

BEACON INVESTMENT NOTES

2023



TERM SHEET SERIES W1

This document ("Term Sheet") outlines the private placement offering ("Offering") of Series W1 Asset-Backed Notes (the "W1 Notes") of Beacon Consumer Holdings Inc. (the "Issuer"). This Term Sheet is not, nor does it purport to be, a complete description of the Offering. This Term Sheet does not constitute an offering of securities to any persons in any jurisdiction. Persons considering an investment in the W1 Notes pursuant to the Offering should understand that no Offering Memorandum is being provided in respect of the W1 Notes and are encouraged to review a proposed investment with their professional legal, accounting, income tax and investment advisors. All terms and conditions of the W1 Notes and the Clear Notes described below are subject to the legal agreements governing the creation of such securities and the business agreements governing the operations of the Issuer and Clear (as defined below). An investment in W1 Notes is appropriate only for Subscribers who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Any investment in the acquisition of W1 Notes involves a high degree of risk.

No securities regulatory authority has assessed the merits of the securities being offered by the Issuer or reviewed this Term Sheet. Any representation to the contrary is an offence.

**BEACON CONSUMER HOLDINGS INC.
TERM SHEET**

Private Placement Offering

January 10, 2023

SERIES W1 ASSET-BACKED NOTES

\$20,000,000 Maximum Aggregate Principal Amount

OFFERING TERMS

Issuer:	Beacon Consumer Holdings Inc., a special purpose corporation established under the laws of the Province of Alberta.
Securities Offered:	Series W1 Asset-Backed Notes (the "W1 Notes").
Maximum Offering:	<p>\$20,000,000 in aggregate principal amount, subject to increase at the Issuer's sole discretion.</p> <p>W1 Notes can be withdrawn from being offered at any time at the Issuer's sole discretion.</p> <p>The Offering is not subject to any minimum offering amount</p>
Minimum Subscription Amount Per Subscriber:	\$10,000 for each class of W1 Notes subscribed for.
Payment Terms:	Payment in full by cheque, bank draft or electronic funds transfer of the aggregate subscription amount is to be made with the delivery of a duly executed and completed Subscription Agreement.
No Deductions:	100% of the subscription amount will be used to purchase W1 Notes.
Offering Period:	Closings will occur per the Issuer's published closing date schedule (each a "Closing Date") until December 31, 2026 (the "Offering Period") with the initial issuance of W1 Notes scheduled to occur on or about October 31, 2021 (the "Initial Issuance Date").
Interest Rate:	W1 Notes: 7.50% per annum.
Interest Period:	The period commencing from and including the 15th day of a month (or in the case of the initial Interest Period, commencing from and including the Initial Closing Date (as defined below) to but excluding the 15th day of the following month.
Early Redemption:	Beginning 6 months after the purchase date, the W1 Notes are fully redeemable monthly upon 90 days' proper written notice to the Issuer.

Interest Payment Date: Monthly on the 18th day of each month (or the next business day if the 18th is not a business day) in respect of the immediately preceding Interest Period.

Amortization Commencement Date: W1 Notes: June 30, 2030

Expected Full Principal Repayment/Amortization: W1 Notes: 3-6 months*
* Measured as months from the applicable Amortization Commencement Date.

Use of Funds: The gross proceeds from the sale of the W1 Notes will be used in their entirety to purchase Series W1 Asset-Backed Clear Notes (the "Clear Notes") of Clear Assurance Corporation ("Clear"). The gross proceeds from the sale of W1 Notes will be used by the Issuer to purchase Clear Notes on a dollar-for-dollar basis from Clear. The Clear Notes will have the same Amortization Commencement Date and Full Principal Repayment Date as the corresponding W1 Notes.

The Clear Notes are collateralized by Clear's ownership of a revolving pool of consumer loans and lease receivables, including receivables arising from the origination of loans and leases and the sale of notes (the "Receivables") acquired from certain loan Originators (the "Originators"). Cash flows arising from the Clear Notes will be used to make payments of interest and principal on the W1 Notes.

Certain Receivables held by Clear will be periodically securitized, generally within 90 days of purchase, and the proceeds from such securitization will be retained by Clear for investment in new Receivables.

Reporting: Subscribers will have access to monthly and quarterly reports from the Issuer with respect to the W1 Notes and supporting Receivables commencing after the Closing Date of the first Receivables Purchase Agreement related thereto (the "Initial Issuance Date").

Eligible Subscribers: W1 Notes are offered through registered distributors and market participants to Investors residing in each of the Canadian provinces and territories and in any jurisdiction outside of Canada where such investments may be legally sold (the "Offering Jurisdictions").

Investors must qualify as "Accredited Investors" as defined in Section 73.3 of the Securities Act (Ontario) and in National Instrument 45-106 - Exemptions for Prospects and Registrations ("NI 45-106") or equivalent in any jurisdiction outside of Canada.

TRANSACTION OVERVIEW

The Issuer is a special purpose corporation established under the laws of the Province of Alberta on April 13, 2012 that will use the gross proceeds of the W1 Notes issued during the Offering Period to purchase related Clear Notes issued by Clear Assurance Corporation from time to time during the Offering Period. The Clear Notes will be backed by Clear's ownership interest in the Receivables, which have been purchased from the Originators. The Issuer has no business activities other than financing note purchases by issuing related investor notes as well as certain related activities.

Clear is a special purpose corporation established under the laws of the Province of Ontario on April 23, 2021. Clear is structured to periodically issue notes and to incur certain other related obligations. Clear has no business activities other than acquiring, managing and financing the purchase of interests in consumer loan receivables from the Originators and will have no significant assets other than such interests and associated cash flows.

Given the W1 Notes will be paid from the proceeds of the Clear Notes, all subsequent discussions on transaction structure and underlying assets in this Term Sheet refers to the Clear Notes except under the heading "Terms of the W1 Notes" or as otherwise specifically indicated.

The interest rate, terms and principal amount of the W1 Notes will essentially mirror those of the Clear Notes (save for 25 basis points of spread retained by the Issuer). Payments of principal and interest received by the Issuer on the Clear Notes will be used by the Issuer to make payments of principal and interest on the W1 Notes. The Issuer may have no other sources of funds to make payments on the W1 Notes.

Transaction Structure

The diagram in Appendix "A" depicts the major components of the transaction.

TERMS OF THE W1 NOTES

The W1 Notes are fixed rate notes. The following is a summary of the key terms of the W1 Notes:

General

The W1 Notes will bear interest at the rate of 7.50% per annum. Each class of W1 Notes will accrue interest at the applicable Note Interest Rate. Monthly interest will be automatically reinvested at the applicable Note Interest Rate unless Investors elect to have interest paid monthly. Interest on each W1 Note that is due and payable (and any applicable Principal due) will be paid on the 18th day of each month (the "Payment Date"). Interest on each class of W1 Notes will be calculated on a daily basis. On each Payment Date, distributions to be made with respect to interest and principal (following an Amortization Event as such term is referred to under the heading "Summary of Certain Terms of Clear Notes – Amortization Events" on page 8 hereof) on the W1 Notes will be paid to the holder of the W1 Notes (the "Noteholder"). Repayment of Notes.

Interest only payments will be made until the Amortization Period commences, at which time principal payments will begin. Interest on all outstanding principal will continue to be paid during the Amortization Period. The Amortization Period for the W1 Notes will commence in June 2030. It is anticipated that it will take between 3 and 6 months to repay the W1 Notes.

The date on which repayment of the W1 Notes is expected to occur is referred to as the "Expected Payment Date". The expected final payment date for the W1 Notes is December 2030. However, no event of default shall occur unless the entire amount of the principal has not been repaid by a final outside date (the "Final Scheduled Payment Date"). The Final Scheduled Payment Date for the W1 Notes is December 2032.

Priority of Distributions

Upon the Issuer receiving interest payments and, following an Amortization Event, principal repayments, in respect of the Clear Notes, the Issuer will first be required to pay fees owing to Servicers and backup service providers and will then distribute the funds according to the Priority of Distributions listed below. Any excess amounts after such payments are made are retained by the Issuer.

To understand the waterfall of payments made by Clear which impacts the priority of payment of the Clear

Notes please see the heading “Summary of Certain Terms of the Clear Notes – Priority of Distributions”.

Right of Redemption

On Payment Dates in any calendar month starting a minimum of six months following the purchase of the W1 Notes, Noteholders may deliver a 90 day written notice of redemption to the Issuer (the “Redemption Notice”), requesting redemption of \$10,000 or greater of W1 Notes. Redemption will be at face value of the W1 Notes and will take place 90 days after delivery of the Redemption Notice. Redemption will be in the order in which Redemption Notices are properly received and will be dependent on the Issuer having sufficient funds to pay the redemption price. There can be no assurances the Issuer will have sufficient funds to undertake a redemption of W1 Notes. The Issuer has reserved the right to have such W1 Notes purchased by a designee rather than redeemed for cancellation.

Series Collateral

Clear has granted to the Issuer a general and continuing security interest in the corresponding Receivables of Clear.

SUMMARY OF CERTAIN TERMS OF THE CLEAR NOTES

The sole source of funds available for the payment of interest on the W1 Notes will be interest earned from the corresponding Clear Notes. The sole source of funds for the repayment of the principal amount of the W1 Notes will be the funds generated from the repayment of principal for the corresponding Clear Notes. Directions have been entered into by the relevant parties to ensure the funds that Clear is entitled to receive in respect of the Receivables securing the Clear Notes are sent directly to Clear by the Originators. The Amortization Events described on page 8 of this Term Sheet and certain other events of default described in the documents governing the Clear Notes will result in an equivalent event in respect of the corresponding W1 Notes. Subscribers should understand the provisions of each class of the Clear Notes as this is the sole source of funds for the repayment of the corresponding W1 Notes. Below is a summary of the certain key provisions of the Clear Notes:

Credit Support

The Credit Support provisions of the Clear Notes are intended to provide the holders thereof with protection against the potential loss of the principal amount invested. For example, losses on the portion of the Receivables that is owned by Clear, to the extent that they occur, are first absorbed by excess spread generated by such portion of the Receivables, being the difference between the interest rate paid on the Receivables and the obligations owed to holders of the Clear Notes and those parties who are entitled to receive payment in priority to holders of the Clear Notes (the “Excess Spread”). (See “Priority of Distributions” below). To the extent that Excess Spread is insufficient to absorb losses, those losses will be absorbed by overcollateralization. Only after losses have exhausted the aggregate of Excess Spread and overcollateralization would the Clear Notes absorb losses.

The credit support for the Clear Notes will be structured as follows:

Credit Support	Estimated at Each Closing	Building Over Time
Overcollateralization (Reinvestment of 50% of Excess Spread)	0.0%	5.0%
Excess Spread (estimated at Initial Closing Date)	8.0%	

Collateral Overview

The collateral for the Clear Notes will consist of Clear’s ownership of the Receivables acquired from the Originators. The obligors under the Receivables are generally required to make pre-authorized payments of principal and interest to Originators who then will remit such payments to the applicable collection account.

Over Collateralization

Each month, fifty percent (50%) of all Excess Spread earned by Clear will be retained by Clear and reinvested in Receivables to the extent required for the Pool Balance to equal 105% of the outstanding Clear Notes issued.

Revolving Period, Principal Payments and Final Maturity

During the Revolving Period (the period from Initial Closing Date to June 30, 2030, Clear's share of principal collections on the Receivables will be re-invested in new Receivables in order to maintain the pool balance and ensure enhancement levels are maintained. Clear's share of all non-principal collections on the Receivables (interest, recoveries, administrative fees and late charges, etc.) during the Revolving Period will be allocated to cover the expenses of the operations of Clear and Note Originators, payments of interest on the Clear Notes, and any balance will be paid to the Seller as deferred purchase price in consideration for Clear's purchase of the Receivables. The Clear Notes' Revolving Period will continue until the earlier of the occurrence of an Amortization Event and the applicable Amortization Commencement Date.

Noteholders could be repaid earlier than the applicable Expected Final Payment Date if an Amortization Event occurs. Noteholders could be paid later than the Expected Final Payment Date if Clear's collections on the Receivables is lower than expected. Failure to repay principal by the Expected Final Payment Date is not an event of default under the transaction's terms but a failure to pay the particular W1 Note by its applicable Final Scheduled Payment Date is an Event of Default.

Priority of Distributions

Prior to an Amortization Event, Clear's share of interest collections on the Receivables deposited to the collection accounts will be applied in the following order:

1. Servicer fees (original or replacement) and Back-up Servicer standby fees;
2. Audit and any other third party costs in respect of the Series;
3. Interest due on the Clear Notes;
4. Funding of the overcollateralization, if required;
5. Other miscellaneous fees, expenses and/or taxes; and
6. Any remaining amounts retained by or distributed to Clear.

Clear's share of principal collections on the Receivables will be reinvested in Receivables to the extent required for the Pool Balance to equal 105% of the outstanding Clear Notes issued.

Subsequent to an Amortization Event, Clear's share of amounts deposited to the collection accounts will be applied in the following order:

1. Servicer fees (original or replacement) and Back-up Servicer standby fees;
2. Audit and any other third party costs in respect of the Series;
3. Interest due on the Clear Notes;
4. Principal of the Clear Notes until fully repaid;
5. Other miscellaneous fees, expenses and/or taxes; and
6. Any remaining amounts retained by or distributed to Clear.

Amortization Events

The following is a list of certain key "Amortization Events" as set out in the documents governing the Clear Notes. There are additional Amortization Events to those listed below:

1. A failure of Clear to make any distribution, transfer or deposit as required that continues for three (3) business days;
2. Any breach of a representation or warranty made by Clear that has a material adverse effect and is not rectified within 60 days;
3. Certain events related to bankruptcy and insolvency of Clear;
4. Where realized losses on the Receivables exceed certain thresholds;
5. A failure of Clear to maintain a pool of Receivables that exceeds 102% of the issued and outstanding Clear Notes as measured at any time after 12 months from the Initial Issuance Date and is not rectified within 60 days; and
6. An event of default under the Clear Notes.

ELIGIBILITY FOR INVESTMENT

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The W1 Notes are offered through registered distributors and market participants to Investors residing in each of the Canadian provinces and territories and in any jurisdiction outside of Canada where such investments may be legally sold (the "Offering Jurisdictions").

Investors must qualify as "Accredited Investors" as defined in Section 73.3 of the Securities Act (Ontario) and in National Instrument 45-106 - Exemptions for Prospects and Registrations ("NI 45-106") or equivalent in any jurisdiction outside of Canada.

RELATED PARTIES

The Issuer, Beacon FSA Inc., as the financial services agent of Clear, and Beacon Portfolio Servicing Inc., as the servicer of the Receivables held by Clear pursuant to a Sale and Servicing Agreements and the party that will produce Clear's monthly reports (and, potentially in turn, Note Originator's monthly reports) for investors, are, since the creation of Clear, affiliates and have certain common directors and officers. Certain directors and officers of Beacon FSA Inc. and Beacon Portfolio Servicing Inc. may be regarded as performing similar roles for Clear. Beacon FSA Inc. and Beacon Portfolio Servicing Inc. are paid fees by Clear from revenue earned by Clear through the acquisition of the Receivables by Clear from Originators, respectively, as financial services agent of Clear and as the servicer of the Receivables on behalf of Clear.

SELLING AGENTS

No compensation will be paid to any selling agent from the proceeds received by the Issuer from the sale of the W1 Notes. The entire amount of the purchase price relating to a subscriber's investment in W1 Notes will be used to purchase corresponding Clear Notes from Clear.

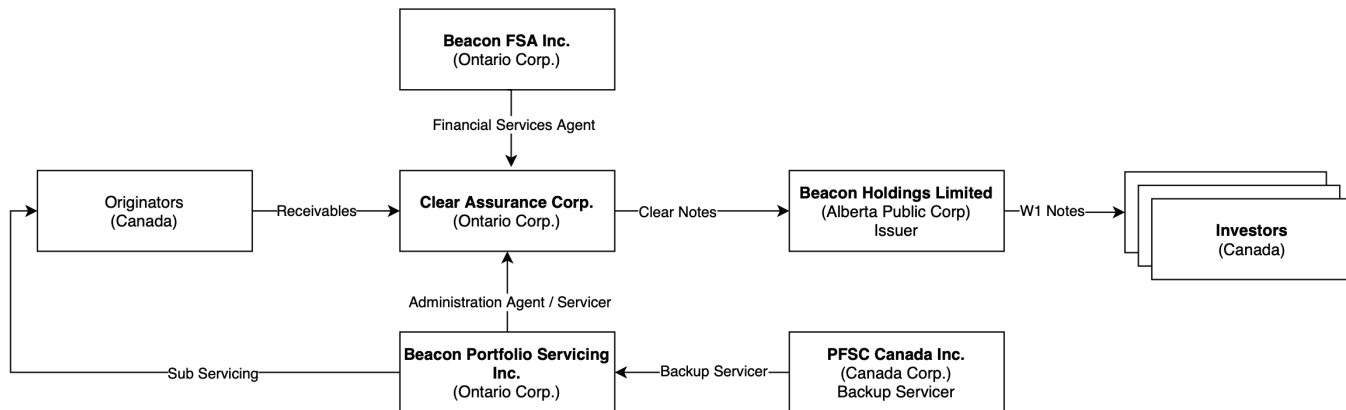
The Issuer is entitled to pay a maximum commission to selling agents of:

- (a) An up-front selling commission of up to 2.50% of the gross proceeds raised; and
- (b) A trailer commission of up to 1.00% per annum.

Commissions and trailer fees (if any) will be paid from Clear's or one of its related companies' resources and not from proceeds raised by the sales of the W1 Notes.

Particulars of such fee structure can be provided to subscribers separately by their respective selling agents.

APPENDIX A



CONTACT US

Contact a Beacon Trust Group representative for answers to all of your questions and to support your sales and marketing efforts!



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