

# GMP Diversified Alpha Fund

## Description

The GMP Diversified Alpha Master Fund (the "Alpha Master Fund") is a tax-effective<sup>1</sup> Multi-Strategy Fund consisting of diversified investments. Our objective is to generate superior risk-adjusted absolute returns over the long term. The Alpha Master Fund will also seek to preserve capital through the ongoing use of prudent risk management tools.

## Performance Attribution

The Alpha Master Fund earned a positive 1.70% return this month, net of fees. All sub-strategies were positive in November. The Alpha Master Fund is up 11.17% (rolling 12) with volatility of 3.80% thereby outperforming the SPX and TSX on a risk adjusted basis.

### Equity

Our Equity strategy had another strong month. Returns from energy and materials drove the outperformance. Capital allocated to the Equity strategy remained high through November based on our capital allocation models.

### Credit

Re-emergence of the European sovereign crisis had a significant impact on the global credit markets. Both high yield and investment grade spreads widened in the month for the first time since May. Our largest exposure continues to be in Canadian ABCP which drove our positive returns in the Credit strategy this month.

### Quantitative

Both our Tactical Trading and Volatility strategies made money this month. Overall we were net positive in the Quantitative strategy for November.

## Statistics

### Last 12 Month Statistics

	Alpha Master Fund <sup>2</sup>	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	11.17%	5.85%	8.71%	9.65%	7.75%	13.15%	8.98%	46.46%
Annualized Volatility	3.80%	7.26%	4.58%	3.77%	18.43%	12.02%	12.29%	24.77%
Winning Months	83.33%	50.00%	83.33%	83.33%	58.33%	75.00%	75.00%	75.00%
Average Monthly Gain	1.24%	2.16%	1.15%	1.17%	4.47%	2.92%	2.61%	6.60%
Average Monthly Loss	-0.84%	-1.17%	-1.50%	-1.18%	-4.45%	-4.40%	-4.71%	-5.97%
Sharpe Ratio (Rf = 0)	2.80	0.79	1.83	2.45	0.41	1.03	0.70	1.57
Correlations (Alpha to)	1.00	0.58	0.74	0.75	0.55	0.34	0.27	0.78

### Monthly Performance (Inception April 2008)

	Dec/09	Jan/10	Feb/10	Mar/10	Apr/10	May/10	Jun/10	Jul/10	Aug/10	Sept/10	Oct/10	Nov/10	Last 12 Mo.	Since Inception
Master Fund (Net)	<b>2.08</b>	<b>1.69</b>	<b>0.11</b>	<b>1.32</b>	<b>1.41</b>	<b>-1.01</b>	<b>-0.67</b>	<b>0.13</b>	<b>0.08</b>	<b>1.86</b>	<b>1.99</b>	<b>1.70</b>	<b>11.17</b>	<b>23.56</b>
S&P TSX (Gross)	2.61	-5.55	4.83	3.51	1.44	-3.67	-3.98	3.71	1.71	3.82	2.49	2.18	13.15	-2.98
S&P 500 (Gross)	1.78	-3.70	2.85	5.88	1.48	-8.20	-5.39	6.88	-4.74	8.76	3.69	-0.23	7.75	-10.75

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

<sup>2</sup> 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.

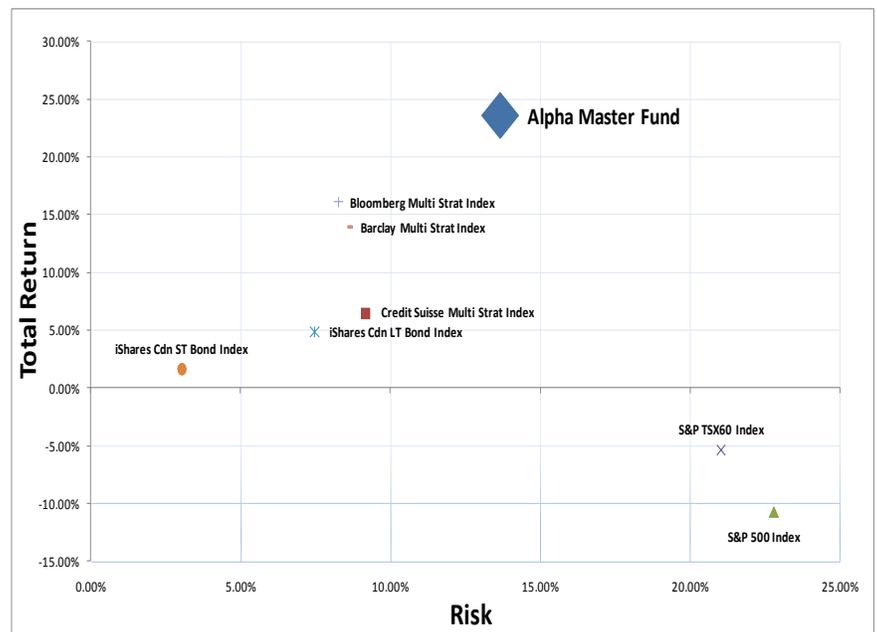
## Prices and Performance/Unit

Class	A <sup>†*</sup>	F <sup>†*</sup>	A-I <sup>†*</sup>	A-II <sup>†*</sup>	F-I <sup>†*</sup>
NAV*(\$)	1,200.10	1,212.05	111.40	\$1,081.90	111.40
Return	1.64%	1.64%	1.64%	1.64%	1.64%

<sup>†</sup> Preliminary results

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

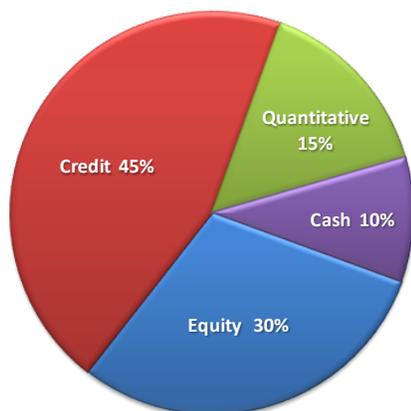
## Focus on Risk Adjusted Returns



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

# GMP Diversified Alpha Fund

## Portfolio Allocation As at Dec 6, 2010



## About the Alpha Fund

Alpha Fund:	\$343MM (as at Dec 1, 2010)
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 Alpha Fund performed positively in November. Markets, by contrast, were mixed, with the S&P 500 flat and the TSX up. Market activity was largely driven by varied news on the economic and political fronts. European Sovereign debt problems, particularly in Ireland, as well as quantitative easing from the U.S. Fed, were the key economic headlines. The political uncertainty in the Korean peninsula was a notable negative event on the geopolitical stage. Credit spreads widened during November. Given our decision to reduce our corporate bond weightings over the last couple of months, we were not negatively impacted by this widening. In the equity markets, breadth fell, which made stock selection the most important return driver for November. We had strong stock selection in consumer discretionary, financials, industrials and information technology names. Strong returns were also realized in the energy sector, including C&C Energia, Whitecap Resources, Midway Energy and Athabasca Oil Sands. Materials performers included Consolidated Thomson and Intrepid Mines. During the month our models indicated to continue our current equity weighting which is 30% of the Fund's assets. As we entered December, we added to our equity hedge so that our equity beta exposure was roughly half of the overall equity allocation. The Quantitative Investing strategy was positive in November. Tactical Trading had solid performance in gold futures from both the long and short signals and on the S&P/TSX60 from the long side. The Volatility Strategy generated positive returns. Volatility increased during the month; however, we were able to actively hedge our short index option positions with profitable results.

## 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 both 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.*