NewGen Equity Long-Short Fund LP

March 31, 2019

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ASSET MANAGEMENT

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DISCLAIMER

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This document is not to be construed as a public offering of securities in any jurisdiction in Canada.

The offering of units of the Fund is made pursuant to the Offering Memorandum only to those investors in Canada in the provinces of Ontario, Alberta, Newfoundland & Labrador, Quebec, Saskatchewan and British Columbia who meet certain eligibility of minimum purchase requirements. Important information about the NewGen Equity Long-Short Fund LP, including the statement of the fund's investment objective, is contained in the Offering Memorandum, a copy of which may be obtained from NewGen Asset Management Limited.

Please read the Offering Memorandum carefully before investing. The information and materials in this document are for informational purposes only. They are not intended as investment, financial or other advice. The information included in this document is not an offer to sell. While the information and material in this document are believed to be accurate at the time they are prepared, NewGen Asset Management Limited (and its affiliates, subsidiaries or sub-advisors) cannot give any assurance that they are accurate, complete or current at all times. Past returns are not necessarily indicative of future performance. Actual results will vary. This document is confidential and is intended solely for the information of the person to which it has been delivered.

Firm Overview

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Organization:

- NewGen is a boutique alternative investment manager based in Toronto, Canada
- We specialize in long-short strategies that aim to capture absolute return from the highly inefficient Canadian securities markets

Philosophy:

- We strive to offer investors true long-short alternatives to traditional long-only investment strategies
- We focus on delivering truly unique return streams with minimal correlation to other asset classes
- We rely on disciplined risk management strategies to provide investors with capital preservation and diversification benefits from our portfolios

Funds:

NewGen Equity Long/Short Fund:

- Highly active strategy that merges both trading and fundamental analysis to generate Alpha (excess return) from catalyst- driven stock-specific ideas while minimizing Beta (systematic risk)
- AUM of ~$330 million (closed to new investors)

NewGen Alternative Income Fund:

- Launched January 2019, under Canada's new Liquid Alternatives regulatory framework
- Long-short strategy seeking a combination of steady long-term capital appreciation and a stable stream of income
- AUM of ~$70 million

Investment Strategy Highlights

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Core Strategy Goals[1,2,3]:

Maximize Alpha:
+13.3% annualized return since inception
+10.9% Alpha vs the TSX

Minimize Beta:
0.26 Beta to the TSX

Minimize Downside Volatility:
75% positive months
-25.6% downside capture vs the TSX

Strategy Overview:

- Opportunistic equity long/short trading strategy that mergers trading and fundamental analysis
- Identify market dislocations in the extremely inefficient Canadian equity market
- Highly active management strategy, positioning around definable catalysts / events
- Target absolute return from both long and short positions (shorts contributed ~20% profit since inception)
- 0.26 Beta coefficient to the TSX Composite Index
- Consistently defensively positioned with low net exposure (32% since inception) to minimize systemic risk
- Disciplined adherence to Adaptive Risk Management policies and a high portfolio liquidity
- Ability and willingness to aggressively de-risk during periods of heightened volatility
- Short positions provide downside protection

1. Performance data is since strategy inception (July 2012) and reported net of all fees; data prior to February 1, 2014 is for Class A – Series 1 Units from the NewGen Equity Long/Short Fund, an Exempted Company incorporated in the Cayman Islands; effective February 1, 2013 this Fund changed its base currency from USD to CAD, presentation of performance data prior to this date assumes USD hedged to CAD; the NewGen Equity Long-Short Fund LP adopted an identical investment strategy on February 1, 2014; data on and after February 1, 2014 is for Class B – Series 1 Units of the NewGen Equity Long-Short Fund LP
2. Jensen's Alpha calculation using 1.5% risk free rate
3. The TSX Composite Index and TSX Small Cap Index performance is provided for illustrative purposes only –they are widely followed indices but are not considered benchmarks due to differing holding composition compared to the NewGenEquity Long-Short Fund LP. The composition of the Funds' portfolio could differ significantly from these indices due to the investment strategy employed, and includes differences such as use of short positions, varying fund net exposure, varying sector exposure, and investing in small and mid capitalization stocks. Please see "Investment Strategies" in the Confidential Offering Memorandum for more details

NewGen Advantage

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Specialized Portfolio Manager Experience

+50 years collective capital markets experience of PMs

Unique intersection of skillsets (Fundamental + Trading)

Proven 6.5 year track record managing NewGen Equity Long/Short Fund

Specific short selling expertise (~20% of historic attribution of NewGen Equity Long/Short Fund LP)

Demonstrated in-house research & analysis process

Extensive Relationship Network

Incubated relationship network of best idea generators

Salespeople, traders, analysts, industry sources

Constant flow of inbound investment ideas

Ability to leverage research networks to complement internal research

Unique Market With Limited Competition

Canadian market highly inefficient due to distribution of institutional capital (hedge funds <1% of AUM in Canada)

Minimal competition from small nimble managers creates opportunity in small and mid- caps and across capital structures

High barriers to entry for new hedge fund entrants

Disciplined Risk Management Framework

Proven ability to preserve capital through disciplined internal risk management

Negative downside capture in NewGen Equity Long/Short Fund

Emphasis on maintaining liquid portfolio

Key Investment Professionals

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David Dattels, CFA President, Portfolio Manager	Mr. Dattels is the Founder and President of NewGen. Prior to founding NewGen in 2009, he worked at RAB Capital PLC, a UK based hedge fund manager, where was co-manager of the RAB Special Situation Fund (>$2 billion AUM), which was rated the Best Energy & Natural Resources Fund by Hedge Funds Review in 2007 and ranked No1 in Barron's Hedge Fund 50 Global rankings in 2007. Mr. Dattels was also a mining analyst for Canaccord Adams based in London, focusing on gold and base metal companies. He has 17 years capital markets experience, graduated from the University of Western Ontario with a BA (Hons) in Economics and is a CFA Charterholder.
Chris Rowan, CFA Portfolio Manager	Mr. Rowan joined NewGen in July 2011. He formerly worked at the CPP Investment Board, one of Canada's largest asset managers with over $350 billion under management, where he was most recently Portfolio Manager in the Global Capital Markets Group, responsible for co-managing the fund's passive global indices, trading on behalf of all groups outside of Capital Markets, and managing a proprietary book (over $2 billion of dedicated capital) focused on several trading strategies. He graduated from the University of Western Ontario with an Honours in Business Administration (HBA). He has 13 years capital markets experience, and is a CFA Charterholder.
Norman Chang, CIM Portfolio Manager	Mr. Chang joined NewGen in January 2010. Previously he worked in corporate development for a junior gold developer and was Co-Founder and Portfolio Manager at SouthShore Capital Management, which managed the Ark Canadian Long/Short Equity Fund. Mr. Chang was also senior analyst at Epic Capital Management, a top performing Canadian hedge fund, where he focused on fundamental mining and resource related research. He also has experience in the precious metals research group at BMO Capital Markets. He has 21 years capital markets experience, and graduated from the University of Western Ontario with a BA (Hons) in Finance and Economics.
Martin Lavigueur, CFA Senior Analyst	Mr. Lavigueur joined NewGen in March 2019. Previously, he worked at Timelo Investment Management, a long/short hedge fund, where he was Head of Research responsible for research coverage on the Consumer, Energy and Industrial sectors and overseeing a team of analysts. Mr. Lavigueur started his capital markets career on the sell-side where he amassed experience in Equity Research and Sales roles with leading independent and global investment banks. He graduated from Concordia University with a Master's in Business Administration. He has 12 years of capital markets experience and is a CFA Charterholder.

Canadian Stock Market Snapshot

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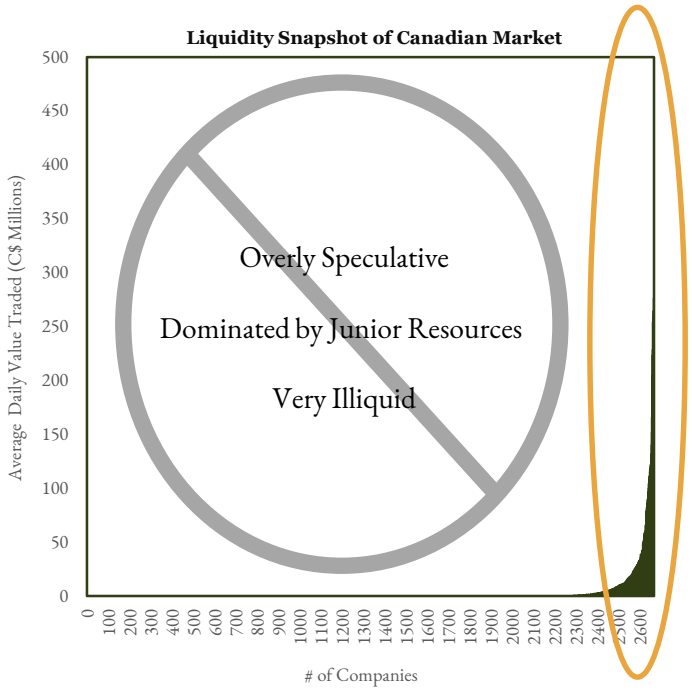
- ~2890 listed stocks in Canada – market largely ignored by international investors
- Only 15% investable (i.e. they trade >$1 million in volume / day)



	Small Cap	Mid Cap	Large Cap
# of Companies[1]	194	138	89
Average Yield	39%	46%	34%
Median Daily Value Traded (C$M)[2]	2.2	10.2	54.0

- Manageable universe of liquid companies
- Over 1/3rd resources
- Small + Mid-Cap comprise 80% of universe, but are too illiquid for most Canadian institutions
- Sufficient liquidity for a small / mid-size manager

1. Small-cap defined as <$1Bn, Mid-cap defined as $1-5Bn, Large-cap defined as >$5bn
2. 20 day average daily value traded, as of February 6, 2018

Very Uncompetitive Investment Landscape

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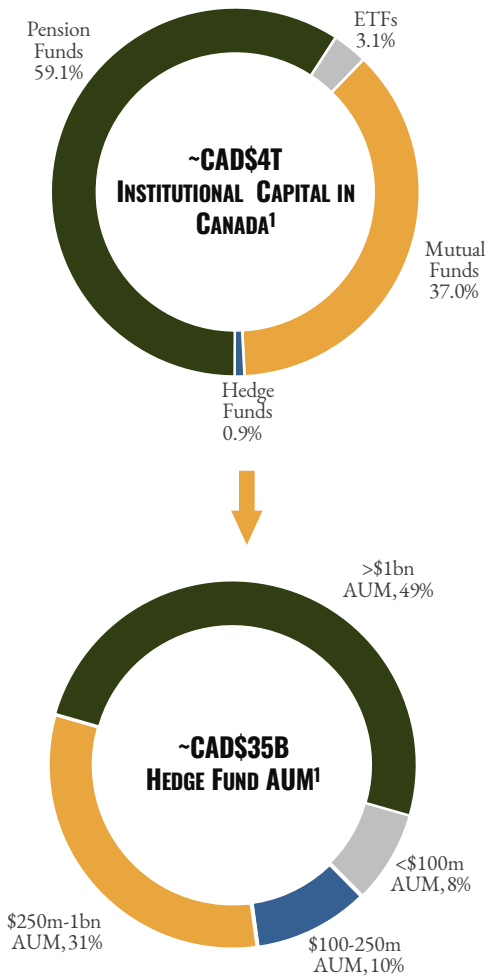
- The bulk of institutional capital in Canada is dominated by extremely large slow moving pools of capital
- Meanwhile, the growth of Canada's hedge fund industry has considerably lagged the US and other major global financial centers2 due to structural barriers including:
  - High legal and regulatory costs;
  - Challenging access to retail capital; and
  - Lack of international interest in Canada

	Canada	US
# of Hedge Funds	203	6,869
Equity Long-Short Subset	113	2,727

- This unique investor landscape relative to the small size of the Canadian investment universe, has resulted in a highly inefficient market due to:
  - Predominantly long-term, passive in investment strategies;
  - An inherent long-bias focus from sophisticated pools of capital;
  - With highly crowded positioning;
  - A lack of focus on small and mid-capitalization companies; and
  - A disregard for short-term trading opportunities



1. AIMA Canada 2015; Canada mutual fund data from Investment Funds Institute of Canada December 2017; Canada pension fund data from Statistics Canada 2016; ETF data from ETF Strategy Ltd January 2018 Hedge fund data from
2. Barclayhedge Q3/17, Eureka Hedge December 2017
3. Canada Hedge Fund data from AIMA Canada for 2015, equity investments estimated using data from the Scotiabank Canadian Hedge Fund Index (41% of industry), NewGen assumed 60% of that was Canadian Equity (vs 58% for mutual funds)

Stock Selection Process

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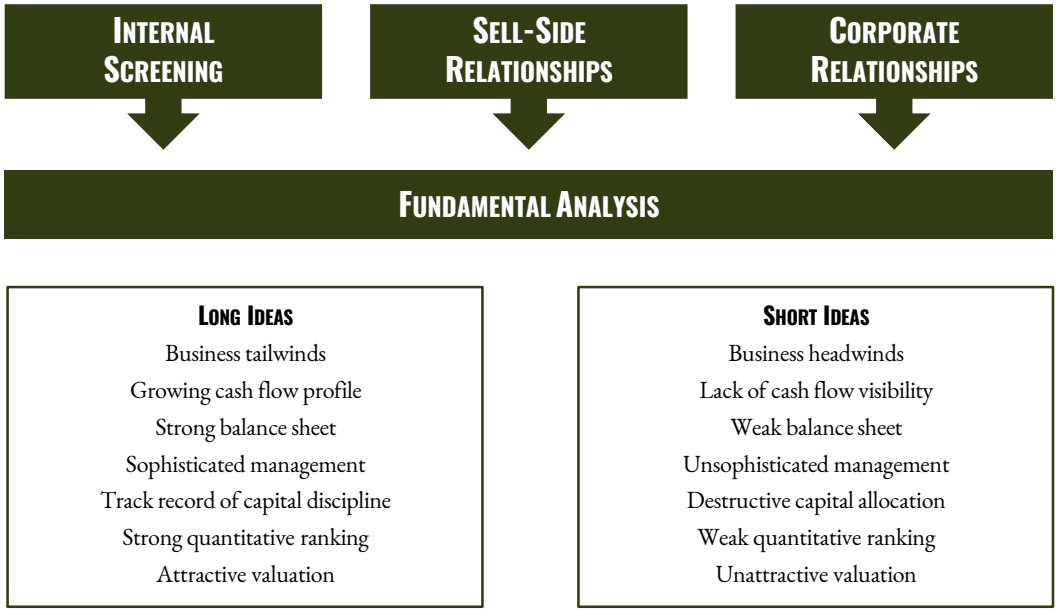

Adaptive Risk Management

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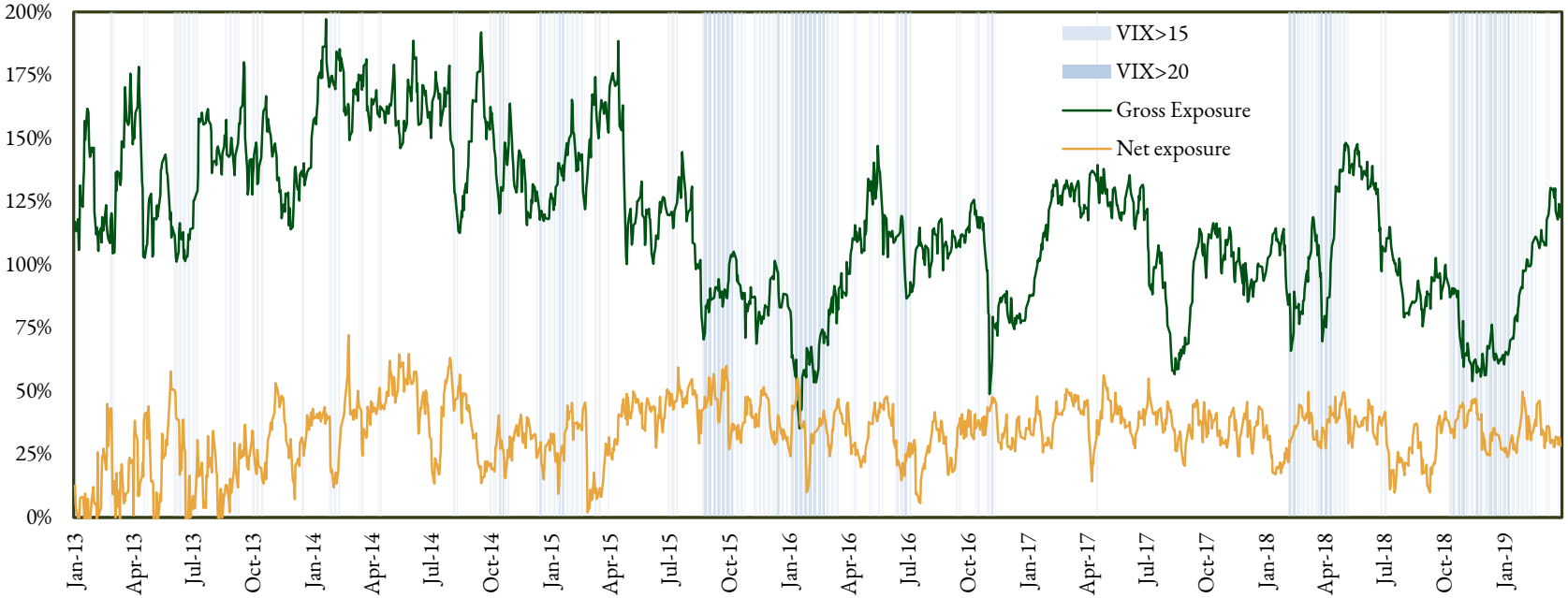
Historic Daily Gross and Net Exposures[1,2]



Exposures Since January 2013	Long	Short	Gross	Net
Normal Market (Vix <15)	79.3%	43.9%	123.2%	35.4%
Increasingly Volatile Market (Vix 15-20)	65.0%	35.5%	100.5%	29.6%
Volatile Market (VIX >20)	53.2%	26.2%	79.4%	27.0%
Average	73.4%	40.5%	114.0%	33.1%

1. Exposure data prior to February 1, 2014 is from the NewGen Equity Long/Short Fund (formerly known as NewGen Trading Fund)
2. CBOE Volatility Index, 5-day moving average

Comparative Performance

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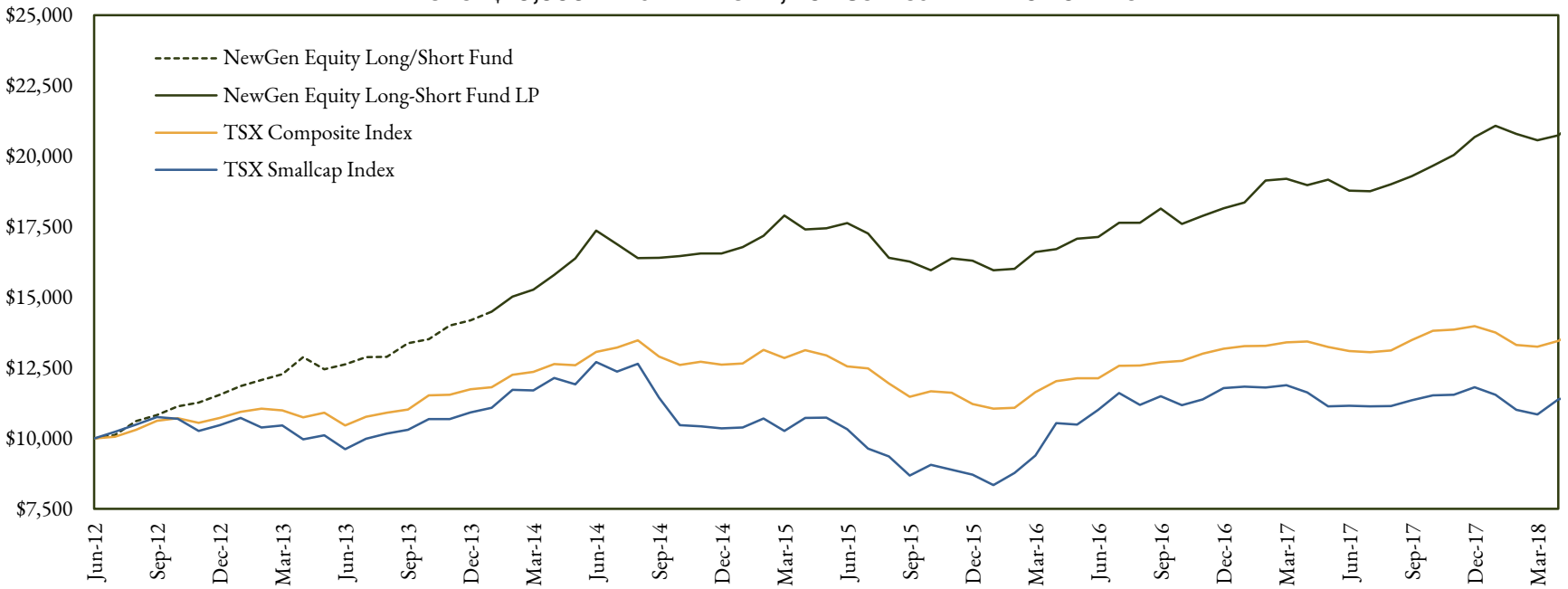
Value of $10,000 Invested in Fund[1], TSX Composite and TSX Smallcap Index[2]



	1 Year	3 Year	5 Year	Since Inception
NewGen Equity Long-Short Fund LP	13.04%	12.74%	9.11%	13.51%
TSX Composite Index	4.78%	6.07%	2.35%	4.98%
TSX Small Cap Index	-4.23%	3.40%	-2.36%	0.56%

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Comparative Performance

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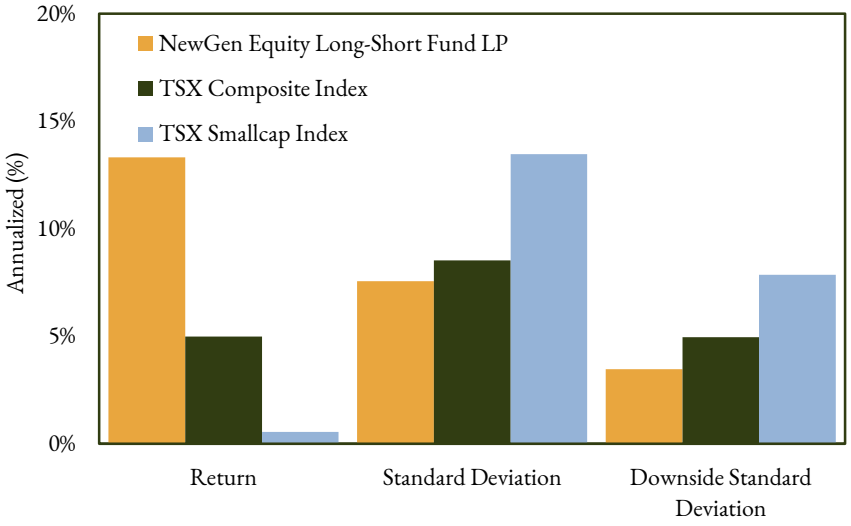
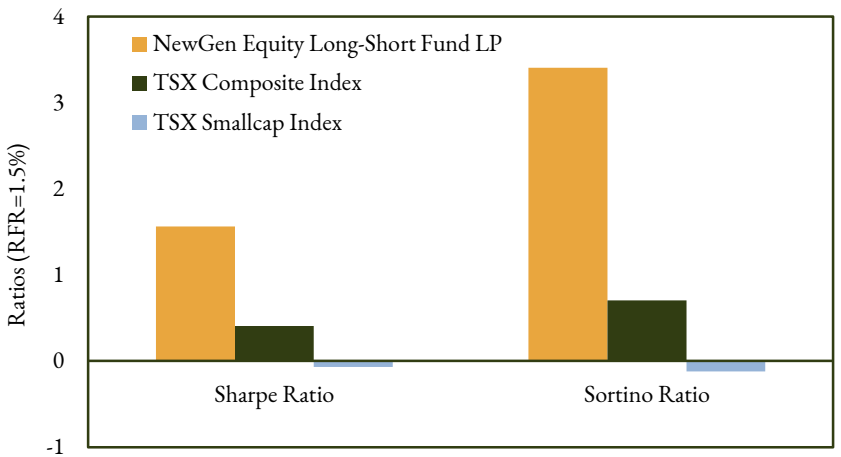
Comparative Return and Volatility[1,2,3]



Comparative Sharpe and Sortino Ratios[1,2,3]



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3. Standard deviation is a form of hypothetical performance data, and the Sharpe and Sortino Ratios are hypothetical measures of excess return (use US 5-year Treasury yield for the risk-free rate in its calculation)

Up / Down Capture

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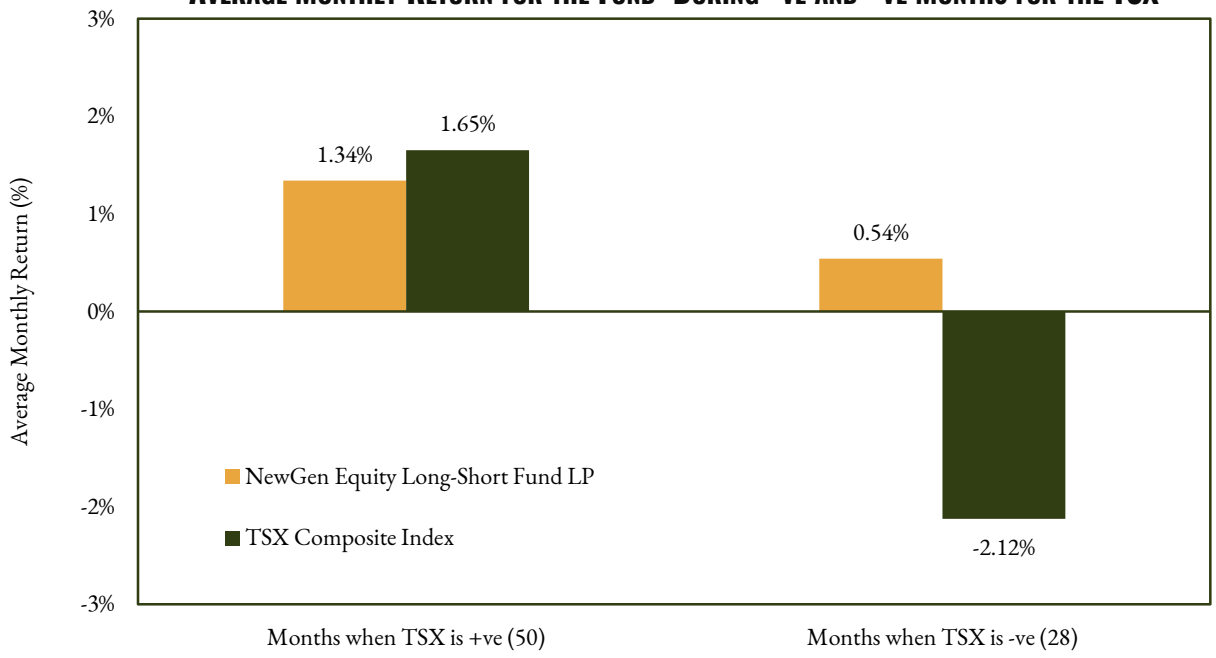
Average Monthly Return for the Fund[1] During +ve and –ve Months for the TSX[2]



Upside Capture	Downside Capture
81.1%	-25.6%

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Key Facts

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Portfolio Managers	David Dattels, CFA Chris Rowan, CFA Norm Chang, CIM
Fund Structures	Mutual Fund Trust (RRSP Feeder) Limited Partnership (Canadian Feeder Fund) Cayman open-ended investment fund (Master)
Eligible Canadian Investors	ON/AB/BC/NL/QC/SK/MB
FundSERV Codes	F Class NEW004 / RRSP NEW304 G Class NEW005 / RRSP NEW305
Base Currency	CAD (Hedged USD Class Available)
Minimum Investment	Closed to new investors
Management Fee	B & G Class 2% / F Class 1%
Profit Allocation	20% above perpetual high-water mark
Subscriptions / Redemptions	Monthly
Strategy Inception	July 2012
Administrator	SGGG Fund Services Inc
Auditor	KPMG LLP
Prime Broker	CIBC World Markets
Custodian	CIBC World Markets

Investment Manager Structure

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Partners & Investment Team

David Dattels, CFA *President & Portfolio Manager*	**Chris Rowan, CFA** *Portfolio Manager*	**Norm Chang, CIM** *Portfolio Manager*	**Martin Lavigueur, CFA** *Senior Analyst*

Business Team

Olga Gergin *Head of Operations, Chief Compliance Officer*	**Rob Duncan, CFA** *VP Corporate Development, Client Services*	**Anthony Bergman** *VP Corporate Development, Client Service*	**New Hire, TBA** *Operational Support*

Contact

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