

Simplified Prospectus

April 16, 2008



QE FUNDS CORP.

Offering Series A shares of

QWEST ENERGY CANADIAN RESOURCE CLASS

Shares of the Fund are only available to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund. Shares are not available to other investors.

No securities regulatory authority has expressed an opinion about the merits of the shares of the Fund and it is an offence to claim otherwise. The Fund and the shares of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission, and are sold in the United States only in reliance on exemptions from registration.

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Introduction

In this Simplified Prospectus,

- “we”, “us”, “our” and the “Corporation” refers to QE Funds Corp.,
- “Fund” refers to Qwest Energy Canadian Resource Class,
- “Qwest” or the “Manager” refers to Qwest Investment Management Corp., the manager of the Fund,
- “you” refers to an investor, and
- unless otherwise specified, the term “shares” means the special shares of the Fund and the term “shareholders” means the holders of the special shares.

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. It contains specific information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

Additional information about the Fund is available in the Annual Information Form, the Fund’s most recently filed annual financial statements, any interim financial statements of the Fund filed after those annual financial statements, the most recently filed annual management report of fund performance, and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of it. You can get a copy of these documents, at no cost, by contacting Qwest Investment Management Corp. by telephone, toll-free, at 1-866-602-1142, by e-mail at info@qwestfunds.com, or by contacting your dealer. These documents and other information about the Fund are also available on the Manager’s website at www.qwestfunds.com or on SEDAR at www.sedar.com.

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

What is a Mutual Fund?

A mutual fund is a pool of money contributed by investors with similar investment objectives. The mutual fund’s income, expenses, and the gains and losses the fund makes on its investments are shared by investors in proportion to the number of fund shares they own.

There are several benefits to investing in a mutual fund as opposed to investing by yourself. An investment in a mutual fund gives you the opportunity to participate with other investors with similar investment objectives in professionally managed investment portfolios. Professional portfolio advisers make the investment decisions for the mutual fund in accordance with its investment objectives. Mutual funds also enable you to diversify your investment portfolio, which may be difficult for most individual investors to achieve.

How is a Mutual Fund Structured?

A mutual fund may be set up as a trust or a corporation. QE Funds Corp. is a mutual fund corporation. Qwest Energy Canadian Resource Class is a class of special shares of the Corporation. These special shares comprise the Fund. The Corporation is authorized to issue an unlimited number of Class A shares, an unlimited number of Class B shares, and an unlimited number of special shares, which are divided into classes. The Corporation may issue additional classes of special shares in the future.

The Fund currently only offers Series A shares. Additional series of shares may be offered in the future. There is no limit to the number of shares of the Fund you can buy. For further information, see “Purchases, Switches and Redemptions – Series of Shares” below.

What are the General Risks of Investing in Mutual Funds?

A mutual fund may own different types of investments - stocks, bonds, short-term securities - depending upon the fund’s investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund’s shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. The principal risks associated with a mutual fund are the same risks that affect the value of investments held by that fund. The principal risks associated with an investment in the Fund are described below under “What are the risks of investing in the Fund?”.

The full amount of your investment in the Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Assets of a mutual fund that consist of securities that are traded on a public exchange are generally valued at their most recent sale price when determining the Fund’s net asset value. If the price is not available or if we conclude that the price is not a true reflection of the value of the security, we will use another method to determine the value. This practice is called “fair valuation”. It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

Under exceptional circumstances, a mutual fund may suspend redemptions. For information regarding the circumstances in which Qwest may suspend redemptions of the Fund, see “Purchases, Switches and Redemptions - Redemptions” below.

Purchases, Switches and Redemptions

Shares of the Fund may be purchased or redeemed in any province or territory through a registered dealer. Shares of the Fund are only available to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund. Shares are not available to other investors.

Shares are purchased, switched or redeemed at their net asset value per share. See “Net Asset Value” below for details on how the net asset value for each series of shares is calculated. If we receive a completed purchase, switch or redemption order on or before 4:00 p.m. (Eastern Standard Time) on a valuation day, it will be processed at the net asset value per share on that day. If we receive the order

after that time, it will be processed at the net asset value per share calculated on the next valuation day. For the Fund, a “**valuation day**” is any day on which the Toronto Stock Exchange is open for trading.

For mutual fund corporations that offer more than one class or series of shares, investors may switch their investments between the various classes or series of shares offered. QE Funds Corp. currently only offers one class of shares – Qwest Energy Canadian Resource Class. Therefore, there are currently no opportunities to switch your investment in the Fund. You will, however, have the ability to redeem your investment. For further information, see “Redemptions” below.

Net Asset Value

The net asset value per share is the basis for calculating the purchase price or redemption price for purchasing or redeeming shares. The net asset value of the Fund is the market value of all the assets of the Fund less its liabilities. The net asset value per share is determined by dividing the net asset value by the total number of shares outstanding.

The net asset value of the Series A shares is calculated by adding together the total of the Fund’s assets and subtracting the total of its liabilities. The net asset value of the Series A shares of the Fund is calculated at the close of each valuation day. The net asset value per Series A share determined on a valuation day will remain in effect until the net asset value per Series A share is next determined. Further details concerning the valuation of the Fund’s Series A shares are included in the Annual Information Form.

Qwest may suspend the calculation of the net asset value per share in certain circumstances. For further information, see “Redemptions” below.

Minimum Investment

The minimum initial investment in the Fund is \$1,000. Each subsequent investment must be at least \$100. After you have made your purchase, you will receive written confirmation of the purchase price, the amount of any sales charge paid, and the total number of shares you own.

Series of Shares

The Fund is permitted to have an unlimited number of series of shares and may issue an unlimited number of shares of each series. Currently, the Fund only offers Series A shares. Additional series of shares may be offered in the future.

Series A shares are available only to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund. No sales charges are applied to these limited partnerships or former limited partners in connection with these exchanges. Series A shares are not available to any other investors.

The consideration that you and other investors pay to purchase shares is tracked in the Fund’s administrative records. The assets of the Fund are combined in a single pool to create one portfolio for investment purposes.

Purchases

You may buy shares on any valuation day. To do so, you must complete a purchase order and your dealer must send the order, along with payment, to the Fund's registrar and transfer agent on the same day the dealer receives the order. If the dealer receives the order after the close of business or on a day which is not a valuation day, the dealer must send the order to the Fund's registrar and transfer agent on the next valuation day.

Whenever practicable, the dealer must send purchase orders by courier, fax, or electronic entry to ensure that the Fund's registrar and transfer agent receives it as quickly as possible. The cost of sending the order is the responsibility of the dealer.

If a purchase order is received by the Fund's registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day, the purchase order will be processed at the net asset value per share calculated on the same valuation day. If the purchase order is received by the Fund's registrar and transfer agent after the close of business on a valuation day or on a day which is not a valuation day, it will be processed on the next valuation day.

If payment of the total amount of the purchase order and all necessary documents are not received by the Fund's registrar and transfer agent within three business days after the date on which the price of the shares is determined for the purchase order, the Manager will reverse the purchase order by processing a redemption request on the next business day for the number of shares that were purchased. The redemption proceeds will be used to pay for the amount owing on the purchase. Any excess proceeds belong to the Fund. Any shortfall will initially be paid to the Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the order for the shares. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the order. Where no dealer was involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the order.

At the time of a purchase, you negotiate a sales charge with your dealer. This is referred to later in this Simplified Prospectus as the "Sales Charge Option." For further information, see "Fees and Expenses" and "Dealer Compensation".

The Manager has the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order with complete documentation. The payment received with that order must be refunded immediately. If your cheque for the purchase of shares is not honoured, we may reverse the purchase order and hold you responsible for any costs incurred.

Switches

The Corporation currently only offers shares of the Fund. Therefore, there are currently no opportunities to switch your investment in the Fund.

Redemptions

You may redeem shares of the Fund on any valuation day. To do so, you must complete a written redemption request. If the redemption request is deposited with a dealer, the dealer must send the redemption request to the Fund's registrar and transfer agent on the same day. If the dealer receives the redemption request after 4:00 p.m. (Eastern Standard Time) or on a day that is not a valuation day, the dealer must send it to the Fund's registrar and transfer agent on the next valuation day.

A redemption request received by the Fund's registrar and transfer agent before 4:00 p.m. (Eastern Standard Time) on a valuation day will be processed at the net asset value per share calculated at the close of business on that valuation day. A redemption request received by the Fund's registrar and transfer agent after the close of business on a valuation day or on a day which is not a valuation day will be processed in the same way on the next valuation day.

Whenever practicable, a dealer must send your redemption request by courier, fax, or electronic entry to ensure that the Fund's registrar and transfer agent receives it as quickly as possible. The cost of sending the redemption request must be paid by the dealer. As a security measure, a redemption request sent by fax directly by an investor will not be accepted.

For the protection of other shareholders, your signature on any redemption request must be guaranteed by a Canadian chartered bank, trust company or a dealer. This procedure must be followed carefully. Other documentation may be required for redemption by corporations or other investors that are not individuals.

If all necessary redemption documents have been properly completed and sent to the Fund's registrar and transfer agent with the redemption request, the Manager will pay the redemption amount within three business days of the business day on which the redemption is processed. Otherwise, the redemption amount will be paid within three business days after the Fund's registrar and transfer agent receives the missing documentation. If all necessary documents are not received by the Fund's registrar and transfer agent within ten business days following the date on which the redemption was requested, the Manager will reverse the redemption order by processing a purchase order on the tenth business day after the redemption order, for the number of shares that were redeemed. The redemption proceeds will be used to pay for the shares purchased. Any excess proceeds belong to the Fund. Any shortfall will initially be paid to the Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the redemption request. Where no dealer has been involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the redemption request.

There is no charge for redemptions, unless you are redeeming shares within 90 days of their purchase (see "Fees and Expenses").

If you are holding shares of the Fund in a registered plan, the redemption amount will be paid to the trustee of the plan because the necessary tax forms must be prepared and, in some cases, income tax deducted before payment can be released to you.

The Manager has the right to redeem your shares of the Fund if your investment has a value less than \$1,000. The Manager will give you 30 days notice that the redemption will take place. You will have the option to make an additional investment to increase your investment in the Fund to more than \$1,000. If a partial redemption of shares reduces the value of an investment to less than \$1,000, the Fund has the right to automatically redeem the balance.

Your right to redeem shares of the Fund may be suspended with the consent of the Canadian securities regulatory authorities, or for any period when normal trading is suspended on any stock exchange, in or outside Canada, where more than 50% of the securities held by the Fund by market value, or underlying market exposure, are listed or traded if those securities are not traded on any other exchange that represent a reasonably practical alternative for the Fund.

Optional Services

The Fund does not currently offer any optional services.

Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

FEES AND EXPENSES PAYABLE BY THE FUND	
Management Fees	<p>2.5% per annum of the net asset value of the Fund, calculated on each valuation day and paid monthly. The management fee is subject to GST.</p> <p>To encourage large purchases in the Fund, such as purchases made by institutional investors, the Manager may rebate to an investor a portion of the management fee. The management fee may be rebated based on the consideration of several factors including the size of the investment, the expected level of account activity and the assets under administration. All management fee rebates will be reinvested in additional shares of the Fund unless otherwise requested.</p>
Operating Expenses	<p>The Fund pays all expenses needed to operate and carry on its business. These expenses include:</p> <ul style="list-style-type: none">• accounting, audit, legal, transfer agent and custodial fees;• taxes and brokerage commissions;• expenses related to the calculation of the net asset value of the Fund;• expenses for the issue, switch and redemption of securities;• costs of securityholder reports and prospectuses; and• fees for and expenses incurred by members of the Fund's independent review committee

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU	
Sales Charges	The initial sales charge on the purchase of shares is up to 5% of the amount invested.
Switch Fees	Nil
Redemption Fees	Nil
Short Term Trading	You may be required to pay the Corporation a fee of 2% of your investment amount if you redeem securities of the Fund within 90 days of purchase.
NSF Cheque Fees	\$50

Management fees and other expenses vary from mutual fund to mutual fund. The consent of shareholders generally will be required (a) for any change in the basis of the calculation of a fee or expense charged to the Fund that could result in an increase in charges to the Fund, or (b) if a new fee or expense is introduced that could result in an increase in charges to the Fund. However, in either case, shareholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund. In this case, you will be sent written notice at least 60 days before the effective date of the change.

Impact of Sales Charges

The table below is intended to show the amount of fees that you would have to pay under different purchase options if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or ten years and if you redeemed the investment immediately before the end of that period. Shares of the Fund are currently only sold under the sales charge option and are not available under any other purchase option.

Purchase Options	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option ⁽¹⁾	Up to \$50.00	Nil	Nil	Nil	Nil
Redemption Charge Option ⁽¹⁾	N/A	N/A	N/A	N/A	N/A
No Load Option ⁽¹⁾	N/A	N/A	N/A	N/A	N/A

(1) Shares of the Fund are currently only sold under the sales charge option and are not available under any other purchase option.

Dealer Compensation

Sales Commissions

A dealer who sells shares of the Fund to you receives the sales charge negotiated with you at the time of purchase. The sales charge may be up to 5.0% (\$50.00 for each \$1,000 investment). This charge is deducted from the amount you invested or paid by you directly to the dealer.

Trailer Fees

A dealer will receive an annual trailer fee from us of 1.00% (\$10.00 for each \$1,000 investment) of the average value of net assets held in the Fund by the dealer's clients during each complete calendar quarter. Payments are calculated and paid quarterly at the rate of 1/4 of 1.00% of the average value of assets held in the Fund by the dealer's clients during each quarter. The Manager and not the Fund will pay these fees.

Marketing Support

We may make various payments to registered dealers, relating to educational and marketing activities, in accordance with National Instrument 81-105 - *Mutual Fund Sales Practices*. These include paying up to 50% of the cost of sales communications and investor seminars, up to 100% of the cost of third party educational courses taken by representatives and up to 10% of the cost of conferences put on by dealers. We may also provide representatives with non-monetary items of a promotional nature that have minimal value.

Equity Interests

None of the Corporation, the Manager or the portfolio adviser of the Fund or any of their affiliated companies hold any ownership interests in any dealer that sells shares.

Dealer Compensation From Management Fees

The cost of sales and service commissions and sales incentives programs was approximately 40% of the total management fees we received from the Fund during our last financial year ended December 31, 2007.

Income Tax Considerations for Investors

This summary assumes that you are an individual (other than a trust) resident in Canada and that you hold shares of the Fund as capital property for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"). This summary is based on the current provisions of the Tax Act and the regulations thereunder, any specific proposals for amendments thereto that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and the current published administrative practices and policies of Canada Revenue Agency. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in securities, based upon your own particular circumstances. More detailed tax information is in the Fund's Annual Information Form.

As at the date of this Simplified Prospectus, shares of the Fund are available only to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund; however, this could change in the future and therefore, this summary addresses certain issues applicable to individuals that acquire shares in other circumstances.

When You Earn Income

If you hold Series A shares of the Fund, you earn income on your investment:

- when the Corporation pays an ordinary dividend or a capital gains dividend on Series A shares of the Fund; and
- when you redeem your shares of the Fund and realize a capital gain.

Adjusted Cost Base

The adjusted cost base (“**ACB**”) of your shares is an important concept for income tax considerations. This term will be used throughout the summary and in most situations, can be calculated according to the following formula:

Calculation of ACB	
The amount of your initial investment	
+ additional investments	
+ reinvested dividends	
- the ACB of any previous redemptions	
<hr style="width: 100%; border: 0.5px solid black;"/>	
= aggregate ACB of your shares	

If you acquire shares of the Fund from a limited partnership on a tax-deferred basis, or as a consequence of a tax-deferred roll-over of assets to the Corporation, the ACB of those shares will be determined under specific provisions of the Tax Act. Generally, the ACB of those shares will be lower than their fair market value as a result of tax credits previously received when you were a partner in the applicable limited partnership. You should consult your tax advisor in that regard.

Dividends

Dividends from the Fund are taxable in the year they are received. This is the case whether these amounts were paid to you in cash or through the reinvestment in additional shares. Dividends may include 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.

Capital gains dividends will be treated as realized capital gains.

In the future, the Corporation may offer additional classes of shares. At that time, shareholders would be able to switch their shares of one class into shares of another class on a tax-deferred basis. The Corporation may declare and pay a capital gains dividend to shareholders of any of its classes, regardless of whether the related capital gain resulted from a disposition of securities attributable to the particular class’ portfolio.

Ordinary dividends will be treated as taxable dividends in your hands and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for certain “eligible dividends” paid by the Corporation.

The share price of the Fund may include income and capital gains that the Fund has earned, accrued or realized but not yet paid out as a dividend. If you invest in the Fund before a dividend is declared, even if

that investment is late in the calendar year, you will have to pay tax on such dividend paid to you. However, the amount of the dividend reinvested in additional shares will be added to your ACB. As a consequence of tax-deferred transfers of property to the Corporation by certain limited partnerships, you may receive capital gains dividends that relate to gains on the property that accrued prior to the property being owned by the Corporation. It is anticipated that a substantial portion of the assets of the Fund will consist of property transferred to the Corporation by limited partnerships on a tax-deferred basis. Accordingly, other than for former limited partners in limited partnerships that have transferred property to the Fund on a tax-deferred basis, it is recommended that purchases of shares of the Fund only be made through RRSPs, RRIFs, DPSPs, TFSAs, RDSPs or RESPs. We will provide information slips containing detailed information about the dividends paid to you.

Generally, you are required to include in your income any management fee rebates received from the Manager; however, in some circumstances you may instead elect to reduce the ACB of your shares by the amount of the rebate.

Redeeming Shares

If you redeem shares of the Fund, you will realize a capital gain (or loss). The capital gain (or loss) will be equal to the difference between the amount you receive for the sale, net of any costs (such as a deferred sales charge), and the ACB of the shares.

Generally, one-half of a capital gain must be included in determining your income.

We will provide you with details on the proceeds from the sale after the transaction. However, in order to calculate your gain or loss, you need to know the ACB of your shares before disposition.

Registered Plans

If you hold Series A shares of the Fund in an RRSP, RRIF or other registered plan, you will generally pay no tax on income earned from, or capital gains realized on the disposition of, those securities as long as they remain in the registered plan. However, withdrawals from such registered plans (other than TFSAs) will generally be subject to tax.

Funds with a High Portfolio Turnover Rate

The higher the Fund's portfolio turnover rate, the greater the likelihood the Fund will incur capital gains or losses. In the event the Fund realizes capital gains, the gains will, in most cases, be distributed to you by way of capital gains dividends and must be included in computing your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Specific Information about the Qwest Energy Canadian Resource Class

Organization and Management of the Fund

<p>Manager Qwest Investment Management Corp. P.O. Box 11549 Suite 1601, 650 West Georgia Street Vancouver, British Columbia 1-866-602-1142 www.qwestfunds.com</p>	<p>Qwest Investment Management Corp. is responsible for managing the overall business and operations of the Fund.</p>
<p>Portfolio Adviser Qwest Investment Fund Management Ltd. Vancouver, British Columbia</p>	<p>Qwest Investment Fund Management Ltd. is responsible for managing the investment portfolio of the Fund. The portfolio adviser is a wholly-owned subsidiary of the Manager.</p>
<p>Custodian RBC Dexia Investor Services Trust Calgary, Alberta</p>	<p>The custodian is responsible for the safekeeping of the assets of the Fund. It may retain the services of sub-custodians to hold investments of the Fund.</p>
<p>Registrar and Transfer Agent Citigroup Fund Services Canada, Inc. Mississauga, Ontario</p>	<p>The registrar and transfer agent keeps track of the owners of the Fund's shares, processes purchase and redemption orders, issues investor account statements, trade confirmations and annual tax reporting information, and calculates the NAV of the Fund.</p>
<p>Auditor PricewaterhouseCoopers LLP Vancouver, British Columbia</p>	<p>The auditor audits the annual financial statements of the Fund.</p>

Independent Review Committee

In accordance with National Instrument 81-107 – *Independent review committee for investment funds* (“**NI 81-107**”), an independent review committee (the “**IRC**”) for the Fund has been established. The IRC will review all conflict of interest matters related to the Fund and any other matters that are required to be reviewed or approved by the IRC under NI 81-107 or NI 81-102. The IRC is composed of three members who were appointed effective May 1, 2007 and are independent within the meaning of NI 81-107. The IRC will prepare, at least annually, a report of its activities for you, which will be available on our website at *www.qwestfunds.com* or at your request and at no cost, by calling toll-free to 1-866-602-1142 or by e-mail at *info@qwestfunds.com*. The IRC has adopted a written charter and was operational and in compliance with NI 81-107 as of September 25, 2007. Additional information about the IRC, including the names of its members, is available in the Fund’s Annual Information Form.

Under applicable securities laws, certain merger transactions involving the Fund may be completed without the approval of unitholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days notice of the proposed transaction.

Fund Details

Type of fund	Canadian Resource Equity
Date fund started	April 5, 2006
Securities offered	Series A shares of a mutual fund corporation
Registered plan status	Eligible as an investment for RRSPs, RRIFs, RESPs and DPSPs.

What Does the Fund Invest In?

Investment Objectives

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 resources sector.

Any change in the fundamental investment objective of the Fund must be approved by a majority of the votes cast at a meeting of the Fund's shareholders called for that purpose. However, the investment strategies described below may be changed by the Manager in its discretion.

Investment Strategies

The Fund will invest primarily in the energy and resource sector, which involves companies engaged in industries such as oil and gas, mining and minerals, forestry, alternative energy and other resources. In addition, the Fund may also invest in securities of companies which are dependent on, or provide services to, the energy and resource industries, such as various oilfield services, pipelines, midstream services, utilities and equipment manufacturers. The Fund may take small positions in other securities, such as convertible securities, high-yield debt securities and derivative instruments based on such securities, and invest in foreign resource companies listed on major stock exchanges.

The Fund will use derivatives for hedging purposes only.

The Fund may hold a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes to reflect adverse market, economic, political or other conditions.

It is expected that the Fund will acquire a substantial portion of the assets of the Fund from certain limited partnerships organized by companies that are related to the Manager or former limited partners of such limited partnerships. These assets will be transferred to the Fund on a tax-deferred basis in exchange for shares of the Fund. For further information, see "Income Tax Considerations for Investors".

Pursuant to relief granted by securities regulators which expires on May 31, 2008, the Fund may temporarily invest up to 25% of the net assets of the Fund in private companies and other illiquid assets acquired from limited partnerships organized by companies that are related to the manager or former limited partners of such limited partnerships. An illiquid asset is an asset which is difficult to sell, either because the asset cannot be sold through public markets or the resale of the asset is prohibited as a result

of representations, undertakings or certain agreements made by the Fund or the asset's previous owner. The Fund will only purchase illiquid assets where an investment in the illiquid assets is consistent with the investment objectives and strategies of the Fund and where the investment may be made in compliance with applicable securities laws, including the terms and conditions of any relief from the requirements of such laws granted by applicable securities regulators. Please see "What are the Risks of Investing in the Fund? – Illiquid Asset Risk" below for a description of the risks associated with investments in illiquid assets.

The portfolio adviser:

- uses an in-depth, analytical approach to selecting investments that focuses on commodity, industry and company-specific attributes;
- seeks investments in companies with a combination of sound financial fundamentals, excellent growth prospects and a strong management team; and
- has a medium-term "buy and hold" philosophy but also pays attention to short-term price movements and momentum in the marketplace to take advantage of buying and selling opportunities.

The Fund's investment strategies may involve active and frequent trading. This may increase the trading costs payable by the Fund and lower the Fund's returns. In addition, this will increase the chance that you will receive a dividend from the Fund. For further information, see "Income Tax Considerations for Investors".

What are the Risks of Investing in the Fund?

For the risks of investing in mutual funds generally, see "What are Mutual Funds and What are the Risks of Investing in Mutual Funds?". The specific risks of investing in the Fund are described below.

Capital Gains Risk

From time to time, the Corporation may acquire the assets of certain limited partnerships or certain former limited partners of certain limited partnerships on a tax-deferred basis that have an adjusted cost base to the Corporation that is less than the amount paid by the Corporation for their acquisition (in some cases, the adjusted cost base of assets to the Corporation may be nil). Therefore, these assets may have significant accrued gains at the time they are acquired by the Corporation and shareholders may receive capital gains dividends as a result of these gains being realized by the Corporation. Investors who are considering purchasing shares other than through a registered plan should consult their tax advisor about this risk before purchasing shares.

Energy and Resource Sector Risk

Investing in one specific sector of the stock market, such as the energy and resource sector, entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole. The opposite is also true. In addition, investments in specific sectors are generally more volatile than the overall market.

The assets, earnings and share values of companies involved in the energy and resource industries are subject to risks associated with the world prices of various natural resources, forces of nature, economic

cycles, commodity prices, exchange rates and political events, and as a result the value of shares in this sector may be subject to significant fluctuations.

Illiquid Asset Risk

Pursuant to relief granted by securities regulators which expires on May 31, 2008, the Fund may temporarily invest up to 25% of the net assets of the Fund in private companies and other illiquid assets acquired from limited partnerships organized by companies that are related to the manager or former limited partners of such limited partnerships. Under applicable securities laws, public mutual funds are generally prohibited from purchasing an illiquid asset if after the purchase more than 10% of the fund's net assets would be invested in illiquid assets and from having more than 15% of their net assets invested in illiquid assets for a period of 90 days or more. An illiquid asset is an asset which is difficult to sell, either because the asset cannot be sold through public markets or the resale of the asset is prohibited as a result of representations, undertakings or certain agreements made by the Fund or the asset's previous owner. If the Fund is unable to sell an asset, the Fund may not be able to realize profits and/or minimize losses with respect to the asset and this in turn may adversely affect the net asset value of the Fund and the return on investment in shares of the Fund. In addition, in order to fund redemptions of shares, the Fund may have to liquidate its holdings in more liquid, large and medium sized companies as a result of the illiquidity of some or all of that portion of the Fund's portfolio comprised of illiquid assets. Although the Fund intends to maintain sufficient liquid assets to cover any redemption requests, there is a risk that the Fund's investment in illiquid assets could make it difficult for the Fund to fund redemption requests.

Concentration Risk

This is the risk that the Fund may have a concentrated number of investments. As a result, the securities in which the Fund may invest may not be diversified across all sectors or may be concentrated in specific regions or countries. By investing in a relatively small number of securities, the portfolio adviser may have a significant portion of the Fund invested in a single security. This may result in higher volatility, as the value of the portfolio will vary more in response to changes in the market value of an individual security.

Market Risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will also be good, and the value of their stocks should rise. The opposite is also true. Usually, the greater the potential reward, the greater the potential risk. For small companies and companies in emerging sectors the "risk/reward" ratio is usually greater. Except in limited circumstances the Fund will not sell securities that make up its portfolios in the event of a specific or general market decline.

Currency Risk

This is the risk that changes in the value of the Canadian dollar, compared to foreign currencies, will affect the value of shares in the Fund when investments are made outside of Canada.

Derivatives Risk

A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange. A derivative is commonly a future or a forward contract or an option but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Derivatives may be used to limit, or hedge against, losses that may occur because of the Fund's investment in a security or exposure to a currency or market. This is called "hedging". Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes. The Fund will only use derivatives for hedging purposes. The following risks are also associated with using derivatives:

- the use of derivatives for hedging may not be effective;
- a derivative contract may not be obtained when desired by the Fund because (i) there may be a lack of parties wanting to buy or sell a derivative contract, or (ii) the exchanges on which some derivatives are traded may set daily trading limits on futures contracts, preventing the Fund from closing a contract;
- the other party to the derivative contract may not be able to meet its obligations and may default;
- if an exchange halts trading in a certain option, the Fund may not be able to close its position in an option;
- the cost of the derivative contract may increase;
- the price of a derivative may not accurately reflect the value of the underlying investment; and
- the Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

Foreign Investment Risk

There is a risk that investments in foreign companies outside Canada and the United States will be affected by world economic factors in addition to changes in the value of the Canadian dollar. In addition, information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices, and other disclosure requirements that apply in Canada and the United States.

Different financial, political, social and environmental factors can significantly affect the value of the Fund's investments. Foreign markets may be volatile or lack liquidity, which may cause Fund prices to fluctuate more than if the Fund limited its investments to Canadian and United States securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

Class Risk

The Corporation may add additional classes of shares in the future. If the Corporation cannot pay the expenses attributable to one class of shares using the proportionate share of the Corporation's assets attributable to that class for any reason, the Corporation will be required to pay those expenses out of one or more of the other classes' proportionate share of the Corporation's assets. This may reduce the value of your investment in the Fund.

Interest Rate Risk

A mutual fund that invests partially or completely in bonds or other fixed income securities is affected most by changes in interest rates. If interest rates increase, the value of the bond or other fixed income security purchased tends to fall.

Large Transaction Risk

Shares of the Fund may be purchased by a third-party mutual fund (as part of that mutual fund's "fund-of-funds" portfolio) or other investment product. Any significant transaction made by such an investor could significantly impact the Fund's cash flow. If the third party buys large amounts of shares of the Fund, the Fund could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of shares of the Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

Who Should Invest in this Fund?

Investors who are:

- acquiring shares in connection with the transfer of assets to the Corporation from a limited partnership;
- seeking long-term capital growth from investments in the Canadian energy and resource sector;
- not concerned with short-term price fluctuations; and
- willing to accept high risk.

Distribution Policy

The Fund will 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. We will automatically invest dividends in additional shares of the Fund unless you tell us in writing in advance that you would prefer to receive cash dividends. No sales charge will be payable with respect to the purchase of shares made under this automatic reinvestment program.

Fund Expenses Indirectly Borne by Investors

The Fund pays for its expenses directly out of its assets. As a result, shareholders indirectly pay for the expenses of the Fund. The table below is designed to help you compare the cumulative cost of investing \$1,000 in the Fund with the cost of investing in other mutual funds. The table assumes a total annual

return of the Fund of five percent in each year, and assumes that the Fund's management expense ratio remains at 3.3% for the Fund.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Funds and expenses payable over	1 year	3 years	5 years	10 years
	\$33.26	\$101.49	\$172.09	\$359.43

These results are included with the intention of helping you compare the cost of investing in the Fund with the costs of investing in other mutual funds, allowing you to see the amount of fees and expenses paid by the Fund that are indirectly borne by you, and describing the assumptions used for those calculations.

You will find more information about fees and expenses under the heading "Fees and Expenses" starting on page 6.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

QWEST ENERGY CANADIAN RESOURCE CLASS

Additional information about the Fund is available in the Fund's Annual Information Form, financial statements and management reports of fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of it.

You can get a copy of the Fund's Annual Information Form, financial statements or management reports of fund performance, at no cost, by contacting Qwest Investment Management Corp. by telephone, toll-free, at 1-866-602-1142, by e-mail at info@qwestfunds.com, or from your dealer.

These documents and other information about the Fund, such as material contracts and information circulars, are also available on the Manager's website at www.qwestfunds.com or on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Manager of the Qwest Energy Canadian Resource Class

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