GreensKeeper
ASSET MANAGEMENT INC.

2016 Annual Report

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2016 Annual Report

- Clients -

Inside

Chairman's Letter

Fellow Investors,

We surpassed a significant milestone in 2016 as GreensKeeper celebrated the Value Fund's fifth anniversary. The Value Fund returned 7.5% (net of fees and expenses) for the year and 9.9% for the five-year period ended December 31, 2016.

We continue to compound capital while also prudently managing risk. Capital preservation is something that we are constantly mindful of at GreensKeeper. Over the past five-year period, the major equity markets have trended ever higher. In aging bull markets, valuations become stretched and investors making easy money can become complacent and forget about risk. We take a different approach. In rising markets, our focus on risk mitigation actually *increases*. Our goal, and the reason for the firm's existence, is to deliver attractive above-market returns to the firm's investors over the long term while also maintaining our disciplined approach to risk management.

You should know that our approach to investing at GreensKeeper is not merely academic. Our founder has over 70% of his immediate family's net worth and 100% of their investible assets invested alongside GreensKeeper's clients. We believe in aligning interests and view our relationship with our clients as one resembling partnership.

In addition to enclosing the audited financial statements of the Value Fund (courtesy of KPMG), this Annual Report provides you with some commentary on the portfolio's performance for the year. We once again delve deeper into a major investment topic. This year's topic is economic moats. It is a concept that we are often asked about and we strongly believe that it should factor into every investor's thinking.

Portfolio Review

The Value Fund's return of 7.5% during 2016 was achieved despite the strengthening of the Canadian dollar (the Value Fund's reporting currency), which cost the portfolio about 3% of performance for the year.

As we have communicated previously, we are comfortable remaining unhedged on our U.S.-dollar stocks at current exchange rates as our thesis remains unchanged. Absent extreme overvaluation/undervaluation, currency hedging imposes costs that lower returns. As we take the long-term view, our preference is to accept shorter-term volatility in exchange for what we believe will be superior long-term performance. Given the volatility of the current occupant of the Oval Office, U.S.-dollar volatility is probably here to stay. The following commentary ignores distortions due to currency effects. We also include dividends received in our return calculations as they are meaningful for many of the stocks that we own.

Our biggest contributor to the portfolio during 2016 was **Corus Entertainment** (TSX:CJR.B) which returned +27.2% for the year including dividends. Corus is a one of our larger positions and our investment thesis, as laid out in detail in Scorecard #14 , continues to play out as expected.

Our second largest contributor for the year was none other than **Berkshire Hathaway** (NYSE:BRK.A). The stock returned +23.4% during the year. We expect the company to continue to compound its book value at attractive rates for the foreseeable future. Longer-term, the company's cash generation will inevitably force Berkshire's management to pay a dividend. With our positive outlook for the stock and our large and growing unrealized capital gain, it remains a core holding of the Value Fund.

Our next largest contributor during 2016 was **Urbana Corporation** (TSX:URB.A). Urbana is a closed-end fund that holds investments in public and private companies, primarily in the financial services sector. We started accumulating the shares way back in 2012 at $1.00 per share. At the time, we were bullish on the underlying assets and were even more attracted to the stock's deep discount to its net asset value (NAV). Urbana returned +48.3% in 2016 alone, closing the year at $2.99. More importantly, the latest reported NAV of Urbana's portfolio holdings is $4.69 per share at the time of writing. In other words, it is still cheap. Urbana is a small position representing 3.1% of the portfolio at year end. Our position-sizing is deliberate. The company is not a compounder (a stock that is likely to increase its intrinsic value for many years to come). We have also taken issue with some of management's capital allocation decisions. That said, our experience to date with the stock has been a pleasant one.

Rounding out our top performers was **Chevron Corporation** (NYSE:CVX), returning +35.6% for the year. As we wrote in last year's Annual Report, we started purchasing the stock in late 2014 as part of "basket" of oil supermajors that also included **Exxon Mobil** (NYSE:XOM) and **Royal Dutch Shell** (NYSE:RDS.B). We were clearly too early in calling the turn and it hurt us in 2015. But we fared much better over the past year. Some investments take longer than expected to bear fruit.

During the year we also fully exited two positions, both at a healthy profit. In October it was announced that **DirectCash Payments** was being acquired by U.S. competitor Cardtronics. The ATM business is a challenging one and DirectCash encountered its fair share of issues over the years. We tip our hat to DirectCash founder and CEO Jeff Smith who managed the business exceptionally well and also negotiated a very fair acquisition price for the company's shareholders.

During 2016 we also fully exited our position in **Home Capital Group** (TSX:HCG). This is a stock that we have purchased and sold on several occasions over the past five years. At one price we viewed it is attractive, and at another less so. More recently there have been two main issues that have factored into our decision to exit the stock. First, as the media reminds us daily, the Canadian housing market is not cheap. That doesn't mean that a selloff is inevitable. However, it does mean that the risk for mortgage lenders like Home Capital is heightened. Second, there have been a number of company-specific issues that gave us pause. Third-party mortgage broker fraud, the retirement of the founding CEO and slowing mortgage origination. We concluded that we were better off taking profits and investing elsewhere. (P.S. – just as we went to print, Home Capital's board announced that it had terminated the company's CEO. Our decision to exit the stock was a good one).

As you would expect, we also experienced several disappointments during the year. Our biggest drag by far was **Express Scripts** (Nasdaq:ESRX) which was down (21.3%). Healthcare was the worst performing sector in the S&P500 last year, due in no small part to the presidential campaign rhetoric related to high drug costs. Express Scripts was also faced with a company-specific issue that weighed on the stock. In March 2016, the company's largest client – health insurer **Anthem** (NYSE:ANTM) – accounting for 14% of Express Scripts' revenue sued them for breach of contract. We have read the court filings and like Express Scripts' chances of a favourable outcome. However, the fact remains that the company's relationship with its largest customer has deteriorated, potentially beyond repair. We are assuming that Anthem does not renew with Express Scripts when the contract expires in 2019 and have lowered our valuation for the stock. The negative chatter about high drug prices should also continue from both the White House and Congress. As a result, pharmacy-benefit managers like Express Scripts will continue to fight a public-relations battle. We continue to own the stock as we view the risk-reward attractive at current prices and are monitoring the situation closely.

Our holding in Swiss-watchmaker **Swatch Group** (SWX:UHR) was down (7.4%) in 2016. Our investment thesis in Swatch was two pronged. First, we believed that the threat posed by smartwatches made by Apple and others was overblown and so far this has proven to be the case. We believe that for most consumers, watches are fashion statements first and functional devices second. While Swatch does make lower end plastic watches synonymous with the company's name, they also own numerous high-end brands including Omega, Harry Winston, Blancpain and Longines. Second, the rise of China has been driving increasing demand for luxury goods including watches. While we still believe this will happen over time, we underestimated the impact of China's crackdown on corruption and conspicuous consumption. China's rise and the increasing wealth of its citizen's is bound to continue. Longer-term, Swatch should thrive. But to date our investment has been a disappointment.

Many retail stocks underperformed in 2016 as investors worried about the impact that Amazon is having on the entire retail channel. As a result, it is one of the few sectors where we were able to find value. Late in the year we initiated new positions in retailers **Bed, Bath & Beyond** (NYSE:BBBY) and **Williams-Sonoma** (NYSE:WSM). These stocks will turn out to have been purchased cheaply, provided that these companies can successfully adapt to the presence of Amazon and other online retailers. We believe that they can and will. We also established new positions in several high-quality companies such as **Visa** (NYSE:V) that traded at modest discounts to our calculation of their intrinsic value. In a market that is expensive, we would prefer to hold high quality names that are modestly undervalued and will compound their intrinsic value over time.

We finished the year with a net cash position of 9.4% and unrealized gains on our equity investments of approximately $2.8 million. A snapshot of the entire portfolio at year end can be found on the Schedule of Investment Portfolio contained within the Audited Financial Statements. As we announced in our last monthly client update, in an effort to provide clients with greater transparency, we have created some additional portfolio disclosures that will be updated regularly. The latest version can be found on pages 10-11.

Growing our Business

GreensKeeper's growth continued in 2016 on multiple fronts. Our assets under management (AUM) in the Value Fund increased by over 50%. In August we introduced a new institutional class of units (Class G) that provides a lower fee structure for investors who have over $1,000,000 invested with us. We relaunched our website: www.greenskeeper.ca, surpassed the 500 mark for subscribers to our quarterly Scorecard distribution list, and managed to squeeze in an office move, albeit just one building over.

We are currently in the process of listing the Value Fund on FundServ – a technology platform that will allow Canadian Investment Advisors (IAs) to purchase the Value Fund directly for their clients.

In order to support our growth, we added two new employees to the team. Kristine Beese joined the firm in May as our Vice President, Sales & Marketing and Associate Portfolio Manager. Kristine has spent the last six years working in the financial services industry in London, UK and Toronto, Canada. Most recently, she worked at Majlis Investment Partners, a privately owned investment management firm and RBC Capital Markets (UK) as part of the Equity Research team. Michelle Tait also joined us recently to help out with administration, regulatory compliance and to deal with client enquiries. Michelle brings over 15 years of experience in various administrative roles to GreensKeeper. We hope that you take a few minutes to say hello to our growing team at the upcoming Annual Meeting.

Annual Meeting

GreensKeeper's 6th Annual Meeting will be held at **7:00 p.m. on Thursday, June 1** at the Mississaugua Golf & Country Club. Additional details will follow in the coming months. Clients, potential clients, friends and family are all welcome. We intend to video record the session this year so please start to think about some tough investing questions for us to take on.

The main topic of this year's meeting presentation will be Economic Moats – the same topic that we discuss in detail beginning on page 5. We think that discussing specific stocks and companies through this lens will provide for an entertaining and enlightening discussion. We hope that you can join us.

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Finally, we want to take this opportunity to thank all of our clients. We are humbled by the trust that you have placed in us to manage your hard-earned savings. We know that with great trust comes great responsibility, something that we are always mindful of. We are also appreciative of the referrals that we receive. Almost all of our new business comes from referrals from existing clients and our growth would not be possible without your support. Thank you.

On a more personal note, the first five years since establishing the firm have simply flown by. As I wrote back in October, 2011, the Value Fund is My Painting and it will never be finished. I enjoy the daily search for undervalued stocks, learning about new companies and industries and growing the firm. GreensKeeper will remain focused on what the firm was established to do - to make money *for our clients*. I'm looking forward to the next five years … and beyond.

March 29, 2017

Michael McCloskey

Chairman, Founder &
Chief Investment Officer

Economic Moats

The expression economic moat (**moat**), was coined by our investing hero – Warren Buffett – in his 2007 annual letter to Berkshire Hathaway shareholders:

> " A truly great business must have an enduring 'moat' that protects excellent returns on invested capital. The dynamics of capitalism guarantee that competitors will repeatedly assault any business 'castle' that is earning high returns. … Our criterion of 'enduring' causes us to rule out companies in industries prone to rapid and continuous change. Though capitalism's 'creative destruction' is highly beneficial for society, it precludes investment certainty. A moat that must be continuously rebuilt will eventually be no moat at all."

The metaphor is apt and the visual image helpful when trying to understand a business' competitive advantage and, more importantly, the *durability* of that advantage. A free market ensures that businesses with high returns attract competition. But there are certain special companies that possess attributes that allow them to successfully repel competitors and maintain attractive profits over long periods of time.

Why does this matter to an investor? Stock picking is part science, part art. Calculating financial metrics such as a company's price-to-earnings ratio is largely science (math). The art of stock picking and the more difficult part lies in the qualitative judgments made regarding a company's future prospects and profitability. By identifying and assessing the quality of a company's moat, we can conservatively predict a reasonable estimate of a company's future earnings power and, in turn, the intrinsic value of the business. Once we are able to do that successfully, we are able to accumulate a list of stocks that we want to own if and when they are underpriced.

Businesses that possess a weak moat or worse – none at all – are very difficult to value given their vulnerability to competition. As a result, these stocks are unlikely to be investment candidates for the Value Fund. We prefer businesses with wide moats. Unfortunately, other investors also share our preference and as a result, these companies often trade at expensive multiples. But often isn't the same as forever and from time to time an opportunity presents itself.

Moat Sources

Moats come in various forms and Morningstar® has done a good job of organizing them into a few helpful categories: Intangible Assets (Patents, Brands, Licenses), Switching Costs, Scale/Cost Advantages and Network Effects. A few specific examples will help you to understand them better.

Intangible Assets (Patents, Brands, Licenses)

Pharmaceutical manufacturers are an example of companies that benefit from this type of moat. Patent laws in most western countries grant drug makers with a legal monopoly for a set period of time. Once a drug has cleared the regulatory approval process which ensures safety and efficacy, for the remainder of a patent's life, no other company is legally permitted to produce a drug that infringes on that patent. In other words, competition is severely limited and potentially non-existent.

A prime example is **Gilead Science's** (Nasdaq:GILD) novel hepatitis drugs Sovaldi® and Harvoni® which were introduced several years ago. These drugs are true miracles of modern medicine. Patients taking them for 8-12 weeks experience a 96% success rate with very limited side effects. In other words, these drugs provide a *cure* for a life-altering disease. The problem with monopolies is that the lack of competition gives manufacturers tremendous pricing power. Gilead's list price for these drugs has been as high as $94,500 and the company's gross profit margins approach 90%. We will avoid the debate surrounding the difficult policy choices that this creates for society. Our point is that companies with legally-protected monopolies are able to generate enormous profits. For as long as the patents are in place, Gilead can essentially charge what the market will bear.

Many products benefit from powerful consumer brands. Consumers are generally willing to pay a premium for a product that they trust and enjoy (e.g. **Coca-Cola**) and/or one that bestows upon them some form of social status (e.g. **Tiffany & Co.**). Provided that these brands are guarded via quality control and constantly nourished through additional investment in advertising, they can provide their owners with pricing power and high returns for many years.

Switching Costs

A long-term Value Fund holding is technology stalwart **Cisco Systems** (Nasdaq:CSCO). Cisco enjoys a dominant worldwide market share in routers and switches which account for the bulk of the company's revenue. Large enterprise customers have been using Cisco hardware for decades for their mission-critical infrastructure. Cisco's equipment is intertwined in their networks and customers are familiar with and have been trained to use Cisco equipment. Selecting a competing-vendor's products isn't impossible. However, if you were tasked with the purchasing decision at a major company, it is generally safer to pay more for a Cisco product. The risk of something going wrong would certainly make you think twice. No one gets fired for buying Cisco gear at a major telecom company.

Enterprise software from companies such as **Oracle** and **SAP** possess similar switching costs. Once the software is embedded within a company's systems and employees trained to use it, switching to another vendor is very painful. As a result, these organizations are blessed with captive customers and have the ability to raise prices year after year. As a result, they tend to deliver very high and stable profitability for their shareholders.

Scale/Cost Advantages

For many businesses, efficiencies that come with increasing scale provide them with the ability to price their products and services lower than competitors and gain market share. Retailers **Walmart**, **Costco** and **Amazon** are just a few examples. However, scale is usually only effective up to a certain point. Eventually bureaucracy and other factors conspire to eliminate (or even reverse) the benefits of scale. We view scale/cost advantages to be one of the more narrow moats and one that is most susceptible to being breached. In fact, just think about the companies listed above. Amazon is currently creating challenges for Walmart and virtually every other retailer.

Network Effects

A network effect is the phenomenon whereby a product or service becomes more valuable as an increasing number of people use it. Credit cards are an excellent example and we currently own two of the major credit card network providers in the portfolio - **American Express** (NYSE:AXP) and **Visa** (NYSE:V). Consumers prefer credit cards that are accepted at most merchants. In turn, merchants prefer to accept cards that are carried by a large number of consumers. This creates a virtuous cycle that over time has led to a market oligopoly dominated by just few providers. There is some risk that a new technology may disrupt the credit card networks, but for the moment, most firms have chosen to partner with the existing providers. Creating a payment network with the breadth, reliability, efficiency and trust of the major providers is a formidable task.

The money in your wallet is another example of something that benefits from a network effect. There is very little intrinsic value in the paper that it is printed on. However, we are all comfortable accepting it in exchange for goods and services as we trust that others will do the same. The more that a currency is widely accepted and in use, the more valuable it becomes as a medium of exchange.

Certain software created by Microsoft also benefits from a network effect. In the PC world, Windows has long been the dominant operating system. As a result, software programmers have been motivated to create products that were compatible with the operating system used by the vast majority of users. Even more impressive is Microsoft's Office suite of productivity tools. Most businesspeople use at least one of these products (Excel, Word, Outlook, PowerPoint) frequently. Exchanging files with other users and collaborating with colleagues makes the standardization offered by these products difficult to replace. Google has tried to break Microsoft's stranglehold by introducing competing products (Google Docs, Sheets and Slides) and has even offered them to users for free. Some ten years later, Microsoft Office still dominates. Network effects are very powerful. As a result, Microsoft has continued to retain its pricing power over a broad and captive user base and generates tremendous profits.

Durability

Given enough time, capitalism's creative destruction usually results in moats eventually eroding. Drugs come off patent, brands wither as consumer tastes change and new technologies leapfrog and replace current ones. However, for certain rare companies possessing strong moats, this erosion tends to happen very gradually over long periods of time. Assessing the quality of a moat, competitive threats and the changing business landscape can give an investor the ability to assess a company's future earnings power over a reasonable period of time. That relative stability in a sea of competitive chaos provides value investors with their opportunity when the market misjudges the situation.

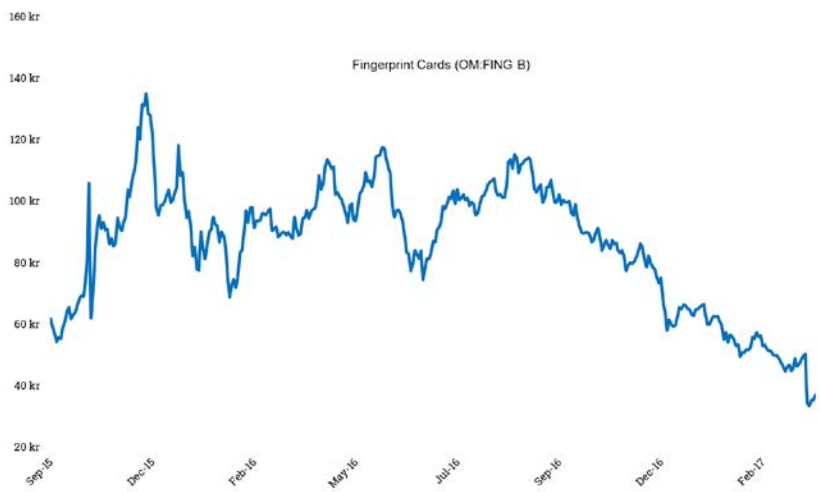
Company/Industry	Moat Sources			
	Intangible Assets	Switching Costs	Scale / Cost Advantages	Network Effects
Credit Card Networks	✓	✓	✓	✓
Enterprise Software		✓	✓	
Microsoft	✓	✓	✓	✓
Consumer Brands	✓		✓	
Social Networks and Online Search	✓			✓

A handful of businesses are fortunate enough to possess multiple moat sources. The combination of multiple moats working together makes these companies very hard to compete against. As a result, their competitive advantages can endure for very long periods of time. Provided that the purchase price is attractive, these businesses have the potential to deliver very attractive long-term returns to their shareholders. The table above provides a few select examples of companies that benefit from multiple moat sources.

At the other extreme are businesses that do not possess a durable competitive advantage. In fact, this is the reality that most businesses face. Talented management teams and novel products and services can lead to temporary success. Over time, that success proves fleeting in a free market as competitors arrive and these companies are unable to maintain an attractive level of profitability.

Local restaurants are but one example of businesses that do not possess a durable competitive advantage. Your local eatery generally competes for your business based on quality, price and location. However, one bad experience and most people tend to eat elsewhere. There is a reason that local restaurants have a very high failure rate – it is simply a very difficult business. There are a few notable exceptions. Large chains like **McDonald's Corporation** (NYSE:MCD) do benefit from scale and intangible assets (their brand), but generally the industry is a graveyard and one that we tend to avoid as investors.

Technology companies are particularly vulnerable to fast-vanishing profits. Tech companies often come up with innovations that are rapidly adopted by consumers. Their reward is often the emergence of an even newer technology which replaces them. Take for example **Fingerprint Cards** (OM:FING.B) – a Swedish maker of biometric sensors for smartphones and tablets. The company's security technology was rapidly adopted and revenues and profits soared. Fast forward just a few years and competition has increased, revenues are expected to decline and the shares reacted as you would expect:



Why Moats Matter

Before partnering with Charlie Munger, Warren Buffett followed the example of his mentor Benjamin Graham and generally invested in inferior businesses that were extraordinarily cheap – "cigar butts" as they came to be known. Over time, Charlie's influence led Warren to discover that it is much better to invest in a wonderful company at a fair price than a fair company at a wonderful price. Charlie knew that great businesses with durable competitive advantages compound intrinsic value faster than those that don't. They also tend to generate enough cash to self-finance their own growth plus excess cash which is then available for dividends, share repurchases and acquisitions. These businesses often possess pricing power and are able to successfully raise prices over time without losing market share or being overly-worried about a competitor's reaction. In addition, they are generally able to maintain their market dominance and generate attractive economics for long periods of time.

Berkshire Hathaway purchased See's Candies in 1972 for $25 million, a price that was in excess of the company's book value at the time. That transaction would likely not have happened absent that shift in thinking. In the intervening 44 years, See's has delivered *over $2 billion* of pre-tax profits on that initial investment.

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We hope that this overview provided you with a better understanding of what moats are, how to spot them, why they should matter to investors and why Warren came to realize that Charlie was right.

GreensKeeper ASSET MANAGEMENT INC.

GreensKeeper Value Fund

As at February 28,2017

Fund Details

	Class A	Class F*	Class G**
Fund Codes	Pending	Pending	Pending
NAV	$14.28	$14.39	$10.81
MER (%)	1.80%	1.30%	0.30%

Load Structure	No Load
Performance Fee	20% over 6.0% annual hurdle
Min. Initial Investment	$25,000
Min. Investment Term	1 Year
Registered Plan Status	100% Eligible (RRSPs, TFSAs, RESPs, RDSPs, LIRAs, RIFs, etc.)
Inception Date	November 1, 2011
Type of Fund	Long equity, Long-term capital appreciation
Fund Category	Global Equity
Currency	CAD
Valuations	Monthly
Redemptions	Monthly on 30 days' notice
Distribution Frequency	Annually (December)

Fund Distributions (Class A)	Dec. 31	($/unit)
	2012	$0.2318
	2013	$0.2147
	2014	$0.6542
	2015	$0.2939
	2016	$0.5416

Service Providers

Investment Manager	GreensKeeper Asset Management Inc.
Custodian	National Bank Correspondent Network
Auditor	KPMG LLP
Administrator and Registrar	SGGG Fund Services Inc.

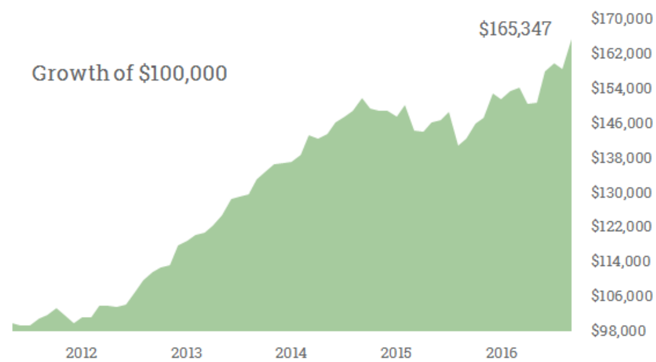
Investment Objective

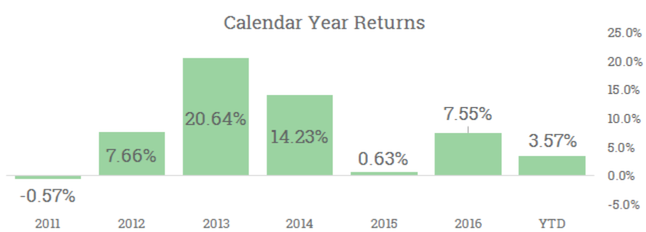
To deliver absolute returns to unitholders (net of all fees) in excess of both the S&P/TSX Index and the S&P500 Index (measured in Canadian dollars) over the long term. The Fund seeks to accomplish its set objective through investments in a concentrated portfolio, primarily in equities from any sector and market capitalization.

Investment Eligibility

Accredited Investors including Investment Advisors (IAs) with long-term time horizons seeking to better protect and diversify their clients' equity portfolios.

Portfolio Performance (Class A)





			Annualized			
Compound Returns[(1)(2)]	1 MO	YTD	1 YR	3 YR	5 YR	Inception
Value Fund	4.4%	3.6%	16.2%	7.5%	10.2%	9.9%

Portfolio Allocations

Asset Mix*	
U.S. Equity	73.0%
Cash and Equivalents	9.3%
European Equity	9.1%
Canadian Equity	8.6%

Sector	
Financial Services	25.2%
Healthcare	14.6%
Insurance	13.3%
Technology	10.2%
Consumer	9.7%
Communication & Media	9.6%
Cash & Equivalents	9.4%
Energy	8.0%

* Based on corporate domicile.

GreensKeeper
ASSET MANAGEMENT INC.

GreensKeeper Value Fund

As at February 28,2017

Investment Team

Michael McCloskey
B Sc, JD, MBA, CIM, AR
Founder, President &
Chief Investment Officer
905.827.1179
michael@greenskeeper.ca

Kristine Beese
B Sc, P Eng, MBA, AAR
Vice- President Sales &
Marketing
647.784.6258
kristine@greenskeeper.ca

Statistical Analysis (3)

	Value Fund	S&P/TSX	S&P500 ($CAD)
Fund Beta vs. Selected Index	n/a	0.35	0.43
Standard Deviation	6.01%	8.18%	9.70%
Sharpe Ratio	1.48	0.84	2.00
Best Month	4.72%	5.28%	6.92%
Worst Month	-5.10%	-6.14%	-5.48%
Percentage Positive Months	76.6%	65.6%	73.4%
Maximum Drawdown	-7.15%	-14.28%	-8.28%
CAGR Since Inception	9.89%	7.54%	21.53%

Investment Philosophy

We follow a time-tested value investing process and conduct bottom-up fundamental research to identify attractive and underpriced equity investments for the portfolio. GreensKeeper believes in buying an interest in a quality business for less than its true worth or *intrinsic value*. That discount provides us with our *margin of safety* to safeguard our clients' investments.

Aversion to Leverage

Aversion To Leverage : We avoid the use of leverage. As a result, we are never forced to sell when market conditions are difficult (and stocks are undervalued).

Our Best Ideas

Only our best ~20 ideas find their way into the Value Fund. We prefer to assume shorter term volatility in exchange for what we expect will be longer-term outperformance.

How We View Risk

We reject the premise that volatility is the proper way to define and measure risk. Instead we believe that risk is best defined as the risk of a permanent loss of our clients' capital.

Disclosures

(1) All returns are as at February 28, 2017. (2) GreensKeeper Asset Management Inc. (GKAM) assumed the investment management responsibilities of the Value Fund on January 17, 2014. Prior to that date, the Value Fund was managed by Lightwater Partners Ltd. while Mr. McCloskey was employed by that firm. (3) Where applicable, all figures are annualized and based on monthly returns since inception. Risk-free rate calculated using 90-day CDN T-bill rate. * Class F Units are for purchasers who participate in fee-based programs through eligible registered dealers. ** Class G Units are for purchasers and dealers who have greater than $1 million managed by GreensKeeper and who enter into a Class G Agreement with us. Class G Units are not charged a management fee or performance fee by the Fund as Fees are paid directly to the Manager pursuant to the Class G Agreement.

This document is intended for informational purposes and should not be construed as an offering or the solicitation of an offer to purchase an interest in the GreensKeeper Value Fund or any other GreensKeeper Funds (collectively, the "Funds"). Any such offer or solicitation will be made to qualified investors only by means of an offering memorandum and only in those jurisdictions where permitted by law. GKAM is registered in Ontario, Canada under the categories of Portfolio Manager, Investment Fund Manager, and Exempt Market Dealer. An investment in the GreensKeeper Value Fund is speculative and involves a high degree of risk. Opportunities for withdrawal, redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. There is no secondary market for the interests and none is expected to develop. Investments should be evaluated relative to an individual's investment objectives. The information contained in this document is not, and should not be construed as, legal, accounting, investment or tax advice. You should not act or rely on the information contained in this document without seeking the advice of an appropriate professional advisor. Please read the Fund offering memorandum before investing.

The Funds are offered by GKAM and distributed through authorized dealers. Trailing commissions, management fees, performance fees and expenses all may be associated with an investment in the Funds. The fees and expenses charged in connection with this investment may be higher than the fees and expenses of other investment alternatives and may reduce returns. There is no guarantee that the investment objective will be achieved. Past performance should not be mistaken for, and should not be construed as an indicator of future performance. The performance figures for the GreensKeeper Value Fund include actual or estimated performance or management fees and are presented for information purposes only. This document has been compiled by GKAM from sources believed to be reliable, but no representations or warranty, express or implied, are made as to its accuracy, completeness or correctness. All opinions and estimates constitute GKAM's judgment as of the date of this document, are subject to change without notice. GKAM assumes no responsibility for any losses, whether direct, special or consequential, that arise out of the use of this information. Certain statements contained in this presentation are based on, *inter alia,* forward looking information that are subject to risks and uncertainties. All statements herein, other than statements of historical fact, are to be considered forward looking. Such forward-looking information and statements are based on current expectations, estimates and projections about global and regional economic conditions. There can be no assurance that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Further, to the best of GKAM's knowledge the information throughout the presentation is current as of the date of the presentation, but we specifically disclaim any duty to update any forward-looking information. The GreensKeeper Value Fund strategy in no way attempts to mirror the S&P/TSX or the S&P500. The S&P/TSX Composite Index and the S&P500 Index are provided for information purposes only as widely followed indices and have different compositions and risk profiles than the GreensKeeper Value Fund.

Appendix

Audited Financial Statements

(Clients)

Greenskeeper
ASSET MANAGEMENT INC.

2010 Winston Park Drive | Suite 200
Oakville | ON | L6H 5R7
905.827.1179