

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.

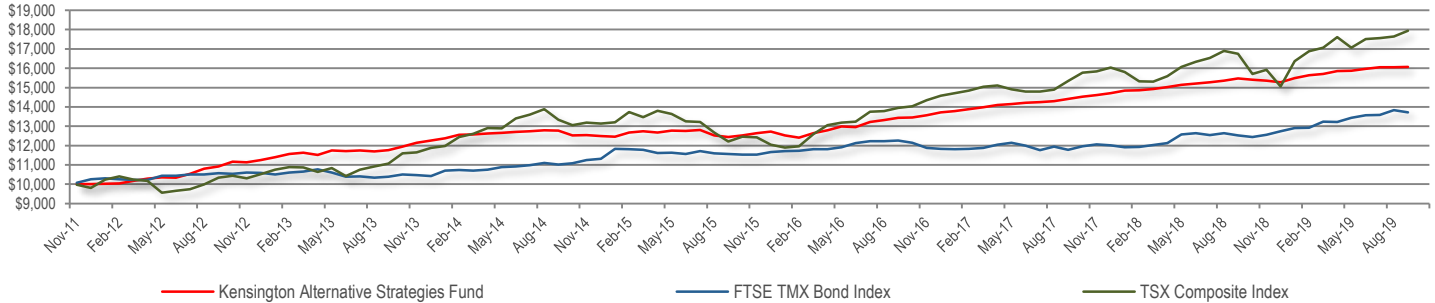
Strategy Overview

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	\$64 million
Firm Assets	\$1.5 billion
RRSP/RRIF/TFSA Eligibility	Yes
Sold By	Offering Memorandum
Subscription	Monthly
Minimum Investment	\$10,000 (Accredited Investors)
Liquidity	Monthly Redemptions

Manager Roster

- ▶ **AIP Asset Management**
Toronto – Multi-Asset Manager
- ▶ **Algonquin Capital**
Toronto – Credit and Rate Arbitrage
- ▶ **D&D Finance**
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
- ▶ **Mondex Corp.**
Toronto – Specialty Art Manager
- ▶ **NewGen Asset Management**
Toronto – North American Equity L/S
- ▶ **NorthStream Capital**
Toronto – High Yield
- ▶ **Orchard Global Asset Management**
Toronto – Chapelgate
Toronto – Liquid Credit Fund
- ▶ **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%	0.41%	0.91%	0.13%	0.68%	0.47%	-0.05%	0.11% ^E				5.09% ^E	19.12%	7.76%
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 September 30, 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	0.11% ^E	0.53%	2.27%	3.82%	6.56%	5.19%	6.25%
TSX Comp	1.69%	2.47%	5.13%	7.09%	7.92%	5.90%	7.22%
FTSE TMX**	-0.86%	1.16%	3.71%	9.62%	2.59%	3.97%	3.61%

Risk Statistics

	Standard Deviation ¹	Sharpe Ratio	Correlation to TSX
KASF	2.83%	1.85	0.51
TSX Comp	8.58%	0.72	1.00
FTSE TMX**	3.64%	0.72	0.02

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 September 2019
Market Update

September was a mixed month for equity markets globally. The S&P500 Index was up +1.20%, the NASDAQ down -0.29% and the TSX Index up +1.69%. Asian markets were generally positive as the NIKKEI was up +5.08%, the Hang Seng was up +1.41% and the Shanghai Index up +0.69%. European markets were also mostly positive with the EuroStoxx Index up +4.17% and the FTSE up +3.01%. Prices on 10-year US Treasuries declined as yields moved from 1.50% to 1.66% by the end of the month. The Volatility index (VIX) moved down from the 19 level to a level of 16.24 at month's end. Commodity price movement was again on display as Oil (WTI) was sideways from \$55.10 to \$54.24 and Gold was down -3.72% at \$1,472. Trading of the Canadian \$ was generally flat as the currency moved sideways to \$1.3241 from \$1.3311.

Fund Update

Against that backdrop, the Kensington Alternative Asset Fund was relatively strong with estimated returns up +0.11% (+5.09% YTD) for September. This is compared against the TSX Index in September which was up +1.69% (+19.12% YTD). The Fund's standard deviation of monthly returns remains low and correlation to the TSX also continue to be low.

Our underlying managers' performance was again strong for the month as they tried to participate in the general market rise while protecting downside potentials. 11 of the 16 managers were in positive territory. Many of the managers continue to be somewhat nervous of stretched equity market valuations and are running fairly flat books. Caution would seem to be at the forefront of managers' activity.

We believe that the Fund continues to be well positioned for these uncertain times. The Fund has now been operating for 95 months (81% monthly positive) generating nearly 60 basis points of per month on average with only 20 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.

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