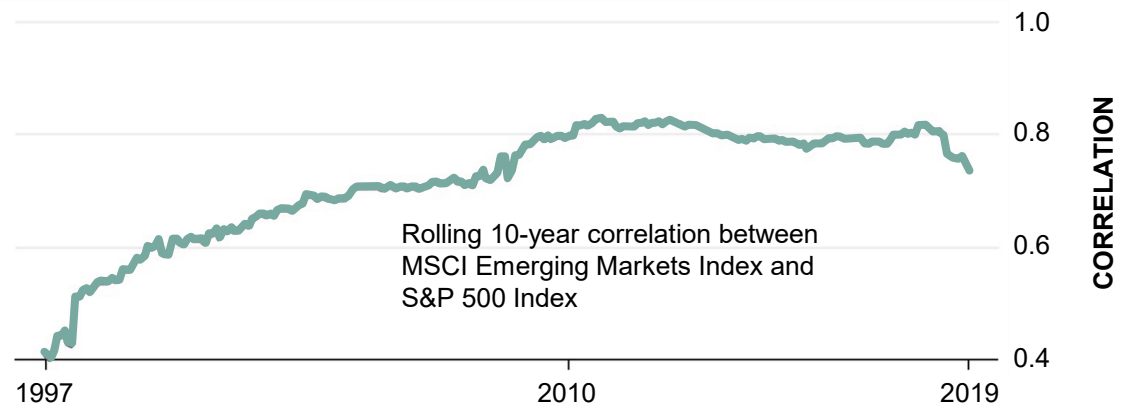
As global economies and supply chains become more and more connected, traditional markets are increasingly moving in the same direction at the same time.



Positive Correlation

SMALL WORLD

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

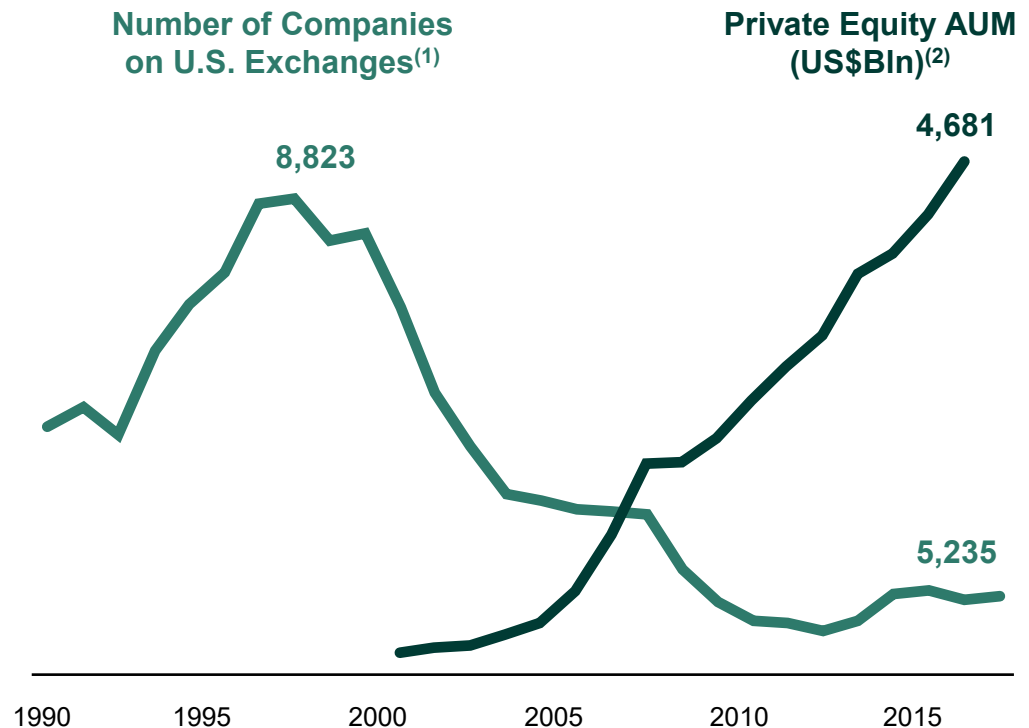


PUBLIC COMPANY LISTINGS DECLINING

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 it 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.



1) World Federation of Exchanges

2) Preqin

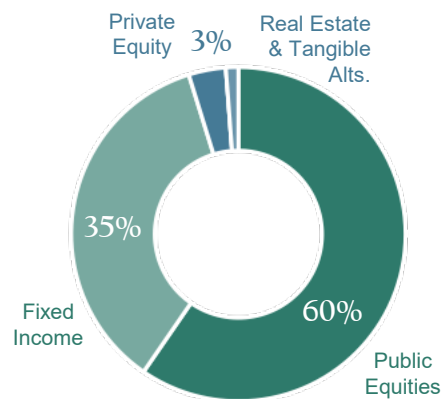
PROFESSIONAL INVESTORS HAVE ADAPTED

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

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

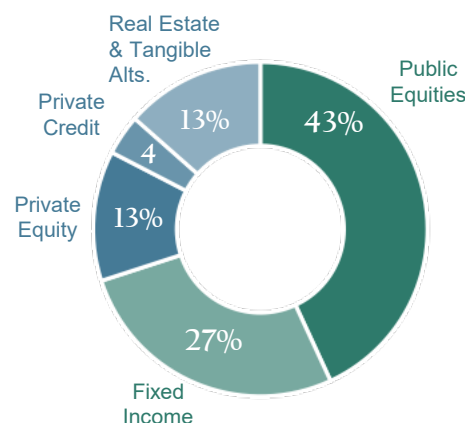


2005



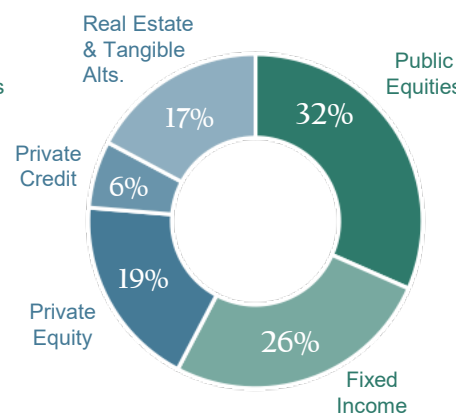
5%
Private Markets

2010



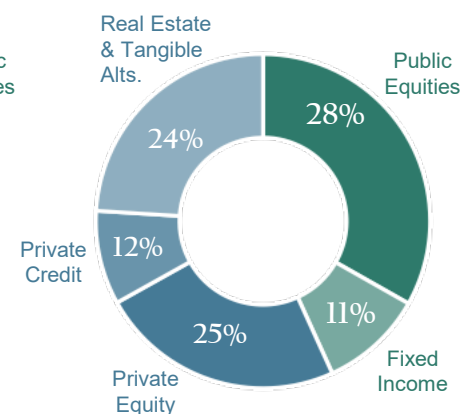
30%
Private Markets

2015



42%
Private Markets

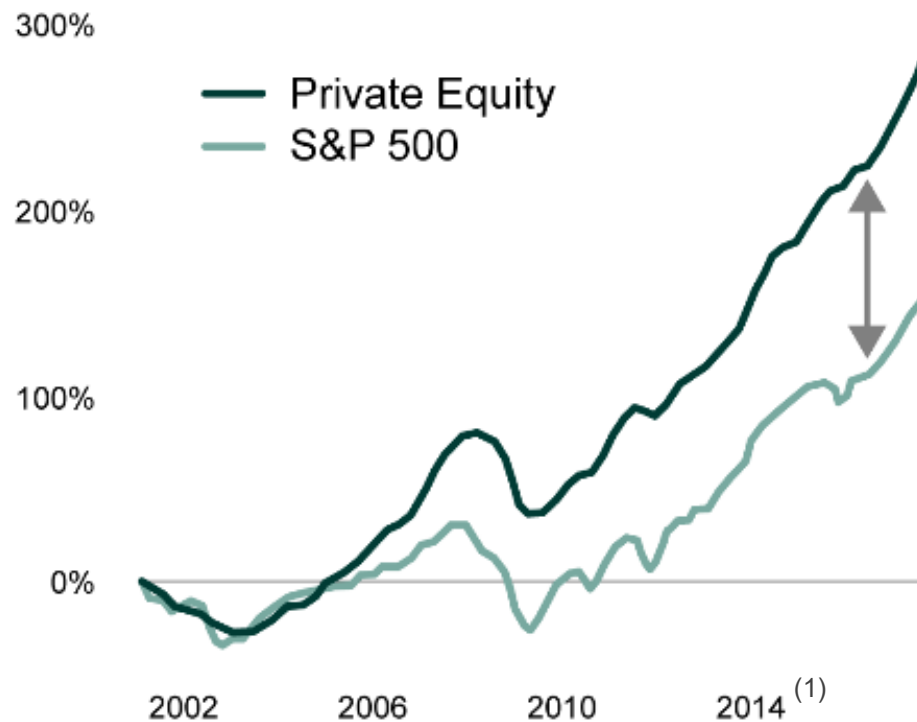
2020



61%
Private Markets

SHIFT TO ALTERNATIVES SUCCESSFUL

Driven by alternative investments, both private equity and Canadian pensions 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%

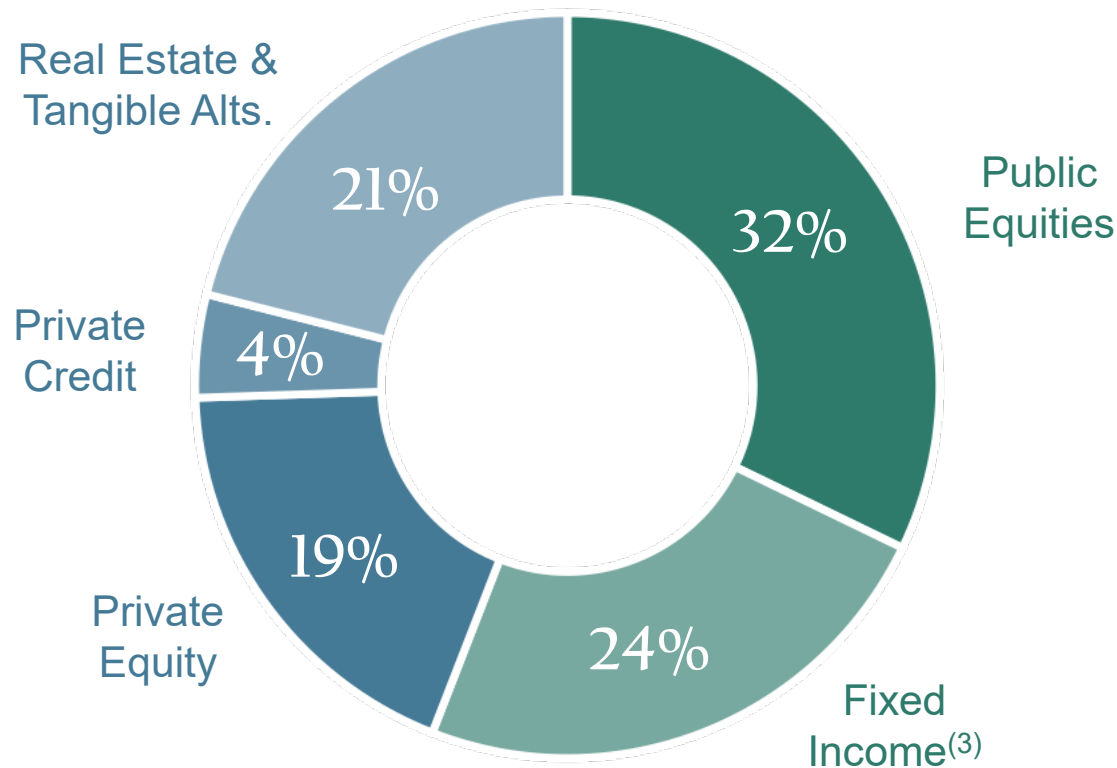
1) Preqin

2) Websites for Canadian Pension Plan (CPP), Ontario Teachers Pension Plan (OTPP) and OMERS.

3) Bloomberg. June 2014 to June 2019.

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⁾.

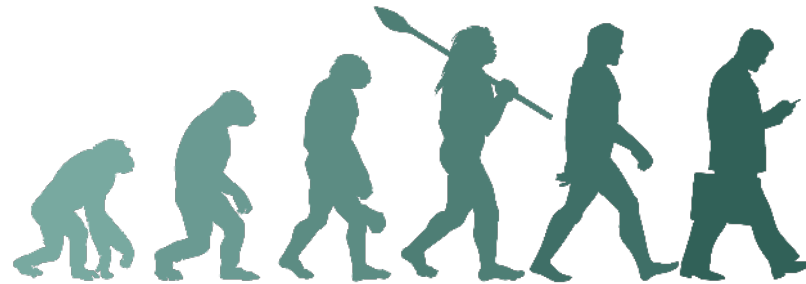


1) Source: The UBS / Campden Wealth Global Family Office Survey 2019.

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 ALTERNATIVE FUNDS



WHY INVEST IN PROOF FUNDS?⁽¹⁾

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

1 | HIGHER RETURN POTENTIAL

- 33.9% actual annualized return over 8-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

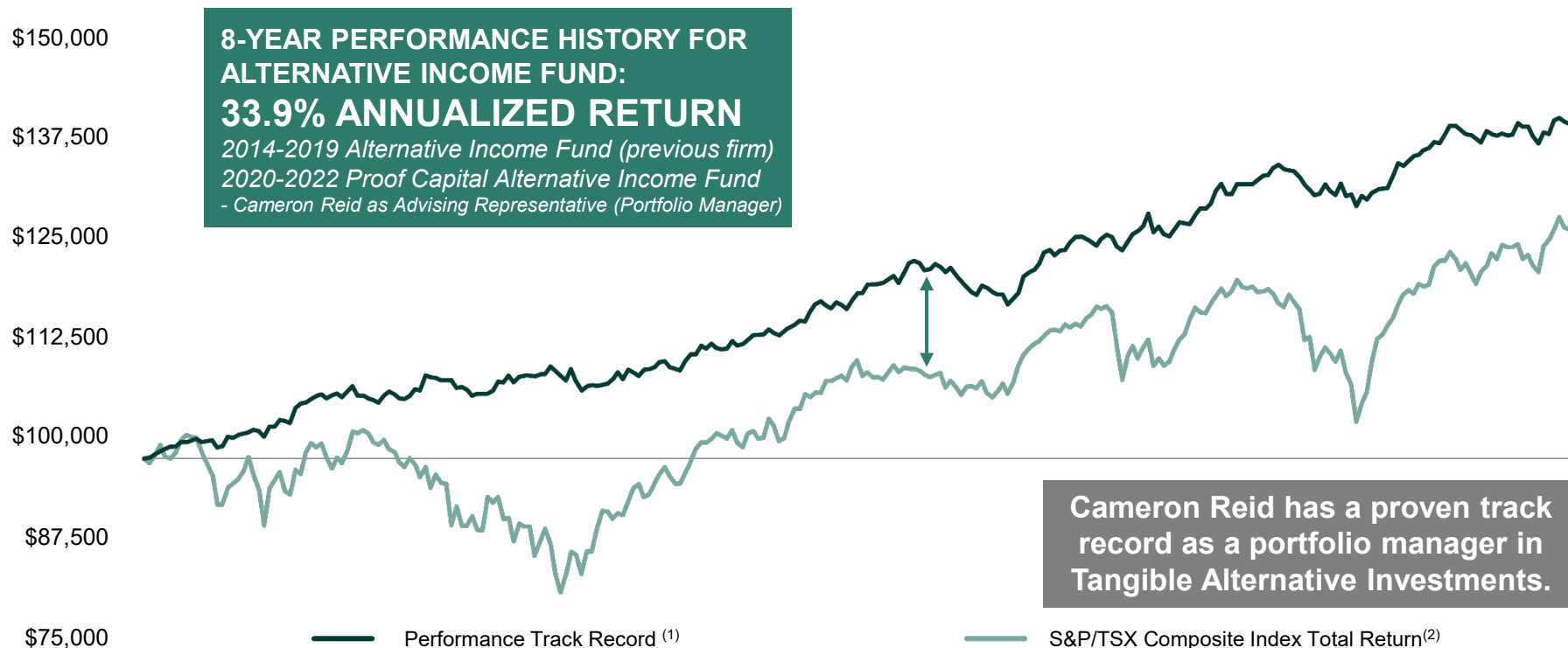
- Open-ended structure.
- Monthly liquidity.⁽³⁾

1) Qwest Investment Fund Management Ltd. ("**QIFM**"), and not Proof Capital, performs all of the registerable activities for the Proof Funds. QIFM, a registered investment fund manager, portfolio manager and exempt market dealer, is the investment fund manager and portfolio manager for the Proof Capital Family of Funds; and Cameron Reid, Advising Representative (Portfolio Manager) with QIFM, manages each fund's portfolio. Mr. Reid is also the Chief Investment Officer of Proof Capital. Proof Capital is the promoter of the Proof Capital Family of Funds.

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 December 2022 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 each fund for particulars.

HIGHER RETURN POTENTIAL

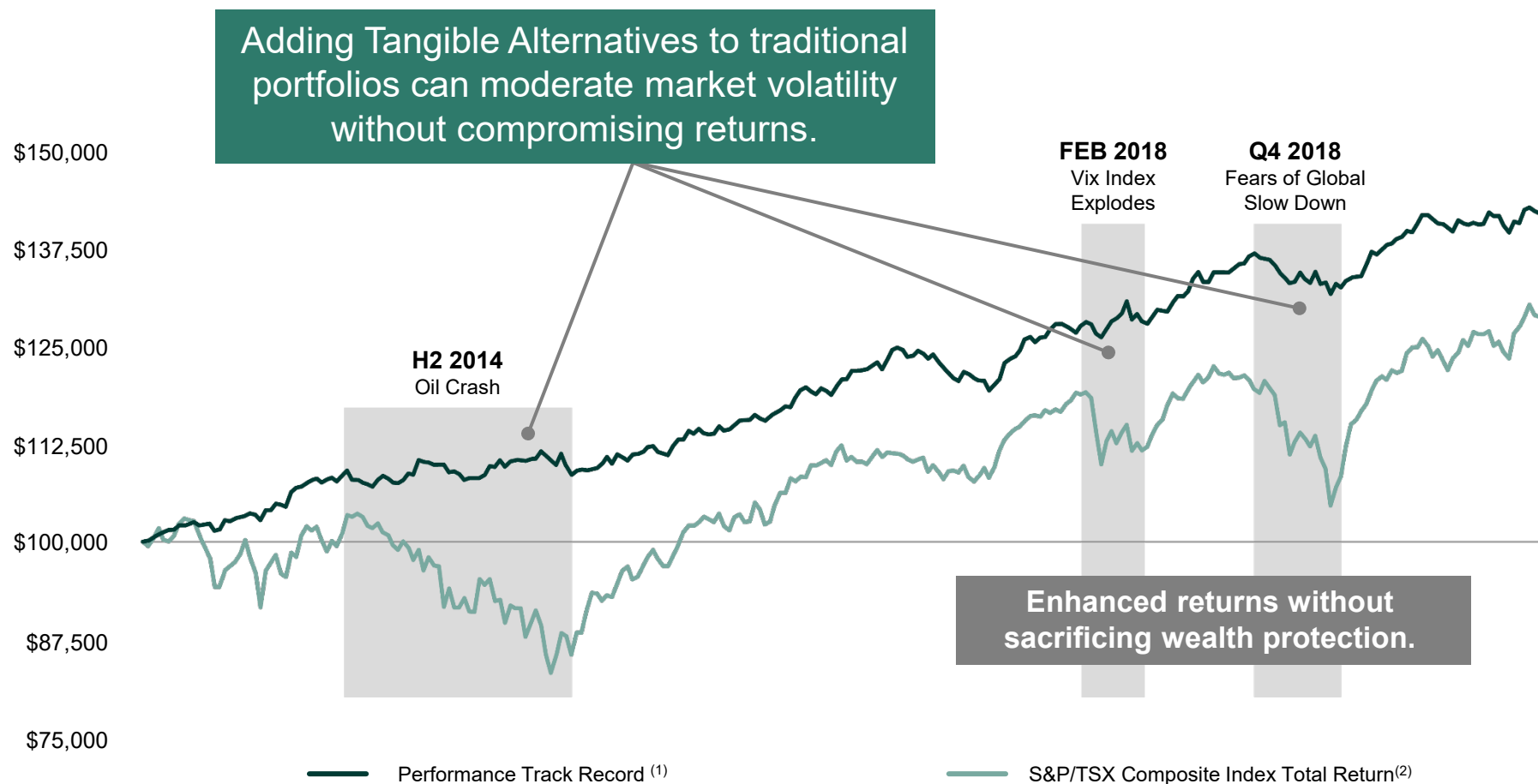


Monthly Returns (Class F) ⁽³⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX
2023	-1.0	0.6	-	-	-	-	-	-	-	-	-	-	-0.5	4.7
2022	0.6	5.6	1.0	-0.6	0.7	-0.5	1.0	2.1	-0.4	-0.7	-1.9	6.5	6.5	-5.4
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 Advising Representative (Portfolio Manager) & 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 for the Canadian equity market. While Proof uses this index for long-term performance comparisons, the Proof Capital Alternative Income Fund is not managed relative to the composition of the index.
- 3) Proof Funds also have Class A units which bear a 1% annual trailer fee. See the Proof Funds offering memorandums for details.

LOW VOLATILITY

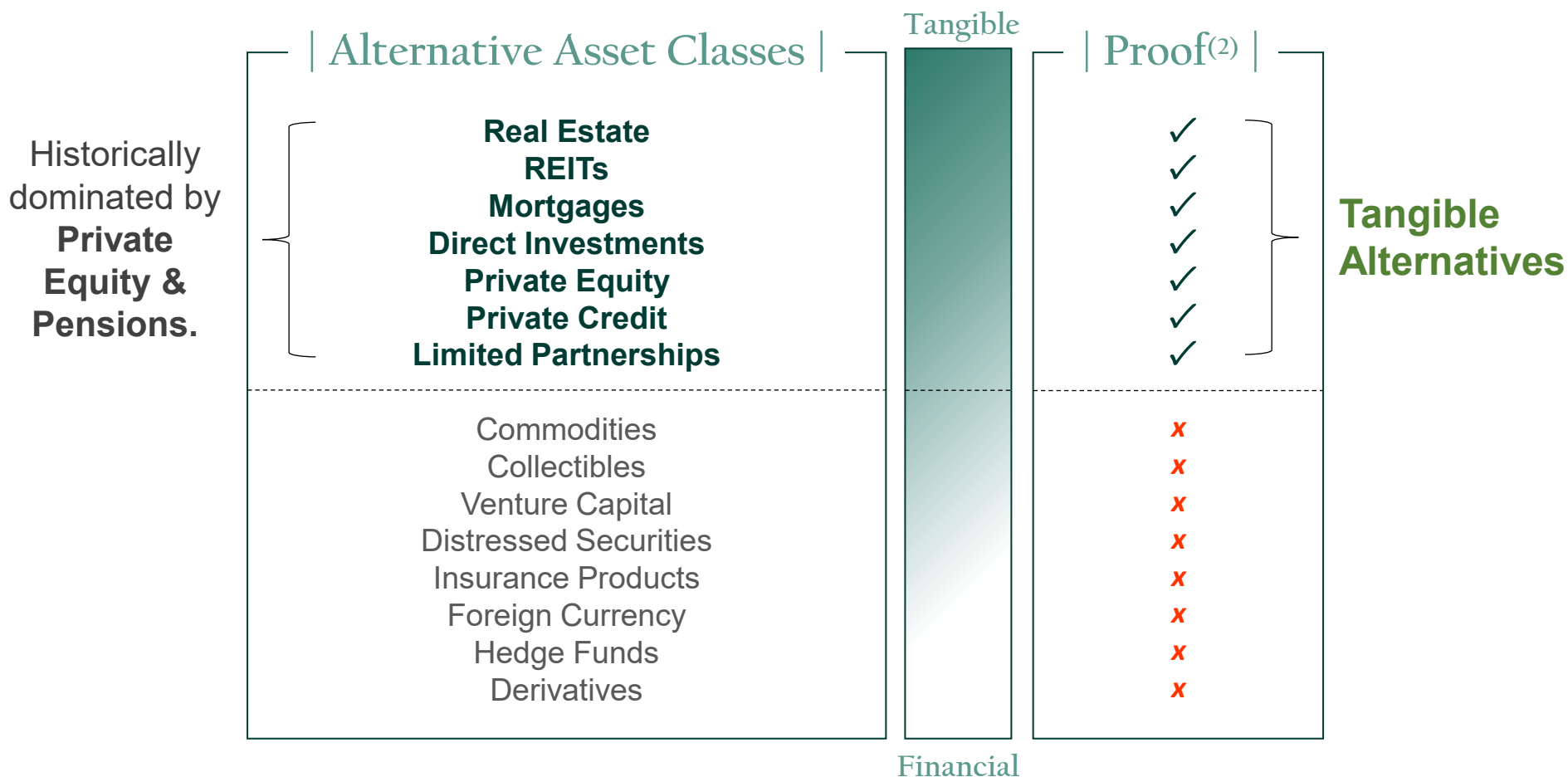


1) Actual Total Return from June 2014 to June 2019 of the Balanced Model Portfolio of Cameron Reid's previous firm while Mr. Reid was Advising Representative (Portfolio Manager) & CIO.

2) The S&P/TSX index was chosen as a widely used benchmark for the Canadian equity market. While Proof uses this index for long-term performance comparisons, the Proof Funds are 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⁾



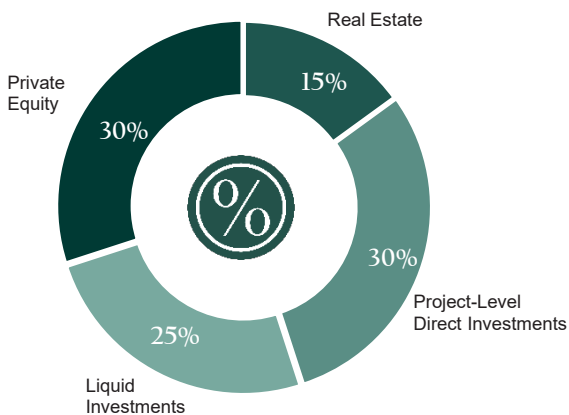
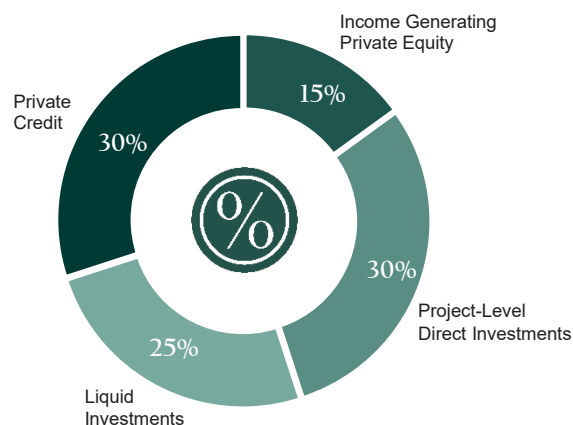
1) See offering documents of each fund for particulars.

2) Proof Capital Family of Funds

FUND INVESTMENT CRITERIA & ALLOCATIONS

Fund criteria for all **underlying** alternative investments⁽¹⁾:

- 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**.



PROOF CAPITAL ALTERNATIVE INCOME FUND

The mandate of the Proof Capital 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)⁽²⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽⁴⁾
2023	-1.0	0.6	-	-	-	-	-	-	-	-	-	-	-0.5	4.7
2022	0.6	5.6	1.0	-0.6	0.7	-0.5	1.0	2.1	-0.4	-0.7	-1.9	6.5	6.5	-5.4
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

PROOF CAPITAL ALTERNATIVE GROWTH FUND

The mandate of the Proof Capital 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)⁽²⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽⁴⁾
2023	-0.6	1.3	-	-	-	-	-	-	-	-	-	-	0.7	4.7
2022	-0.6	1.5	3.7	0.7	0.2	-0.9	1.0	5.3	-0.3	-0.9	0.1	10.2	10.2	-5.4
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

1) Managed by Qwest Investment Fund Management Ltd.

2) Proof Funds also have Class A units which bear a 1% annual trailer fee. See the Proof Funds' offering memorandums for details.

PROOF'S TENETS

Access to Alternative Asset Classes

Through the Proof Capital Family of Funds, 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 have 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 Funds exploit market inefficiencies that create such opportunities.

|2|

LIQUIDITY IS OVERPRICED

Quality, less-liquid long term investments can be very rewarding. Proof 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
(Proof Capital Inc.)

Jeremy Kaliel is the President & Chief Executive Officer of Proof Capital, which he founded in early 2019. He is also an Associate Advising Representative (Associate Portfolio Manager) and a Dealing Representative with Qwest Investment Fund Management Ltd. under the supervision of Cameron Reid as Advising Representative (Portfolio Manager). From July 2017 to September 2018, Mr. Kaliel was the Vice President of Corporate Strategy & Communications for Frontera Energy (FEC-TSX), a publicly listed \$2Bn 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
(Proof Capital Inc.)

Cameron Reid is the Chief Investment Officer of Proof Capital, which he joined in September 2019. He is also an Advising Representative (Portfolio Manager) 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 firm's 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.



Jeremy Kaliel⁽¹⁾

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Cameron Reid⁽²⁾

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PR%F CAPITAL INC.⁽³⁾

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- 1) *Jeremy Kaliel is the Chief Executive Officer of Proof Capital Inc. (the promoter of the Proof Capital Family of Funds). He is also an Associate Advising Representative (Associate Portfolio Manager) and a Dealing Representative with Qwest Investment Fund Management Ltd.*
- 2) *Cameron Reid is the Chief Investment Officer of Proof Capital Inc. (the promoter of the Proof Capital Family of Funds). He is also an Advising Representative (Portfolio Manager) with Qwest Investment Fund Management Ltd.*
- 3) *Inquires with respect to Proof Funds will be responded to by a registered dealer or a registered advisor at QIFM.*