

Canadian Hedge Fund Performance Index

November 2011

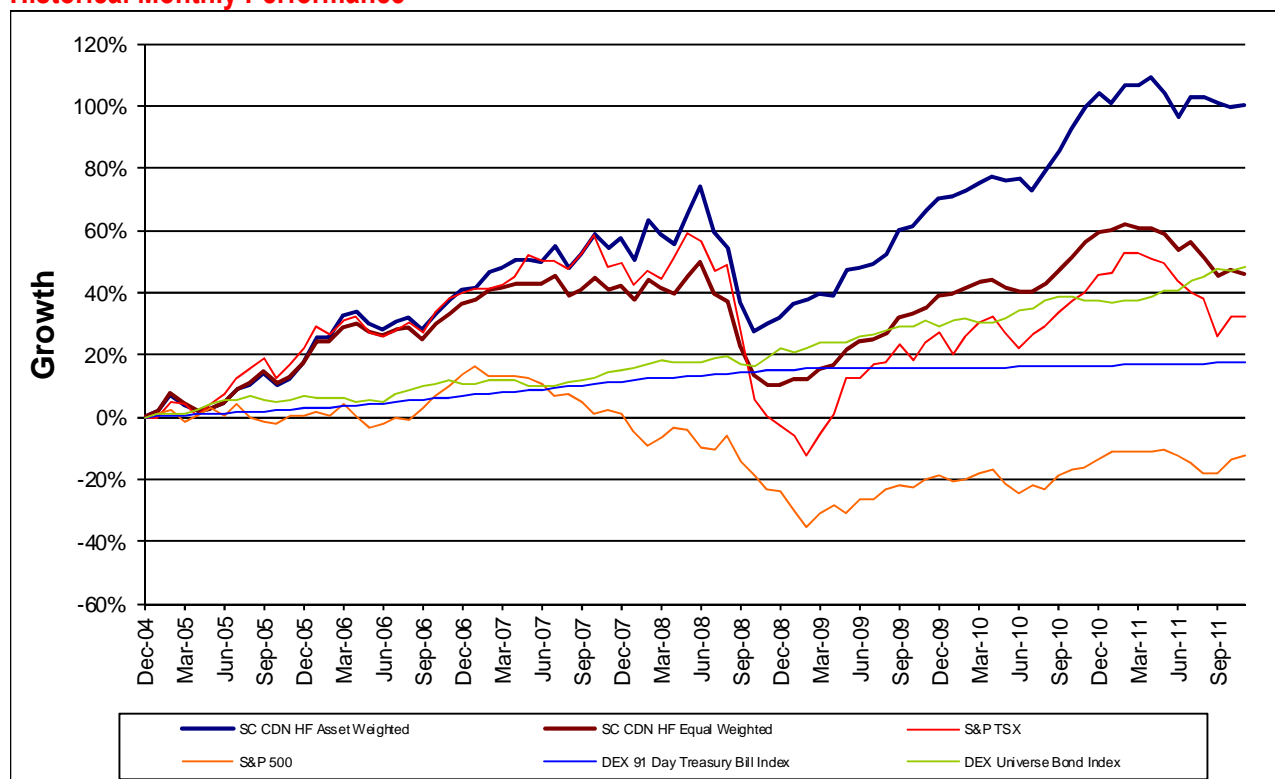
The Scotia Capital Canadian Hedge Fund Performance Index finished November 2011 up 0.27% on an asset weighted basis and down 0.50% on an equal weighted basis. The Index outperformed broader equities and global hedge fund peers on both asset and equal weighted bases.

November was characterized by more extreme intra-month volatility, as broader equity markets gave back most of October's gains throughout the month, then reversed dramatically during the last three days. Key drivers impacting markets were investor concerns over worsening European debt issues, a potential default by Greece as its prime minister called a surprise referendum that was subsequently called off, and more fears of contagion, particularly in Italy where bond yields surged. Better than expected retail sales over the US Thanksgiving holiday contributed to the US equity markets' rally at month end, with the S&P 500 containing monthly losses at -0.51%. Canadian equities followed a similar trajectory, with performance led by the Health Care, Materials and Telecom sectors, and closed out the month at -0.39%. The USD strengthened against most major currencies in November, but weakened slightly against the JPY. Commodities slowed in aggregate on the back of a stronger USD. Expectations for slower economic growth additionally contributed to a decline for base metals. WTI Crude, on the other hand, advanced 7.69% on concerns over supply given unrest in oil-producer Iran. Canadian hedge funds posted flat results in aggregate in November. The range in performance dispersion was not as wide as in the previous few months. Most managers did not benefit from the strong upswing in risk assets at the end of the month due to generally defensive positioning and lower risk levels. Uncertainty and volatility remain key leitmotifs in the current environment.

Description

The aim of the Scotia Capital Canadian Hedge Fund Performance Index is to provide a comprehensive overview of the Canadian Hedge Fund universe. To achieve this, index returns are calculated using both an equal weighting and an asset-based weighting of the funds. The index includes both open and closed funds with a minimum AUM of C\$15 million and at least a 12 month track record of returns, managed by Canadian-domiciled hedge fund managers.

Historical Monthly Performance



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Index Summary

*Month End Nov-11	Value	Return MOM	Return YTD	Annualized Return**	Annualized Standard Deviation***
SC CDN HF Performance Index Asset Weighted	1,999.94	0.27%	-2.09%	10.54%	11.59%
SC CDN HF Performance Index Equal Weighted	1,462.05	-0.50%	-8.27%	5.65%	9.94%
S&P TSX Composite	12,204.11	-0.39%	-9.22%	4.09%	15.86%
S&P 500 (quoted in USD)	1,246.96	-0.51%	-0.85%	0.41%	16.48%
S&P 500 (CAD-adjusted)	1,268.66	1.14%	1.08%	-1.93%	11.86%
DEX 91 Day Treasury Bill Index †	386.63	0.07%	0.91%	2.36%	0.47%
DEX Universe Bond Index ‡	848.68	0.84%	7.86%	5.87%	3.33%

*All returns quoted in CAD except where indicated

**Compound annual returns since index inception (December 31, 2004)

*** Of monthly returns

† Formerly: Scotia Capital 91 Day Treasury Bill Index

‡ Formerly: Scotia Capital Universe Bond Index

Historical Monthly Returns

SC CDN HFPI Asset Weighted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	1.74%	5.01%	-2.68%	-1.85%	0.76%	1.30%	4.50%	1.39%	3.58%	-3.32%	1.58%	4.52%	17.35%
2006	6.73%	0.02%	5.65%	1.18%	-2.76%	-1.46%	2.01%	0.54%	-2.86%	4.31%	3.25%	2.31%	20.05%
2007	0.49%	3.48%	0.89%	1.95%	-0.15%	-0.37%	3.34%	-4.51%	3.03%	4.31%	-2.86%	1.83%	11.61%
2008	-4.34%	8.56%	-2.95%	-2.05%	6.86%	5.03%	-8.61%	-2.99%	-11.17%	-6.92%	1.65%	1.81%	-15.94%
2009	3.09%	1.04%	1.39%	-0.61%	5.91%	0.82%	0.50%	2.42%	4.84%	0.85%	3.24%	2.12%	28.62%
2010	0.32%	1.18%	1.78%	1.02%	-0.86%	0.42%	-2.20%	3.71%	3.58%	3.69%	3.85%	2.23%	20.16%
2011	-1.61%	2.83%	-0.09%	1.42%	-2.59%	-3.86%	3.29%	0.21%	-1.22%	-0.55%	0.27%		-2.09%

SC CDN HFPI Equal Weighted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	2.05%	5.32%	-2.83%	-2.18%	0.56%	1.63%	4.48%	1.36%	3.58%	-3.42%	1.68%	4.11%	17.10%
2006	5.86%	0.19%	3.44%	1.20%	-1.89%	-1.19%	1.86%	0.07%	-2.77%	3.95%	2.66%	2.45%	16.62%
2007	0.88%	2.30%	0.57%	0.91%	-0.18%	-0.11%	2.06%	-4.57%	1.47%	2.84%	-2.84%	0.92%	4.07%
2008	-3.27%	4.96%	-2.12%	-1.12%	3.98%	3.03%	-6.55%	-1.89%	-10.22%	-7.98%	-2.73%	-0.25%	-22.64%
2009	1.94%	0.28%	2.39%	1.59%	4.33%	1.64%	0.68%	1.77%	3.90%	0.77%	1.79%	2.59%	26.31%
2010	0.56%	1.24%	1.33%	0.68%	-2.02%	-0.60%	-0.33%	2.09%	2.99%	2.80%	3.05%	2.20%	14.78%
2011	0.24%	1.29%	-0.70%	-0.20%	-1.15%	-3.08%	1.57%	-3.22%	-3.81%	1.14%	-0.50%		-8.27%

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Funds Included:

Acorn Diversified Trust	JC Clark Focused Opportunities Fund	Sentry Market Neutral LP
AlphaNorth Partners Fund Inc.	JC Clark Preservation Trust	Silvercove Hard Asset Fund LP
Amethyst Arbitrage Fund	Jemekk Long/Short Fund LP	Silvercreek Convertible LP
Auspice Managed Futures LP	Landry Morin Long Short Momentum Fund	Spartan Multi Strategy Fund
Barometer Long Short Equity Pool	Mapleridge Fund Ltd. - Class B	Sprott Hedge Fund LP
BluMont Hirsch Performance Fund	Marret High Yield Hedge LP	Sprott Hedge Fund LP II
BT Global Growth Fund LP	Mountain Fowler One E LP	Sprott Opportunities Hedge Fund LP
Curvature Fund LP	Palos Income Fund LP	Sprott Small Cap Hedge Fund
Di Tomasso Equilibrium Fund	Picton Mahoney Long Short Equity Fund	Stornoway Recovery Fund LP
DKAM Capital Ideas Fund LP	Picton Mahoney Market Neutral Equity Fund	TD Emerald Canadian Equity Market Neutral Fund
Dynamic Power Hedge Fund	Polar Altairis Long/Short	TD Emerald North American Equity Pairs Fund
Exemplar Diversified Portfolio	Polar North Pole Multi-Strategy	TD Emerald US Equity Market Neutral Fund
Fiera Global Macro Fund	Primevestfund	The Vantage Fund
Fiera North American Market Neutral Fund II	RCM Special Situations Fund	Vertex Fund
Formula Growth Global Opportunities Fund	Red Sky Partners Fund	Vision Opportunity Fund LP
Formula Growth Hedge Fund	Rival North American Growth Fund LP	Waratah Income Trust
Friedberg Global Macro Hedge Fund	Ross Smith Capital Investment Fund	Waratah One Trust
Front Street Canadian Energy Resource Fund	Rosseau LP	Waratah Performance Trust
Front Street Canadian Hedge Fund	Roundtable Growth Fund	Wealhouse Panorama Fund
GMP Diversified Alpha Fund	RP Debt Opportunities Fund LTD	WFC Opportunities Trust
Goodwood Fund	Salida Strategic Growth Fund	

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