

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.

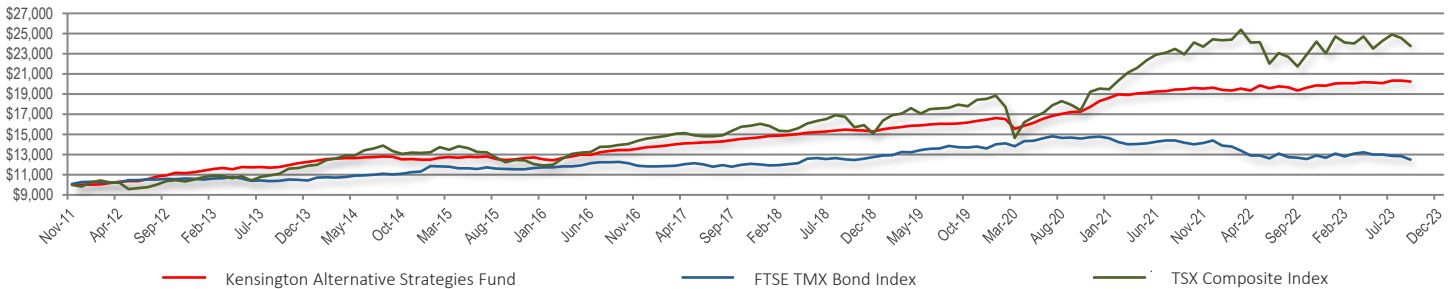
Strategy Overview

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 | \$53 million |
| Firm Assets | \$2.8 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 Compos. YTD | FTSE TMX CDN Bond ** |
|------|--------|--------|--------|--------|--------|--------|-------|--------|---------------------|--------|--------|--------|--------------------|-----------------|----------------------|
| 2023 | 1.15% | 0.11% | 0.05% | 0.50% | -0.17% | -0.24% | 1.24% | -0.02% | -0.49% ^E | | | | 2.14% ^E | 3.17% | -1.53% |
| 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 September 30, 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 | -0.49% ^E | 0.72% | 0.81% | 4.58% | 5.88% | 6.16% | 6.15% |
| TSX Comp | -3.33% | -2.19% | -1.13% | 9.38% | 10.83% | 8.35% | 7.18% |
| FTSE TMX** | -2.63% | -3.90% | -4.56% | -1.41% | -4.96% | -0.04% | 1.56% |

Risk Statistics

| | Standard Deviation ¹ | Sharpe Ratio | Correlation to TSX |
|------------|---------------------------------|--------------|--------------------|
| KASF | 3.68% | 1.40 | 0.68 |
| TSX Comp | 11.84% | 0.52 | 1.00 |
| FTSE TMX** | 4.77% | 0.12 | 0.31 |

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 2023
Market Update

September was a particularly negative month for global equity markets with continued global inflation concerns, interest rate uncertainty and recessionary fears abound. North American markets were negative with the S&P500 Index down -4.88%, the NASDAQ was down -5.81% and the TSX TR Index down -3.33%. European markets were mixed as the EuroStoxx Index was down -2.84% and the FTSE up +2.27%. Asian markets were also negative as the Hang Seng was down -3.11%, the NIKKEI was down -2.33% and the Shanghai Index down by -0.32%. Prices on the 10 year US Treasury bond declined as yields moved from 4.11% to 4.57% by month's end. The Volatility index (VIX) was negative by moving from 13.57 to 17.52. Commodity price movements were mixed as Oil (WTI) rose by over 8% to \$90.79 and Gold declined by 5% to US\$1,849. The Canadian dollar was flat during the month closing at \$1.3577 against the US\$.

Fund Update

Against that backdrop, the Kensington Alternative Strategies Fund was negative with estimated returns of -0.49% (+2.14% YTD) for September. Compared against the TSX Index which declined by -3.33% (+3.17% 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 mixed for the month as 8 of 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 144 months generating over 65 basis points per month on average with only 36 down months (about 75% 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)

¹ Annualized

*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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