

**Overview**

<b>Description:</b>	Diversified yield fund
<b>Minimum Investment:</b>	\$5,000
<b>Registered Funds Eligible:</b>	Yes (RRSP, TFSA, LIRA, RRIF, RESP)
<b>Distributions:</b>	Monthly (in cash)
<b>Investor Type:</b>	Eligible
<b>Anticipated Hold Period:</b>	Redemption available
<b>Estimated Returns:</b>	8% per annum + potential for upside
<b>Management:</b>	Invico Capital Corporation
<b>Track Record:</b>	~ \$90 million in assets under management

**Investment Objective**

The Pennant Pure Yield Fund (the “Fund”) is a diversified yield fund with above average monthly cash yield investments with upside potential and strong diversification away from a highly volatile market .

The Fund focuses on non-market correlated alternative investments

- Equity-like returns with less volatility and improved security
- Fund targets annual yield of 8%
  - Distributions paid monthly
  - Potential for annual special distributions
- Diversified fund structure provides for sector and industry diversification while reducing exposure to downside volatility
- Ability to target several sectors including oil and gas, real estate, alternative financial services, among others

**Fund Manager**

**Fund Manager**

- Fund managed by a registered investment fund manager and portfolio manager
- Management team has a demonstrated track record of success with over 100 years of investment and lending experience
- Manages 5 investment funds with assets under management of ~\$90 million

Closed-End Fund	Yr. of Inception	Return Since Inception (%)
Invico Capital Private Equity L.P.	2006	16% <sup>(1)</sup>
Invico Energy II	2008	11% <sup>(2)</sup>
Invico Energy III	2011	15% <sup>(2)</sup>
Pennant Select 2010 Flow-Through L.P.	2010	33% <sup>(2,3)</sup>

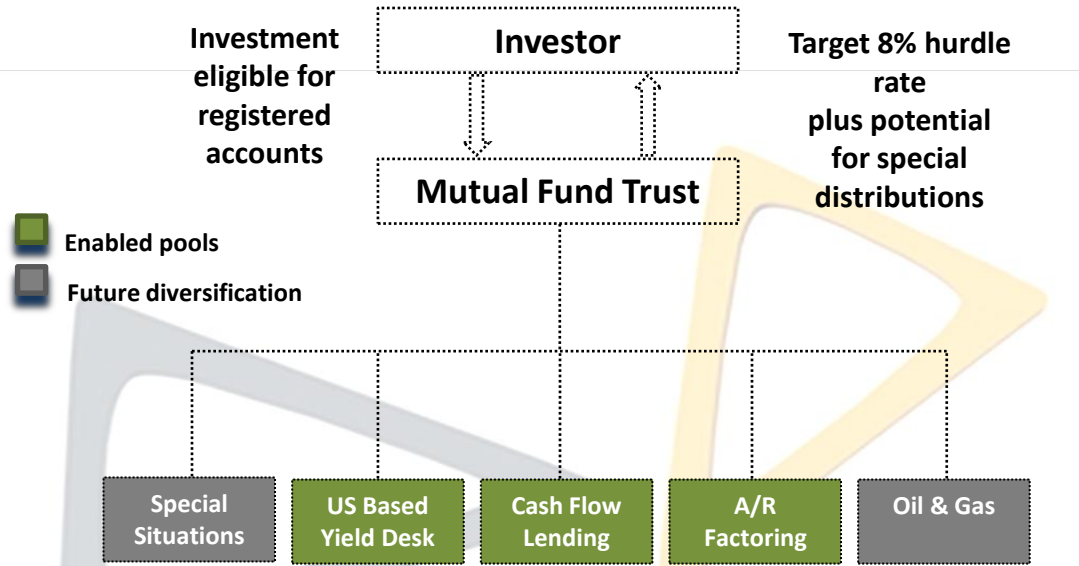
Open-End Fund	Yr. of Inception	Target Yield (%)
Pennant Pure Yield Fund	2011	8%

(1) Normalized holding period return includes the distributions paid to date and valued as at June 30, 2011.

(2) Holding period return valued as at June 30, 2011.

(3) 33% return includes 39% tax savings (based on highest Alberta personal tax rate) plus -6% return to date for the fund

**Investment Structure**



Note: Current and future diversification strategy is subject to changes without notice, including addition or deletion of pools.

**Cash Flow Waterfall**

Unique cash flow distribution creates significant benefit for investors and alignment with the Fund Manager

	Targeted Returns (%)
Administration Fee	2%
<b>Investor Hurdle Rate</b>	<b>8%</b>
Trailer Fee	1.25%
Credit to Capital Account	1%
<b>Initial Profits to Investors</b>	<b>3.75%</b>
<b>Enhanced Investor Hurdle Rate</b>	<b>16%</b>
<b>Potential Return (prior to any profit sharing)</b>	<b>11.75%</b>
<i>Any additional profits split between investor and Fund Manager 50%/50%</i>	

Total return required before Fund Manager shares in upside

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