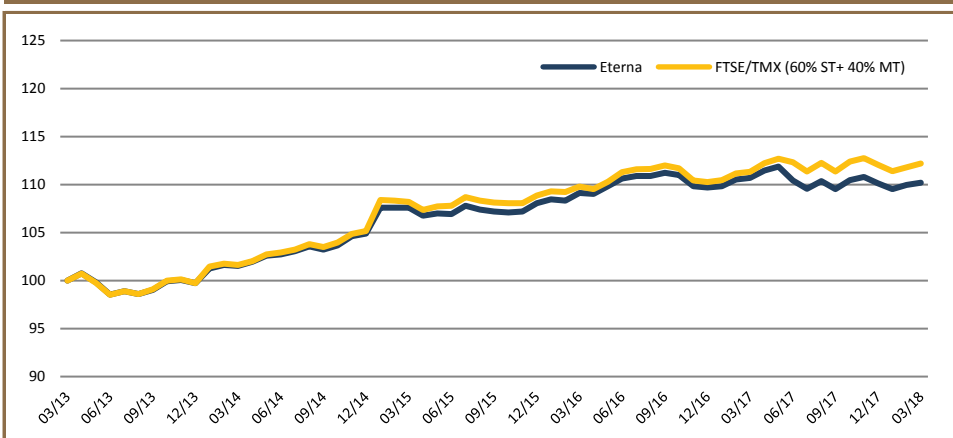




**Performance** (Normalized return 5 years)

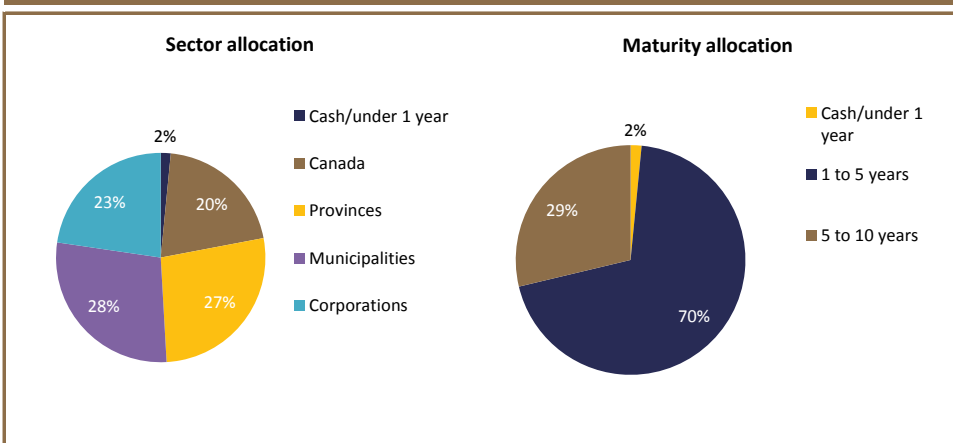


Annualized	1 year	2 years	3 years	4 years	5 years	10 years
<b>Short-term Bond Fund*</b>	-0.43%	0.50%	0.81%	2.08%	1.96%	3.38%
<b>FTSE/TMX (60% ST + 40% MT)</b>	-0.41%	0.48%	0.82%	2.20%	2.08%	3.67%
<b>Added Value</b>	-0.02%	0.02%	-0.01%	-0.12%	-0.12%	-0.29%

Annual	YTD	2017	2016	2015	2014	2013	2012	2011
<b>Short-term Bond Fund*</b>	0.08%	0.40%	1.50%	3.03%	5.20%	0.86%	2.81%	6.17%
<b>FTSE/TMX (60% ST + 40% MT)</b>	0.14%	0.43%	1.25%	3.51%	5.50%	0.79%	3.06%	7.13%
<b>Added Value</b>	-0.06%	-0.03%	0.25%	-0.48%	-0.30%	0.07%	-0.25%	-0.96%

\* Gross performances of management fees

**Asset Allocation**



Statistics	Duration	Average Term	Average Yield	No. holdings
<b>Short-term Bond Fund</b>	4.00	4.36	2.45%	66
<b>FTSE/TMX (60% ST + 40% MT)</b>	4.19	4.62	2.38%	903

Performance is calculated on gross basis of administrative and management fees and net basis of transaction fees. 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.

**Manager:** Michel Pelletier

**Benchmark:** FTSE/TMX (60%ST + 40% MT)

**Investment Objective**

This fund aims to preserve capital, provide high current earnings and limit fluctuations related to changes in interest rates, by investing primarily in Canadian fixed-income securities with less than 10 years maturity.

The management approach aims to achieve balance between capital protection and optimum performance and is designed for investors with short- and medium-term investment horizon.

The benchmark used is the DEX Universe 60/40 (60% short term, 40% medium term).

**Investment Process**

The fund's assets are invested in a diversified portfolio consisting primarily of investment-grade federal, provincial, municipal and corporate bonds (with BBB credit rating or higher) and denominated in Canadian dollars.

The manager uses a top-down approach to optimize fund positioning, based on economic and sectoral outlook and individual issuers. The first level of analysis conducted on the economic outlook aims to capitalize on interest rate movements by implementing strategies and tactics for managing duration and positioning on the interest rate yield curve. The next two levels of analysis are based on sectoral outlook and issuers and aim to establish relative value strategies.

**Quarterly Comments**

- Shorter duration relative to the benchmark
- Short-term rates should raise
- The strategy overweights municipal bonds

Top 5 - Holdings	
PROV.QUEBEC 4.250 01/12/2021	9.75%
ONTARIO 1.350 08/03/2022	7.07%
CANADA HOUSING TRUST 2.400 15/12/2022	5.82%
PSP CAPITAL INC 2.090 22/11/2023	5.67%
SAGUENAY 2.350 25/10/2021	4.25%