

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 July, the Master Fund generated a positive return of 0.49%, net of fees. Major equity markets were down during July as the key themes of the Euro debt crisis, the U.S. debt ceiling debate and the weakening U.S. economy continued. Liquidity and capital preservation remained our focus for the Fund.

Equity

In spite of a negative month for North American Indices, the Equity strategy generated positive absolute returns. Metals had a strong month on the back of appreciating commodity prices including a strong month for the price of gold. Positive performance came from our defensive names. The strategy was focused on liquidity and hedging our returns through the month.

Credit

The Credit strategy generated slightly positive returns in July largely due to the Canadian ABCP position. Risk aversion pushed high yield spreads wider in the month as investors looked to move higher up in the capital structure or into cash.

Quantitative

The Quantitative Strategy was positive in July. Tactical trading book profited, while our Volatility book had a slight negative return. Through our deployment of capital in this strategy, we continue to impose tight stop loss limits while markets are unpredictable.

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	12.19%	15.12%	12.35%	8.84%	17.31%	10.52%	7.05%	38.65%
Annualized Volatility	4.57%	10.08%	3.51%	3.42%	13.41%	9.10%	9.22%	26.65%
Winning Months	75.00%	50.00%	83.33%	75.00%	50.00%	58.33%	58.33%	58.33%
Average Monthly Gain	1.51%	3.19%	1.24%	1.12%	4.55%	2.73%	2.49%	8.41%
Average Monthly Loss	-0.65%	-0.76%	-0.34%	-0.51%	-1.73%	-1.74%	-2.04%	-4.51%
Sharpe Ratio (Rf = 0)	2.53	1.41	3.33	2.48	1.20	1.10	0.74	1.24
Correlations (Alpha to)	1.00	0.62	0.73	0.83	0.66	0.75	0.74	0.73

Monthly Performance (Inception April 2008)

	Aug/10	Sept/10	Oct/10	Nov/10	Dec/10	Jan/11	Feb/11	Mar/11	April/11	May/11	Jun/11	Jul/11	Last 12 Mo.	Since Inception
Master Fund (Net)	0.08	1.86	1.99	1.70	3.10	2.42	1.65	-0.84	-0.19	0.31	-0.92	0.49	12.19	31.10
Class A Units (Net)	0.01	1.78	1.92	1.64	3.02	2.35	1.58	-0.90	-0.25	0.25	-0.96	0.45	11.38	26.76
S&P TSX 60 (Gross)	1.71	3.82	2.49	2.18	3.79	1.30	4.45	-0.51	-1.39	-1.10	-3.20	-4.01	7.05	-6.40
S&P 500 (Gross)	-4.74	8.76	3.69	-0.23	6.53	2.26	3.20	-0.10	2.85	-1.35	-1.83	-2.15	17.31	-2.30

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

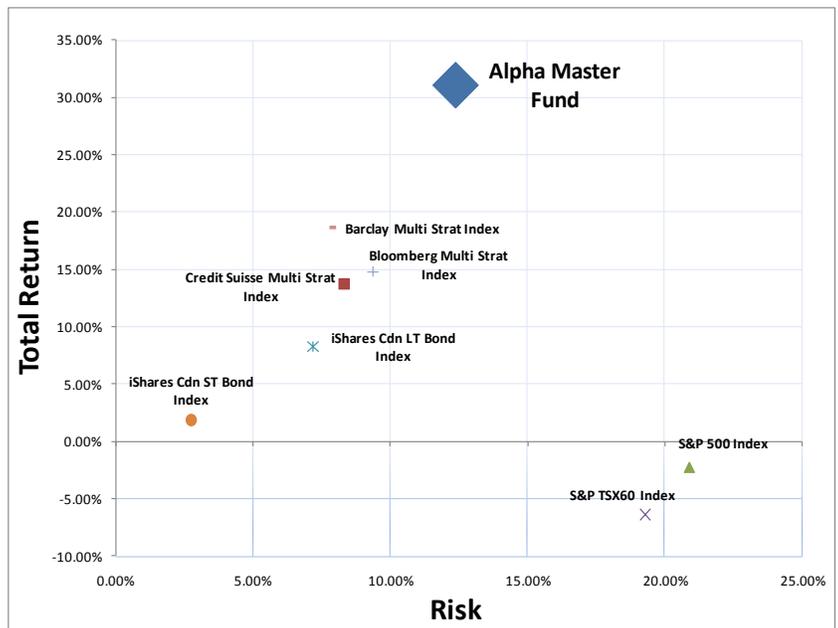
² Alpha Master Fund Performance is shown net of fees. Investors will gain access to the Alpha Master Fund returns through a share class unit, which will have returns reduced by costs associated with the specific share class held. Investment funds are not guaranteed, their values change frequently and past performance July 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*(\$)	1,267.60	1,280.20	117.67	117.67
Return	0.45%	0.45%	0.45%	0.45%

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

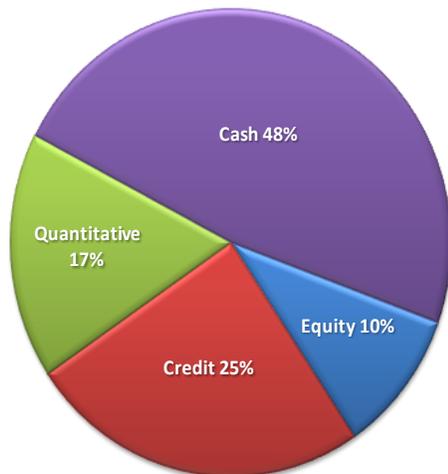
Focus on Risk Adjusted Returns



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

GMP Diversified Alpha Fund

Portfolio Allocation At August 1, 2011



About the Alpha Fund

Alpha Fund:	\$432MM (as at August 1, 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)

Allocation Commentary

The Fund remained conservatively positioned through July which resulted in a positive return of 49 bps, notwithstanding the volatility experienced during the month in markets globally. Major equity indices suffered a brutal month, with the last 10 days of the month seeing markets down substantially. The Fund had a strong month of performance in the context of the risk present in major equity markets. The Euro debt crisis continued, with the contagion spreading beyond Greece to include the other "PIIGS" countries. Additionally, the U.S. government debate to increase the debt ceiling caused the markets additional volatility as the uncertainty of this discussion carried on longer than what most market participants were anticipating. Against this backdrop, corporate profits continued to come in strong with over 85% of S&P reported profits exceeding expectations. Normally this would be strong news for the markets, but the scale of the debt problems and the behaviour of leaders in the U.S. overshadowed the positive profit picture. The "can-kicking" decisions that have become normal over the last several years are running out of room as the proverbial road is indeed becoming shorter. Equity markets responded with significant volatility for July and even more dramatic negative volatility during the first couple of weeks of August. Indeed, as we write this newsletter, global markets are in the throws of a large selloff and 4-5% daily oscillations.

At times like this our process demands that we remove risk rapidly from our portfolio. Our current cash balance exceeds 40% and capital that is allocated to equities has been reduced to 10%. While we cannot say with certainty that the market will continue to go lower, we can say that current conditions are consistent with periods that turn into bear markets. At this point we would ascribe a 40% chance that this becomes a bear market. Given our primary objective of preserving capital, we have taken the necessary steps to minimize the impact of a bear market on the portfolio.

GMPIM at a Glance

People

We have 19 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 July 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.