MAXAM

CAPITAL MANAGEMENT

MAXAM DIVERSIFIED STATEGIES FUND

Annual Management Report of Fund Performance

For the year ended December 31, 2022

The Management Report of Fund Performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 604 685 0201, by writing to Maxam Capital Management Ltd. at 330 – 609 Granville Street, Box 10033, Vancouver, BC, Canada, V7Y 1A1 or by visiting our website at www.maxamcm.com or SEDAR at www.sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Caution Regarding Forward-Looking Statements ("FLS")

The Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information ("FOFI") with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of one of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading "What are the Risks of Investing in the Fund?" in the Fund's Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a Fund's current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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Management Discussion of Fund Performance

This Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the year ended December 31, 2022, the investment fund's annual year end. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Maxam Diversified Strategies Funds' Simplified Prospectus ("Prospectus"). In this report, "Manager", refers to Maxam Capital Management Ltd., the Manager of the Fund. The "Fund" refers to the Maxam Diversified Strategies Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars.

On August 24, 2022, the Fund filed a final simplified prospectus with the British Columbia Securities Commission (BCSC). The receipt of the final filing completed the conversion of the Fund into a Liquid Alternative fund under the rules of NI 81-102.

As part of the conversion, on August 2, 2022 the Fund was granted exemptive relief by the BCSC from some of the investment restrictions required under NI 81-102. Specifically, the relief will increase the maximum allowable aggregate value of short sales to 100% of NAV (vs 50% under existing rules); increase the maximum aggregate cash borrowing limit to 100% of NAV (vs 50% under existing rules); and increase the limit of aggregate value of securities sold short combined with cash borrowing by the Fund to 100% (vs 50% under existing rules). Further relief was granted to allow the Fund to maintain its monthly notice and liquidity terms for unitholder transactions and allow the Fund performance track record to be used in sales materials with appropriate updated disclosures. The Fund has historically operated within the above investment restrictions and does not anticipate any changes to overall strategy or risk as a result of the new structure.

In connection with the switch to a liquid alternative fund on August 24, 2022, the Fund changed the names of its series' as follows:

Former Series Name		New Class Name
Series A	→	Class X
Series B	→	Class B
Series C	→	Class A
Series F	→	Class F
Series M	→	Class M
Series I	→	Class I

The changes were in name only. All other details of the former series' remain the same under the new class names.

Investment Objective and Strategies

Maxam Diversified Strategies Fund (the "Fund") is an alternative mutual fund trust formed and organized under the laws of the Province of British Columbia was established by a Master Trust Agreement dated September 26, 2008 and last amended on August 22, 2022 (the "Declaration of Trust"). The Fund commenced active operations on July 1, 2009. The address of the Fund's registered office is 303 – 609 Granville Street, Vancouver BC Canada, V7Y 1A1.

The investment objective of the Fund is to maximize long term investment returns by investing in both private and publicly traded securities in Canada, the United States and other foreign jurisdictions. The Fund employs an active and opportunistic investment strategy with a focus on event driven situations, undervalued securities and arbitrage opportunities. Fund holdings are concentrated in the securities of companies that we believe are:

- expected to benefit from an event or catalyst;
- undervalued relative to our assessment of their prospects for growth;
- run by high quality management teams;
- exhibiting, or in our view capable of, strong earnings growth;
- protected by meaningful barriers to entry; and
- misunderstood or contain hidden assets.

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Risk

The risks associated with investing in the Fund remain as discussed in the Prospectus. There is no assurance that the Fund will be able to achieve its total return and capital preservation objectives. There is no assurance that the portfolio will earn any return and no assurances can be given as to the amount of distributions in future years and that the net asset value (the "NAV") of the Fund will appreciate or be preserved.

For the year ended December 31, 2022 and 2021, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Prospectus.

The Fund is suitable for investors looking for a medium risk, diversified portfolio of alternative investment strategies. Specific risks associated with an investment in the Maxam Diversified Strategies Fund include, but are not limited to:

Leverage Risk

The Fund may leverage its investment positions by borrowing funds. Leverage increases both the potential return and the risk of loss on any investment position. The Fund is subject to a gross aggregate exposure limit of up to 300% of its NAV which is the sum of its derivative (excluding hedging activity), shorting, and borrowing activities measured on a daily basis. This will operate to limit the extent to which the Fund is leveraged.

Currency Risk

The Fund's assets and liabilities are valued in Canadian dollars. When the Fund buys foreign securities, however, they are purchased with foreign currency. The U.S. dollar and the Euro, for example, both fluctuate in value against the Canadian dollar. An unfavourable move in the exchange rate for either currency may reduce, or even eliminate, any return on an investment priced in that currency. The opposite can also be true, as the Fund can benefit from changes in exchange rates.

The Fund may own securities denominated in foreign currencies. Maxam will have the discretion to decide the extent to which the currency risk may be hedged back to the Canadian dollar.

Arbitrage Risk

Arbitrage investing involves the risk that an expected corporate transaction will not be consummated as expected and the Fund will experience a loss.

SPAC Risk

The Fund may invest a portion of its assets in the stock, warrants, and other securities of special purpose acquisition companies ("SPACs") or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities. All assets (net of operating expenses) of the SPAC are invested in government securities, money market fund securities and/or cash until an acquisition is completed. Once the SPAC identifies a transaction, common holders have the right to vote on the transaction and also to decide whether to roll their equity in the transaction or redeem shares for their pro rata share of the escrow account holdings. Should the SPAC be unable to complete an acquisition that meets its defined requirements within a pre-established period of time, the invested funds are returned to the entity's shareholders. SPACs may have specific risks, including increased volatility, associated with the regions or industries for which they pursue an acquisition. Since a SPAC is a new entity created for the purpose of acquiring another company or entity, it may have limited or no business operating history; this makes the pricing and liquidity of the security dependent on management's ability to source and complete a profitable acquisition. Furthermore, these securities may trade in the over-the-counter market which may have associated issues with price sourcing and illiquidity.

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's performance outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will generally be good and the value of their stocks should rise. The opposite may also be true. Usually, the greater the potential reward, the greater the risk.

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For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. The share price of such companies is often more volatile than the share price of larger, more established companies. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.

Investing in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, carry varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors. Certain convertible securities may also be subject to interest rate risk.

For further details relating to risks of investing in the Fund, please refer to the Simplified Prospectus.

Results of Operations

The Maxam Diversified Strategies Fund (the "Fund") commenced operations on July 1, 2009. As at December 31, 2022, the net assets of the Fund were $69,122,274 (2021 - $76,681,812), representing net unitholder purchases of $(2,022,661) (2021 - $(4,133,370)) plus ($5,536,877) (2021 - $12,173,771) attributable to investment performance net of expenses. The following comments and the comments under "Recent Developments" reflect the views of the portfolio management team and are based on information as at the end of the year.

We report that fund flows during the year were negative, and we are optimistic that the fund will see a positive fund flows as investment advisors assess the Fund's strategy and attractive reward-to-risk characteristics.

The market environment faced downward pressure in 2022 from a multitude of factors – including high inflation, rising interest rates, recession fears and geopolitical tensions. The most dominant factor was the relentless efforts by central banks to crush surging inflation via tightening monetary policy. Most notably, the U.S. Federal Reserve raised interest rates seven times during 2022, taking the federal funds target rate to its highest level since 2007.

The consistent march towards higher interest rates took no prisoners. Rising rates are a negative for short duration bonds, and even worse for bonds with longer duration – which were hit the hardest as inflation reached levels not seen since the early 1980s. In addition, many growth stocks and speculative companies fell precipitously after reaching nonsensical heights following the deluge of Covid-19 pandemic stimulus, which included central banks flooding the markets with liquidity and reducing interest rates to near-zero levels.

Our gross strategy mix at period end was approximately 69.0% value and event driven situations and 31.0% in merger and SPAC arbitrage positions. The Fund's holdings remain well diversified across industry sectors.

During the year ended December 31, 2022, the Fund's gross exposure ranged from 103.7% to 131.5% (2021 – 98.4% to 120.7%).

For the year ended December 31, 2022, the Fund Class X units returned -7.96% (2021, +18.59%), the Class B units returned -7.96% (2021, +18.59%), the Class A units returned -8.35% (2021, +15.14%), the Class F units returned -7.44% (2021, +16.09%), the Class M units returned -8.37% (2021, +15.10%) and the Class I units returned -6.00% (2021, +21.92%). As a point of comparison, the S&P/TSX Composite Total Return Index returned -5.84% (2021, +25.09%) and the MSCI World Index TR returned -12.22% (2021, +20.78%) measured in Canadian Dollars. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns. Full performance statistics and comparison information can be found in the *Past Performance* section of this report.

Recent Developments

Risk management is central to our disciplined investment process. At the end of the year, the Fund was invested across all 11 industry sectors with no sector weight larger than 20% of net exposure (excluding arbitrage). From a strategy perspective, the Fund is invested in long positions where we believe we have identified value and a catalyst, as well as special situations, arbitrage, and short investments.

The Fund's arbitrage strategy, 31% at year end, was a positive contributor to fund performance in 2022. This market neutral

strategy demonstrated its value as a low-risk source of returns with low-correlation to traditional equities and bonds.

During the fourth quarter we reduced short exposure from 13% to just under 3% – taking some profits and acting to increase the fund's net exposure, excluding arbitrage, to 81% at year end.

We expect to continue to increase the Fund's net exposure as we selectively take advantage of compelling value and special situations-oriented investments in the current market environment. We don't want to diminish today's challenges, but we're mindful that throughout history successful investors have prospered through selective and opportunistic buying during bear markets. We believe that market volatility will remain elevated in the near term and that investors will remain broadly cautious and prone to emotional decisions – this is a recipe for opportunity.

We have historically done some of our best work during periods of elevated market volatility and after market declines. This is an attractive environment for our investment style and strategy in our opinion – one that we believe increasingly favours our value-oriented and active approach.

Related Party Transactions

For the year ended December 31, 2022, Maxam Capital Management Ltd. was responsible for the day-to-day business operations and affairs of the Fund and was entitled to fees as described under "Management Fees" and "Performance Fees" below.

At December 31, 2022, 36,351 Class X units (2021 - 75,613), 15,624 Class B units (2021 - 15,624), 14,612 Class A units (2021 - 42,075), 26,340 Class F units (2021 - nil) and 121,991 Class I units (2021 - nil), of the Fund were owned by the Manager, or its officers and directors.

Expenses absorbed by the Manager

The Fund is responsible for all of its operating expenses, including legal, audit, administration and all other expenses incurred in the ordinary course of operations. The Fund reimburses the Manager for expenses paid by the Manager on behalf of the Fund. The Manager, at its discretion, may reduce or waive these expenses or reimburse the Fund for its expenses. For the year ended December 31, 2022, the Manager absorbed $nil of the Fund's expenses (2021 - $nil).

Management Fees:

In consideration for management services, pursuant to the Master Trust Agreement, the Fund pays the Manager Management fees at the annualized rates shown below (exclusive of GST charged thereon). The fees are calculated and paid monthly, based on the net asset value of the respective class of units of the Fund on the last business day of the month. The management fee is calculated prior to, and without taking into account, any performance fees payable to the Manager.

- Class X (formerly Series A) 2%
- Class B (formerly Series B) 2%
- Class A (formerly Series C) 2%
- Class F (formerly Series F) 1%
- Class M (formerly Series M) 2%
- Class I (Formerly Series I) 0%

The management fee for Class I (formerly Series I) units is negotiated with the Manager by individual Class I unitholders and paid directly by each unitholder, outside the Fund.

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Performance Fees:

In addition to the management fee payable in respect of each class of units, the Manager is entitled to receive performance fees for its services as portfolio advisor.

Class X and Class B (formerly Series A and Series B respectively):

The performance fee is equal to 20% of the increase in the net asset value of each class or sub-class of Class X and Class B units over the relevant period in excess of a 5% annualized minimum increase, subject to a quarterly "high watermark" that ensures any decline in the net asset value of each sub-class below the high watermark has to be recouped before performance fees will be charged in respect of the sub-class in any subsequent period. The high watermark for a sub-class is the greater of:

(i) the purchase price of the sub-class, and
(ii) if a performance fee has been paid in respect of the sub-class, the net asset value of the sub-class on the last date on which a performance fee was so paid.

Performance fees are calculated and accrued monthly and paid to the Manager quarterly. Immediately following payment of performance fees to the Manager, the Manager may redesignate outstanding sub-class of a class as units of that same class (for example, by redesignating all outstanding sub-class of Class X units as Class X units), provided that all such redesignated sub-class are valued at their high watermark. This redesignation will occur on a pro-rata basis, based on the relative net asset value of each applicable sub-class.

Class A, Class F and Class M (formerly Series C, Series F and Series M respectively):

The Fund will pay a performance fee equal to 20% of the increase in the net asset value of Class A, Class F and Class M units over the previous high watermark for each applicable Class of units. The performance fee for Class A, Class F and Class M units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Class A, Class F and Class M units, the accrued portion of the performance fee allocated to the redeemed units will be payable by the Fund following the end of the month in which the units were redeemed.

The highest quarter-end net asset value per unit for Class A, Class F and Class M units from time to time establishes a high watermark for Class A, Class F and Class M units which must be exceeded in subsequent quarters for the performance fee applicable to Class A, Class F and Class M units to be payable.

Class I (formerly Series I):

The performance fee for Class I units is negotiated by the Manager with individual Class I unitholders and is paid directly by each unitholder, outside the Fund.

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The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past period since the inception date.

Class X		
The Fund's Net Asset Value (NAV) per Class X Unit [1]		**December 31, 2022**
Net assets attributable to holders of redeemable units, beginning of year	$	28.57
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.02)
Total expenses		(0.73)
Realized gain (loss) for the year		0.87
Unrealized gain (loss) for the year		(2.47)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(2.35)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	26.30
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	16,374,487
Number of units outstanding [4]		622,621
Management expense ratio [5]		2.37%
Management expense ratio before waivers or absorptions [5]		2.37%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit	$	26.30

Class X2-APR-2015		
The Fund's Net Asset Value (NAV) per Class X2-APR-2015 Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	13.25
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		0.12
Total expenses		(0.34)
Realized gain (loss) for the year		0.41
Unrealized gain (loss) for the year		(1.11)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.92)
Distributions:		
From capital gains		–
Return of capital		(0.13)
Total Annual Distributions [2] [3]		(0.13)
Net assets attributable to holders of redeemable units, end of year (2)	$	12.20
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	7,850,201
Number of units outstanding [4]		643,630
Management expense ratio [5]		2.37%
Management expense ratio before waivers or absorptions [5]		2.37%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	12.20

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Class X2-SEP-2014		
The Fund's Net Asset Value (NAV) per Class X2-SEP-2014 Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	14.47
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		0.13
Total expenses		(0.37)
Realized gain (loss) for the year		0.45
Unrealized gain (loss) for the year		(1.21)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(1.00)
Distributions:		
From capital gains		–
Return of capital		(0.15)
Total Annual Distributions [2] [3]		(0.15)
Net assets attributable to holders of redeemable units, end of year (2)	$	13.32
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	5,218,521
Number of units outstanding [4]		391,857
Management expense ratio [5]		2.37%
Management expense ratio before waivers or absorptions [5]		2.37%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	13.32

Class X-SEP-2022		
The Fund's Net Asset Value (NAV) per Class X-SEP-2022 Unit [1]		**December 31, 2022**
Net assets attributable to holders of redeemable units, beginning of year	$	–
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.09)
Total expenses		(0.10)
Realized gain (loss) for the year		0.11
Unrealized gain (loss) for the year		(0.14)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.22)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	9.78
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	48,906
Number of units outstanding [4]		5,000
Management expense ratio [5]		0.82%
Management expense ratio before waivers or absorptions [5]		0.82%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit	$	9.78

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Class B		
The Fund's Net Asset Value (NAV) per Class B Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	16.90
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.02)
Total expenses		(0.43)
Realized gain (loss) for the year		0.53
Unrealized gain (loss) for the year		(1.42)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(1.34)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	15.55
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	3,144,721
Number of units outstanding [4]		202,170
Management expense ratio [5]		2.37%
Management expense ratio before waivers or absorptions [5]		2.37%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	15.55

Class A		
The Fund's Net Asset Value (NAV) per Class A Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	19.90
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		–
Total expenses		(0.61)
Realized gain (loss) for the year		0.67
Unrealized gain (loss) for the year		(1.54)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(1.48)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	18.24
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	6,887,228
Number of units outstanding [4]		377,628
Management expense ratio [5]		2.92%
Management expense ratio before waivers or absorptions [5]		2.92%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	18.24

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Class F		
The Fund's Net Asset Value (NAV) per Class F Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	20.71
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.03)
Total expenses		(0.42)
Realized gain (loss) for the year		0.64
Unrealized gain (loss) for the year		(1.83)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(1.64)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	19.17
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	14,900,246
Number of units outstanding [4]		777,427
Management expense ratio [5]		1.81%
Management expense ratio before waivers or absorptions [5]		1.81%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	19.17

Class I		
The Fund's Net Asset Value (NAV) per Class I		
Net assets attributable to holders of redeemable units, beginning of year	$	–
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.15)
Total expenses		(0.06)
Realized gain (loss) for the year		0.43
Unrealized gain (loss) for the year		0.36
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		0.58
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	9.46
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	1,153,630
Number of units outstanding [4]		121,991
Management expense ratio [5]		0.23%
Management expense ratio before waivers or absorptions [5]		0.23%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	9.46

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Class I-APR-2017		
The Fund's Net Asset Value (NAV) per Class I-APR-2017 Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	12.11
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.02)
Total expenses		(0.07)
Realized gain (loss) for the year		0.38
Unrealized gain (loss) for the year		(1.02)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.73)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	11.38
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	5,566,923
Number of units outstanding [4]		488,985
Management expense ratio [5]		0.27%
Management expense ratio before waivers or absorptions [5]		0.27%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	11.38

Class I-MAY-2016		
The Fund's Net Asset Value (NAV) per Class I-MAY-2016 Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	14.39
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.02)
Total expenses		(0.08)
Realized gain (loss) for the year		0.45
Unrealized gain (loss) for the year		(1.22)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.87)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	13.52
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	2,206,443
Number of units outstanding [4]		163,167
Management expense ratio [5]		0.27%
Management expense ratio before waivers or absorptions [5]		0.27%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	13.52

MAXAM DIVERSIFIED STRATEGIES FUND
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Financial Highlights – December 31, 2022

Class I-NOV-2016		
The Fund's Net Asset Value (NAV) per Class I-NOV-2016 Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	13.51
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.02)
Total expenses		(0.07)
Realized gain (loss) for the year		0.42
Unrealized gain (loss) for the year		(1.14)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.81)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	12.70
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	4,290,021
Number of units outstanding [4]		337,871
Management expense ratio [5]		0.27%
Management expense ratio before waivers or absorptions [5]		0.27%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	12.70

Class M		
The Fund's Net Asset Value (NAV) per Class M Unit [1]		
Net assets attributable to holders of redeemable units, beginning of year	$	11.40
Increase (decrease) in net assets attributable to holders of redeemable units:		
Total revenue		(0.01)
Total expenses		(0.34)
Realized gain (loss) for the year		0.35
Unrealized gain (loss) for the year		(0.95)
Total increase (decrease) in net assets attributable to holders of redeemable units [2]		(0.95)
Distributions:		
From capital gains		–
Total Annual Distributions [2] [3]		–
Net assets attributable to holders of redeemable units, end of year (2)	$	10.45
Ratios and Supplemental Data		
Total Net Asset Value [4]	$	1,480,946
Number of units outstanding [4]		141,783
Management expense ratio [5]		2.85%
Management expense ratio before waivers or absorptions [5]		2.85%
Trading expense ratio [6]		0.79%
Portfolio turnover rate[7]		180.60%
Net Asset Value per Unit [6]	$	10.45

Notes:

(1) This information is derived from the Fund's financial statements for covering the year ended December 31, 2022 and is not a reconciliation of beginning and ending net assets per unit.
(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase(decrease) from operations is based on the weighted average number of units outstanding over the financial period.
(3) Distributions were automatically reinvested in additional units of the Fund.
(4) This information is provided as at December 31, 2022, of the period shown, as applicable.
(5) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period. Included in the trading expense ratio are the forward fees.
(7) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the units in its portfolio once in the course of the period. The higher a funds' portfolio turnover rate in the period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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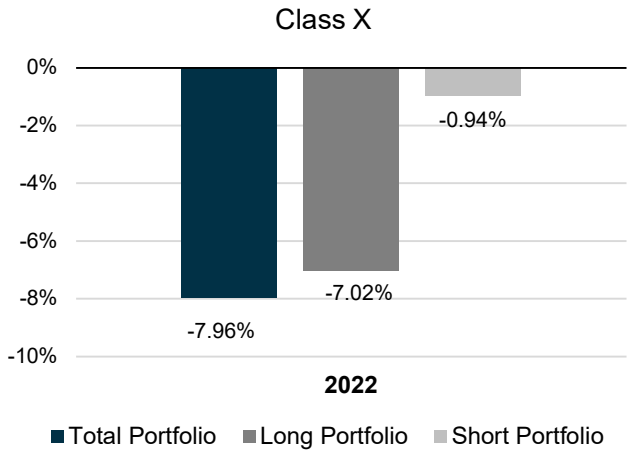
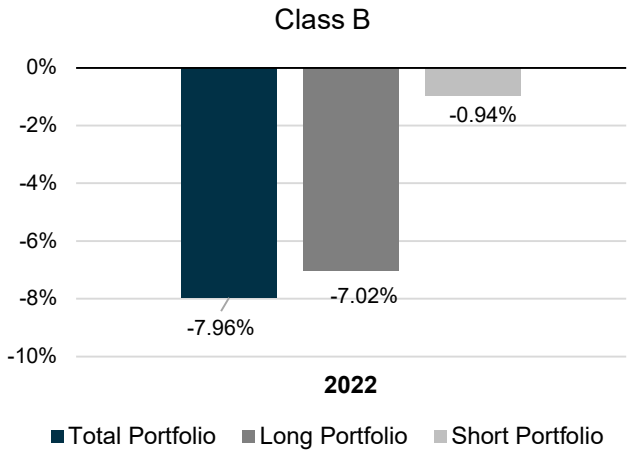
Past Performance

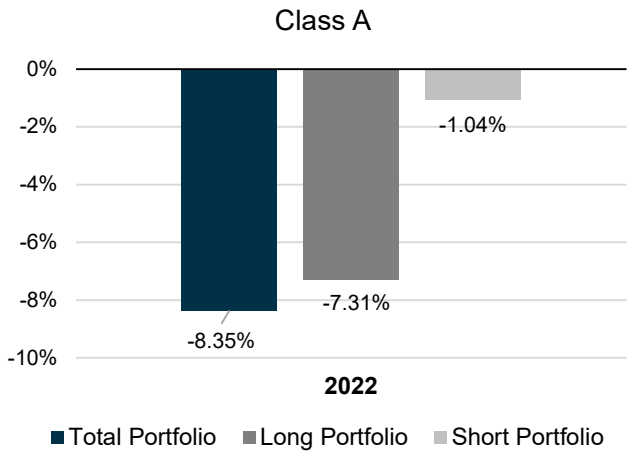
The following charts present the performance of each class of the Fund for each of the fiscal periods shown. The information shown assumes that any distributions made by the Fund were reinvested in additional units of the Fund. All rates of return are calculated based on the net asset value of the particular class of the Fund. Past returns of the Fund do not necessarily indicate how it will perform in the future. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions are shown for each class in addition to the overall total return for each such class.

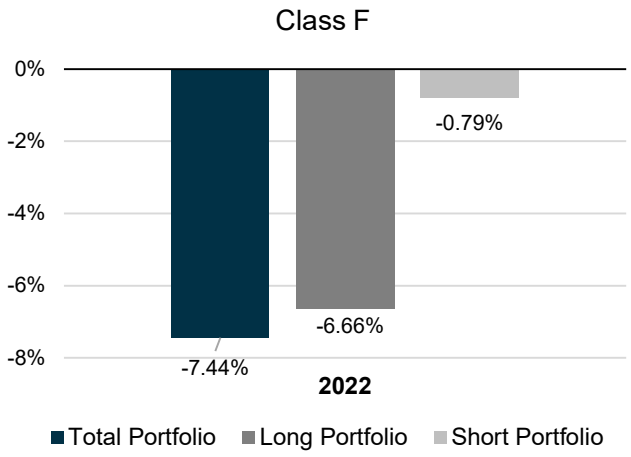
Year-by-Year-Returns

The following chart indicates the performance of each class of the Fund from January 1, 2022 to December 31, 2022. The chart shows, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Year-by-year returns are broken down only from the year that the Fund converted to a liquid alternative fund. For prior period returns, see the next section titled Annual Compound Returns.









MAXAM DIVERSIFIED STATEGIES FUND
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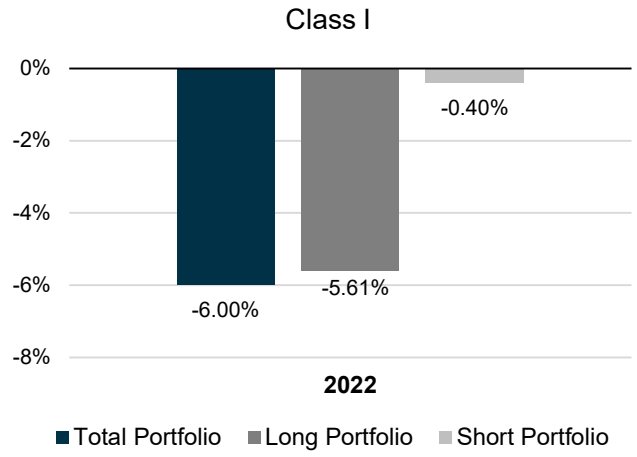

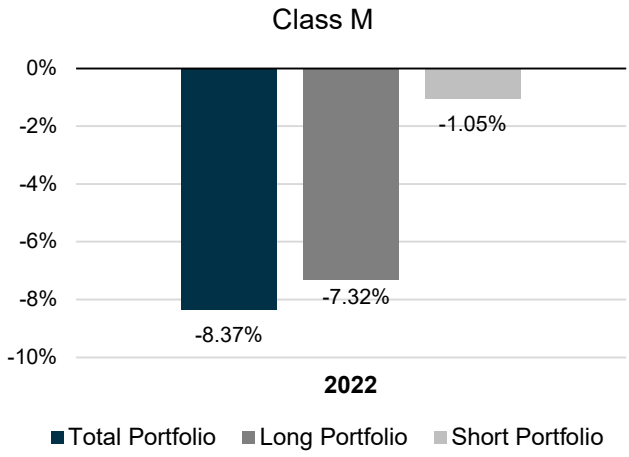

*returns of all sub-classes are consistent with those presented above

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Annual Compound Returns

The table below shows the annual and compound since inception returns for the period ending December 31, 2022 for each class of the Fund and the respective long and short portfolio positions. For comparison purposes, the Manager shows compound returns for the same time periods for the MSCI World Index (measured in Canadian Dollar returns) and the FTSE Canada Universe Bond Index.

The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. With 1,539 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The FTSE Canada Universe Bond Index measures the performance of the Canadian Dollar denominated investment-grade fixed income market, covering Canadian government, quasi-government and corporate bonds. The index is designed to track the performance of marketable government and corporate bonds outstanding in the Canadian market.

	Inception Date	1 Year	3 Year	5 Year	10 Year	Annualized Since Inception
Total portfolio - Class X Units	(06-30-2009)	**-7.96%**	**7.20%**	**2.22%**	**8.91%**	**8.73%**
Long portfolio - Class X Units		-7.02%				
Short portfolio - Class X Units		-0.94%				
Total portfolio - Class B Units	(05-31-2011)	**-7.96%**	**7.21%**	**2.22%**	**8.56%**	**7.06%**
Long portfolio - Class B Units		-7.02%				
Short portfolio - Class B Units		-0.94%				
Total portfolio - Class A Units	(12-31-2012)	**-8.35%**	**5.84%**	**1.42%**	**7.47%**	**7.47%**
Long portfolio - Class A Units		-7.31%				
Short portfolio - Class A Units		-1.04%				
Total portfolio - Class F Units	(01-31-2013)	**-7.44%**	**6.62%**	**2.31%**		**8.00%**
Long portfolio - Class F Units		-6.66%				
Short portfolio - Class F Units		-0.79%				
Total portfolio - Class I Units	(05-31-2016)	**-6.00%**	**9.73%**	**4.53%**		**8.25%**
Long portfolio - Class I Units		-5.61%				
Short portfolio - Class I Units		-0.40%				
Total portfolio - Class M Units	(06-30-2017)	**-8.37%**	**5.81%**	**1.33%**		**2.67%**
Long portfolio - Class M Units		-7.32%				
Short portfolio - Class M Units		-1.05%				
S&P/TSX Composite TRI	(06-30-2009)	**-5.84%**	**7.54%**	**6.85%**	**7.74%**	**7.88%**
MSCI World Index TR (CAD)	(06-30-2009)	**-12.22%**	**6.49%**	**7.80%**	**12.26%**	**10.49%**

MAXAM DIVERSIFIED STATEGIES FUND
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Summary of Investment Portfolio at December 31, 2022

Summary of Top 25 Holdings

Security	% of Net Assets
H2O Innovation Inc.	4.3%
Hamilton Thorne Ltd.	3.8%
Knight Therapeutics Inc.	2.9%
Diversified Royalty Corp.	2.6%
Vitalhub Corp.	2.2%
Vecima Networks Inc.	1.9%
Winpak Ltd.	1.8%
Axis Auto Finance Inc 7.50% 31MAR2023 CONV $0.95	1.8%
TransAlta Corp.	1.7%
Aritzia Inc.	1.6%
EcoSynthetix Inc.	1.6%
The Westaim Corp.	1.5%
Tidewater Midstream and Infrastructure Ltd.	1.5%
Chemtrade Logistics Income Fund	1.5%
Spartan Delta Corp.	1.3%
Tourmaline Oil Corp.	1.2%
Nutrien Ltd.	1.2%
Polaris Renewable Energy Inc.	1.2%
Trisura Group Ltd.	1.1%
Baylin Technologies Inc. 6.50% 10JUL23	1.1%
Superior Plus Corp.	1.1%
Guardian Capital Group Ltd.	1.1%
Sylogist Ltd.	1.1%
Canadian Natural Resources Ltd.	1.1%
Franco-Nevada Corp.	1.1%
Top Holdings (Long)	**43.4%**

Summary of Composition of the Portfolio

	% of Net Assets
Investments	
Basic Materials	16.3
Communications	6.2
Consumer, Cyclical	5.5
Consumer, Non-cyclical	14.2
Diversified	25.7
Financial	12.8
Industrial	10.0
Energy	10.7
Technology	7.0
Utilities	3.5
Total investments	111.9
Total investments	111.9
Bank indebtedness	(11.6)
Other assets and liabilities	(0.3)
Total Net Assets	**100.0**

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Summary of Top 25 Holdings Security	% of Net Assets
Royal Bank of Canada	(0.5)
Alimentation Couche-Tard Inc.	(0.4)
Intact Financial Corp.	(0.3)
CCL Industries Inc.	(0.3)
Waste Connections Inc.	(0.3)
Toromont Industries Ltd.	(0.2)
Global X Uranium ETF Call $35 19JAN24	(0.1)
Amalgamated Financial Corp.	(0.1)
VIX 1 C35 Call $35 18JAN23	(0.0)
Pan American Silver Corp.	(0.0)
Agnico Eagle Mines Ltd.	(0.0)
VIXW 1 C35 Call $35 11JAN23	(0.0)
National Vision Holdings Inc. Put $30 20JAN23	(0.0)
VIXW 1 C35 Call $35 04JAN23	(0.0)
Arbor Realty Trust Inc. Put $10 20JAN23	(0.0)
PLBY Group Inc. Call $60 19JAN24	(0.0)
Top Holdings (Short)	**(2.4)**

The “Top 25 Holdings” of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.