

# Fiera Quantum Diversified Alpha Fund



MAY 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>	\$124 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 March 31, 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								4.92
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>
1.81	1.18	2.41	4.92	7.60	6.60	4.78	4.20	5.03

<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)

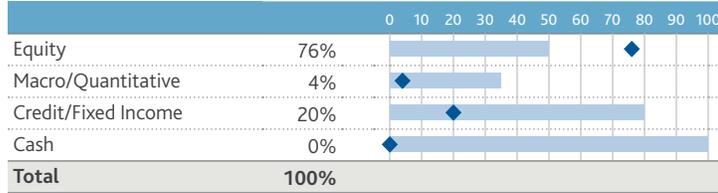


## Risk/Return Analysis (Based on Class F-I)

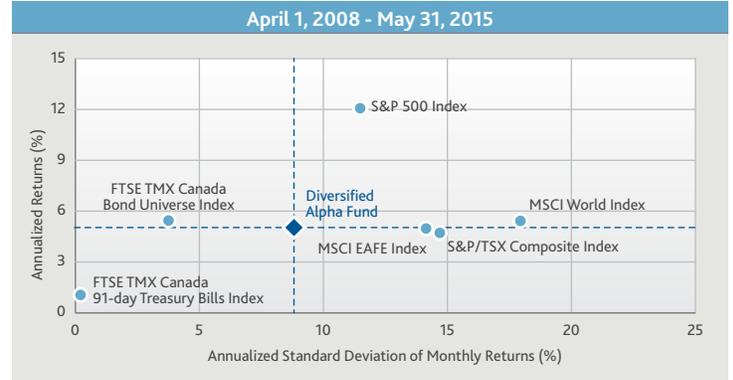
Net annualized return since inception	5.03
Annualized standard deviation	8.81
Annualized Sharpe ratio (1.04%)	0.45
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	68.60
Worst drawdown	-26.14

# 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 1.81% for the month of May, net of fees and expenses. As a result, the Fund’s year to date return is 4.92%.

US equities rallied strongly in the month with the S&P 500 and NASDAQ up 1.05% and 2.60% respectively. The TSX Composite on the other hand ended down -1.38% in the context of a weakening Canadian dollar.

Oil prices ended the month up marginally with WTI crude closing at \$60.30 per barrel though movement throughout the month was range bound between \$57.26 and \$60.93. The Canadian dollar lost 3.04% against the US dollar closing at 80 cents.

Europe was in the headlines with the Conservative Party winning UK elections on May 8th after promising a referendum on the future of British membership in the EU, and with the possibility of a Grexit once again looming. While investors might have become complacent about the risks of a Greek default, we believe our diversified portfolio and focus on risk management are essential to surviving the turmoil that will result from such an eventuality.

Our Equity strategies made up most of the gains in our portfolio for the month with gains in our Long Only, Market Neutral and Defensive strategies. Our position in restructured Canadian Asset Backed Commercial Paper also made a nice contribution to our positive returns.

We continue to see value in our diversified approach to capital allocation and risk management. While the volatility of the Fund has been consistently below our target of 6%, we have been able to achieve returns that are higher than many market indices. We see this as the rationale for including the Diversified Alpha Fund in your portfolio.

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