

Fiera Quantum Diversified Alpha Fund



JULY 2013

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 |
|--------------------------------------|--|
| Fund Codes | GMP104 – A-1 |
| Management Fee | 2.00% |
| RSP Eligibility | Yes |
| Assets under management ¹ | \$274 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 (Master Fund) (%)

| | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Year/YTD |
|------|------|-------|-------|-------|-------|-------|-------------------|-------|-------|--------|-------|-------|--------------------|
| 2008 | | | | 1.01 | 3.27 | 1.72 | 1.44 | 1.07 | -7.90 | -13.14 | -7.56 | 0.42 | -19.22 |
| 2009 | 2.98 | 1.00 | 4.12 | 8.56 | 7.07 | 0.35 | 1.41 | 2.57 | 2.35 | 1.14 | 1.04 | 2.08 | 40.28 |
| 2010 | 1.74 | 0.05 | 1.32 | 1.41 | -1.01 | -0.67 | 0.13 | 0.08 | 1.86 | 1.98 | 1.70 | 3.05 | 12.19 |
| 2011 | 2.42 | 1.65 | -0.84 | -0.19 | 0.31 | -0.92 | 0.49 | -1.15 | -2.09 | -0.19 | -0.72 | -1.19 | -2.48 |
| 2012 | 2.03 | 0.80 | 0.80 | -0.44 | -0.84 | 0.14 | 1.64 | -0.10 | 0.49 | 0.08 | -0.28 | 0.32 | 4.70 |
| 2013 | 1.24 | -0.41 | -0.11 | -0.99 | -0.13 | -1.84 | 1.64 ² | | | | | | -0.80 ² |

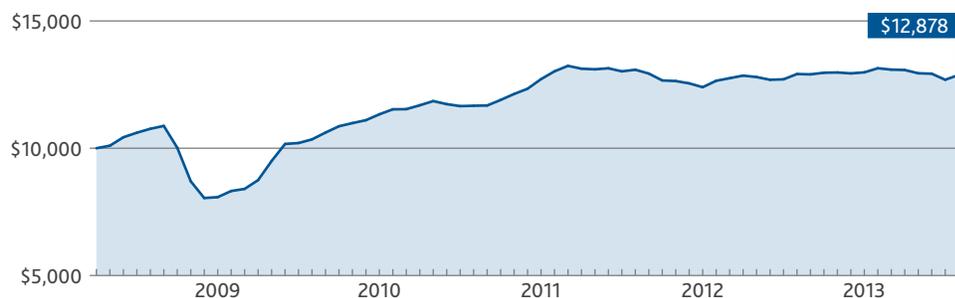
| 1 Month | 3 Months | 6 Months | YTD | 1 Year | 2 Years ³ | 3 Years ³ | 5 Years ³ | Inception ⁴ |
|---------|----------|----------|-------|--------|----------------------|----------------------|----------------------|------------------------|
| 1.64 | -0.52 | -2.01 | -0.80 | -0.29 | -0.79 | 3.34 | 3.65 | 4.86 |

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

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 \$10,000²



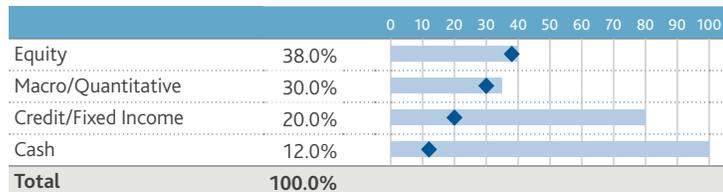
Risk/Return Analysis²

| | |
|---|--------|
| Net annualized return since inception | 4.86 |
| Annualized standard deviation | 9.99 |
| Annualized Sharpe ratio (1.09%) | 0.38 |
| Best monthly return | 8.56 |
| Worst monthly return | -13.14 |
| Percentage of months with positive performance | 65.63 |
| Average return when market is up ⁵ | 1.24 |
| Average return when market is down ⁵ | -1.46 |
| Worst drawdown | -26.04 |

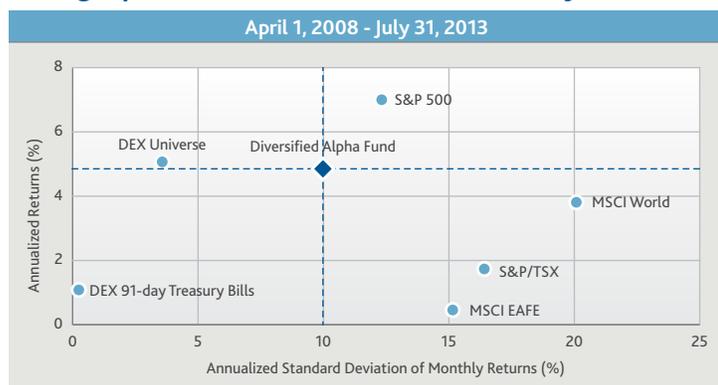
⁵ Market based on Fiera Quantum's blended benchmark: 40% S&P/TSX, 20% Merrill Lynch High Yield CAD, 20% Merrill Lynch US Master II, 20% S&P 500 USD.

Fiera Quantum Diversified Alpha Fund

Diversification



Stronger performance, lower relative volatility²



Fund Commentary

Following a volatile (and negative June for major asset classes) investors poured massive sums into U.S. equities. This caused a snap back rally of over 4% across most U.S. indexes. Canada participated in this rebound in the equity markets with the TSX60 up approximately 2.75%, on the back of a strong month in oil and metals, including gold. Bonds continued to be weak, carrying forward the negative momentum from June as rates continue to push up. For July, we maintained an overall bias towards equity exposure. In the last week of July we began to add hedges to the portfolio in order to provide protection in the event that either the FOMC or the important data releases caused a backup in the market.

The rally in the U.S. was motivated by a staggering inflow into U.S. equity mutual funds and exchange-traded funds. Inflows exceeded \$1.5 billion daily for the majority of the month. This inflow represented one of the highest months on records. Four of the six larger monthly equity inflows occurred at the top of the technology bubble in early 2000.

Investors flocked to higher-beta sectors amid the stock market melt-up. Consumer Discretionary, Industrials, and Financials rose. By contrast, the only sectors that posted outflows were Consumer Staples, Real Estate, and Utilities.

Equity inflows came at the expense of bond funds and ETFs which experienced outflows again during July, but at a much more measured pace when compared to the outflows in June.

On the economic side of the equation, the latest data on home construction was weak due to a combination of poor weather in the South and higher borrowing costs. On a year-over-year basis, permits were up 10%, the slowest growth since March, while starts were up 8%, the slowest growth since August 2011. Housing prices, by contrast, jumped 12.2% in the latest S&P/Case Shiller report, marking the biggest year over year gain since 2006, near the peak of the housing bubble.

Consumer confidence fell more than expected during July, helping to temper investors' enthusiasm. That said, the market's monthly obsession with "Waiting on the Fed" remained a theme through the end of July. With the \$85 billion-a-month bond buying spree coming to an end, every hint from the Fed is being over analyzed. That was the catalyst for the volatility in June and will be the catalyst for moves in the months to come.

Our current capital allocation is 38% equities, 20% credit, 30% quantitative and macro and 12% cash. Our allocation and focus remains on prudent deployment of capital and a prioritization to capital preservation and volatility management. These are not the kinds of markets to extend risk in the pursuit of outsized returns.

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.