



Inflection Performance: May 2019

Contribution (ISOF Series A USD)

ISOF Series A USD returned -0.78% and Ultra Series A USD returned -1.70% in May. Nine of our 18 strategies performed positively for the month. By contrast the S&P 500 fell -6.58% on the month. Even in wind-down mode, we continue to focus on our mandate of capital preservation and keeping the remaining portfolio uncorrelated to equities.

Our top contributor for the month was RID, a quantitative market neutral equity specialist, who produced 0.27% for the portfolio. Our second largest contributor was AQO, a volatility specialist, who produced 0.14%, and our third was MAL, another volatility specialist, who produced 0.11% for the portfolio.

Our largest detractor was ART, a tail hedge specialist, who detracted -0.40% from the portfolio. Our second largest detractor was HUN, an arbitrage specialist, who detracted -0.30%, and our third largest detractor was CHA, a high yield specialist, who detracted -0.23% from the portfolio.

Fund Wind-Down Update

The timetable for return of capital remains unchanged from the plan articulated in our letter of April 24th, 2019, to our Investors, and everything is proceeding smoothly. SGGG, our Administrator, plans to make the first and largest cash distribution in August.* Subsequent distributions will be made a similar amount of time following quarter ends (i.e. 3rd Quarter in October*; 4th Quarter in February*; 1st Quarter 2020 in May*), distributing the proceeds of portfolio sales made during the previous quarter. An additional payment will release any required holdbacks after the completion of a final audit.

* The timing of all cash distributions is dependent on RBC, our Custodian's, processing speed. We will not know with any certainty until the first distribution, of the 2nd Quarter portfolio sales, how fast SGGG can then complete these transactions. We will continue to update investors if there is any meaningful deviation from our projected process.

Sincerely,

The Inflection Team

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The Inflection Strategic Opportunities Fund (ISOF) and the Inflection Strategic Opportunities Fund Ultra (Ultra) invest in a broad array of carefully selected hedge fund strategies in order to capitalize on dislocations and market opportunities. The funds have global mandates and focus primarily on the Americas, Europe and Asia, providing access to the expertise of hedge fund managers in identifying what we believe are exceptional investment opportunities throughout the world. Some taxable investors may find that the funds’ option structure has significant tax benefits. Please refer to the attached Factsheet for additional information.

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Disclosure

ISOF/Ultra performance presented are USD net returns after investment management and performance fees and is not an estimate of any specific investor’s actual performance, which may be materially different from such performance depending on numerous factors. ISOF returns represent historical returns adjusted for the June 2015 performance fee structure change to the current fee structure. Information presented is believed to be correct and accurate at the time of production but may change due to circumstances beyond our control. Returns may be amended after these numbers have been reported due to repricing adjustments or receipt of more recent data, among other things, and will be reflected in the most recent document. Comparative returns selected are for informational purposes only and may or may not accurately represent the composition or potential performance of ISOF/Ultra and may not be useful for comparison purposes. The Scotiabank Canadian Hedge Fund Equal Weighted Index (SCHF | Equal Weighted) is an equal weighted index intended to represent a comprehensive overview of the Canadian Hedge Fund universe. The index includes both open and closed funds with a minimum AUM of C\$15 million and at least a 12-month track record of returns, managed by Canadian-domiciled hedge fund managers. Index returns are quoted in CAD. The Barclays Global Aggregate Bond Index is a market capitalization-weighted index denominated in US Dollars representing the universe of investment grade bonds available for purchase in the United States, securities underlying the index include Treasuries, Agencies, Mortgages, and Corporate Bonds. ISOF/Ultra are exempt market funds available to Canadian resident accredited investors in British Columbia, Alberta, Ontario, and Quebec and to a limited investor base in certain provinces under the Minimum Amount exemption. Investing involves risk. Please seek professional advice before making any investment. This is not an offer to purchase or sell securities. It is for information only. Please refer to the Confidential Information Memorandum for more detailed information.