



QE Funds Corp.
Qwest Energy Canadian Resource Class

Financial Statements
December 31, 2007 & 2006

March 28, 2008

Auditors' Report

**To the Shareholders of
QE Funds Corp.
Qwest Energy Canadian Resource Class**

We have audited the statements of net assets of **QE Funds Corp. Qwest Energy Canadian Resource Class** as at December 31, 2007 and 2006, the statement of investment portfolio as at December 31, 2007, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2007 and for the period from commencement of operations on May 16, 2006 to December 31, 2006. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2007 and 2006 and the results of its operations, changes in net assets and its cash flows for the year then ended and for the period from commencement of operations on May 16, 2006 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

QE Funds Corp.
Qwest Energy Canadian Resource Class

Statements of Net Assets

As at December 31, 2007 and 2006

	2007	2006
	\$	\$
Assets		
Cash and cash equivalents	2,140,654	1,579,213
Investments - at fair value (note 2)	29,174,416	12,099,891
Accounts receivable	-	625
Prepaid expenses	7,903	1,434
Deferred set-up costs (note 3)	-	17,180
	<u>31,322,973</u>	<u>13,698,343</u>
Liabilities		
Accounts payable and accrued liabilities	38,171	20,488
Redemption payable	25,562	16,976
Due to related parties (note 9)	-	9,879
Management fee payable (note 9)	84,062	30,581
	<u>147,795</u>	<u>77,924</u>
Net assets	<u>31,175,178</u>	<u>13,620,419</u>
Number of Series A shares outstanding (note 4)	<u>3,808,149</u>	<u>1,595,491</u>
Net asset value per Series A share (note 10)	<u>8.19</u>	<u>8.54</u>

Approved on behalf of the Board of Directors of Qwest Energy Investment Management Corp.

(signed) "Stephen McCoach" Director

(signed) "Maurice Levesque" Director

The accompanying notes are an integral part of these financial statements.

QE Funds Corp.
Qwest Energy Canadian Resource Class
Statements of Operations

	Year ended December 31, 2007 \$	Period from commencement of operations on May 16, 2006 to December 31, 2006 \$
Investment income		
Dividend	2,650	28,134
Interest	9,516	14,263
	<hr/> 12,166	<hr/> 42,397
Expenses		
Management fees (note 8)	640,971	318,894
Agency fee	138,103	69,368
Legal	49,211	3,381
Accounting and audit	26,703	10,000
Filing	16,677	397
Custodial fees	16,449	10,624
Administrative	13,197	31,205
	<hr/> 901,311	<hr/> 443,869
Net investment loss	<hr/> (889,145)	<hr/> (401,472)
Net realized loss on investment transactions		
Net realized loss on investment transactions	(684,588)	(2,178,830)
Commissions (note 7)	(97,267)	-
	<hr/> (781,855)	<hr/> (2,178,830)
Net change in unrealized depreciation of investments	<hr/> (571,910)	<hr/> (1,168,174)
Decrease in net assets from investment operations	<hr/> (2,242,910)	<hr/> (3,748,476)
Average number of Series A shares outstanding	<hr/> 2,958,006	<hr/> 2,112,331
Loss per Series A share	<hr/> (0.76)	<hr/> (1.77)

The accompanying notes are an integral part of these financial statements.

QE Funds Corp.
Qwest Energy Canadian Resource Class
 Statements of Changes in Net Assets

	Year ended December 31, 2007 \$	Period from commencement of operations on May 16, 2006 to December 31, 2006 \$
Net assets - Beginning of period - as previously reported	13,620,419	-
Adjustments resulting from the adoption of CICA Section 3855 (note 10)	(112,886)	-
Net assets - Beginning of period - adjusted	<u>13,507,533</u>	-
Decrease in net assets from operations	<u>(2,242,910)</u>	<u>(3,748,476)</u>
Securityholder transactions		
Proceeds from issue of securities	27,455	66,196
Securities issued for roll-over from limited partnerships (note 1)	37,547,872	44,452,761
Payment for securities redeemed	<u>(17,664,772)</u>	<u>(27,150,062)</u>
	<u>19,910,555</u>	<u>17,368,895</u>
Net increase in net assets	<u>17,667,645</u>	<u>13,620,419</u>
Net assets - End of period	<u>31,175,178</u>	<u>13,620,419</u>

The accompanying notes are an integral part of these financial statements.

QE Funds Corp.
Qwest Energy Canadian Resource Class
 Statements of Cash Flows

	Year ended December 31, 2007 \$	Period from commencement of operations on May 16, 2006 to December 31, 2006 \$
Cash flows from operating activities		
Decrease in net assets from operations	(2,242,910)	(3,748,476)
Adjustments to determine net cash used in operating activities		
Purchase of investment securities	(4,388,848)	(2,586,171)
Proceeds from sale of investment securities	15,302,092	17,672,318
Increase in non-cash balances related to operations	63,916	58,685
Net realized loss on sale of investments	684,588	2,178,830
Change in unrealized depreciation of investments	571,910	1,168,174
	<u>9,990,748</u>	<u>14,743,360</u>
Cash flows from financing activities		
Proceeds from issuance of Class A shares	27,356	66,196
Consideration paid for redemption of Class A shares	(17,664,772)	(27,150,062)
Cash received on roll-over from limited partnerships (note 1)	8,208,109	13,919,719
	<u>(9,429,307)</u>	<u>(13,164,147)</u>
Increase in cash and cash equivalents	561,441	1,579,213
Cash and cash equivalents - Beginning of period	<u>1,579,213</u>	-
Cash and cash equivalents - End of period	<u>2,140,654</u>	<u>1,579,213</u>

The accompanying notes are an integral part of these financial statements.

QE Funds Corp.

Qwest Energy Canadian Resource Class

Statement of Investment Portfolio

As at December 31, 2007

Canadian equities	Number of shares	Average cost \$	Fair value \$	% of net asset value
Energy				
1321713 Alberta Ltd. (1)	418,000	54,340	54,340	0.17
Alberta Oilsands Inc.	290,000	391,500	290,000	0.93
Angle Energy Inc. (1)	506,500	1,866,500	2,026,000	6.50
Arapahoe Energy Corp.	2,303,946	230,395	230,395	0.74
Berkana Energy Corp.	503,020	1,054,325	975,859	3.13
Bow Valley Energy Ltd.	152,300	913,800	954,921	3.06
Breaker Energy Ltd. Class A	249,600	1,629,960	1,462,656	4.69
Bulldog Energy Resources Inc.	150,000	337,500	1,089,000	3.49
Canext Energy Limited	401,000	336,840	160,400	0.51
Compass Petroleum Ltd. (1)	100,000	612,500	268,000	0.86
Crew Energy Inc.	141,000	1,802,580	1,013,790	3.25
Delphi Energy Corp.	537,800	859,880	984,174	3.16
Eagle Ranch Resources Ltd. (1)	420,000	411,600	411,600	1.32
Galleon Energy Inc Class A	82,450	1,596,093	1,268,081	4.07
Java Petroleum Corp Class A (1)	513,000	169,290	205,200	0.66
Java Petroleum Corp Class B (1)	616,000	203,280	246,400	0.79
Longbow Resources Inc.	88,200	36,162	26,019	0.08
Onefour energy Ltd. (1)	600,000	204,000	204,000	0.65
OPTI Canada Inc.	70,000	1,551,900	1,161,300	3.73
Orleans Energy Ltd.	485,970	2,176,099	1,073,994	3.45
Peerless Energy Inc. CI A	230,000	793,500	1,285,700	4.12
Petro-Canada	11,000	614,350	585,090	1.88
Rockyview Energy Inc.	230,000	586,280	719,900	2.31
Saxony Petroleum Inc. (1)	656,250	1,162,500	1,161,563	3.73
Second Wave Petroleum Ltd. CI B	56,000	226,800	61,600	0.20
Second Wave Petroleum Ltd. Class A - warrants (December 31, 2008, strike price: \$0.20)	375,000	-	22,500	0.07
Sierra Vista Energy Ltd. CI A	805,500	322,200	56,385	0.18
Sierra Vista Energy Ltd. CI B	180,000	573,300	72,000	0.23
Solara Exploration Ltd. CI B	74,500	157,195	143,785	0.46
Storm Exploration Inc.	88,000	545,600	775,280	2.49
Tristar Oil & Gas Limited	109,526	1,028,100	1,371,266	4.40
Value Creation Inc. (1)	250,000	1,812,500	1,812,500	5.81
Vecta Energy Corporation (1)	2,300,000	644,000	644,000	2.07
Vero Energy Inc.	49,900	379,240	288,422	0.93
Wilderness Energy Corp. (1)	250,000	375,000	375,000	1.20
		25,659,109	23,481,120	75.32

The accompanying notes are an integral part of these financial statements.

QE Funds Corp.

Statement of Investment Portfolio... *continued*

As at December 31, 2007

Canadian equities	Number of shares	Average cost \$	Fair value \$	% of net asset value
Mining				
Agnico-Eagle Mines Ltd.	25,000	940,250	1,358,500	4.35
Barrick Gold Corp.	4,300	170,828	179,181	0.57
Denison Mines Corporation	40,000	544,400	354,400	1.14
Diamonds North Resources Inc.	379,600	341,640	273,312	0.88
Full Metal Minerals Ltd.	170,000	383,433	413,100	1.33
Full Metal Minerals Ltd. - warrants (October 25, 2009, strike price: \$3.00)	85,000	41,567	47,537	0.15
Goldcorp Inc.	3,500	103,568	118,125	0.38
International Enxco Ltd. - warrants (January 4, 2008, strike price: \$2.75)	25,000	-	-	-
Kinross Gold Corp.	6,500	96,685	118,755	0.38
Newmont Mining Corporation of Canada	4,300	203,080	207,947	0.67
Scorpio Mining Corp.	100,000	162,000	141,000	0.45
UEX Corporation	100,000	729,000	655,000	2.10
Victoria Resource Corp.	430,500	311,530	611,309	1.96
Yamana Gold Inc.	73,000	994,990	935,130	3.00
		5,022,971	5,413,296	17.36
Services				
BA Energy Inc. (1)	40,000	320,000	280,000	0.90
Total investment portfolio		<u>31,002,080</u>	29,174,416	93.58
Other assets - net of liabilities			<u>2,000,762</u>	6.42
Net assets			<u>31,175,178</u>	100.00

(1) Private corporation

QE Funds Corp.

Qwest Energy Canadian Resource Class

Notes to Financial Statements

December 31, 2007 and 2006

1 General

QE Funds Corp. (the “Corporation”) is a mutual fund corporation incorporated under the laws of Canada on March 8, 2006. The authorized capital of the Corporation consists of an unlimited number of Class A shares, Class B shares, and special shares. Qwest Energy Canadian Resource Class (the “Fund”) is the only class of special shares that have been issued by the Corporation, although the Corporation may offer additional classes of special shares in the future.

The manager of the Fund is Qwest Investment Management Corp. (the “Manager”). It is responsible for providing or arranging for the provision of administrative services required by the Fund.

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity securities of Canadian companies involved in the energy and natural resource sector.

Each year, the manager offers for sale a limited number of units in one or more limited partnerships (“Partnerships”). The objective of the Partnerships is to invest in the flow-through securities of resource companies. Investors in the Partnerships are entitled to claim certain deductions and credits for income tax purposes. In the third year following their establishment, the Partnerships transfer net assets to the Fund at values determined under the Partnerships’ prospectus and the Partnership is dissolved. The Partnership investors receive shares in the Corporation in exchange for their Partnership units on a pro rata basis on the date of transfer.

The Corporation received the following subscriptions in exchange for net assets transferred to the Corporation during the year:

	Partnership	Net assets received \$	Shares issued
Date			
June 25, 2007	Qwest Energy 2005 Flow-Through Limited Partnership	8,558,820	995,397
June 25, 2007	Qwest Energy 2005-II Flow-Through Limited Partnership	16,705,498	1,942,837
June 25, 2007	Qwest Energy 2005-III Flow-Through Limited Partnership	12,283,554	1,428,586
		<u>37,547,872</u>	<u>4,366,820</u>

QE Funds Corp.

Qwest Energy Canadian Resource Class

Notes to Financial Statements

December 31, 2007 and 2006

2 Summary of significant accounting policies

These financial statements are presented in accordance with Canadian generally accepted accounting principles (“GAAP”). The significant accounting policies used by the Corporation are summarized below.

Financial instruments

Adoption of new accounting standards

On April 1, 2005, The Canadian Institute of Chartered Accountants (“CICA”), issued *Section 3855 - Financial Instruments - Recognition and Measurement* and *Section 3861 - Financial Instruments- Disclosure and Presentation* (Section 3861). These new sections are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2006 and applies to the Fund for the fiscal year ended December 31, 2007.

Investments in publicly traded equity securities

The fair value of equity securities which are traded in active markets is measured using the closing bid price at the period end date.

The amounts at which publicly traded investments could be disposed of currently may differ from carrying value based on closing bid prices, as the value at which significant ownership positions are sold is often different than the quoted price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

Investments in privately held equity securities

For financial instruments not traded in an active market, the Corporation establishes fair value by using a valuation technique in order to estimate what the transaction price would have been on the measurement date in an arm's length transaction motivated by normal business considerations. The initial transaction price is considered to be fair value on the date of the purchase transaction. Adjustments to carrying value are made when there is evidence of a change in the value of an investment as indicated by more recent financings, or an assessment of the financial condition of the investment, based on a review of the operational results, forecasts and business developments since the investment was made. Management may also utilize comparable public transactions, net assets or industry valuation performance multiples in the estimation of fair value. Where an investment has a track record of earnings, management may use discounted cash flow models making maximum use of market-based inputs in the estimation of fair value. Management makes an assessment of estimated fair value at each statement of net assets date.

The resulting values for non-publicly traded investments may differ from values that would be determined had a ready market existed. In addition, the amounts at which the Partnership's privately-held investments could be disposed of currently may differ from the carrying values assigned, and the differences could be material.

QE Funds Corp.

Qwest Energy Canadian Resource Class

Notes to Financial Statements

December 31, 2007 and 2006

Warrants

Warrants are recorded at their estimated fair value using a recognized valuation model. For private investments, management makes maximum use of publicly available inputs, such as comparable companies with appropriate adjustments to reflect the individual company circumstances to establish volatility and other inputs to the model.

Revenue and expense recognition

Dividend income is recognized as the ex-dividend date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of operations and calculated on an average cost basis. Upon disposal of an investment, previously recognized unrealized gains and losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. Interest is recorded on an accrual basis. All costs directly attributable to operating activities are expensed as incurred.

Purchases and sales of securities are accounted for on a trade date basis.

Transaction costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of investments, are recorded as an expense in the statement of operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits with original maturities of three months or less and are held with a Canadian chartered bank.

Reconciliation of net asset value (NAV) note

The Corporation determines the fair value of its investments for purposes of preparing financial statements by following the recommendations contained in CICA Handbook Section 3855, which as described above requires the use of bid prices for securities owned and traded in an active market. Pursuant to National Instrument 81-106, an investment fund must also follow Canadian GAAP when determining its net asset value for all other purposes. To permit further consideration of the impact that Section 3855 may have on the investment fund industry, the Canadian Securities Administrators (“CSA”) have granted exemptive relief from the requirement to compute net asset value in accordance with GAAP for all purposes other than the preparation of financial statements. This exemptive relief will continue until September 30, 2008 or until such time that a permanent solution is made. Accordingly, the net asset value computed by the Corporation for all other purposes follows its historic methods of valuing listed securities at their last traded price. This is referred to as the Trading NAV.

A reconciliation between the Trading NAV and the net asset value calculated in accordance with Section 3855 of an investment fund (“GAAP NAV”) is required to be disclosed in the financial statements for financial reporting periods up to September 30, 2008.

QE Funds Corp.

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Notes to Financial Statements
December 31, 2007 and 2006

A reconciliation between the net asset value and the GAAP NAV has been provided in note 10 for the year ended December 31, 2007. As permitted under Section 3855, the change in accounting policy has been applied retroactively without restatement of prior periods. Accordingly, the opening net asset value at January 1, 2007 in the statements of changes in net assets has been decreased by \$112,886 to \$13,507,533.

Foreign currency translation

The market value of foreign investments and other assets and liabilities are translated into Canadian dollars at the exchange rates prevailing at the close of each valuation day. Purchases and sales of foreign securities and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

Future impact of recently issued accounting standards

On January 1, 2008, the Corporation will adopt, CICA Handbook Section 3862 "*Financial Instruments - Disclosures*" and Section 3863 "*Financial Instruments - Presentation*". Sections 3862 and 3863 replace Section 3861. Section 3862 significantly increases the level of disclosure within an investment fund's financial statements. Its objective is to provide financial statement users with more information about an entity's financial assets and liabilities, and their associated risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 while Section 3862 requires enhanced financial instrument disclosures focused on disclosures related to the nature and extent of risks arising from financial instruments and how the entity manages those risks. The new accounting standards will be applicable for the Corporation's interim financial statements and fiscal financial statements commencing January 1, 2008.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those reported and such differences could be material. Significant areas involving the use of estimates include determining the estimated fair value of private investments and the fair value of warrants. In calculating estimated fair value, the Manager makes maximum use of publicly available market-based inputs.

Earnings (loss) per share

Earnings (loss) per share amounts are determined by dividing the net increase (decrease) in net assets from operations for each series by the weighted average number of shares outstanding during the reporting period for each series.

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Notes to Financial Statements

December 31, 2007 and 2006

3 Deferred set-up costs

	2007	2006
	\$	\$
Deferred set-up costs	-	19,634
Less: Accumulated amortization	-	(2,454)
	<u>-</u>	<u>17,180</u>

The outstanding balance was written off as at January 1, 2007 as part of the Section 3855 transition adjustment.

4 Share transactions

The Fund is divided into Series A, F and O, and the number of shares of each series that may be issued is unlimited. Currently, only Series A shares of the Fund are offered.

Shares of the Fund are only available to certain limited partnerships in exchange for assets which are suitable investments for the fund in all provinces and territories in Canada. Shares may be switched or redeemed at their net asset value per share, on any valuation day. If the shares are redeemed or switched within 90 days of purchase, shareholder may be charged a short-term trading fee of 2% of the value of the shares redeemed.

The number of Series A shares issued and redeemed at net asset value is summarized as follows:

	2007	2006
Shares issued and outstanding at beginning of period	1,595,491	-
Shares issued during the period	4,370,152	4,452,348
Shares redeemed during the period	(2,157,494)	(2,856,857)
	<u>3,808,149</u>	<u>1,595,491</u>

5 Distributions

The Fund may pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in December and capital gains dividends will generally be paid in February. Dividends may be paid at other times determined by the Manager.

QE Funds Corp.

Qwest Energy Canadian Resource Class

Notes to Financial Statements

December 31, 2007 and 2006

6 Income taxes

The Corporation qualifies as a mutual fund corporation as defined in the *Income Tax Act*. A mutual fund corporation is subject to a special 33 1/3% tax on taxable dividends received from corporations resident in Canada and to tax at normal corporate rates on other income and net taxable realized capital gains for the year. The special 33 1/3% tax is refundable at the rate of \$1 for every \$3 of ordinary dividends paid. All the tax on net taxable realized capital gains is refundable on a formula basis when shares are redeemed or capital gains dividends are paid.

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to future income tax assets and liabilities. When the market value of a security in the Corporation exceeds its cost base, a future income tax liability arises. The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable or capital gains are refundable on a formula basis when shares are redeemed or capital gains dividends are paid.

7 Expenses

The Corporation is responsible for all charges and expenses incurred in connection with its operations, including but not limited to regulatory, printing, legal and audit expenses.

The total brokerage commissions paid by the Fund with respect to security transactions for the year ended December 31, 2007, is \$97,267 (2006 - \$101,116). For the year ended December 31, 2007 (2006 - \$nil), there were no soft dollar amounts paid.

8 Management fees

The management fees are calculated at 2.5% per annum of the daily net asset value of the Corporation, paid monthly. The fees are payable to Qwest Investment Management Corp.

QE Funds Corp.

Qwest Energy Canadian Resource Class

Notes to Financial Statements

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9 Related party balances and transactions

The Manager has retained Heritage Bancorp Ltd. (Heritage), a company related to the Manager by common ownership and directors, to perform certain administrative functions on behalf of the Manager.

Balances and transactions are as follows:

	2007 \$	2006 \$
Heritage Bancorp Ltd. Administration fee	-	25,156
Qwest Investment Management Corp. Management fee	640,971	318,894
Management fee payable	84,062	30,581
Accounts payable	-	9,879

All amounts payable are unsecured, due on demand and non-interest bearing.

10 Reconciliation of net asset value

In accordance with the decision made by the Canadian securities regulatory authorities, a reconciliation between the Trading NAV and the GAAP NAV of an investment fund is required for financial reporting periods in the one year period ending December 31, 2007 (see note 2). For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) and ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purposes of determining Trading NAV. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment fund industry. These changes account for the difference between Trading NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the net asset value of the Corporation is as follows:

	Net asset value			Net asset value per unit		
	Trading NAV \$ (note 2)	Section 3855 adjustment \$	GAAP NAV \$	Trading NAV \$	GAAP NAV \$	Opening NAV Section 3855 adjustment \$
As of December 31, 2007						
Qwest Energy Canadian Resource Class - Series A	31,235,383	(60,205)	31,175,178	8.20	8.19	(112,886)

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11 Financial instruments

Credit risk

The Corporation has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

When the Corporation trades in listed or unlisted securities which are settled upon delivery using approved brokers, the risk of default is considered minimal since delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The Corporation only transacts with reputable, highly credit-rated brokers.

Liquidity risk

The Corporation invests in early stage energy resource companies which may be publicly available securities but thinly traded or in privately held companies. The resulting values for non-publicly held securities may differ from values that would be realized had a ready market existed.

As the Corporation invests in investments that are not traded in an active market or are thinly traded, the Corporation may be exposed to liquidity risk.

As Qwest Energy is a mutual fund, which is open to daily redemptions, management manage liquidity risk has a variety of methods to manage liquidity risk which includes restrictions on the amounts of privately held securities which may be held by the Corporation.

Market risk

The Corporation's investments are exposed to market risk due to changing market conditions for equities as well as specific industry changes in the energy sector such as changes in commodity prices and level of market demand as well as any changes to the tax environment in which the investee entities operate. The privately held investments may be early stage investments with an unproven track record and unproven mineral reserves. The Manager manages market risks by undertaking due diligence prior to making an investment in an early stage resource investment and by regular ongoing monitoring of the investment performance of the individual investee companies. The Manager also sets thresholds on individual investments to mitigate the risk of exposure to any one investment.