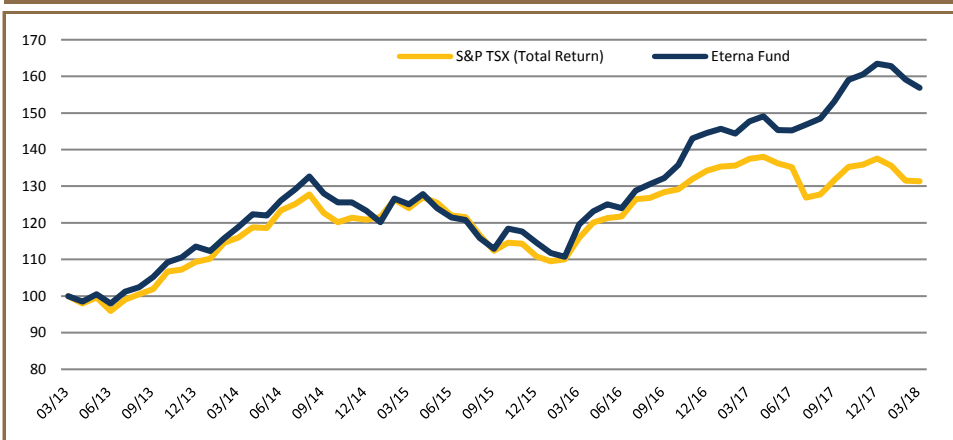




**Performance** (Normalized return 5 years)

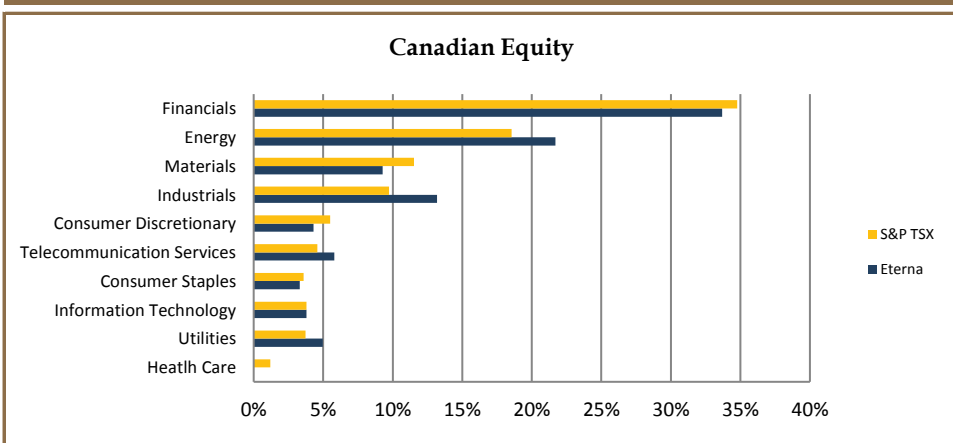


Annualized	1 year	2 years	3 years	4 years	5 years	10 years
<b>Canadian fund ETERNA*</b>	6.21%	14.55%	7.84%	7.18%	9.42%	6.86%
<b>S&amp;P TSX (Total Return)</b>	1.71%	9.84%	4.07%	4.78%	6.93%	4.47%
<b>Added Value</b>	4.50%	4.71%	3.77%	2.40%	2.49%	2.39%

Annual	YTD	2017	2016	2015	2014	2013	2012	2011
<b>Canadian fund ETERNA*</b>	-4.03%	13.07%	26.22%	-7.10%	8.57%	17.21%	10.29%	-8.17%
<b>S&amp;P TSX (Total Return)</b>	-4.52%	9.10%	21.08%	-8.32%	10.55%	12.99%	7.19%	-8.71%
<b>Added Value</b>	0.49%	3.98%	5.14%	1.22%	-1.98%	4.22%	3.10%	0.54%

\* Gross performances of management fees

**Asset allocation** (Source Bloomberg)



Characteristics	No. holdings	Av. Market Cap.	P/E (NTM)	Dividend Yield
<b>Canadian fund ETERNA</b>	33	38,56 G\$	14,55	3.12%
<b>S&amp;P TSX</b>	250	46,28 G\$	14.75	2.90%

Statistics (5 years)	Beta	Std. Deviation	Tracking Error	Information Ratio
<b>Canadian fund ETERNA</b>	1.03	8.91	4.1	0.73
<b>S&amp;P TSX</b>	1	7.71	-	-

Manager:

Jean Duguay

Benchmark:

S&P TSX (Total Return)

Investment Objective

Achieve long-term capital growth by investing primarily in equities from Canadian issuers listed on a recognized local stock market.

Investment Process

The fund's assets are invested in a well-diversified portfolio of equities listed on a recognized Canadian stock market. Portfolios are well-diversified by sectors and industries. Liquidities are used to preserve capital when market conditions are unfavourable and may be held to manage cash position, as well as for strategic purposes.

The portfolio's core consists of securities from large and well-capitalized companies (S&P/TSX), which offer diverse participation in the Canadian economy, while ensuring portfolio liquidity. Securities from small- and mid-cap companies with increased long-term dividends complement this core.

**Top 10 - Holdings**

Canadian Natural Resources	6.31%
Banque Toronto-Dominion	5.99%
Banque Royale du Canada	5.08%
Sun Life Financial inc.	4.24%
Banque CIBC	4.14%
Nutrien LTD	4.08%
Vermilion Energy inc.	4.02%
Suncor Energy inc.	3.93%
Industrielle Alliance	3.91%
Intact Financial Corp	3.79%

**Attribution** (source Bloomberg)

Active Return (YTD)			Active Return Attribution Summary (YTD)*		
Return ETERNA	Return S&P TSX	Added Value	Sector Allocation	Holdings Selection	Currency
-4.28%	-4.52%	0.24%	s.o	s.o	s.o

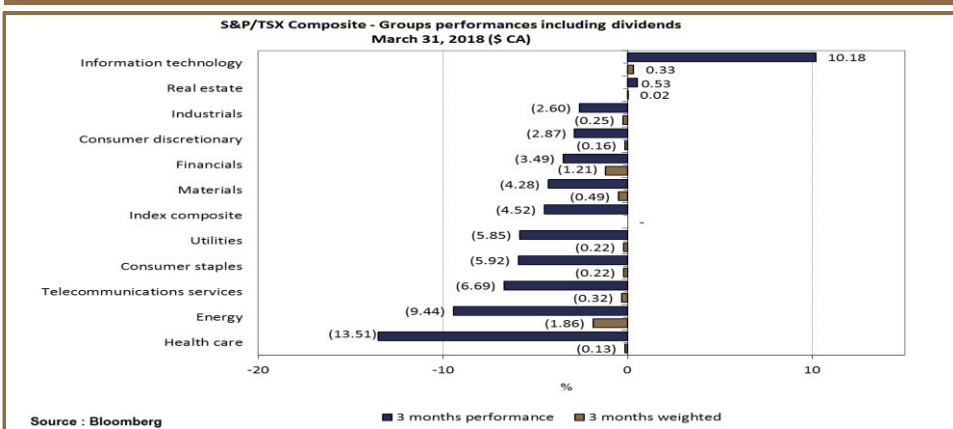
\* Active return attribution based on the gross return estimated by the Bloomberg system

Top 10 - Positive Contributors (YTD)		Top 10 - Negative Contributors (YTD)	
Parkland Fuel Corp	0.28%	Canadian Natural Resources	-0.57%
First Quantum Minerals LTD	0.21%	Nutrien LTD	-0.51%
Constellation Software inc.	0.17%	Alimentation Couche-tard	-0.42%
Sun Life Financials inc.	0.10%	Industrielle-Alliance	-0.41%
Canadian Tire Corp	0.08%	Vermilion Energy inc.	-0.29%
CGI Group inc.	0.06%	Intact Financial Corp	-0.28%
Magna International inc.	0.05%	Banque CIBC	-0.26%
AG Growth International inc.	0.03%	Canadian National Railway Co	-0.24%
Open Text Corp	0.01%	Richelieu Hardware LTD	-0.23%
Banque Toronto-Dominion	-0.01%	TransCanada Corp	-0.19%

Top 5 - Total return (YTD)		Bottom 5 - Total return (YTD)	
Constellation Software inc.	14.88%	Richelieu Hardware LTD	-11.99%
Parkland Fuel Corp	9.05%	Alimentation Couche-Tard	-11.94%
Canadian Tire Corp	3.90%	TransCanada Corp	-11.76%
Sun Life Financial inc.	2.86%	Nutrien LTD	-11.69%
First Quantum Minerals LTD	2.73%	Industrielle Alliance	-10.77%

\* Return of a security may vary from the real YTD return depending on the detention period of the security during the year

**Visual support of quarterly comments**



After an excellent end of 2017, the Canadian stock market started the quarter calmly, with little variation. From the third week of January, everything suddenly changed. The S&P/TSX index lost more than 7% over 15 days, in line with its American counterpart. Volatility indices jumped to levels that had not been seen since 2015 as investor confidence, which had seemed unshakable for some quarters, eroded somewhat. The rest of the quarter followed the same scenario—sudden changes in the perception of markets generating significant daily movements in market prices.

Throughout the quarter, we maintained our defensive approach that began at the end of 2017, which allowed us to maintain a performance slightly above that of our benchmark (S&P/TSX). Our overexposure to the energy sector cost us a few basis points, but the quality of the companies held in the portfolio, such as Parkland Fuel Corp or Suncor Energy, has largely offset this, generating an added value of more than 1% against the index. Conversely, our investments in certain companies such as Alimentation Couche-Tard or Canadian National Railway had a negative effect on our performance following bad news during recent quarterly results. However, our trust in these companies remains intact, as their structure and philosophy remain unchanged and we continue to believe that these investments will serve us well in the long term, as they have done so well in the past. While concerns about NAFTA and corporate and consumer debt levels remain, we believe that the Canadian market discount to the S&P 500 is at very low levels and could contribute to an interesting return for the Canadian stock market.

Performance is calculated on gross basis of administrative and management fees and net basis of transaction fees. Data from "Active Return Attribution Summary" and main positive and negative fund contributions come from the Bloomberg system. The performance calculated by the Bloomberg system is an estimation and may vary from actual performance due to the information update method, the return calculation method and costs associated with the fund. The top 5 and bottom 5 performers list (Total return YTD) explains the performance of the securities since the beginning of the year or since the addition of the security if it was made later than January 1<sup>st</sup>. Past performances are not necessarily indicative of future performances. This document is intended for personal use only. The information and opinions expressed herein are subject to change, depending on market conditions or trends. The views expressed are provided for informational purposes and no investment decision-making should be based on these. This document is not and should not be construed as a solicitation or an offering of units of any fund or other security in any jurisdiction. This document may not be reproduced in whole or in part without prior written permission of Eterna Investment Management. Investment funds from Eterna Investment Management are intended solely for "accredited investors", as defined in National Instrument 45-106 titled Prospectus and Registration Exemptions. Investment in investment funds are not insured by the Canada Deposit Insurance Corporation or by any other public insurer and are not guaranteed by Eterna Investment Management or by any associate company.