

# PR%F CAPITAL ALTERNATIVE INCOME FUND



Overview | As of 08/31/23

## FUND FACTS

|                 |                     |
|-----------------|---------------------|
| Management Fee  | 1.0% <sup>(2)</sup> |
| Performance Fee | 10%                 |
| Hurdle Rate     | 0%                  |
| High Water Mark | Yes                 |
| FundServ Code   | QWE145              |
| Distributions   | Monthly             |
| Liquidity       | Monthly             |
| Fund Type       | Open-Ended          |
| RSP Eligible    | Yes                 |
| Min. Investment | \$25,000            |
| Custodian       | RBC                 |

## CAMERON REID MBA, CFA CHIEF INVESTMENT OFFICER



Cameron Reid is the CIO of Proof Capital which he joined in September 2019. He is also an Advising Representative

with Qwest Investment Fund Management Ltd. Most recently, he was the PM & CIO for WealthCo Asset Management. Prior to joining WealthCo, Mr. Reid was the PM at BCV Asset Management. His early career included Investment Banking with Banc of America in New York and Palo Alto.

## JEREMY KALIEL MBA CHIEF EXECUTIVE OFFICER



Jeremy Kaliel is the CEO of Proof Capital which he founded in 2016. He is also an Associate Advising Representative and

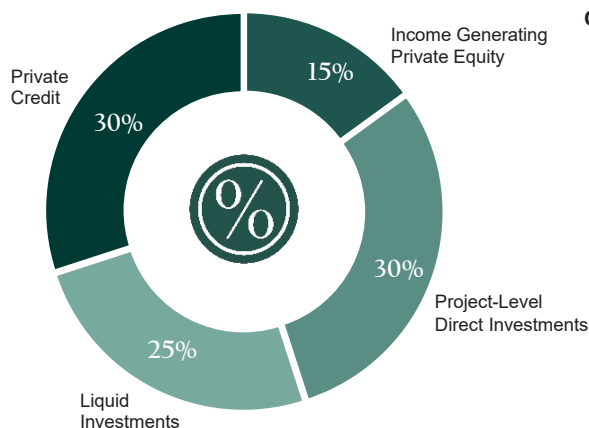
a Dealing Representative with Qwest Investment Fund Management Ltd. He brings over 15 years of capital markets experience, including 12 yrs as a publishing analyst at CIBC, Scotia, & Raymond James - where he was ranked the #1 analyst in Canada in his sector multiple times. In 2017 & 2018 Mr. Kaliel was also the Vice President of Corporate Strategy & Communications for Frontera Energy, a \$2Bln mkt cap company operating in Colombia & Peru.

## WHY INVEST IN PROOF FUNDS?<sup>(1)</sup>

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

- HIGHER RETURN POTENTIAL**
  - Targeting 8-15% net annual return to investors.<sup>(3)</sup>
  - Monthly cash distributions.
- LOW VOLATILITY & WEALTH PROTECTION**
  - Excess volatility a principle reason investors sell during periods of market stress.
  - Proof targets tangible alternative investments insulated from market volatility.
- REAL DIVERSIFICATION**
  - Real assets have a low correlation to public capital markets.
  - Proof believes that tangible alternatives are the best option for real diversification.
- LIQUIDITY**
  - Open-ended structure.
  - Monthly liquidity.

## TARGET ASSET ALLOCATION



### Criteria for underlying investments:

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

## PERFORMANCE

### Monthly Returns (Class F)<sup>(2)</sup>

| (%)  | Jan  | Feb | Mar  | Apr | May  | Jun  | Jul  | Aug | Sep | Oct  | Nov  | Dec  | YTD   | TSX <sup>(4)</sup> |
|------|------|-----|------|-----|------|------|------|-----|-----|------|------|------|-------|--------------------|
| 2023 | -1.0 | 0.6 | -0.6 | 0.0 | -0.1 | -1.4 | 2.6  | 1.3 | -   | -    | -    | -    | 1.3   | 6.9                |
| 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                |



## FUND MANDATE

- The mandate of the Proof Capital Alternative Income Fund is to invest primarily in alternative credit and direct investment opportunities with both higher return potential and lower expected volatility relative to opportunities in the traditional public markets.
- Permitted investment vehicles include private mortgages, asset backed securities, direct investments, bonds, preferred shares, and other cash-distributing securities.

## INVESTMENT PHILOSOPHY

### 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 traditional public markets. Until now, we believe limitations on private wealth has prevented 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.

### CAMERON REID

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### JEREMY KALIEL

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Associate Advising Representative (Associate Portfolio Manager)  
& Dealing Representative – QIFM<sup>(1)</sup>  
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PR%F CAPITAL



1. 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.
2. Proof Funds also have Class A units which bear a 1% annual trailer fee. See the Proof Funds offering memorandums for details.
3. Target only, and not a guarantee of future results.
4. The S&P/TSX index was chosen as a benchmark for the Canadian equity market. While the Fund uses this index for long-term performance comparisons, it is not managed relative to the composition of the index.
5. Inquires with respect to Proof Funds will be responded to by a registered dealer or a registered advisor at QIFM.

*"Past performance may not be indicative of future results. Historic returns are calculated on a time weighted basis net of all fund expenses. These returns are provided for general information purposes and may not be indicative of future performance. Third party information contained herein has been collected from sources deemed to be accurate, but cannot be guaranteed. The information and opinions set out herein are effective as at the date of publication and the Fund does not undertake to advise the reader of any changes. Forward-looking statements are provided to allow potential investors the opportunity to understand beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not guarantees of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Although forward-looking statements contained in this document are based upon what Proof Capital believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. Qwest Investment Fund Management Ltd. ("QIFM") is the registered Investment Fund Manager and Portfolio Manager for the Proof Capital Family of 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. Qwest 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 for the Proof Capital Family of Funds. Jeremy Kaliel is an Associate Advising Representative (Associate Portfolio Manager) and Dealing Representative with Qwest Investment Fund Management Ltd. under the supervision of Cameron Reid. Important information with respect to the Proof Capital family of funds is set out in the Funds' offering document, 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."*