

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 October, the Master Fund generated a negative return of 0.19%, net of fees. During the month of October, we continued to conservatively manage the capital in the Fund. Despite the sharp rally in equity markets, we did not feel that the reward was sufficient to justify a large increase in risk.

Equity

The Equity strategy was close to flat on the month. Capital allocated to the Equity strategy remained low. The rally on global equity markets was driven by short covering and low volume. The Fund did not participate in this rally given that the risk profile of the market remained weak.

Credit

The Credit strategy was positive in October, rallying from negative mark to market losses in September and August. Most of this gain was the result of the core ABCP strategy. The Fund's corporate credit strategy posted muted returns as we continued to maintain a more neutral credit position given the disconnect between sovereign risk and investment grade credit risk premiums.

Quantitative

Allocated capital to the Quantitative strategy remained at the lower end of its historic range, which is consistent with a high volatility environment. Returns in the Quantitative strategy were down approximately 0.62% 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 | 4.23% | 5.49% | 4.66% | 1.39% | 5.92% | -3.35% | -4.13% | -17.20% |
| Annualized Volatility | 5.45% | 11.03% | 4.98% | 4.54% | 17.21% | 13.71% | 13.19% | 30.59% |
| Winning Months | 50.00% | 50.00% | 66.67% | 50.00% | 41.67% | 41.67% | 41.67% | 41.67% |
| Average Monthly Gain | 1.61% | 2.56% | 1.21% | 1.18% | 5.12% | 3.30% | 3.18% | 7.16% |
| Average Monthly Loss | -0.90% | -1.58% | -1.25% | -0.93% | -2.64% | -2.72% | -2.76% | -7.15% |
| Sharpe Ratio (Rf = 0) | 0.76 | 0.49 | 0.92 | 0.30 | 0.33 | -0.25 | -0.32 | -0.61 |
| Correlations (Alpha to) | 1.00 | 0.70 | 0.73 | 0.80 | 0.55 | 0.68 | 0.68 | 0.75 |

Monthly Performance (Inception April 2008)

| | Nov/10 | Dec/10 | Jan/11 | Feb/11 | Mar/11 | April/11 | May/11 | Jun/11 | Jul/11 | Aug/11 | Sept/11 | Oct/11 | Last 12 Mo. | Since Inception |
|---------------------|--------|--------|--------|--------|--------|----------|--------|--------|--------|--------|---------|--------|-------------|-----------------|
| Master Fund (Net) | 1.70 | 3.10 | 2.42 | 1.65 | -0.84 | -0.19 | 0.31 | -0.92 | 0.49 | -1.16 | -2.09 | -0.19 | 4.23 | 26.63 |
| Class A Units (Net) | 1.64 | 3.02 | 2.35 | 1.58 | -0.90 | -0.25 | 0.25 | -0.96 | 0.45 | -1.19 | -2.14 | -0.24 | 3.55 | 22.27 |
| S&P TSX 60 (Gross) | 1.82 | 3.68 | 1.30 | 4.45 | -0.51 | -1.39 | -1.10 | -3.20 | -4.01 | -0.70 | -8.39 | 4.64 | -4.13 | -11.63 |
| S&P 500 (Gross) | -0.23 | 6.53 | 2.26 | 3.20 | -0.10 | 2.85 | -1.35 | -1.83 | -2.15 | -5.68 | -7.18 | 10.77 | 5.92 | -8.53 |

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

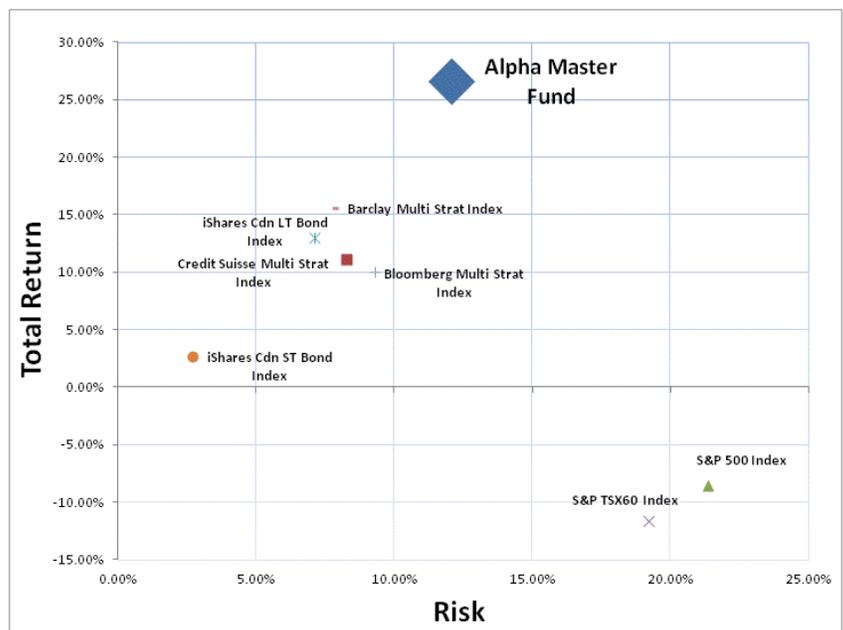
² Alpha Master Fund Performance is shown net of fees. Investors will gain access to the Alpha Master Fund returns through a share class unit, which will have returns reduced by costs associated with the specific share class held. Investment funds are not guaranteed, their values change frequently and past performance 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* | F* | A-I* | F-I* |
|----------|----------|----------|--------|--------|
| NAV*(\$) | 1,222.72 | 1,234.87 | 113.52 | 113.52 |
| Return | -0.24% | -0.24% | -0.24% | -0.24% |

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

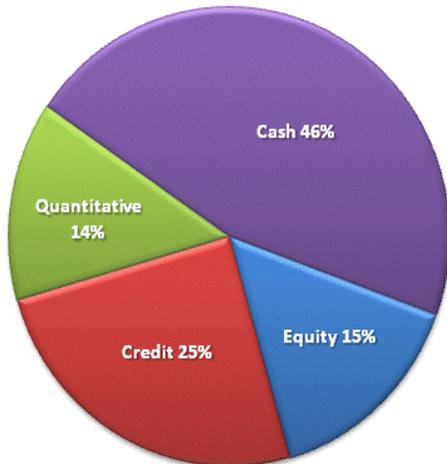
Focus on Risk Adjusted Returns



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

GMP Diversified Alpha Fund

Portfolio Allocation At October 1, 2011



About the Alpha Fund

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|-----------------|---|
| Alpha Fund: | \$414MM (as at October 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 remains conservatively positioned as we have been for the last five months. The Fund was down 0.19% (net) for the month. In October, we did not participate in the rally as we continued to view the macro risk as too great for the potential returns. In our view, this rally on small volume was a result of short covering and lacked substance to convince us that the "risk" trade was back on.

As we write this letter, global equity markets are selling off hard. Month to date, the S&P 500 is down over 5% and the TSX is down roughly the same. The U.S. is attempting to resolve their own debt problems. However, the U.S. government's "Supercommittee" is in gridlock on how to resolve the budget deficit. This is exacerbated by the fact that they are now entering into a Presidential election year. At the same time, the Euro debt crisis is spreading, with yields on Italian, French and Spanish bonds widening significantly to levels outside of where investment grade credits trade. Financial stocks are suffering the most as global banks grapple with direct and indirect exposure to the increasing risk from the Eurozone. Interestingly, these risks were all present October. Thus the rally in October did not tempt us to add a lot of risk. In fact we continue to view the return/risk tradeoff as being too risky. On the economic front, U.S. employment remains stubbornly weak and not showing any signs of growing. In addition, industrial production in the Eurozone fell during October by the most since 2009. Additionally output of the 17 nation group declined by 2% for the month. All of this portends a rather bleak picture continuing in Europe, with a mild recession likely. Our priority on preserving capital and managing volatility continues to be the right course for our conservative mandate in the Fund. We continue to believe that tactically investing our overweight cash position once some of the macro problems are reduced, will prove to be the most prudent way to earn returns for our investors.

GPIM at a Glance

People

We have 21 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.