

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 -0.12%, net of fees and expenses for March 2013. This brings the Fund's performance since inception to 30.90%, net of fees and expenses.

Equity: The Equity strategies were negative during the month, primarily on the back of the funding challenge that small cap companies continue to face. That challenge led to a write down of two legacy private equity positions that were held within the fund. While these positions were very small overall, the write downs were enough to push the strategy performance into negative territory.

Credit: The Credit strategies were positive on the month. Our Credit Opportunities strategy contributed to positive fund performance as did ABCP. We continue to search for distressed debt positions that offer superior risk-adjusted return profile for unitholders.

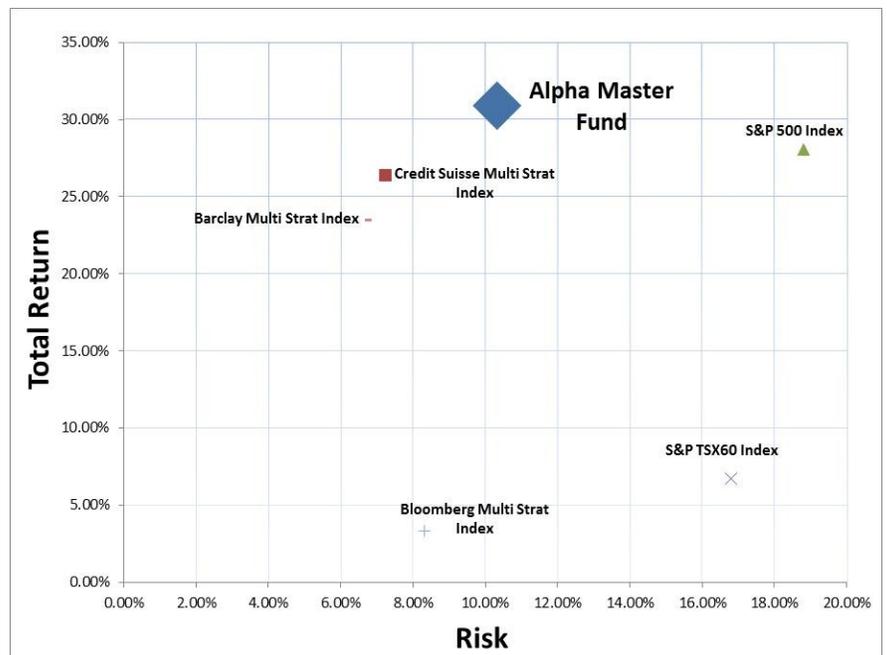
Quantitative: The Quantitative strategy was a drag on fund performance during the month as we continued to buy portfolio "insurance" during the month. We believe this to be an ongoing prudent trade given the cracks in risk asset pricing that are emerging.

Prices and Performance/Unit

Class	A-I [*]	F-I [*]
Return	-0.16%	-0.16%

^{*}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	1.68%	-4.03%	9.48%	5.36%	13.95%	6.09%	6.71%	-29.42%	5.43%	2.64%
Annualized Volatility	2.46%	5.02%	2.75%	2.29%	10.38%	8.65%	8.65%	19.15%	5.57%	1.02%
YTD Return	0.70%	1.72%	3.10%	2.33%	10.60%	3.33%	3.26%	-9.87%	-0.27%	0.82%
Average Monthly Gain	0.65%	0.91%	0.94%	0.66%	2.46%	1.81%	1.92%	3.18%	1.61%	0.36%
Average Monthly Loss	-0.37%	-1.43%	-1.17%	-0.66%	-2.83%	-2.05%	-2.12%	-5.67%	-0.70%	-0.07%
Sharpe Ratio (Rf = 0)	0.68	-0.82	3.30	2.29	1.26	0.68	0.75	-1.79	0.95	2.56
Correlations (Alpha to)	1	0.21	0.70	0.74	0.54	0.55	0.51	0.54	0.21	0.21

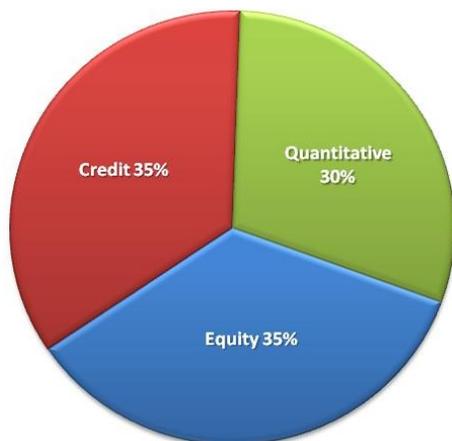
Monthly Performance (Inception April 2008)

	Apr/12	May/12	Jun/12	Jul/12	Aug/12	Sept/12	Oct/12	Nov/12	Dec/12	Jan/13	Feb/13	Mar/13	Last 12 Mo.	Since Inception ³
Master Fund (Net)	-0.46	-0.84	0.14	1.64	-0.10	0.49	0.08	-0.28	0.32	1.24	-0.41	-0.12	2.64	30.90
Class A-I Units (Net)	-0.50	-0.89	0.10	1.60	-0.14	0.45	0.04	-0.32	0.27	1.21	-0.45	-0.16	2.13	25.57

See page 3 for all references

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Portfolio Allocation At March 31, 2013



Allocation Commentary

Risk markets continued to move forward during the month of March. It now appears that the momentum of assets looking for higher returns is stronger than the mixed/weak backdrop of economic signals from around the globe. To be sure, whether it was the news of the banking crisis in Cyprus, declining inventories in the US, or the implementation of the sequestration at the beginning of the month, risk assets plowed through the bad news to move higher.

While we have discussed this worrisome economic foundation over the last couple of months, the momentum of money looking for return is indeed formidable, and continues to propel global risk markets. That said, risk markets are nervous, and commodities are overall very weak. The TSX is taking the brunt of this volatility, with small cap mining and energy names seeing price swings of 10% or more mid month. (we are avoiding allocation to those sectors) Indeed, even the broader US Russell 2000 has seen index performance moves in 3 swings of over 5% in the last 6 weeks. Crude has moved in a 10% price swing and gold moved from a steady March price level to a negative sell off of \$300/ounce in early April. Silver was worse.

In the early part of April, we have witnessed a slew of earning releases, most with a common theme, top line "miss" and bottom line "beat". Indeed corporations are managing expenses and funding costs well, notwithstanding little (or no) growth in revenues.

During these highly volatile periods, the fund focuses on protecting capital and managing this volatility. Overall we continue to manage the fund by sticking to assets that have superior risk adjusted return characteristics (ie ABCP) and buying "insurance" for the rest of the portfolio through index options. We continue to have a balanced capital allocation throughout.

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: \$750MM @ March 28, 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