

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

The Master Fund closed down 28 bps, net of fees and expenses for November 2012. This brings the Fund's 2012 YTD performance to 4.35%, net of fees and expenses.

Equity: The Equity strategy was down in November. Equity markets sold off strongly during the first two weeks of the month, with the S&P 500 down 6% from prior month highs. Our largest negative performer in the Equity Strategy was a private materials company that needed to raise capital during the month. Capital raising for smaller companies continues to be challenged and as such, the raise was done at a discount to the last round. Notwithstanding the above, the Fund continues to maintain a high degree of liquidity in its equity portfolio.

Credit: The global bond market experienced price volatility through the month. The Canadian ABCP strategy continued to drive returns for the Credit book, although at a reduced rate compared with prior months. ABCP returns were muted by mixed long credit positions for an overall small positive performance on the month.

Quantitative: The Fund's Quantitative book was down small on the month. Volatility strategies earned positive return during November as volatility oscillated. The Balanced Risk strategy continued to earn positive returns while experiencing only 6% volatility. Finally, the Fund's hedging efforts generated positive returns to help offset some losses in the Fund's other strategies.

Statistics

	Alpha Fund	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	iShares Cdn Long Term Bond Index	iShares Cdn Short Term Bond Index
12 Month Return	3.06%	-6.43%	9.84%	4.28%	16.11%	3.34%	4.12%	-20.83%	9.04	2.19%
Annualized Volatility	3.32%	4.84%	3.14%	2.52%	10.51%	9.78%	9.64%	23.11%	6.45%	1.02%
YTD Return	4.35%	-4.99%	9.69%	4.74%	14.94%	5.13%	5.99%	-17.44%	4.56%	1.62%
Average Monthly Gain	0.86%	0.54%	0.97%	0.67%	2.67%	2.15%	2.20%	6.22%	2.06%	0.33%
Average Monthly Loss	-0.58%	-1.96%	-1.17%	-0.59%	-2.83%	-2.27%	-2.18%	-5.70%	-0.58%	-0.13%
Sharpe Ratio (Rf = 0)	0.91	-1.37	3.00	1.67	1.43	0.34	0.42	-1.00	1.35	2.13
Correlations (Alpha to)	1	0.28	0.74	0.80	0.59	0.63	0.62	0.61	0.28	0.18

Monthly Performance (Inception April 2008)

	Dec/11	Jan/12	Feb/12	Mar/12	Apr/12	May/12	Jun/12	Jul/12	Aug/12	Sept/12	Oct/12	Nov/12	Last 12 Mo.	Since Inception ³
Master Fund (Net)	-1.24	2.02	0.80	0.82	-0.46	-0.84	0.14	1.64	-0.10	0.49	0.08	-0.28	3.06	29.57
Class A-I Units (Net)	-1.28	1.98	0.77	0.77	-0.50	-0.89	0.10	1.60	-0.14	0.45	0.04	-0.32	2.55	24.50

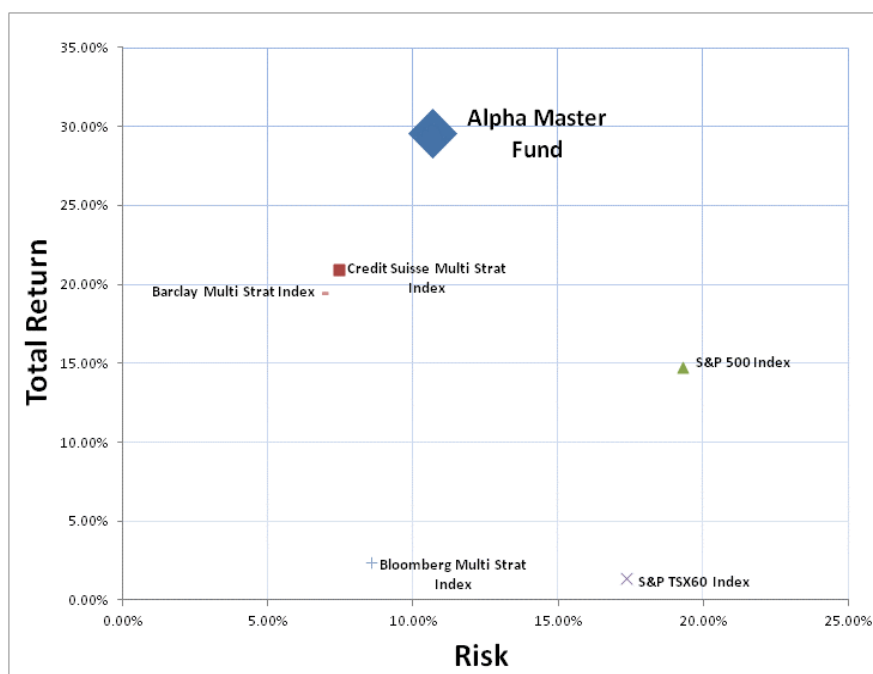
¹See page 3 for all references

Prices and Performance/Unit

Class	A-I [*]	F-I [*]
Return	-0.32%	-0.32%

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

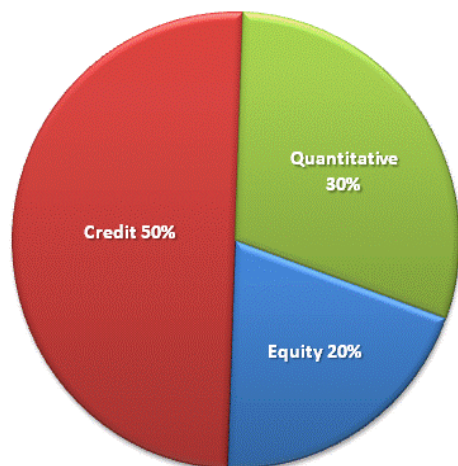
Focus on Risk Adjusted Returns



Total Return and Annualized Volatility since Alpha Master Fund inception April 2008; source: Bloomberg

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Portfolio Allocation At Nov. 30, 2012



Allocation Commentary

November was a volatile month in the markets. We focused our capital allocation on protecting our investors from this volatility, waiting for clarity around the fiscal cliff, which is the major risk to the market through the end of the year. While we were hedged effectively through the month, we did take 2 marks within the Fund, one in the equity book and one in the credit book that yielded small negative performance for the month.

A component of our risk management is our continued focus on how we are getting our Beta exposure in equities. The answer continued to be to focus on highly liquid positions. This positioning allows for the most effective hedging activity and the liquidity of these positions allows for us to move decisively should information change.

The majority of our capital allocation continues within Credit, still with our focus on Canadian ABCP. This trade has performed extremely well year to date. While the performance has been very strong, we are always mindful of the potential exposure to credit spreads associated with this investment. This necessitates that we hedge out some of this shorter term price risk with credit default swaps and short credit positions. This helps to explain why ABCP performance within the Fund is strong, but somewhat less than we have been able to earn in our Funds that are singularly focused on ABCP.

As we enter December, the solution to the fiscal cliff has not yet been found. We continue to take very low risk through our capital allocation. As such, we have increased the amount of capital that we have allocated through our balanced risk framework. This will result in dampened volatility in the event that there is not a timely solution to this problem. Although we agree that the likelihood of NOT finding a solution to the fiscal cliff is low, we do think there is significant downside risk if that outcome occurs. Therefore, we remain cautious in our allocations and focused on capital preservation, taking risk only when there is sufficient rewards to be gained.

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.
 GMPIM Assets: \$721MM @ November 30, 2012
 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 20 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.



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

²The Fund has the ability to be long and short securities and to allocate capital between strategies. As such, there is no benchmark against which to compare the Funds performance. Statistics are calculated using monthly data. Performance data is compared to the S&P/TSX Composite Return Index, the standard benchmark for equity strategies in Canada. The composition of the Funds' portfolio will significantly differ from the Index due to the investment strategy employed by each Fund. Please see the "Investment Strategies" section within the Confidential Offering Memorandum for more details.

³Performance and Performance Analysis data is presented since inception for the Fund. Share Class returns will be reduced by additional fees for Share Class investors.

⁴ Bloomberg Active Indices for Funds-Multi Style Hedge Funds Index, Source: Bloomberg

⁵ Dow Jones Credit Suisse Multi-Strategy Index, Source: Bloomberg

⁶ Barclay Multi-Strategy Index, Source: Bloomberg

⁷ S&P500 Index (Total Return), Source: Bloomberg

⁸ S&P/TSX Composite Index, Source: Bloomberg

⁹ S&P/TSX 60 Index (Total Return), Source: Bloomberg

¹⁰ S&P/TSX Venture Composite Index, Source: Bloomberg