

Fiera Capital Inc.

MANDATE: PINNACLE INCOME FUND (THE "FUND")

INVESTMENT OBJECTIVE OF THE FUND

To preserve investment capital while seeking to achieve increased income by investing primarily in a portfolio of Canadian government and corporate bonds, preferred shares of Canadian corporations and loans of supranational organizations.

BACKGROUND OF FIERA CAPITAL INC.

- Fiera Capital Inc. was formed in 2003 following the acquisition of Desjardins Group's institutional investment subsidiary, Elantis Investment Management Inc.
- Acquired Senecal Investment Counsel Inc. in October 2005. Senecal was formed in 1981 and specialized in the management of Canadian equity, fixed income and balanced mandates.
- Acquired YMG Capital Management Inc. in February 2006. YMG Capital was formed in 1983 with an emphasis on fixed income investment management processes which were disciplined and quantitatively driven.
- Fiera offers competitive and innovative investment strategies that are driven by its unique expertise in active and structured fixed income, active equity, quantitative techniques and financial engineering.
- Fiera's diverse clientele is made up of institutional investors, investment funds, wrap programs, charitable organizations and high net worth individuals.
- Fiera is a research-driven investment company that believes that its clients' investment returns derive from knowledge – which is gained from independent market-leading research. At Fiera, knowledge is capital.

INVESTMENT PHILOSOPHY AND PROCESS OF FIERA CAPITAL INC.

- Use a "core" oriented investment process that seeks to add value within a constrained duration range (a 1.0 year band relative to the DEX Universe Bond Index).
- Approach is to regularly restructure client portfolios by changing sector weights and cash flow characteristics relative to the DEX Universe Bond Index.
- Internal research and analysis is focused on the impact of monetary policy and the economic cycle on credit spreads and the shape of the yield curve.
- Fiera uses sophisticated software to structure portfolios efficiently. This means maximizing potential returns while maintaining characteristics which closely approximate most elements of the DEX Universe Bond Index. This process seeks to provide consistent value add compared to the index.

BIOGRAPHIES OF KEY PERSONNEL

Arthur Yeates, MBA, CFA, joined YMG Capital in 1993 with 9 years of fixed income experience for a major Canadian life insurance company. At Fiera, Art is the lead portfolio manager for active core Canadian fixed income investment strategies.

Gaetan Dupuis, M.Sc., joined YMG Capital in 2001 with 13 years experience managing fixed income portfolios. At Fiera, Gaetan is co-manager for active core Canadian fixed income investment strategies.

Catherine Payne, CFA, joined YMG Capital in 2003 with 13 years of fixed income and equity credit analysis for a major life insurance company, an investment dealer and a bond rating service. At Fiera, Catherine is responsible for managing specialty Canadian corporate bond portfolios and the Fiera Canadian High Yield Bond Fund. In addition, she is responsible for corporate credit analysis for investment grade fixed income portfolios.

SUMMARY*

Location: Montreal and Toronto
 Founded: 2003
 Ownership: Private, 77% management & investment professionals
 Staff: 98
 Managers/
 Analysts: 23

Assets:
 Institutional: \$11.2 billion
 Sub-Advisory: \$6.0 billion
 Private Wealth: \$0.8 billion
 TOTAL: \$18.0 billion

Portfolio Characteristics:
 Style: Fixed Term
 Duration: SCI Universe +/- 1 Year
 Min. Credit Rating: A
 Canadas: 20 – 100%
 Provincials: 0 – 50%
 Mortgages & MBS: 0 – 20%
 Corporates: Max 2X Bmk Corp Weight
 Foreign Pays – Canadian: 0 – 10%

STYLE			
	Short	Neutral	Long
Large		●	
Medium		●	
Small			

*Information Provided as of December 2008.

The Pinnacle Program™ The Pinnacle Program™ is an asset allocation service that consists of the Pinnacle Program Funds. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments and the use of an asset allocation service. Please read the Pinnacle Program Funds prospectus before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.



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