Lumen Long Short Equity Fund
Fact Sheet - Class B
As at June 30, 2021

Portfolio Manager: Timothy Shiu, CFA	
Fund Objective/Description: Lumen Long Short Equity Fund LP's objective is to provide consistent long-term capital appreciation and to provide holders of Units with an attractive risk-adjusted rate of return with less volatility than traditional equity markets and low correlation to major equity markets.	
Fund Details:	
Strategy:	Long/Short Equity
Geography:	North America (Primarily Canada)
Exposures:	Gross ~150% Typical, 200% Max Net 50-80% Typical Range
Style:	Fundamental bottom-up "Change at the margin"
Inception Date:	01-Jan-16
Fund Type:	Limited Partnership
Management Fee:	Class B: 1% (via Master Fund)
Performance Allocation:	Class B: 20% (via Master Fund)
High Water Mark:	Perpetual
Valuations:	Monthly
Investor Liquidity:	Monthly (30 days notice)
Prime Broker/Custodian:	Bank of Nova Scotia (Scotia Capital Inc.)
Fund Administrator:	Apex Fund Services
Legal Counsel:	Borden Ladner Gervais LLP
Auditors:	PricewaterhouseCoopers LLP

Performance

Current Fund Performance:

Compound Return (%)	1M	3M	12M
Lumen Long Short Equity Fund (Class B)	1.47%	5.38%	17.50%

*Returns are compounded monthly and net of fees, expenses and performance allocations.
Source: Lumen Asset Management Inc.

Lumen Long Short Equity Composite(Class B) Performance (Inception 01/15/2014):

Compound Return (Annualized %)	3Y	5Y	From Inception
Lumen Long Short Equity Composite (Class B)	7.69%	10.70%	11.41%

*See disclosures relating to Lumen Long Short Equity Composite on reverse

Composite Return & Risk Analysis:

	Lumen Long Short Equity Composite (Class B)	S&P/TSX Composite TR Index
% of Positive Months	68.9%	66.7%
Sharpe Ratio (from inception)	0.83	0.47
Standard Deviation (from inception daily-annualized)	12.34%	15.63%
Realized Beta (from inception to S&P/TSX TR Index)	0.41	-
Up Capture Ratio	0.73	-
Down Capture Ratio	0.34	-
Best Month	5.23%	10.79%
Worst Month	-4.70%	-17.38%
Maximum Drawdown	-11.06%	-22.25%
Time Period of Drawdown	Sep 2018 - Sep 2019	Feb 2020 - Oct 2020
Maximum Time Under Water (Below Record High)	13 months (Sep 2018 - Sep 2019)	24 months (Sep 2014 - Aug 2016)
Avg Gross Exposure (from inception)	159.60%	-
Avg Net Exposure (from inception)	72.28%	-

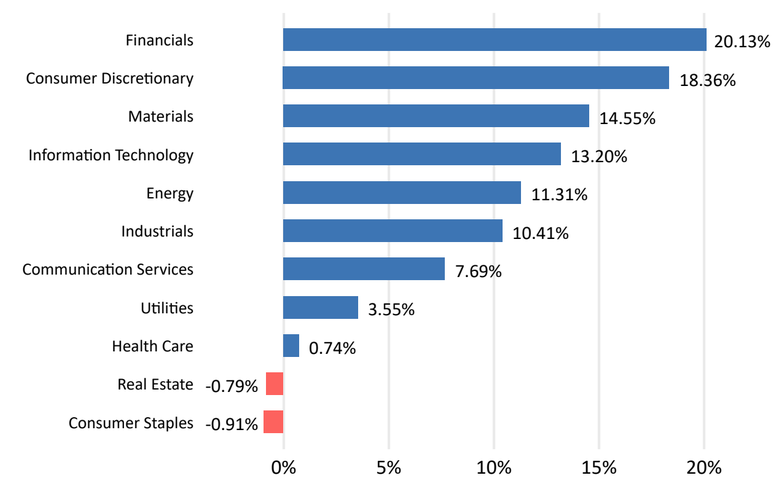
*See disclosures relating to Lumen Long Short Equity Composite on reverse

Positioning

Current Fund Positioning:

Lumen Long Short Equity Fund LP at June 30, 2021	
Gross Exposure	170.50%
Net Exposure	97.08%
Number of Positions (by Issuer)	97

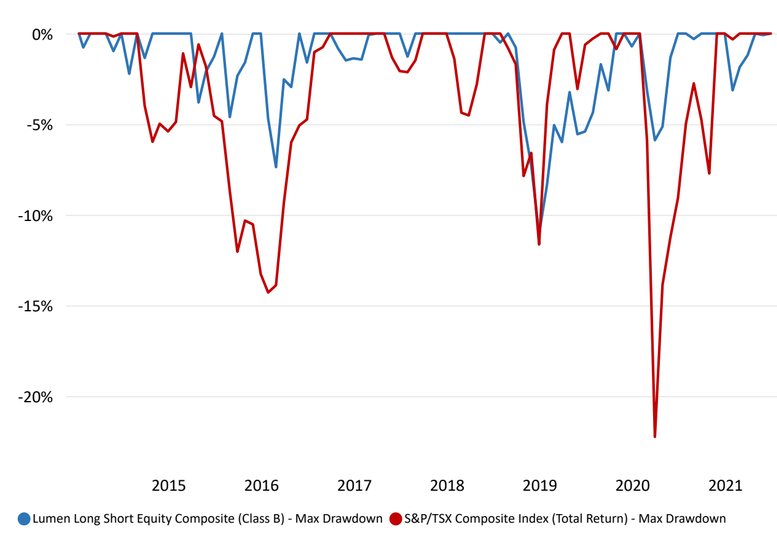
Average Net Sector Weights (June):



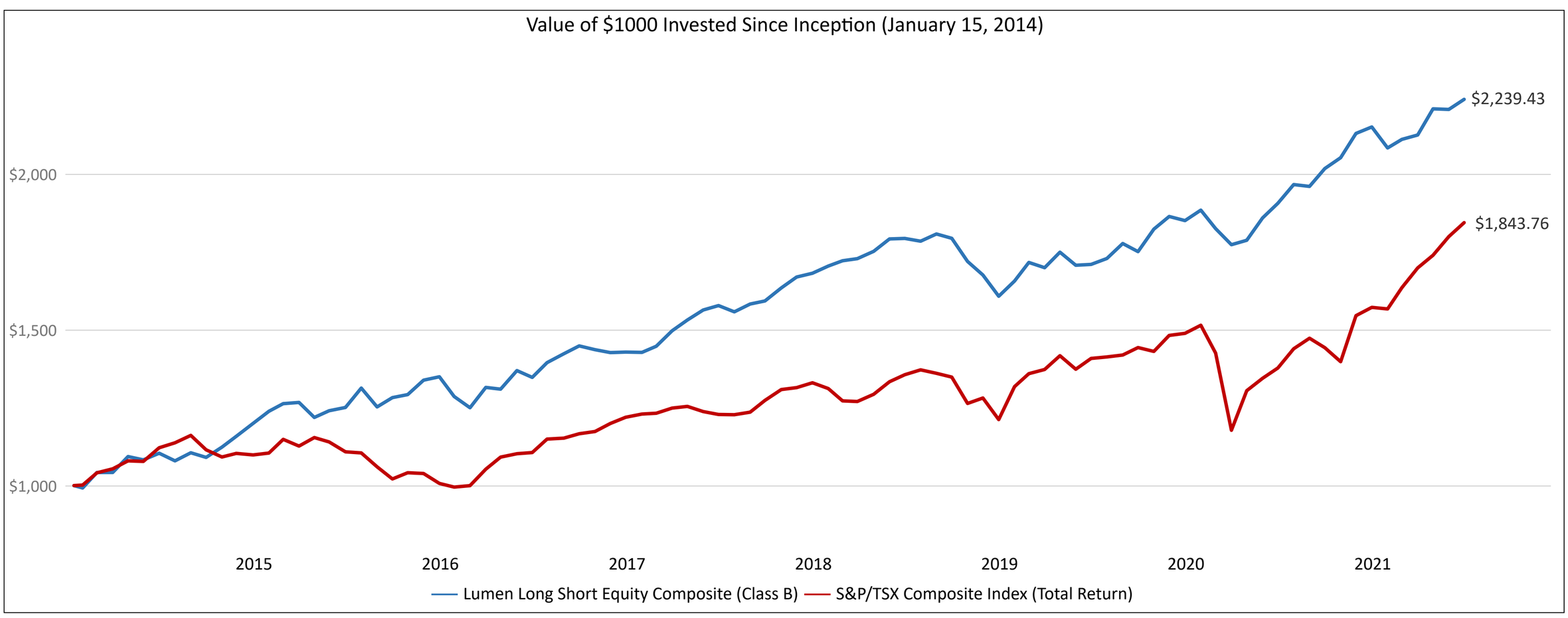
Largest Long Positions:

Bank of Montreal
Snap Inc
Tamarack Valley Energy Ltd
QUALCOMM Inc
Nuvei Corp

Drawdowns - Lumen Composite vs S&P/TSX Composite:



*See disclosures relating to Lumen Long Short Equity Composite on reverse



*Sources: Lumen Asset Management Inc., Bloomberg

Commentary:

- The Fund returned 1.47% (net of fees) for the month of June.
- Our biggest contributor in the month was our long in Nuvei Corp. The provider of payment technology solutions has quadrupled since its IPO last year, driven by secular growth in eCommerce and its strong offerings in highly regulated verticals like online gaming. Differentiators such as instant global pay-out (ie. for gaming winnings) or ability to process alternative payment offerings (2/3 of eCommerce worldwide does not use credit cards but APMs like digital wallets, instant financing, etc.) have allowed consistent beat-and-raises in financial guidance.
- Our biggest detractor was our short in QQQ's - the broad Nasdaq 100 ETF. The rise of retail investors since last fall has led to their proportion of trading unmatched since the dotcom days of 2000 (see below). The result has been a rise in thematic and headline-driven trading, with a disregard for deteriorating fundamentals or accounting quality in many names. In such an environment of "bad is good", single security short alpha has been atypically difficult for Lumen in 2021. We have chosen to hedge our book with more options and broad-based ETFs such as QQQs until we see more discernment on fundamentals. Fortunately, as H1 ended we saw early signs of speculative excesses being sold off, from crypto to meme stocks to clean energy.

- The switch in Fed talk to tapering counterintuitively resulted in a rapid fall-off in yields during the month. This was due to a stream of macro data from ISM (peaked in March) to payroll numbers that seem to indicate a deceleration of the high-growth re-opening forecasts that characterized most of H1. We also believe Q2 will represent the peak of earnings growth, and the combination of pressured supply and labour chains (lower margins) in a lower-growth environment is likely to benefit structural growth securities at the expense of more beta-driven names. We feel the re-emergence of consistent Quality factors, YTD the worst-performing style (source: Scotiabank) will be a tailwind for Lumen as positive revisions become increasingly scarce.

Lumen Long Short Equity Composite (Class B) Historical Performance:

%	January	February	March	April	May	June	July	August	September	October	November	December	Total
2021	-3.13%	1.32%	0.67%	3.95%	-0.09%	1.47%							4.12%
2020	1.82%	-3.15%	-2.82%	0.80%	4.01%	2.53%	3.15%	-0.30%	2.93%	1.73%	3.79%	0.98%	16.24%
2019	3.04%	3.60%	-0.98%	2.93%	-2.40%	0.16%	1.11%	2.78%	-1.47%	4.12%	2.23%	-0.71%	15.10%
2018	1.37%	1.00%	0.39%	1.36%	2.27%	0.09%	-0.50%	1.30%	-0.77%	-4.15%	-2.53%	-4.07%	-4.39%
2017	-0.07%	1.38%	3.42%	2.32%	2.10%	0.91%	-1.27%	1.61%	0.62%	2.63%	2.14%	0.73%	17.71%
2016	-4.70%	-2.80%	5.23%	-0.43%	4.55%	-1.60%	3.52%	2.05%	1.76%	-0.84%	-0.65%	0.11%	5.87%
2015	3.24%	1.98%	0.31%	-3.80%	1.76%	0.85%	4.98%	-4.61%	2.38%	0.76%	3.58%	0.82%	12.47%
2014	-0.77%	5.01%	0.01%	4.90%	-0.97%	1.97%	-2.22%	2.41%	-1.35%	3.03%	3.08%	3.58%	19.96%

Source: Lumen Asset Management Inc.

*See disclosures relating to Lumen Long Short Equity Composite below

S&P/TSX Composite (Total Return) Historical Performance:

%	January	February	March	April	May	June	July	August	September	October	November	December	Total
2021	-0.32%	4.36%	3.87%	2.39%	3.45%	2.48%							17.30%
2020	1.74%	-5.90%	-17.38%	10.79%	3.04%	2.46%	4.48%	2.35%	-2.06%	-3.11%	10.57%	1.72%	5.60%
2019	8.74%	3.15%	0.99%	3.22%	-3.06%	2.52%	0.34%	0.43%	1.69%	-0.86%	3.59%	0.45%	22.84%
2018	-1.40%	-3.02%	-0.16%	1.82%	3.12%	1.69%	1.15%	-0.81%	-0.89%	-6.27%	1.39%	-5.41%	-8.88%
2017	0.85%	0.21%	1.34%	0.44%	-1.33%	-0.76%	-0.06%	0.67%	3.06%	2.73%	0.47%	1.19%	9.08%
2016	-1.17%	0.47%	5.28%	3.68%	1.00%	0.34%	3.91%	0.27%	1.22%	0.62%	2.19%	1.66%	21.08%
2015	0.55%	3.98%	-1.88%	2.43%	-1.22%	-2.78%	-0.32%	-4.04%	-3.67%	1.96%	-0.24%	-3.07%	-8.33%
2014	0.17%	3.93%	1.23%	2.42%	-0.17%	4.07%	1.42%	2.09%	-3.99%	-2.07%	1.06%	-0.44%	9.84%

Source: Bloomberg

Investor Eligibility:

Units of the Fund are offered to investors resident in the provinces of British Columbia, Alberta, Manitoba, Ontario and Québec pursuant to applicable exemptions from the prospectus requirements of the securities laws in the offering jurisdictions. Subscriptions may only be accepted from an investor who is an “accredited investor” as described in applicable securities legislation.

Important Information:

This communication is for information purposes only and is not, and under no circumstances is it to be construed as, an invitation to make an investment in Lumen Long Short Equity Fund LP (the “Fund”) nor does it constitute a public offering to sell the Fund or any other products described herein. It should not be relied upon when evaluating the merits of a potential investment in any fund or product managed by Lumen Asset Management Inc. Applications for subscription into the Fund will only be considered on the terms of the offering memorandum. The information contained in this material is subject to change without notice and Lumen Asset Management Inc. and its affiliates will not be held liable for any inaccuracies or misprints.

Performance returns and related analytics for the Fund and Lumen Long Short Equity Composite (the "Composite") are calculated for the Lead Series of Class B Units of the Fund and on fee-equivalent Class B terms for the Composite. They may differ for other series of the same class. The returns presented for the Fund are net of all management fees, expenses and performance allocations. All amounts and returns are presented in Canadian Dollars (CAD) except where specifically stated otherwise.

Lumen Asset Management Inc. claims compliance with the Global Investment Performance Standards (GIPS®). Lumen has been independently verified from inception through December 31, 2019. Lumen is a Toronto-based investment management firm established in 2015. Lumen employs a fundamental, bottom-up “change at the margin” investment strategy, with a focus on capital preservation. Firm history began in 2014 with the predecessor firm Obelysk Funds Ltd. Obelysk Funds Ltd. was a family office investment vehicle that employed the same investment strategy now in place at Lumen, and was operated by the same investment team now in place at Lumen. The Lumen Long Short Equity Composite includes all Lumen-managed portfolios that invest in North American (primarily Canadian) equities both long and short, utilizing moderate amounts of leverage (up to 200% maximum gross exposure), and holding a net-long exposure averaging 50% over a market cycle. The Composite includes the returns of Obelysk Funds Ltd. from its inception at January 15, 2014, which were calculated by a third-party fund administrator and audited. Investment strategy, service providers, and risk management constraints remain unchanged from the inception of Obelysk Funds Ltd. and the Composite. Lumen has determined that there is no applicable benchmark for the Composite for GIPS purposes. The Lumen Long Short Equity Composite performance has been independently examined for the periods January 15, 2014 through December 31, 2019. For a complete list and description of composites and/or a GIPS-compliant presentation, please contact Lumen by phone or email.

Please read the offering memorandum before investing. The indicated rates of return of the Fund are the historical monthly compounded total return including changes in unit value and assume that all distributions made by the Fund were reinvested in additional units of the Fund. The rates of return do not include deduction of sales, transfer, redemption, income taxes payable, or any other applicable charges that would have reduced returns. The rates of return presented are net of all management fees, performance allocations and expenses. Fund unit values change frequently and past performance may not be repeated or be indicative of future results. Investment funds can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of trading performance. An investment in the Fund is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of units. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the offering memorandum for a further discussion of the risks of investing in the Fund. Performance data from certain market indices (S&P/TSX Composite TR Index) are provided in this presentation as general market indicators and for information purposes only. A comparison of the Fund’s performance to such market indices is of limited use because the composition of the Fund’s portfolio may contain other securities not found in the market index. As a result, no market indices are directly comparable to the results of the Fund.

For more information contact:

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