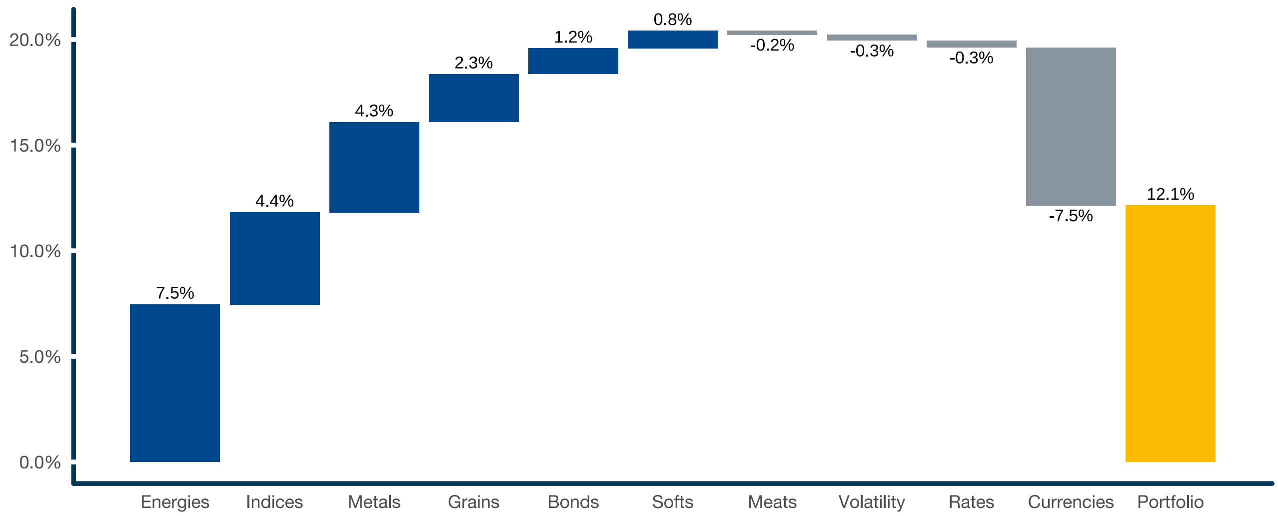
PERFORMANCE REVIEW

The Evolution Program delivered a 12.1% return for 2021, drawing a meaningful portion of profits earlier in the year from energies, metals and equities. After a flat third quarter, energies and equities along with agricultural commodities drove a volatile and profitable final three months.

Figure 1. 2021 Return Attribution



Source: ReSolve Asset Management. Results may differ due to rounding. Performance is expressed in CAD. Strategy attribution is a best efforts approximation, net of all applicable borrowing costs, fees and fund accruals for the period. Indicated returns of one year or more are annualized. Past performance is not indicative of future performance.

Energies drove the largest share of P&L, mostly from longs in crude oil, heating oil and gasoil. Carbon emissions and natural gas also contributed on the long side. Our systems were agile in reducing exposure and avoiding the brunt of the November selloff.

Metals benefitted primarily from long exposure to copper. Platinum was another important source of return, with active trading and profitable long and short positions that flipped several times throughout the year.

Equities were a close third best sector, where longs in the Swiss SMI, British FTSE and S&P500 were the best performers, followed by the Canadian TSX60, Nasdaq and Dutch AEX. The strategy also profited from a short position in the Hang Seng in the third quarter.

Bonds were the only sector where gains were drawn predominantly from short positions. Largest contributions came from shorts in German Bunds and 10-year Treasuries, followed by 5- and 30-year Treasuries (which also marginally benefitted from long exposures in the third quarter). The Canadian and Korean 10-year bonds, along with UK Gilts, were other noteworthy profitable shorts.

Grains also drove P&L, with most gains stemming from longs in mill wheat, corn and palm oil, followed by soy and canola. Active trading protected gains when volatility spiked in the second half.

Softs offered modest gains, primarily from cotton and coffee, while cocoa drove small profits on both long and short positions.

Currencies were the main detractors, primarily coming from the Swiss Franc and Japanese Yen. Positions in the Australian, Canadian and New Zealand dollars also led to losses.

GENERAL MARKET REVIEW

Investor sentiment and risk appetite continued to be dominated by the news flow surrounding the pandemic and its repercussions. The first half of the year saw renewed optimism with the successful rollout of vaccination campaigns – initially in the US and UK, followed by Europe – leading to a significant decrease in infection rates across western countries. The signing of a historic USD 1.9 trillion stimulus package in the US, the size and scope of which go beyond any other fiscal outlay since the beginning of the pandemic, was the other major driver of the economic recovery.

The case for more persistent inflation gathered steam throughout the year. Data from the United Nations pointed to a whopping 31 percent rise in global food prices for the 12-month period ending last July. Food prices in the US jumped by 8 percent over a similar period, driven largely by imports, while gas lines in Britain and other shortages in developed economies captured headlines across much of the world. Supply-chain disruptions became the most overused catchphrase in recent memory.

Though the Fed had been trying to ignite inflation since 2009, it began to indicate discomfort as inflation readings remained higher than expected throughout the second semester. Aside from supply-demand mismatches, the major inflationary thrust was exacerbated by expansionary fiscal policy directed at the population at large, associated with their higher propensity to spend it. Stubbornly low Labor Participation was another important variable, which appears to be swinging the bargaining pendulum away from capital in the form of higher wages. By mid-December, the FOMC voted to accelerate the pace of asset purchase tapering and signaled as many as three rate hikes may be warranted in 2022.

Commodities were the best performing asset-class, led by the incredible rally in the energy sector, where the price of UK natural gas rose four-fold, carbon emissions doubled, and crude oil and distillates increased between 50 and 80 percent, approximately. While copper and other base metals enjoyed double-digit gains, precious metals – including gold, silver, platinum and palladium, were down for the year. Agricultural commodities also saw huge gains, led by oils (palm, canola and bean), along with coffee, corn, cotton, sugar and wheat. Global equities experienced another strong year, led by US, European and Canadian stocks. Japanese shares had modest gains, while Chinese indices suffered from government intervention and were broadly down. Government bonds were also largely in negative territory in the wake of rising inflation, while the US Dollar strengthened against most major and emerging market currencies.

For the past decade, investors have shifted focus from the macroeconomic data itself, to an emphasis on how the data might affect Fed policy. Apart from the Fed's recent promise to "remove the party's punch bowl" sooner than expected, most other central banks have indicated loose monetary conditions for the foreseeable future. And even though, as of the writing of this commentary, markets are once again throwing a tantrum given the more hawkish tone in recently released FOMC minutes, there are reasons to doubt whether the Fed may be willing, or perhaps even able, to follow through. For one, higher inflation for a prolonged period would eventually erode, in real terms, part of the enormous debt pile that has dragged on growth for years. This suggests that, despite tough rhetoric, inflation might in fact be a feature, and not a bug, of the current policy agenda.

Further, the apparent demise of Biden's Build Back Better fiscal package removes an important tailwind for the economy just as the effects of COVID-relief legislation begin to fade. Recent evidence points to a slowdown in activity, not only in the US but also in much of the world. The Chinese economy is particularly concerning given recent draconian lockdown measures in some regions, not to mention the yet unknown knock-on effects of the likely collapse of its largest real-estate developer. Investors should expect no respite from the heightened uncertainty they've had to endure in the last few years. At the very least, they should be positioning for greater interest rate and inflation volatility, with direct effects on market multiples and growth expectations.

Sincerely,

Your ReSolve Team

DISCLAIMER

Confidential and proprietary information. The contents hereof may not be reproduced or disseminated without the express written permission of ReSolve Asset Management Inc. ("ReSolve"). These materials do not purport to be exhaustive and although the particulars contained herein were obtained from sources ReSolve believes are reliable, ReSolve does not guarantee their accuracy or completeness.

This document is intended exclusively for accredited investors (as defined in National Instrument 45-106 – Prospectus Exemptions) and is being delivered to prospective investors on a confidential basis so that they may consider an investment in the ReSolve Osprey Fund. This document does not purport to be exhaustive or to contain all the information that a prospective investor may desire in investigating any investment opportunity. These materials are for preliminary discussion only and may not be relied upon for making any investment decision. Rather, prospective investors should review the Offering Memorandum (OM) and rely on their own independent investigation of the fund. In the event that any of the terms of this presentation are inconsistent with or contrary to the fund's OM, the OM and account opening documents shall prevail.

ReSolve is registered as an Investment Fund Manager in Ontario, Quebec and Newfoundland and Labrador, and as a Portfolio Manager and Exempt Market Dealer in Ontario, Alberta, British Columbia and Newfoundland and Labrador. ReSolve is also registered as a Commodity Trading Manager in Ontario and Derivatives Portfolio Manager in Quebec. Additionally, ReSolve is a Registered Investment Adviser with the SEC. ReSolve is also registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor. This registration is administered through the National Futures Association ("NFA"). Certain of ReSolve's employees are registered with the NFA as Principals and/or Associated Persons of ReSolve if necessary or appropriate to perform their responsibilities. ReSolve has claimed an exemption under CFTC Rule 4.7 which exempts ReSolve from certain part 4 requirements with respect to offerings to qualified eligible persons in the U.S.

ReSolve Asset Management SEZC (Cayman) ("ReSolve Global"). ReSolve Global is registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and a Commodity Pool Operator. This registration is administered through the National Futures Association ("NFA"). Further, ReSolve Global is a registered person with the Cayman Islands Monetary Authority. ReSolve Global is a sub-advisor to the strategy. ReSolve Global has claimed an exemption under CFTC Rule 4.7 which exempts ReSolve from certain part 4 requirements with respect to offerings to qualified eligible persons in the U.S.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Any fund units will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. Neither the Securities and Exchange Commission nor the National Futures Association nor the Ontario Securities Commission nor any other securities regulatory authority of any jurisdiction has passed upon the accuracy or adequacy of this presentation, and any representation to the contrary is unlawful. This presentation does not constitute an offer to sell or a solicitation of interest to purchase any securities or investment advisory services in any jurisdiction in which such offer or solicitation is not authorized.

Forward-Looking Information. This presentation may contain forward-looking information. Because such forward-looking information involves risks and uncertainties, actual results of the funds or accounts may differ materially from any expectations, projections or predictions made or implicated in such forward-looking information. Prospective investors are therefore cautioned not to place undue reliance on such forward-looking statements. In addition, in considering any prior performance information contained in this presentation, prospective investors should bear in mind that past results are not necessarily indicative of future results, and there can be no assurance that the funds or any account will achieve results comparable to those discussed in this presentation. This presentation speaks as of the date hereof and neither ReSolve nor any affiliate or representative thereof assumes any obligation to provide any recipient of this presentation with subsequent revisions or updates to any historical or forward-looking information contained in this presentation to reflect the occurrence of events and/or changes in circumstances after the date hereof.

General information regarding hypothetical performance and simulated results. Past results are not necessarily indicative of future results. It is expected that the simulated performance will periodically change as a function of both refinements to our simulation methodology and the underlying market data. These results are based on simulated or hypothetical performance results that have certain inherent limitations. Unlike the results in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account or fund will or is likely to achieve profits or losses similar to those being shown. The results do not include other costs of managing a portfolio (such as custodial fees, legal, auditing, administrative or other professional fees). The information in this presentation has not been reviewed or audited by an independent accountant or other independent testing firm. More detailed information regarding the manner in which the charts were calculated is available on request. Any actual fund or account that ReSolve manages will invest in different economic conditions, during periods with different volatility and in different securities than those incorporated in the hypothetical performance charts shown. There is no representation that any fund or account will perform as the hypothetical or other performance charts indicate.