

GMP Diversified Alpha Fund

Description

The GMP Diversified Alpha Master Fund (the "Fund") is a tax-effective¹ Multi-Strategy Fund consisting of diversified investments. Our objective is to generate superior risk-adjusted absolute returns over the long term. The Fund will also seek to preserve capital through the use of prudent risk management tools.

Performance Attribution

In April, the Fund lost 0.19%, net of fees. The Canadian markets were hit hard in the month as a result of negative sentiment towards commodities. While the S&P 500 enjoyed a positive return of 2.85%, the TSX 60 was down 1.39% in the month.

Equity

The Equity strategy had negative returns in April. Since the Japanese earthquake and nuclear crisis hit in March, defensive sectors such as healthcare and consumer staples have outperformed their pro-cyclical counterparts in resources. In addition, the market has demonstrated a move to larger capitalization equities, as evidenced by the S&P500 outperformance of the TSX 60. Given the predominantly pro-cyclical orientation of the equity book, and a preference for mid-cap stocks, the equity strategy was affected by both of these trends.

Credit

The Credit Strategy generated positive returns in April. Both corporate bonds and ABCP contributed to the positive performance. In the U.S., risk sentiment across spread products improved.

Quantitative

Tactical trading profited from being long the Canadian dollar, our long positions on gold and the S&P and short on the S&P TSX 60. Realized volatility was material during the month across the market; however, our Volatility strategy was able to realize lower volatility levels through active hedging and was positive for the month.

Statistics

Last 12 Month Statistics

	Alpha Master Fund ²	Bloomberg Multi Strat Index	Credit Suisse Multi Strat Index	Barclay Multi Strat Index	S&P 500 Index	S&P TSX Index	S&P TSX60 Index	S&P TSX Venture
12 Month Return	10.61%	7.42%	10.91%	9.54%	14.91%	14.20%	11.43%	34.55%
Annualized Volatility	4.90%	13.77%	4.80%	3.99%	18.16%	9.95%	9.69%	26.74%
Winning Months	66.67%	58.33%	83.33%	83.33%	58.33%	66.67%	66.67%	58.33%
Average Monthly Gain	1.62%	3.04%	1.35%	1.16%	4.88%	2.85%	2.61%	7.96%
Average Monthly Loss	-0.68%	-2.65%	-1.50%	-1.18%	-3.73%	-2.25%	-2.40%	-4.50%
Sharpe Ratio (Rf = 0)	2.06	0.52	2.17	2.29	0.77	1.34	1.12	1.12
Correlations (Alpha to)	1.00	0.70	0.71	0.78	0.65	0.72	0.74	0.78

Monthly Performance (Inception April 2008)

	May/10	Jun/10	Jul/10	Aug/10	Sept/10	Oct/10	Nov/10	Dec/10	Jan/11	Feb/11	Mar/11	April/11	Last 12 Mo.	Since Inception
Master Fund (Net)	-1.01	-0.67	0.13	0.08	1.86	1.99	1.70	3.10	2.42	1.65	-0.84	-0.19	10.61	31.27
Class A Units (Net)	-1.05	-0.72	0.07	0.01	1.78	1.92	1.64	3.02	2.35	1.58	-0.90	-0.25	9.78	27.08
S&P TSX 60 (Gross)	-3.67	-3.98	3.71	1.71	3.82	2.49	2.18	3.79	1.30	4.45	-0.51	-1.39	11.43	1.85
S&P 500 (Gross)	-8.20	-5.39	6.88	-4.74	8.76	3.69	-0.23	6.53	2.26	3.20	-0.10	2.85	14.91	3.09

¹ All references to tax herein are from a Canadian perspective. Non-Canadian investors should seek independent tax advice.

² Alpha Master Fund Performance is shown net of fees. Investors will gain access to the Alpha Master Fund returns through a share class unit, which will have returns reduced by costs associated with the specific share class held. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The above mentioned returns are not meant to act as a benchmark against which the Alpha Master Fund should be measured, rather, they are presented to show the risk and return characteristics of the different indices.

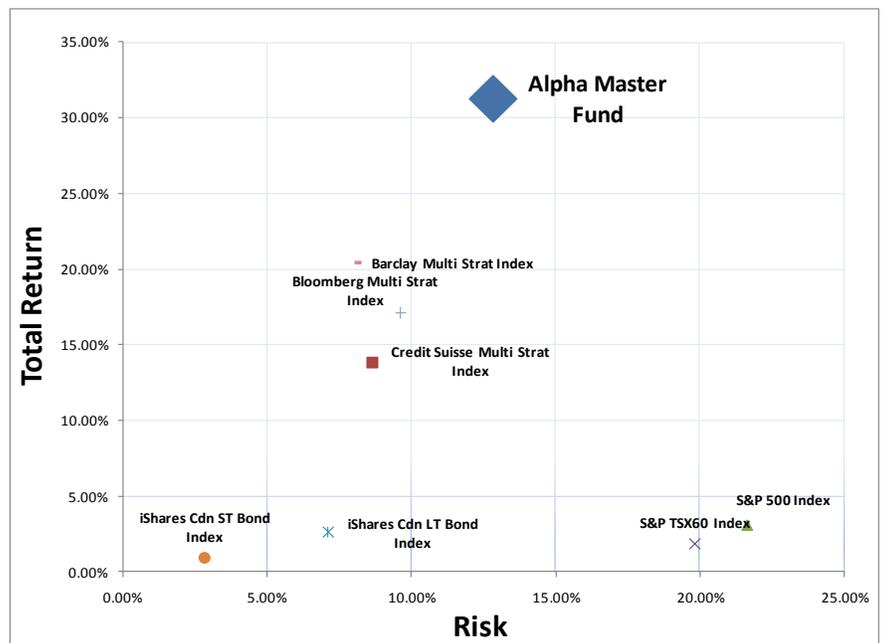
Prices and Performance/Unit

Class	A* [†]	F* [†]	A-I* [†]	F-I* [†]
NAV*(\$)	1,270.84	1,283.47	117.98	117.98
Return	-0.25%	-0.25%	-0.25%	-0.25%

*Net of Fees (includes Forward Agreement costs for domestic Investors that allows for potential tax deferral. Refer to the Offering Memorandum for complete disclosure).

[†] Preliminary results

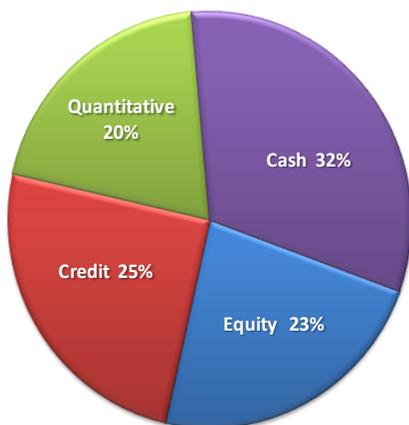
Focus on Risk Adjusted Returns



Source: Bloomberg, Total Return and Annualized Volatility since Alpha Master Fund inception

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Portfolio Allocation At April 30, 2011



Allocation Commentary

The market appears to have moved to a more mature stage in the market cycle. In this phase, we have reduced our overall exposure to the corporate bond portion of the credit strategy. The U.S. high yield index is trading inside of 6.75% at a time when credit spreads on global sovereign debt is increasing. In credit, Canadian ABCP continues to provide the best risk adjusted return. We have also reduced capital in the Equity strategy. In addition, within the equity portfolio, we have increased the liquidity of our positions. As a result, we are currently holding a larger than average cash position. This change in our capital allocation was prompted by continued volatility in the equity markets resulting from a dichotomy of financial information found in global capital markets. On the one hand, strong corporate earnings continue to suggest continued opportunity in the equity markets. However, this opportunity is being marginalized by the ongoing European sovereign debt problems, the announced end of QE2 in June and China's attempt to keep inflation under control. During April, the Canadian equity markets experienced significant under-performance relative to U.S. equities with significant selling coming from European and U.S. investors. Overall the allocation to the Quantitative strategy increased slightly last month with the majority of the increases going to the S&P/TSX60. Allocations to short systems were increased given the heightened risks in the markets.

From a historical perspective, the current period looks very similar to other mid-cycle periods. Thus we should expect sideways markets in Canada for 3 to 6 month periods at a time. However, every 3 to 6 months we can expect an upward move of 2% to 5%, that will provide for most of the market gains for the year. As a result, we will continue to be active in our capital allocation strategies.

About the Alpha Fund

Alpha Fund: \$419.5MM (as at May 2, 2011)
 Fund Inception: April 2008
 Fund Details: 2% Management Fee
 20% Performance Fee
 High Water Mark, no reset
 RSP Eligible
 Fund Advisor: GMP Investment Management L.P.
 Prime Broker: TD Securities
 RBC Capital Markets
 Administrator: Citigroup Fund Services
 Auditor: Deloitte & Touche LLP
 Lawyer: McMillan LLP
 FundSERV: GMP104 (A-I Class)
 GMP105 (F-I Class)

GMPIM at a Glance

People

We have 18 experienced capital markets professionals involved in managing the Fund. All Managing Partners have significant personal investments in the Fund. The Fund has an oversight board and dedicated compliance and finance functions. We involve reputable and independent firms to provide audit, legal and operations oversight.

Process

The Fund is managed to minimize risk and maximize return over time. Our real time risk management system emphasizes both capital preservation and managing risk across positions and sectors. We apply absolute risk limits within the Fund in addition to proprietary models to maximize our risk/return posture.

Performance

The Fund seeks to provide absolute returns over time. Our goal is to limit the variability of monthly returns and to achieve positive monthly performance. The Fund will reinvest income earned to achieve long term total return for investors.

Benefits

Investors benefit from the rigorous processes deployed in the management of the Fund, including risk management, portfolio allocation and the tax structure.

This material is for information only, and is not to be construed as an invitation to make an investment in our funds, nor does it constitute a public offering to sell the Fund or any other products described herein. This material should not be relied upon when evaluating the merits of a potential investment in any funds managed by GMP Investment Management L.P. Applications for the Fund will only be considered in accordance with terms stated in the Fund's confidential offering memorandum (the "Offering Memorandum"). The information contained in this material is subject to change without notice and GMP Investment Management L.P. and its affiliates will not be held liable for any inaccuracies or misprints. Past performance may not be repeated. An investment in the Fund is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Fund. GMP Investment Management L.P. is registered as an Investment Fund Manager, Portfolio Manager and Exempt Market Dealer, and as such is prepared to engage as an Adviser or Exempt Market Dealer in respect of securities of its related issuers and, in the course of distribution, of securities of connected issuers, but only to the extent from time to time permitted by applicable securities legislation or rule, policy, directive or order of any securities regulatory authority.