



BISON II C2 MORTGAGE FUND

A Mortgage Investment Vehicle



FUND DESCRIPTION

Managed by	Trez Capital Management Partnership
Asset Class	Mortgage Fund
Inception Date	June 2009
New Investments	Open
Minimum Investment	200 Units (\$2,000)
RRSP/RESP/RRIF /TFSA Eligible	Yes
Retraction Rights	Retractable on demand (with 30 days written notice) at 99% of the subscription price up to the first anniversary of the investment, and the full subscription price thereafter.

FUND OVERVIEW

	September 30, 2011
Gross Mortgage Loan Portfolio	\$85,017,527
Allowance for Bad Debts	\$1,510,185
Net Mortgage Loan Portfolio	\$83,507,342
No. of Mortgage Investments	52
Average Mortgage Size (based on Gross Mortgage Loan Portfolio)	\$1,634,952
Total Fund Assets	\$85,563,251
Average Loan-to-Value (LTV)*	72.8%

*LTV is based on initial underwriting or renewal, and is subject to variation during the terms of the loans.

DISTRIBUTION HISTORY

	2011	2010	2009
First Quarter	\$0.15	\$0.15	-
Second Quarter	\$0.15	\$0.15	\$0.07
Third Quarter	\$0.15	\$0.15	\$0.15
Fourth Quarter	-	\$0.15	\$0.15
Quarterly Distribution	\$0.45	\$0.60	\$0.37
Top-up*	-	\$0.22	\$0.20
Total Distribution	\$0.45	\$0.82	\$0.57

*Based on a weighted average return to Unitholders, this amount is an estimate of the average top up distribution paid. Those invested for less than a full one year period will receive a prorated allocation, and those invested in the dividend reinvestment plan will receive a slightly higher top up due to the effects of compounding.

A COMMENTARY ON RECENT MARKET TURMOIL

In recent months the condition of the world economy as a whole has become much more uncertain and volatile. A steady stream of poor economic statistics from the US, including an unprecedented credit rating downgrade by Standard & Poor's, coupled with more intense worries over sovereign debt in the Euro area has had a significant impact on investor confidence and growth forecasts. The stock market has been highly volatile, with the TSX down at the start of October by over 20% since 2011 highs in March. Stock and equities concerns drove investors to seek out safe havens with Gold the preferred choice of many. Gold, however, has proved in recent days that it is not immune to the volatility, hitting all time highs in early September before suffering record falls of over 13% by the end of that month.

At times of uncertainty and volatility we believe it is important to remind investors of the advantages of investing in a Trez Capital Mortgage Fund Investment:

- **Wealth preservation** - Because mortgages have a low correlation with traditional assets, they can help to preserve your wealth, especially given the volatility of stocks and bonds
- **Predictable income** - We distribute income quarterly, which you can reinvest to earn compounded returns
- **Inflation hedging** - Our mortgages are short term in nature (typically 12 to 24 months), which acts as a hedge against interest-rate risk and real estate market conditions
- **Security** - Unlike a bond or a bond fund, our mortgage investment funds are secured by real property. We diversify our portfolios across several markets, types of mortgages and properties
- **Higher yields** - Our mortgage investment funds have traditionally outperformed bonds and GICs over the long term

FUND COMMENTARY

Bison II C2 Mortgage Fund ("C2") has been created for the purpose of preserving invested capital and generating a stream of income by investing in a portfolio of mortgages.

Quarter 3 Key Points:

- C2 has achieved an 8.1% annualized return through 2011 to date
- Gross mortgages up 20.6% from \$70.5 million to \$85 million
- Number of mortgages increased from 47 to 52 with 9 new mortgages funded totaling \$19.6 million and 4 paid down totaling \$1.9 million. In addition there were net pay downs of existing mortgages of \$3.2 million
- All mortgage assets continued to perform with the exception of 4 totaling \$3.3 million, which the Manager classifies as facing challenges. The total provision of \$1.5 million has been taken in prior periods
- Increased allocation to residential and retail
- In light of a more uncertain economic outlook, the Manager has actively pursued and achieved a more conservative portfolio balance by increasing the weighting of first mortgages

C2 is well positioned in the market, with a mortgage portfolio on high quality properties in major Canadian cities. Plans to merge C2 with Bison Prime Mortgage Fund have been put on hold. The Manager believes that the combined mortgage portfolio will continue to generate strong returns in 2011.



Vancouver
1550 – 1185 West Georgia Street
Vancouver, BC V6E 4E6
T: 604.689.0821 F: 604.638.2775

Toronto
1404 – 401 Bay Street
Toronto, ON M5H 2Y4
T: 416.350.1224 F: 416.350.1268

For further information, please contact:
Investor Relations
E: Investor-Relations@TrezCapital.com
Visit us at: www.trezcapital.com



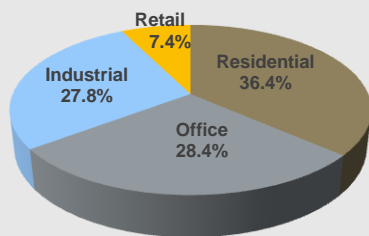
BISON II C2 MORTGAGE FUND

A Mortgage Investment Vehicle



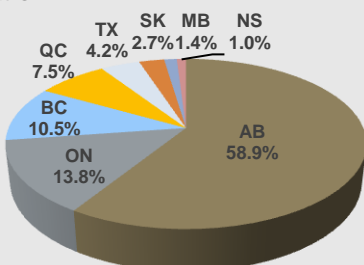
MORTGAGE INVESTMENT ALLOCATION

By Type



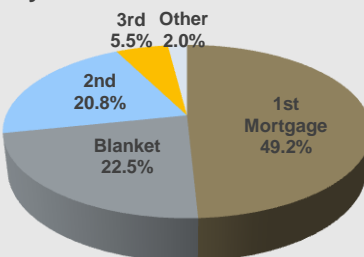
Type	Amount	%
Residential	\$30,958,104	36.4%
Office	\$24,127,955	28.4%
Industrial	\$23,613,781	27.8%
Retail	\$6,317,687	7.4%
Total	\$85,017,527	100.0%

By Location



Location	Amount	%
AB	\$50,097,461	58.9%
ON	\$8,948,874	10.5%
BC	\$11,723,525	13.8%
QC	\$6,380,179	7.5%
TX	\$3,581,225	4.2%
SK	\$2,296,263	2.7%
MB	\$1,150,000	1.4%
NS	\$840,000	1.0%
Total	\$85,017,527	100.0%

By Security



Security	Amount	%
1st Mortgage	\$41,824,673	49.2%
Blanket	\$19,152,562	22.5%
2nd Mortgage	\$17,647,018	20.8%
3rd Mortgage	\$4,685,961	5.5%
Other	\$1,707,313	2.0%
Total	\$85,017,527	100.0%

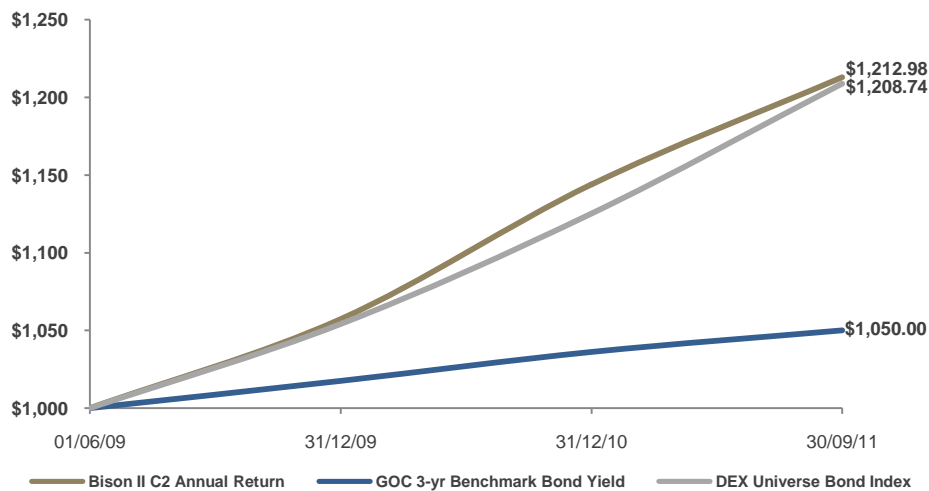
*A Blanket mortgage covers more than one piece of property.

PERFORMANCE

	YTD	Q3	2010	2009
Bison II C2	6.0%	1.6%	8.2%	9.8%
Fixed Income				
GoC 3-yr Benchmark Bond Yield*	1.3%	0.3%	1.8%	1.8%
DEX Universe Bond Index	7.4%	5.1%	6.7%	5.4%
Cash				
Inflation (Canada CPI)	2.7%	0.7%	2.4%	1.3%

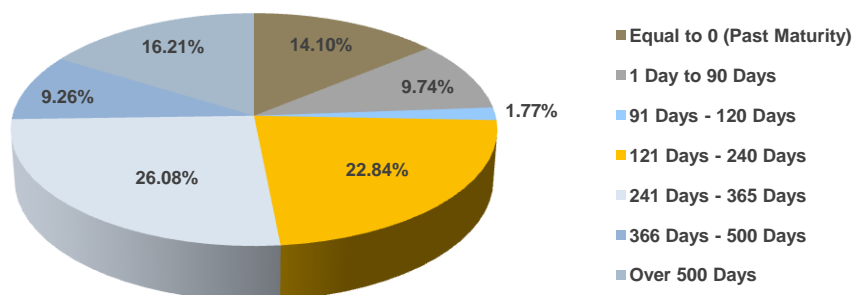
*Data Sources: Bank of Canada, iShares Canada & Trez Capital Corporation
*The GoC 3-Year benchmark bond yield is the average yield over the stated period.

Comparative Investment Growth



Datasources: Bank of Canada, iShares Canada & Trez Capital Corporation

Weighted Average Time to Maturity



Weighted average time to maturity of the gross mortgage portfolio is 311 days (10 months). Excluding the loans which mature on demand, the weighted average time to maturity of the loans is 362 days (12 months).



Vancouver
1550 – 1185 West Georgia Street
Vancouver, BC V6E 4E6
T: 604.689.0821 F: 604.638.2775

Toronto
1404 – 401 Bay Street
Toronto, ON M5H 2Y4
T: 416.350.1224 F: 416.350.1268

For further information, please contact:
Investor Relations
E: Investor-Relations@TrezCapital.com
Visit us at: www.trezcapital.com