

Fiera Quantum Diversified Alpha Fund



SEPTEMBER 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 ¹	\$129 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 June 30, 2015

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	-0.31	-0.31	1.81	0.69	1.23	-1.07	-1.21				4.52
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 ²	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 ³	3 Years ³	5 Years ³	Inception ⁴
-1.21	-1.06	1.11	4.52	3.99	6.66	3.96	3.89	4.75

² 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%.

³ Returns for periods greater than one year are annualized.

⁴ 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)

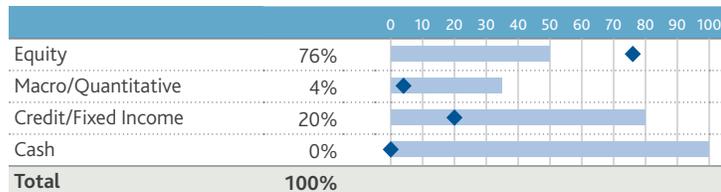


Risk/Return Analysis (Based on Class F-I)

Net annualized return since inception	4.75
Annualized standard deviation	8.66
Annualized Sharpe ratio (1.03%)	0.43
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	67.78
Worst drawdown	-26.14

Fiera Quantum Diversified Alpha Fund

Diversification



Fund Commentary

The Diversified Alpha Fund – Class F-I (“the Fund”) generated a negative return of -1.21% for the month of September, net of fees and expenses. As a result, the Fund’s year to date return is 4.52%.

Equity markets sold off once again in the month with the S&P 500, NASDAQ and TSX Composite closing down -2.64%, -3.27% and -3.98% respectively. The MSCI World Index dropped -3.86% showing that the global reach of the re-pricing of equity assets.

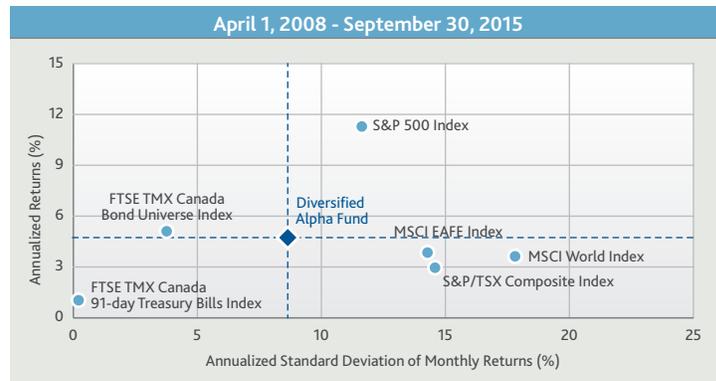
Canadian equities and the Loonie were not helped by a drop in oil by a further -8.35% closing the month at \$45: the Canadian dollar lost 1.29% in sympathy.

China’s equity sell off, while not making the same headlines as August, continue apace losing another -4.78%. To put some context around this number we must remember that despite losing 40% from its highs, China’s market is still up 30% from 12 months prior.

Short term fears are abating somewhat as shown by the drop in the VIX by 13.82% to 24.5 and making its way back toward long term normal levels.

The markets are not providing any clear directional indications at the moment and as such we can expect a volatile environment to persist until a catalyst is found. The US Federal Reserve continues to be hamstrung by growth fundamentals and is now more likely than not to maintain a zero rate through the end of the year. It’s unknown whether markets will reward a delay in rising

Stronger performance, lower relative volatility



Source: Rimes

rates and if so by how much. Seasonally we can expect a rally into the end of the year but there are still many risks to be considered.

Losses through the month came from our equity strategies that had year to date provided most of our return. These were offset somewhat by positive returns in our risk parity strategy and while we are disappointed by a negative month and pleased to have outperformed most asset classes.

Heading into this month, our indicators are not providing any clear signals regarding market direction. Given that the market is oversold we are positioned with a small long bias. In terms of security selection, we continue to focus on quality companies with strong balance sheets. Thus the major risk to our performance at this point is a market where weaker companies rally more than strong companies. Given the present economic environment we think this is a good risk in the long run.

Our focus on risk management and capital preservation allowed us to weather the storm in relatively good shape.

We continue to be pleased with the performance of our fund through what has so far turned out to be a very uncertain year. We believe our approach to risk management and diversification is particularly appropriate in the current investing climate.

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