

Fiera Quantum Diversified Alpha Fund



FEBRUARY 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											-0.12
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

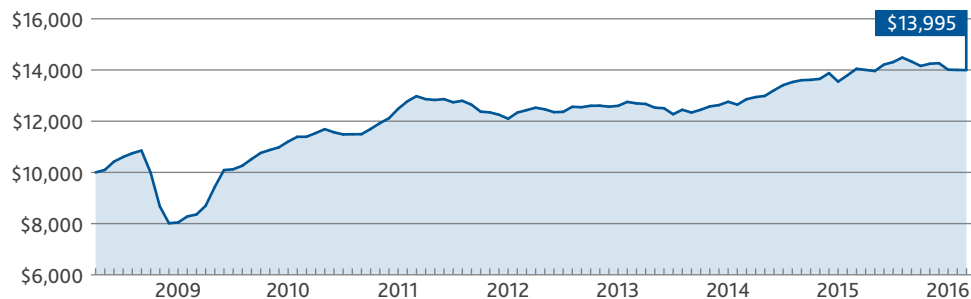
1 Month	3 Months	6 Months	YTD	1 Year	2 Years ³	3 Years ³	5 Years ³	Inception ⁴
-0.06	-1.90	-2.35	-0.12	-0.37	4.33	3.30	1.52	4.34

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)

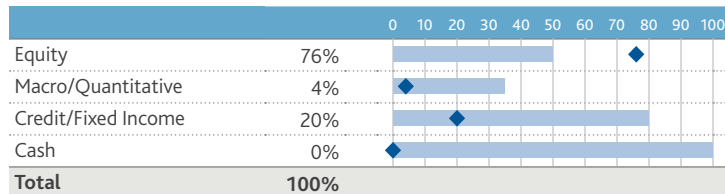


Risk/Return Analysis (Based on Class F-I)

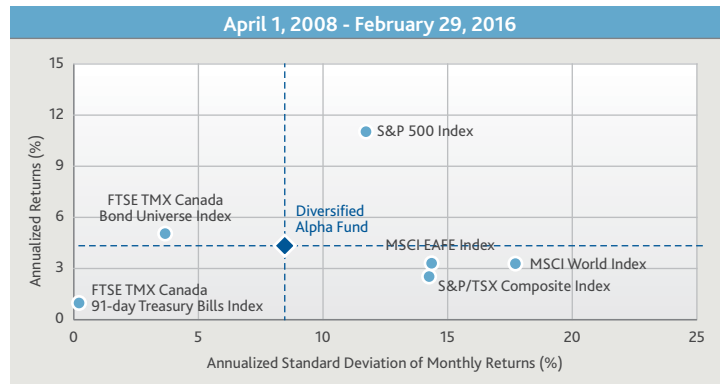
Net annualized return since inception	4.34
Annualized standard deviation	8.46
Annualized Sharpe ratio (0.99%)	0.39
Best monthly return	8.50
Worst monthly return	-13.16
Percentage of months with positive performance	66.32
Worst drawdown	-26.15

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 February, net of fees and expenses. Year to date, the Fund has generated negative return of -0.12%.

Equity markets sold off further through the middle of the month but regained ground by the end. The S&P 500 was down -5.69% by February 11th but recovered to close down only -0.37%. Global equities rode a similar roller coaster dropping -6.14% by mid-month and recovering to close down -0.96%.

Canadian equities fare better dropping -4.59% in the first half of the month but rallying to close up 1.64%. Canada finally had the wind at its back riding a 6.74% gain in oil which drove the Canadian dollar higher by 2.98% to close at 0.73 cents US.

Chinese equities suffered volatility in the other direction, rallying by 8.93% on February 24th only to give it all back and close flat for the month, down -0.02%. Despite the volatility and losses suffered so far this year, investors have reason for optimism. Oil prices have stabilized and look set to rally which will provide stability for the Canadian dollar. Equity markets appear to have pulled back from the edge and could rally from here into the middle of the year. Global risks have receded from the headlines and we can expect to see some the benefit of lower energy prices show up in corporate earnings.

The biggest risk facing markets right now is liquidity. To date the market has been pricing in a negative credit environment. If we begin to see a dramatic increase in defaults, markets will be under pressure as credit liquidity disappears from the market. We are continuing to closely monitor this situation and have managed the portfolio accordingly.

Gains in the portfolio this month came from our credit, US equities and systematic trading strategies. The diversity of returns for the month demonstrates the value in our multi-strategy approach.

2016 has turned out to be a volatile year so far leaving many investors unsure of where to turn. We are pleased to provide our investors with some safety during these uncertain times.

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