



Overview of 2018's Recirculation

September 2018

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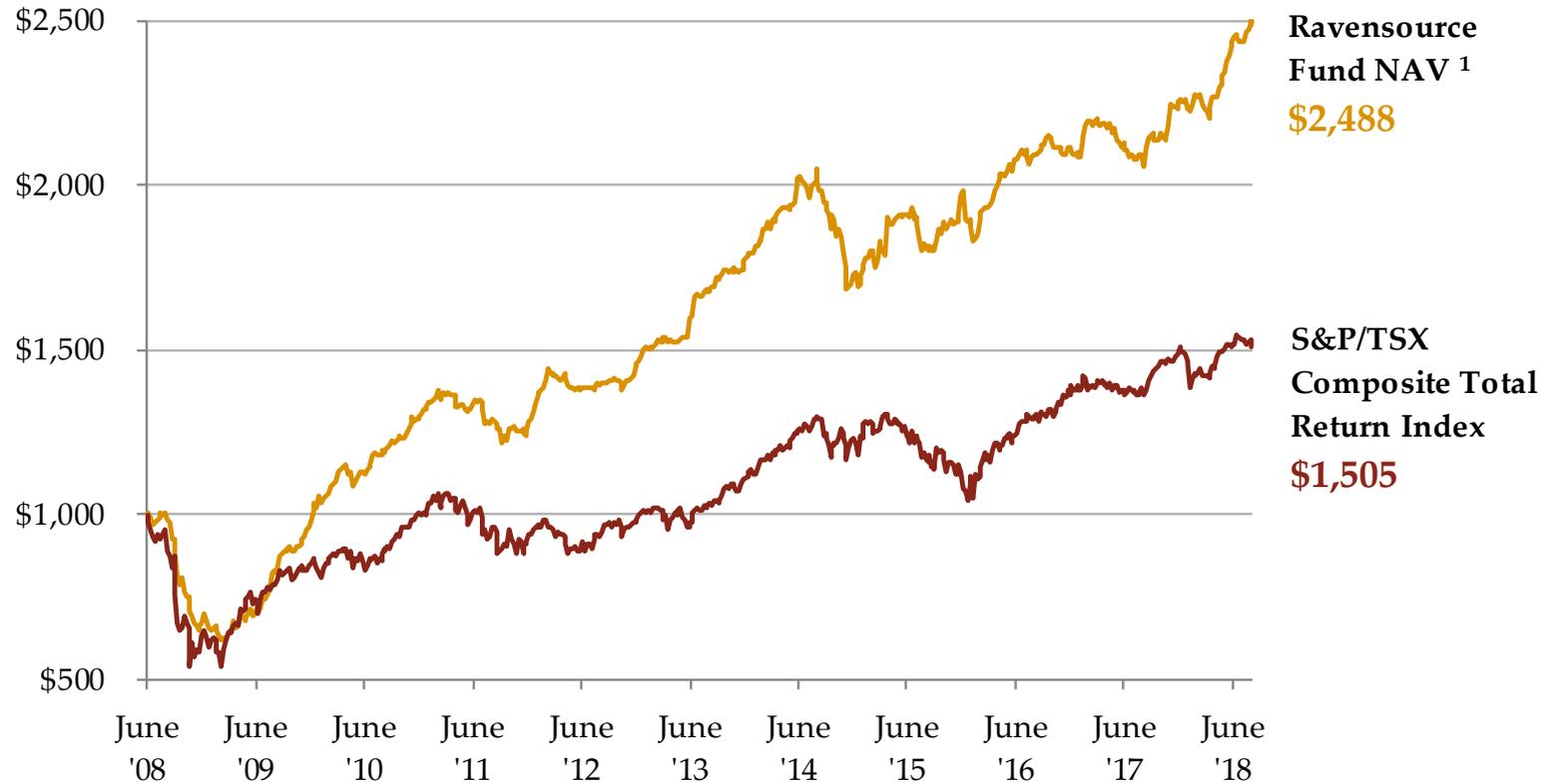
Although we believe the information provided in this presentation to be correct, it is not intended to provide complete or full disclosure of the Fund. This presentation should be considered as a supplement to the Fund's financial statements, Management Report on Fund Performance ("MRFP"), Annual Information Form ("AIF") and the Independent Review Committee ("IRC") report. You can get a copy of the aforementioned documents along with the Fund's proxy voting policies and procedures, proxy voting disclosure record, at your request, and at no cost, by calling (416) 250-2845, by writing to us at Stornoway Portfolio Management 30 St. Clair Avenue West, Suite 901, Toronto, ON M4V 3A1, by visiting our website at www.ravensource.ca, or the SEDAR website at www.sedar.com.

This presentation is qualified in its entirety by the Fund's Amended and Restated Declaration of Trust, dated July 3rd, 2015 (the "Declaration of Trust"). In the event of any inconsistency between the information provided herein and that contained in the Declaration of Trust, the latter shall govern.

All index performance information has been obtained from third parties and are shown for information purposes only. Past performance is no guarantee of future results.

RavenSource: Long-Term Value Creation

Growth of \$1,000



(1) Based on net asset value per unit, assuming all distributions are reinvested in units at net asset value.

SECTION 1

**RavenSource Fund
Overview**

The Ravensource Fund

- The Ravensource Fund (“Ravensource” or the “Fund”) is a closed-end mutual fund trust publicly listed on the TSX (ticker: RAV.UN) that is eligible for registered accounts (e.g. RRSP, TFSA, RESP, RRIF)
 - ❑ Stornoway Portfolio Management (“Stornoway”) has managed Ravensource since July 2008
- Ravensource seeks to achieve absolute, long-term returns by applying a disciplined, contrarian, hands-on approach to investing in out-of-favour and deep-value North American securities
 - ❑ Employs an analytically rigorous diligence process to identify compelling opportunities and will often get actively involved to protect, create and capture value identified at time of investment
- The Fund provides retail investors the opportunity to invest in private equity / hedge fund-like alternative strategies not typically offered in a mutual fund or closed-end fund
 - ❑ Invests in alternative credit, distressed securities, and special situation equities strategies
- **Ravensource is currently recirculating units tendered for redemption, providing an opportunity to purchase more units than are generally available on the market**

Why Invest in Ravensource?

- Proven 10+ year track record of long-term value creation for Ravensource investors
 - ❑ Since July 2008, a \$1,000 investment in Ravensource has grown to \$2,488, generating an annual compounded return of 9.4% for its investors
 - ❑ In contrast, a \$1,000 investment in the TSX grew to \$1,505 generating an annual compounded return of 4.1% over this same time period
- Ravensource can provide a powerful diversifying impact on traditional portfolios
 - ❑ Contrarian investment style has little correlation with market indices / investment vehicles
 - ❑ Focus is on alternative strategies which are not typically available to retail investors
- Strong alignment between Stornoway — the Investment Manager — and Ravensource investors
 - ❑ Core tenet of Stornoway: we treat fellow investors as partners, because they are
 - ❑ Fees Stornoway earns on advising investee companies lower Ravensource's management fees
 - ❑ Incentive fee earned for positive performance, but only after generating a 5% return to investors
 - ❑ Stornoway employees have significant "skin in the game" and own ~10% of Fund units

Contrarian Investment Philosophy

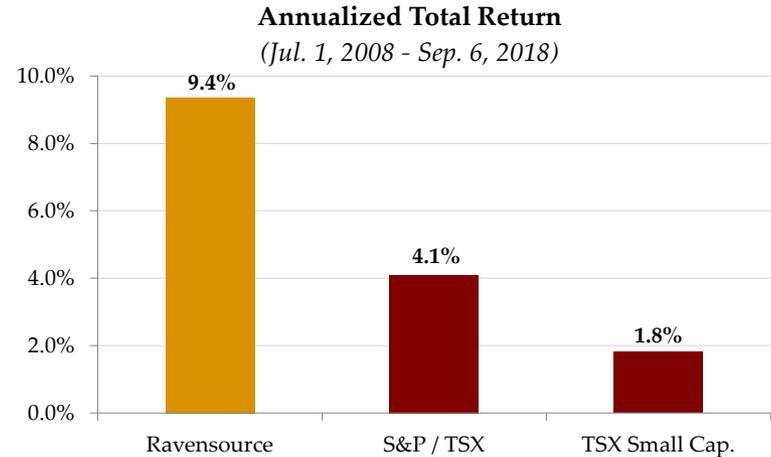
- Stornoway's overarching investment philosophy:
 - ❑ Following the herd rarely results in superior performance, so we invest where others won't / don't
 - ❑ Under-loved / overlooked investments often trade at significant discounts offering a **wide margin of safety** and **catalysts for price appreciation** that can produce **superior risk-adjusted performance**
- We focus on investments that are overlooked and / or left for dead by traditional investors
 - ❑ We often act as the "buyers of last resort" and capitalize on panicked sellers to pick up bargains
 - ❑ Few investors have the fortitude, skillset, and willingness to help fix the underlying issues / problems
- Stornoway employs a disciplined and rigorous analytical process to determine if these 'diamonds in the rough' merit investment
 - ❑ Structured process designed to generate repeatable and superior performance
 - ❑ Concentrate our portfolio in these highest conviction ideas
- Simply identifying these opportunities is not enough – to create value, we:
 - ❑ Seek / emphasize investments with an identifiable catalyst;
 - ❑ Get actively involved where necessary to unlock the value of our investments; and
 - ❑ Have the patience and an investment horizon long enough for these catalysts to unfold

Access to Alternative Strategies

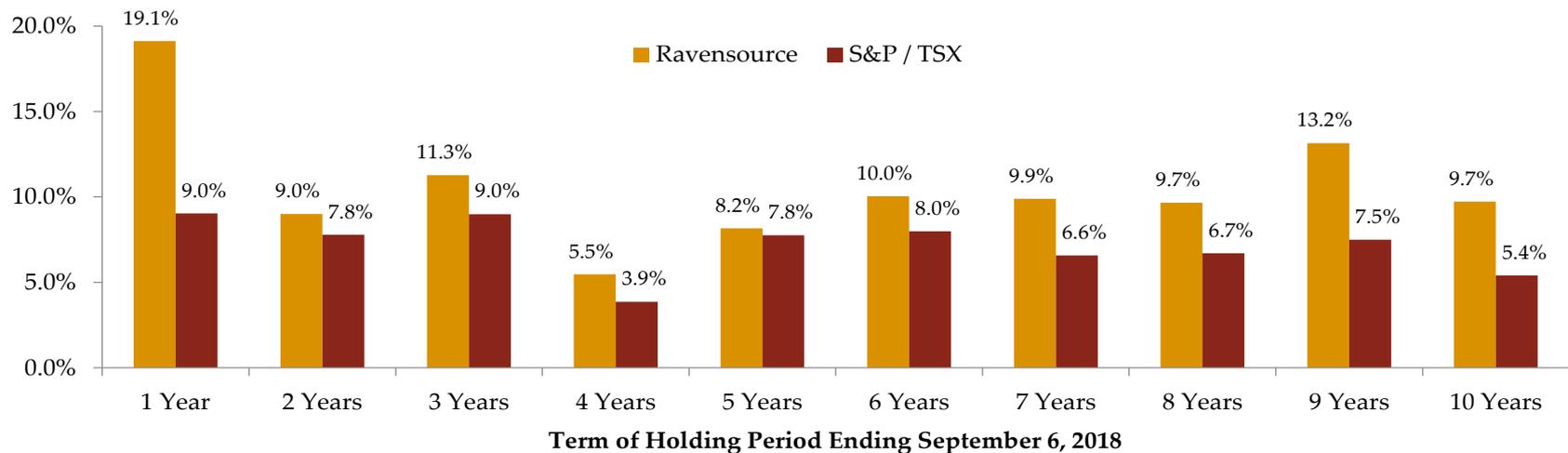
- Ravensource invests in three strategies that are not easily accessible for a retail investor:
 - 1) Alternative Credit
 - Private placements, rescue financings, high yield debt, convertible bonds, and other debt-like instruments that produce a sustainable high level of income for their underlying credit risk
 - 2) Distressed Securities
 - Securities of companies which are in, or perceived to be in, financial distress, which in turn causes operational distress
 - We target good companies with bad balance sheets / too much debt
 - Ravensource will take an active role to help turnaround and revitalize these companies by:
 - De-risking an investment through converting its debt to equity
 - Investing new capital to further strengthen its balance sheet
 - Supporting an operating turnaround, creating value for the new equity
 - 3) Special Situation Equities
 - Investing in deep-value shares with identifiable catalysts to capture the difference between the current market price of the shares and Stornoway's analysis of their realizable intrinsic value
 - e.g. mergers/acquisitions, operating turnarounds, asset sales, and other corporate actions

RavenSource's Historical Performance

- Since Stornoway became Fund's manager in July 2008:
 - ❑ A \$1,000 investment has grown to \$2,488
 - ❑ 2.49x multiple / 9.4% annual return on investment
- Throughout various holding periods, RavenSource has:
 - ❑ significantly outperformed the TSX
 - ❑ consistently rewarded long-term investors



RavenSource Annualized Historical Returns



Powerful Diversifying Effect on Portfolios

- The vast majority of Ravensource’s investments are not in major market indices or owned by other public funds
 - ❑ Our contrarian approach focuses on out-of-favor securities off the radar screen of traditional investors
 - ❑ None of Ravensource’s investments are in the S&P/TSX Composite Index and only 1 investment is in the S&P/TSX Small Cap Index
- Our hands-on approach and achievement of milestones have been an important contributor to performance
 - ❑ Completion of a restructuring, M&A transaction, or asset sales can lead to increase in an investment’s value
 - ❑ Returns from achieving these milestones are typically **unrelated** to movements in the equity markets and other asset classes
- As a result, Ravensource has generated long-term returns differentiated from “the crowd”
- One way to measure this differentiation is the correlation of Ravensource’s returns to other markets / assets
 - ❑ Measures the relationship between the Fund’s monthly returns and returns for other asset classes
 - ❑ A correlation closer to 0% means the returns on the two assets are more independent
- Ravensource’s low historic correlation to other asset classes can provide diversification to an investor’s portfolio

Ravensource 5-year Correlation to:

S&P/TSX Composite Total Return Index	49.9%
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S&P/TSX Small Cap. Total Return Index	52.7%
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ICE BofAML US High Yield Index	13.4%
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Credit Suisse Distressed HF Index	1.7%
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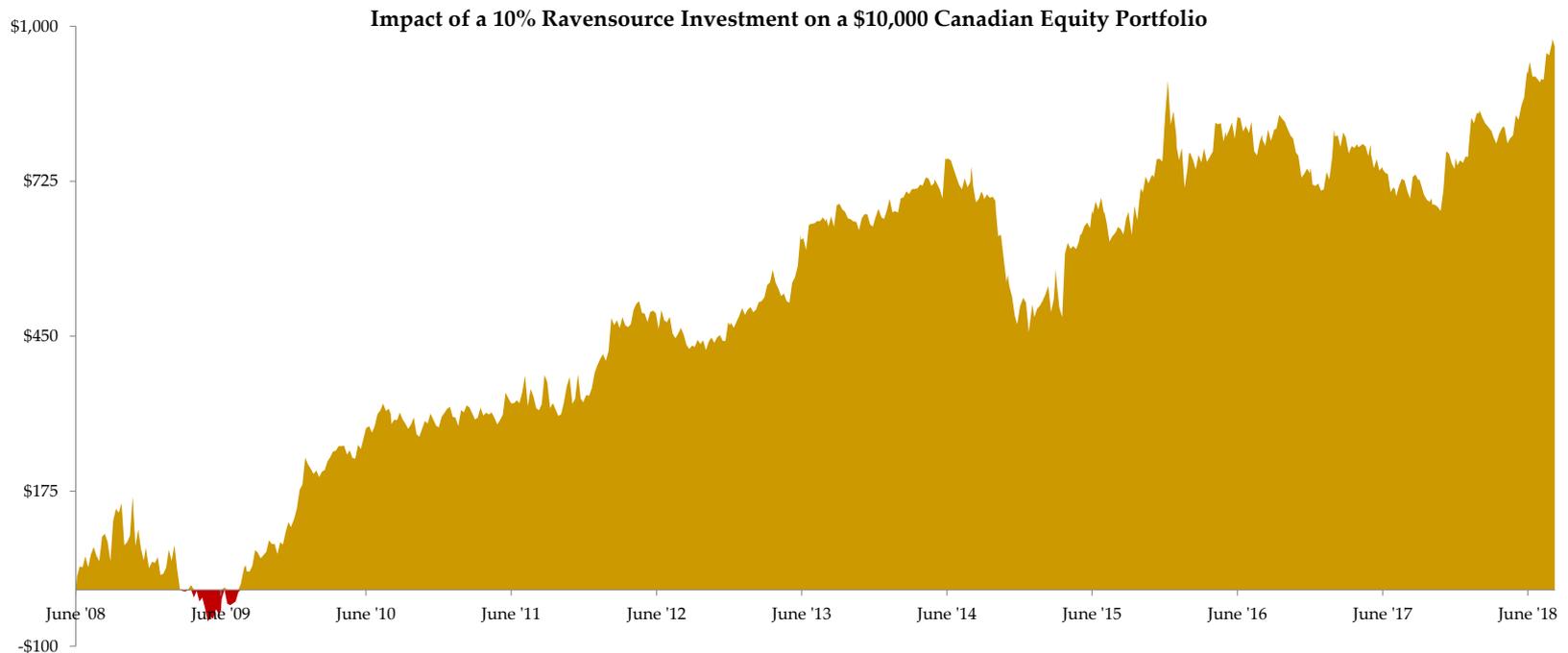
Gold Price (\$/oz)	3.3%
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S&P/TSX Capped REIT Total Return Index	32.8%
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Note: See Appendix for index descriptions.

Increasing Returns While Lowering Risk

- Ravensource's strong performance and low correlation to traditional asset classes can have a powerful diversifying effect with the potential to increase a portfolio's return while lowering risk
- An investor who invested 10% of a \$10,000 Canadian equity portfolio – we use the S&P / TSX Composite Index as a proxy – into Ravensource units at the Fund's inception would have:
 - ❑ **Increased** their return by 6.3%, or \$964
 - ❑ **Decreased** their risk by 8%



Opportunity to Invest via Recirculation

- **The annual Recirculation Opportunity offers investors the opportunity to purchase more units than are usually offered and available for purchase on the TSX**
- Each September, Ravensource investors have the right to redeem their units for cash at 100% of net asset value (the “Annual Redemption Right”)
- In turn, Ravensource has the right to recirculate the units tendered for redemption to interested buyers (“the Recirculation Opportunity”)
 - ❑ Previous recirculations — 2009, 2010, 2013 and 2017 — were all fully subscribed
- The details of this year’s Recirculation Opportunity are as follows:
 - ❑ Number of units available for purchase: 56,961
 - ❑ Recirculation price per unit: \$16.3773
- Ravensource engaged BMO Nesbitt Burns Inc. as the Recirculation Agent to recirculate those units tendered for redemption, creating an opportunity for purchase by interested investors
- This recirculation presents investors with the opportunity to:
 - ❑ Acquire a larger number of Ravensource units than typically offered on the TSX
 - ❑ Purchase units at a 4.5% discount to the September 7, 2018, closing offer price / ask on the TSX

SECTION 2

**Investment
Case Studies**

Stornoway in Action – Case Studies

- Ravensource invests in overlooked securities across the capital structure in three strategies:
 - ❑ Alternative Credit;
 - ❑ Distressed Securities; and
 - ❑ Special Situation Equities

Alternative Credit



Investment Summary

- **Status:** Exited Investment
- **Investment:** Senior Secured Notes
- **Strategy:** Alternative Credit
- **Investment Period:** Dec 2017 to July 2018
- **Average Purchase Price:** \$90 per \$100 Bond
- **Effective Realized Value:** \$100 per \$100 Bond
- **Total Return:** 14.7% (Gross)
- **Annualized Return:** 28.2% (Gross)

Distressed Securities



Investment Summary

- **Status:** Current Investment
- **Investment:** Convertible Secured Debenture
- **Strategy:** Distressed Securities
- **Investment Period:** June 2006 to Present
- **Average Purchase Price:** \$80 per \$100 bond
- **Effective Realizable Value:** \$578 per \$100 bond
- **Total Return:** 621.7% (Gross)
- **Annualized Return:** 24.7% (Gross)

Special Situation Equities



Investment Summary

- **Status:** Exited Investment
- **Investment:** Public Common Equity
- **Strategy:** Special Situation Equities
- **Investment Period:** Nov 2013 to Dec 2017
- **Average Purchase Price:** \$0.84 per share
- **Effective Realized Value:** \$1.94 per share
- **Total Return:** 130% (Gross)
- **Annualized Return:** 28.0% (Gross)

Alternative Credit – Dealnet Capital Corp.

Company and Opportunity Overview

- Dealnet is a Canadian, publicly listed company with three operating divisions:
 - ❑ Consumer finance that provides leases and loans against HVAC equipment;
 - ❑ Text message-based marketing segment (“Impact Mobile”); and
 - ❑ Call center operation
- Dealnet failed to grow its consumer finance business to a sufficient scale to cover its operating costs, thus burning significant cash and pushing the company to the brink of insolvency by late-2017
- Stornoway was asked to provide a rescue financing solution to allow Dealnet stave off bankruptcy

Investment Thesis

- Stornoway analysis rejected underwriting the money-losing consumer finance business but generated conviction that the value of the Impact Mobile segment was sufficient to cover the proposed loan
- Stornoway took great care to structure the loan to be specifically secured against the Impact Mobile operations and included positive and negative motivators for company to sell this segment
- This new rescue financing provided Dealnet with runway for a proper sale process for Impact Mobile

Investment and Returns

- Stornoway led a \$12.0 million financing of 6% Secured Notes, secured against Impact Mobile business
 - ❑ Issued at \$90 per \$100 face value, further reducing our risk and increasing potential returns
- In July 2018, Dealnet sold Impact Mobile for \$27.5 million and repaid Secured Notes with proceeds
- Total return on our investment was 14.7%, equating to an annualized return of 28.2%

Distressed Securities – Specialty Foods Group

Company and Opportunity Overview

- Specialty Foods Group (“SFG”) is a US-based processed meat company based in Kentucky
- In 2006, SFG needed to reorganize to avert an insolvency crisis from a failed debt-financed expansion

Investment Thesis

- SFG core operations – Nathan’s Famous hot dogs, Kentucky Legend hams – were profitable and growing but their potential was constrained by burdensome debt load and operating losses on its non-core assets
- SFG could prosper by refocusing on its core operations, sell non-core assets, and strengthen balance sheet
- Stornoway believed that with our expertise and experience in restructuring, we could assist SFG through the process, de-risk our investment and create significant value for all stakeholders

Investment and Returns

- Stornoway led an issue of convertible secured debt (“CSDs”) structured to provide investors protection through its pledged assets and upside participation via 92% of the shares if the company was revitalized
- Opportunistically, Ravensource materially increased its CSD investment between 30-50 cents on the dollar
- Scott Reid joined SFG’s Board and led initiatives to correct the capital structure and revitalize operations
- With permanent capital, a reduced footprint and an upgraded management team, SFG thrived and the CSDs were exchanged into equity of the company
- In March 2017, SFG completed a reorganization releasing \$55 million of cash to shareholders
- In August 2018, SFG announced it signed binding documentation to be acquired by Indiana Packers Corporation. The transaction is expected to close by October 2018, fully monetizing the investment
- To date, the investment in SFG has generated a total return of over 7.2x, ~25% on an annualized basis

Special Situation Equities – NAPEC Inc.

Company and Opportunity Overview

- NAPEC Inc. (“Napec”) is a Canadian engineering and construction company to North American utility and heavy industrial companies. Until February 2018, Napec was publicly traded on the TSX
- Despite the strong environment in the utility construction sector, Napec was riddled with executional setbacks, poorly structured contracts and earnings disappointments causing sellers to flood the market

Investment Thesis

- Through its analysis and diligence process, Stornoway grew its conviction that Napec’s US business was very profitable, was competently led by skilled operators with a disciplined growth strategy that was being over-shadowed and dragged down by the poor performance in Canada
- Based on our sum-of-the-parts valuation analysis, the market price of its shares were cheap based on the intrinsic value of US segment alone and it would be attractive for a strategic acquirer

Investment and Returns

- Ravensource began investing in Napec in late-2013, building a position over time opportunistically on market weakness that ultimately grew to our fourth largest with an average cost of \$0.84 per share
- While we were required to maintain our conviction, and patience, over an extended period of time as the company continued to falter after our original investment, we were ultimately rewarded
- On December 4, 2017, Napec announced they would be acquired by an affiliate of Oaktree Capital Management for \$1.95 per share, realizing on the value we recognized at the time of our investment
- We exited our position in February 2018 with a 2.3x return on capital and a 28.0% annualized return

SECTION 3

Additional Fund Details

Fund Structure and Terms

The Ravensource Fund	
Structure	Closed-end mutual fund trust Eligible for registered accounts (e.g. RRSP, RESP, TFSA, RRIF)
Trading Exchange & Symbol	Toronto Stock Exchange / RAV.UN
Management Fee	1% of net assets
Incentive Fee	20% of increase in net asset value above a 5% hurdle rate, and subject to a lifetime high-water mark
Distribution Policy	Semi-annually in June and December
Most Recent Distribution	\$0.15/unit on June 30, 2018 1.8% annualized yield based on NAV per unit of \$16.3773
Liquidity Terms	Freely tradeable on TSX No investment minimum Annual redemption right at 100% of net asset value

Semi-Annual Distribution Policy

- Ravensource's goal is long term capital appreciation realized through growth in the NAV of the Fund
- That being said, Ravensource maintains a semi-annual distribution with a dual purpose:
 - ❑ Distribute an amount sufficient to avoid tax liability for the fiscal year
 - ❑ Provide a reasonable yield for investors
- In order to comply with this policy, the December distribution fluctuates depending on the amount of investment income expected to be earned by the fund in the year
- The Fund paid a semi-annual distribution of \$0.15/unit on June 30, 2018
 - ❑ Represents an annualized yield of 1.8% based on the NAV per unit at September 6, 2018 of \$16.3773

Additional Liquidity: Annual Redemption Right

- Ravensource is freely tradeable on the TSX, where it has generally traded within ~5% of NAV
 - ❑ Facilitates the buy and sell / investment and divestment of Ravensource units

- In addition, Ravensource offers its investors an annual redemption privilege
 - ❑ The redemption right allows unitholders to redeem 100% of their units for cash at 100% of net asset value
 - ❑ In turn, units tendered for redemption can be re-offered / recirculated to interested investors

- Requests for redemptions must be received by the 20th business day prior to the Redemption Date, i.e. early August

- Net asset value for annual redemption calculated as of the first valuation date after August 31st of each year (the “Redemption Date”)
 - ❑ Effectively calculated as of the first Thursday in September, as Ravensource’s net asset value is calculated and published weekly on Thursdays

- Cash payment for redeemed units is made 15 trading days following the Redemption Date

Suitability Considerations and Risk of Investment

- An investment in Ravensource should represent a portion — no more than 10% — of an otherwise diversified investment portfolio
- Ravensource is suitable only for long-term investors with an above average tolerance for risk:
 - ❑ The primary investment objective of the Fund is long-term capital appreciation and therefore is only suitable for investors with a longer-term time horizon
 - ❑ As the Fund's distribution may vary and the Fund's investment strategy emphasize long term capital appreciation versus current income, it may not be suitable for income-oriented investors
 - ❑ An investment in the Fund should be considered part of the higher-risk equity or alternative investment allocation of a diversified investment portfolio
 - ❑ While Ravensource is publicly traded on the TSX, its typical daily trading volume is small, potentially requiring an investor to depend on the Annual Redemption Right for liquidity
- The primary risks of the Fund's investment strategy include:
 - ❑ Focused portfolio strategy – less diversified than a traditional investment portfolio
 - ❑ Nature of investments – investing in distressed securities and special situation equities requires a high level of financial and legal analytical sophistication
 - ❑ Performance and marketability of underlying securities – the Fund's investments in out-of-favor securities may be thinly traded, illiquid and may experience significant price fluctuations
- We encourage investors to browse Ravensource's website, and read its Annual Information Form, Management Report on Financial Performance and the Financial Statements for further risk disclosure

SECTION 4

**About the
Investment Manager**

About Stornoway

- Stornoway is an independent, employee-owned asset management firm located in Toronto
 - ❑ Founded in 2004 by Scott Reid, who previously co-founded National Bank's High Yield Group
 - Led the bank's high yield, distressed research and trading activities and restructuring practice
 - ❑ Recognized a gap in the capital markets for active credit and special situations investing in small-to mid-cap North American companies
- Stornoway's values:
 - ❑ We are investors first and foremost, not asset gatherers
 - Purposely remained small, consistent with the "sweet spot" of our investment philosophy
 - ❑ Eat our own cooking — significant investors in our own funds
 - ❑ Invest only where we have expertise and a proven edge
 - ❑ Treat our investors as true partners
- The Stornoway Team uses its unique expertise to play an active role in value-enhancing initiatives in order to protect the Fund's investments and generate returns
 - ❑ Conduct deep fundamental analysis and due diligence before and after investing
- Also manage the Stornoway Recovery Fund LP (the "Recovery Fund"), whose sole mandate is to capture value from the turnaround & revitalization of distressed companies
 - ❑ Ravensource often invests alongside the Recovery Fund in distressed/turnaround situations, increasing both funds' influence and ability to achieve a desirable outcome

The Stornoway Edge

Expertise

- Deep analytical capabilities across the capital structure
- In-depth knowledge of credit markets, restructuring process and complex situations

Experience

- Proven track record of creating value for investors over 10+ years
- Extensive experience as investors / advisors / analysts on all sides of the table

Network

- Strong relationships in financial, legal and accounting communities
- Knowledge, skillset and credibility necessary to influence outcomes

Leadership

- Reputation for taking leadership positions, both at the board level and informally, to reduce risk and unlock value for companies / investors

Partnership

- Stable, patient and knowledgeable investor base that are treated as true partners
- Alignment achieved by significant fund investment by Stornoway team members

Stornoway's Investment Team

Scott Reid, CFA, President and CIO

- Founded Stornoway in 2004
- Majority of 25+ year career analyzing, trading and investing in high yield and distressed securities
- Played leadership roles in crafting and negotiating restructurings of distressed companies (Air Canada, Laidlaw, Stelco, Specialty Foods Group, GuestLogix, First Uranium, Holloway Lodging, Arcan, etc.)
- Currently serves on Board of Specialty Foods Group, Firm Capital American Realty Partners and GuestLogix
- Experience: BMO, Nesbitt, Polar and National Bank Financial

Daniel Metrikin, Investment Analyst

- Joined Stornoway in January 2017
- 8+ years of experience in distressed investing, special situations, operational turnarounds & high yield
- Experience: Bayside Capital, Oaktree Capital, Gluskin Sheff and Houlihan Lokey

Brandon Moyse, Investment Analyst

- Joined Stornoway in December 2015
- 6+ years of experience in high yield markets, distressed investing and operational turnarounds
- Experience: West Face, Catalyst Capital, Credit Suisse and RBC

Stornoway Relationship Disclosure Information

- In addition to Ravensource, Stornoway manages the Stornoway Recovery Fund LP (“SPM Managed Accounts”)
 - Stornoway has policies in place to allocate investment opportunities fairly among SPM Managed Accounts to ensure they are all treated equally in accordance with the SPM Managed Accounts’ investment objectives, policies and restrictions.
 - In addition, Stornoway is required to devote time, effort and expertise to carry out its obligations to Ravensource at all times.
- Stornoway and its employees are not restricted from serving on boards of directors, creditor committees or other governing bodies of companies that SPM Managed Accounts have an investment in or proposes to invest.
 - In serving as directors or other governing members of such portfolio companies, a Stornoway employee will have a fiduciary duty to such companies and will be required to act in their best interests.
 - In doing so, SPM Managed Accounts may be restricted from trading the securities of such companies at certain times.
- Mr. Scott Reid, Stornoway’s President and CIO, holds positions with companies in which Ravensource is invested:
 - **Specialty Foods Group LLC** : Mr. Reid is an independent director on the Board of Directors of Specialty Foods Group LLC (“SFG”), a company that the Fund is invested in. Mr. Reid receives directors fees personally of approximately US\$30,000 annually. During 2012, Stornoway entered into a services agreement with SFG (the “SFG Services Agreement”) whereby Stornoway earns a fee for providing strategic advice and analysis to SFG. Stornoway’s policy is to reduce the management fees that it charges to Ravensource in order to pass along the economic benefit of the fees Stornoway earns from the SFG Services Agreement in an amount proportionate to Ravensource’s relative investment in SFG. The SFG Services Agreement and the Stornoway’s policy regarding fees received from investees were reviewed by the IRC. It is the IRC’s opinion that no conflict exists and that the policy achieves a fair and reasonable result for Ravensource and aligns the interests of the Investment Manager with those of the Fund.
 - **Firm Capital American Realty Partners Corp.**: Mr. Reid is an independent director on the Board of Directors of Firm Capital American Realty Partners Corp. (“FCARP”). FCARP is listed on the TSX Venture Exchange and focuses on investing in U.S. income producing real estate investments. In addition, the Fund is invested in FCARP’s common shares. From time to time, Ravensource, together with other SPM Managed Accounts, may collectively hold more than 10% of the outstanding voting securities of FCARP.
 - **GXI Acquisition Corp. and GuestLogix Inc.**: Mr. Reid is the Corporate Secretary and a director of GXI Acquisition Corp. (“GXI”). GXI is an investment holding company, and is a company that Ravensource is invested in. Mr. Reid is the Corporate Secretary and a director of GuestLogix Inc. (“GuestLogix”). GuestLogix is a global provider of onboard retail and payment technology to the airline and passenger travel industry. GuestLogix is wholly-owned by GXI.

Contact Information

Stornoway Portfolio Management Inc.

30 St. Clair Avenue West

Suite 901

Toronto, ON M4V 3A1

www.StornowayPortfolio.com

Scott Reid, CFA

President and Chief Investment Officer

Tel: 416-250-2845

Email: SReid@StornowayPortfolio.com

Brandon Moyse

Investment Analyst

Tel: 416-250-2846

Email: BMoyse@StornowayPortfolio.com

Daniel Metrikin

Investment Analyst

Tel: 416-250-2847

Email: DMetrikin@StornowayPortfolio.com

Mahesh Shanmugam, CFA

Director, Operations

Tel: 416-250-2484

Email: MShanmugam@StornowayPortfolio.com

www.ravensource.ca

APPENDIX

**Use of Comparable
Indices**

RavenSource's Use of Comparable Indices

- Given the idiosyncratic nature of RavenSource's investment strategy, the Investment Manager does not believe there is an index that sufficiently resembles the Fund to the degree it should be considered or used as a "benchmark". However, the Investment Manager provides historical performance data for several indices in addition to the results of the Fund for comparison purposes. The Investment Manager has chosen indices that it believes are relevant to the investment mandate of the Fund and / or to capital markets in general. However, while each of these indices overlap with certain aspects of the Fund's mandate, none of them share significant similarities with the Fund's investment portfolio:
- The S&P/TSX Composite Total Return Index ("S&P/TSX") is the principal broad-based measure commonly accepted by investors to measure the performance of Canadian equity markets. The S&P/TSX is a relevant index for comparison purposes as the Fund's investment portfolio contains Canadian equity investments and the Fund's debt investments are frequently converted into equity securities as part of the restructuring process. However, the performance of the S&P/TSX will vary greatly from the Fund as its investment portfolio is primarily comprised of securities that are not included in the S&P/TSX.
- As the Fund makes idiosyncratic investments in securities which are overlooked by the capital markets, the Fund's investment portfolio contains investments that are not likely included in any of the above indices and thus an investment in the Fund should not be considered a substitute or proxy for the underlying index. For the reasons stated above, these indices should not be considered a benchmark for the Fund and there can be no assurance that any historical correlation or relationship will continue in the future.