



NewGen Trading Fund (Offshore)
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Long-short trading strategy

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Executive Summary



- Strategy
 - Long-short equity trading strategy that exploits short-term market inefficiencies to generate alpha-driven returns while minimizing market beta
 - Trading strategies include: catalyst/event-driven trades, pairs trades, IPO/secondary offering participation, index addition/deletion predictions, clean-up/block trades, momentum/technical trades and merger arbitrage
- Target Objective
 - Consistent positive monthly returns (88.5% historically) delivered at a low volatility with minimal correlation to broad equity markets or any specific sector
- Historic Performance
 - Annualized performance since inception of +25.2%¹ (net) at a Sharpe ratio of 3.01²
- Team Experience
 - Generalist and resource sector focused backgrounds
 - Complementary trading and fundamental research experience on both the Buy-Side and Sell-Side
- AUM
 - NewGen has a combined AUM of C\$47 million³ dedicated to trading strategy

1. Inception July 2012; performance reported net of all fees for Class A – Series 1 Units; effective February 1, 2013 the Fund changed its base currency from USD to CAD, presentation of performance data prior to this date assumes USD hedged to CAD

2. The Sharpe Ratio is a hypothetical measure of excess return and the US 5-year Treasury yield is used for the risk-free rate in its calculation

3. As of presentation date, combined Assets Under Management (AUM) includes the NewGen Trading Fund, NewGen Trading Master Fund, NewGen Trading Fund LP and the Polaris Resource Trading Fund

Market Opportunity



Value Proposition

Pure Alpha

- Unique return profile, with demonstrated ability to consistently generate performance through alpha, rather than beta
- Market inefficiencies & mis-pricings are particularly prevalent in Canadian market

Minimal Macro Risk

- Macro market drivers (economic / geopolitical) becoming increasingly unpredictable for investors
- Strategy seeks to remove this unwanted market and systemic risk

Disciplined

- Consistently aim to realize profit on small gains, rather than a few large wins
- Disciplined in maintaining short time-horizon and selling post events/catalysts
- Quick to exit losing trades

Nimble

- Able to tactically move across markets, sectors and strategies depending on the market opportunities
- Strict adherence to liquidity bias

Preserve Capital

- Aim to minimize downside through balanced portfolio of long & short ideas
- No individual oversized positions and stop losses closely monitored
- No reliance on privates or derivatives to generate return

Target Portfolio Composition & Characteristics

Market Risk	<p>Market-neutral to Long-bias</p>	<ul style="list-style-type: none"> Typical net exposure range -10% to 50% (avg ~30%) Alpha focus, minimal equity beta
Concentration	<p>Concentrated to Diverse</p>	<ul style="list-style-type: none"> 30-40 core positions on average (long / short) 3-4% core position size
Liquidity	<p>Illiquid to Highly liquid</p>	<ul style="list-style-type: none"> Highly liquid portfolio, all positions evaluated relative to underlying liquidity (avg position size vs ADV = 5-10%)
Risk Tolerance	<p>Capital preservation to Capital appreciation</p>	<ul style="list-style-type: none"> Active risk management Target significant short attribution
Leverage	<p>No leverage to Use of leverage</p>	<ul style="list-style-type: none"> Typical gross exposure range 120-170% (avg ~150%) Bottom-up opportunity driven
Turnover	<p>Passive to Active</p>	<ul style="list-style-type: none"> Active portfolio management Expected turnover of 5-6x per year
Time Horizon	<p>Short to Long</p>	<ul style="list-style-type: none"> Trades are generally short-term in nature (i.e. 10-30 day holding periods)
Market Cap	<p>Small-cap to Large-cap</p>	<ul style="list-style-type: none"> Portfolio represented by all market caps, but general bias towards small and mid-caps as liquidity permits

Trading Strategy Performance Snapshot



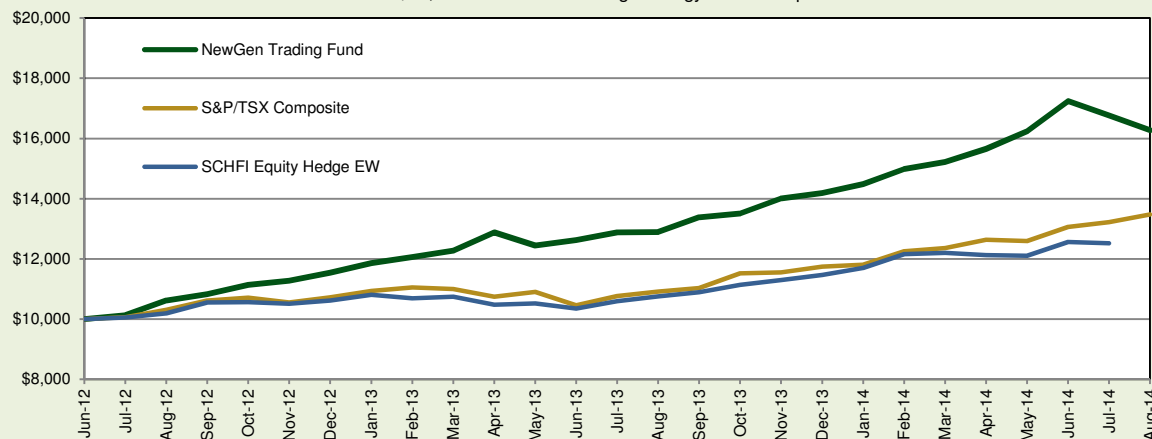
Monthly Net Performance Data¹ for Trading Strategy

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	NGTF	-	-	-	-	-	-	1.24% ²	4.85% ²	2.02%	2.84%	1.23%	2.42%	15.46%
	S&P/TSX	-	-	-	-	-	-	0.59%	2.44%	3.08%	0.86%	-1.48%	1.59%	7.22%
	SCHFI EW	-	-	-	-	-	-	0.51%	1.38%	3.59%	0.12%	-0.54%	1.01%	6.17%
2013	NGTF	2.68%	1.77%	1.75%	4.87%	-3.32%	1.42%	2.06%	0.08%	3.72%	1.02%	3.64%	1.28%	22.85%
	S&P/TSX	2.02%	1.08%	-0.56%	-2.30%	1.56%	-4.12%	2.95%	1.34%	1.05%	4.49%	0.26%	1.69%	9.55%
	SCHFI EW	1.80%	-1.05%	0.48%	-2.51%	0.40%	-1.59%	2.32%	1.50%	1.29%	2.26%	1.46%	1.53%	8.05%
2014	NGTF	2.15%	3.46%	1.50%	2.92%	3.69%	6.15%	-2.74%	-2.90%	-	-	-	-	14.75%
	S&P/TSX	0.54%	3.76%	0.88%	2.21%	-0.33%	3.71%	1.22%	1.92%	-	-	-	-	14.71%
	SCHFI EW	1.97%	3.97%	0.32%	-0.62%	-0.14%	3.76%	-0.37%	-	-	-	-	-	9.11%

Performance Summary for Trading Strategy

Since Inception ¹	62.8%
Annualized Since Inception	25.2%
Positive Months	88.5%
Monthly Correlation to S&P/TSX Composite	0.013
Daily Correlation to S&P/TSX Composite	0.120
2012 (Partial) ³	15.5%
2013	22.8%
2014 YTD	14.8%
Best Month	6.1%
Worst Month	-3.3%
Best Day	4.4%
Worst Day	-2.3%

Value of \$10,000 Invested in Trading Strategy Since Inception³



Comparative Performance Statistics for Trading Strategy

Since Inception	NGTF	TSX	SCHFI
Annualized Return	25.2%	14.8%	11.4%
Annualized Standard Deviation ⁵	7.8%	6.6%	5.6%
Sharpe Ratio ⁵	3.01	2.00	1.75

1. Performance reported net of all fees for Class A – Series 1 Units; effective February 1, 2013 the Fund changed its base currency from USD to CAD, presentation of performance data prior to this date assumes USD hedged to CAD

2. July and August 2012 are internal estimates since the Administrator combined July (partial month) and August 2012 in their calculation

3. The Scotiabank Canadian Hedge Fund Index (SCHFI), Equity Hedge Equal Weighting and S&P/TSX Composite Index comparative performance is provided for illustrative purposes only – they are both widely followed indices but are not considered benchmarks due to differing holding composition as compared to the NGTF

4. Partial year starting July 2012

5. Standard deviation is a form of hypothetical performance data and the Sharpe Ratio is a hypothetical measure of excess return (uses US 5-year Treasury yield for the risk-free rate in its calculation)