

Fiera Quantum Diversified Alpha Fund



JANUARY 2016

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	\$117 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 December 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
2016	-0.06												-0.06
2015	1.80	1.86	-0.31	-0.31	1.81	0.69	1.23	-1.07	-1.21	0.61	0.15	-1.78	3.44
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
-0.06	-1.69	-3.33	-0.06	1.55	5.23	3.17	1.85	4.39

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)

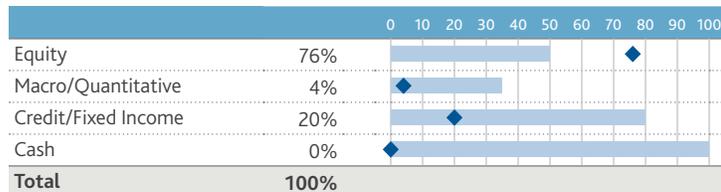


Risk/Return Analysis (Based on Class F-I)

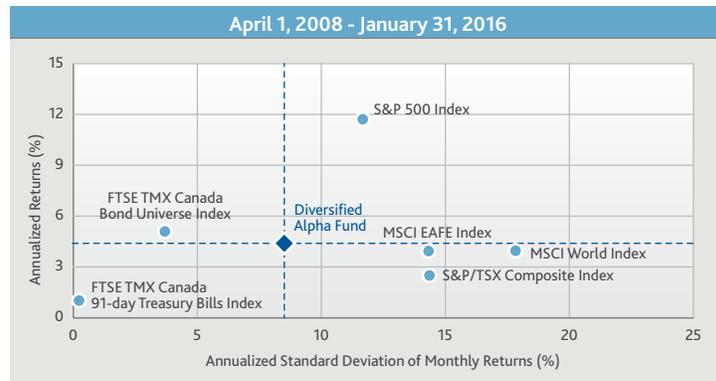
Net annualized return since inception	4.39
Annualized standard deviation	8.51
Annualized Sharpe ratio (1.00%)	0.40
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	67.02
Worst drawdown	-26.15

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 negative return of -0.06% for the month of January, net of fees and expenses.

Prices in global equity markets weakened further with the S&P 500, NASDAQ and MSCI World Index ending down -4.96%, -7.82% and -5.95% respectively. While some might debate the technical definition of a market correction, we will simply observe that the S&P 500 and MSCI World ended the month down -9% and -13.8% from their respective 52 week highs.

Relative to their global counterparts, Canadian equities fell less in the month with the TSX Composite dropping -1.17% and closing -17.18% from their 52 week high. Given that the size of correction already experienced by the Canadian market, it is not surprising that the monthly move was less than other global markets. The anchor on the Canadian market is, of course, oil. WTI Crude fell -9.23% pulling the Canadian dollar down by -0.95% to 71 cents US. Until commodities in general and oil in particular regains ground Canadians can expect weakness to continue.

January was a sour month once again in Chinese equities. The Shanghai Composite shed -22.65% reinforcing concerns over the health of their economy and leaving investors to wonder what intervention the Central Committee will attempt next.

Gains in the portfolio this month came from our market neutral and quantitative risk parity strategies. In our experience, non-correlated strategies such as these are a better defense against a widespread sell-off than asset class diversification alone.

We are pleased to provide our investors with some safety during these uncertain times. As our results indicate, the Alpha Fund is currently positioned in a relatively defensive posture. We will continue to focus on managing downside risk while we wait for opportunities to take advantage of market dislocations and mispricing which will surely present themselves in the months to come.

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