

Fiera Quantum Diversified Alpha Fund



SEPTEMBER 2014

Strategy Description

Absolute return, multi-strategy approach, focused on dynamic capital allocation and risk management through diversified North American investments in equity, credit/fixed income, quantitative and short term strategies. The approach optimizes risk adjusted total return while limiting volatility and preserving capital.

Portfolio Manager

Fiera Quantum Limited Partnership

Fund Details

Class	A-I	F-I	F-II
Fund Codes	FQL104	FQL105	FQL106
Management Fee	2.00%	2.00%	1.00%
RSP Eligibility	Yes	Yes	Yes
Trailer Fee	1.00%	n/a	n/a
Assets under management ¹	\$133 M		
Minimum Investment	\$100,000		
Performance Fee	20%		
Hurdle Rate	No		
High Water Mark	Yes		
Trustee	Natcan Trust Company		
Custodian	One or more financial institutions and/or their affiliates in their role as prime broker		
Auditor	Deloitte & Touche LLP		
Liquidity	Monthly 60 day notice required		

¹ Assets Under Management is the sum of all Classes of the Fund as at previous month-end

Investment Highlights

- > Diversified, multi-strategy approach focused on dynamic capital allocation and risk management
- > Multiple asset classes with a North American focus
- > Focus on absolute returns with limited monthly volatility
- > Robust risk management through dynamic position limits and static stop losses



Performance net of all fees (Class F-I) (%)

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year/ YTD
2014	-0.88	1.67	0.66	0.34	1.70	1.52	0.89	0.55	0.11 ²				6.73 ²
2013	1.22	-0.45	-0.17	-1.15	-0.17	-1.88	1.43	-0.87	0.87	1.06	0.41	1.03	1.26
2012	1.98	0.77	0.78	-0.50	-0.89	0.10	1.60	-0.14	0.45	0.03	-0.32	0.27	4.16
2011	2.34	1.58	-0.89	-0.25	0.25	-0.96	0.45	-1.20	-2.13	-0.24	-0.74	-1.28	-3.09
2010	1.67	0.02	1.25	1.34	-1.04	-0.72	0.07	0.01	1.78	1.92	1.63	3.02	11.42
2009	2.92	0.93	4.06	8.50	6.95	0.30	1.37	2.50	2.30	1.08 ³	0.97	2.03	39.27
2008				0.97	3.21	1.74	1.36	0.99	-7.95	-13.16	-7.60	0.36	-19.56

	1 Month	3 Months	6 Months	YTD	1 Year	2 Years ⁴	3 Years ⁴	5 Years ⁴	Inception ⁵
	0.11	1.56	5.21	6.73	9.41	3.95	3.24	4.83	4.86

² Performance figure for the month of September is preliminary and is subject to further confirmation by the portfolio manager.

³ Commencing October 2009, Class A and Class F were changed to Class A-I and Class F-I in order to have the same management Fee of 2.00%. Prior to October 2009, the Class A had a management Fee of 2.75%.

⁴ Returns for periods greater than one year are annualized.

⁵ Prior to joining Fiera Quantum Limited Partnership on May 1, 2013, the current management team had been responsible for the management of the Fund at GMP Investment Management L.P. since December 1, 2008.

Growth of \$10,000² (Based on Class F-I)



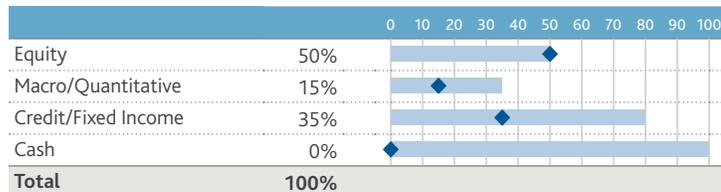
Risk/Return Analysis² (Based on Class F-I)

Net annualized return since inception	4.86
Annualized standard deviation	9.11
Annualized Sharpe ratio (1.07%)	0.42
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	69.23
Average return when market is up ⁶	1.10
Average return when market is down ⁶	-1.37
Worst drawdown	-26.14

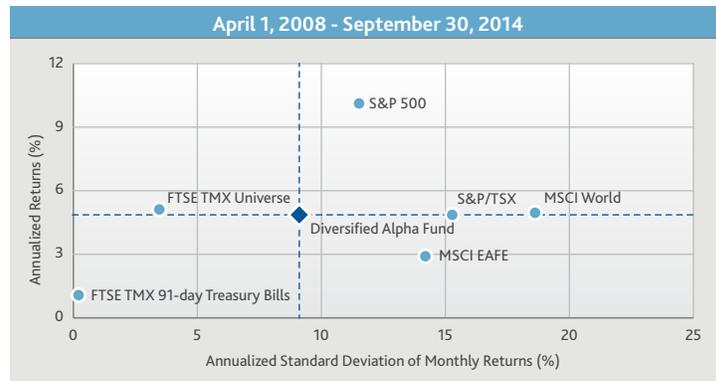
⁶ Market based on Fiera Quantum's blended benchmark: 40% S&P/TSX, 20% Merrill Lynch High Yield CAD, 20% Merrill Lynch US Master II, 20% S&P 500 USD.

Fiera Quantum Diversified Alpha Fund

Diversification



Stronger performance, lower relative volatility²



Fund Commentary

The Diversified Alpha Fund – Class F-I generated a small positive return in September, up 0.11%, net of fees and expenses.

September did little to change its reputation as the worst-performing month of the year for the U.S. stock market. After a run to a new record high on September 18, stocks moved down and finished the month in the red. The Fund moved to a more defensive posture in September in light of headwinds from both geopolitical and macroeconomic forces and was rewarded. Investors had to navigate a series of geopolitical flash points around the globe: continued conflict in Ukraine, renewed U.S. military involvement in Iraq and Syria and pro-democracy protests in Hong Kong. Wall Street also wrestled with the reality that the Federal Reserve will end its bond-buying program in October and likely start raising interest rates from record-low levels sometime in 2015.

Early in September, the U.S. equity markets climbed on the strength of an economy that continues to recover and perhaps is the brightest spot on the global stage at the moment. The S&P 500 peaked at an intraday high of nearly 2020 on Friday, Sept. 19, the day the widely hyped initial public offering of Chinese e-commerce giant Alibaba resulted in a 38% first-day gain. Thereafter, U.S. equities began to tumble. The Standard & Poor's 500 index fell 1.6% in September. It was not just the S&P 500 that struggled over the month. Indexes that track blue chip stocks, tech names and small-cap stocks were also down. The Dow Jones Industrial Average dropped 0.3%, the Nasdaq plunged 1.9% and the small-cap Russell 2000 index is off 6.2%. The Russell 2000 fell more than 10% from its highs – a move many consider a true correction.

The credit markets were equally weak, resulting in September being the worst-performing month of the year. The benchmark 10-year U.S. Treasury note was jolted by fears that the Federal Reserve could hike interest rates sooner than what has

been priced into the markets. The rise in Treasury yields laid the foundation for weak performance in other parts of the credit market. The high yield market was hit especially hard, as reflected in the performance of the BAML HY cash index, which closed negative 2.1% for the month.

As mentioned above, the debate over the timing of the first interest rate rise continues to drive market sentiment. This has been reflected in the recent strength of the U.S. dollar in foreign exchange markets, and also in rising U.S. Treasury yields. However, despite the stronger dollar, an improving domestic economic backdrop should be positive for U.S. company profits.

The story in Canadian markets in September was around the declining Canadian dollar and the notable weakness in the energy and materials sectors. The greater than 2% decline in the TSX 60 for the month was largely driven by weaker economic readings in Europe, geopolitical turmoil, and ongoing deceleration in China. Slower global growth, particularly in China, disproportionately impacts energy and materials stocks given its overall importance to the Canadian economy.

After September's weak financial market performance, we head into October, a month best known for stock market crashes in 1929, 1987 and 2008. Overall, however, October is a relatively solid month in the financial markets, ranking in the middle of the pack in terms of average monthly performance over long periods of time. The good news is the October through December period is among the most bullish three-month stretches for the stock market, historical data show. The Fund continues to be conservatively positioned. We are continuing to hedge the bulk of the interest risk. Currently the majority of our risk is in long/short, market neutral and equity strategies as well as option strategies.

1501 McGill College Avenue, Suite 800
Montréal (Québec) H3A 3M8
 T: 514-954-3755 / 1-800-361-3499

1 Adelaide Street East, Suite 600
Toronto, Ontario M5C 2V9
 T: 416-364-3711 / 1-800-994-9002



info@fieraquantum.com

The information and opinion herein are provided for informational purposes only and are subject to change. The information provided herein does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information. Past performance is no guarantee of future results. Information pertaining to Fiera Quantum funds is not to be construed as a public offering of securities in any jurisdictions of Canada. The offering of units of Fiera Quantum funds are offered on a private placement basis pursuant to an offering memorandum and only to those investors in jurisdictions of Canada who meet certain eligibility or minimum purchase requirements. Important information about Fiera Quantum funds, including a statement of the fund's investment objective and strategies, is contained in its offering memorandum, a copy of which may be obtained from Fiera Quantum Limited Partnership. Unit values and investment returns will fluctuate. Please read the offering memorandum of the funds before investing. All performance data assume reinvestment of all distributions or dividends and do not take into account other charges or income taxes payable by any unitholder that would have reduced returns. Fiera Quantum funds are not guaranteed, their values change frequently and past performance may not be repeated. Views expressed regarding a particular company, security, industry or market sector should not be considered an indication of trading intent of any funds managed by Fiera Quantum Limited Partnership.