

# Reasons to Invest in CDE Flow-Through

Qwest Investment Management is a pioneer in offering two categories of eligible flow-through portfolios: Canadian Exploration Expenses (CEE) and Canadian Development Expenses (CDE), and in any combination.

CDE flow-through units are similar to traditional CEE flow-through units, yet offer many distinct characteristics which may be attractive to investors.

Most importantly, our portfolio management team utilizes our proven and repeatable proprietary process to provide investors with an optimal outcome when investing in either CEE or CDE portfolios.

Here are a few reasons why investors may want to be part of our CDE portfolio story:

- 1 Custom tailored solution.** By offering a solution of both CDE and CEE portfolios, advisors are finally able to match a flow-through solution with their investors' investment objective, tax needs and risk tolerance.
- 2 More conservative portfolio.** As the name implies, developing an oil or gas well is less risky than looking for one.
- 3 Performance may be superior.** We have demonstrated that a CDE portfolio tends to outperform a traditional CEE portfolio. Either way our process is creating industry leading results.
- 4 Larger Companies.** The segment of the oil and gas industry that is focused on development drilling tends to be larger junior and intermediate size companies.
- 5 Tax deduction on a declining basis.** Unlike CEE flow-through, which provides up to a 100% deduction in the year of investment, CDE flow-through provides of up to 100% tax deduction calculated on an annual 30% declining balance basis.
- 6 Conservative tax planning.** Investors who purchase CDE flow-through annually accumulate tax deductions which grow to a 100% tax deduction.
- 7 Tax deduction strategies should be maximized.** In Canada there are few ways to offset our high income taxes. Utilizing every CRA approved strategy makes sense.

Qwest is proud to offer more features in their flow-through products than any other provider in the industry. In addition to the combination of two portfolios we offer Class A, B and F units. Finally, our flexible rollover means that we provide reassurance that we will roll our flow through units into our liquidity mutual fund when the sector trend is favourable.