

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 up 1.24%, net of fees and expenses for January 2013. This brings the Fund's performance since inception to 31.59%, net of fees and expenses.

Equity: The Equity strategies contributed 35 bps to the Fund's return in January. This gain was the result of strong global equity markets. Gold continued its weak run as did silver and natural gas. This resulted in Canadian equities continuing to underperform most markets.

Credit: The Credit strategy was up strongly through January. ABCP had a solid month of performance, as did our 130/30 strategy. U.S. 10 and 30 year Treasuries sold off during the month as risk assets continued to move into equities.

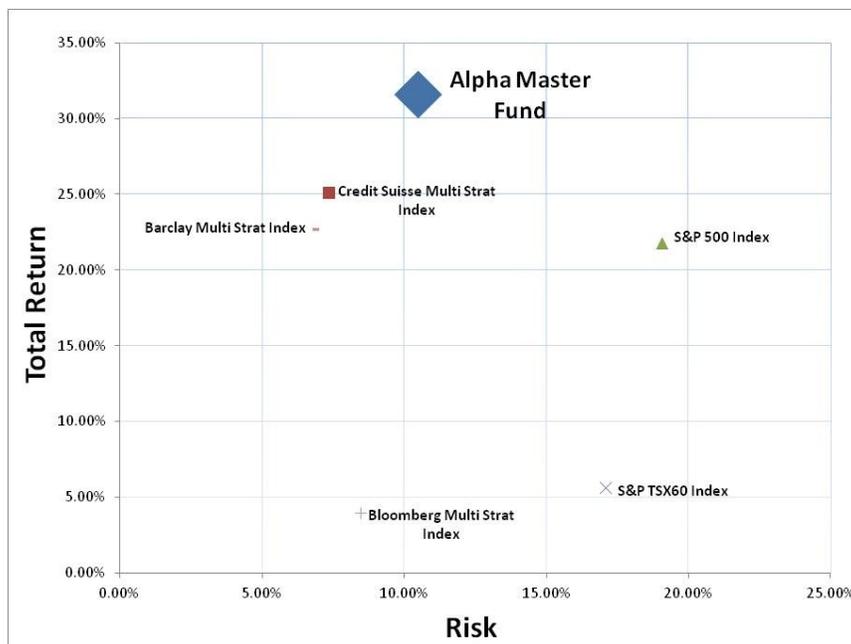
Quantitative: The quantitative strategy was up in January. At the sub-strategy level, macro positioning, volatility, momentum and mean reversion were positive largely due to the upward trend in risk assets. Tactical trading was slightly negative as was our balanced risk portfolio. These losses can largely be attributed to a rotation out of treasuries and into equities.

Prices and Performance/Unit

Class	A-I [*]	F-I [*]
Return	1.21%	1.21%

^{*}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

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	3.88%	-4.25%	10.75%	5.77%	16.76%	5.00%	5.80%	-24.75%	1.60%	1.38%
Annualized Volatility	2.49%	5.23%	2.90%	2.42%	10.76%	8.95%	8.76%	19.60%	5.78%	0.97%
YTD Return	1.24%	1.08%	2.07%	1.62%	5.18%	2.25%	2.20%	0.06%	-2.12%	-0.08%
Average Monthly Gain	0.69%	0.99%	1.04%	0.70%	2.73%	1.86%	1.89%	3.03%	1.94%	0.33%
Average Monthly Loss	-0.42%	-1.53%	-1.17%	-0.66%	-2.83%	-2.41%	-2.28%	-5.92%	-0.75%	-0.10%
Sharpe Ratio (Rf = 0)	1.53	-0.83	3.54	2.32	1.45	0.55	0.65	-1.43	0.28	1.41
Correlations (Alpha to)	1	0.21	0.66	0.69	0.68	0.51	0.48	0.46	0.21	0.21

Monthly Performance (Inception April 2008)

	Feb/12	Mar/12	Apr/12	May/12	Jun/12	Jul/12	Aug/12	Sept/12	Oct/12	Nov/12	Dec/12	Jan/13	Last 12 Mo.	Since Inception ³
Master Fund (Net)	0.80	0.82	-0.46	-0.84	0.14	1.64	-0.10	0.49	0.08	-0.28	0.32	1.24	3.88	31.59
Class A-I Units (Net)	0.77	0.77	-0.50	-0.89	0.10	1.60	-0.14	0.45	0.04	-0.32	0.27	1.21	3.38	26.35

See page 3 for all references

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Portfolio Allocation At Jan 31, 2013



Allocation Commentary

Throughout the month of January, risk assets continued their straight shot north from the November lows. However, assets such as gold and government bonds reversed direction.

Over the month, we increased our exposure to both equity and macro strategies. We also have begun to add some long term trades that will benefit from a large correction (in excess of 5%). The current market environment poses an interesting dilemma for portfolio managers. On the one hand, most income based securities from government bonds to high yield securities are overvalued. This leaves equities as the only part of the capital structure that has the capacity for meaningful appreciation. On the other hand, none of the macro problems facing the world have been fixed. At best we have successfully pushed these problems into the future. Europe still faces austerity coupled with high levels of debt. The U.S. has only made minimal changes to their structural deficit. Thus it is reasonable to expect a 5-7% correction in the coming months. It is difficult to say what will trigger a correction. It could be an event in Europe or it could be the result of the continued budget negotiations in the U.S. Since the equity market lows of March 2009, there have been 11 "normal" corrections of 5% in the S&P 500, with the median correction taking place every 55 days. As of the end of January, it has been over 60 days without a 5% market correction.

Keeping all these facts in mind, we have increased our allocation to equities and macro strategies and reduced our allocation to credit. We have also kept our portfolio very liquid in order to simplify risk management. We have also begun to add market hedges for the first time in three months.

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:	\$734MM @ January 31, 2013
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 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 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