

MULTI-STRATEGY INCOME

Inception date
November 1, 2009

Currency
CAD

STRATEGY DESCRIPTION

The strategy will invest in a broad range of assets including global developed and emerging market bonds, corporate and high yield bonds, preferred shares, REITs and private alternatives including private lending, agriculture, infrastructure and real estate.

The diversifying sources of return will result in an enhanced risk/return profile relative to traditional fixed income. The investment objective is to provide 5% annualized total return with low correlation to fixed income and equity indices while keeping a short duration. Importantly, the strategy integrates a full ESG and Responsible Investment framework which is carried out for every investment in the portfolio.

Based on the risk and return outlook of each asset class, the investment team actively manages the strategy by investing in the optimal portfolio to achieve the investment objective. Security selection is based on fundamental analysis combining top-down and bottom-up analysis. Credit risk is minimized through the portfolio's broad risk diversification, capital structure hierarchy risk analysis and active management.

HIGHLIGHTS

Approach	Multi-style, multi-strategy portfolio
Investment objective	5% derived primarily from income
Diversification	Low correlation to traditional equity and bond indices
Strategy AUM	\$961 Million (As at June 30, 2021)

WHY INVEST IN THIS STRATEGY

- Higher yielding solution in today's low interest rate environment
- Investment in a broad range of assets to diversify sources of return
- Aims to limit downside risk through a diversified portfolio of revenue generating traditional and alternative investments
- Low duration solution which aims to offer better protection against interest rate increases
- Targets enhanced diversification through low correlation with traditional asset classes

PERFORMANCE (%)¹

As at September 30, 2021

PERFORMANCE PER PERIOD AND ANNUALIZED PERFORMANCE

	1 Month	3 Months	6 Months	QTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	SI
	-0.33	0.33	2.01	0.33	2.51	6.53	3.48	2.78	2.85	3.69	3.84	4.48	5.14

MONTHLY PERFORMANCE AND ANNUAL/YTD PERFORMANCE

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year/YTD
2009											1.99	2.39	4.43
2010	0.99	0.95	0.54	0.44	-1.07	1.16	1.96	1.66	2.04	1.16	0.10	0.37	10.78
2011	1.18	1.04	0.88	0.14	0.39	-0.20	0.44	-1.11	-1.36	1.11	0.69	1.15	4.39
2012	1.69	0.94	0.35	0.98	0.01	0.14	1.17	0.57	0.62	0.64	-0.17	0.93	8.13
2013	1.15	0.41	0.46	0.65	-0.51	-1.89	-0.05	-0.68	0.56	0.71	0.28	-0.33	0.75
2014	0.90	1.22	0.91	0.83	0.15	0.69	0.45	1.11	-0.31	0.29	0.63	0.03	7.12
2015	0.84	0.00	-0.37	0.40	0.53	-0.75	-0.45	-1.42	-0.83	2.07	0.63	0.48	1.09
2016	-2.92	0.06	4.07	1.84	0.76	0.31	1.60	0.52	0.13	0.97	-0.22	1.47	8.79
2017	1.58	0.72	0.82	0.47	-0.28	0.61	0.52	-0.46	0.70	0.10	0.70	0.20	5.80
2018	0.70	-0.27	-0.03	0.10	0.69	0.14	0.18	0.34	0.18	-0.90	-0.90	-0.38	-0.17
2019	1.55	0.74	0.36	0.47	-0.16	0.73	0.90	-1.84	0.87	0.61	0.47	1.10	5.92
2020	0.30	-1.53	-7.23	1.82	0.61	1.56	1.87	1.47	-0.18	0.33	2.40	1.15	2.22
2021	0.60	0.09	-0.19	0.61	0.53	0.52	0.83	-0.17	-0.33				2.51

Past performance is not a guarantee or indicator of future results. Inherent in any investment is the risk of loss.

1. Returns are net of fees payable to underlying strategies.

QTD = Quarter to Date; YTD = Year to Date; SI = Since Inception

RISK DIVERSIFICATION

Index	CORRELATION		BETA	
	5 Years	SI	5 Years	SI
FTSE Canada Universe	0.23	0.21	0.24	0.21
S&P/TSX	0.79	0.69	0.26	0.23

SI = Since inception

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RISK/RETURN ANALYSIS (%)

Annualized return since inception (%)	5.14
Annualized standard deviation (%)	3.81
Annualized Sharpe ratio (0.86% ¹)	1.12
Best monthly return (%)	4.07
Worst monthly return (%)	-7.23
Percentage of months with positive performance	76.92

Since inception

1. Risk-free rate of return

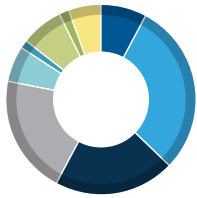
PORTFOLIO CHARACTERISTICS

Effective Yield (%)	4.20
Effective Duration (Years)	3.80
MSCI ESG Rating	A
Average Credit Quality	BBB

CURRENT BREAKDOWN (%)

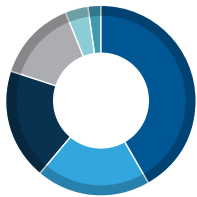
As at September 30, 2021

By Sector



Cash	7.8
Bonds – Developed Countries	29.6
Bonds – Emerging Countries	20.6
High Yield	20.2
Preferred Shares/Hybrids/LRCN	6.0
Real Estate Investment Trust	1.6
Loans/Mortgages	7.2
Infrastructure	1.7
Agriculture	5.3

By Country or Region



Canada	41.9
United States	19.3
Latin America	18.9
Asia-Pacific	13.8
Europe and United Kingdom	4.1
Middle East and Africa	2.0

MONTHLY COMMENTARY

As at September 30, 2021

Over the course of the last fiscal month, the strategy experienced a decline of 0.33%, moreover, the quarter was accretive with an aggregate return of 0.33% and consequently recognized a 2.51% return on a year-to-date basis.

Our preferred shares / LRCN (limited recourse capital notes) / hybrid exposure contributed positively to the strategy as the preferred share market sentiment remained resilient. We are confident with our allocation to maintain a strong balance between fixed-rate perpetual and rate reset preferred shares guided towards higher credit quality and redemption likelihood.

On a macro level, the Federal Reserve tapering and likelihood to hike interest rates in 2022 rather than the original forecast of 2023, in addition to China's largest real estate developer and owner Evergrande facing near default uncertainty, provided major headwinds. Summing these risks have led the market to experience significant turbulence in terms of volatility.

We have confidence that the strategy will continue to provide predictable and durable revenue streams for our clients, however over the course of the month, our allocation to developed and emerging market bonds detracted from the strategy's performance.

In closing, our strategy has demonstrated to be well-positioned in the current context of the economic environment and it is incumbent upon us to deploy capital to continue to outperform traditional fixed income strategies and provide attractive returns.

PORTFOLIO MANAGEMENT TEAM

Team member	Role	Experience
Nicolas Vaugeois, MSc, CFA	Portfolio Manager	2011
Charles Lefebvre, CFA, FRM	Portfolio Manager	1994
Alexandre Cousineau, MSc, CFA, CAIA	Portfolio Manager	2013

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