

## FIERA ENHANCED SHORT TERM FIXED INCOME

<b>Inception Date</b> July 1, 2020	<b>Performance Benchmark</b> 75% FTSE Canada Short Term, 25% FTSE Canada Mid Term	<b>Currency</b> CAD
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### STRATEGY DESCRIPTION

The strategy is designed to provide superior short term investment returns primarily through interest income and moderate capital appreciation. To attain this objective, the strategy will invest primarily in a combination of high quality fixed income securities issued by Canadian governments and corporations, as well as asset classes such as high yield bonds, core mortgages, alternative credit and other structured products in order to deliver consistent risk-adjusted returns. Moreover, the strategy allows for tactical short-term deviations from the long term target allocation in order to fully take advantage of market opportunities. The strategy aims at delivering a short-term return that is more than 1% higher than the performance benchmark, with reduced volatility in portfolio returns.

### HIGHLIGHTS

<b>Style</b>	Active management, Core Plus
<b>Process</b>	Fundamental top-down, multi-strategy
<b>Turnover</b>	Low
<b>Duration</b>	Benchmark: $\pm 1.5$ year
<b>Corporate positioning</b>	Diversified sources of credit

### INVESTMENT DECISIONS

	Enhanced Short Term
<b>Systematic Bias</b>	70%
<b>Portfolio Optimization</b>	10%
<b>Tactical Bias – Short-Term</b>	20%
<b>Tactical Bias – Short-Term (Overlay)</b>	0%
<b>Value Added Objective</b>	1.00%

### INVESTMENT APPROACH SUMMARY

Committees	4 Types of Analysis	4 Sources of Value Added
<ul style="list-style-type: none"> <li>&gt; Fixed Income Strategy</li> <li>&gt; Portfolio Revision</li> <li>&gt; Credit</li> <li>&gt; Research</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Fundamental</li> <li>&gt; Technical</li> <li>&gt; Sentiment</li> <li>&gt; Seasonality</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Duration: 10%</li> <li>&gt; Curve: 30%</li> <li>&gt; Sector Allocation: 50%</li> <li>&gt; Security Selection: 10%</li> </ul>
Promotes sound discipline and synthesis	Rigorous process	Magnitude of the sources of value added varies according to the market environment

### WHY INVEST IN THIS STRATEGY

- > Consistency and solid performance in different types of market environments
- > Strong risk-adjusted returns as reflected by an excellent Information Ratio
- > Superior value added objective compared to traditional mandates
- > Well-diversified sources of traditional and alternative credit exposure
- > Continuous and rigorous risk management through disciplined investment process

### PERFORMANCE (%)

As of March 31, 2021

PER PERIOD AND ANNUALIZED PERFORMANCE		
	Q1 2021	SI
<b>Portfolio</b>	-0.92	1.29
<b>Benchmark</b>	-1.58	-0.28
<b>Added Value</b>	0.67	1.57

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

Composite returns, presented gross of management fees

YTD = Year to Date; SI = Since Inception

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## PORTFOLIO STRUCTURE – DURATION

	Portfolio	Benchmark	Difference
AVG coupon (%)	1.99	2.37	-0.38
Yield (%)	2.23	1.06	1.17
Adjusted modified duration (Year)	3.79	3.81	-0.02
<b>Modified Duration by Sector</b>			
Cash and money market	0.00	0.00	0.00
Canada	0.07	1.66	-1.59
Provincials/Municipals	2.30	1.12	1.18
Corporates	0.63	1.03	-0.40
High Yield	0.13	0.00	0.13
Alternatives	0.66	0.00	0.66
<b>Modified Duration by Term</b>			
< 3 years	0.90	0.75	0.15
3 to 5 years	1.59	1.35	0.24
> 5 years	1.32	1.71	-0.39

## PORTFOLIO MANAGEMENT TEAM

Team member	Role	Experience
Charles Lefebvre, CFA, FRM	Senior Portfolio Manager	1994
Christopher Laurie, BSc, MBA, CFA	Senior Portfolio Manager	1987
Luc Bergeron, MSc	Portfolio Manager	1994
Tan Vu Nguyen, CFA	Portfolio Manager	1994
Jean-Guy Mérette, BBA	Portfolio Manager	1983
Olivier Audette Génier, MSc, CFA	Assistant Portfolio Manager	2013
Nicolas Vaugeois, MSc, CFA	Portfolio Manager	2011
Alexandre Cousineau, MSc, CFA, CAIA	Portfolio Manager	2013

They draw on the expertise of the entire fixed income team, which boasts two distinct trading desks in Montreal and Toronto. Investment decisions are made by consensus amongst the investment team.

## PORTFOLIO POSITIONING (%)<sup>1</sup>

### Sector Allocation

Sector	Portfolio	Benchmark
Cash and money market	0	0
Canada	4	46
Provincials/Municipals	57	26
Corporates	11	28
High Yield	5	0
Alternatives	23	0

### Curve Positioning

Duration	Portfolio	Benchmark
< 3 years	19	39
3 to 5 years	40	36
> 5 years	20	25
Not applicable/available	21	0

### Credit Rating Allocation

Rating	Portfolio	Benchmark
AAA	4	49
AA	22	26
A	40	13
BBB	9	12
BB	4	0
Not applicable/available	21	0

1. Totals may not sum to 100% due to money market holdings or non-rated securities.

## PORTFOLIO ALLOCATION (%)

Sector	Yield	Weight
Cash	4.90	0.0
Real Estate Core Mortgage Fund	5.10	6.0
Municipal Bonds	1.14	30.7
Structured Products or ABS	2.88	4.7
Short Term Federal Bonds	0.34	3.6
Short Term Provincial Bonds	1.13	17.6
Mid Term Provincial Bonds	2.00	9.1
Mid Term Corporate Bonds	2.64	11.3
High Yield Bonds Fund	2.86	4.8
Diversified Lending Fund	5.00	12.1
<b>Total</b>	<b>2.23</b>	<b>100.0</b>

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