

**QWEST INVESTMENT FUND MANAGEMENT LTD.**  
**CONFLICTS OF INTEREST DISCLOSURE INFORMATION**

February 22, 2023

**1. CONFLICTS OF INTEREST**

**General**

Canadian securities laws require Qwest Investment Fund Management Ltd. (“**QIFM**”, “**we**”, “**us**” or “**our**”) to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in our clients’ best interests and inform clients about them, including how the conflicts might impact clients and how we plan to address them in the best interests of our clients. This document describes the material conflicts of interest that arise or may arise in our capacity as a portfolio manager (“**PM**”) for clients receiving our investment management services (including managed account clients), in our capacity as an exempt market dealer (“**EMD**”) for clients that purchase directly through us securities of investment funds and other pooled investment vehicles created by us or other third parties and managed by us (including those described below under “*We act as an IFM and/or PM for the following funds*”) (the “**funds**”), and in our capacity as an investment fund manager (“**IFM**”) of our funds. Additionally, material conflicts of interest that arise or may arise in our capacity as IFM and PM for our funds will also be disclosed in the offering memorandum or other disclosure document for our funds.

**What is a conflict of interest?**

A conflict of interest may arise in circumstances where (i) our interests or those of our representatives and your interests as our client may be inconsistent or different, (ii) we or our representatives may be influenced to put our or their interests ahead of yours, or (iii) monetary or non-monetary benefits available to us, or potential negative consequences for us, may compromise the trust that you have in us.

**How do we address conflicts of interest?**

We and our representatives always seek to resolve all material conflicts of interest in your best interest. Where it is determined that we cannot address a material conflict of interest in your best interest, we and our representatives will avoid that conflict.

We have adopted policies and procedures to assist us in identifying and controlling any conflicts of interest that we and our representatives may face.

**Material conflicts of interest**

A description of the material conflicts of interest that we have identified is set out below.

***Limitation on Product Offering – Primarily Proprietary Products***

As an EMD and a PM, the investment opportunities currently available through us are primarily limited to securities of our funds (referred to as “**proprietary products**”), but we may offer other securities of investment funds or other investment vehicles created and managed by third parties (referred to as “**non-proprietary products**”).

Because of our role in managing the business and affairs of the funds, the funds are considered to be related and/or connected issuers to us. Additional information about these funds is available in each fund’s offering memorandum or other disclosure document, copies of which are available from us upon request.

As at the date of this document, we act as an investment fund manager and/or portfolio advisor to the following funds:

- Qwest Funds Corp.: AlphaDelta Global Dividend Income Class
- Qwest Funds Corp.: AlphaDelta Canadian Dividend Income Class
- Qwest Funds Corp.: AlphaDelta Tactical Growth Class
- Qwest Productivity Media Income Trust
- InvestX Global Growth Equity Trust
- InvestX Growth-Equity Fund-II

InvestX Series 19-06 Limited Partnership  
InvestX Growth Equity IV-CA Limited Partnership  
LM Asset Fund Limited Partnership  
Probity Mining 2021-II Short Duration Flow-Through Limited Partnership  
Probity Mining 2022 Short Duration Flow-Through Limited Partnership  
Probity Mining 2022-II Short Duration Flow-Through Limited Partnership  
Probity Mining 2023 Short Duration Flow-Through Limited Partnership  
The Last Waltz Limited Partnership  
Closing Time Limited Partnership  
Proof Capital Alternative Income Fund  
Proof Capital Alternative Growth Fund  
Proof Capital Special Situations Fund  
Proof Capital Balanced Growth & Income Fund  
foreGrowth NNN Fund LP  
ASI Fishmans Limited Partnership  
SHC Erottuva Trust

In addition to the above listed issuers, QIFM is related/connected to Proof Capital Inc., a private merchant bank. QIFM is related/connected to Proof Capital Inc. because the advising representative of QIFM responsible for management of the portfolios of the Proof Capital funds (referenced above) is a director and shareholder of Proof Capital Inc. The Proof Capital funds may have invested, or may invest in the future, in the following entities for which the CEO of Proof Capital Inc., Jeremy Kaliel, acts as a Director, Officer or an Advisor:

Barrel Oil Corp.  
Plexus Technology Corp.  
Greenbridge Technologies LP  
Halo Exploration Ltd  
DLT ASA

For the most up-to-date list of companies that Proof Capital may invest in or have a relationship with, please visit Proof Capital Inc.'s website at [www.proofcapital.ca](http://www.proofcapital.ca).

Our roles in managing, advising and selling units of our funds will inevitably give rise to certain conflicts between our interests and yours. These conflicts of interest could mean that we are providing you access primarily to proprietary products because we receive compensation related to those products. In addition, our relationship with these products may cause us to follow a 'know your product' process that is less robust than it otherwise would be for non-proprietary products. Our review of these products may also be conducted with a less independent view than would be done by an arm's length party. Further, because we only offer non-proprietary products on a limited basis, any suitability determination conducted by us and our representatives of our proprietary products may not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting your investment needs and objectives.

Where QIFM provides you with services related to the purchase or sale of securities of our funds or other issuers that are related or connected to us, we will only engage in these types of transactions where they are permitted under applicable securities laws and by applicable securities regulatory authorities, and where we believe they are in your best interests.

We manage these conflicts by ensuring that we do not receive any fees or other compensation for our services as an exempt market dealer and our representatives do not receive any sales-based compensation or commissions or referral fees related to the sale of proprietary products. In addition, unless you are a "permitted client" and have requested that we not make suitability determinations for your account, we will conduct a suitability assessment to ensure that each investment is suitable for you and in your best interests, having regard to your financial and other circumstances. We also carry out periodic assessments of the products we offer, including their performance, to ensure that they remain appropriate for the range of our clients and prospective clients. In most cases, the relationship or connection to our funds will be obvious to you because the names of the funds will be sufficiently similar to our name. For example, most

of our funds will include the word “Qwest” as part of their name, or “Qwest” will be included in the fund’s disclosure documents. If we believe that the name of any fund or any other issuer is not similar enough to convey the funds’ or other issuer’s relationship to us, we will provide you with specific disclosure regarding that relationship at the appropriate time. Despite the steps we take to manage these conflicts, you may wish to get independent advice from a trusted professional before you consider investing in the proprietary products we offer.

### ***Personal Trading Activities and Code of Conduct***

Employee personal trading can create a conflict of interest because employees with knowledge of our trading decisions could use that information for their own benefit. We have adopted a policy to restrict and monitor personal trading by our directors, officers and employees/contractors in order to ensure that there is no conflict between such personal trading and the interests of our funds and our clients. Each of our directors, officers, and employees/contractors puts the interests of our clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of our clients, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of our clients. These individuals also must not use their position to obtain special treatment or investment opportunities that are not generally available to our clients or the public. These individuals are only allowed to make a personal trade if it falls within our Personal Trading Policy or if our Chief Compliance Officer has determined that such a trade will not conflict with the best interests of our clients. We encourage our directors, officers, and employees/contractors to invest primarily through our funds, thereby reducing the amount of their personal investments and, consequently, reducing the likelihood of a conflict of interest arising between us and our clients.

Additionally, we have a Code of Conduct which sets out certain expected standards of conduct of our directors, officers and employees/contractors and includes restrictions and controls on outside activities and personal trading of our directors, officers and employees/contractors. The Code of Conduct is designed to ensure that our directors, officers and employees/contractors act in accordance with applicable Canadian securities laws and other applicable laws, that they act in the best interests of our clients, that they avoid actual or potential conflicts of interest, and that they do not engage in personal securities transactions that are prohibited by law, such as insider trading, or that negatively impact our clients.

### ***Referral Arrangements***

QIFM may enter into referral arrangements from time to time whereby we pay or provide a fee or other benefit for the referral of a client to us or to one of the funds we manage, or whereby we receive a fee or other benefit for the referral of a client to another entity. Paid referral arrangements are inherent conflicts of interest and must be addressed in the best interest of the client. Before we refer a client, in exchange for a referral fee, to another entity, we will determine whether making the referral is in the client’s best interest. In making that determination, we will consider the benefits to the client of making the particular referral over alternatives or at all. In making a referral, we are guided only by the client’s best interests.

The details of these referral arrangements, including the parties to the referral arrangement, the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to you in writing when required. All services resulting from a referral arrangement relating to your account(s) which require registration under applicable securities legislation will be provided by the registrant receiving the referral.

We also have policies and procedures that are designed to ensure that fees and other benefits received or paid or provided, as applicable, in connection with referral arrangements are appropriate and do not provide inappropriate incentives, and that any referral by us is in the client’s best interest. We undertake periodic reviews of referral arrangements. Clients are not obligated to purchase any product or service in connection with a referral.

### ***Principal Transaction and Cross Trading Securities***

Generally, cross trading between investment funds or between accounts is not permissible. However, cross trading between investment funds or between accounts managed by QIFM is only permitted under the specific conditions enumerated below. Cross trades must be pre-approved by the Compliance Department.

These conditions are directed at prohibiting any transactions that may appear to establish artificial prices. Any crossing of trades to control or support a security price is strictly prohibited.

The crossing of trades will not be permitted except in accordance with the following conditions:

- (a) The crossing of trades can only be completed if there is a beneficial change in ownership i.e. one client to another client. Trades that do not constitute either a change in beneficial or economic ownership must not take place on a market as they are considered manipulative and deceptive methods of trading.
- (b) The crossing of trades meets the investment objectives and restrictions of the purchasing account.
- (c) The crossing of trades may only be completed if the security trades on an exchange through a registered dealer. Each local exchange has its own rules and regulations for cross trades.

Inter-fund trades, which involve trades being made directly with the accounts, do not involve a third party in the execution of trades and are therefore prohibited. Cross trades are permitted mainly because “cross” trades are executed using a registered dealer.

The prohibition against inter-fund trades is found in securities legislation and regulations. It is important to note that inter-fund trades are exempt from these rules under specific conditions pursuant to National Instrument 81-107 – Independent Review Committee for Investment Funds (“**NI 81-107**”). The PM of an investment fund may purchase a security of any issuer from, or sell a security of any issuer to, another investment fund managed by the same manager or an affiliate of the manager, if at the time of the transaction, the Independent Review Committee has approved the transaction under subsection 5.2(2) of NI 81-107 and all other minimum conditions set out in NI 81-107, including section 6.1 are met.

We do not expect that the QIFM funds regulated under NI 81-107 undertaking in such exemptions in accordance with NI 81-107 and all other applicable rules. However, if a strong case to effect inter-fund trades is presented, the QIFM funds regulated under NI 81-107 will undertake in these exemptions in accordance with NI 81-107 and all other applicable rules. QIFM has obtained regulatory exemptive relief to permit inter-fund trading in respect of its prospectus-exempt funds and managed accounts, subject to certain conditions.

### ***Our Trading and Brokerage Practices***

The decisions we make with respect to the execution of portfolio transactions for accounts we manage, including the selection of execution venues, the broker-dealer and the negotiation, where applicable, of commissions or spreads, can give rise to conflicts of interests.

For additional information on how we manage these conflicts, see the section called “Our Trading and Brokerage Practices” in the Relationship Disclosure Information document.

### ***Soft Dollar Arrangements***

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to QIFM in exchange for brokerage business from our managed accounts clients and our funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, we will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

We do not currently have any soft dollar arrangements with any brokers. If and when we participate in soft dollar arrangements, it will only be for the purposes of receiving acceptable research or brokerage services for the benefit of our clients. In other words, advising representatives may direct order flow to brokers in exchange for research of brokerage services which is both acceptable as defined by us and benefits only our clients.

Executing brokers that provide “in-house” proprietary research will not provide us with an estimate of the cost of the research, statistical and other similar services. We will make a good faith determination that the amount of the commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker and that our clients will have received fair and reasonable benefit from such. Third party research is generally also available on a subscription basis, the value of which will be used to

approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. We will make all required disclosures to clients.

### ***Acceptable Research***

Research is deemed acceptable if it is used in a manner that provides material assistance to the advising representative in the investment decision-making process and not in the management of QIFM.

Examples of research acceptable under soft dollar arrangements, assuming proper use, include: advice as to the value of securities and the advisability of effecting transactions in securities; and analyses and reports concerning securities, portfolio strategy or performance, issuers, industries or economic or political factors and trends.

Such research may be received in various mediums including conference calls, meetings as well as oral and written research reports. Research received will supplement QIFM's own research and analysis in arriving at investment decisions. A list of brokers that provided research to QIFM will be available upon request.

### ***Allocation of Investment Opportunities***

We provide investment management services to various funds and other clients. The size and mandate of the various funds and other accounts managed by us differ and the portfolios are not identical. As a consequence, we may purchase or sell a security for one account prior to other accounts. This could occur, for example, as a result of the specific investment objectives of the account, different cash resources arising from contributions or withdrawals, or the purchase of a small position to assess the overall investment desirability of a security. If the availability of any particular security is limited and that security is appropriate for the investment objective of one or more other accounts, any purchase of that security will be allocated on an equitable basis in accordance with our fair allocation policy.

### ***Fair Allocation Policy***

*Purpose* – The basic purpose of QIFM's policy regarding allocation of investment opportunities (the "Policy") is to ensure fair treatment of all clients of QIFM in situations where two or more client accounts participate simultaneously in a buy or sell order involving the same security. The Policy is premised on the view that allocating on a pro rata basis among applicable client accounts based upon target weighting as determined by the advising representative at the time of order entry will promote fair and reasonable treatment of all clients. However, the Policy recognizes that no rigid formula will always lead to a fair and a reasonable result, and that some flexibility is required to adjust to specific circumstances, as appropriate. Accordingly, allocation on a basis other than strictly pro rata based on order size is permitted in certain circumstances where it can be established that such allocation is fair and reasonable. The fundamental objective of the Policy is to be fair and reasonable to all clients based upon client investment objectives and policies and to avoid the appearance of favoritism or discrimination among clients.

*General Rule* – In placing orders, advising representatives must specify a pre-determined number of shares or number of bonds or a target weight for each identified account, or group of accounts, at the time the order is placed. Except as provided in the following paragraphs, the executed portion of a transaction through a specific broker or dealer on the same trading day, combining two or more accounts regardless of the advising representative involved, will be allocated by the appropriate trading desk personnel on a pro rata basis (to the nearest round trading lot when possible, 100 or 1000 shares) or based on a target weighting provided by the advising representative. Each account involved would receive a percentage of the executed portion of the order (including price and commission) based upon each account's percentage of the entire order. This procedure will apply to all accounts which are participating in the execution under the same trading circumstances (price limits, approximate time of entry, etc.).

*Exceptions to the General Rule* – An exception may be made to the General Rule if, for example, an order is unreasonable as measured against the particular account's asset size and target weighting for the security in question. The reasonableness of the target weighting will be assessed by a review of the investment guidelines of the particular account. Any unresolved issues relating to the application of the

Policy in specific circumstances will be determined in accordance with the trade allocation dispute resolution mechanism (described below).

*Initial Public Offering (IPO) Allocation* – IPOs may be particularly contentious in that demand often far exceeds supply. Accordingly, allocation based on order size may be inappropriate in a proportionately greater number of circumstances involving IPOs as opposed to secondary market transactions. Such allocations of IPOs may, if necessary, be determined in accordance with the trade allocation dispute resolution mechanism (described below). This is applicable for both filled and partially filled orders.

*Trade Allocation Dispute Resolution Mechanism* – in the event (i) that pro rata allocation is inappropriate; (ii) that a proposed allocation is disputed after the application of the above rules; or (iii) allocation of an IPO, where appropriate, and the participating advising representatives are unable to determine an allocation that is clearly fair and reasonable to all the clients involved, the following procedures shall apply. If a consensus cannot be reached, an allocation will be determined by our Compliance Department (who are not involved in buying or selling the security in question), based on an evaluation of factors, including:

- (a) The potential investment needs of the participating clients;
- (b) The appropriateness of the investment to a portfolio's style, performance time horizons and the client's risk objectives;
- (c) Whether the investment fits more closely to the client account's industry or investment specialization or region of investment;
- (d) The significance of the order in relation to the size of the account;
- (e) Existing levels of portfolio ownership in the intended investment and in similar types of companies or fixed income securities; and
- (f) The origin of the idea, future coverage from a research standpoint and broker relationship.

### ***Expense Allocation***

The charging and allocation of expenses among our funds creates a potential conflict of interest because we could inappropriately charge expenses to benefit QIFM over our funds.

QIFM manages this conflict by allocating expenses for our funds in a fair and reasonable manner based on the benefit received by each fund. Employees, directors and officers/contractors observe high standards and care in tracking, allocating and coding of invoices and activities with respect to potential expenses in accordance with our Fund Expenses and Allocation Policy.

Allocation of fund expenses is generally determined as follows:

- (a) Expenses directly attributed to the funds are allocated to each account appropriately;
- (b) Only appropriate costs and expenses are charged to the funds;
- (c) Costs and expenses that are not appropriate or are prohibited are not charged to the funds;
- (d) Expenses, where the benefit is shared amongst QIFM as IFM and the funds, are allocated reasonably and fairly; and
- (e) Expenses that relate to more than one fund account are allocated fairly amongst the applicable funds.

### ***Fair Valuation of Assets***

When we earn fees based on assets under management, such as with managed accounts or the investment funds we manage, there is a potential conflict in valuing the assets held in the portfolios because a higher value results in a higher fee paid to us. Overstating the value of the assets can also create improved performance.

We address this conflict through compliance with our fair valuation policy. In the absence of readily available or reliable market quotations, fair value situations arise where estimated values are used in good faith when valuing our managed accounts' funds. QIFM engages its custodian, and if applicable, our funds' fund

accounting service provider, and the Portfolio Management Team monitor and escalate any potential fair value situations. If the situation is deemed to be a potential fair value situation, the custodian or the Portfolio Management Team will gather all relevant information and present the facts to the Investment Committee who will make a decision with regards to the potential fair value situation.

### ***Pricing and Account Errors***

We make reasonable efforts to keep trade errors to a minimum and ensure fairness to clients with respect to protection from errors made within their account. A trade error is an inadvertent error in the placement, execution or settlement of a transaction. A trade error is not an intentional or reckless act of misconduct. Although errors or issues are an inevitable by-product of the operational process, QIFM strives to establish controls and processes that are designed to reduce the possibility of their occurrence.

All accounts managed by QIFM follow a policy to ensure that in the event of an error, the account is made whole and that such error corrections and any necessary reimbursements to the accounts are made accurately and on a timely basis. Any errors resulting in a gain are kept by the accounts.

### ***Proxy Voting***

A potential for conflict arises when QIFM, in its capacity as IFM and PM, has the opportunity to vote a proxy in a manner that is in its own interest and not in the best interest of clients.

The proxies associated with securities held by the client or a QIFM fund will be voted by the advising representative, or delegate, in the best interests of the client. The advising representative, or delegate, considers the “best interests” of client to mean their best long-term economic interests. The advising representative, or delegate, maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances at the time of the vote:

QIFM’s proxy voting policies and procedures set out various considerations including that:

- (a) The advising representative, or delegate, will generally vote with management on routine matters related to the operation of an issuer that are not expected to have a significant economic impact on the issuer and/or its shareholders;
- (b) The advising representative, or delegate, will review and analyze on a case-by-case, non-routine proposals that are more likely to affect the structure and operation of the issuer and to have a greater impact on the value of the investment;
- (c) The advising representative, or delegate, may abstain from voting a proxy if it concludes that (i) the effect on the clients’ economic interests or the value of the portfolio holding is indeterminable or insignificant, or (ii) the cost of voting is disproportionate to the economic impact the vote would have on the portfolio holdings, or (iii) if there is insufficient information to make an informed decision; and
- (d) Any material conflicts that may arise will be resolved in the best interests of the clients and potential procedures to deal with any conflict are identified.

### ***Gifts and Business Entertainment***

The receipt of gifts or entertainment from business partners may result in a perceived conflict as it gives rise to the perception that our representatives will favour such business partners when making investment decisions. To manage this perceived conflict of interest, we have adopted a gifts and entertainment policies as part of our Code of Conduct, which prohibits our representatives from accepting gifts or entertainment beyond what we consider consistent with reasonable business practice and applicable laws. We set maximum thresholds for such permitted gifts and entertainment so that there cannot be a perception that the gifts or entertainment will influence decision-making.

### ***Outside Activities***

QIFM’s directors, officers and employees/contractors who are registrants are required to inform QIFM’s Compliance Department of any outside activities. The outside activities are reviewed to ensure they will not interfere with the duties and responsibilities of the directors, officers and employees/contractors as a registrant. QIFM is aware of the potential for conflicts of interest and will adopt policies and procedures if

required to minimize the potential for conflicts of interest that may result from the activity. See also above under "*Personal Trading Activities and Code of Conduct*".

## **2. MORE INFORMATION**

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. We recommend that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) for more information on how Canadian securities regulatory rules and regulations address conflicts of interest in order to safeguard the investing public.

We document our core values and standards, including general standards for how we deal with conflicts of interest in our internal policies and procedures. You should also refer to our website at [www.qwestfunds.com](http://www.qwestfunds.com) for further information.

This document is updated frequently, and clients should refer to the most recently dated Conflicts of Interest Disclosure Information. The most recent version may be obtained on our website at [www.qwestfunds.com](http://www.qwestfunds.com) or by calling us at 1-866-602-1142 (ext. #1) (ask for the Compliance Department) or by emailing us at [compliance@qwestfunds.com](mailto:compliance@qwestfunds.com).