



TRUSTEE UPDATE TO FORMER SHAREHOLDERS OF B.C. ADVANTAGE FUNDS

Vancouver, October 27, 2016 – 1085273 B.C. Ltd. (the “Trust”) provided today an update to the former shareholders of B.C. Advantage Funds Ltd. (the “Company”). This update is further to the news release by the Company of October 20, 2016 announcing that it had completed the transfer of all of its assets and liabilities to the Trust. As per the Trust Agreement between B.C. Advantage Funds and the Trust, the trustee has the responsibility to dispose of all or substantially all of the portfolio investments and other assets it received from the Company, pay out all of the Company’s liabilities, and distribute the remaining assets rateably to shareholders.

The Company also announced on October 20, 2016 that a voluntary dissolution of B.C. Advantage Funds was completed pursuant to Division 2 of Part 10 of the *Business Corporations Act* (British Columbia). With this dissolution, the shareholders of B.C. Advantage Funds ceased to be shareholders of the Company and have instead become beneficiaries of the Trust. Any and all distributions of the Trust will be made rateably to prior Company shareholders in satisfaction of their interests in the Trust.

Pay-out of Company Liabilities

The Company has completed the pay out or otherwise discharged all its liabilities, including any tax liabilities resulting from its incorporation and operation as a venture capital corporation under the *Small Business Venture Capital Act* (British Columbia). As a result, prior to its dissolution, the Company changed its name to eliminate the “VCC” designation.

Disposition Plans for Portfolio Investments

Now that all Company assets have been transferred to the Trust, the trustee has commenced plans to dispose of all assets, including the remaining private company portfolio investments. For the majority of these shareholdings, disposition plans have been implemented. However, in several situations, the trustee is aware of significant milestone events which may occur in the near term that may materially increase the value achieved on disposition.

In one case, a large financing of a portfolio company is in progress and the expected pricing of the round is substantially greater than that of the prior funding round. In another case, we believe an Initial Public Offering (IPO) process may be soon initiated, again at pricing that we expect to be substantially greater than the company’s most recently completed financing. In both cases, the Trustee believes it may be advantageous to Trust beneficiaries to temporarily delay the disposition of portfolio positions until after the expected transactions are completed.

Pursuant to the Trust Agreement, the trustee is entitled to fees for a period of no more than six months following dissolution of the Company. We believe at this time that the disposition of the majority of the assets can be completed on or before the completion of this six month period. No further fees will be paid to the

trustee in any event, however, our objectives are both to (1) achieve the dispositions and distribution of capital and income of the Trust to beneficiaries in a timely manner; and (2) maximize the disposition proceeds so as to maximize the capital and income that can be returned to beneficiaries. We will continue to assess our disposition strategies in order to best balance and fulfill both of these objectives.

A further quarterly update to beneficiaries will be provided in late January, 2017.

About the Trustee

1085273 B.C. Ltd. is a special single purpose corporation formed to dispose of the remaining portfolio investments and other assets of B.C. Advantage Funds Ltd (the “Company”). The Company was a venture capital corporation, formed under the *Small Business Venture Capital Act* (British Columbia), to invest in emerging technology companies in the Province. For more information about the Trust and the Company, please visit www.bcadvantagefunds.com .

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