

Kootenay Global Energy Absolute Return Fund



The Fund

The Kootenay Global Energy Absolute Return Fund LP ("LP") investment objective is to maximize absolute returns in the energy sector while minimizing volatility. The Fund intends to achieve this objective through superior securities selection in both long and short investment positions.

The fund will vary the allocation of long and short positions depending on its view of energy macroeconomic fundamentals and investment opportunities. The Fund seeks to identify securities that trade above or below their intrinsic value and will take positions that anticipate share prices migrating to intrinsic value.

The Fund will overweight certain subsectors in the energy industry, as well as asset classes, including cash.

The Kootenay Energy RSP Fund ("Trust") investment objective is to realize capital appreciation by investing in Partnership Interests of the Kootenay Global Energy Absolute Return Fund LP.

Fund Governance

Kootenay Advisory Committee

Robert Booth, QC	Partner, Bennett Jones LLP
Tom Ebberrn, BSc, MBA	Chief Financial Officer, Northwest Upgrading
Ira Gluskin	Co-founder & Vice Chairman, Gluskin Sheff & Associates
Matt Janisch, BSc, MBA	Vice-President & CFO, Legacy Oil + Gas Inc.
Brian Lavergne, BSc	President & CEO, Storm Resources Ltd.
H. Cameron Ross, Major General (ret'd)	President, HCR Security International
Chris Theal, CFA, CIM	President & CEO, Kootenay Capital Management Corp.

About the Managers

Kootenay Capital Management Corp. is an independent, Calgary-based asset management firm operating a directional long/short energy fund. The fund is managed by two top-ranked oil and gas analysts, Chris Theal and Leon Knight. Both have been independently recognized for their energy sector knowledge, idea generation and stock picking.

Chris Theal, CFA, CIM, President & CEO

Prior to founding Kootenay, Mr. Theal was an oil and gas analyst for thirteen years, most recently as Global Coordinator, Oil & Gas Research at Macquarie Securities. Mr. Theal was Head of Research and a member of the Executive Committee at Tristone Capital – a global energy investment boutique – prior to Macquarie acquiring Tristone in 2009. Prior thereto, Mr. Theal was an oil and gas analyst at CIBC World Markets. Mr. Theal is a CFA Charterholder and holds the Canadian Investment Manager designation. He has a MBA in Finance, from the University of British Columbia, an undergraduate degree in economics, with distinction, from Royal Roads Military College. He was an officer in the Canadian Navy and was awarded the United Nations Peacekeeping Services medal for UN service during the embargo of Haiti in 1994.

Leon Knight, CFA, Chief Operating Officer

Prior to joining Kootenay, Mr. Knight was a Business Analyst for a Calgary based Senior Independent oil and gas producer and was engaged in strategy, planning, and business development activities for the company's international operations. Prior thereto, Mr. Knight worked alongside Mr. Theal as a member of the research team at Macquarie Securities and Tristone Capital for six years until 2010, most recently as a Senior Research Analyst. From 2008 through 2010, Mr. Knight was a publishing analyst and was recognized as the #5 top stock picker overall in Canada for 2009 by the Globe and Mail/StarMine Analyst Awards. Mr. Knight is a CFA Charterholder and holds a Bachelor of Commerce with a major in Finance from the University of Calgary.

Global Energy Absolute Return Fund

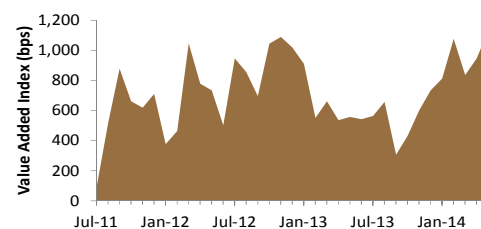
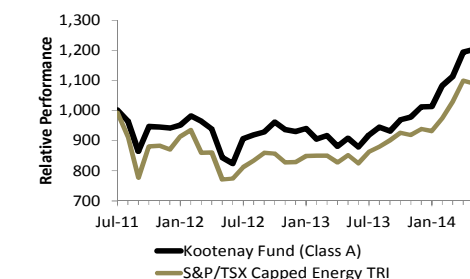
Inception Date	18-May-11
Launch date	July 2011
Structure	GP / LP; Mutual Fund Trust
Fund Type	Long / Short Equity
Fund Status	Open
Registered Tax Plan Status	Eligible (Through Trust)
Mutual Fund Trust Class A	KCM100
Mutual Fund Trust Class F	KCM101
LP Initial Series Unit Price	1.203
Trust Class A Unit Price (KCM100)	12.60
Trust Class F Unit Price (KCM101)	12.68
Eligibility	Accredited & Eligible Investors
Valuations	Monthly
Purchase Frequency	Monthly
Redemptions	Monthly (30 days notice)
Min. Investment Term	180 Days
Management Fee	2% Class A; 1% Class F
Performance Distribution	20% above high water mark
High Water Mark	Yes. No reset
Hurdle Rate	None
Risk Tolerance	High

Monthly Returns (LP Initial Series)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Kootenay Fund	S&P/TSX Energy ¹	Value Added
2014	0.10%	6.84%	2.81%	7.29%	0.73%								18.83%	16.06%	2.77%
2013	1.05%	(3.75%)	1.29%	(3.86%)	3.03%	(3.17%)	4.55%	2.86%	(1.43%)	4.00%	1.00%	3.43%	8.79%	13.32%	(4.53%)
2012	1.07%	3.19%	(1.78%)	(2.64%)	(10.12%)	(2.36%)	10.01%	1.37%	1.07%	3.54%	(2.59%)	(0.68%)	(1.18%)	(4.83%)	3.65%
2011	-	-	-	-	-	-	0.19%	(3.76%)	(10.29%)	9.45%	(0.18%)	(0.36%)	(5.83%)	(12.93%)	7.10%
Since Inception (Annualized)													6.66%	3.05%	3.61%

Relative Performance

	1-Mo	3-Mo	6-Mo	1-Yr	2-Yr ²	Since Inception ¹	Volatility	Sharpe Ratio	To S&P/TSX Energy ¹	
									R ²	Beta
Kootenay Fund (LP Initial Series)	0.73%	11.10%	22.90%	32.48%	19.40%	6.66%	14.0%	0.41	0.56	0.49
S&P/TSX Capped Energy TRI	(0.90%)	11.75%	18.61%	27.87%	18.93%	3.05%	21.1%	0.10		



Notes:
 • Value Added Index is Kootenay return relative to the S&P/TSX Capped Energy Total Return Index since inception

Fund Details

Fund Type	Directional long / short
Investment Focus	Energy equities
Investment Style	Fundamental value
Prime Broker	CIBC World Markets Inc.
Fund Administrator	Pinnacle Canada Fund Administration
Auditor	KPMG LLP
Legal Counsel	Bennett Jones LLP

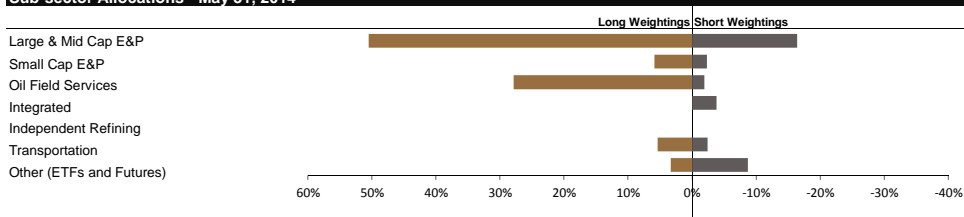
Portfolio Overview - May 31, 2014

Exposures:	
Gross Long	92.9%
Gross Short	35.6%
Net	57.3%
Cash	7.1%
Number of Long Holdings	29
Number of Short Holdings	13

Top 5 Long Equity Holdings - May 31, 2014

1	Legacy Oil + Gas	6.6%
2	Canyon Technical Services	5.4%
3	Tourmaline Oil	5.1%
4	Encana Corp	4.9%
5	Paramount Resources	4.7%
Top 10 Holdings Concentration		49.3%

Sub-sector Allocations - May 31, 2014



Small Cap E&P includes market capitalization < \$300 million.

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Notes:

¹ Fund benchmark is the S&P/TSX Capped Energy Total Return Index. ² Returns are annualized.
 Benchmark performance is measured from commencement of asset allocation of the Kootenay fund, prices are based from July 18, 2011 close.
 Returns are in Canadian dollars; Kootenay Fund returns calculated are net of transaction costs, management and performance fees.
 Cash excludes proceeds held from securities sold short.
 Top 10 Holdings Concentration is the ratio of the top ten positions as percentage of assets under management.
 Sector weightings calculated as percentage of assets under management.
 The above is provided for information purposes only and is qualified in its entirety by way of the offering memorandum, which is available to qualified investors.

Kootenay Global Energy Absolute Return Fund

Important Disclosures

Kootenay Capital Management Corp.

Kootenay Capital Management Corp. is the Adviser to the Kootenay Global Energy Absolute Return Fund LP. The company is registered in Alberta, Ontario, British Columbia, Saskatchewan, Manitoba and Quebec under the provisions of the Securities Act in the categories of Portfolio Manager, Investment Fund Manager and Exempt Market Dealer.

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Kootenay Global Energy Absolute Return Fund LP

The Kootenay Global Energy Absolute Return Fund Limited Partnership is a limited partnership formed under the laws of Alberta. The primary objective of the Partnership is to maximize absolute returns in the global energy sector for the purpose of realizing capital gains and investment income from such investments.

Kootenay Energy RSP Fund

The Kootenay Energy RSP Fund is an unincorporated, open-ended mutual fund trust governed by the laws of Alberta. The primary objective of the Fund is to realize capital appreciation and investment income by investing in Partnership Interests of the Kootenay Global Energy Absolute Return Fund Limited Partnership. Units of the Fund are listed on FundSERV under the symbol KCM100 for Class A Units and KCM101 for Class F Units.

Benchmark

The constituents of the S&P/TSX Capped Energy Total Return Index (SPTSEN) are a subset of the constituents of the S&P/TSX Composite Index that have been classified according to the Global Industry Classification Standard. The relative weight of any single index constituent is capped at 25%. The S&P/TSX indices are calculated and managed by S&P Indices and set forth the performance of well known, broad-based market statistics. The benchmark is not necessarily representative of our management style and is included for discussion purposes only.

Confidentiality

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Eligibility

The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.

For accredited investor requirements please consult the Fund's offering documents or a financial advisor.

Definitions

Alpha - a risk-adjusted measure of active return on an investment in excess of a benchmark (value added by active fund management). Sharpe Ratio can be used to measure relative Alpha.

Beta - represents the tendency of the fund's return to respond to market swings. <1 means the fund has less volatile returns than the index.

Correlation - measures how two instruments (fund and index) move in relation to each other: +1 is perfect positive correlation.

Sharpe Ratio - is a measure of the excess return (or risk premium) per unit of standard deviation in an investment. Excess return is defined as return in excess to the yield on the Canadian 90-day Treasury Bill.

Standard Deviation - is a measurement of investment volatility (up and down) that illustrates how much dispersion there is from the mean. The lower standard deviation the closer the data points are to the mean.

Kootenay Service Providers

Prime Broker - CIBC World Markets

Fund Administrator - Pinnacle Canada Fund Administration

Auditor - KPMG LLP

Legal Counsel - Bennett Jones LLP

Notes:

¹ Fund benchmark is the S&P/TSX Capped Energy Total Return Index.

Benchmark performance is measured from commencement of asset allocation of the Kootenay fund, prices are based from July 18, 2011 close.

Returns are in Canadian dollars.

Kootenay Fund returns are the initial Kootenay LP Class 'A' series calculated net of transaction costs, management and performance fees.

Cash excludes proceeds held from securities sold short.

Top 10 Holdings Concentration is the ratio of the top ten positions as percentage of assets under management.

Sector weightings calculated as percentage of assets under management.

The above is provided for information purposes only and is qualified in its entirety by way of the offering memorandum, which is available to qualified investors.