

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.

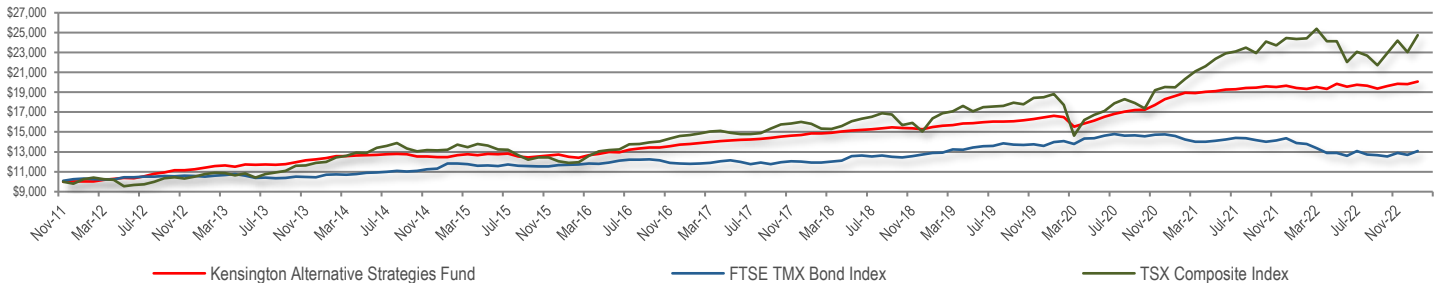
Strategy Overview

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	\$60 million
Firm Assets	\$2.6 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
- ▶ Goodwood Milford Fund
Toronto – Multi-Asset Manager
- ▶ HGC Investment Management
Toronto – Merger Arbitrage
- ▶ JM Fund Management
Toronto – North American Equity L/S
- ▶ Lionguard Capital
Montreal – Equity Manager
- ▶ 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 – Chapelgate
Toronto – Rain Tree 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 **
2023	1.30% ^E												1.30% ^E	7.41%	3.06%
2022	-1.15%	-0.46%	0.99%	-0.97%	2.69%	-1.45%	0.94%	-0.47%	-1.56%	1.41%	1.10%	-0.13%	0.85%	-5.79%	-11.79%
2021	1.71%	1.86%	-0.26%	0.80%	0.30%	0.74%	0.19%	0.76%	0.12%	0.72%	-0.36%	0.60%	7.39%	25.08%	-2.65%
2020	0.98%	-0.70%	-6.00%	2.16%	1.84%	2.46%	1.67%	1.24%	1.01%	0.24%	2.79%	3.22%	11.10%	5.59%	8.58%
2019	1.44%	0.89%	0.41%	0.91%	0.13%	0.68%	0.47%	-0.05%	0.14%	0.67%	0.88%	0.93%	7.75%	22.89%	6.82%
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 January 31, 2023

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	1.30% ^E	2.28%	1.63%	3.35%	6.90%	7.08%	6.45%
TSX Comp	7.41%	7.86%	7.26%	1.60%	10.45%	10.34%	8.01%
FTSE TMX**	3.06%	4.25%	-0.20%	-5.84%	-2.21%	0.97%	2.07%

Risk Statistics

	Standard Deviation ¹	Sharpe Ratio	Correlation to TSX
KASF	3.75%	1.45	0.69
TSX Comp	11.90%	0.59	1.00
FTSE TMX**	4.70%	0.23	0.30

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 January 2023
Market Update

January was an extremely positive month for global equity markets as ongoing global inflation concerns seem milder and interest rate hikes may be coming nearer to an end. North American markets were much stronger with the S&P500 Index up +6.17%, the NASDAQ was up +10.68% and the TSX TR Index up +7.41%. European markets were also positive as the EuroStoxx Index was up +9.75% and the FTSE up +4.29%. Asian markets were also strong as the Hang Seng was up +10.42%, the NIKKEI was up +4.72% and the Shanghai Index up by +5.41%. Prices on the 10 year US Treasury bond rose as yields moved from 3.88% to 3.61% by month's end. The Volatility index (VIX) declined moving from 21.67 to 19.40. Commodity price movements were mixed as Oil (WTI) declined by 2% to \$78.87 while Gold rose by 6% to US\$1,928. The Canadian dollar strengthened by 2% during the month closing at \$1.3306 against the US\$.

Fund Update

Against that backdrop, the Kensington Alternative Strategies Fund was positive with estimated returns of +1.30% (+1.30% YTD) for January. Compared against the TSX Index which rose by +7.41% (+7.41% YTD). The Fund's standard deviation of monthly returns remains low and the correlation to the TSX also continues to be low.

Our underlying managers' performance was strong for the month as 15 of the 16 managers were in positive territory. Many of the managers continue to be somewhat nervous of the global equity markets 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 136 months generating over 65 basis points per month on average with only 32 down months (about 80% monthly positive results). 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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