

PR%F CAPITAL



**THE EVOLUTION OF INVESTING IN
ALTERNATIVE ASSETS**

JULY 2023

“Qwest Investment Fund Management Ltd. (“QIFM”) is the registered Investment Fund Manager and Portfolio Manager for the Proof Capital Alternative Income Fund, the Proof Capital Alternative Growth Fund, the Proof Capital Balanced Growth & Income Fund, and the Proof Capital Special Situations Fund (the “Proof Capital Family of Funds” or “Proof Funds”). QIFM is a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered in the provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Saskatchewan and Quebec. QIFM is also registered as an Investment Fund Manager in Newfoundland and Labrador. Cameron Reid is registered as an Advising Representative (Portfolio Manager) with QIFM, and acts as the Advising Representative (Portfolio Manager) for the Proof Capital Family of Funds. Mr. Reid is also the Chief Investment Officer of Proof Capital Inc. (“Proof Capital” or “Proof”). Proof is the promoter of the Proof Capital Family of Funds.

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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

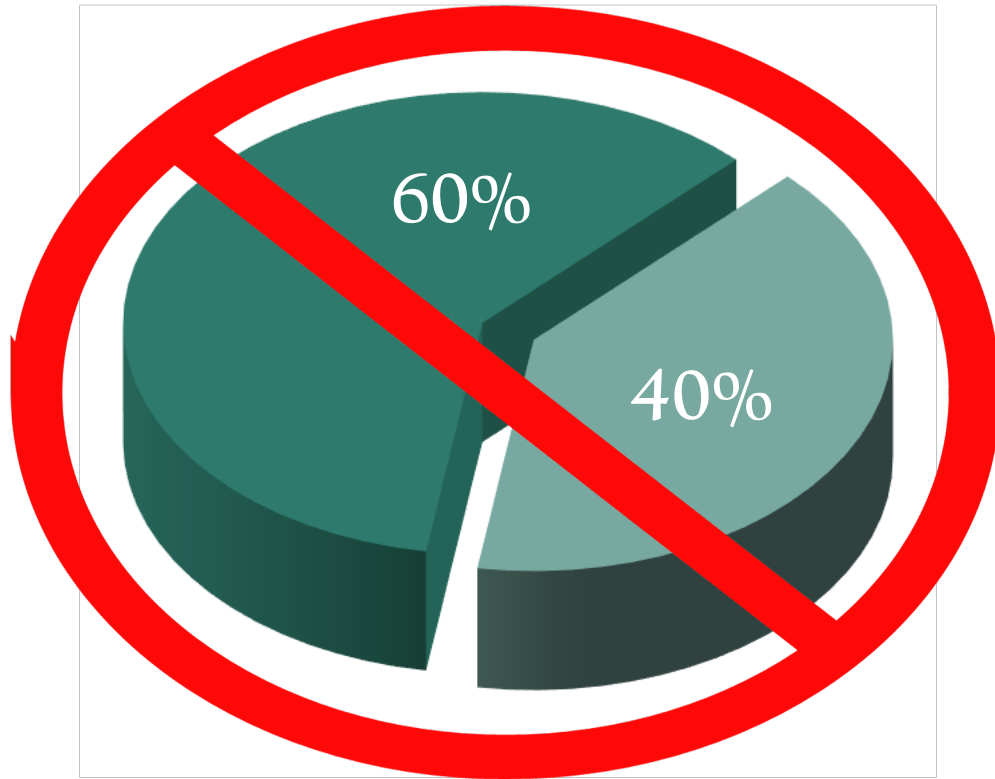
ESCAPE
THE
VOLATILITY
OF THE
PUBLIC
MARKETS

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Once the foundation of institutional portfolios, the 60 / 40 portfolio of stocks vs. bonds is now OUTDATED.



EQUITY MARKET CORRELATIONS INCREASING

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

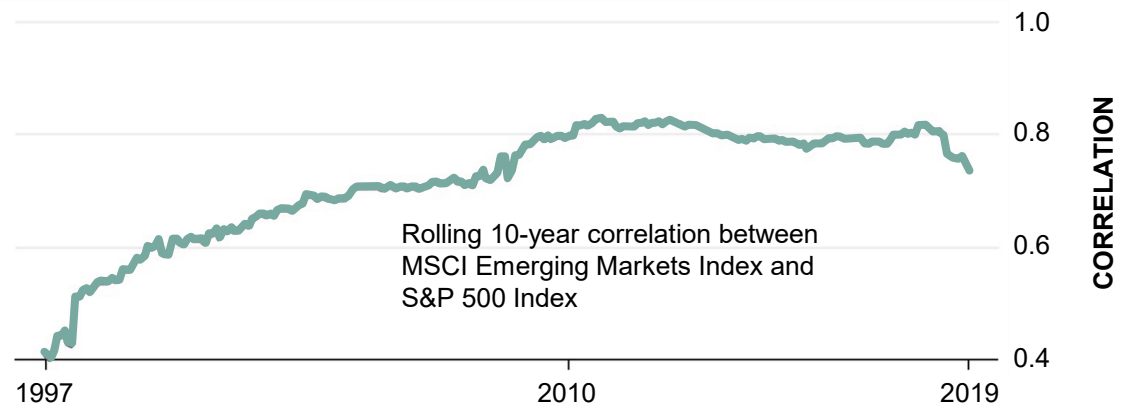
As global economies and supply chains become more and more connected, traditional markets are increasingly moving in the same direction at the same time.



Positive Correlation

SMALL WORLD

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

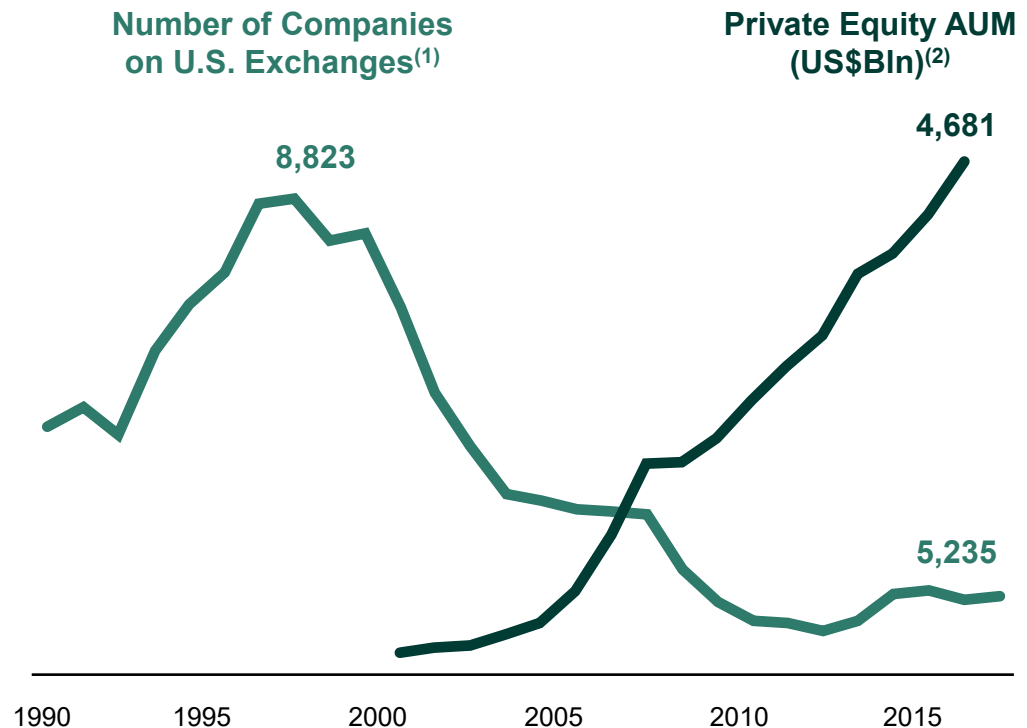


PUBLIC COMPANY LISTINGS DECLINING

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

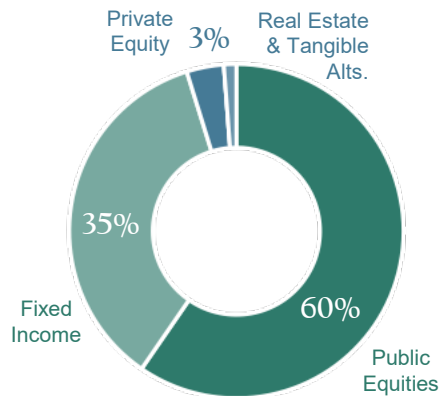
PROFESSIONAL INVESTORS HAVE ADAPTED

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

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

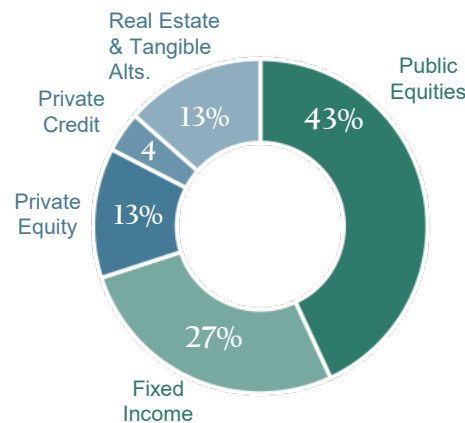


2005



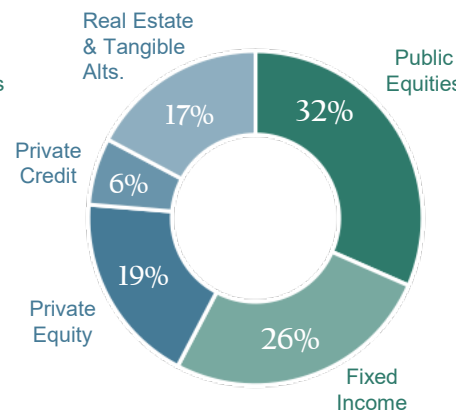
5%
Private Markets

2010



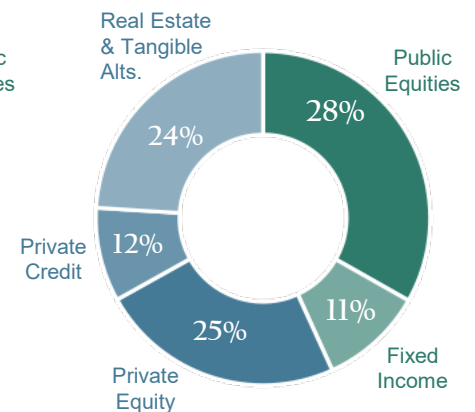
30%
Private Markets

2015



42%
Private Markets

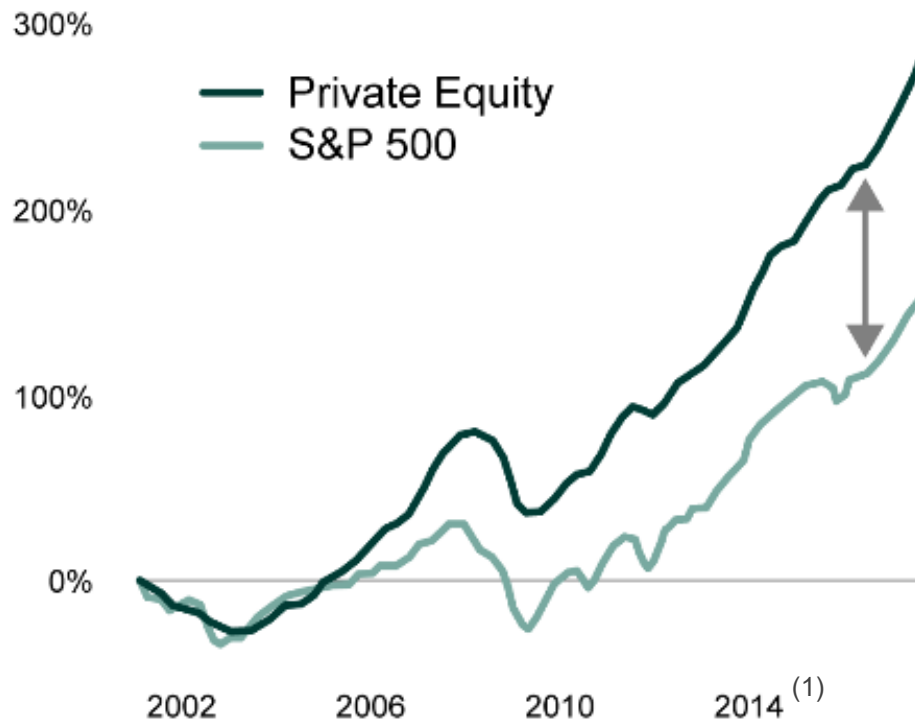
2020



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%

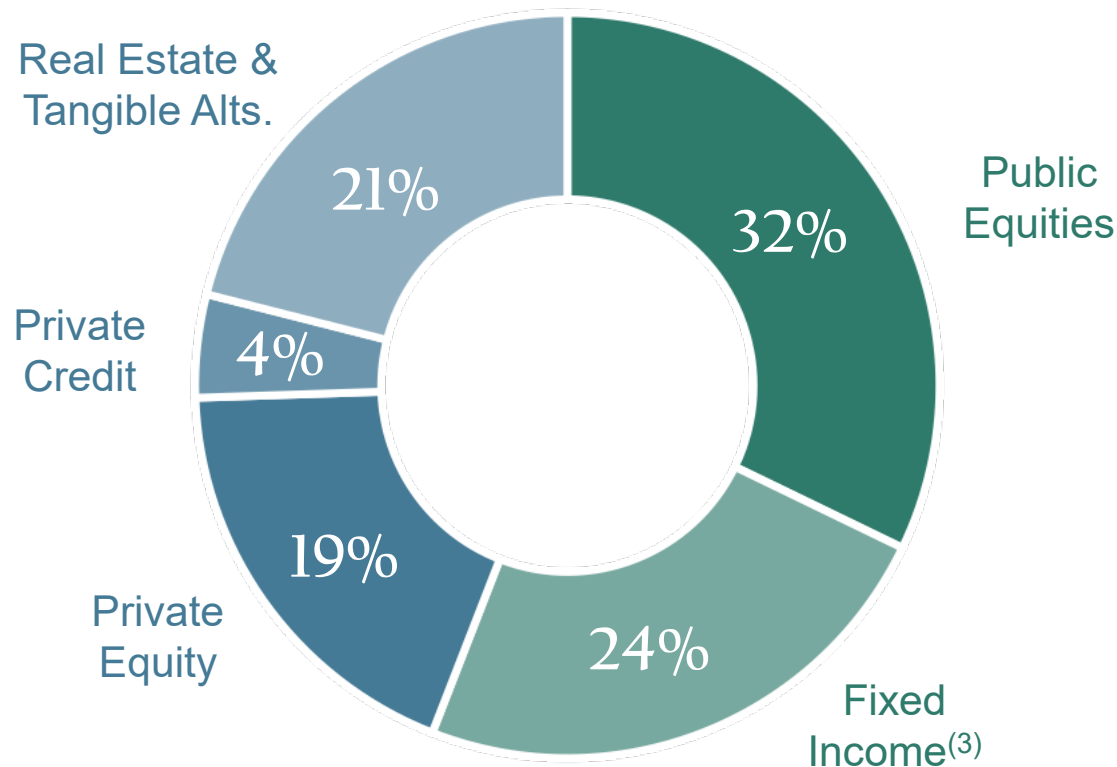
1) Preqin

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⁾.

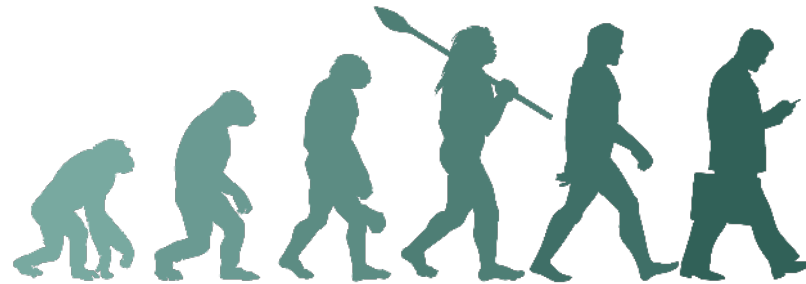


1) Source: The UBS / Campden Wealth Global Family Office Survey 2019.

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.

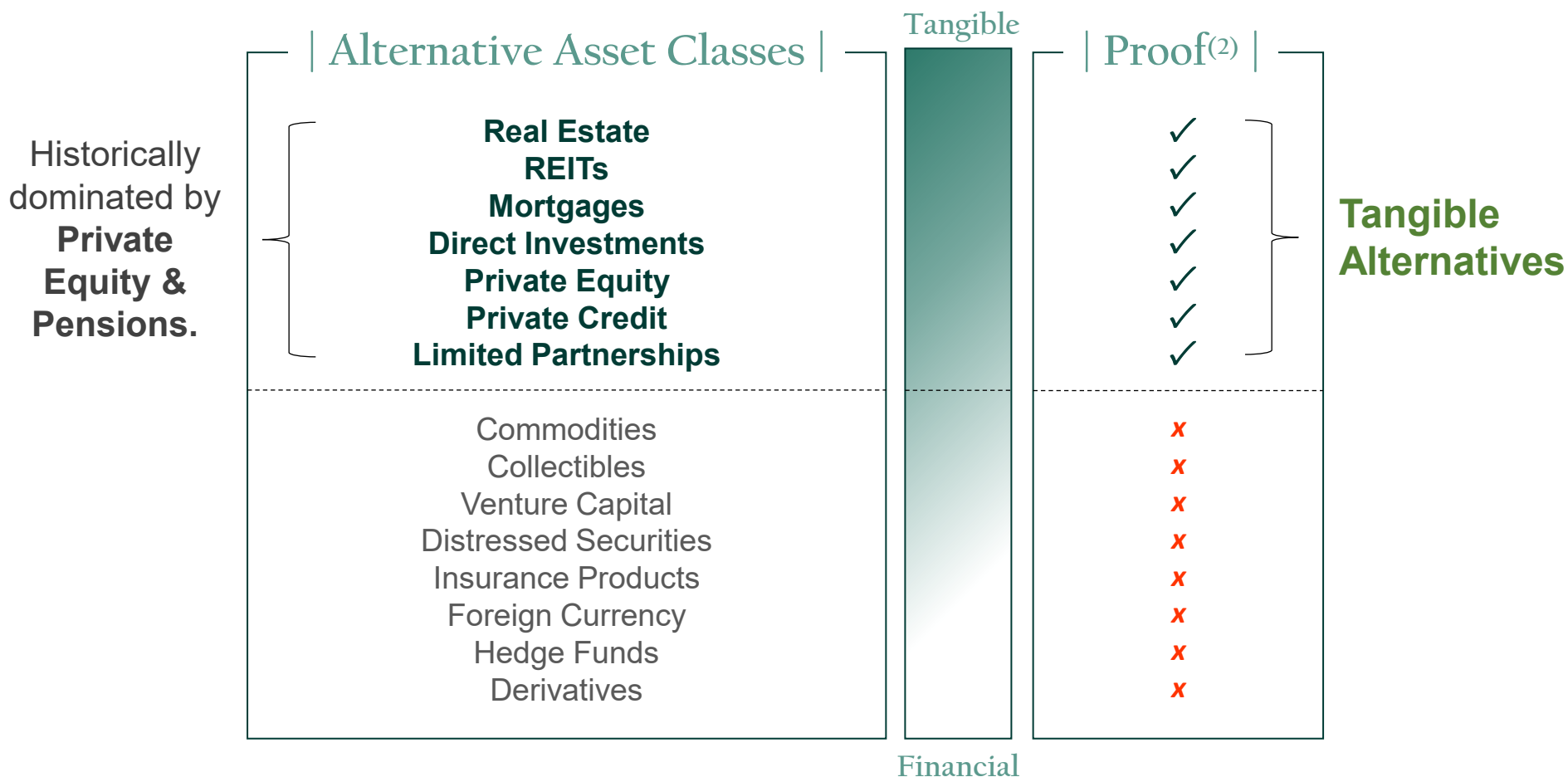
3) Fixed Income weighting includes cash balance of 7.6%.

PR%F CAPITAL ALTERNATIVE FUNDS



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

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

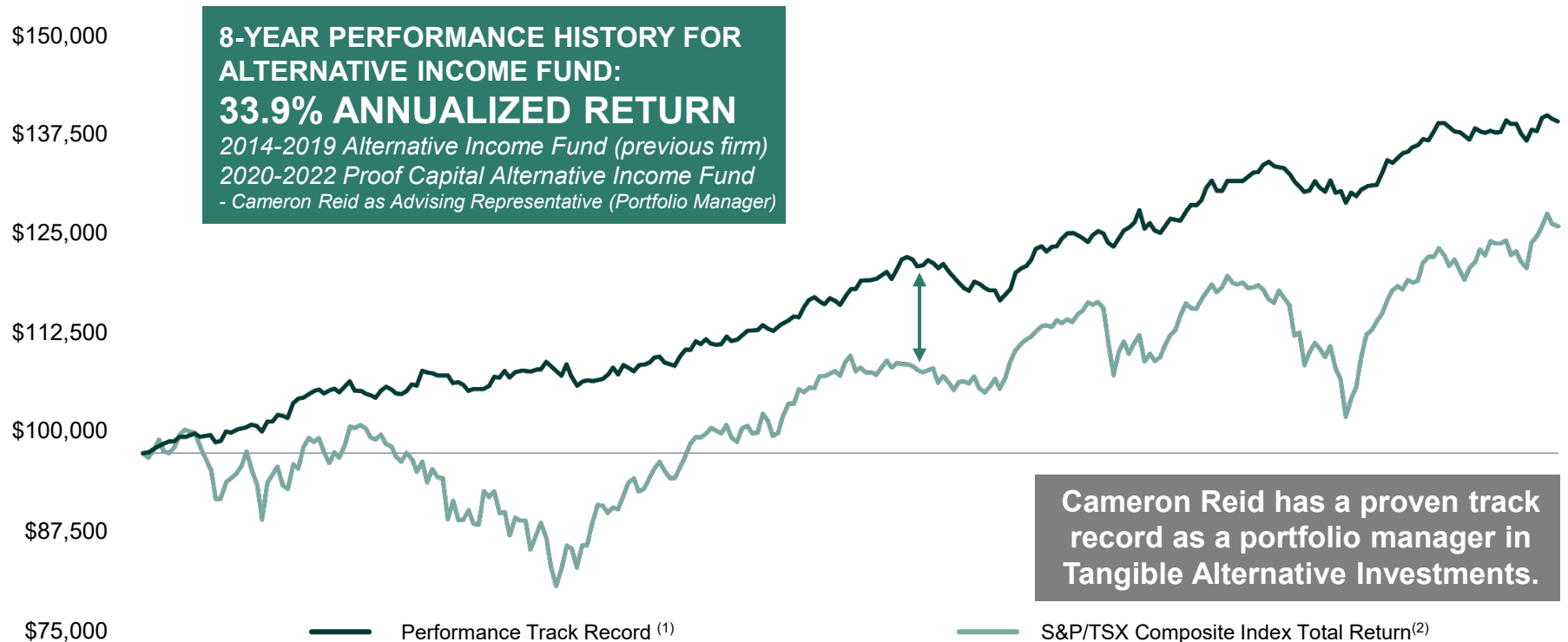
- Open-ended structure.
- Monthly liquidity.⁽³⁾

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

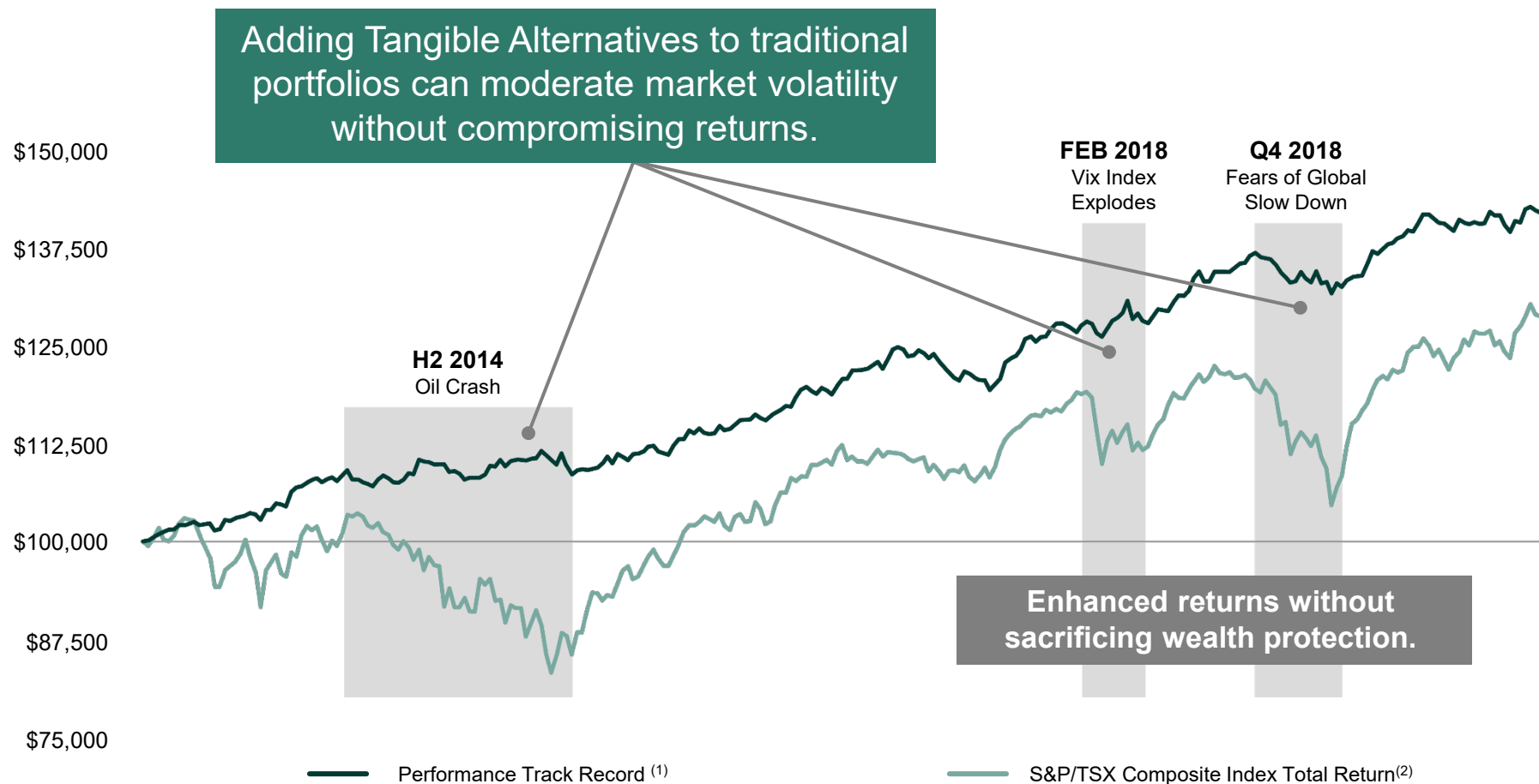


Monthly Returns (Class F) ⁽³⁾

(%)	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 FAMILY OF FUNDS ⁽¹⁾

1 - PROOF CAPITAL ALTERNATIVE INCOME FUND

Objective of fund is to invest primarily in **private credit** & direct investments w/ **distributable cash flows**. (E.g. Halo, Rhodium, Med. Receivables, Power Infra., Conv. Debt, and Profit Shares.)

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	-0.6	0.0	-0.1	-	-	-	-	-	-	-	-1.2	2.3
2022	-0.5	0.6	5.6	1.0	-0.6	0.7	-0.5	1.0	2.1	-0.4	-0.7	-1.9	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

2 - PROOF CAPITAL ALTERNATIVE GROWTH FUND

Objective of fund is to invest primarily in **private equity** and direct investments with **strong growth profiles**. (E.g. Islander Oil, Barrel Oil, VM Agritech, Halo, and Rhodium.)

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	-0.9	0.1	1.7	-	-	-	-	-	-	-	1.7	2.3
2022	0.3	-0.6	1.5	3.7	0.7	0.2	-0.9	1.0	5.3	-0.3	-0.9	0.1	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

3 - PROOF BALANCED EQUITY & FIXED INCOME FUND

Objective of fund is to invest primarily in **liquid, publicly traded stocks & bonds** to achieve a **balance of growth & income**. While not in Alternatives, fund key for a balanced client portfolio.

Monthly Returns (Class F) ⁽²⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark ⁽³⁾
2023	2.6	-1.7	-0.1	1.0	-2.3	-	-	-	-	-	-	-	1.7	4.1
2022	-1.4	-0.5	-0.3	-2.3	-0.7	-2.5	2.0	-0.3	-0.1	0.2	2.7	-0.9	-4.1	-9.6
2021	3.6	4.6	1.2	1.0	6.7	0.6	-0.3	0.9	-0.9	1.6	2.7	1.2	25.0	16.4
2020	-	-	-	-	1.6	1.0	1.9	0.5	-1.0	-0.6	4.1	1.7	9.3	13.3

4 - PROOF MEDICAL RECEIVABLES YIELD FUND

Objective of fund is to generate **net cash yields of 13-15%** by lending against **medical claims** supported by **AAA insurance companies**. Intended as replacement for traditional fixed income.

Monthly Returns (Class F - USD) ⁽²⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	TSX ⁽³⁾
2023	0.9	-1.2	1.1	1.2	1.1	-	-	-	-	-	-	-	3.2	2.3
2022	-	-	-	-	-	-	-	-	-	0.3	3.6	1.2	5.2	2.0

5 - PROOF CAPITAL SPECIAL SITUATIONS FUND

This multi-series fund offers exposure to **single investments** or **strategies** vetted by our main funds. These closed-ended series are offered sparingly and available for short periods of time.

--- Returns vary by Series ---

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.

KEY STRATEGIES IN INVESTMENT PROCESS

- 1) **Target private investments AFTER proof of concept, but BEFORE access to capital.**
- 2) **Make SMALL initial investments to build trust, deepen understanding & relationship, and DE-RISK LARGER follow-on investments.**
- 3) **Structure DOWNSIDE PROTECTION but keep upside exposure.**
- 4) **Invest in PEOPLE, not things.**

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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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.*