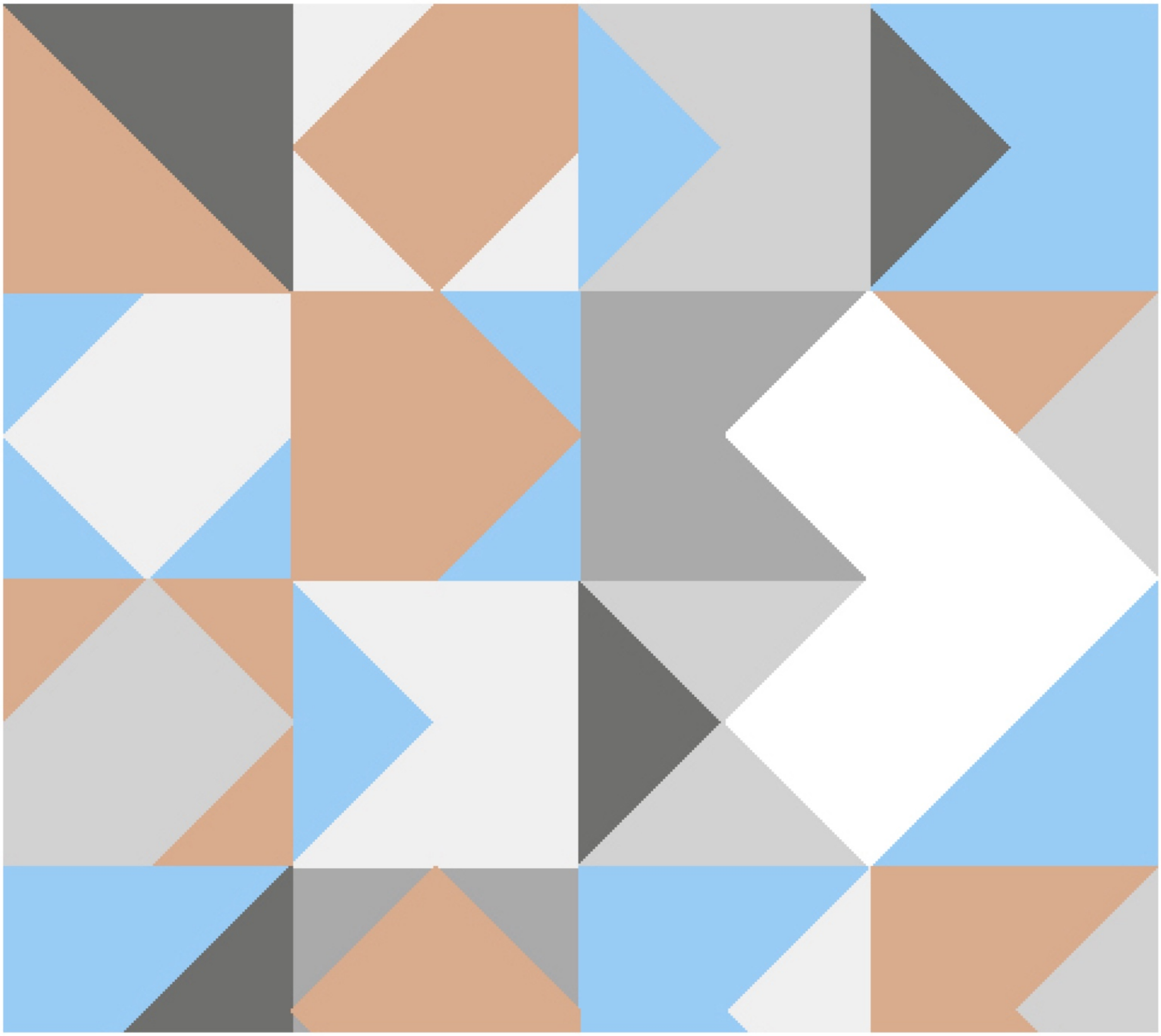

Fiera Capital Corporation

Interim Condensed Consolidated Financial Statements

For the Three and Six-Month Periods
ended June 30, 2023 and 2022
(Unaudited)

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Fiera Capital Corporation

Interim Condensed Consolidated Statements of Earnings

For the three and six-month periods ended June 30,
(In thousands of Canadian dollars, except per share data)
(Unaudited)

	Three-month periods		Six-month periods	
	2023	2022	**2023**	2022
	$	$	**$**	$
Revenues (Note 12)				
Base management fees	**149,793**	150,451	**297,221**	309,762
Performance fees	**955**	4,398	**4,858**	7,768
Commitment and transaction fees	**5,927**	5,151	**8,828**	8,965
Share of earnings in joint ventures and associates	**594**	2,034	**1,180**	5,638
Other revenues	**2,574**	1,811	**4,847**	4,055
	159,843	163,845	**316,934**	336,188
Expenses				
Selling, general and administrative expenses	**118,326**	119,219	**239,101**	258,843
Amortization and depreciation	**13,435**	13,512	**27,148**	28,869
Restructuring, acquisition related and other costs (Note 4)	**3,448**	5,328	**11,458**	9,161
	135,209	138,059	**277,707**	296,873
Earnings before under-noted items	**24,634**	25,786	**39,227**	39,315
Interest on long-term debt and debentures	**11,215**	7,886	**21,808**	15,465
Interest on lease liabilities, foreign exchange revaluation and other financial charges	**(2,370)**	2,646	**(1,580)**	925
Loss (gain) on investments, net	**157**	443	**(1,130)**	1,504
Accretion and change in fair value of purchase price obligations and other (Note 6)	**(2,024)**	3,648	**(2,505)**	3,609
Other expenses (income) (Note 14)	**595**	(1,262)	**6,174**	(1,670)
Earnings before income taxes	**17,061**	12,425	**16,460**	19,482
Income tax expense	**5,140**	672	**5,287**	2,276
Net earnings	**11,921**	11,753	**11,173**	17,206
Net earnings attributable to:				
Company's shareholders	**10,484**	10,759	**7,967**	14,178
Non-controlling interest	**1,437**	994	**3,206**	3,028
	11,921	11,753	**11,173**	17,206
Net earnings per share (Note 10)				
Basic	**0.10**	0.10	**0.08**	0.14
Diluted	**0.09**	0.10	**0.08**	0.14

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Comprehensive Income

For the three and six-month periods ended June 30,
(In thousands of Canadian dollars)
(Unaudited)

	Three-month periods		Six-month periods	
	2023	2022	**2023**	2022
	$	$	**$**	$
Net earnings	**11,921**	11,753	**11,173**	17,206
Other comprehensive income (loss):				
Items that may be reclassified subsequently to earnings (loss):				
Cash flow hedges (Note 6)	**4,429**	313	**3,127**	1,065
Foreign currency translation	**(5,457)**	2,571	**(4,701)**	(3,018)
Other comprehensive income (loss)	**(1,028)**	2,884	**(1,574)**	(1,953)
Comprehensive income	**10,893**	14,637	**9,599**	15,253
Comprehensive income attributable to:				
Company's shareholders	**9,456**	13,643	**6,393**	12,225
Non-controlling interest	**1,437**	994	**3,206**	3,028
	10,893	14,637	**9,599**	15,253

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

(Unaudited)

	As at June 30, 2023	As at December 31, 2022
	$	$
Assets		
Current assets		
Cash and cash equivalents	**141,370**	62,199
Restricted cash and cash equivalents	**1,367**	2,404
Trade and other receivables	**127,889**	146,747
Investments	**6,862**	6,014
Prepaid expenses and other assets (Note 13)	**38,621**	32,913
	316,109	250,277
Non-current assets		
Goodwill (Note 5)	**648,003**	650,981
Intangible assets (Note 5)	**241,060**	260,055
Property and equipment	**21,644**	23,726
Right-of-use assets	**58,239**	67,150
Derivative financial instruments	**4,248**	—
Deferred income taxes	**29,159**	32,164
Long-term investments	**10,397**	6,574
Investments in joint ventures and associates	**11,427**	14,606
Other non-current assets (Note 6)	**21,591**	23,798
	1,361,877	1,329,331
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**112,952**	168,419
Current portion of debentures (Note 8)	**108,758**	—
Current portion of cash-settled share-based liabilities	**2,853**	10,306
Current portion of purchase price obligations and puttable financial instrument liability (Note 6)	**6,818**	14,725
Current portion of lease liabilities	**15,212**	15,989
Restructuring provisions (Note 4)	**4,218**	4,928
Current portion of derivative financial instruments (Note 6)	**—**	359
Client deposits and deferred revenues	**3,898**	11,167
	254,709	225,893
Non-current liabilities		
Long-term debt (Note 7)	**533,814**	443,998
Debentures (Note 8)	**161,354**	207,611
Lease liabilities	**70,365**	78,699
Purchase price obligations and puttable financial instrument liability (Note 6)	**4,275**	12,219
Cash-settled share-based liabilities	**2,156**	800
Deferred income taxes	**7,312**	9,321
Other non-current liabilities (Note 6)	**4,189**	3,909
	1,038,174	982,450
Equity attributable to:		
Company's shareholders	**320,556**	341,045
Non-controlling interest	**3,147**	5,836
	323,703	346,881
	1,361,877	1,329,331

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Changes in Equity

For the six-month periods ended June 30,
(In thousands of Canadian dollars)
(Unaudited)

	Notes	Share Capital	Contributed surplus	Convertible debentures equity component	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Equity attributable to Company's shareholders	Non-controlling Interest	Total Equity
		$	$	$	$	$	$	$	$
Balance as at December 31, 2022		**813,880**	**19,500**	**—**	**(475,660)**	**(16,675)**	**341,045**	**5,836**	**346,881**
Net earnings		**—**	**—**	**—**	**7,967**	**—**	**7,967**	**3,206**	**11,173**
Other comprehensive income (loss)		**—**	**—**	**—**	**—**	**(1,574)**	**(1,574)**	**—**	**(1,574)**
Comprehensive income (loss)		**—**	**—**	**—**	**7,967**	**(1,574)**	**6,393**	**3,206**	**9,599**
Equity settled share-based compensation expense, net of deferred tax	**11**	**—**	**2,499**	**—**	**—**	**—**	**2,499**	**—**	**2,499**
Shares issued as settlement of purchase price obligations	**9**	**13,233**	**—**	**—**	**—**	**—**	**13,233**	**—**	**13,233**
Performance and restricted share units settled	**9**	**529**	**(529)**	**—**	**—**	**—**	**—**	**—**	**—**
Stock options exercised	**9**	**1,718**	**(62)**	**—**	**—**	**—**	**1,656**	**—**	**1,656**
Dividends	**9**	**—**	**—**	**—**	**(44,270)**	**—**	**(44,270)**	**(5,895)**	**(50,165)**
Balance as at June 30, 2023		**829,360**	**21,408**	**—**	**(511,963)**	**(18,249)**	**320,556**	**3,147**	**323,703**
Balance as at December 31, 2021		835,089	17,486	3,339	(412,869)	(27,732)	415,313	2,835	418,148
Change in accounting policy	3	—	—	—	(3,499)	—	(3,499)	—	(3,499)
Net earnings		—	—	—	14,178	—	14,178	3,028	17,206
Other comprehensive income (loss)		—	—	—	—	(1,953)	(1,953)	—	(1,953)
Comprehensive income (loss)		—	—	—	14,178	(1,953)	12,225	3,028	15,253
Equity settled share-based compensation expense, net of deferred tax	11	—	13,104	—	—	—	13,104	—	13,104
Performance and restricted share units settled	9	11,762	(11,762)	—	—	—	—	—	—
Stock options exercised	9	489	(113)	—	—	—	376	—	376
Dividends	9	—	—	—	(43,848)	—	(43,848)	(3,178)	(47,026)
Share repurchase and cancellation	9	(33,626)	(489)	—	—	—	(34,115)	—	(34,115)
Convertible debenture redemption		—	—	(3,339)	3,339	—	—	—	—
Balance as at June 30, 2022		813,714	18,226	3,339	(442,699)	(29,685)	359,556	2,685	362,241

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the three and six-month periods ended June 30,

(In thousands of Canadian dollars)

(Unaudited)

	Three-month periods		Six-month periods	
	2023	2022	**2023**	2022
	$	$	**$**	$
Operating activities				
Net earnings	**11,921**	11,753	**11,173**	17,206
Adjustments for:				
Amortization and depreciation	**13,435**	13,512	**27,148**	28,869
Accretion and change in fair value of purchase price obligations and other (Note 6)	**(2,024)**	3,648	**(2,505)**	3,609
Share-based compensation (Note 11)	**3,951**	1,811	**6,458**	16,420
Interest on long-term debt and debentures	**11,215**	7,886	**21,808**	15,465
Interest on lease liabilities, foreign exchange revaluation and other financial charges	**(2,370)**	2,646	**(1,580)**	925
Income tax expense	**5,140**	672	**5,287**	2,276
Change in derivative financial instruments (Note 6)	**73**	(767)	**357**	(941)
Loss (Gain) on investments and other, net	**752**	(819)	**5,044**	(166)
Share of earnings in joint ventures and associates	**(594)**	(2,034)	**(1,180)**	(5,638)
Other non-current liabilities	**(1,671)**	136	**(2,073)**	(480)
	39,828	38,444	**69,937**	77,545
Changes in non-cash operating working capital items (Note 13)	**(25,705)**	8,409	**(69,277)**	(56,643)
Net cash generated by operating activities	**14,123**	46,853	**660**	20,902
Investing activities				
Settlement of purchase price obligations and puttable financial instrument liability	**(1,500)**	(23,901)	**(1,500)**	(23,901)
Proceeds on promissory note	**1,460**	1,375	**2,996**	2,709
Investments in joint ventures and associates	**(1,234)**	(783)	**(1,325)**	(1,743)
Distributions received from joint ventures and associates	**1,736**	5,121	**6,079**	12,411
Purchase of intangible assets, property and equipment, net	**(702)**	(1,406)	**(1,304)**	(2,621)
Investments, net	**(3,572)**	(399)	**(3,588)**	(502)
Restricted cash and cash equivalents	**828**	601	**1,034**	1,024
Net cash generated by (used in) investing activities	**(2,984)**	(19,392)	**2,392**	(12,623)
Financing activities				
Dividends to the Company's shareholders (Note 9)	**(44,270)**	(43,848)	**(44,270)**	(43,848)
Dividends and other distributions to Non-controlling interest	**(5,895)**	(1,753)	**(5,895)**	(3,178)
Lease payments	**(4,925)**	(4,221)	**(9,435)**	(8,527)
Stock options exercised	**—**	—	**1,656**	376
Issuance of a hybrid debenture, net of issuance costs (Note 8)	**61,935**	99,283	**61,935**	99,283
Redemption of convertible debentures (Note 8)	**—**	(86,250)	**—**	(86,250)
Share repurchase and cancellation (Note 9)	**—**	—	**—**	(33,998)
Long-term debt, net (Note 6 and 7)	**53,884**	1,540	**94,954**	16,340
Interest paid on long-term debt and debentures	**(12,019)**	(8,299)	**(22,398)**	(15,726)
Incentive fees received (paid) related to Contingent Value Rights settlements	**456**	15,882	**(389)**	15,882
Net cash generated by (used in) financing activities	**49,166**	(27,666)	**76,158**	(59,646)
Net increase (decrease) in cash and cash equivalents	**60,305**	(205)	**79,210**	(51,367)
Effect of exchange rate changes on cash denominated in foreign currencies	**(568)**	(459)	**(39)**	(1,540)
Cash and cash equivalents – beginning of periods	**81,633**	50,351	**62,199**	102,594
Cash and cash equivalents – end of periods	**141,370**	49,687	**141,370**	49,687

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Description of business

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which delivers customized and multi-asset solutions across public and private market asset classes to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia.

The Company's head office is located at 1981 McGill College Avenue, Suite 1500, Montreal, Quebec, Canada. The Company's Class A subordinate voting shares ("Class A Shares") are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

The Company's Board of Directors (the "Board") approved the interim condensed consolidated financial statements for the three and six-month periods ended June 30, 2023 and 2022 on August 9, 2023.

2. Basis of presentation

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standard Board ("IASB") and accordingly, do not include all disclosures required under International Financial Reporting Standards ("IFRS") for annual consolidated financial statements. The accounting policies and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2022, except for the impact of the adoption of the standards, interpretations and amendments described in Note 3.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and December 31, 2021.

The Company has prepared and presented these interim condensed consolidated financial statements in Canadian dollars.

3. Adoption of new IFRS and changes in accounting policies

Revised IFRS, interpretations and amendments

Amendment to Cloud Computing Arrangements - IAS 38 Intangible Assets

In April 2021, the International Financial Reporting Interpretations Committee ("IFRIC") finalized an agenda decision which clarified the customer's accounting for configuration and customization in a cloud computing arrangement. As a result of this decision, the Company changed its accounting policy for costs incurred on cloud computing arrangements. Configuration and customization costs related to certain cloud computing arrangements where the related intellectual property is not controlled by the Company will now be expensed. Following this change in accounting policy, intangible assets with a net book value of $4,561 were derecognized and the opening deficit was increased by $3,499 (net of income taxes of $1,062) as at January 1, 2022.

Other

Revised standards are effective for annual periods beginning on January 1, 2023. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

New standards and interpretations not yet adopted

At the date of approval of these interim condensed consolidated financial statements, new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted in the current period are under assessment by Management and have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

4. Restructuring, acquisition related and other costs

During the three and six-month periods ended June 30, 2023 and 2022, the Company recorded the following:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Restructuring costs related to severance	**2,655**	4,488	**8,769**	6,491
Other restructuring costs	**452**	160	**1,632**	578
Acquisition related and other costs	**341**	680	**1,057**	2,092
	3,448	5,328	**11,458**	9,161

Restructuring charges are mainly composed of severance costs due to corporate reorganizations following business combinations, dispositions and other transactions.

Acquisition related and other costs are mainly composed of professional fees and other expenses incurred as a result of the integration of businesses and other strategic transactions.

The change in the restructuring provision for severance-related expenses during the six-month period ended June 30, 2023 is as follows:

	Severance
	$
Balance as at December 31, 2022	**4,928**
Additions during the period	**8,769**
Paid during the period	**(9,468)**
Foreign currency translation	**(11)**
Balance as at June 30, 2023	**4,218**

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

5. Goodwill and intangible assets

		Indefinite life	Finite-life			
	Goodwill	Asset management contracts	Asset management contracts	Customer relationships	Other	Total
	$	$	$	$	$	$
For the six-month period ended June 30, 2023						
Opening carrying amount	**650,981**	**1,708**	**29,695**	**223,960**	**4,692**	**260,055**
Additions	**—**	**—**	**—**	**—**	**296**	**296**
Additions – internally developed	**—**	**—**	**—**	**—**	**801**	**801**
Amortization for the period	**—**	**—**	**(4,219)**	**(12,542)**	**(1,106)**	**(17,867)**
Foreign currency translation	**(2,978)**	**(10)**	**(301)**	**(1,891)**	**(23)**	**(2,225)**
Closing carrying amount	**648,003**	**1,698**	**25,175**	**209,527**	**4,660**	**241,060**
Balance as at June 30, 2023						
Cost	**633,323**	**1,695**	**152,747**	**406,776**	**37,989**	**599,207**
Accumulated amortization and impairment	**(1,918)**	**—**	**(127,655)**	**(198,240)**	**(33,354)**	**(359,249)**
Foreign currency translation	**16,598**	**3**	**83**	**991**	**25**	**1,102**
Closing carrying amount	**648,003**	**1,698**	**25,175**	**209,527**	**4,660**	**241,060**

6. Financial instruments

Debentures

The fair value of the 5.6% Hybrid debentures (Note 8) approximated their face value as at June 30, 2023, following the notice of redemption issued on June 29, 2023 ($108,900 as at December 31, 2022). The fair value of the 6.0% Hybrid debenture (Note 8) is estimated at approximately $93,156 as at June 30, 2023. As at December 31, 2022, the fair value of the 6.0% Hybrid debenture approximated its face value. The fair value of the 8.25% Hybrid debentures (Note 8), issued on June 29, 2023 approximated their face value as at June 30, 2023.

Long-term debt

The fair value of long-term debt approximates its carrying amount, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

Derivative financial instruments

The Company's derivative financial instruments consist of cross currency swaps, currency swaps, interest rate swaps and foreign exchange forward contracts, which are presented at fair value on the interim condensed consolidated statements of financial position.

The fair value of derivatives that are not traded on an active market are determined using valuation techniques which maximize the use of observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where applicable. To the extent practicable, valuation techniques incorporate all factors that market participants would consider in setting a price and are consistent with accepted economic methods for valuing financial instruments.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

6. Financial instruments (continued)

Net gains (losses), fair value and the notional amount of derivatives by term to maturity are as follows:

	For the three-month period ended June 30, 2023	For the six-month period ended June 30, 2023	As at June 30, 2023				
			Fair value of Derivative Financial instruments		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$	$
Foreign exchange contracts							
a) Forward foreign exchange and currency swap contracts – held for trading	**503**	**425**	**281**	**—**	**41,682**	**—**	**—**
b) Cross currency swaps – held for trading	**(5,153)**	**(5,978)**	**661**	**—**	**385,000**	**—**	**—**
Interest rate contracts							
c) Swap contracts – cash flow hedges	**—**	**—**	**4,248**	**—**	**—**	**250,000**	**—**

	For the three-month period ended June 30, 2022	For the six-month period ended June 30, 2022	As at December 31, 2022				
			Fair value of Derivative Financial instruments		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$	$
Foreign exchange contracts							
a) Forward foreign exchange contracts – held for trading	(1,093)	(1,068)	—	—	—	—	—
b) Cross currency swaps – held for trading	5,421	4,664	2,510	(359)	276,000	—	—
Interest rate contracts							
c) Swap contracts – cash flow hedges	—	—	—	—	—	—	—
d) Swap contracts – held for trading	511	1,613	—	—	—	—	—

a) Forward foreign exchange and currency swap contracts — held for trading

The Company enters into forward foreign exchange and currency swap contracts with various terms to maturity that aim to manage the currency fluctuation risk associated with up to twelve months of estimated future revenues in US dollars and financial assets and liabilities for which cash flows are denominated in foreign currencies.

6. Financial instruments (continued)

These contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to fair value through profit or loss at the end of each reporting period. The gain or loss on these derivative financial instruments is recognized in other revenues or interest on lease liabilities, foreign exchange revaluation and other financial charges in the interim condensed consolidated statement of earnings (loss) in accordance with the nature of the hedged item. Outstanding forward foreign exchange and currency swap contracts have contractual maturity dates in less than twelve months, therefore they are presented in current assets or current liabilities on the interim condensed consolidated statement of financial position.

The Company had net gains on settlement of $144 during the six-month period ended June 30, 2023 (net losses on settlement of $944 during the six-month period ended June 30, 2022).

b) Cross currency swaps – held for trading

Under the terms of the Company's revolving Facility (Note 7), the Company can borrow either in US dollars based on the US base rate plus a spread varying from 0.0% to 1.5% or the Adjusted term SOFR rate plus a spread varying from 1.0% to 2.5%, or in Canadian dollars based on the Canadian prime rate plus a spread varying from 0.0% to 1.5% or the bankers' acceptances plus a spread varying from 1.0% to 2.5%. To benefit from interest cost savings, the Company has effectively created a synthetic equivalent to a Canadian dollar loan at CDOR plus a spread on a designated notional amount by borrowing against the US dollar tranche of the Facility, the US equivalent notional amount at SOFR plus a spread, and swapping it into CDOR plus a spread with a cross currency swap.

The objective of this strategy is to provide cost savings without currency risk since the terms of the US SOFR financing and the cross currency swap are exactly matched (US dollar notional amount, SOFR rate, trade and maturity dates). Losses (gains) on cross currency swaps are offset by equivalent gains (losses) on the translation of the US denominated economically hedged portion of the Facility since the financing terms are exactly matched.

The net gain or loss on these derivative financial instruments is recognized in the interim condensed consolidated statement of earnings (loss) in accordance with the nature of the economically hedged item, the Facility (Note 7), and therefore is presented in interest on lease liabilities, foreign exchange revaluation and other financial charges. Outstanding cross currency swap contracts have contractual maturity dates in less than twelve months, therefore they are presented in current assets or current liabilities on the interim condensed consolidated statement of financial position.

The losses (gains) on settlement of the cross currency swaps were offset by equivalent gains (losses) on long-term debt and are netted in long-term debt in the interim condensed consolidated statement of cash flows. The Company had net losses on settlement of $7,139 and $4,488 during the three and six-month periods ended June 30, 2023, respectively (net gains on settlement of $4,401 and $788 during the three and six-month periods ended June 30, 2022, respectively).

6. Financial instruments (continued)

c) Interest rate swap contracts – Cash flow hedges

During the six-month period ended June 30, 2023, the Company entered into interest rate swap contracts to manage its exposure to benchmark interest rate fluctuations on the variable rate loans drawn on the Facility. The Facility loans bear interest at the variable rate plus a spread, but the hedged risk is designated as only the variable component of the total interest rate exposure, excluding the spread. To manage this risk, the interest rate swaps consist of exchanging the CDOR rate for a fixed rate applied to the notional of each contract, ranging between 3.7% to 4.2%. Interest is settled quarterly.

The interest rate swaps are designated as cash flow hedges and satisfy the requirements for hedge accounting. To demonstrate that an economic relationship exists between the variable rate loans and the interest rate swaps, a prospective assessment of effectiveness was performed at inception and is performed at every quarterly reporting period. The Company has established a hedge ratio of 1:1, as the notional of the hedged variable rate loans is equal to the notional of the interest rate swaps. Hedge ineffectiveness could arise from counterparty credit risk, differences in the timing of cash flows, different tenors on the variable rate, CDOR reform, as the maturity date of the contracts extend beyond the cessation date, and any other change in reference rates impacting the hedges or hedged exposures.

The effective portion of changes in the fair value of these contracts was recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded a gain in other comprehensive income of $4,429 and $3,127 during the three and six-month periods ended June 30, 2023 (net of income taxes of $1,588 and $1,121) (a gain in other comprehensive income of $313 and $1,065 during the three and six-month periods ended June 30, 2022 (net of income taxes of $137 and $406, respectively)). Outstanding interest rate swap contracts have contractual maturity dates greater than twelve months, therefore they are presented in non-current assets or non-current liabilities on the interim condensed consolidated statement of financial position.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

6. Financial instruments (continued)

Fair value hierarchy

The financial assets and liabilities that are recognized on the interim condensed consolidated statements of financial position at fair value are classified using a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial instruments recorded at amortized cost and fair value in the interim condensed consolidated statements of financial position, classified using the fair value hierarchy:

	As at June 30, 2023			
		Fair value through profit or loss		
	Amortized cost	Level 2	Level 3	Total
	$	$	$	$
Assets				
Cash and cash equivalents	**141,370**	—	—	**141,370**
Restricted cash and cash equivalents	**1,367**	—	—	**1,367**
Investments	—	**6,862**	—	**6,862**
Trade and other receivables	**122,548**	—	—	**122,548**
Promissory note[(1)]	—	—	**24,720**	**24,720**
Long-term investments	—	—	**10,397**	**10,397**
Derivative financial instruments[(2)]	—	**5,190**	—	**5,190**
	265,285	**12,052**	**35,117**	**312,454**
Liabilities				
Accounts payable and accrued liabilities[(3)]	**112,637**	—	**315**	**112,952**
Purchase price obligations	—	—	**11,093**	**11,093**
Derivative financial instruments	—	—	—	—
Client deposits	**246**	—	—	**246**
Long-term debt	**533,814**	—	—	**533,814**
Debentures	**270,112**	—	—	**270,112**
	916,809	—	**11,408**	**928,217**

(1) Includes $5,341 presented in trade and other receivables and $19,379 presented in other non-current assets on the interim condensed consolidated statements of financial position.
(2) Includes $942 presented in prepaid expenses and other assets and $4,248 presented in Derivative financial instruments within non-current assets on the interim condensed consolidated statements of financial position.
(3) $315 represents the short-term portion of the CVR liability.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

6. Financial instruments (continued)

	As at December 31, 2022			
		Fair value through profit or loss		
	Amortized cost	Level 2	Level 3	Total
	$	$	$	$
Assets				
Cash and cash equivalents	62,199	—	—	62,199
Restricted cash and cash equivalents	2,404	—	—	2,404
Investments	—	6,014	—	6,014
Trade and other receivables	141,558	—	—	141,558
Promissory note(1)	—	—	26,348	26,348
Long-term investments	—	—	6,574	6,574
Derivative financial instruments(2)	—	2,510	—	2,510
	206,161	8,524	32,922	247,607
Liabilities				
Accounts payable and accrued liabilities(3)	167,527	—	892	168,419
Purchase price obligations	—	—	26,944	26,944
Derivative financial instruments	—	359	—	359
Client deposits	749	—	—	749
Long-term debt	443,998	—	—	443,998
Debentures	207,611	—	—	207,611
	819,885	359	27,836	848,080

(1) Includes $5,189 presented in trade and other receivables and $21,159 presented in other non-current assets on the interim condensed consolidated statements of financial position.
(2) Presented in prepaid expenses and other assets on the interim condensed consolidated statements of financial position.
(3) $892 represents the the short-term portion of the CVR liability.

Level 3

The fair value of the promissory note, purchase price obligations, and the CVRs are Level 3 financial instruments and are determined using a discounted cash flow analysis which makes use of unobservable inputs such as expected cash flows and risk adjusted discount rates. Expected cash flows are estimated based on the terms of the contractual arrangements and the Company’s knowledge of the business and how the current economic environment is likely to impact it.

Purchase price obligation – Clearwater Capital Partners, LLC ("Clearwater"):

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and EBITDA (as defined in the share purchase agreement) forecasts, management’s estimates of revenue generated from inflows of AUM from the Asia region, and the risk-adjusted discount rate.

6. Financial instruments (continued)

The Company reduced the fair value of the purchase price obligation and recorded an adjustment of $1,247 (US$942) during the three and six-month periods ended June 30, 2023 (nil during the three and six-month periods ended June 30, 2022). The adjustment was driven by revised fiscal year 2023 forecasts related to revenue generated from inflows of assets under management from the Asia region. During the three and six-month periods ended June 30, 2023 the Company issued 2,077,429 shares for an equivalent of $13,233 (US$10,000) to settle the amount earned on the purchase price obligation for the year ended December 31, 2022. The fair value of the Clearwater purchase price obligation as at June 30, 2023 was $8,834 (US$6,676) and $23,298 (US$17,195) as at December 31, 2022.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs is not necessarily a direct relationship and different inter-relationships could be reasonably applied. The Company used discount rates ranging between 10.0% and 15.0% (2022 – between 10.0% and 15.0%). The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, revenue, EBITDA, and revenue forecasts from inflows of AUM from the Asia region, and established a reasonable fair value range between $7,498 (US$5,666) and $8,980 (US$6,786) for its purchase price obligation as at June 30, 2023 compared to $15,973 (US$11,625) and $23,821 (US$17,336) as at December 31, 2022 .

Promissory Note – Wilkinson Global Asset Management LLC ("WGAM"):

On December 31, 2020, the Company completed the sale of all its equity interest in WGAM, in exchange for a promissory note issued by WGAM, for a notional amount of $35,655 (US$27,987). Under the terms of the agreement, the promissory note earns interest at SOFR 3M plus a premium of 3.1% as at June 30, 2023, and EURIBOR plus a premium of 3% as at December 31, 2022. The principal and interest related to the promissory note will be reimbursable to the Company through quarterly payments based on a specified revenue amount for each fiscal quarter with a minimum annual repayment of US$1,750. The promissory note is secured by units of membership interests and the assets of WGAM.

The promissory note is a financial asset recorded at fair value through profit and loss and has been categorized as a Level 3 fair value instrument. The discounted cash flow method was used to measure the present value of the promissory note. The main Level 3 inputs used by the Company to value the promissory note are derived from unobservable inputs of assets under management forecasts, revenue forecasts and the credit-adjusted discount rate reflecting the estimated maturity of the promissory note. The Company uses a discount rate ranging between 8.5% - 9.5% for the three and six-month periods ended June 30, 2023 and the year ended December 31, 2022. The fair value of the instrument was $24,720 (US$18,680) as at June 30, 2023, and ($26,348 (US$19,445) as at December 31, 2022).

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

6. Financial instruments (continued)

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of this Level 3 financial instrument and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the credit-adjusted discount rate and the other unobservable inputs does not necessarily have a direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the credit-adjusted discount rate, assets under management and revenue forecasts and established a reasonable fair value range between $23,763 (US$17,957) and $25,054 (US$18,933) as at June 30, 2023, ($25,190 (US$18,590) and $26,668 (US$19,681) as at December 31, 2022).

The reconciliation of Level 3 fair value measurements is presented as follows:

	Promissory note	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Total
		$	$	$	$
Fair value as at December 31, 2022	**26,348**	**6,574**	**(892)**	**(26,944)**	**5,086**
Additional investments	**—**	**3,929**	**—**	**—**	**3,929**
Disposition of investments	**—**	**(236)**	**—**	**—**	**(236)**
Proceeds received	**(2,996)**	**—**	**—**	**—**	**(2,996)**
Gain on investments, net	**—**	**25**	**—**	**—**	**25**
Settlement of purchase price obligations	**—**	**—**	**—**	**14,733**	**14,733**
Revaluation(1)	**954**	**—**	**—**	**1,247**	**2,201**
Accretion(1)	**989**	**—**	**—**	**(684)**	**305**
Revaluation and settlement of CVRs	**—**	**—**	**577**	**—**	**577**
Reclassification	**—**	**—**	**—**	**—**	**—**
Foreign currency translation	**(575)**	**105**	**—**	**555**	**85**
Fair value as at June 30, 2023	**24,720**	**10,397**	**(315)**	**(11,093)**	**23,709**

(1) Accounted in Accretion and change in fair value of purchase price obligations and other in the interim condensed consolidated statements of Earnings (loss)

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(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

6. Financial instruments (continued)

	Promissory note	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Puttable financial instrument liability	Other non-current liabilities	Total
		$	$	$	$	$	$
Fair value as at December 31, 2021	28,198	5,739	(9,120)	(33,359)	(23,485)	(253)	(32,280)
Additional investments	—	1,043	—	—	—	—	1,043
Disposition of investments	—	(726)	—	—	—	—	(726)
Proceeds received	(2,709)						(2,709)
Settlement of purchase price obligations and puttable financial instruments liability	—	—	—	5,718	18,183	—	23,901
Loss on investments, net	—	(72)	—	—	—	—	(72)
Revaluation[1]	(4,397)	—	—	—	639	—	(3,758)
Accretion[1]	2,340	—	—	(1,962)	(228)	—	150
Revaluation of CVRs	—	—	(152)	—	—	(62)	(214)
Foreign currency translation	558	(240)	—	(638)	1,485	—	1,165
Fair value as at June 30, 2022	23,990	5,744	(9,272)	(30,241)	(3,406)	(315)	(13,500)

[1] Accounted in Accretion and change in fair value of purchase price obligations and other in the interim condensed consolidated statements of Earnings (loss)

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

7. Long-term debt

	As at June 30, 2023	As at December 31, 2022
	$	$
Revolving credit facility	**534,960**	445,490
Deferred financing charges	**(1,146)**	(1,492)
	533,814	443,998

Credit facility

On April 20, 2022, the Company entered into the Seventh Amended and Restated Credit Agreement ("Credit Agreement") comprised of a $700,000 senior unsecured revolving facility ("Facility") which can be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Credit Agreement, the maturity date is April 20, 2026. A one-year extension can be requested annually subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount to more than 66 2/3% of the Facility. The Company may request an increase in the available Facility by an amount of up to $200,000 subject to the acceptance by the lenders.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn. The interest rates are based on either the Canadian prime rate, bankers' acceptances, the US base rate or Adjusted term SOFR rate, plus a spread as a function of the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement.

As at June 30, 2023, the total amount drawn on the Facility was $534,960 (December 31, 2022 - $445,490) of which $524,602 (US$396,450) was drawn in US dollars (December 31, 2022 - (US$328,787)) and $10,358 was drawn in Canadian Dollars (December 31, 2022 - nil).

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. All restrictive covenants under the Credit Agreement were met as at June 30, 2023 and December 31, 2022.

During the three and six-month periods ended June 30, 2023 the Company borrowed $61,023 and $99,442 (repaid $2,861 and borrowed $15,552 during the three and six-month periods ended June 30, 2022) of its long-term debt.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

8. Debentures

The balance of the debentures consists of the following:

	As at June 30, 2023	As at December 31, 2022
	$	$
5.6% Hybrid debentures – Due on July 31, 2024[(1)]	**108,758**	108,260
6.0% Hybrid debenture – Due on June 30, 2027	**99,415**	99,351
8.25% Hybrid debentures – Due on December 31, 2026	**61,939**	—
	270,112	207,611

a) 5.6% Hybrid debentures – Due on July 31, 2024[(1)]

	As at June 30, 2023	As at December 31, 2022
	$	$
Face value	**110,000**	110,000
Less:		
Issuance costs	**(5,007)**	(5,007)
Cumulative accretion expense on liability component	**3,765**	3,267
	108,758	108,260

[(1)] The original maturity date of the debentures was July 31, 2024 but they were redeemed on July 31, 2023.

On July 4, 2019, the Company issued 100,000 senior subordinated unsecured hybrid debentures maturing on July 31, 2024 and on July 9, 2019 the Company issued 10,000 senior subordinated unsecured hybrid debentures following the exercise of the over-allotment option, maturing on July 31, 2024 (together, the "5.6% Hybrid debentures") for total gross proceeds of $110,000. The 5.6% Hybrid debentures bear interest at a rate of 5.6% per annum, payable semi-annually in arrears on January 31 and July 31 of each year, with the first interest payment on January 31, 2020. The Company will have the option to repay the principal amount of the Hybrid debentures due at redemption or at maturity either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The 5.6% Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The 5.6% Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

On June 29, 2023, the Company announced the redemption of all issued and outstanding 5.6% Hybrid Debentures on July 31, 2023. The $110,000 aggregate principal amount was redeemed at 100% of the principal amount, with the last interest payment made on July 31, 2023. The outstanding liability of $108,758 has been reclassified to a current liability on the statement of financial position.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

8. Debentures (continued)

b) 6.0% Hybrid debenture – Due on June 30, 2027

	As at June 30, 2023	As at December 31, 2022
	$	$
Face value	**100,000**	100,000
Less:		
Issuance costs	**(717)**	(717)
Cumulative accretion expense on liability component	**132**	68
	99,415	99,351

On June 23, 2022, the Company completed a private placement of a $100,000 senior subordinated unsecured hybrid debenture with the Fonds de solidarité FTQ maturing on June 30, 2027 (the "6.0% Hybrid debenture"). The 6.0% Hybrid debenture bears interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year starting December 31, 2022. Prior to June 30, 2025, the 6.0% Hybrid debenture will be redeemable in whole or in part from time to time at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the greater of a) 100% of the principal amount redeemed and b) the Canada Yield Price as defined in the debenture plus accrued and unpaid interest. On and after June 30, 2025 and prior to June 30, 2026, the 6.0% Hybrid debenture will be redeemable, in whole or in part, and from time to time, at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 103% of the principal amount redeemed plus accrued and unpaid interest. On and after June 30, 2026 and prior to the maturity date on June 30, 2027, the 6.0% Hybrid debenture will be redeemable, in whole or in part, and from time to time, at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the 6.0% Hybrid debenture due at redemption or at maturity on June 30, 2027 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The 6.0% Hybrid debenture will not be, at any time, convertible into Class A Shares at the option of the holders. The 6.0% Hybrid debenture is recorded at amortized cost, net of issuance costs, using the effective interest rate method.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

8. Debentures (continued)

c) 8.25% Hybrid debentures – Due on December 31, 2026

	As at June 30, 2023	As at December 31, 2022
	$	$
Face value	**65,000**	—
Less:		
Issuance costs	**(3,065)**	—
Cumulative accretion expense on liability component	**4**	—
	61,939	—

On June 29, 2023 the Company issued 65,000 senior subordinated unsecured hybrid debentures maturing on December 31, 2026 (the "8.25% Hybrid debentures") for gross proceeds of $65,000. On July 28, 2023, the Company issued 2,250 senior subordinated unsecured hybrid debentures following the exercise of the over-allotment option for gross proceeds of $2,250, also maturing on December 31, 2026. The 8.25% Hybrid debentures bear interest at a rate of 8.25% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, with the first interest payment on December 31, 2023. The 8.25% Hybrid debentures will not be redeemable before December 31, 2025, except upon the satisfaction of certain conditions after a change of control of the Company. On and after December 31, 2025 and prior to the maturity date on December 31, 2026, the 8.25% Hybrid debentures will be redeemable, in whole or in part, and from time to time, at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the 8.25% Hybrid debentures due at redemption or at maturity on December 31, 2026 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The 8.25% Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The 8.25% Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

9. Share capital and accumulated other comprehensive income (loss)

The following table provides details of the issued, fully paid and outstanding common shares:

	Class A shares		Class B shares		Total	
	Number	**$**	**Number**	**$**	**Number**	**$**
As at December 31, 2022	83,228,078	782,989	19,412,401	30,891	102,640,479	813,880
Issuance of shares						
Shares issued as settlement of purchase price obligations	**2,077,429**	**13,233**	**—**	**—**	**2,077,429**	**13,233**
Performance and restricted share units settled	**113,739**	**529**	**—**	**—**	**113,739**	**529**
Stock options exercised	**275,000**	**1,718**	**—**	**—**	**275,000**	**1,718**
As at June 30, 2023	**85,694,246**	**798,469**	**19,412,401**	**30,891**	**105,106,647**	**829,360**
As at December 31, 2021	85,432,361	804,198	19,412,401	30,891	104,844,762	835,089
Issuance of shares						
Performance and restricted share units settled	1,305,127	11,762	—	—	1,305,127	11,762
Stock options exercised	50,590	489	—	—	50,590	489
Share repurchase and cancellation	(3,560,000)	(33,626)	—	—	(3,560,000)	(33,626)
As at June 30, 2022	83,228,078	782,823	19,412,401	30,891	102,640,479	813,714

2023

Shares repurchase and cancellation

On August 11, 2022, the Toronto Stock Exchange approved the renewal of the Company's normal course issuer bid ("NCIB") to purchase for cancellation up to a maximum of 4,000,000 Class A Shares, representing approximately 4.8% of its issued and outstanding Class A Shares as at August 1, 2022. The NCIB began on August 16, 2022 and will end at the latest on August 15, 2023.

During the six-month period ended June 30, 2023, there were no purchases and cancellations of Class A Shares under the normal course issuer bid.

Dividends

During the three and six-month periods ended June 30, 2023, the Company declared dividends on Class A Shares and Class B Shares totaling $22,151 ($0.215 per share) and $44,270 ($0.430 per share), respectively. During the six-month period ended June 30, 2023, 192,682 Class A shares were purchased on the open market for $1,350 to settle dividends under the dividend reinvestment plan.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

9. Share capital and accumulated other comprehensive income (loss) (continued)

2022

Shares repurchase and cancellation

On January 12, 2022, the Company and Natixis Investment Managers ("Natixis IM") announced Natixis IM's intention to sell all of its 10,680,000 Class A Shares held in the Company through an indirect wholly-owned subsidiary. Fiera Capital and Natixis IM entered into an agreement for the repurchase for cancellation of 3,560,000 Class A Shares for an aggregate repurchase price of $34,888. In addition, Natixis IM paid Fiera Capital a transaction fee. In a separate transaction, Natixis IM sold the remaining 7,120,000 Class A Shares indirectly held by it through a syndicate of underwriters by way of a prospectus-exempt bought deal block trade. These transactions closed on January 14, 2022. Immediately following the transactions, Natixis IM no longer held any shares of the Company.

The share repurchase counted towards the maximum number of Class A Shares that may be repurchased under the Company's NCIB. In connection with the share repurchase, Fiera Capital amended the NCIB in order to increase the maximum number of Class A Shares that may be repurchased to 6,335,600 Class A Shares (representing 10% of the public float of the Class A shares on August 2, 2021), effective on January 17, 2022.

During the six-month ended June 30, 2022, the Company paid $33,998, to purchase and cancel 3,560,000 Class A Shares under the normal course issuer bid which reduced share capital by $33,626 (including income taxes of $117) and the excess paid of $489 was charged to contributed surplus.

Dividends

During the three and six-month periods ended June 30, 2022, the Company declared dividends on Class A Shares and Class B shares totaling $43,848 ($0.43 per share). During the six-month period ended June 30, 2022, 201,499 Class A shares were purchased on the open market for $1,915 to settle dividends under the dividend reinvestment plan.

Accumulated other comprehensive income (loss)

The components of accumulated other comprehensive income (loss) include:

	As at June 30, 2023	As at December 31, 2022
	$	$
Cash flow hedges	**3,127**	—
Unrealized foreign currency translation on foreign operations	**(21,376)**	(16,675)
	(18,249)	(16,675)

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

10. Earnings (Loss) per share

Basic and diluted earnings per share and the reconciliation of the number of shares used to calculate basic and diluted earnings per share are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Net earnings attributable to shareholders	**10,484**	10,759	**7,967**	14,178
Weighted average shares outstanding – basic	**103,720,132**	103,169,837	**102,903,288**	102,250,627
Effect of dilutive share-based awards, purchase price obligations payable in shares and debentures	**19,154,858**	1,323,584	**2,902,345**	1,335,626
Weighted average shares outstanding – diluted	**122,874,990**	104,493,421	**105,805,633**	103,586,253
Basic earnings per share	**0.10**	0.10	**0.08**	0.14
Diluted earnings per share	**0.09**	0.10	**0.08**	0.14

For the three-month period ended June 30, 2023, the 6% Hybrid debenture was dilutive and accordingly, the net earnings attributable to shareholders was increased by its interest (net of tax) of $1,136. The share-based awards payable in 2,721,901 shares, and the 8.25% Hybrid debentures with a face value of $65,000 were all anti-dilutive. For the six-month period ended June 30, 2023, the share-based awards payable in 2,976,469 shares, the 6% and 8.25% Hybrid debentures with face values of $100,000 and $65,000, respectively, were anti-dilutive.

For the three and six-month periods ended June 30, 2022, the share-based awards payable in 3,664,527 and 3,731,411 shares, the convertible debentures, the 6% Hybrid debenture, and the 5.6% Hybrid debentures with a face value of $86,250, $100,000 and $110,000, respectively, were all anti-dilutive.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

11. Share-based payments

a) Stock option plan

A summary of the changes that occurred in the Company's stock option plans during the six-month periods ended June 30, 2023, and 2022, is presented below:

		2023		2022
	Number of Class A Share options	**Weighted-average exercise price**	Number of Class A Share options	Weighted-average exercise price
		$		$
Outstanding – beginning of periods	**3,865,505**	**11.33**	4,361,095	11.29
Granted	**100,000**	**8.76**	—	—
Exercised	**(275,000)**	**6.02**	(50,590)	7.44
Expired	**(842,505)**	**11.88**	(405,000)	11.35
Outstanding – end of periods	**2,848,000**	**11.59**	3,905,505	11.33
Options exercisable – end of periods	**1,063,000**	**12.99**	1,035,505	13.00

The Company recorded an expense of $191 and $911 for stock options during the three and six-month periods ended June 30, 2023 (an expense of $387 and $510 during the three and six-month periods ended June 30, 2022).

The following table presents the assumptions under the Black-Scholes option pricing model used to determine the fair value of options granted during the three and six-month periods ended June 30, 2023, and 2022 :

	2023	2022
Dividend yield (%)	**10.01**	—
Risk-free interest rate (%)	**3.32**	—
Expected life (years)	**7.00**	—
Expected volatility of the share price (%)	**30.26**	—
Weighted-average fair value ($)	**0.73**	—

The expected volatility is based on the historical volatility of the Company's share price. The risk-free interest rate used is equal to the yield available on government of Canada bonds at the date of grant with a term that approximates the expected life of options.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

11. Share-based payments (continued)

b) Deferred share unit ("DSU") plan

One DSU unit is equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of $87 and $222 for this plan during the three and six-month periods ended June 30, 2023, respectively (a (recovery) expense of $(7) and $(8) during the three and six-month periods ended June 30, 2022, respectively).

The total award value granted under the Company's DSU plan was $356 and nil during the six-month periods ended June 30, 2023 and 2022, respectively. As at June 30, 2023, the Company had a liability for an amount of $563 for the 87,222 units outstanding under the DSU plan ($342 for 39,383 units as at December 31, 2022).

c) Restricted share unit ("RSU") plan

The following table presents transactions that occurred in the Company's RSU plan during the six-month periods ended June 30, 2023, and 2022:

	2023	2022
Outstanding units – beginning of periods	**105,941**	422,024
Settled	**(91,574)**	(330,740)
Reinvested in lieu of dividends	**1,287**	10,878
Forfeited/Cancelled	**—**	(1,457)
Outstanding units – end of periods	**15,654**	100,705

One RSU unit is equivalent to one Class A Share of the Company. The Company recorded an expense of $25 and $101 for these grants during the three and six-month periods ended June 30, 2023, respectively ($1,427 and $1,923 during the three and six-month periods ended June 30, 2022, respectively).

During the six-month period ended June 30, 2023, nil Class A Shares were issued and $769 was paid in cash as settlement of vested RSUs (nil Class A Shares were issued and $3,150 cash paid as settlement of vested RSUs during the six-month period ended June 30, 2022). As at June 30, 2023, the Company had a liability in the amount of $54 for the 15,654 units outstanding under the RSU plan ($731 for 105,941 units as at December 31, 2022).

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

11. Share-based payments (continued)

d) Restricted share unit plan — cash ("RSU cash")

The following table presents transactions that occurred in the Company's RSU cash plan during the six-month periods ended June 30, 2023, and 2022:

	2023	2022
Outstanding units – beginning of periods	**2,093,957**	2,310,885
Settled	**(955,816)**	(150,792)
Forfeited/Cancelled	**(774,044)**	—
Reinvested in lieu of dividends	**61,404**	99,930
Granted	**203,371**	93,784
Outstanding units – end of periods	**628,872**	2,353,807

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of $1,006 and $1,815 for these grants during the three and six-month periods ended June 30, 2023, respectively (($2,000) and ($12) during the three and six-month periods ended June 30, 2022, respectively).

During the six-month period ended June 30, 2023, 955,816 units were settled (2022 – 150,792) and an amount of $8,691 was paid as settlement of vested units (2022 – $786). As at June 30, 2023, the Company had a liability in the amount of $1,497 for the 628,872 units outstanding under the RSU cash plan ($9,794 for the 2,093,957 units as at December 31, 2022).

e) PSU and UAR plan applicable to Business Units ("BU")

PSU applicable to BU

The Company recorded the following expense relating to the PSU plan applicable to BU during the three and six-month periods ended June 30, 2023 and 2022:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Equity-settled grants	**939**	1,030	**1,012**	12,677
Cash-settled grants	**1,156**	228	**1,673**	602
	2,095	1,258	**2,685**	13,279

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

11. Share-based payments (continued)

The total award value granted under the Company's PSU plan applicable to BU was $8,317 and $12,532 during the six-month periods ended June 30, 2023 and 2022, respectively. During the six-month period ended June 30, 2023, nil Class A Shares were issued and $1,224 was paid in cash as settlement of vested PSU applicable to BU (1,201,799 Class A Shares were issued and $21,257 paid in cash during the six-month period ended June 30, 2022).

On January 31, 2022, the Company closed a previously announced agreement to establish a sub-advisory partnership with PineStone Asset Management Inc. ("PineStone"), a new firm to be controlled and led by the former Head of Fiera Capital's Montreal-based Global Equity Team. Upon closing of the agreement, all PSU applicable to BU grants previously awarded to the Global Equity team vested immediately and were settled in cash. In addition, during the six-month period ended June 30, 2022, the Company granted additional PSU applicable to BU awards to the former Global Equity team for the remaining service period ending January 31, 2022, with immediate vesting. This was settled through the issuance of Class A Shares.

UAR applicable to BU

The Company recorded the following expense relating to the UAR plan applicable to BU during the three and six-month periods ended June 30, 2023 and 2022:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Equity-settled grants	**170**	231	**339**	484
Cash-settled grants	**197**	474	**374**	474
Total expense	**367**	705	**713**	958

Under the UAR plan applicable to BUs, eligible employees are entitled to receive an amount equivalent to the difference between the business value per unit on the vesting date and the exercise price determined on the grant date. Depending on the grant, vested awards are settled in Class A Shares of the Company, or can be settled in Class A Shares or cash at the discretion of the Company. The total award value granted under the Company's UAR plan applicable to BU was $0 and $748 during the six-month periods ended June 30, 2023 and 2022, respectively.

f) PSU plan

There were no awards granted under the Company's PSU plan for the six-month periods ended June 30, 2023 and 2022.The Company recorded an expense of $5 and $294 related to Equity-settled grants and $6 and $30 related to Cash-settled grants during the six-month periods ended June 30, 2023, and 2022, respectively.The Company issued 113,739 Class A Shares and nil was paid in cash during the six-month period ended June 30, 2023 as settlement of vested PSUs (2022 - 91,509 Class A shares issued and nil paid in cash).

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

12. Revenues

The Company's client servicing activities are organized on a global basis and are distributed to clients based on three Distribution Channels: Institutional, Financial Intermediaries, and Private Wealth. Each channel represents a distinct subset of the client base and informs Management and investors of the current composition of its asset under management, and how it may change over time based on the Company's distribution efforts. The Distribution Channels are the primary categories to organize the Company's client servicing activities as it continues to be an efficient allocator of capital. Management believes that revenue by distribution channel provides additional insight into factors that could impact the nature, amount, timing and uncertainty of revenue from customers.

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Institutional	**86,679**	82,206	**168,786**	169,177
Financial Intermediaries	**43,399**	51,165	**88,238**	105,652
Private Wealth	**26,597**	26,629	**53,883**	51,666
Other revenues and Share of earnings in joint ventures and associates[1]	**3,168**	3,845	**6,027**	9,693
	159,843	163,845	**316,934**	336,188

(1) Other revenues and Share of earnings in joint ventures and associates are not allocated to a distribution channel

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

13. Additional information relating to interim condensed consolidated statements of cash flows

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Changes in non-cash operating working capital items				
Accounts receivable	**5,136**	4,676	**17,783**	68,300
Prepaid expenses and other assets	**(5,913)**	(2,466)	**(6,862)**	(13,388)
Accounts payable and accrued liabilities	**(8,220)**	6,149	**(64,861)**	(99,047)
Current portion of cash-settled share based liabilities (Note 11)	**(3,181)**	1,099	**(7,453)**	(15,559)
Restructuring provisions	**(3,166)**	1,078	**(699)**	370
Amounts due to related parties	**—**	(5,246)	**—**	(4,723)
Client deposits and deferred revenues	**(10,361)**	3,119	**(7,185)**	7,404
	(25,705)	8,409	**(69,277)**	(56,643)

Income taxes paid during the three and six-month periods ended June 30, 2023 were $5,065 and $12,354 ($5,021 and $16,398 for the three and six-month periods ended June 30, 2022). Prepaid expenses and other assets includes $12,749 of income taxes receivables as at June 30, 2023 ($9,502 as at June 30, 2022).

14. Commitments, Contingent liabilities and Provisions for Claims

Contingent liabilities and provisions for claims

Given the nature of the Company's business, the Company may be involved in and potentially subject to claims, proceedings, and investigations, including, legal, regulatory and tax. There are a number of uncertainties involved in such matters, individually or in aggregate, and as such, it is not currently possible to predict the final outcome with certainty. Management believes that the defense or resolution of these matters, individually or in aggregate, will not have a material adverse effect on the Company's financial condition. Management regularly assesses its position on the adequacy of accruals or provisions related to such matters. Based on current information and probable resolution related to certain claims, the company recognized an additional provision of $595 and $6,156 during the three and six-month periods ended June 30, 2023, respectively (nil for the three and six-month periods ended June 30, 2022), which is presented in Other expenses (income) on the interim condensed consolidated statements of Earnings (Loss). As at June 30, 2023, the total liability in respect of these matters was $13,590 ($15,994 as at December 31, 2022).

The Company maintains insurance policies that may provide coverage against these claims, however these are not accrued unless realization of income is virtually certain. During the three and six-month periods ended June 30, 2023 and December 31, 2022, there were no insurance proceeds received related to the settlement of these claims.

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

15. Capital management

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, and hybrid debentures, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt. The Company is required to maintain minimum working capital, calculated in accordance with National Instrument 31-103 *Registration Requirements and Exemptions*, on a non-consolidated basis. As at June 30, 2023 and December 31, 2022 it has complied with such requirements. The Company has also complied with the restrictive debt covenants under the terms of the credit facility.

In order to maintain or adjust its capital structure, the Company may issue shares, repurchase and cancel shares under the NCIB, proceed to the issuance or repayment of debt or issue shares to satisfy payment obligations of the 5.6% Hybrid debentures, 6.0% Hybrid debenture and 8.25% Hybrid debentures.

16. Related party transactions

In the normal course of business, the Company carries out transactions with related parties which include related shareholders or entities under the same common control as these related shareholders.

At June 30, 2023, a shareholder indirectly owns Class B Shares representing approximately 6.9% of the Company's issued and outstanding shares (7.1% as at December 31, 2022). This shareholder is the administrative agent and is part of the syndicate of lenders to the Company's Facility. Prior to April 13, 2022, the shareholder had the right to appoint two representatives of the eight directors of the Company that the holders of Class B Shares are entitled to elect. Since April 13, 2022, this shareholder no longer has the right to appoint any representative on the Board of Directors and therefore is no longer considered a related party.

The following table presents transactions with related parties:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Base management fees	**—**	—	**—**	2,150
Other revenues	**—**	—	**—**	27
Interest on long-term debt	**—**	—	**—**	2,423
Net (gain) loss in fair value of derivative financial instruments included in interest on lease liabilities, foreign exchange revaluation and other financial charges	**—**	—	**—**	658

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

17. Segment reporting

The Company has determined that there is one reportable segment, asset management services. Geographical information for the Company is provided in the following table:

Revenues:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Canada	**104,157**	102,337	**207,954**	**205,596**
United States of America	**35,793**	39,049	**70,433**	**82,011**
Europe and other	**19,893**	22,459	**38,547**	**48,581**
	159,843	163,845	**316,934**	**336,188**

Comparative amounts in the above table have been reclassified in order to conform to the 2023 financial statement presentation.

Non-current assets:

	As at June 30, 2023	As at December 31, 2022
	$	$
Canada	**666,186**	680,532
United States of America	**177,198**	189,832
Europe and other	**139,202**	148,793
	982,586	1,019,157

Revenues are attributed to countries on the basis of the client's location. As at June 30, 2023, non-current assets presented above exclude long-term investments of $10,397, deferred income taxes of $29,159, other non-current assets of $19,378 and derivative financial instruments of $4,248 ($6,574, $32,164, $21,159, and $0) respectively as at December 31, 2022).

18. Subsequent events

Dividends declared

On August 9, 2023, the Board declared a quarterly dividend of $0.215 per Class A Share and Class B Share, payable on September 20, 2023 to shareholders of record at the close of business on August 22, 2023. The dividend is an eligible dividend for income tax purposes.

Normal course issuer bid

Concurrent with the filing of these financial statements, the Company announced that the Toronto Stock Exchange approved the renewal of the Company's NCIB to purchase for cancellation up to a maximum of 4,000,000 Class A Shares over the twelve-month period commencing on August 16, 2023 and ending no later than August 15, 2024, and representing approximately 4.7% of its 85,694,246 issued and outstanding Class A Shares as at August 1, 2023.

19. Comparative information

Certain comparative amounts in the interim condensed consolidated financial statements have been reclassified in order to conform to the 2023 financial statement presentation.

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