

# GMP Diversified Alpha Fund

## Description

The GMP Diversified Alpha Master Fund (the "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 Fund will also seek to preserve capital through the use of prudent risk management tools.

## Performance Attribution

In November, the Master Fund generated a negative return of 0.72%, net of fees. During the month of November, we continued to conservatively manage the capital in the Fund. Market volatility in November remained at elevated levels for both the credit and equity markets. YTD the Fund is down 1.31% versus the TSX 60 (-9.52%) and the S&P 500 (-0.85%).

### Equity

The Equity strategy was down in November. Capital allocated to the Equity strategy remained low. Core positions like Potash, Suncor and Athabasca Oil Sands lost money, while selected shorts such as Green Mountain Coffee generated positive returns.

### Credit

The Credit strategy was positive in November, generating positive returns from both the corporate bond and ABCP strategies. The Fund generated this positive performance in a month where high yield and investment grade credit were down approximately 2%.

### Quantitative

Allocated capital to the Quantitative strategy remained at the lower end of its historic range, which is consistent with a high volatility environment. Tactical trading on gold and the Russell 2000 were both down in the month.

## 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	1.75%	7.15%	3.42%	0.34%	5.63%	-5.78%	-6.18%	-25.28%
Annualized Volatility	5.34%	10.98%	5.14%	4.56%	17.23%	13.45%	12.99%	29.57%
YTD Return	-1.31%	-1.83%	1.69%	-1.65%	-0.85%	-9.22%	-9.52%	-32.32%
Average Monthly Gain	1.59%	2.74%	1.34%	1.32%	5.12%	3.58%	3.52%	7.39%
Average Monthly Loss	-0.87%	-1.50%	-1.18%	-0.88%	-2.68%	-2.43%	-2.46%	-6.77%
Sharpe Ratio (Rf = 0)	0.32	0.63	0.66	0.08	0.32	-0.44	-0.49	-0.97
Correlations (Alpha to)	1.00	0.80	0.77	0.82	0.59	0.66	0.66	0.73

### Monthly Performance (Inception April 2008)

	Dec/10J	Jan/11	Feb/11	Mar/11	April/11	May/11	Jun/11	Jul/11	Aug/11	Sept/11	Oct/11	Nov/11	Last 12 Mo.	Since Inception
Master Fund (Net)	<b>3.10</b>	<b>2.42</b>	<b>1.65</b>	<b>-0.84</b>	<b>-0.19</b>	<b>0.31</b>	<b>-0.92</b>	<b>0.49</b>	<b>-1.16</b>	<b>-2.09</b>	<b>-0.19</b>	<b>-0.72</b>	<b>1.75</b>	<b>25.72</b>
Class A-I Units (Net)	<b>3.02</b>	<b>2.35</b>	<b>1.58</b>	<b>-0.90</b>	<b>-0.25</b>	<b>0.25</b>	<b>-0.96</b>	<b>0.45</b>	<b>-1.19</b>	<b>-2.14</b>	<b>-0.24</b>	<b>-0.74</b>	<b>1.13</b>	<b>20.03</b>
S&P TSX 60 (Gross)	3.68	1.30	4.45	-0.51	-1.39	-1.10	-3.20	-4.01	-0.70	-8.39	4.64	-0.37	-6.18	-11.96
S&P 500 (Gross)	6.53	2.26	3.20	-0.10	2.85	-1.35	-1.83	-2.15	-5.68	-7.18	10.77	-0.51	5.63	-8.99

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

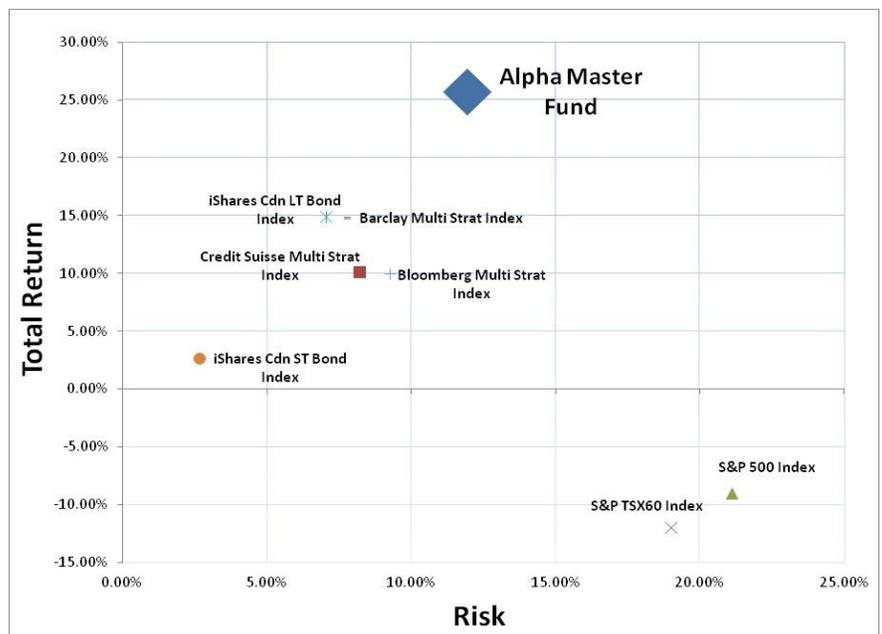
<sup>2</sup> Alpha Master Fund Performance is shown net of fees. Investors will gain access to the Alpha Master Fund returns through a share class unit, which will have returns reduced by costs associated with the specific share class held. Investment funds are not guaranteed, their values change frequently and past performance August 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-I*	F-I*
NAV*(\$)	112.68	112.68
Return	-0.74%	-0.74%

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

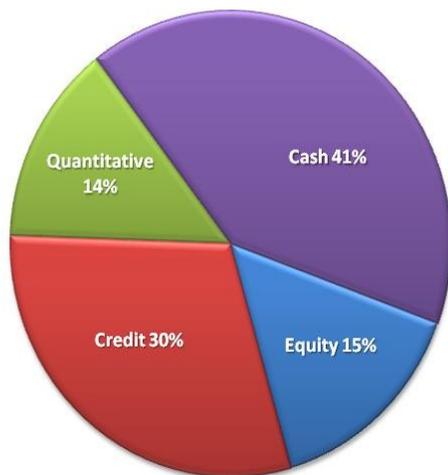
## Focus on Risk Adjusted Returns



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

# GMP Diversified Alpha Fund

## Portfolio Allocation At Dec 1, 2011



## GMPIM and Fund Details

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.
Firm Assets:	\$653 Million
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 remains conservatively positioned as we have been for the last six months. For the month of November, the Fund was down 0.72% (net). Since inception, the Alpha Fund is up 25.7% versus the TSX 60 (-12.0%) and the S&P 500 (-9.0%). Market volatility remained very high. At the lows of the month, the S&P 500 was down over 7.5%. Market direction continues to principally be driven by the handling of the European debt crisis. This month brings us closer to the end of a trying year for investors. The TSX is down almost 15%, while the TSX Venture is down in excess of 35%. Emerging and developed equity markets were off sharply in November. Correlation across sectors, and indeed markets and even asset classes, has risen to unhealthy levels since March. As an investor, these are not conditions that warrant confidence in the markets. However, at the same time as Europe continues to drive the "risk on – risk off" paradigm, North American corporate balance sheets look historically strong. These competing forces continue to support our cautious view. As we reflect back on the consistent (and very conservative) capital allocation that the Fund has held for over half of this year, it is worth emphasizing that the Fund focuses on limiting our targeted monthly drawdowns to less than 2% and focusing on minimizing monthly volatility. To have pursued returns this year, the opportunity set was limited to 3 macro trades, none of which would have fit into our low volatility mandate. Those would have been long gold (only for the beginning of the year), short the Euro and European sovereign debt and long U.S. Treasuries (at a time when they are at historically high prices and low yields). This has been a difficult year to have allocated capital more aggressively than has been done while sticking to our focus of preserving capital, minimizing monthly volatility and achieving superior risk adjusted returns. We will continue to adhere to our disciplined approach.

## GMPIM at a Glance

### People

We have 22 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 August 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.*