

# Fiera YMG Capital Inc.

**Mandate: CANADIAN FIXED INCOME MANAGER**

**Risk Category 3**

## OBJECTIVE

To manage segregated fixed income portfolios for the Summit Program where the objective is to outperform the benchmark.

## BACKGROUND

- Fiera Capital Management Inc. formed in 2003 following the acquisition of certain assets, infrastructure and investments professionals of Desjardins Group's institutional investment subsidiary (Elantis Investment Management).
- 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 YMG Capital Inc. formed in October 2006 through legal combination of Fiera Capital and YMG Capital.
- Fiera YMG 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 YMG's diverse clientele is made up of institutional investors, investment funds, charitable organizations and private clients.
- Fiera YMG 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 YMG, knowledge is capital.

## INVESTMENT PHILOSOPHY AND PROCESS

- Use a "core" oriented investment process that seeks to add value within a constrained duration range (a 1.0 year band relative to the SC Universe Index).
- Approach is to regularly restructure client portfolios by changing sector weights and cash flow characteristics relative to the SC Universe 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 YMG uses sophisticated software to structure portfolios efficiently. This means maximizing potential returns while maintaining characteristics which closely approximate most elements of the SC Universe Index. This process seeks to provide consistent value added compared to the index.

## BIOGRAPHIES OF KEY PERSONNEL

Arthur Yeates, MBA, CFA, joined YMG Capital in 1993 with 8 years of fixed income experience for a major Canadian life insurance company. At Fiera YMG, Art is the lead portfolio manager for active core Canadian fixed income investment strategies.

Gaetan Dupuis, M.Sc., joined YMG Capital in 2001 with 12 years experience managing fixed income portfolios. At Fiera YMG, Gaetan is co-manager for active core Canadian fixed income investment strategies.

Catherine Payne, CFA, joined YMG Capital in 2003 with 12 years of fixed income and equity credit analysis for a major life insurance company, an investment dealer and a bond rating service. At Fiera YMG, Catherine is responsible for managing specialty Canadian corporate bond portfolios and the YMG 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:	91
Managers/Analysts:	40

Assets:	
Institutional	\$12.3 billion
Sub-Advisory	\$7.1 billion
Private Wealth	\$0.8 billion
TOTAL	\$20.2 billion

## Portfolio Characteristics:

Style	Fixed Term
Duration	SC Universe +/- 1 Year
Minimum Credit Rating	A
Canadas	20 – 100%
Provincials	0 – 50%
Municipals	0 – 10%
Corporates	Max 2X Bmk Corp Weight
Foreign Pays – Canadian	0 – 10%

Duration			
	Short	Neutral	Long
High		•	
Medium		•	
Low			

## The Summit Program



The material presented herein is prepared by Northern Trust Global Advisors and is gathered from sources we believe to be reliable. It is current as of issue date (December, 2006). These profiles are intended for use by ScotiaMcLeod Summit Program clients who are selecting an investment manager for their account. All performance data represents past performance and is not indicative of future performance. Please note that representative composite returns were used for managers that have been in ScotiaMcLeod Summit Program less than five years to the date of this report. TM Trademark used under authorization and control of The Bank of Nova Scotia. ScotiaMcLeod is a division of Scotia Capital Inc., Member CIPF.