



March 12, 2025

Dear Unitholder,

RE: Important update concerning Qwest Productivity Media Income Trust ("QPMIT")

This notice is a further update to our November 15, 2024, letter to unitholders, and we would like to take this time to inform you on the matters regarding Productivity Media Inc. ("**PMI**") and Productivity Media Income Fund I, LP (the "**LP**"). As noted in our letter dated November 15, 2024, it was proposed that PMI and the LP would be going into a receivership process if the court appointed KSV Restructuring Inc. as a receiver. We confirm the court did appoint KSV Restructuring Inc. as the receiver (the "**Receiver or KSV**"). The Receiver provides public updates on the PMI and LP receivership process at: <https://www.ksvadvisory.com/experience/case/productivity-media> and you can also find these updates on Qwest's website at: www.qwestfunds.com. On the homepage, click on the products tab and then select QPMIT.

As managers of QPMIT, we have continued to actively monitor the situation and engaged in discussions with legal counsel, the Receiver, and other stakeholders to gather information and assess the impact on QPMIT and its unitholders.

There have been important developments over the past few months. The following is a chronological review of the developments:

Timeline

July 2024:

PMI, the LP and Productivity Media Lending Corp. I ("**PMLC**") entered a short-term loan agreement with a secured creditor ("**Two Shores Capital Corp.**") to borrow a principal amount of US\$2,500,000 (the "**Loan**").

August 2024:

After PMI was made aware of a whistle blower allegation around Mr. William Santor and potentially fraudulent loans made to entities controlled by him, PMI announced Mr. Santor's leave of absence, retained DLA Piper (Canada) LLP as outside counsel and appointed PricewaterhouseCoopers ("**PwC**") to investigate the various allegations made by the whistle blower.

September 2024:

PMI announced to its limited partners, including QPMIT, that it was suspending all outstanding and future unit redemptions for the LP. As a result, QPMIT announced on September 12, 2024, that it was suspending all its outstanding redemptions and subscriptions and net asset value calculations. We

provided such notice to advisors who have unitholders in QPMIT and to those unitholders that invested in QPMIT without an advisor.

November 2024:

PMI is unable to repay the Two Shores Capital Corp. Loan and is in default of the Loan.

In our previous letter, we mentioned that a proposed funding group (“**Proposed Funding Group**”) was being considered to fund: (a) the acquisition of the Secured Creditor’s rights and remedies by paying out the debt owed to Two Shores Capital Corp.; and (b) the fees and expenses of the Receiver.

Two Shores Capital Corp. brought an application before the Ontario Superior Court of Justice to appoint KSV as the Receiver for the PMI, LP and PMLC.

Following the appointment of the Receiver, PMI, as general partner of the LP, filed a C\$44 million lawsuit against Mr. Santor, his wife and their company’s claiming compensation for alleged fraud. In addition, the Ontario Superior Court of Justice approved PMI’s application for Mareva and Norwich Order in Ontario which continues to March 24, 2025.

December 2024:

The Receiver applies for and receives a C\$750,000 loan from the Proposed Funding Group.

In conjunction with the lawsuit noted above, PMI filed an ex parte application before the Grand Court of the Cayman Islands for an order prohibiting the disposal of the assets of Mr. Santor and his wife.

It was reported in the media that on December 28th, 2024, Mr. Santor was found unresponsive in the Cayman Islands and was confirmed deceased.

February 2025:

KSV issued a Statement of Claim against Mr. Andrew Chang-Sang, co-founder, President and Chief Financial Officer of PMI for unjust enrichment from funds received in relation to funds allegedly misappropriated by Mr. Santor.

Two Shores Capital Corp. put forth a Motion For Directions to the Ontario Superior Court of Justice to authorize and direct the Receiver and all third parties engaged by the Receiver as follows: “until such time as the Debtors’ Indebtedness to Two Shores Capital Corp. has been repaid in full , (A) incur no further time or expense, and instruct its assistants and advisors to incur no further time or expense, in pursuing investigations into the business affairs of the Debtors or in pursuing any claims which the Debtors may have against third-parties, including, without limitation, the estate of William Santor, companies owned or controlled thereby, or any property thereof, and (B) devote its time, efforts, and activities toward recoveries and realizations sufficient to replay the Indebtedness in full at the earliest opportunity.” The Motion for Direction was approved by the Ontario Superior Court of Justice on February 20, 2025.

The Proposed Funding Group put forth a Notice of Motion to provide information to its ability to fund the outstanding debt to Two Shores Capital Corp. and the advancement made to the Receiver. The Proposed Funding Group is now referred to as the Koskie Minsky LLP Represented Funds (“**KM**

Represented Funds”), and the assumption of the loan is referred to as the Proposed Assignment Transaction.

March 2025:

The KM Represented Funds proposal of the Proposed Assignment Transaction was heard in court and the court has authorized and directed the Trustees of the KM Represented Funds to enter into the Proposed Assignment Transaction. The details of certain of the information presented to the court remains sealed from the public.

On March 6, the KM Represented Funds received court approval to assume the Two Shores Capital Corp. loan and they intend to fund the Receiver to pursue further action against the estate of Mr. Santor and other parties to maximize the realization of assets. There is no information available at this time as to the timeline for the outcome of this process.


At this time, the value of PMI's assets and the LP's loan portfolio is considered undeterminable and therefore it is not possible to discern the amount that may be available for recovery by the Receiver. As a result, there is currently no net asset value ("NAV") that has been calculated for the LP and therefore QPMIT is not able to calculate a NAV. Should the LP in the future issue a NAV, then QPMIT would take steps to calculate a NAV and would be posted on Qwest's website as detailed earlier. Additionally, QPMIT has not yet received the 2024 T5013 partnership tax slip from PMI. Should QPMIT receive the 2024 T5013 tax slip from PMI, QPMIT will take steps to create T3 slips and send it to unitholders accordingly.

To reduce Canada Post mail expenses that would be incurred by QPMIT, we will be posting all future unitholder updates on Qwest's website as detailed earlier.

The matters surrounding PMI and the LP are extremely shocking. We are grateful for the work being done by the KM Represented Funds and KSV that benefit the varied interests in the recovery process including the limited partners in the LP, which includes QPMIT.

Please contact us at info@qwestfunds.com or contact your advisor for further information or if you have any questions.

Sincerely,



Maurice Levesque
Chief Executive Officer and Chief Compliance Officer
Qwest Investment Fund Management Ltd.