

Qwest's Flow-Through Limited Partnerships

OVERVIEW

Investment Type: Flow-through limited partnerships

Investment Focus: Strategically focused on investing in flow-through shares issued by Canadian resource companies including oil and gas and mining growth companies.

Tax Deductions: Typically up to 100% of amount invested by an investor

Liquidity: Flow-through assets typically roll, on a tax-deferred basis, to a mutual fund. Our flow-through funds roll to the QE Funds Corp. mutual fund managed by Qwest Investment Fund Management Ltd. and this rollover usually occurs 18 to 24 months after a flow-through is launched.

PORTFOLIO MANAGEMENT TEAM

Qwest Investment Fund Management Ltd. provides investment advisory services for its flow-through products as well as fund management service for its mutual fund products.

The portfolio management team's strengths include:

- Calgary-based with extensive industry relationships
- Specialize in research and analysis of oil and gas and mining growth companies
- Considerable experience in oil and gas financings and investments
- Consistent top-tier performance among energy-focused peer group

INVESTMENT & DUE DILIGENCE APPROACH

Investment:

- Create value for clients on their dollar invested (pre-tax), not just on an after-tax basis
- Focus on oil and gas growth companies with experienced management teams
- Focus on potential share price appreciation versus premiums paid to drive pre-tax performance
- Target premiums paid of between 15% and 20%

Due Diligence - look for companies with:

- Management teams that have extensive industry experience and ownership
- A focused asset base
- Experienced land and operations staff
- A risk-management strategy in place
- Capital markets expertise
- Financial acumen

TYPICAL FLOW-THROUGH TAX DEDUCTION

\$10,000 Investment Example			
Amount invested:			\$10,000
Tax Savings:	\$10,000 x 45%*	=	<u>4,500</u>
Capital "At-Risk":			\$ 5,500
<small>* Assumes a 45% marginal tax rate</small>			