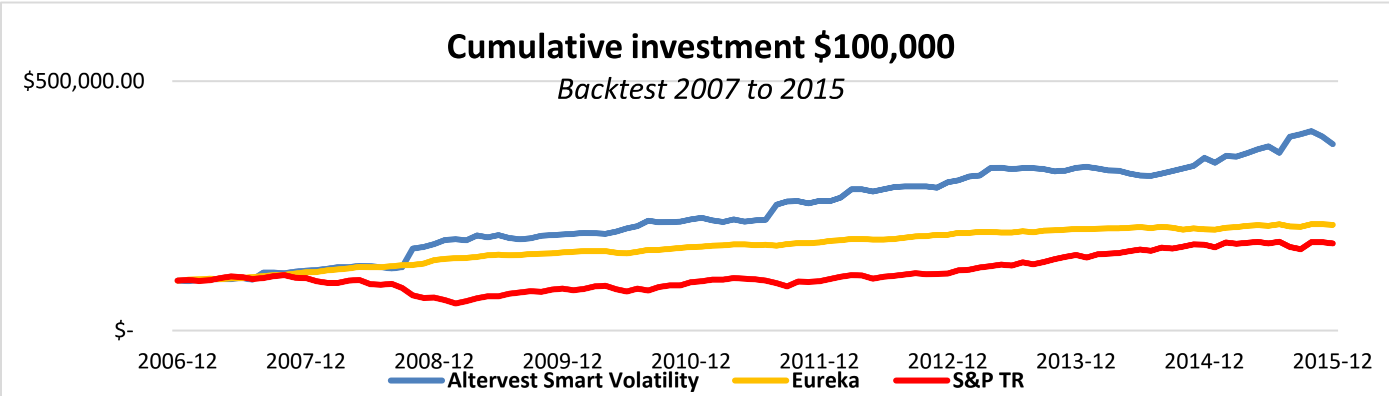
FACTSHEET - Altervest Smart Volatility

Strategy Description

Altervest Smart Volatility is a quantitative absolute return investment strategy that generates alpha through volatility movements. The product's main objective is long-term capital appreciation with a focus on capital preservation. In order to minimize the frequency and the amplitude of drawdowns, the strategy mainly takes hedged positions. When the risk reward dynamic is extremely advantageous it also combines uncorrelated strategies that have hedged market exposure. Our approach is designed to produce positive returns during quiet as well as turbulent market conditions. The strategy tends to deliver strong positive performance in times of crisis when volatility rises. Its negative correlation to the S&P Total return index makes it a great investment diversification tool.



- All statistics and data are back tested using monthly data and returns are reported net of 2/20 fees with a hurdle of LIBOR + 3%. Reported in US dollars.

Annual Outperformance vs S&P TR - Backtest			
	Altervest	**S&P TR***	**Outperformance**
2007	20,40%	5,49%	14,91%
2008	44,02%	-37,00%	81,01%
2009	11,25%	26,46%	-15,21%
2010	15,59%	15,06%	0,53%
2011	16,81%	2,11%	14,70%
2012	14,24%	16,00%	-1,76%
2013	9,59%	32,39%	-22,79%
2014	6,12%	13,69%	-7,56%
2015	8,05%	1,38%	6,67%
Annualized Return	**15,78%**	**6,40%**	**9,38%**

Key Statistics 2007-2015 - Backtest		
	Altervest	**Eureka****
Annualised return	15,78%	9,26%
Annualised volatility	13,31%	3,83%
Downside volatility	2,18%	1,66%
Sortino Ratio*	6,54	4,13
Correlation with S&P TR	-0,374	0,188

* Sortino Ratio used MAR = 2% (average inflation)

**CBOE Eurekahedge Relative Value Volatility Hedge Fund Index

Key strengths

- Performs well in risk-on or risk-off environment
- Tends to perform better when volatility is high
- Great diversification tool focused on capital preservation

Altervest Smart Volatility - Monthly Performance														
		Jan	**Feb**	**Mar**	**Apr**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**YTD**
2015	***Altervest Smart Volatility***	-2.76%	4.01%	-0.29%	1.93%	2.22%	1.52%	-3.52%	9.09%	1.40%	1.49%	-2.66%	-3.94%	**8.05%**
	S&P Tot. Return	-3.00%	5.75%	-1.58%	0.96%	1.29%	-1.94%	2.10%	-6.03%	-2.47%	8.44%	0.30%	-1.58%	**1.38%**
	Outperformance	0.25%	-1.73%	1.30%	0.97%	0.94%	3.46%	-5.62%	15.12%	3.88%	-6.94%	-2.96%	-2.36%	**6.67%**
2016	***Altervest Smart Volatility***	-0.39%	-3.10%	0.39%	-0.17%	3.70%	-6.76%	2.76%	0.74%	3.88%	0.10%	-1.19%	0.73%	**0.20%**
	S&P Tot. Return	-4.96%	-0.14%	6.78%	0.39%	1.80%	0.26%	3.69%	0.14%	0.02%	-1.82%	3.70%	1.98%	**11.97%**
	Outperformance	4.57%	-2.97%	-6.39%	-0.56%	1.90%	-7.02%	-0.93%	0.60%	3.86%	1.92%	-4.89%	-1.25%	**-11.77%**
2017	***Altervest Smart Volatility***	1.54%	-2.11%	1.47%										**0.86%**
	S&P Tot. Return	1.90%	3.97%	0.12%										**6.07%**
	Outperformance	-0.36%	-6.08%	1.35%										**-5.21%**

** Altervest Smart Volatility fund reported in CAD dollars (as of January 2016), Eureka reported in US dollars*

*** Simulated returns from January 2015 to May 2015, actual returns from June 2015*

**** CBOE Eurekahedge Relative Value Volatility Hedge Fund Index*

Investment Team

Geneviève Blouin, CFA, CMT, is the President and founder of Altervest and Portfolio Manager of the strategy. Madam Blouin specializes in tactical asset management for the firm. She has more than 19 years of experience in derivatives and asset management.

Jim Campasano, Director of Quantitative Strategies, is the architect of the Altervest Smart Volatility strategy. He has acquired 20 years of experience in derivatives and specializes in quantitative strategy development. He is a volatility expert and co-published an article in the Journal of Derivatives (The VIX Futures Basis: Evidence and Trading Strategies). He is also a Doctoral candidate at the Isenberg School of Management at the University of Massachusetts.

Strategy launched June 2015 for managed accounts. Available in fund as of January 2016 ***<u>FundServ Code</u> MAJ500***