

FORMULA GROWTH HEDGE FUND

Summary

The Formula Growth Hedge Fund (FGHF) is an absolute return equity long/short strategy with the objective of achieving superior risk-adjusted returns relative to the market by maximizing such returns during periods of favourable market conditions and preserving capital in periods of difficult or uncertain market conditions.

In pursuing its investment objective, the Fund will invest primarily in a portfolio of small to medium capitalization U.S. listed securities by basing its long and short equity selections on fundamental business and security analysis criteria.

The Fund's manager, Formula Growth Limited, has since its founding in 1960, focused on the U.S. stock market and has developed over these years a deep experience and knowledge of the small and medium capitalization market. This has enabled our firm to produce an enviable long term track record since 1960 for our long-only fund and since 2002 for our long/short strategy.

Capital protection is very central to our overall investment philosophy. The fund is typically well diversified across industry sectors and normally invested in 60 - 80 securities with a gross market exposure of less than 100%. Our script based investing style is tied to measurable catalysts and our managers will typically examine over 2,000 ideas per year and transact in the top 15% long/short actionable investments. Returns are therefore achieved by relying on stock specific ideas tied to strong catalysts and tight price targets, rather than continued market exposure to fairly valued securities or to the use of financial leverage.

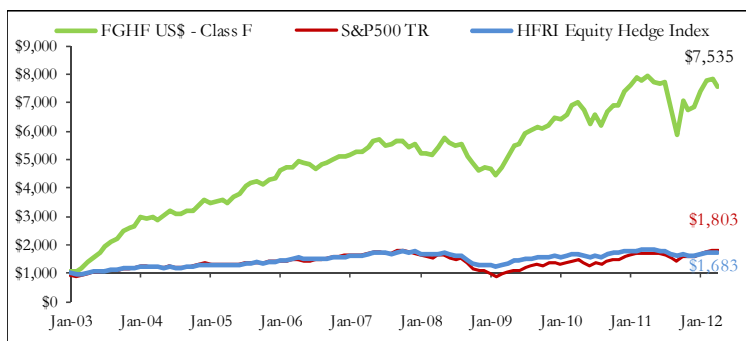
Management Summary

Minimum Investment	\$150,000 or Accredited Investor
Subscription	Monthly
Redemption	Monthly, 10 days notice
Performance Fee	20%
High Watermark	Yes, perpetual
Lock-up	None
Available Structures	- RRSP/TSFA Eligible Canadian Trust; - US Onshore and Offshore
Prime Broker/Custodian	J.P. Morgan
Legal	McMillan
Auditors	Deloitte & Touche, LLP
Administrator	The Investment Administration Solution, Toronto

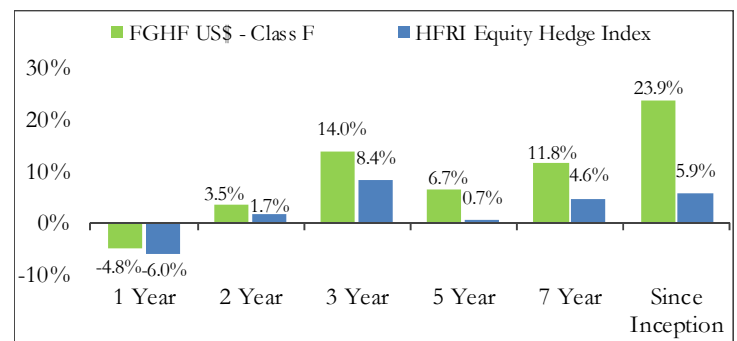
Canadian Unit Class Structure

Class	Management Fee	Currency	Fundserv Code
A	2% (1% Trailer)	C\$	FGL100
A (US\$)	2% (1% Trailer)	US\$	FGL1100
X	2% (1% Trailer)	C\$ (Hedged)	FGL400
F	1%	C\$	FGL200
F (US\$)	1%	US\$	FGL1200
Y	1%	C\$ (Hedged)	FGL500

Growth in US\$1,000 Invested



Annualized Results

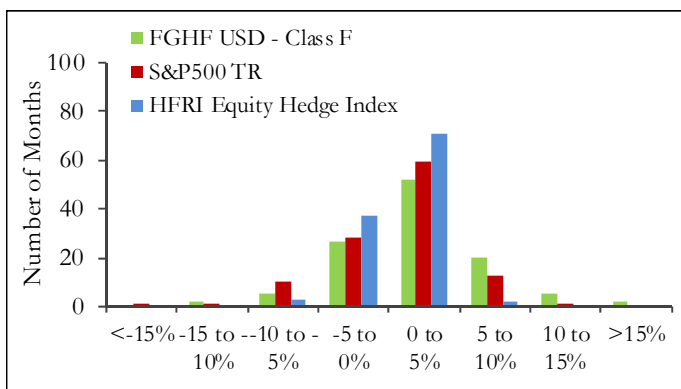


Note: Hedge Fund Research (HFR) Equity Hedge Index is a composite of strategies which maintain positions both long and short in primarily equity securities. Established in 1992, HFR is a global leader in the alternative investment industry and specializes in the areas of indexation and analysis of hedge funds.

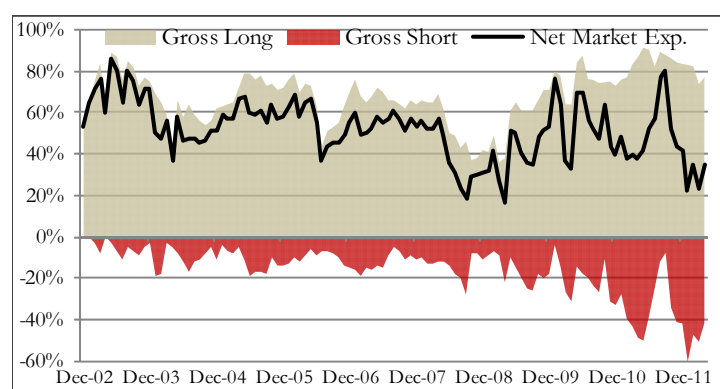
Monthly and Year-to-Date Returns – Net of Fees (U.S. Dollars)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FGHF YTD	HFRI Equity Hedge YTD	S&P 500 TR YTD
2012	8.1%	5.2%	0.5%	(3.7%)									10.1%	6.3%	11.9%
2011	3.1%	3.3%	(1.7%)	2.2%	(2.7%)	(0.2%)	0.7%	(12.0%)	(13.9%)	20.3%	(4.2%)	1.3%	(7.6%)	(8.4%)	2.1%
2010	(0.8%)	2.3%	5.4%	1.7%	(4.6%)	(6.6%)	4.7%	(6.0%)	8.7%	2.9%	0.1%	7.2%	14.4%	10.5%	15.1%
2009	(0.9%)	(4.9%)	7.2%	7.0%	8.1%	1.3%	6.4%	1.5%	2.6%	(1.1%)	2.0%	4.1%	37.7%	24.6%	26.5%
2008	(6.2%)	0.6%	(1.0%)	5.0%	6.1%	(3.4%)	(1.9%)	0.8%	(7.5%)	(3.7%)	(6.4%)	2.3%	(15.3%)	(26.7%)	(37.0%)
2007	0.9%	1.4%	0.8%	3.2%	3.6%	0.5%	(3.1%)	0.7%	1.5%	0.5%	(3.8%)	2.1%	8.4%	10.5%	5.5%
2006	6.4%	2.8%	0.3%	4.6%	(1.1%)	(1.0%)	(3.9%)	3.5%	1.7%	1.2%	2.7%	0.3%	18.5%	11.7%	15.8%
2005	(3.0%)	2.6%	0.6%	(2.8%)	5.7%	3.6%	6.7%	2.7%	1.4%	(2.2%)	4.4%	0.5%	21.4%	10.6%	4.9%
2004	10.7%	(0.9%)	1.2%	(3.6%)	6.1%	5.0%	(3.1%)	(0.3%)	3.9%	(0.4%)	7.3%	3.9%	33.0%	7.7%	10.9%
2003	3.4%	0.2%	9.9%	17.9%	13.0%	11.5%	13.8%	5.9%	6.5%	12.2%	4.6%	3.1%	162.3%	20.5%	28.7%
2002													2.1%	(1.1%)	(5.9%)

Distribution of Returns



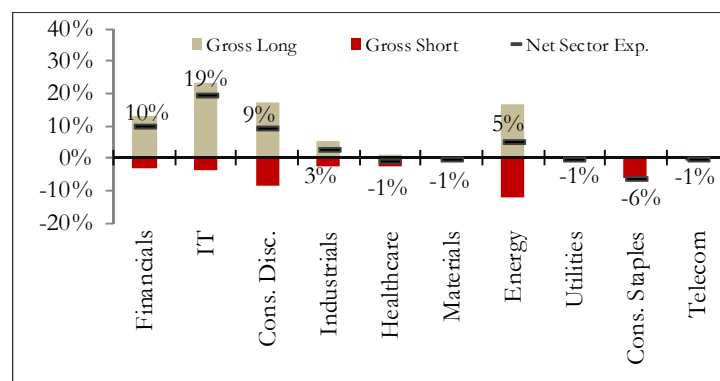
Market Exposure¹



Performance Statistics

Avg Monthly Return	1.9%
Annualized St. Dev.	18.1%
Sharpe Ratio	1.3
Avg Monthly Loss	-3.6%
Deviation of Losses	3.1%
Ratio of Positive Months	69.9%
Largest Monthly Gain	20.3%
Largest Draw Down From Peak	-26.0%

Sector Exposure¹



Note: Up to December 31, 2005, the performance relates to the Canadian domiciled LP, FG Limited Partnership. From January 2006, the performance relates to the Formula Growth Hedge Fund Class F in USD.

¹ Sector and market exposure is adjusted to reflect the economic and notional exposure of certain financial instruments.

The information provided herein should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. Past performance is no guarantee of future results. Information pertaining to the Formula Growth Fund and Formula Growth Hedge Fund (the "Funds") is not to be construed as a public offering of securities in any jurisdictions of Canada. The offering of units of the Funds is made pursuant to the Funds' offering documents only to those investors in jurisdictions of Canada who meet certain eligibility or minimum purchase requirements. Important information about the Funds, including statements of the Funds' investment objective, is contained in its offering documents. All performance data assume reinvestment of all distributions or dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns.

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