

SCIVEST ALTERNATIVE STRATEGIES INC.



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SciVest Market Neutral Equity Fund

One of the best performing market neutral equity funds in the world.

SciVest Alternative Strategies Inc. is at the forefront of market neutral investing in Canada. Their first fund, the SciVest Market Neutral Equity Fund, is the best performing market neutral equity fund in Canada, and one of the best performing market neutral equity funds in the world, both in terms of raw returns and more importantly risk-adjusted returns. They have recently capitalized on their expertise in market neutral investing by launching three new funds that are based on this core market neutral theme: an aggressive version; a conservative version; and an index-plus strategy. There is also a multi-strategies version which incorporates all four of these funds.

All of the Funds are managed by SciVest Capital Management Inc. using highly sophisticated quantitative investment models that harness the power of today's computer systems and the availability of large high quality databases.

SciVest believes that risk management is at least as

Fund Name: SciVest Market Neutral Equity Fund
Style / Strategy: Equity Market Neutral
Fund Launch Date: May 2001
Assets Under Management: \$22.2 million
Annualized Return: 24.8% (net)
Standard Deviation: 10.8%
Sharpe Ratio: 2.03
Beta v S&P 500: -0.06
Maximum Monthly Drawdown: -3.5%
Fee Structure: 2.5% plus performance fee: 20%
Hurdle Rate: Canadian Treasury Bill Rate
High-Water Mark: Yes
RSP-eligible: Yes – Foreign Content
Auditor: Deloitte & Touche LLP
Trustee & Custodian: The Royal Trust Company
Administrator: RBC Global Services
Minimum Investment: \$25,000 - \$150,000
subject to provincial statutory minimums
Investment Focus: N. America - 82% USA; 18% Canada
Total Number of Positions Involved: Approximately 370
Liquidity: Daily
Distribution: Quarterly
Portfolio Advisor: SciVest Capital Management Inc.
Fund Codes: Front End (CDN \$) SCI100; Front End (US \$) SCI105
Market Exposure: Average Leverage: 3.2:1
(where leverage = (longs+shorts)/capital);
 Maximum Leverage: 4.0:1
(where leverage=(longs+shorts)/capital)

important as delivering returns. As such, the Funds are managed for a high degree of quality control so that over any reasonable period of time they should meet or exceed investor expectations.

Since the Funds are at all times virtually cash neutral and market neutral, as well as close to sector and industry neutral, they should prove to be among the most efficient portfolio diversifying tools available to Canadian investors.

The vision is to build SciVest Alternative Strategies Inc. into a significant manager and distributor of a full range of innovative, cutting-edge, hedge fund products which cater solely to a relatively small group of top Canadian investment advisors and their high-net-worth clients. SciVest Alternative Strategies Inc. strives to deliver a high level of customer service, transparency across all products, access to the senior executives of the firm and its money managers, and of course superior risk-adjusted, after-tax returns.

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Offering memorandum is available upon request.