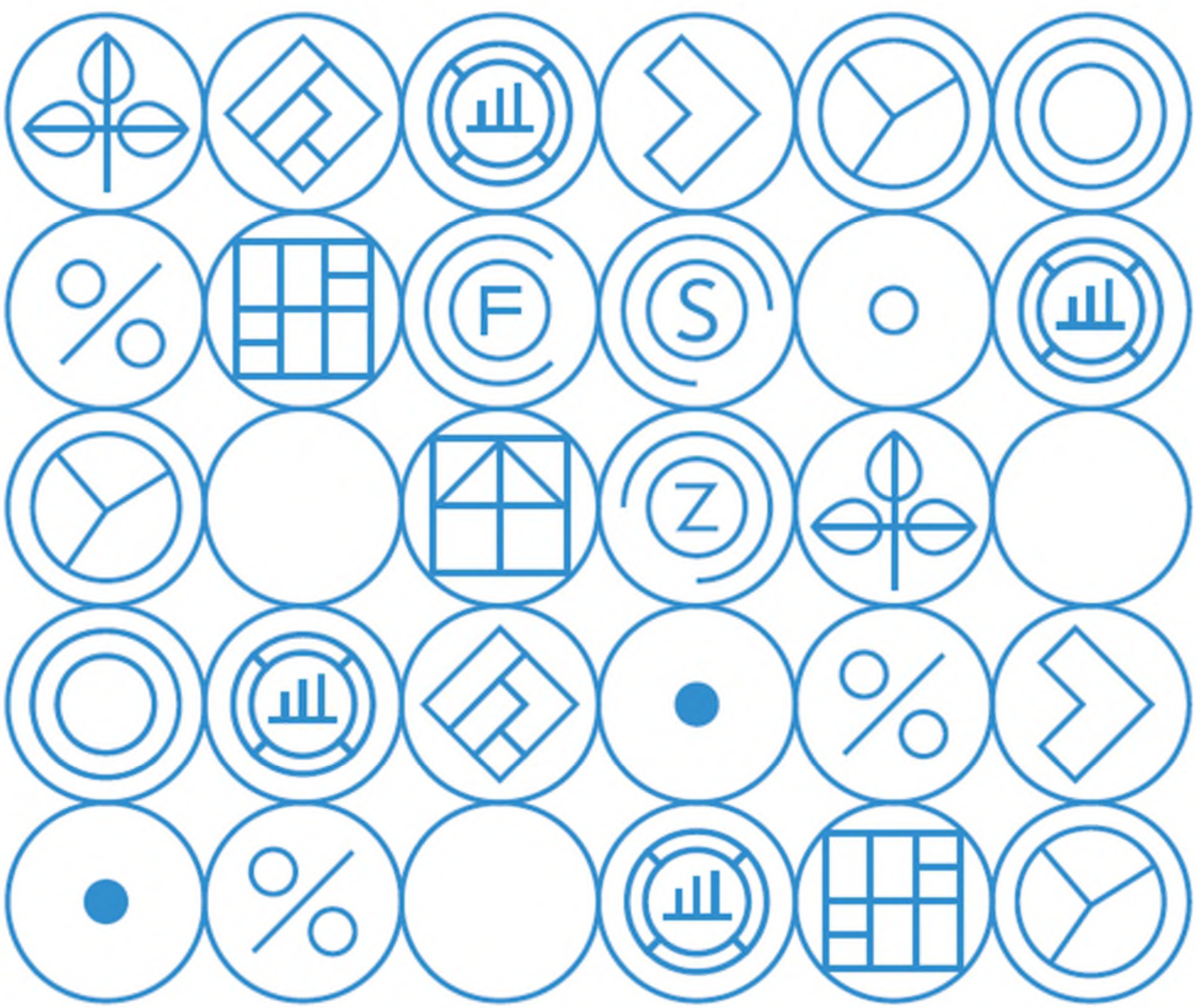
Fiera Capital Corporation

Management's Discussion and Analysis

For the Three-Month Period Ended March 31, 2020



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Financial Highlights

The following management's discussion and analysis ("MD&A") dated May 14, 2020, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital") as at and for the three-month period ended March 31, 2020. The following MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements, including the notes thereto, for the three-month period ended March 31, 2020.

COVID-19 UPDATE

On March 11, 2020, the World Health Organization declared the outbreak of the COVID-19 as a global pandemic. This has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. Governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, adversely impact the debt and equity markets, both of which could adversely affect the Company's financial performance. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the effect of government interventions.

The Company is continuing to review the potential impact of market risk to its capital position and profitability. As it is not possible to forecast with certainty the full scope and extent of the economic impact of the COVID-19, the Company is exercising prudence and is closely monitoring expense and capital allocation initiatives.

In addition, the Company has been increasing its communication with employees and has conducted surveys to assess how employees are adapting to the current environment. The feedback received to date has been very positive and is assisting us in developing new initiatives tailored to meet the needs of our employees in this new context.

Overview

As a result of our efforts on diversifying our investment platform since the creation of Fiera Capital almost 17 years ago, we completed a first quarter marked by extreme market volatility on a solid footing. Our active approach to portfolio management, our asset class and regional diversification and the dedication of our employees, make up the competitive advantage that has allowed us to outperform, in all respects, during these unprecedented times.

Assets under management ("AUM") decreased by 6.8% in the first quarter of 2020, significantly outperforming most of our peers, a testament to the diversity and resiliency of our investment platform and to the benefits of our active portfolio management approach.

Notwithstanding a higher level of redemptions as a result of clients rebalancing in the current macroeconomic environment, the Company won new mandates across asset classes and geographies totalling over $1.7 billion dollars during the first quarter of 2020.

Importantly, by funding strategies in more profitable asset classes, Fiera Capital effectively added AUM generating higher average basis points base management fees than those associated with mandates lost during the quarter.

Subsequent to March 31, 2020, on April 9, 2020, the Company announced that it had reached a definitive agreement with Canoe Financial LP ("Canoe"), pursuant to which Canoe has agreed to acquire the rights to manage all of Fiera Investments' retail mutual funds. This transaction will allow Fiera Capital to broaden its existing partnership with Canoe by leveraging the combination of Canoe's strong distribution network in the Canadian retail market and Fiera Capital's excellence in investment management. The transaction is expected to close in June 2020 and is subject to, among other matters, receiving all necessary securityholder and regulatory approvals, as well as satisfying other customary closing conditions.

Financial Highlights

(in $ billions)	AUM as at			QoQ Change	YoY Change
	March 31, 2020	December 31, 2019	March 31, 2019		
AUM	**158.1**	169.7	144.9	(11.6)	13.2

(in $ millions unless otherwise indicated)	Q1 2020	Q4 2019	Q1 2019	QoQ Change	YoY Change
Revenues	**161.7**	204.5	142.8	(42.8)	18.9
Net earnings (loss) [1]	**7.6**	3.4	(6.6)	4.2	14.2
Adjusted net earnings [1,2]	**20.5**	42.7	24.9	(22.2)	(4.4)
Adjusted EBITDA [2]	**43.5**	61.8	38.8	(18.3)	4.7
Adjusted EBITDA margin [2]	***26.9%***	*30.2%*	*27.2%*	*(3.3%)*	*(0.3%)*

[1] *Attributable to the Company's Shareholders.*
[2] *Please refer to the "Non-IFRS Measures" Section on page 29 and the reconciliation to net earnings (loss) IFRS measures.*

AUM at March 31, 2020 was $158.1 billion compared to $169.7 billion at December 31, 2019, a decrease of $11.6 billion or 6.8%. The decrease was primarily due to market headwinds of $14.5 billion in connection with the extreme volatility in global equity markets set off by fears around the COVID-19 pandemic. This was partly offset by a favourable foreign exchange impact of $5.6 billion. Gross redemptions of $4.9 billion were partly offset by $1.7 billion in new mandates won.

AUM at March 31, 2020 were $13.2 billion higher, or 9%, compared to AUM of $144.9 billion at March 31, 2019. The increase was primarily due to acquisitions which contributed $16.3 billion of incremental AUM, new mandates of $12.6 billion and a favourable foreign exchange impact of $3.6 billion. These increases were partly offset by gross redemptions of $14.4 billion and unfavourable market movements of $4.8 billion.

Revenues for the first quarter of 2020 were $161.7 million compared to $142.8 million for the same period last year, an increase of $18.9 million or 13%. The year-over-year increase was mainly due to:

- additional revenues from the four acquisitions completed in 2019 and consisting of: the acquisition of an 80% interest in Palmer Capital Partners Limited ("Palmer Capital") as well as the acquisitions of Foresters Asset Management Inc. ("Foresters"), Integrated Asset Management Corp. ("IAM") and Fiera Investments (previously Natixis' Canadian operations or "Natixis Canada");
- organic growth primarily from Institutional markets and Fiera Private Alternative Investments; and
- higher performance fees stemming mainly from traditional assets.

These increases were partially offset by lower other revenues primarily due to a loss on a foreign exchange forward contract in the first quarter of 2020 compared to a gain for the comparable period last year.

The Company reported net earnings attributable to the Company's shareholders of $7.6 million, or $0.07 per share (basic and diluted) for the quarter ended March 31, 2020, compared to a net loss of $6.6 million, or $(0.07) per share (basic and diluted), for the same quarter of last year. The increase in net earnings attributable to the Company's shareholders was primarily due to an increase in revenues, as described above, combined with the favourable impact of the net change in fair value of purchase price obligations, partly offset by an increase in SG&A and higher interest related expenses as a result of an unfavorable exchange rate impact.

Adjusted net earnings for the first quarter of 2020 were $20.5 million, or $0.20 per share (basic) and $0.19 per share and (diluted), compared to $24.9 million, or $0.26 per share (basic and diluted), in the first quarter of 2019. The $4.4 million decrease was mainly the result of an increase in SG&A expense, higher interest expense resulting from a loss on an interest rate swap and higher income tax expense in the first quarter of 2020.

Adjusted EBITDA for the first quarter of 2020 was $43.5 million, or $0.42 per share (basic) and $0.41 (diluted), representing an increase of $4.7 million, or 12%, compared to $38.8 million, or $0.40 per share (basic and diluted) for the comparable 2019 period. The increase was primarily due to:

- positive adjusted EBITDA contributions from the four acquisitions completed in 2019; and
- an increase in revenues from institutional markets and private alternative investment strategies, partially offset by a loss on a foreign exchange forward contract.

Adjusted EBITDA margin for the first quarter of 2020 was 26.9%, down 0.3% compared to the 27.2% margin generated in the same period last year.

Summary of Quarterly Results

The Company's AUM, total revenues, Adjusted EBITDA[1], Adjusted EBITDA margin[1] and net earnings (loss), including per share amounts, for each of the Company's most recently completed eight quarterly periods, as well as for the last-three-month period ended March 31, 2020, are as follows:

Table 1 – Quarterly Results (in $ thousands except AUM in $ millions and per share data)

	Last Twelve Months [2]	Q1 Mar. 31 2020	Q4 Dec. 31 2019	Q3 Sep. 30 2019	Q2 Jun. 30 2019	Q1 Mar. 31 2019	Q4 Dec. 31 2018	Q3 Sep. 30 2018	Q2 Jun. 30 2018
AUM	160,497	158,121	169,671	164,664	149,531	144,861	136,675	143,475	139,389
Total revenues	676,043	161,657	204,526	159,956	149,904	142,785	156,963	137,109	126,232
Adjusted EBITDA [1]	197,585	43,451	61,752	46,578	45,804	38,817	39,322	36,620	32,703
Adjusted EBITDA margin [1]	29.2%	26.9%	30.2%	29.1%	30.6%	27.2%	25.1%	26.7%	25.9%
Net earnings (loss) attributable to the Company's shareholders	715	7,581	3,387	(4,740)	(5,513)	(6,553)	(1,709)	995	(2,106)
PER SHARE – BASIC									
Adjusted EBITDA [1]	1.96	0.42	0.61	0.46	0.47	0.40	0.41	0.38	0.35
Net earnings (loss) attributable to the Company's shareholders	(0.01)	0.07	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)
Adjusted net earnings (loss)[1] attributable to the Company's shareholders	1.27	0.20	0.42	0.32	0.33	0.26	0.29	0.29	0.26
PER SHARE – DILUTED									
Adjusted EBITDA [1]	1.94	0.41	0.60	0.46	0.47	0.40	0.41	0.36	0.35
Net earnings (loss) attributable to the Company's shareholders	(0.01)	0.07	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)
Adjusted net earnings (loss)[1] attributable to the Company's shareholders	1.25	0.19	0.41	0.32	0.33	0.26	0.29	0.27	0.26

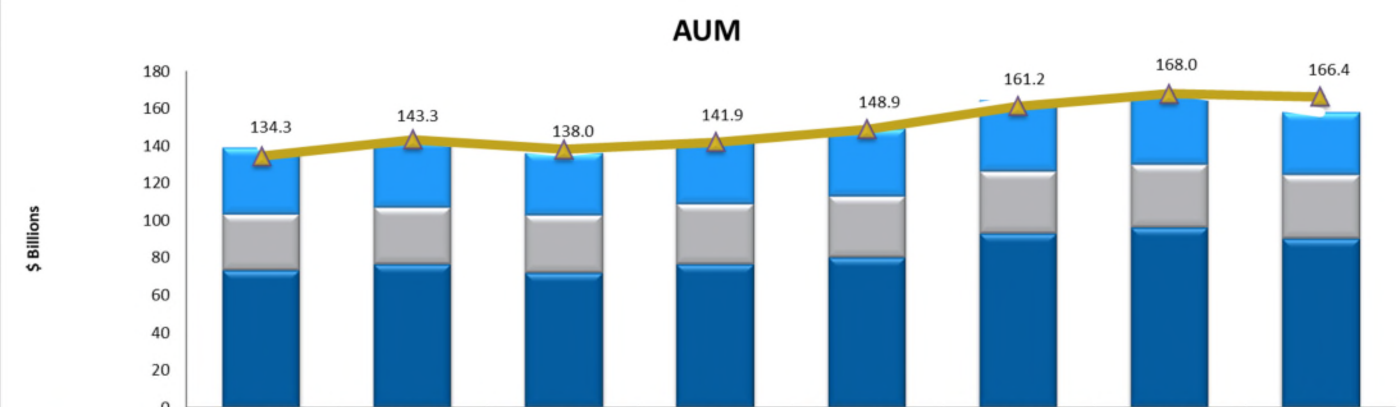
[1] Please refer to the "Non-IFRS Measures" Section on page 29.
[2] AUM Last Twelve Months ("LTM") represents the average of the ending AUM of the last four quarters.

The non-IFRS measures basic and diluted Adjusted EBITDA and Adjusted net earnings per share are calculated using the same weighted average number of shares outstanding as the basic and diluted net earnings (loss) per share figures, respectively, calculated in accordance with IFRS, regardless of net earnings or net loss.

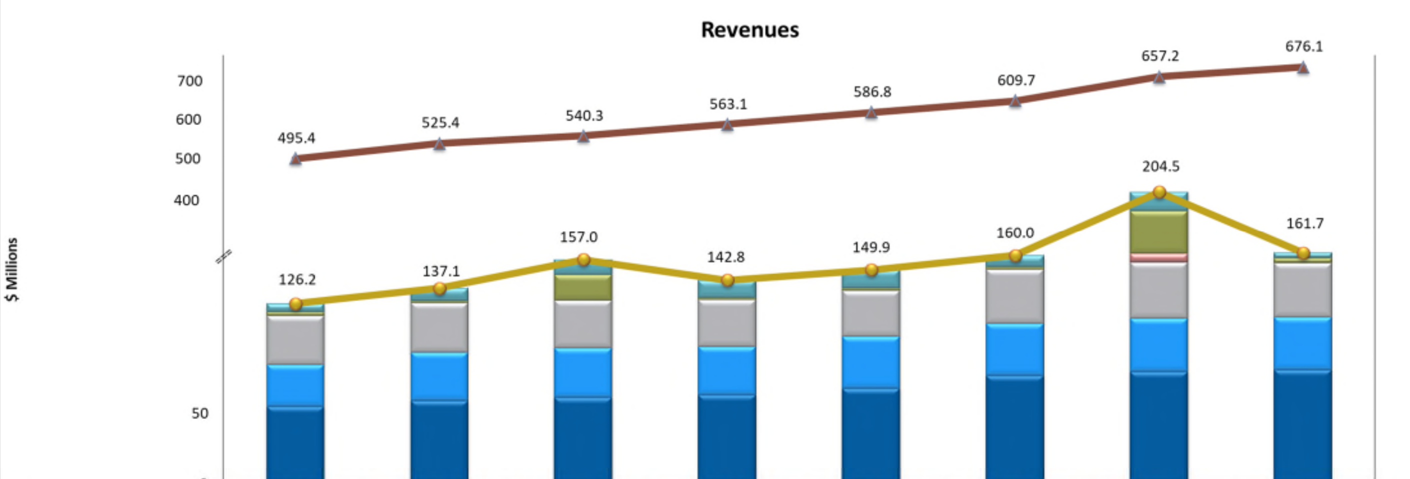
Certain totals, subtotals and percentages may not reconcile due to rounding.

AUM and Revenue Trend

The following illustrates the Company's trends regarding AUM, quarterly and last twelve months ("LTM") revenues, LTM Net Earnings (loss) per share, LTM Adjusted Earnings per share[1], LTM dividend per share , LTM Adjusted EBITDA[1] as well as LTM Adjusted EBITDA Margin[1].



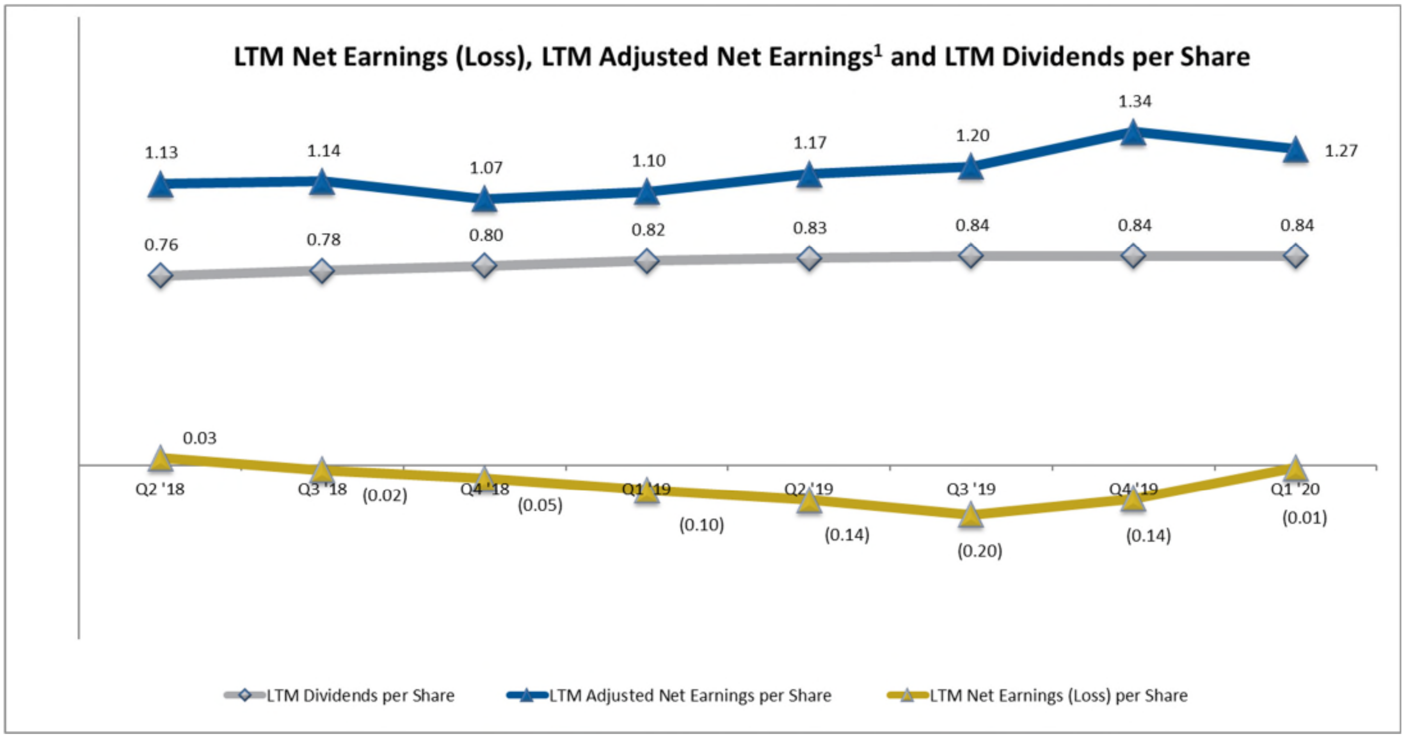
	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1'20
Retail	35.7	36.1	33.4	35.7	36.5	38.4	39.5	33.4
Private Wealth	30.6	31.0	31.3	32.7	32.8	33.5	33.9	34.5
Institutional	73.1	76.4	72.0	76.5	80.2	92.8	96.3	90.2
Total AUM	139.4	143.5	136.7	144.9	149.5	164.7	169.7	158.1
Average AUM	134.3	143.3	138.0	141.9	148.9	161.2	168.0	166.4

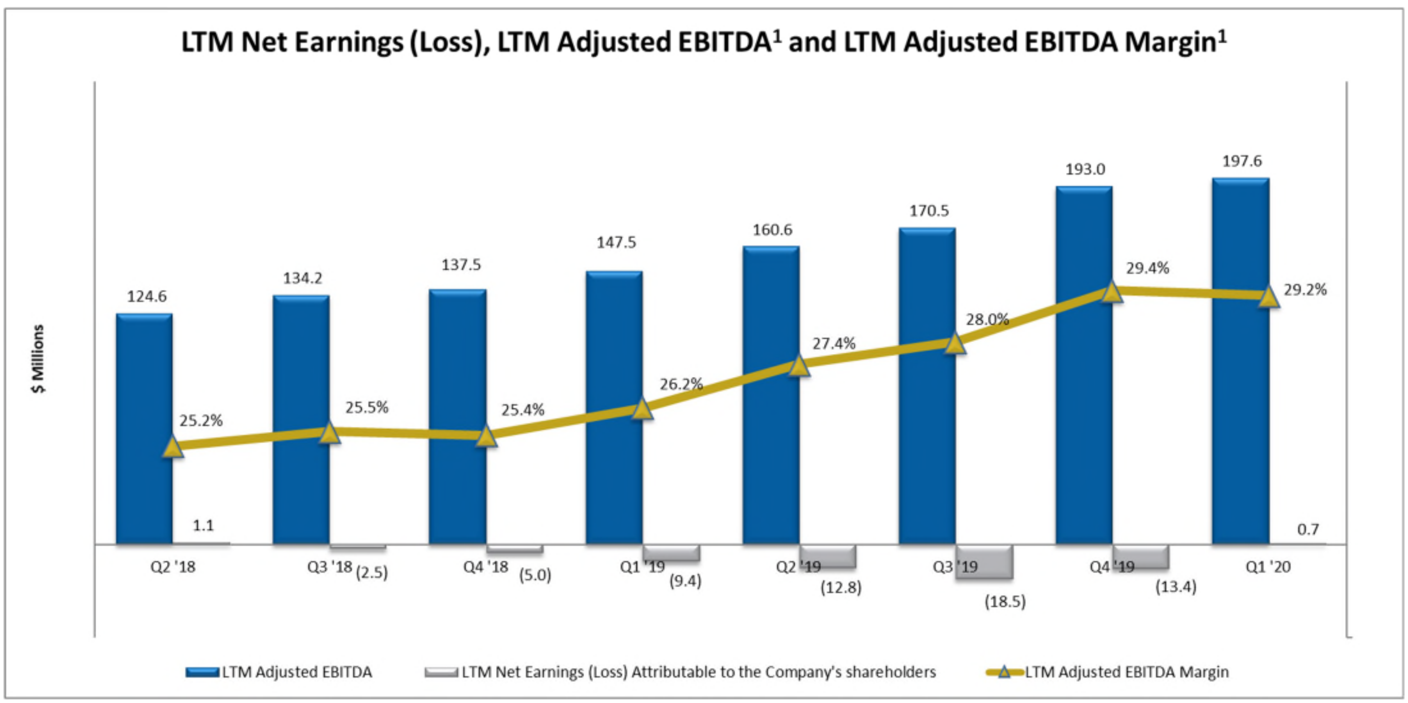


	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20
Other Revenues	5.6	9.0	10.6	12.1	12.8	8.1	13.3	3.8
Performance Fees	2.7	1.2	17.8	1.6	1.6	1.6	29.9	3.3
Share of earnings in JV	-	-	-	-	-	-	6.0	(0.2)
Retail	34.0	34.6	33.3	32.4	32.1	37.7	39.3	37.9
Private Wealth	29.3	33.6	34.4	33.6	35.9	36.2	36.8	36.4
Institutional	54.7	58.8	60.9	63.1	67.5	76.4	79.2	80.6
Total Revenues	126.2	137.1	157.0	142.8	149.9	160.0	204.5	161.7
LTM Revenues	495.4	525.4	540.3	563.1	586.8	609.7	657.2	676.1

Certain totals, subtotals and percentages may not reconcile due to rounding.

[1] Please refer to the "Non-IFRS Measures" Section on page 29.





[1] Please refer to the "Non-IFRS Measures" Section on page 29.

Basis of Presentation and Forward-Looking Statements

Basis of Presentation

The Company prepares its interim condensed consolidated financial statements in accordance with International Accounting Standards ("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, 2019, except for the impact of the adoption of the standards, interpretations and amendment described in Note 3. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and December 31, 2018.

The unaudited interim condensed consolidated financial statements include the accounts of Fiera Capital Corporation and its subsidiaries. Subsidiaries are those entities which the Company controls. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions and balances with and amongst the subsidiaries are eliminated on consolidation.

Non-controlling interest in the earnings (loss) and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings (loss), comprehensive income (loss), and changes in equity.

Where applicable, the subsidiaries' accounting policies are changed prior to the business acquisition by the Company to ensure consistency with the policies adopted by the Company.

The Company's share of earnings of a joint venture is recognized in the consolidated statements of earnings (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Unless otherwise stated, figures are presented in Canadian dollars. Certain totals, subtotals and percentages may not reconcile due to rounding. Certain comparative figures have been reclassified to conform with the current period's presentation.

The Company presents earnings before interest, taxes, depreciation and amortization[1] ("EBITDA"), Adjusted EBITDA[1], Adjusted EBITDA per share[1], Adjusted EBITDA margin[1], Adjusted net earnings[1] and Adjusted net earnings per share[1] as non-IFRS performance measures. These non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The definition of these non-IFRS measures and the reconciliation to the most comparable IFRS measures are presented in the "Non-IFRS Measures" section of this MD&A.

[1] *Please refer to the "Non-IFRS Measures" Section on page 29.*

Forward-Looking Statements

This MD&A contains forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, or other negative of these terms, or other comparable terminology. Forward-looking statements, by their very nature, involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will prove to be inaccurate. As a result, the Company does not guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors, many of which are beyond Fiera Capital’s control, could cause actual events or results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: Fiera Capital’s investment performance, Fiera Capital’s ability to retain its existing clients and to attract new clients, Fiera Capital’s reliance on major customers, Fiera Capital’s ability to attract and retain key employees, Fiera Capital’s ability to successfully integrate the businesses it acquires, industry competition, Fiera Capital’s ability to manage conflicts of interest, adverse economic conditions in Canada or globally, including amongst other things, declines in financial markets, fluctuations in interest rates and currency values, regulatory sanctions or reputational harm due to employee errors or misconduct, regulatory and litigation risks, Fiera Capital’s ability to manage risks, the failure of third parties to comply with their obligations to Fiera Capital and its affiliates, the impact of acts of God or other force majeure events, legislative and regulatory developments in Canada and elsewhere, including changes in tax laws, the impact and consequences of Fiera Capital’s indebtedness, potential share ownership dilution and other factors described under “Risk Factors” in this MD&A or discussed in other documents filed by the Company with applicable securities regulatory authorities from time to time. These forward-looking statements are made as at the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required pursuant to securities laws.

Company Overview

Fiera Capital is a global independent asset management firm with $158.1 billion in AUM as at March 31, 2020. The Company delivers customized multi-asset solutions across traditional and alternative asset classes to institutional, retail and private wealth clients across North America, Europe and key markets in Asia. The Company's approach to investing is rooted in expanding its international presence and its commitment to being both disciplined and entrepreneurial in how it evaluates opportunities. Its integrated model offers its clients the scale, resources and reach of a global asset manager coupled with the client-centric approach of a multi-boutique firm.

The Company is committed to responsible investing and adheres to its duty to act professionally, responsibly and diligently in the best interests of its investors and stakeholders with a view to creating long-term, sustainable value. Furthermore, Fiera Capital is of the view that organizations that understand and successfully manage material environmental, social and governance factors and associated risks and opportunities tend to create more resilient, higher quality businesses and assets, and are therefore better positioned to deliver sustainable value over the long-term. For more information on our commitment to responsible investing, as well as our focus on diversity and inclusion, the environment and community partnerships, please refer to our 2019 Responsible Investing and Corporate Social Responsibility Report.

Fiera Capital's independent team structure allows it to offer a diverse range of investment strategies across asset classes and risk spectrums using a wide variety of investment styles. The Company believes that its flexible approach allows its investment teams to adopt integration techniques that are consistent with their investment philosophy.

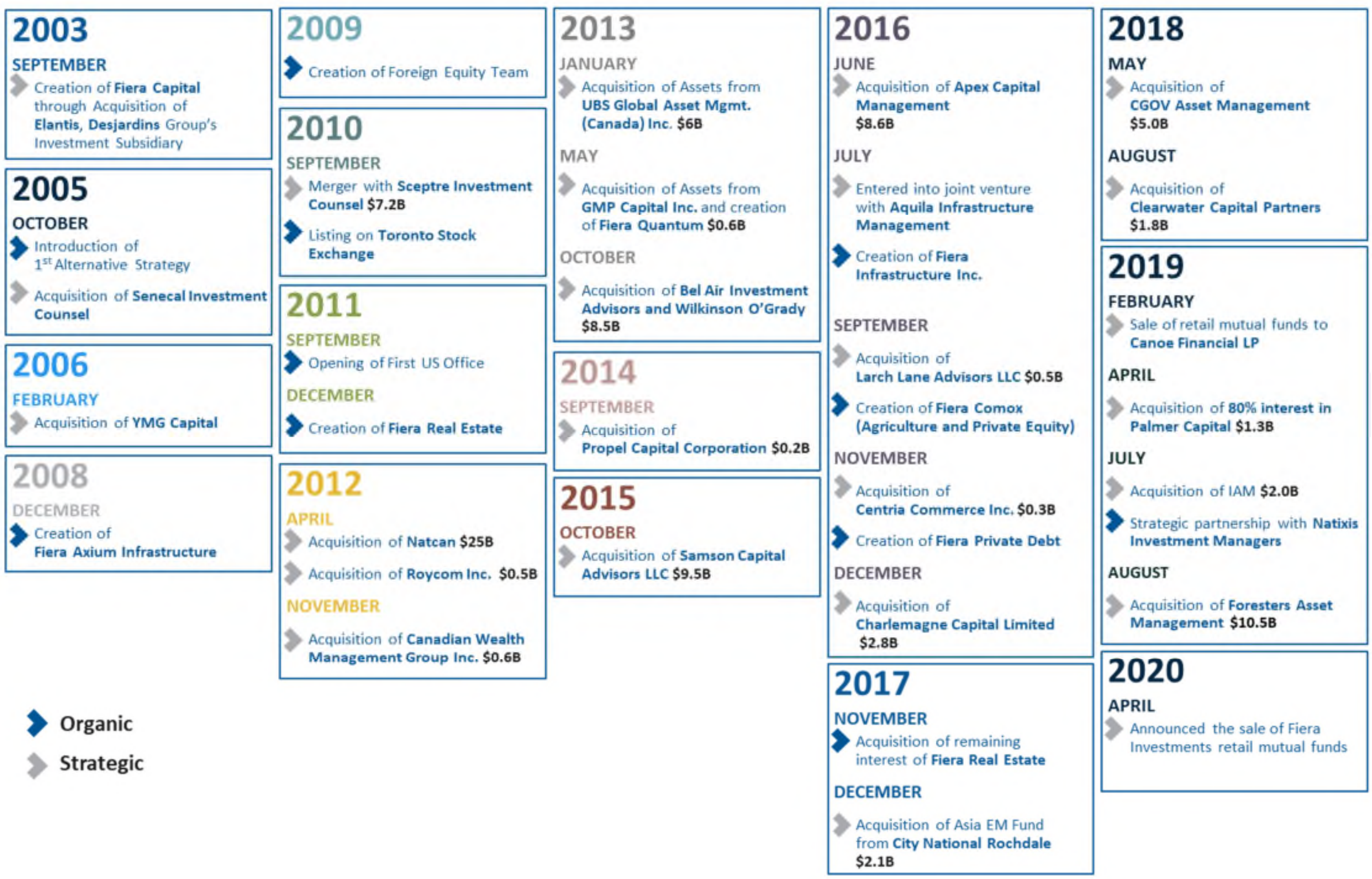
To adapt to the investment landscape's constant evolution, Fiera Capital teams collaborate and seek to draw on the global industry's most innovative and diverse offerings to craft strategies that meet the needs of every client, no matter where they may be located. The Company adheres to the highest governance and investment risk management standards and operates with transparency and integrity to create value for customers and shareholders over the long term.

Fiera Capital also manages several investment funds. These funds consist of open-ended and closed-ended investment companies, alternative investment funds, limited partnerships and other pooled funds which invest in a range of asset classes. The Company also managed the Fiera Capital Mutual Funds and currently acts as sub-advisor for certain of such mutual funds on behalf of its strategic partners.

In addition to traditional investment strategies, Fiera Capital has completed acquisitions, entered into joint ventures and developed partnerships in order to offer its clients alternative investment strategies spanning a range of sectors and industries, including infrastructure, agriculture, real estate, private equity assets, private real estate financing and short-term business financing.

Company Evolution

The following diagram shows key initiatives, including organic growth and business acquisitions since the Company was established in 2003.



Market Review – Q1- 2020

The global growth stabilization that emerged in early 2020 has been overshadowed by the severe economic fallout stemming from the deadly coronavirus and the strict countermeasures to mitigate its spread.

Global equity markets experienced significant volatility in the second half of the first quarter of 2020 as fear of the COVID-19 pandemic gripped investors and financial markets around the world. In addition, the global oil price war added to a fragile and panic-stricken backdrop, which emboldened the risk-off trade. The combination of these global changes sent shockwaves through the marketplace and global equity markets slid into bear market terrain. Mass selling was indiscriminate across the globe as unnerved investors swiftly liquidated their positions, with heightened levels of volatility accentuating the violent market gyrations.

Fixed income markets posted positive results during the first quarter of 2020. Government bond yields swung wildly as investors sought to assess the economic fallout stemming from the coronavirus, the bond supply implications of the massive fiscal response, and assertive central bank measures aimed at restoring liquidity and avoiding a credit crunch. In the end, global bond yields tumbled lower on newly announced stimulus measures from central banks and as heightened investor angst sent investors flocking to the safety of bonds. Meanwhile, credit spreads blew out as the economic stop threatened corporate health and as credit markets seized up in the tumultuous market environment. As a result, corporate bonds underperformed their government counterparts by a wide margin during the first quarter.

The economic environment is unusually cloudy because the coronavirus transmission is still progressing globally. As the health crisis ebbs and social distancing measures recede in accordance, so too should the economic drag as activity slowly resumes and pent-up demand is unleashed, with the vast incursion of monetary and fiscal support amplifying the eventual recovery.

Economic Review

The Canadian economy has suffered a significant set back amid the COVID-19 pandemic and the severe rout in energy markets. The pain will be widespread, with the services sector slammed by the shock to demand following mandatory social distancing measures, while supply chain disruptions and the energy collapse will exert downward pressure on the goods side. Encouragingly, the Bank of Canada and the government have been quick to respond and have unveiled a wide range of policies aimed at stemming the damage for both business and consumers.

In the United States, the number of new COVID cases accelerated aggressively throughout the nation and economic activity came to a virtual standstill as authorities adopted drastic measures to combat the fast-spreading pandemic – with both consumers and corporations assuming the collateral damage. The Federal Reserve has acted with unprecedented aggression to prevent a credit crisis and ensure that financial markets remain functionable, while the US government passed a massive rescue package to bolster the shuttered economy and fund a nationwide effort to stem the coronavirus.

Looking abroad, Europe and Japan were already reeling from last year's trade war when the health crisis emerged, while these export-oriented economies remain particularly vulnerable due to their supply chain linkages to China. Moreover, a recession in Europe appears increasingly inevitable as countries including Germany, Italy, and France seal off their borders and force public lockdowns. Indeed, Japan has already entered a technical recession as the sales-tax hike induced contraction in the fourth quarter has made way for a COVID-related slump in the first quarter of 2020.

Finally, the Chinese economy was at the epicentre of the COVID-19 outbreak at the beginning of 2020. While draconian measures imposed by the government quickly contained the spread, it came with a massive economic toll as the economy came to an abrupt halt at the beginning of the year. However, policymakers responded forcefully and made reviving growth a top priority. Encouragingly, lockdowns have proven successful in combating the virus as new cases have peaked. As a result, the economy has begun to re-open as the population slowly returns to work.

Results

The Company's strategies delivered good absolute and relative performance over the short, medium and long term. During the first quarter, the positive trend in relative performance continued.

Traditional Fixed Income Strategies

The Company's fixed income strategies generated positive absolute returns during the twelve-month period ended March 31, 2020. A very high proportion of our fixed income strategies have delivered good relative performance over the last 5 years. Over the last 3 months, our US municipal and active fixed income strategies did exceptionally well while our credit-focused strategies had less success as can be expected during an economic downturn.

Private Debt Strategies

The Company's private debt strategies in Canada and Developed Asia continued to deliver attractive positive returns over the last 12 months and delivered positive returns during the last 3 months.

Real Assets Strategies

Global Agriculture and Infrastructure have performed according to expectations, delivering high single digit returns and deploying capital rapidly. The health-related lockdown did not negatively impact Agriculture and had a minimal impact on Infrastructure from a low exposure to assets that depend on traffic volume. Canadian and UK Real Estate have delivered positive returns for the last twelve months, but the lockdown is hampering rent collection in all segments but especially for retail properties where we have a relatively low exposure.

Equity Strategies

Most of the Company's equity strategies outperformed their benchmarks during the twelve-month period ended March 31, 2020. The last 3 months have been difficult for absolute results but from a relative basis, our strategies had low downside capture which helped relative performance and a number of our equity strategies outperformed their benchmark by double-digits.

Hedge Funds

Approximately half of our hedge fund strategies have delivered positive returns over the last 12 months.

Non-Traditional Capital Appreciation Strategies

Value-Added Real Estate strategies in Canada and the UK have delivered strong returns in the past but the deployment is being slowed by the lockdown during the current recession. Private Equity performed well during the last 12 months. Performance during the first quarter has not deteriorated significantly as a result of appropriate exposure to sectors that are not negatively affected by the economic downturn.

Positioning

During this difficult investment environment characterized by an economic recession, many of our strategies have shown attractive downside protection that should get more emphasis in portfolio construction in the future. Moreover, with central banks moving interest rates close to zero or negative and stating their intention to maintain these policies for a few years, strategies that focus on delivering higher stable income like Private Debt and Real Asset should see increasing interest.

Developments

Additional efforts have been devoted to maintaining and improving on our environmental, social and governance ("ESG") framework within a boutique management approach. We have developed a robust framework for Impact Investments and launched a Global Impact Fund.

Table 2 – Annualized Rates of Return as at March 31, 2020

Strategies	1 yr			5 yrs or Since Inception (SI)* (SI if inception < 5 yrs)			Inception date	Benchmark name	Currency
	Strategy return	Added value	Quartile	Strategy return	Added value	Quartile			
Fixed Income Investment Strategies									
Integrated Fixed Income Credit	1.28	-0.02	Q3	2.79	0.26	Q3	01/03/2012	FTSE Canada Corporate Universe	CAD
Integrated Fixed Income Universe	4.14	-0.32	Q2	3.01	0.36	Q2	01/01/1993	FTSE Canada Universe	CAD
Tactical Fixed Income Universe	5.37	0.91	Q1	3.01	0.35	Q2	01/01/2000	FTSE Canada Universe	CAD
Preferred Share Opportunistic	-26.56	-2.99	N/A	-3.93*	-0.24*	N/A	01/08/2015	SOLACTIVE Preferred Share Laddered Index	CAD
Preferred Shares Relative Value	-22.80	-1.83	N/A	-4.03	0.35	N/A	01/02/2004	S&P/TSX Preferred Share Index	CAD
Infrastructure Bonds	6.32	1.13	N/A	4.66	0.94	N/A	01/08/2011	FTSE Canada Provincial Long	CAD
Active and Strategic Fixed Income - Active Universe	4.80	0.35	Q1	4.61*	0.25*	Q1	01/01/2018	FTSE Canada Universe	CAD
Active and Strategic Fixed Income - Strategic Universe	4.29	-0.16	Q2	4.54*	0.19*	Q2	01/01/2018	FTSE Canada Universe	CAD
Canadian Total Return Fixed Income	3.41	-1.05	Q2	3.28	0.62	Q1	01/02/2001	FTSE CAN Overall Universe	CAD
Short Term Bonds	2.74	-0.46	Q2	2.25	0.53	Q1	01/10/2003	FTSE CAN Overall Short Term	CAD
Tax Efficient Core Intermediate (Primary Benchmark)	3.16	0.39	N/A	2.35	0.03	N/A	31/03/2007	Bloomberg Barclays 1-10 Year Municipal Index	USD
Tax Efficient Core Intermediate (Secondary Benchmark)	3.16	0.27	N/A	2.35	0.34	N/A	31/03/2007	Bloomberg Barclays 1-10 Year AA+ Municipal Index	USD
Tax Efficient Core Plus	3.62	0.85	N/A	2.89	0.57	N/A	31/12/2012	Bloomberg Barclays 1-10 Year Municipal Index	USD
High Grade Core Intermediate (Primary Benchmark)	7.08	0.20	N/A	2.97	-0.62	N/A	31/12/2004	Bloomberg Barclays Intermediate Aggregate Index	USD
High Grade Core Intermediate (Secondary Benchmark)	7.08	0.15	N/A	2.97	0.11	N/A	01/01/2005	Bloomberg Barclays Intermediate Aggregate Ex CMBS/ABS/BBB Index	USD
Balanced Investment Strategies									
Balanced Core [2]	-1.00	2.38	Q1	4.8	1.51	Q1	01/09/1984	Balanced Core Blended	CAD
Balanced Integrated [3]	-2.31	1.82	Q1	4.57	1.46	Q1	01/04/2013	Balanced Integrated Blended	CAD
Equity Investment Strategies									
Canadian Equity	-4.54	9.66	Q1	5.88	4.98	Q1	01/01/2013	S&P/TSX Composite	CAD
Canadian Equity Core	-10.57	3.64	Q2	1.91	1.02	Q3	01/01/1992	S&P/TSX Composite	CAD
Canadian Equity Small Cap Core	-18.80	16.45	Q2	-2.52	3.7	Q3	01/01/1987	S&P/TSX Small Cap	CAD
Canadian Equity Small Cap	-23.95	11.30	Q3	-4.66	1.55	Q4	01/01/1989	S&P/TSX Small Cap	CAD
US Equity	3.29	4.19	Q1	12.3	3.05	Q1	01/04/2009	S&P 500 CAD	CAD
International Equity	3.65	12.43	Q1	7.87	6.14	Q1	01/01/2010	MSCI EAFE Net CAD	CAD
Global Equity	2.85	7.38	Q1	10.7	5.01	Q1	01/10/2009	MSCI World Net CAD	CAD
CGOV Total Equity	-1.60	6.45	Q2	5.67	1.36	Q3	01/04/1999	65% MSCI WORLD / 35% S&P/TSX Composite	CAD
Apex Large Cap Growth	1.96	1.05	Q1	10.81	0.45	Q1	01/04/2007	Russell 1000 Growth	USD
Apex Mid Cap Growth	-18.59	-9.15	Q4	8.59	2.98	Q1	01/05/2008	Russell MidCap Growth	USD
Apex Smid Growth	-14.04	0.37	Q3	3.22	-0.40	Q3	01/01/1990	Russell 2500 Growth	USD
Apex Small Cap Growth	-13.89	4.71	Q2	0.18	-1.50	Q4	01/01/2006	Russell 2000 Growth	USD
Emerging Markets Select	-20.56	-2.88	Q3	-1.24	-0.87	Q2	14/12/2011	MSCI Emerging Markets NR USD	USD
Emerging Markets Core Growth	-24.70	-7.01	Q4	-0.70	-0.33	Q3	01/07/2003	MSCI Emerging Markets Index	USD
Emerging Markets Growth & Income	-26.19	-8.50	Q4	-1.74	-1.38	Q4	01/07/2010	MSCI Emerging Markets Index	USD
Frontier Markets	-34.44	-15.49	Q4	0.54	3.39	Q1	01/07/2010	MSCI Frontier Markets Index	USD
Hedge Funds - Liquid Strategies									
North American Market Neutral Fund	-4.93	-	N/A	0.36	-	N/A	01/10/2007	Absolute Return	CAD
Long / Short Equity Fund	-12.03	-	N/A	0.06	-	N/A	01/08/2010	Absolute Return	CAD
Multi-Strategy Income Fund	-5.49	-	N/A	2.33	-	N/A	01/11/2009	Absolute Return	CAD
Charlemagne OCCO Eastern European Fund	7.31	N/A	N/A	6.49	N/A	N/A	01/01/2002	Absolute Return	USD
OAKS Emerging & Frontier Opportunities Fund	-27.53	N/A	Q4	0.39	N/A	Q2	01/12/2009	Absolute Return	USD

Notes:

1. *The High Yield Blended Index is composed of 85% Merrill Lynch US High Yield Cash Pay BB-B Hedged in CAD, 15% Merrill Lynch US High Yield Cash Pay C Hedged in CAD.*
2. *Balanced Core Blended Benchmark is composed of 5% FTSE TMX T-Bill 91 Day / 35% FTSE TMX Universe / 32.5% S&P TSX Composite / 27.5% MSCI World Ex-Canada Net.*
3. *Balanced Integrated Blended Benchmark is composed of 2% FTSE TMX T-Bill 91 Day / 36% FTSE TMX Universe / 35% S&P/TSX Composite / 27% MSCI ACWI Net.*

Important Discolsures:

- *All returns are expressed in Canadian dollars, unless indicated otherwise.*
- *All performance returns presented above are annualized.*
- *All returns, except hedge funds liquid are presented gross of management and custodial fees and withholding taxes but net of all trading expenses.*
- *Hedge Funds - Liquid Strategies are presented net of management fees, custodial fees, performance fees and withholding taxes.*
- *The performance returns above assume reinvestment of all dividends.*
- *Besides for the Hedge Funds - Liquid Strategies, the returns presented for any one line above represent the returns of a composite of discretionary portfolios.*
- *Each strategy listed above represents a single discretionary portfolio or group of discretionary portfolios that collectively represent a unique investment strategy or composite.*
- *The since inception date represents the earliest date at which a discretionary portfolio was in operation within the strategy.*
- *The above composites and pooled funds were selected from the Firm's major investment strategies while the AUM represent the total amounts managed by asset class.*
- *Quartile rankings are provided by eVestment.*
- *GIPS Composites are available upon request.*

Table 2 – Annualized Rates of Return as at March 31, 2020 (Continued)

Alternative Investment Strategies	1 yr			5 yrs or Since Inception (SI)* (SI if inception < 5 yrs)			Inception date	Benchmark name	Currency
	Strategy return	Added value	Quartile	Strategy return	Added value	Quartile			
Private Debt									
Diversified Lending Fund	7.45	-	N/A	6.83	-	N/A	01/04/2008	Absolute Return	CAD
Global Diversified Lending Master Fund, L.P.	8.80	-	N/A	9.17	-	N/A	01/06/2018	Absolute Return	CAD
Fiera FP Real Estate Financing Fund, L.P.	7.45	-	N/A	7.04	-	N/A	22/11/2006	Absolute Return	CAD
Fiera FP Business Financing Fund, L.P.	7.64	-	N/A	9.36	-	N/A	06/11/2013	Absolute Return	CAD
Fiera Private Debt Fund V	9.07	-	N/A	6.56	-	N/A	01/04/2016	Absolute Return	CAD
Fiera Infrastructure Debt Fund LP	0.54	-	N/A	5.25	-	N/A	01/02/2017	Absolute Return	CAD
Asian Credit									
Clearwater Capital Partners Fund V [1]	N/A	-	N/A	1.75	-	N/A	01/02/2017	Absolute Return	USD
Clearwater Capital Direct Lending Opportunities Fund, L.P.	11.25	-	N/A	11.75	-	N/A	01/08/2018	Absolute Return	USD
Clearwater Capital Yield Fund, L.P. [1]	N/A	-	N/A	5.70	-	N/A	01/11/2018	Absolute Return	USD
Real Estate									
Fiera Real Estate CORE Fund L.P.	7.92	-	N/A	8.05	-	N/A	28/06/2013	Absolute Return	CAD
Fiera Real Estate Small Cap Industrial Fund LP	16.03	-	N/A	13.26	-	N/A	01/02/2014	Absolute Return	CAD
Palmer Capital Development Fund III, L.P.	N/A	-	N/A	9.87	-	N/A	01/06/2014	Absolute Return	GBP
Fiera Real Estate Long Income Fund (UK), L.P.	-0.24	-	N/A	6.12	-	N/A	01/08/2009	Absolute Return	GBP
Fiera FP Mezzanine Financing Fund, L.P.	10.73	-	N/A	10.92	-	N/A	21/07/2015	Absolute Return	CAD
Fiera Real Estate CORE Mortgage Fund	3.07	-	N/A	4.90	-	N/A	01/12/2017	Absolute Return	CAD
Infrastructure									
EagleCrest Infrastructure [1,3]	11.49	-	N/A	10.23	-	N/A	01/01/2016	Absolute Return	CAD
Private Equity									
Glacier Global Private Equity Fund I L.P. [2]	10.10	-	N/A	9.30	-	N/A	01/09/2018	Absolute Return	CAD
Agriculture									
Global Agriculture Open-End Fund L.P. [2]	5.90	-	N/A	6.60	-	N/A	01/07/2017	Absolute Return	CAD

Notes:

1. *Internal Rate of Return, gross of management fees, performance fees, fund operating expenses, and where applicable, adjusted for FX movements.*
2. *Internal Rate of Return, gross of management fees, performance fees, but net of fund operating expenses.*

- *All performance returns presented above are time weighted, unless indicated otherwise;*
- *Alternative Investment Strategies are presented net of management fees, performance fees, and fund operating expenses, unless indicated otherwise.*

3. *EagleCrest Infrastructure represents the combined performance of EagleCrest Infrastructure Canada LP and EagleCrest Infrastructure SCSp.*

Table 3 – Consolidated Statements of Earnings (Loss) for the three-month periods ended March 31, 2020 and 2019, and December 31, 2019

STATEMENTS OF EARNINGS (LOSS) (in $ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2020	DECEMBER 31, 2019	MARCH 31, 2019	QUARTER OVER QUARTER FAV/(UNF) [2]	YEAR OVER YEAR FAV/(UNF) [2]
Revenues					
Base management fees	154,824	155,304	129,093	(480)	25,731
Performance fees - Traditional Assets	2,785	16,139	1,557	(13,354)	1,228
Performance fees - Alternative Assets	466	13,779	50	(13,313)	416
Share of earnings in joint ventures and associates	(249)	6,047	-	(6,296)	(249)
Other revenues	3,831	13,257	12,085	(9,426)	(8,254)
	161,657	204,526	142,785	(42,869)	18,872
Expenses					
Selling, general and administrative expenses	116,631	147,876	109,020	31,245	(7,611)
External managers	1,697	1,804	182	107	(1,515)
Amortization of intangible assets	13,717	14,412	12,415	695	(1,302)
Depreciation of property and equipment	1,562	1,504	1,084	(58)	(478)
Depreciation of right-of-use assets	5,042	5,412	5,057	370	15
Restructuring, integration and other costs	3,205	6,812	3,128	3,607	(77)
Acquisition costs	210	(391)	1,707	(601)	1,497
Realized and unrealized (gain) loss on investments	134	(550)	5	(684)	(129)
(Gain) loss on lease modifications and other	(1,100)	-	-	1,100	1,100
(Gain) loss on disposal of property and equipment	100	121	300	21	200
Interest on lease liabilities	1,452	1,425	1,284	(27)	(168)
Interest on long-term debt and other financial charges	15,822	8,870	7,398	(6,952)	(8,424)
Accretion and change in fair value of purchase price obligations	(10,662)	8,052	6,491	18,714	17,153
Revaluation of puttable financial instrument liability	(1,799)	336	-	2,135	1,799
Revaluation of assets held-for-sale	-	-	(546)	-	(546)
Total expenses	146,011	195,683	147,525	49,672	1,514
Earnings (loss) before income taxes	15,646	8,843	(4,740)	6,803	20,386
Income tax expense	3,624	3,589	1,844	(35)	(1,780)
Net earnings (loss)	12,022	5,254	(6,584)	6,768	18,606
Attributable to:					
Company's shareholders	7,581	3,387	(6,553)	4,194	14,134
Non-controlling interest	4,441	1,867	(31)	2,574	4,472
Net earnings (loss)	12,022	5,254	(6,584)	6,768	18,606
BASIC PER SHARE					
Adjusted EBITDA [1]	0.42	0.61	0.40	(0.19)	0.02
Net earnings (loss)	0.07	0.03	(0.07)	0.04	0.14
Adjusted net earnings [1]	0.20	0.42	0.26	(0.22)	(0.06)
DILUTED PER SHARE					
Adjusted EBITDA [1]	0.41	0.60	0.40	(0.19)	0.01
Net earnings (loss)	0.07	0.03	(0.07)	0.04	0.14
Adjusted net earnings [1]	0.19	0.41	0.26	(0.22)	(0.07)

[1] Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 29.
[2] FAV: Favourable - UNF: Unfavourable - Certain totals, subtotals and percentages may not reconcile due to rounding.

Table 4 - Selected Consolidated Statements of Financial Position Information (in $ thousands)

	AS AT MARCH 31, 2020	AS AT DECEMBER 31, 2019
Cash and cash equivalents, restricted cash, investments	75,659	107,024
Trade and other receivables	164,862	177,013
Other current assets	20,050	16,753
Total current assets	260,571	300,790
Goodwill	711,827	687,899
Intangible assets	532,053	516,880
Right-of-use assets	131,235	123,392
Other non-current assets	80,245	77,931
Total assets	1,715,931	1,706,892
Accounts payable and accrued liabilities	110,224	207,447
Other current liabilities	74,081	63,245
Total current liabilities	184,305	270,692
Long-term debt	509,414	446,699
Lease liabilities	140,975	129,228
Convertible debt	186,404	185,793
Purchase price obligations	83,787	90,732
Puttable financial instrument liability	12,536	13,997
Deferred income taxes	9,099	14,041
Other non-current liabilities	22,367	11,874
Total liabilities	1,148,887	1,163,056
Equity		
Attributable to Company's shareholders	565,540	542,811
Attributable to Non-controlling interest	1,504	1,025
	567,044	543,836
Total liabilities and equity	1,715,931	1,706,892

Certain totals, subtotals and percentages may not reconcile due to rounding.

Assets under Management

AUM are the main driver of Fiera Capital's revenues. Fiera Capital's revenues, for the most part, are calculated as a percentage of the Company's AUM. The change in the Company's AUM is determined by (i) the amount of new mandates ("New"); (ii) the amount of redemptions ("Lost"); (iii) the amount of inflows and outflows from existing customers ("Net Contributions"); (iv) the increase or decrease in the market value of the assets held in the portfolio of investments ("Market"); and (v) business acquisitions ("Acquisitions") and/or business disposals ("Disposals"). For simplicity, the "Net variance" is the sum of the New mandates, Lost mandates and Net contributions, the change in market value and the impact of foreign exchange rate changes. Also, the average assets under management ("Average AUM") for a given period is the average of the ending value of AUM of the months for this period.

Note 4 of the audited consolidated financial statements for the years ended December 31, 2019, and 2018, presents the Company's business combinations and other transactions, and is to be read in conjunction with the following discussions. Also, refer to the Company's evolution diagram on page 9 for the details and timing of the acquisitions and other business transactions.

The following tables (Tables 5 and 6) provide a summary of changes in the Company's assets under management.

Table 5 – Assets under Management[1] (in $ millions)

	FOR THE THREE-MONTH PERIODS ENDED		
	MARCH 31, 2020	DECEMBER 31, 2019	MARCH 31, 2019
AUM - beginning of period	169,671	164,664	136,675
Net variance	(12,111)	5,007	8,186
Acquisitions/Adjustment	561	-	-
AUM - end of period	158,121	169,671	144,861
Average AUM	166,368	167,993	141,887

[1] AUM include foreign exchange impact.
Certain totals, subtotals and percentages may not reconcile due to rounding.

Table 6 – Assets under Management by Clientele Type – Quarterly Activity Continuity Schedule (in $ millions)

	DECEMBER 31, 2019	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ADJUSTMENT	MARCH 31, 2020
Institutional	96,298	629	(1,363)	(400)	(7,733)	2,250	561	90,242
Private Wealth	33,838	686	(347)	(46)	(2,188)	2,553	-	34,496
Retail	39,535	400	(1,691)	(1,072)	(4,625)	836	-	33,383
AUM - end of period	169,671	1,715	(3,401)	(1,518)	(14,546)	5,639	561	158,121

Certain totals, subtotals and percentages may not reconcile due to rounding.

Quarterly Activities

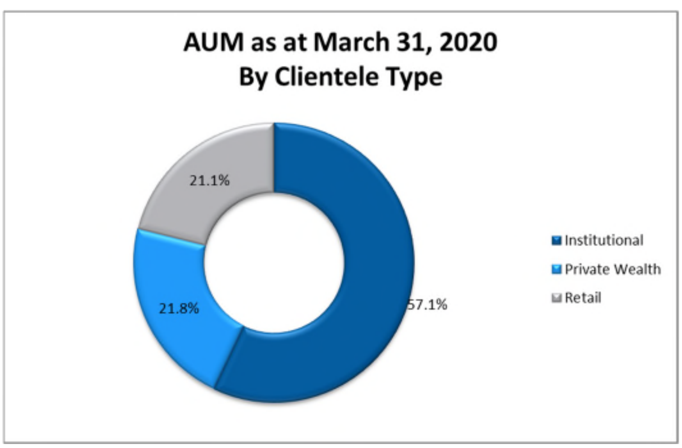
Total AUM were $158.1 billion as at March 31, 2020, representing a decrease of $11.6 billion, or 7%, versus $169.7 billion at December 31, 2019. The decrease in AUM is due primarily to market depreciation of $14.5 billion, combined with lost mandates of $3.4 billion and negative net contributions of $1.5 billion during the first quarter of 2020. These decreases were partly offset by new mandates of $1.7 billion won during the period, mostly in the USA and Canada and the impact of favourable foreign exchange which improved AUM $5.6 billion in the current period.

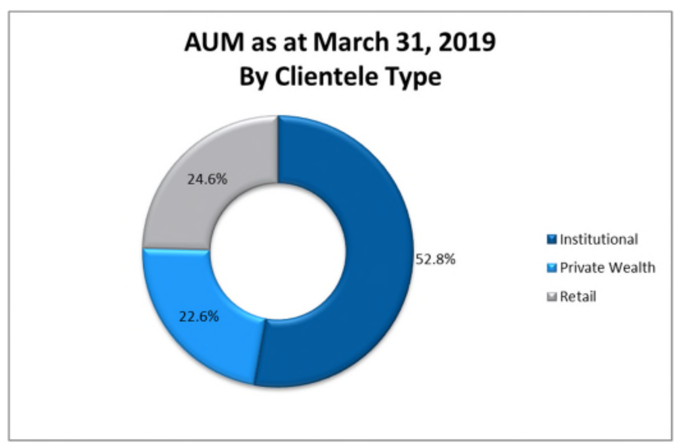
AUM managed on behalf of the Institutional clientele were $90.2 billion as at March 31, 2020, representing a decrease of $6.1 billion, or 6%, versus $96.3 billion at December 31, 2019. The decrease in AUM was primarily due to market depreciation of $7.7 billion, lost mandates of $1.4 billion and negative net contributions of $0.4 billion mostly as a result of clients consolidating investment service providers globally. The decrease in AUM was partly offset by new mandates of $0.6 billion managed primarily on behalf of Canadian clients and the impact of favourable foreign exchange which increased AUM by $2.3 billion during the current period.

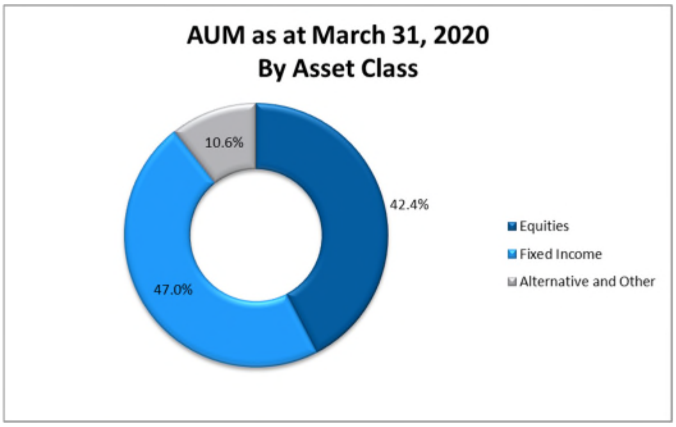
The AUM related to the Private Wealth clientele were $34.5 billion as at March 31, 2020, representing an increase of $0.6 billion, or 1.8%, versus $33.9 billion at December 31, 2019. The increase is primarily due to the impact of favourable foreign exchange which increased AUM by $2.6 billion and new mandates of $0.7 billion mainly from US activities. These were partly offset by market depreciation of $2.2 billion and lost mandates of $0.3 billion during the period.

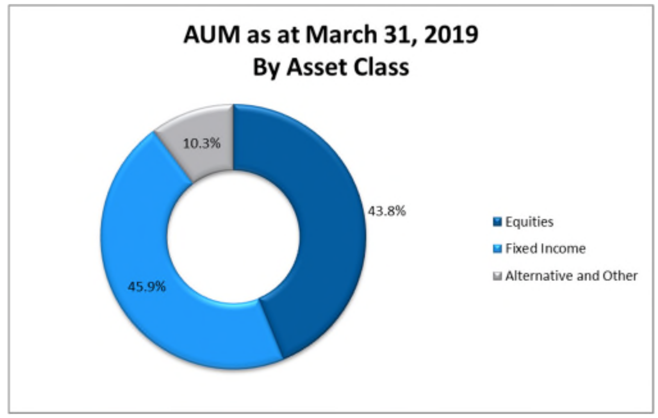
The AUM related to the Retail clientele were $33.4 billion as at March 31, 2020, representing a decrease of $6.1 billion, or 15%, versus $39.5 billion at December 31, 2019. The decrease is primarily due to market depreciation of $4.6 billion, combined with lost mandates of $1.7 billion mainly due to clients pursuing their de-risking strategies, and negative net contributions of $1.1 billion during the period. The decrease in AUM was partially offset by the impact of favourable foreign exchange which increased AUM $0.8 billion and new mandates of $0.4 billion won during the quarter mainly in Europe.

The following graphs illustrate the breakdown of the Company's AUM by clientele type and by asset class as at March 31, 2020, and March 31, 2019, respectively.









Revenues

The Company's revenues consist of (i) management fees, (ii) performance fees, (iii) share of earnings in joint ventures and associates, and (iv) other revenues. Management fees are AUM-based and, for each clientele type, revenues are primarily earned on the AUM average closing value at the end of each day, month or calendar quarter in accordance with contractual agreements. For certain mandates, the Company is also entitled to performance fees. The Company categorizes performance fees in two groups: those associated with traditional asset classes or strategies and those associated with alternative asset classes or strategies. Revenues also comprise share of earnings in joint ventures and associates that the Company has ownership interests in. Other revenues are comprised mainly of brokerage and consulting fees which are not AUM-driven, commitment and transaction fees from the Private Alternative strategies, as well as gains or losses on the foreign exchange forward contracts.

Table 7 – Revenues: Quarterly Activity (in $ thousands)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2020	DECEMBER 31, 2019	MARCH 31, 2019	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	80,552	79,150	63,057	1,402	17,495
Private Wealth	36,375	36,817	33,609	(442)	2,766
Retail	37,897	39,337	32,427	(1,440)	5,470
Total management fees	154,824	155,304	129,093	(480)	25,731
Performance fees – Traditional asset class	2,785	16,139	1,557	(13,354)	1,228
Performance fees – Alternative asset class	466	13,779	50	(13,313)	416
Total performance fees	3,251	29,918	1,607	(26,667)	1,644
Share of earnings in joint ventures and associates	(249)	6,047	-	(6,296)	(249)
Other revenues	3,831	13,257	12,085	(9,426)	(8,254)
Total revenues	161,657	204,526	142,785	(42,869)	18,872

Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter versus Prior-Year Quarter

Revenues for the first quarter ended March 31, 2020, were $161.7 million, representing an increase of $18.9 million, or 13%, versus $142.8 million for the same period last year. The increase in revenues is mainly due to organic growth, as well as the acquisition of an 80% interest in Palmer Capital in April 2019, and the creation of Fiera Investments following the acquisition of Natixis Canada and the acquisition of IAM (July 2019) and Foresters (August 2019), combined with higher performance fees, partially offset by lower other revenues (detailed below).

Management Fees

Management fees were $154.8 million for the first quarter ended March 31, 2020, representing an increase of $25.7 million, or 20%, versus $129.1 million for the same period last year. The overall increase in management fees by clientele type is as follows:

› Management fees from the Institutional clientele were $80.6 million for the first quarter ended March 31, 2020, representing an increase of $17.5 million, or 28%, versus $63.1 million for the same quarter last year. The increase in base management fees is primarily due to higher revenues resulting from organic growth, mostly in Fiera Private Alternative Investments and European activities, combined with additional revenues from the Palmer Capital, IAM and Foresters acquisitions.

› Management fees from the Private Wealth clientele were $36.4 million for the first quarter ended March 31, 2020, representing an increase of $2.8 million, or 8%, versus $33.6 million for the same period last year. The increase is mainly due to higher revenues from US and Canadian activities.

› Management fees from the Retail clientele were $37.9 million for the first quarter ended March 31, 2020, representing an increase of $5.5 million, or 17%, versus $32.4 million for the same quarter last year. The increase is mainly due to the creation of Fiera Investments following the acquisition of Natixis Canada, combined with higher revenues from US activities.

Performance Fees

Performance fees were at $3.3 million for the first quarter ended March 31, 2020, versus $1.6 million for the same period last year, mainly in the traditional asset class.

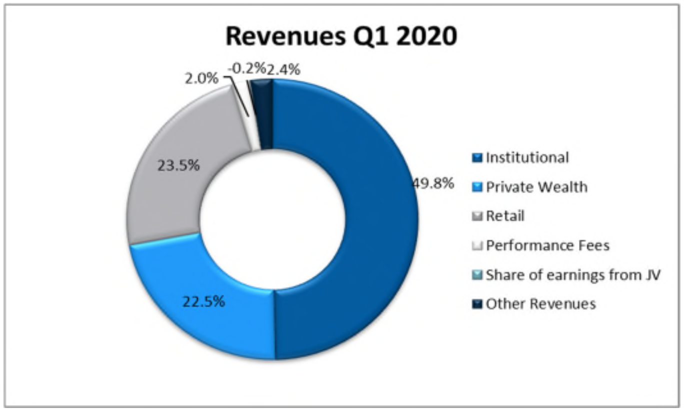
Share of Earnings from Joint Ventures and Associates

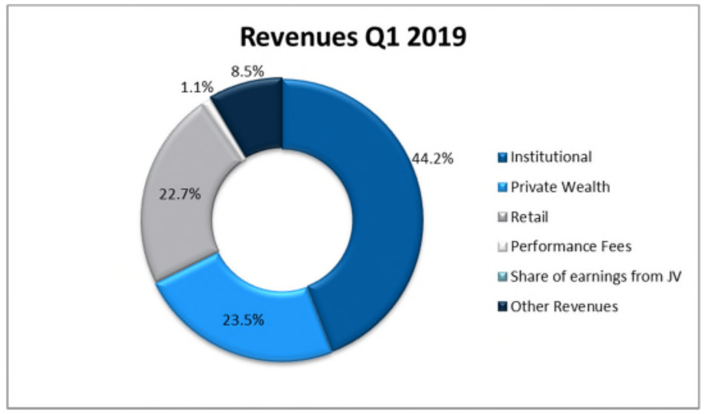
The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. The Company recorded a loss of $0.2 million in share of earnings in joint ventures and associates for the first quarter ended March 31, 2020, primarily due to the recognition of a provision associated with a profit sharing arrangement, which can vary significantly from quarter to quarter as a result of the long-term nature of the underlying projects, versus nil for the corresponding quarter of 2019.

Other Revenues

Other revenues were $3.8 million for the first quarter ended March 31, 2020, representing a decrease of $8.3 million, or 69%, versus $12.1 million for the same period last year. The decrease is mainly due to a loss on the forward foreign exchange contracts of $5.1 million, versus a gain of $1.1 million for the same period last year, combined with a contingent payment recorded in the first quarter of 2019 compared to nil in the first quarter of 2020.

The following graphs illustrate the breakdown of the Company's revenues for the three-month periods ended March 31, 2020, and March 31, 2019, respectively.





Current Quarter versus Previous Quarter

Revenues for the first quarter ended March 31, 2020, were $161.7 million, representing a decrease of $42.8 million, or 21%, versus $204.5 million for the previous quarter ended December 31, 2019. The decrease in revenues is mainly due to lower performance fees in both traditional and alternative asset classes, combined with lower other revenues (as described below) and to a loss on share of earnings in joint ventures and associates compared to a gain recorded in the previous quarter.

Management Fees

Management fees were $154.8 million for the first quarter ended March 31, 2020, representing a decrease of $0.5 million, or 0.3%, versus $155.3 million for the previous quarter ended December 31, 2019. The following is the breakdown of the management fees by clientele type:

› Management fees from the Institutional clientele were $80.6 million for the first quarter ended March 31, 2020, representing an increase of $1.4 million, or 2%, versus $79.2 million for the previous quarter ended December 31, 2019. The sequential increase is primarily due to higher revenues from European and US activities.

› Management fees from the Private Wealth clientele were $36.4 million for the first quarter ended March 31, 2020, representing a decrease of $0.4 million, or 1%, versus $36.8 million for the previous quarter ended December 31, 2019, mainly due to US activities.

› Management fees from the Retail clientele were $37.9 million for the first quarter ended March 31, 2020, representing a decrease of $1.4 million, or 4%, versus $39.3 million for the previous quarter ended December 31, 2019. The decrease is mainly due to US, Canadian and European activities, resulting from a lower AUM base.

Performance Fees

Performance fees were $3.3 million for the first quarter ended March 31, 2020, versus $29.9 million for the previous quarter ended December 31, 2019. Performance fees are generally recorded in the second and fourth quarter of the year.

Share of Earnings from Joint Ventures and Associates

The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. The Company recorded a loss of $0.2 million in share of earnings in joint ventures and associates for the first quarter ended March 31, 2020, versus a gain of $6.0 million in the previous quarter ended December 31, 2019. The loss recorded in the current quarter was primarily due to the recognition of a provision associated with a profit-sharing arrangement.

Share of earnings from joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying projects.

Other Revenues

Other revenues were $3.8 million for the first quarter ended March 31, 2020, representing a decrease of $9.5 million, or 71%, versus $13.3 million for the previous quarter ended December 31, 2019. The decrease is mainly due to a loss on the forward foreign exchange contracts of $5.1 million, versus a gain of $1.1 million for the previous quarter ended December 31, 2019, combined with lower other revenues from Fiera Private Alternative Investments of $3.5 million.

Selling, General and Administrative ("SG&A") and External Managers' Expenses

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expenses were $118.3 million for the three-month period ended March 31, 2020, representing an increase of $9.1 million, or 8%, versus $109.2 million for the same period last year. The increase is primarily due to an increase in cost structure resulting from higher volume and through acquisitions, partially offset by lower share-based compensation expenses.

Current Quarter versus Previous Quarter

SG&A and external managers' expenses were $118.3 million for the three-month period ended March 31, 2020, representing a decrease of $31.4 million, or 21%, versus $149.7 million for the previous quarter ended December 31, 2019. The decrease is mainly attributable to lower variable compensation expense and lower share-based compensation expense.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was $1.6 million for the first quarter ended March 31, 2020, versus $1.1 million during the same period last year. The increase is primarily due to higher depreciation on leasehold improvements associated with the Company's new head office at 1981 McGill College Avenue.

Amortization of intangible assets was $13.7 million during the first quarter ended March 31, 2020, representing an increase of $1.3 million, or 10%, versus $12.4 million for the same period last year. The increase in amortization of intangible assets is mainly attributable to various acquisitions.

Depreciation of right-of-use assets related to the IFRS 16 *Leases* was $5.0 million for the first quarter ended March 31, 2020, versus $5.1 for the corresponding quarter last year.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained consistent at $1.6 million for the first quarter ended March 31, 2020, versus $1.5 million from the previous quarter ended December 31, 2019.

Amortization of intangible assets was $13.7 million for the first quarter ended March 31, 2020, representing a decrease of $0.7 million, or 5%, versus $14.4 million for the previous quarter ended December 31, 2019. The decrease is mainly due to lower expenses from Fiera Private Alternative Investments.

Depreciation of right-of-use assets related to the IFRS 16 *Leases* was $5.0 million for the first quarter ended March 31, 2020, versus $5.4 million from the previous quarter ended December 31, 2019.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter versus Prior-Year Quarter

Interest on long-term debt and other financial charges was $15.8 million for the first quarter ended March 31, 2020, representing an increase of $8.4 million, or 114%, versus $7.4 million for the same quarter last year. The increase is mainly due to higher other financial charges following a loss on the interest rate swaps recorded in the first quarter of 2020.

Current Quarter versus Previous Quarter

Interest on long-term debt and other financial charges was $15.8 million for the first quarter ended March 31, 2020, representing an increase of $8.4 million, or 114%, versus $7.4 million for the previous quarter. The increase is mainly due to a loss on the interest rate swaps recorded in the first quarter of 2020, combined with additional interest expense on the hybrid debentures issued in the third quarter of 2019.

Interest on Lease Liabilities

The interest on lease liabilities was stable at $1.5 million for the first quarter ended March 31, 2020, versus $1.4 million in the previous quarter ended December 31, 2019, and $1.3 million for the comparable quarter ended March 31, 2019.

Accretion and Change in Fair Value of Purchase Price Obligations

Current Quarter versus Prior-Year Quarter

The accretion and change in fair value of purchase price obligations represented an unrealized gain of $ 10.7 million for the first quarter ended March 31, 2020, versus an expense of $6.5 million for the same quarter of last year. The change was primarily due to fair value adjustments of the purchase price obligations related to the City National Rochdale (CNR) acquisition and Clearwater acquisition completed in December 2017 and August 2018, respectively.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented an unrealized gain of $10.7 million for the first quarter ended March 31, 2020, versus an expense of $8.1 million for the previous quarter ended December 31, 2019. The Company reduced the fair value of the purchase price obligations related to CNR primarily due to a reduction in market value of assets under management as a result of the significant market volatility caused by the COVID-19 global pandemic. In addition, the purchase price obligations related to Clearwater was also reduced as a result of increased market volatility.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were $3.4 million for the first quarter ended March 31, 2020, representing a decrease of $1.4 million, or 29%, versus $4.8 million for the same period of last year, mainly due to less acquisition activities year-over-year.

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were $3.4 million for the first quarter ended March 31, 2020, representing a decrease of $3.0 million, or 47%, versus $6.4 million for the previous quarter ended December 31, 2019. The decrease is largely due to lower restructuring, integration activities versus the previous quarter ended December 31, 2019.

Net Earnings

Current Quarter versus Prior-Year Quarter

For the first quarter ended March 31, 2020, the Company reported net earnings attributable to the Company's shareholders of \$7.6 million, or \$0.07 per share (basic and diluted), versus a net loss of \$(6.6) million, or \$(0.07) per share (basic and diluted), for the same quarter last year. The increase in net earnings attributable to the Company's shareholders was primarily due to an increase in revenues, as described above, combined with the favourable impact of the net change in fair value of purchase price obligations, partly offset by an increase in SG&A and higher interest related expenses due to unfavourable exchange rate impact.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2020, the Company reported net earnings attributable to the Company's shareholders of \$7.6 million, or \$0.07 per share (basic and diluted), versus net earnings of \$3.4 million, or \$0.03 per share (basic and diluted), for the previous quarter ended December 31, 2019. The increase in net earnings attributable to the Company's shareholders is primarily due to the favourable impact of the net change in fair value of purchase price obligations, combined with lower restructuring costs, partially offset by higher interest expenses due to a loss on the interest rate swaps.

We have included non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they highlight trends in our core business that may not otherwise be apparent when one relies solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess our ability to meet our future debt service, capital expenditure and working capital requirements.

Non-IFRS measures are not recognized measures under IFRS. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. For example, some or all of the non-IFRS measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. These non-IFRS measures have important limitations as analytical tools, and the reader should not consider them in isolation, or as substitutes in the analysis of our results as reported under IFRS. Because of these limitations, we rely primarily on our results as reported in accordance with IFRS and use non-IFRS measures only as a supplement.

We define ***EBITDA*** as net earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA). ***Adjusted EBITDA*** is calculated as EBITDA, adjusted for acquisition, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, realized loss (gain) on investments, loss (gain) on disposal of assets, loss (gain) on disposal of investments in joint ventures and in subsidiaries, revaluation of puttable financial instrument liability, revaluation of assets held-for-sale, loss (gain) on lease modifications and other, and share-based compensation expenses.

We believe that EBITDA and Adjusted EBITDA are meaningful measures as they allow for the evaluation of our core operating performance from one period to the next without the variations caused by the impact of the items described above. The Company considers its core operating activities to be asset management, investment advisory and related services. Costs related to strategic initiatives such as business acquisitions, integration of newly acquired businesses and restructuring are considered non-core. The Company excludes these items because they affect the comparability of its financial results amongst periods and could potentially distort the analysis of trends in its core business performance. Excluding these items does not imply they are necessarily non-recurring.

We define the ***Adjusted EBITDA margin*** as the ratio of adjusted EBITDA to total revenues. It is an important measure of overall operating performance because it measures Company profitability from operations.

Adjusted EBITDA

The following table presents the Company's Adjusted EBITDA[1] and Adjusted EBITDA per share[1] for the three-month periods ended March 31, 2020 and 2019, as well as for the three-month period ended December 31, 2019.

Table 8 - Adjusted EBITDA (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2020	DECEMBER 31, 2019	MARCH 31, 2019	QUARTER OVER QUARTER	YEAR OVER YEAR
Net earnings (Loss)	**12,022**	**5,254**	**(6,584)**	**6,768**	**18,606**
Income tax expense (recovery)	3,624	3,589	1,844	35	1,780
Depreciation of property and equipment	1,562	1,504	1,084	58	478
Amortization of intangible assets	13,717	14,412	12,415	(695)	1,302
Depreciation of right-of-use assets	5,042	5,412	5,057	(370)	(15)
Interest on lease liabilities	1,452	1,425	1,284	27	168
Interest on long-term debt and other financial charges	15,822	8,870	7,398	6,952	8,424
EBITDA	**53,241**	**40,466**	**22,498**	**12,775**	**30,743**
Restructuring, integration and other costs	3,205	6,812	3,128	(3,607)	77
Acquisition costs	210	(391)	1,707	601	(1,497)
Accretion and change in fair value of purchase price obligations	(10,662)	8,052	6,491	(18,714)	(17,153)
Realized loss (gain) on investments	134	(550)	5	684	129
(Gain) loss on lease modifications and other	(1,100)	-	-	(1,100)	(1,100)
(Gain) loss on disposal of assets, intangible assets and property and equipment	100	121	300	(21)	(200)
Revaluation of puttable financial instrument liability	(1,799)	336	-	(2,135)	(1,799)
Revaluation of assets-held-for-sale	-	-	(546)	-	546
Share-based compensation	122	6,906	5,234	(6,784)	(5,112)
Adjusted EBITDA	**43,451**	**61,752**	**38,817**	**(18,301)**	**4,634**
Per share basic	**0.42**	**0.61**	**0.40**	**(0.19)**	**0.02**
Per share diluted	**0.41**	**0.60**	**0.40**	**(0.19)**	**0.01**

Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter versus Prior-Year Quarter

For the first quarter ended March 31, 2020, Adjusted EBITDA was $43.5 million or $0.42 per share (basic) and $0.41 (diluted), representing an increase of $4.7 million, or 12%, versus $38.8 million, or $0.40 per share (basic and diluted), for the same period last year.

The increase in Adjusted EBITDA was primarily due to the positive contributions from the four acquisitions completed in fiscal 2019 and an increase in revenues from the institutional and private alternative investment strategies, partially offset by a loss on foreign forward contracts in the first quarter of 2020 versus a gain in the same period last year.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2020, Adjusted EBITDA was $43.5 million or $0.42 per share (basic) and $0.41 (diluted), representing a decrease of $18.3 million, or 30%, versus $61.8 million or $0.61 per share (basic) and $0.60 (diluted), from the previous quarter ended December 31, 2019. The sequential decrease in adjusted EBITDA is mainly due to lower performance fees, lower other revenues, in addition to the unfavourable impact of a loss from foreign exchange forward contracts compared to a gain recorded in the previous quarter. These increases were partly offset by lower SG&A.

The following table provides a reconciliation between EBITDA, Adjusted EBITDA, Adjusted EBITDA per share and Adjusted EBITDA margin to the most comparable IFRS earnings measures for each of the Company's last eight quarters.

Table 9 – EBITDA and Adjusted EBITDA Reconciliation (in $ thousands except per share data)

	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net earnings (loss)	12,022	5,254	(4,593)	(4,783)	(6,584)	(1,573)	1,127	(2,215)
Income tax expense (recovery)	3,624	3,589	889	3,370	1,844	(3,056)	969	1,641
Depreciation of property and equipment	1,562	1,504	1,403	1,216	1,084	1,179	1,091	1,018
Amortization of intangible assets	13,717	14,412	13,525	12,622	12,415	12,468	11,834	10,488
Depreciation of right-of-use assets	5,042	5,412	4,892	4,561	5,057	-	-	-
Interest on leases	1,452	1,425	1,393	1,288	1,284	-	-	-
Interest on long-term debt and other financial charges	15,822	8,870	8,865	6,709	7,398	10,147	5,393	5,054
EBITDA [1]	53,241	40,466	26,374	24,983	22,498	19,165	20,414	15,986
Restructuring, integration and other costs	3,205	6,812	3,577	1,022	3,128	3,399	871	2,389
Acquisition costs	210	(391)	2,306	6,670	1,707	2,966	2,594	2,508
Accretion and change in fair value of purchase price obligations	(10,662)	8,052	8,801	6,636	6,491	8,332	5,978	5,720
Realized loss (gain) on investments	134	(550)	140	(452)	5	(171)	(3)	2
(Gain) loss on lease modifications and other	(1,100)	-	(114)	-	-	-	-	-
(Gain) loss on disposal of assets	100	121	(199)	-	300	81	1	-
Revaluation of puttable financial instrument liability	(1,799)	336	317	350	-	-	-	-
Revaluation of assets-held-for-sale	-	-	-	(153)	(546)	191	-	-
Share-based compensation	122	6,906	5,376	6,748	5,234	5,359	6,765	6,098
Adjusted EBITDA [1]	43,451	61,752	46,578	45,804	38,817	39,322	36,620	32,703
REVENUES	161,657	204,526	159,956	149,904	142,785	156,963	137,109	126,232
Adjusted EBITDA Margin	26.9%	30.2%	29.1%	30.6%	27.2%	25.1%	26.7%	25.9%
Adjusted EBITDA Per Share								
Basic	0.42	0.61	0.46	0.47	0.40	0.41	0.38	0.35
Diluted	0.41	0.60	0.46	0.47	0.40	0.41	0.36	0.35

[1] Starting from the first quarter of 2019, the Company's results include the impacts from the adoption of *IFRS 16 Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2019. As is permitted by *IFRS 16 Leases*, comparative information has not been restated and, therefore, may not be comparable.

Certain totals, subtotals and percentages may not reconcile due to rounding.

We define ***Adjusted net earnings*** as net earnings (loss) attributable to the Company's shareholders, adjusted for depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and share-based compensation, as well as after-tax acquisition, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, accretion on effective interest on convertible debt, and after-tax revaluation of assets held-for-sale, after-tax loss on disposal of investment in subsidiaries, after-tax gain on acquisition of control of investment in joint venture, after-tax revaluation of puttable financial instrument liability, and after-tax loss (gain) on lease modifications and other.

Effective March 31, 2018, the Company amended the definition of Adjusted net earnings to adjust for the accretion and change in fair value of purchase price obligations. Also, effective December 31, 2018, the Company amended the definition of Adjusted net earnings to adjust for the accretion on effective interest on convertible debt. Accretion expenses and the gains or losses recognized on the change in fair value of purchase price obligations arise from contingent consideration arrangements, generally in business combinations which are considered non-core operations. The fair value of contingent consideration is remeasured at each reporting date and it is determined using valuation techniques which make use of forecasted net cash flows discounted to present value. Accretion expense (i.e. non-cash interest expense) brings the present value of the purchase price obligation up to its future value over time. Adjusting accretion expense and change in fair value of purchase price obligations from adjusted net earnings provides for better comparability of the financial results between periods where valuation assumptions used by management may introduce volatility in earnings. Comparative figures prior to December 31, 2018, for Adjusted net earnings and Adjusted net earnings per share (basic and diluted) have been restated to be consistent with the current presentation.

We believe that Adjusted net earnings is a meaningful measure as it allows for the evaluation of the Company's overall performance from one period to the next without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results amongst periods and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring.

Adjusted Net Earnings

The following table presents the Company's net earnings (loss) and Adjusted net earnings for the three-month periods ended March 31, 2020 and 2019, as well as for the three-month period ended December 31, 2019.

Table 10 - Net Earnings (Loss) and Adjusted Net Earnings (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2020	DECEMBER 31, 2019	MARCH 31, 2019	QUARTER OVER QUARTER	YEAR OVER YEAR
Net earnings (loss) attributable to the Company's shareholders	7,581	3,387	(6,553)	4,194	14,134
Depreciation of property and equipment	1,562	1,504	1,084	58	478
Amortization of intangible assets	13,717	14,412	12,415	(695)	1,302
Depreciation of right-of-use assets	5,042	5,412	5,057	(370)	(15)
Share-based compensation(*)	122	6,906	5,234	(6,784)	(5,112)
Restructuring, integration and other costs(*)	3,205	6,812	3,128	(3,607)	77
Acquisition costs(*)	210	(391)	1,707	601	(1,497)
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt(*)	(10,051)	8,676	6,807	(18,727)	(16,858)
Revaluation of puttable financial instrument liability (*)	(1,799)	336	-	(2,135)	(1,799)
Gain on lease modification and other(*)	(1,100)	-	-	(1,100)	(1,100)
Revaluation of assets-held-for-sale(*)	-	-	(546)	-	546
Income tax expense (recovery) on above-mentioned items (*)	(1,982)	4,393	3,460	6,375	5,442
Adjusted net earnings attributable to the Company's shareholders	20,471	42,661	24,873	(22,190)	(4,402)
Per share – basic					
Net earnings (loss)	0.07	0.03	(0.07)	0.04	0.14
Adjusted net earnings	0.20	0.42	0.26	(0.22)	(0.06)
Per share – diluted					
Net earnings (loss)	0.07	0.03	(0.07)	0.04	0.14
Adjusted net earnings	0.19	0.41	0.26	(0.22)	(0.07)

Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter versus Prior-Year Quarter

Adjusted net earnings attributable to the Company's shareholders amounted to $20.5 million, or $0.20 per share (basic) and $0.19 (diluted) for the first quarter ended March 31, 2020, versus $24.9 million, or $0.26 per share (basic and diluted) for the first quarter ended March 31, 2019. Adjusted net earnings for the quarter ended March 31, 2020, reflected net earnings, excluding $20.4 million, or $0.20 per share (basic and diluted), of depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and share-based compensation, as well as $(7.6) million, or $(0.07) per share (basic and diluted), of acquisition, restructuring, integration and other costs, an expense related to the accretion and change in fair value of purchase price obligations and the accretion on effective interest on convertible debt and the revaluation of puttable financial instrument liability, net of income taxes.

The year-over-year decrease in Adjusted net earnings is primarily due to an increase in SG&A expenses, interest expenses resulting from a loss on the interest rate swaps in the first quarter of 2020 and higher income tax expenses.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2020, the Company recorded adjusted net earnings of $20.5 million, or $0.20 per share (basic) and $0.19 (diluted), versus $42.7 million, or $0.42 (basic) and $0.41 (diluted) in the previous quarter ended December 31, 2019. The decrease in Adjusted net earnings attributable to the Company's shareholders is primarily due to lower revenues and to a loss on the interest rate swaps, partially offset by higher SG&A expenses.

The following table provides a reconciliation between Adjusted net earnings and Adjusted net earnings per share to the most comparable IFRS earnings measures for each of the Company's last eight quarters:

Table 11 – Adjusted Net Earnings Reconciliation (in $ thousands except per share data)

	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net earnings (loss) attributable to the Company's shareholders	7,581	3,387	(4,740)	(5,513)	(6,553)	(1,709)	995	(2,106)
Depreciation of property and equipment	1,562	1,504	1,403	1,216	1,084	1,179	1,091	1,018
Amortization of intangible assets	13,717	14,412	13,525	12,622	12,415	12,468	11,834	10,488
Depreciation of right-of-use assets	5,042	5,412	4,892	4,561	5,057	-	-	-
Share-based compensation(*)	122	6,906	5,376	6,748	5,234	5,359	6,765	6,098
Restructuring, integration and other costs(*)	3,205	6,812	3,577	1,022	3,128	3,399	871	2,389
Acquisition costs(*)	210	(391)	2,306	6,670	1,707	2,966	2,594	2,508
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt(*)	(10,051)	8,676	9,297	6,992	6,807	8,692	6,285	6,058
Revaluation of assets-held-for-sale(*)	-	-	-	(153)	(546)	191	-	-
Revaluation of puttable financial instrument liability(*)	(1,799)	336	317	350	-	-	-	-
Gain on lease modification and other(*)	(1,100)	-	(114)	-	-	-	-	-
Income tax expense (recovery) on above-mentioned items (*)	(1,982)	4,393	3,373	2,034	3,460	4,294	2,902	2,661
Adjusted net earnings attributable to the Company's shareholders	20,471	42,661	32,466	32,481	24,873	28,251	27,533	23,792
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	0.07	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)
Adjusted net earnings attributable to the Company's shareholders	0.20	0.42	0.32	0.33	0.26	0.29	0.29	0.26
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	0.07	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)
Adjusted net earnings attributable to the Company's shareholders	0.19	0.41	0.32	0.33	0.26	0.29	0.27	0.26

Certain totals, subtotals and percentages may not reconcile due to rounding.

Cash Flows

The Company's principal uses of cash, other than for SG&A expenses, include (but are not limited to) dividend payments, debt servicing, capital expenditures and business acquisitions.

The following table provides additional cash flow information for Fiera Capital.

Table 12 – Summary of Consolidated Statements of Cash Flows (in $ thousands)

	FOR THE THREE-MONTH PERIODS ENDED	
	MARCH 31, 2020	MARCH 31, 2019
Cash generated by (used in) operating activities	(25,687)	(21,192)
Cash (used in) investing activities	(13,646)	(5,847)
Cash generated by (used in) financing activities	5,157	11,790
Net (decrease) increase in cash and cash equivalent	(34,176)	(15,249)
Effect of exchange rate changes on cash denominated in foreign currencies	3,189	(4,722)
Cash and cash equivalents, beginning of period	96,219	52,466
Cash and cash equivalents, end of period	65,232	32,495

Year-to-Date March 31, 2020 versus Year-to-Date March 31, 2019

Cash used in operating activities amounted to $25.7 million for the three-month period ended March 31, 2020 versus $21.2 million in the same period last year, an increase of $4.5 million or 21%. The change was due to an increase in cash used in working capital of $15.9 million partly offset by an increase in cash generated from operations excluding changes in non-cash working capital of $11.4 million (refer to Note 13 of the unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2020 for details on working capital changes).

Cash used in investing activities was $13.6 million for the three-month period ended March 31, 2020, resulting mainly from $11.7 million cash used for the settlement of purchase price obligations, $1.7 million cash used for the investment in joint ventures and associates and $1.5 million cash used for the purchase of intangible assets.

Cash used in investing activities was $13.6 million for the three-month period ended March 31, 2020, versus $5.8 million cash used in investing activities for the same period last year. The increase in cash used in investing activities is mainly attributable to $12.0 million of cash generated from the disposal of assets in the first quarter of 2019 compared to nil of the current quarter and an increase in cash used for the settlement of purchase price adjustments and obligations of $3.0 million. These decreases in cash used in investing activities were partially offset by higher restricted cash and cash equivalents of $7.1 million and a decrease in cash use for the purchase of equipment of $3.0 million.

Cash generated from financing activities was $5.2 million for the three-month period ended March 31, 2020, versus $11.8 million cash generated from financing activities for the same period last year. The year-over-year variation is mainly attributable to an increase in cash used for settlement of share-based compensation of $16.4 million., higher cash used for payment of interest of $4.4 million and higher dividends paid of $4.0 million. These increases in cash used in financing activities year-over-year were partially offset by higher long-term debt of $17.7 million.

During the current quarter, the Company paid $16.4 million for the settlement of performance share units applicable to a business Unit ("PSU BU"). Following the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, the Company granted these PSU BUs on November 17, 2017 to an executive of CCL in connection with their previous equity arrangement which existed prior to the acquisition by the Company.

Finally, exchange rate fluctuations on cash denominated in foreign currencies had a favourable impact of $3.2 million during the three-month period ended March 31, 2020, versus an unfavourable impact of $4.7 million for the same period last year primarily due to the strengthening of the U.S. dollar relative to the Canadian dollar and favourable impact on cash positions held in U.S. dollars.

Long-Term Debt

Table 13 – Credit Facility (in $ thousands)

	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Credit facility		
Revolving facility	511,957	449,490
Deferred financing charges	(2,543)	(2,791)
	509,414	446,699
Less current portion	-	-
Non-current portion	509,414	446,699

Credit Facility

On November 14, 2019, the Company entered into the Sixth Amended and Restated Credit Agreement ("Credit Agreement") with a Canadian banking syndicate of lenders. The Facility is used for general corporate purposes. It is comprised of a $600 million 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 and subject to the repayment of the Company's Convertible debentures on June 23, 2023 (Note 9 of the unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2020), there are no minimum repayments until June 30, 2023, the date at which the amount drawn is repayable in full. At any time, subject to certain terms and conditions, the Company may request an increase in the available Facility by an amount of up to $200 million subject to the acceptance of the individual lenders in the banking syndicate. Subject to certain terms and conditions, the Credit Agreement allows for extensions of the Facility's maturity date, in one-year increments, at the request of the Company and subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount to, in the aggregate, more than 66 2/3%.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn and on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. The interest rate is based on the Canadian prime rate plus a spread which varies from 0.0% to 1.5% or, at the discretion of the Company for amounts drawn in US dollars, based either on the US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR rate plus a spread varying from 1.0% to 2.5%.

As at March 31, 2020, the total amount drawn on the Facility was $297.031 million and US$151.0 million ($214.926 million) ($29.784 million and US$323.66 million ($419.706 million) as at December 31, 2019).

The Sixth Amended and Restated Credit Agreement replaced the Fifth Amended and Restated Credit Agreement entered into by the Company on May 28, 2018, with similar terms, which was repayable in full on June 30, 2022.

During the year ended December 31, 2019, the renegotiation of the Credit Agreement was treated as a modification under *IFRS 9 – Financial Instruments* and the transaction fees of $0.435 million associated with the Facility and $0.48 million associated with the Previous Credit Agreement were capitalized to the Facility as long-term debt in the consolidated statements of financial position. During the year ended December 31, 2019, fees of $0.405 million related to a modification in the administration of the banking syndicate were also capitalized to the Facility (nil during the three-month period ending March 31, 2020).

Under the terms of the Credit Agreement and the Previous Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum Interest Coverage Ratio as defined in the Credit Agreement and the Previous Credit Agreement. EBITDA, a non-IFRS financial measure, includes consolidated earnings (losses) before interest, income taxes, depreciation, amortization and other non-cash items, and excludes extraordinary and unusual items including non-recurring items and certain purchase price obligations as well as certain other adjustments outlined in the Credit Agreement. All restrictive covenants under the Credit Agreement were met as at March 31, 2020 and December 31, 2019. The Credit Agreement also includes covenants that limit the ability of the Company and certain of its subsidiaries that are specifically included in the Credit Agreement as borrowing parties and therefore are guarantors to the Facility, to engage in specified types of transactions and thus imposes certain operating and financing restrictions on these entities.

Other Facilities

One of the Company’s subsidiaries has a line of credit with a dollar limit of $0.92 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at March 31, 2020 the subsidiary had not drawn on the line of credit (nil as at December 31, 2019).

Convertible Debt

The balance of the convertible debt consists of the following:

Table 14 – Convertible Debt (in $ thousands)

	As at March 31, 2020	As at December 31, 2019
	$	$
Convertible debentures – 5.00% due June 23, 2023	80,782	80,425
Hybrid debentures – 5.60% due July 31, 2024	105,622	105,368
Non-current portion	186,404	185,793

a) Convertible Debentures – 5.00% due June 23, 2023

Table 15 – Convertible Debentures (in $ thousands)

	As at March 31, 2020	As at December 31, 2019
	$	$
Face value	86,250	86,250
Less:		
Issuance costs	(4,031)	(4,031)
Equity component (net of issuance costs of $224)	(4,568)	(4,568)
Cumulative accretion expense on liability component	3,131	2,774
Balance, end of year	80,782	80,425

On December 21, 2017, the Company issued 86,250 unsecured convertible debentures at 5.00% maturing on June 23, 2023 (the "Convertible debentures"), with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of $86.25 million. The Convertible debentures are convertible at the option of the holder at a conversion price of $18.85 per Class A Share. The Convertible debentures are not redeemable by the Company before June 30, 2021. The Convertible debentures are redeemable by the Company at a price of $0.001 million per Convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of $18.85 per share). On or after June 30, 2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of $0.001 million per Convertible debenture, plus accrued and unpaid interest.

During the three-month period ended March 31, 2020, no amount was paid as accrued interest ($4.313 million was paid during the year ended December 31, 2019). At March 31, 2020, an amount of $1.078 million (nil as at December 31, 2019) is recorded in accounts payable and accrued liabilities, representing accrued cash interest from December 31, 2019 to March 31, 2020.

b) Hybrid Debentures – 5.60% due July 31, 2024

Table 16 – Hybrid Debentures (in $ thousands)

	As at March 31, 2020	As at December 31, 2019
	$	$
Face value	110,000	110,000
Less:		
Issuance costs	(5,007)	(5,007)
Accretion expense on liability component	629	375
Balance, end of year	105,622	105,368

On July 4, 2019, the Company issued $100 million senior subordinated unsecured hybrid debentures due July 31, 2024 and on July 9, 2019 the Company issued $10 million senior subordinated unsecured hybrid debentures related to the overallotment option, due July 31, 2024 (together, the "Hybrid debentures"). The Hybrid debentures bear interest at a rate of 5.60% 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 Hybrid debentures will not be redeemable before July 31, 2022, except upon the satisfaction of certain conditions after a change of control of the Company. On and after July 31, 2022 and prior to July 31, 2023, the Hybrid debentures 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 102.80% of the principal amount redeemed plus accrued and unpaid interest. On and after July 31, 2023 and prior to the maturity date on July 31, 2024, the 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 price of $0.001 million per Hybrid debenture plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the Hybrid debentures due at redemption or at maturity on July 31, 2024 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

During the three-month period ended March 31, 2020, $3.542 million was paid as accrued interest (nil during the year ended December 31, 2019). At March 31, 2020, an amount of $1.027 million ($3.080 million as at December 31, 2019) is recorded in accounts payable and accrued liabilities, representing accrued cash interest from January 31, 2020 to March 31, 2020.

Share Capital

As at March 31, 2020, the Company had 82,484,440 Class A shares and 19,412,401 Class B special voting shares for a total of 101,820,841 outstanding shares versus 78,054,445 Class A shares and 19,412,401 Class B special voting shares for a total of 97,466,846 outstanding shares as at March 31, 2019.

Capital Management

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, convertible debentures 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. As at March 31, 2020 and 2019, the Company and one of its subsidiaries are subject to calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, calculated on a non-consolidated basis, and they have complied with their respective calculations. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

In order to maintain or adjust its capital structure, the Company may issue shares, proceed with the issuance or repayment of debt or redeem convertible debentures (as applicable under the terms of the respective final short-term prospectuses for these convertible debt).

Contractual Obligations

As at March 31, 2020, the Company had no material contractual obligation other than those described in the Company's 2019 Annual MD&A in the section entitled *"Contractual Obligations"*.

Contingent Liabilities

In the normal course of business, the Company and its subsidiaries may be party to legal actions and proceedings. The potential outcomes related to existing matters faced by the Company are not determinable at this time. The Company intends to defend these actions, and management believes that the resolution of these matters will not have a material adverse effect on the Company's financial condition.

a) *Stock Option Plan*

A summary of the changes that occurred in the Company's stock option plans during the three-month periods ended March 31, 2020, and 2019, is presented below:

Table 17 – Options Transactions

	2020		2019	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted average exercise price
		$		$
Outstanding – beginning of year	4,526,769	12.32	3,977,191	12.21
Granted	475,000	5.79	-	-
Exercised	-	-	(40,000)	7.41
Cancelled/Forfeited	-	-	(195,000)	13.44
Outstanding – end of periods	5,001,769	11.70	3,742,191	12.19
Options exercisable – end of periods	1,482,510	11.73	1,247,812	11.13

b) *Deferred Share Unit ("DSU") Plan*

One DSU unit is equivalent to one Class A Share of the Company. The Company recorded a recovery of $0.047 million for this plan during the three-month period ended March 31, 2020 (expense of $0.001 million during the three-month period ended March 31, 2019). As at March 31, 2020, the Company had a liability for an amount of $0.059 million for the 9,031 units outstanding under the DSU plan ($0.106 million for 9,031 units as at December 31, 2019).

c) *Restricted Share Unit ("RSU") Plan*

The following table presents transactions that occurred in the Company's RSU Plan during the three-month periods ended March 31, 2020 and 2019.

Table 18 – RSU Transactions

	2020	2019
Outstanding units – beginning of year	242,738	258,560
Granted	215,785	-
Vested	(56,111)	-
Outstanding units– end of period	402,412	258,560

One RSU unit is equivalent to one Class A Share of the Company. The Company recorded a (recovery) expense of $(0.842 million) and $0.575 million for these grants during the three-month periods ended March 31, 2020 and 2019 respectively. During the three-month period ended March 31, 2020, 56,111 Class A Shares were issued as settlement of RSU vested (2019 – nil). As at March 31, 2020, the Company had a liability in the amount of $0.975 million for the 402,412 units outstanding under the RSU Plan ($2.1 million for 242,738 units as at December 31, 2019).

d) Restricted Share Unit Plan – Cash ("RSU Cash")

The following table presents transactions that occurred in the Company's RSU Plan during the three-month periods ended March 31, 2020 and 2019.

Table 19 – RSU Cash Transactions

	2020	2019
Outstanding units – beginning of year	**368,614**	528,308
Vested	**-**	(10,589)
Outstanding units – end of period	**368,614**	517,719

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of $0.474 million and $0.978 million for these grants during the three-month periods ended March 31, 2020 and 2019, respectively. During the three-month period ended March 31, 2020, no units vested (2019 – 10,589) and an amount of nil was paid as settlement of these units (2019 – $0.128 million). In addition, a total of $1.798 million was paid during the three-month period ended March 31, 2020 as settlement of 153,586 units vested in 2019.

As at March 31, 2020, the Company had a liability in the amount of $1.231 million for the 368,614 units outstanding ($3.486 million for 368,614 units as at December 31, 2019).

e) PSU and UAR Plan Applicable to Business Units

On April 12, 2018, the Board approved an amended and restated PSU plan applicable to Business Units ("BU") mainly to include various tax considerations. Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value by the value of the PSU BU as determined by the Board at each award date.

PSUs are considered granted when the award notice is approved by the Board and is accepted by the employee. The vesting date is the date at which all vesting terms and conditions set forth in the PSU plan applicable to BU and the employee's award notice have been satisfied.

Vested PSUs are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of PSUs vested and the value of the PSU on the applicable vesting date.

In June 2018, the Company amended its Performance Share Unit Plan applicable to Business Units (PSU applicable to BU) plan to include an ability to grant Unit Appreciation Rights applicable to Business Units (UAR applicable to BU).

PSU Applicable to BU

The Company recorded the following expense relating to PSU plans applicable to BU during the three-month periods ended March 31, 2020 and 2019:

Table 20 – PSU Plan Applicable to BU Transactions (in $ thousands)

	For the three-month periods ended March 31,	
	2020	2019
	$	$
Equity-settled grants	1,256	810
Cash-settled grants	-	2,219
Total expense	1,256	3,029

The total award value granted under the Company's PSU plans applicable to BU was $0.853 million and nil during the three-month periods ended March 31, 2020 and 2019 respectively.

During the three-month period ended March 31, 2020, the Company paid $16.396 million for the. settlement of performance share units applicable to a Business Unit ("PSU BU"). Following the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, the Company granted these PSU BUs on November 17, 2017 to an executive of CCL in connection with their previous equity arrangement which existed prior to the acquisition by the Company.

UAR Applicable to BU

Under the UAR applicable to BU, eligible employees are entitled to receive Class A Shares of the Company for 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. The Company recorded an expense of $0.405 million and $0.371 million during the three-month period ended March 31, 2020 and 2019 respectively. As at March 31, 2020, 48,600 vested units have not yet been settled (2019 – nil).

f) PSU Plan

One PSU unit is equivalent to one Class A Share of the Company. The Company recorded the following expense (recovery) relating to the PSU plans during the three-month periods ended March 31, 2020 and 2019:

Table 21 – PSU Transactions (in $ thousands)

	For the three-month periods ended March 31,	
	2020	2019
	$	$
Equity-settled grants	(764)	286
Cash-settled grants	(169)	619
Total expense	(933)	905

The total award value granted to eligible employees under the Company's PSU plans for the three-month periods ending March 31, 2020 and 2019 was $0.540 million and nil respectively. 18,673 Class A Shares were issued during the three-month period ended March 31, 2020 as settlement of PSU vested (2019 – nil).

g) Stock Option Plans in the Company's Subsidiaries

One of the Company's subsidiaries has a stock option plan which is based on the shares of the respective subsidiary entity. This plan is accounted for as a cash-settled plan. The Company's subsidiaries stock option expense in the consolidated statements of earnings (loss) for the three-month periods ended March 31, 2020 and 2019 was nil and $0.399 million, respectively. The cash settled share-based liability is nil in the interim condensed consolidated statements of financial position as at March 31, 2020 ($5.28 million as at December 31, 2019) and an amount of $5.28 million was paid in cash during the three-month period ended March 31, 2020 as a settlement of the options (2019 – nil).

Related Party Transactions

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

At March 31, 2020, a related shareholder indirectly owns Class B Special Voting Shares representing approximately 7.1% of the Company's issued and outstanding shares (7.2% as at December 31, 2019).Pursuant to the terms of a shareholders' agreement between this related shareholder and an entity related to the Company, the related shareholder is entitled to appoint two of the eight directors of the Company that the holders of Class B Shares are entitled to elect. This related shareholder is one of the two co-lead arrangers and one of the lenders in the syndicate of lenders to the Company's Credit Facility and effective June 2019 took on the role of administrative agent of the Credit Agreement.

Following the Natixis transaction in May 2019, a shareholder was no longer considered a related party due to a reduction in their beneficial share ownership. Transactions with this shareholder prior to May 2019 are included in the table below.

In addition, following the Natixis transaction in May 2019, a related shareholder owns 10.5% Class A Subordinate voting shares and is entitled to propose one nominee for election to the Company's Board.

The following table presents transactions either directly with the two related shareholders or with entities under the same common control as these related shareholders:

Table 22 – Related Party Transactions (in $ thousands)

	For the three-month periods ended March 31,	
	2020	2019
	$	$
Base management fees	2,327	11,656
Other revenues	(3,018)	4,901
Selling, general & administrative expenses		
Reference fees	–	409
Other	–	161
Interest on long-term debt	4,592	4,697
Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	(30,156)	5,668

The Company has also carried out the following transactions with joint ventures and associates (in thousands):

	2020	2019
	$	$
Other revenues	210	–

The transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Internal Controls and Procedures

The Chairman of the Board and Chief Executive Officer ("CEO") and the Executive Vice President, Global Chief Financial Officer ("CFO"), together with Management, are responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting, as defined *in National Instrument 52-109*.

Disclosure Controls and Procedures

The CEO and CFO, have designed or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information is collected and communicated to Management in a timely manner so that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal Controls over Financial Reporting

The CEO and CFO have also designed or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework is based on the criteria published in the *Internal Control-Integrated Framework* (COSO framework 2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

There have been no changes to the Company's internal controls over financial reporting that occurred during the three-month period beginning on January 1, 2020 and ended on March 31, 2020, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Additional information about Fiera Capital Corporation, including the Company's most recent audited annual financial statements and annual information form, is available on SEDAR at www.sedar.com.

Fair Value

Investments

The cost of and fair value of investments recorded at fair value through profit or loss was $8.246 million and $8.591 million, respectively, as at March 31, 2020 ($8.1 million and $8.4 million respectively as at December 31, 2019). An unrealized loss of $0.074 million and realized gain of $0.014 million was recognized in realized and unrealized (gain) loss on investments during the three-month period ended March 31, 2020 (unrealized gain of $0.358 million and realized loss of $0.137 million during the three-month period ended March 31, 2019).

Convertible and Hybrid Debentures

The convertible and hybrid debentures are recorded respectively at an amortized cost of $80.782 million and $105.622 million as at March 31, 2020 ($80.425 million and $105.368 million as at December 31, 2019). The fair value based on market quotes is respectively $79.35 million and $95.7 million at March 31, 2020 ($90.537 million and $112.475 million as at December 31, 2019).

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 swap, interest rate swap 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 is 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 appropriate. 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.

The Company determines the fair value of its foreign exchange forward contracts by calculating the difference between the forward exchange rates at the measurement date and the contractual forward price for the residual maturity of the contract.

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

Table 23 – Net gains (losses), fair value and notional amount of derivatives (in $ thousands)

	For the three-month period ended March 31, 2020	As at March 31, 2020				
		Fair value		Notional amount: term to maturity		
	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	(5,054)	–	(3,249)	42,582	–	––
b)Cross currency swaps						
– held for trading	30,156	–	–	–	–	––
Interest rate contracts						
c)Swap contracts						
– held for trading	(6,650)	–	(8,059)	–	250,000	––
d)Swap contracts						
– cash flow hedges	–	–	(8,110)	–	240,546	––

	For the three-month period ended March 31, 2019	As at December 31, 2019				
		Fair value		Notional amount: term to maturity		
	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	1,120	755	–	62,300	-	-
b)Cross currency swaps						
– held for trading	(3,619)	–	(3,540)	225,000	-	-
Interest rate contracts						
c)Swap contracts						
– held for trading	(2,049)	537	(1,946)	–	250,000	-
d)Swap contracts						
– cash flow hedges	-	–	(1,615)	–	219,151	-

Table 24 – Financial statement presentation of derivative financial instruments (in $ thousands)

	As at March 31, 2020	As at December 31, 2019
	$	$
Current derivative financial instrument assets[1]	-	755
Non-current derivative financial instrument assets	-	537
Current derivative financial instrument liabilities	(3,249)	(3,540)
Non-current derivative financial instrument liabilities	(16,169)	(3,561)

[1] Included in prepaid expenses and other assets on the interim condensed consolidated statements of financial position.

a) *Forward Foreign Exchange Contracts*

Company

The Company enters into month-end spot rate forward exchange 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.

Forward foreign exchange 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 in the interim condensed consolidated statement of earnings (loss) in accordance with the nature of the hedged item.

The Company recorded a loss of $4.886 million during the three-month period ended March 31, 2020 (gain of $0.901 million during the three-month period ended March 31, 2019) and paid $1.05 million as settlement of contracts that matured during the period (received $0.276 million during the three-month period ended March 31, 2019). The fair value of the forward foreign exchange contracts is a liability of $3.101 million as at March 31, 2020 (asset of $0.735 million as at December 31, 2019).

Subsidiaries

One of the Company's subsidiaries enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in Euros. The subsidiary recorded a loss of $0.168 million and a gain of $0.219 million during the three-month periods ended March 31, 2020 and 2019, respectively. A total of nil was paid during the three-month period ended March 31, 2020 as settlement of the contracts (paid $0.024 million during the three-month period ended March 31, 2019). As at March 31, 2020, the fair value of these contracts was a liability of $0.148 million (an asset of $0.02 million as at December 31, 2019).

b) *Cross currency swaps – held for trading*

Under the terms of the Company's revolving facility (Note 8), the Company can borrow either in US dollars based on US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR 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%. To benefit from interest cost savings, the Company has effectively created, until March 18, 2020, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.90% on $261.143 million (CDOR plus 1.51% on $225 million as at December 31, 2019) by borrowing against the US dollar revolving facility, the equivalent of $261.143 million (US$197 million) ($225 million (US$170.5 million) as at December 31, 2019) at LIBOR plus 2.00%, and swapping it into CDOR plus 1.90% with a one-month cross currency swap.

The objective of this strategy was to provide cost savings without currency risk since the terms of the US LIBOR financing and the cross-currency swap are exactly matched (US dollar notional amount, LIBOR 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 revolving 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 revolving facility (Note 8), and therefore is presented in interest on long-term debt and other financial charges.

The Company recorded a gain of $30.156 million during the three-month period ended March 31, 2020, with no net impact on earnings (loss) as described above (loss of $3.619 million during the three-month period ended March 31, 2019). The fair value of the cross-currency swap contracts was nil as at March 31, 2020, as the contract was settled on March 18, 2020 (a liability of $3.54 million as at December 31, 2019).

c) Interest rate swap contracts – held for trading

The Company enters into interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in Canadian dollars. Interest is settled on a monthly basis.

The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate applied to the notional of each contract. There were no changes to the terms of the other interest rate swap contracts (held for trading) held by the Company during the three-month period ended March 31, 2020.

The net gain or loss on these derivative financial instruments is recognized in the interim condensed consolidated statement of earnings (loss) with interest on long-term debt and other financial charges. The Company recorded a loss of $6.65 million during the three-month period ended March 31, 2020 (loss of $2.049 million during the three-month period ended March 31, 2019). The fair value of the interest rate swap contracts is a liability of $8.059 million as at March 31, 2020 (an asset of $0.537 million and a liability of $1.946 million as at December 31, 2019).

d) Interest rate swap contracts – Cash flow hedges

The Company holds interest rate swap contracts designated as cash flows hedges which satisfy the requirements for hedge accounting. There were no changes to the terms of the contracts held by the Company during the three-month period ended March 31, 2020.

The effective portion of changes in the fair value of these contracts are recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded a loss in other comprehensive income of $5.636 million during the three-month period ended March 31, 2020 (net of income taxes of $0.859 million) (loss of $1.906 million (net of income taxes of $0.291 million) during the three-month period ended March 31, 2019).

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the interim condensed consolidated statement of earnings (loss). There is no ineffective portion on these contracts for the three-month periods ended March 31, 2020 and 2019. The fair value of the interest rate swap contracts designated as cash flow hedges is a liability of $8.11 million as at March 31, 2020 (liability of $1.615 million as at December 31, 2019).

The Company remains exposed to fluctuations in the US base or LIBOR rates on the difference between the US dollar credit facility and the notional amounts of the US dollar interest rate swap contracts. The drawings in US dollars on the credit facility (Note 8) are US$151 million as at March 31, 2020 (US$323.66 million as at December 31, 2019).

e) Call option related to WGAM

On December 1, 2018, Fiera Capital Inc. ("FCI"), wholly-owned subsidiary of the Company, entered into an agreement with Wilkinson Global Capital Partners LLC (the "Partners") by which the Partners have the right, but not the obligation, to purchase all, but not less than all, of the Company's equity interest in WGAM, a wholly owned subsidiary of the Company that manages special client accounts under investment advisory agreements. The call right can be exercised at any time during the period from January 1, 2021 (the call commencement date) until January 1, 2023 (the call expiration date) or on an earlier date at the discretion of FCI. If the Partners do not exercise the call option by the call expiration date or within 30 days of notice, the call option will expire. The call exercise price is designed to represent the fair value of the WGAM business. Since the call option price is based on the estimated fair value of the WGAM business and is not exercisable as at March 31, 2020, this derivative financial instrument has no financial impact on the Company's interim condensed consolidated financial statements.

This MD&A is prepared with reference to the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2020 and 2019. Some of the Company's accounting policies, as required under IFRS, require Management to make subjective, complex judgments and estimates to matters that are inherent to uncertainties.

The fair value of purchase price obligations, the puttable financial instrument liability and the CVRs 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 obligations, puttable financial instrument liability and the CVRs are Level 3 financial liabilities. The Company has used valuation techniques to record the fair value of the liabilities at the reporting date. The Company analyzed the characteristics of the liability being valued, including the circumstances and the information available as at the valuation date and selected the most appropriate valuation technique.

Purchase Price Obligation – CNR

The Company reduced the fair value of the purchase price obligation and recorded a corresponding adjustment of $14.885 million (US$10.658 million) during the three-month period ended March 31, 2020 (nil during the three-month period ended March 31, 2019) in accretion and change in fair value of purchase price obligations. The decrease in fair value was primarily due to a reduction in market value of assets under management as a result of the significant market volatility caused by the COVID-19 global pandemic. In addition, during the three-month period ended March 31, 2020, the Company settled an amount of $9.309 million in cash (nil during the three-month period ended March 31, 2019). The fair value of the CNR purchase price obligation as at March 31, 2020 was $62.198 million (US$43.699 million) and CA$74.054 million (US$57.108 million) as at December 31, 2019.

The discounted cash flow method was used to measure the fair value of the expected future cash flows to be paid to CNR as contingent consideration. The main Level 3 inputs used by the Company to value the purchase price obligations of CNR are derived from the following unobservable inputs and determined as follows:

- Annual revenue growth factors, such as market rate and net contributions rate, are estimated based on internal and external data and publications, economic conditions, and the specific characteristics of the financial liability. A higher annual revenue growth factor will result in a higher fair value. To assess the fair value as at March 31, 2020 the Company used 8.6% and 3.5% for market growth rate and net contributions rate, respectively.
- The risk-adjusted discount rate is determined by adjusting a risk-free rate to reflect the specific risks associated with the financial liability. The discount rate is the input used to bring the future cash flows to their present value. A higher discount rate would result in a lower fair value. To assess the fair value as at March 31, 2020, the Company used a discount rate of 41.2%.

The significant unobservable inputs are annual revenue growth factors, market growth and net contributions, and the risk-adjusted discount rate.

- An increase (decrease) of 350 basis points in the market growth rate would result in an increase (decrease) of approximately $4.27 million (US$ 3.0 million) in the fair value of the purchase price obligation.

- An increase (decrease) of 300 basis points in the net contributions rate would result in an increase (decrease) of approximately $1.993 million (US$ 1.4 million) in the fair value of the purchase price obligation.

- An increase (decrease) of 200 basis points in the risk-adjusted discount rate would result in a decrease (increase) of approximately $2.135 million (US$1.5 million) in the fair value of the purchase price obligation.

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 does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, the market growth and the net contributions and established a reasonable fair value range that could result in a $8.54 million (US$6.0 million) increase or decrease in the fair value of the purchase price obligation as at March 31, 2020 ($7.781 million (US$6.0 million) as at December 31, 2019).

Purchase Price Obligation – Clearwater

The discounted cash flow method was used to measure the fair value of the expected future cash flows to be paid to the sellers as contingent consideration. The Company reduced the fair value of the purchase price obligation and recorded an adjustment of $3.969 million (US$2.788 million) during the three-month period ended March 31, 2020 (nil during the three-month period ended March 31, 2019) in accretion and change in fair value of purchase price obligations. The decrease was primarily due to lower future expected cash flows as a result of increased market volatility caused by the COVID-19 global pandemic. As described in Note 10, in connection with the asset purchase agreement of Clearwater, the Company issued 971,053 Class A Shares for $5.693 million as settlement of the purchase price obligation. The fair value of the Clearwater purchase price obligation as at March 31, 2020 was $39.646 million (US$27.854 million) and $43.753 million (US$33.738 million) as at December 31, 2019.

The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA") forecasts, management's estimates of revenue from cross-selling, and the risk-adjusted discount rate. Company used a discount rate between 10% and 15% (2019 – Between 10% and 15%).

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 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 risk-adjusted discount rate, revenue, EBITDA, and cross-selling forecasts and established a reasonable fair value range between $27.524 million (US$19.338 million) and $41.256 million (US$28.985 million) for its purchase price obligation as at March 31, 2020.

Puttable financial instrument liability and call option – Palmer Capital:

The Company has the right but not the obligation to acquire the 20% non-controlling interest in Palmer Capital. This call right can be exercised by the acquirer on April 30, 2022 or on April 30 of any year thereafter. The non-controlling interest shareholders of Palmer Capital have the right but not the obligation to exercise their put right on the 20% non-controlling interest of Palmer Capital on March 31, 2022 or on March 31 of any year thereafter. If exercised, both the put and the call right would require the Company to acquire the 20% non-controlling interest in Palmer Capital.

The exercise price is the same for both the put and the call rights. The exercise price is a prescribed price calculated based on a multiplier of earnings before interest, taxes and depreciation as defined in the Sale and Purchase Agreement.

The Company decreased the fair value of the purchase price obligation and recorded a gain of $2.145 million (GBP1.244 million) during the three-month period ended March 31, 2020 (nil during the three-month period ended March 31, 2019).

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the non-controlling interest shareholders. The main Level 3 inputs used by the Company to value the puttable financial instrument liability are derived from unobservable inputs of earnings before interest, taxes, depreciation and amortization ("EBITDA") forecasts, and the risk-adjusted discount rate. The company used a discount rate of 13%.

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 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 risk-adjusted discount rate and EBITDA and established a reasonable fair value range between $9.853 million (GBP5.583 million) and $12.991 million (GBP7.361 million) for its purchase price obligation as at March 31, 2020.

Adoption of New IFRS and Changes in Accounting Policies

Revised IFRS, interpretations and Amendments

The following revised standards are effective for annual periods beginning on January 1, 2020. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

Amendments to Hedge Accounting Requirement – IBOR Reform and its Effects on Financial Reporting

On September 26, 2019, the IASB issued amendments for some of its requirements for hedge accounting in IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement*, as well as the related Standard on disclosures, IFRS 7 *Financial Instruments: Disclosures* in relation to Phase 1 of IBOR Reform and its Effects on Financial Reporting project. The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform in the following areas:

- the ‘highly probable’ requirement;
- prospective assessments;
- retrospective assessments (for IAS 39); and
- eligibility of risk components.

Definition of a Business (Amendments to IFRS 3)

On October 22, 2018, the IASB issued amendments to IFRS 3 *Business Combinations*, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

New Standards and Interpretations Not Yet Adopted

No new IFRS were issued during the three-month period ended March 31, 2020 and there are no other standards that are not yet effective that are expected to have a significant impact on the Company’s consolidated financial statements in the current or future reporting periods or on foreseeable future transactions.

Risk Factors

Fiera Capital's business is subject to a number of risk factors that may impact the Company's operating and financial performance. These risks and the management of these risks are detailed in the Company's 2019 Annual MD&A in the section entitled "Risk Factors". Except as set forth in this MD&A, the Company has not identified any material changes to the risk factors affecting its business or in the management of these risks.