

KENSINGTON ALTERNATIVE STRATEGIES FUND
Overview
Objective

The Kensington Alternative Strategies Fund (KASF) seeks to provide capital appreciation with reduced volatility through investment in the Canadian Alternative Manager Universe.

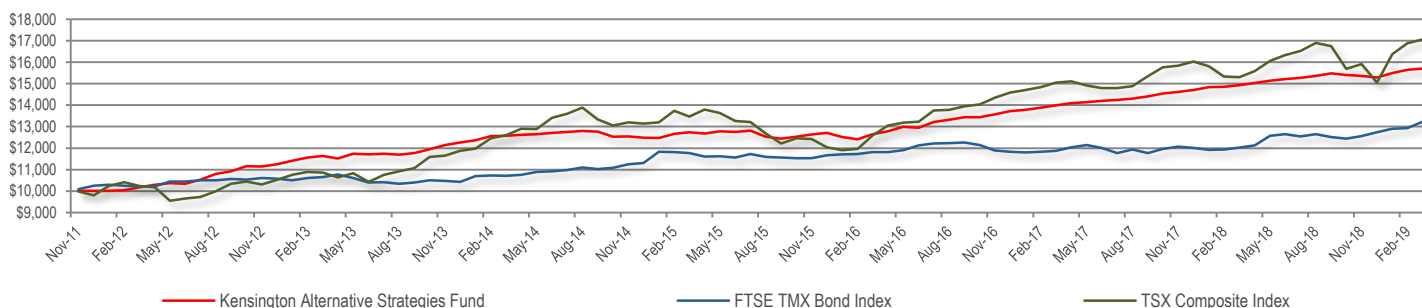
Strategy Overview

Kensington identifies emerging managers in the Canadian Alternative Manager Universe set to outperform their peers. By diversifying across multiple fund styles and identifying key managers Kensington seeks to provide superior risk adjusted returns with low correlation to the equity market.

Inception Date	November 1, 2011
Fund Assets	\$55 million
Firm Assets	\$1.3 billion
RRSP/RRIF/TFSA Eligibility	Yes
Sold By	Offering Memorandum
Subscription	Monthly
Minimum Investment	\$10,000 (Accredited Investors)
Liquidity	Monthly Redemptions

Manager Roster

- ▶ **Algonquin Capital**
Toronto – Credit and Rate Arbitrage
- ▶ **D&D Leasing**
Toronto – Alternative Lending
- ▶ **Ewing Morris & Co.**
Toronto – North American Equity L/S
- ▶ **HGC Investment Management**
Toronto – Merger Arbitrage
Toronto – Credit Arbitrage
- ▶ **JM Fund Management**
Toronto – North American Equity L/S
- ▶ **Lawrence Park Capital**
Toronto – Credit Value Trading/ Market Arbitrage
- ▶ **Lumen Asset Management**
Toronto – North American Equity L/S
- ▶ **NewGen Asset Management**
Toronto – North American Equity L/S
- ▶ **NorthStream Capital**
Toronto – High Yield
- ▶ **Orchard Global Asset Management**
Toronto – Credit Arbitrage
Toronto – Liquid Credit Fund
- ▶ **Oxygen Working Capital**
Toronto – Alternative Lending
- ▶ **Pivot Financial**
Toronto – Alternative Lending
- ▶ **Productivity Media**
Toronto – Alternative Lending

Growth of Capital

Monthly Performance (NET)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	KASF YTD	TSX composite YTD	FTSE TMX CDN Bond **
2019	1.44%	0.89%	0.44% ^E										2.79% ^E	13.31%	3.91%
2018	0.93%	0.11%	0.47%	0.79%	0.70%	0.42%	0.45%	0.51%	0.82%	-0.42%	-0.30%	-0.50%	4.04%	-8.88%	1.28%
2017	0.43%	0.75%	0.79%	0.73%	0.34%	0.47%	0.27%	0.41%	0.68%	0.89%	0.53%	0.62%	7.13%	8.86%	2.33%
2016	-1.55%	-0.90%	1.96%	1.12%	1.60%	-0.33%	2.05%	0.82%	0.80%	0.10%	0.91%	1.16%	7.88%	21.09%	1.35%
2015	-0.16%	1.61%	0.63%	-0.53%	0.80%	-0.24%	0.50%	-2.19%	-0.73%	0.68%	0.90%	0.61%	1.84%	-8.32%	3.14%
2014	0.88%	1.54%	0.15%	0.36%	0.21%	0.42%	0.34%	0.37%	-0.21%	-1.90%	0.13%	-0.44%	1.83%	10.55%	8.46%
2013	1.45%	1.33%	0.70%	-1.04%	1.96%	-0.31%	0.32%	-0.45%	0.62%	1.61%	1.60%	0.96%	9.06%	12.99%	-1.50%
2012	0.08%	0.19%	1.39%	1.15%	0.69%	-0.18%	1.84%	2.54%	1.08%	2.26%	-0.26%	0.95%	12.33%	7.19%	3.26%
2011											0.06%	0.03%	0.09%	-1.91%	2.51%

As of March 31, 2019

Returns are calculated net of management fees, performance fees and other expenses. Total return net of all fees.

KENSINGTON ALTERNATIVE STRATEGIES FUND
Net Returns

	1 mth	3 mth	6 mth	1 yr	3yr ¹	5yr ¹	Since Inception ¹
KASF	0.44% ^E	2.79%	1.54%	5.35%	8.92%	5.04%	6.37%
TSX Comp	1.02%	13.31%	1.87%	8.15%	12.45%	6.38%	7.00%
FTSE TMX**	2.35%	3.91%	5.70%	5.16%	2.87%	3.73%	3.35%

Risk Statistics

	Standard Deviation ¹	Sharpe Ratio	Correlation to TSX
KASF	2.93%	1.85	0.51
TSX Comp	8.71%	0.69	1.00
FTSE TMX**	3.65%	0.64	0.05

Capture Ratio

	TSX	KASF
Upside Capture		41.40%
Downside Capture		0.49%

Fund inception date (11/01/2011) to current month end

Class	Pricing	Fund Code	Management Fee	Performance Fee	Redemption Fee	Trailer Fee
A	Trailer	KEN 920	2.40%	20%	Subject to 5% redemption fee if redeem in the first 5 months	40 bps
E	Trailer	KEN 926	2.80%	20%		100 bps
F	Fee Based	KEN 922	1.80%	20%		Advisor Determined

Fund Commentary and Activity | As of March 2019
Market Update

March was generally another positive month for markets globally as most indices continued their upward climb. Most North American equity markets were positive for the month as the NASDAQ up +2.60%, the TSX Index gaining +1.02% and the S&P500 Index up +1.75%. 10-year US Treasuries saw yields continue to decline from 2.72% to 2.41% by month's end. Asian indices were mixed as the NIKKEI was down -0.84%, the Hang Seng up +1.46% and Shanghai up +5.53%. The European markets of EuroStoxx were also up at +1.64% and the FTSE index in the UK was also up gaining +2.88%. The commodity markets were mixed as Gold was down by -1.07% to U\$1,299 and oil prices registering a large gain as WTI was up +5.10% to U\$60.14 by month's end. The Canadian dollar weakened from \$1.3172 to \$1.3355. Volatility indices (VIX) continued their downward trend to 13.71 from a level of 14.78 reflecting less risk perceived in the marketplace.

Fund Update

Against that backdrop, the Kensington Alternative Strategies Fund had positive estimated returns of +0.44% for March (YTD +2.79%). This is compared against the TSX Index which was positive at +1.02% for March (YTD +13.31%). The Fund's standard deviation of monthly returns remains low and correlation to the TSX also continue to be low.

Our underlying managers' performance benefited by the general global markets' strong price movement as 14 of the 15 managers were in positive territory for the month of March. We believe that changes to the manager composition of the portfolio over the past few years will greatly assist in the Fund's overall returns going forward. We believe that these managers are in a strong position to benefit the Fund throughout all of 2019.

We believe that the Fund continues to be well positioned for these uncertain times. The Fund has now been operating for 89 months generating about 65 basis points per month on average with only 19 down months. The balanced approach to the portfolio composition should allow the Fund to weather most storms. We also continue to investigate new managers to try to improve the composition of the Fund.

^E = Estimate (Based on expected return generated from preliminary NAV estimates)

¹Annualized

*2011 numbers represent performance from the fund's inception date (11/01/2011) to 12/31/2011

**FTSE TMX Canadian Bond Index performance is being represented by the iShares Canadian Bond ETF (XBB). This document is summary only and is subject in its entirety to the Fund's formation documents and offering memorandum. The information contained herein will not form a part of the offering documents in any eventual offer and sale of securities of the Fund to an investor. Any investment decision should be made based solely upon appropriate due diligence by the prospective investor. The information contained in herein neither is nor should be construed as an offer or a solicitation of an offer to buy or sell securities. The securities described herein are only available to accredited investors in Canada through registered dealers on a private placement basis. Securities of the Fund can be acquired by contacting your advisor or dealer, or Kensington Capital Advisors Inc., in its capacity as a registered exempt market dealer. The Fund is a "related and connected" issuer to Kensington Capital Advisors Inc.

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