

# Fiera Quantum Diversified Alpha Fund



FEBRUARY 2015

## 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 <sup>1</sup>	\$137 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		

<sup>1</sup> Assets Under Management is the sum of all Classes of the Fund as at December 31, 2014

## 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
2015	1.80	1.86											3.69
2014	-0.88	1.67	0.66	0.34	1.70	1.52	0.89	0.55	0.10	0.27	1.65	-2.39	6.17
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 <sup>2</sup>	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 <sup>3</sup>	3 Years <sup>3</sup>	5 Years <sup>3</sup>	Inception <sup>4</sup>
1.86	1.22	3.27	3.69	9.24	5.18	4.16	4.28	5.04

<sup>2</sup> 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%.

<sup>3</sup> Returns for periods greater than one year are annualized.

<sup>4</sup> 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 \$10,000 (Based on Class F-I)

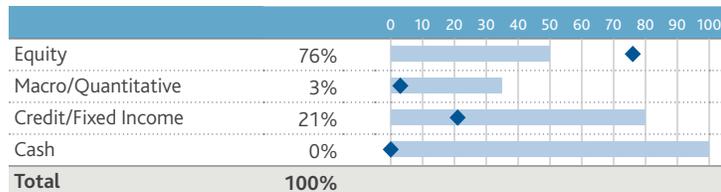


## Risk/Return Analysis (Based on Class F-I)

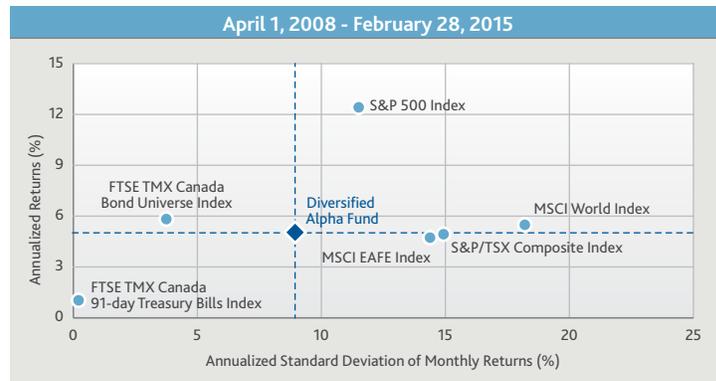
Net annualized return since inception	5.04
Annualized standard deviation	8.94
Annualized Sharpe ratio (1.06%)	0.44
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	69.88
Worst drawdown	-26.14

# Fiera Quantum Diversified Alpha Fund

## Diversification



## Stronger performance, lower relative volatility



Source: Rimes

## Fund Commentary

The Diversified Alpha Fund – Class F-I (“the Fund”) generated a positive return of 1.86% for February, net of fees and expenses. As a result, the Fund’s return since inception amounts to 40.45%.

February marked a return to relative calm in the financial markets, with equities rallying and oil attempting to find a floor.

Volatility in the equity markets dropped through the month as equity indices rose. The S&P 500 ended the month up 5.4% and the VIX index consequently dropped by 36% to 13.34, which puts it below its long-term average. The NASDAQ closed the month at a near-record high of 4,963 and went on to reach new highs in early March.

Brent and WTI were up 18.03% and 4.06% respectively. The Canadian dollar in turn rallied by 1.2%. It remains to be seen whether the oil market has seen its low point; certainly, the impact of lower prices on the fortunes of North American oil and gas companies has yet to be fully realized.

Regarding Europe, investors’ nerves were settled somewhat on February 20, when the government of Greece reached an agreement with Eurozone leaders to extend its bailout. While nothing was fundamentally resolved in the deal, it nonetheless bought some time—until the European crisis inevitably bubbles to the surface again. For the time being, investors seem satisfied with this outcome.

The Fund generated strong performance in our equity, credit and systematic trading strategies during the month. Our equities, particularly our long positions in the US equity market, led the way once again.

Heading into March, we maintained our conservative stance, keeping the Fund’s risk level at the bottom of the range. The fund’s average volatility was below 5% for the first part of the year. Fortunately, we obtained positive contributions from most of our strategies. We continue to pursue a strategy premised on the belief that active diversification leads to higher risk-adjusted returns.

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