

GMP Diversified Alpha Fund

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 ongoing use of prudent risk management

Performance Attribution

The Master Fund generated a negative return of 1.01% in May, net of all fees. In the month, volatility increased dramatically and global equity markets sold off. The S&P 500 was down 8.20%, the TSX 60 lost 3.67% and the MSCI Index lost 9.91% during the month.

Equity

We moved defensively in our Equity Book through the month. Equity capital allocation was small, our positions defensive and we prioritized liquidity in all names. We had small negative return in the Equity Strategy against a widespread Global Equity Selloff.

Credit

Global sovereign risk concerns resulted in credit spreads widening during May. The Credit strategy was positive in the month while we actively reduced risk. At this time, our favoured strategy continues to be Canadian ABCP given our analysis and access to trade flows in this space.

Quantitative

Volatility spiked, we profited from our long-vol positions held during May. We minimized Tactical Trading exposure against our Index Book with directionless markets.

Statistics

Last 12 Month Statistics

	Alpha 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	15.41%	3.57%	14.25%	17.78%	18.52%	13.43%	9.35%	34.69%
Annualized Volatility	3.49%	4.61%	4.50%	2.40%	15.39%	13.03%	13.71%	19.81%
Winning Months	92%	67%	92%	100%	75%	75%	58%	67%
Average Monthly Gain	1.41%	1.05%	1.43%	1.50%	3.56%	2.99%	3.60%	5.82%
Average Monthly Loss	-1.01%	-1.19%	-2.19%	none	-4.62%	-4.49%	-3.07%	-3.66%
Sharpe Ratio	4.13	0.76	2.97	7.48	1.11	0.97	0.65	1.52
Correlations (Alpha to)	1	0.524	0.703	0.560	0.511	0.239	0.149	0.589

Monthly Performance (Inception April 2008)

	Jun/09	Jul/09	Aug/09	Sep/09	Oct/09	Nov/09	Dec/09	Jan/10	Feb/10	Mar/10	Apr/10	May/10	Last 12 Mo.	Since Inception
Alpha Fund (Net)	0.36	1.41	2.57	2.35	1.14	1.04	2.08	1.69	0.11	1.32	1.41	-1.01	15.41	17.49
S&P TSX (Gross)	0.05	3.97	0.75	4.85	-4.25	4.92	2.61	-5.55	4.83	3.51	1.44	-3.67	13.43	-11.89
S&P 500 (Gross)	0.02	7.41	3.36	3.57	-1.98	5.74	1.78	-3.70	2.85	5.88	1.48	-8.20	18.52	-17.64

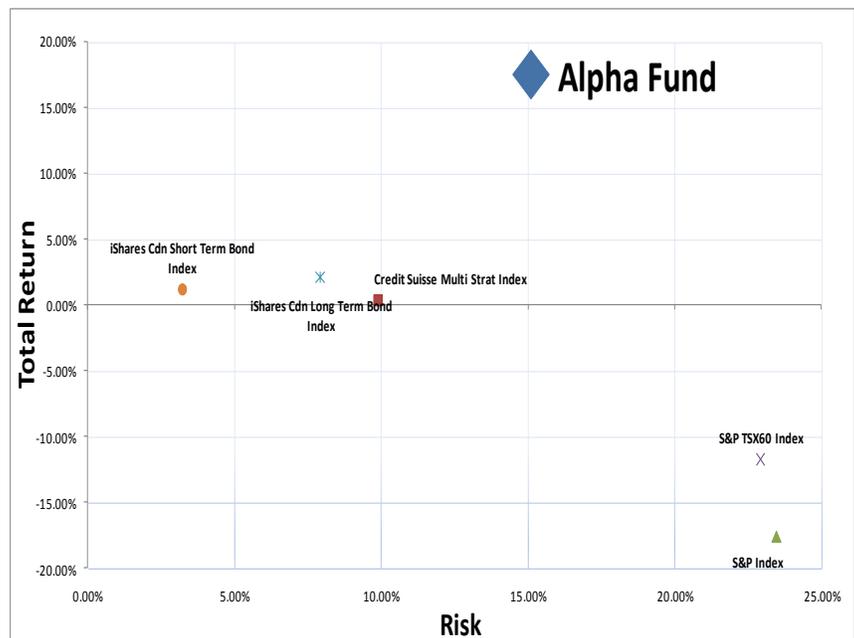
¹ All references to tax herein are from a Canadian perspective. Non-Canadian investors should seek independent tax advice.

² Alpha Fund Performance is shown net of fees. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Multi-Strategy Benefits

The Fund achieves broad diversification through our Multi-Strategy approach. The mandate of the Fund allows for exposure to Equity, Credit and Quantitative investment opportunities. Different asset classes allow for superior risk adjusted returns during different periods of the business and market cycles. By prudent management of Equity, Credit and Quantitative investments and dynamically managing risk we seek to deliver consistency of returns, not correlated to returns of other asset classes. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk-management tools.

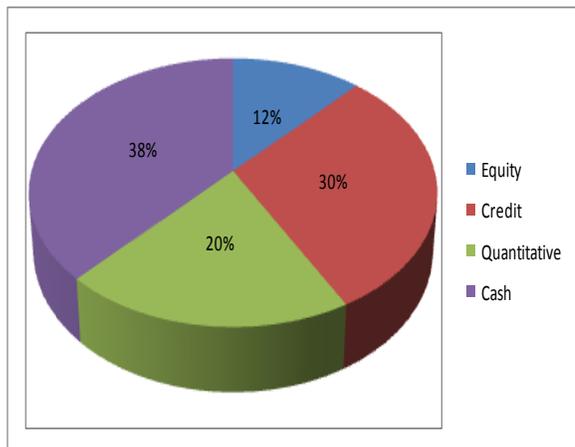
Focus on Risk Adjusted Returns



Source: Bloomberg, Total Return and Annualized Volatility since Fund inception, April 2008

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Portfolio Allocation As at June 16, 2010



Allocation Commentary

Europe dominated the headlines for another month. The implication for investors in May was broad based fear, increased price volatility and hard sell offs across global financial markets. Indexes were punished leaving investors with few places to hide. We protected capital in several ways in May, including the reduction in weight to risk assets as well as holding a material Russell 2000 "Put Spread". We also dramatically reduced capital to the Tactical Trading sub strategy within our Quantitative book. Collectively, these moves were necessary to insulate the portfolio from the spike in volatility. Much of our credit analysis continued to point to caution within our overall Fund positioning. This credit work has provided our unitholders with a tremendous consistency in month returns in addition to the spill-over effect of being instructive to our equity market analysis. While the equity market looked relatively cheap on a variety of historical levels, the credit markets suggested that we could still be in for some challenging times in the coming months. Flexibility to reposition assets between Equity, Credit and Quantitative opportunities was a requirement in May as market conditions changed dramatically.

About the "Fund"

Fund Assets: \$287MM (as at June 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 Dominion Securities
 Administrator: Citigroup Fund Services
 Auditor: Deloitte & Touch LLP
 Lawyer: McMillan LLP
 FundSERV: GMP104 (A-I Class)
 GMP105 (F-I Class)

GMPIM at a Glance

People

We have 17 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 will benefit from the rigorous process employed in the management of the Fund. Our investment process, our people, our portfolio allocation and our tax effective structure provide a unique investment opportunity in Canada.

Important Information: This Newsletter is for information purposes only. It should not be relied upon when evaluating the merits of a potential investment in any funds managed by GMP Investment Management. Applications for the Fund will only be considered on the terms of the Offering Memorandum. The information contained in this material is subject to change without notice and GMP Investment Management and its affiliates will not be held liable for any inaccuracies or misprints. The Investment Manager, GMP Investment Management LP, is registered with the Ontario Securities Commissions ("OSC") as both Portfolio Manager ("PM") and Exempt Market Dealer ("EMD") in respect of the pooled fund we manage. As such we are placing you in securities of a related issuer. This communication is for information only, and is not to be construed as an invitation to make an investment in GMP Diversified Alpha Fund (the "Fund") nor does it constitute a public offering to sell the Fund or any other products described herein. Applications for the Fund will only be considered on the terms of the Offering Memorandum. Past Performance may not be repeated. Investment in the Fund can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of trading performance. 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. Only investors who do not require immediate liquidity of their investment should consider a potential investment in the Fund. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Fund.