FIERA CAPITAL

Management's Discussion and Analysis

FIERA CAPITAL CORPORATION

For the Three and Twelve-Month
Periods Ended December 31, 2019

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Financial Highlights

The following management's discussion and analysis ("MD&A") dated March 18, 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 and twelve-month periods ended December 31, 2019. The following MD&A should be read in conjunction with the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2019 and 2018.

Overview

The Company brought in new flows totalling $4.7 billion during the fourth quarter ended December 31, 2019, significantly greater than the $3.1 billion of client outflows experienced during the quarter. Importantly, by funding strategies in more profitable asset classes, Fiera Capital effectively added assets under management ("AUM") generating higher base management fees than those of AUM redeemed during the quarter.

Furthermore, the four acquisitions completed in 2019 have now been successfully integrated and significantly enhanced the Company's suite of competitive investment strategies. The Company is very proud of its global footprint today as well as the asset class and market diversification it has achieved over the years.

Since founding Fiera Capital 16 years ago, we have been allocating our capital to develop and grow our investment platform. Today, we have a wide range of successful and competitive investment strategies, positioning us better than ever before to differentiate ourselves and serve our clients globally.

2019 was instrumental in positioning Fiera Capital for future growth. We closed four acquisitions on two continents that added expertise and quality assets to our private alternative investments platform, notably in real estate and private debt investments, further solidified our leading position in liability-driven investments and established a strategic partnership with global asset management firm Natixis Investment Managers.

Financial highlights

(in $ billions unless otherwise indicated)

	AUM as at			QoQ Change	YoY Change
	December 31, 2019	September 30, 2019	December 31, 2018		
AUM	**169.7**	164.7	136.7	5.0	33.0

(in $ millions unless otherwise indicated)

	Q4 2019	Q3 2019	Q4 2018	QoQ Change	YoY Change
Revenues	**204.5**	160.0	157.0	44.5	47.5
Net earnings (loss)[1]	**3.4**	(4.7)	(1.7)	8.1	5.1
Adjusted net earnings[1,2]	**42.7**	32.6	28.3	10.1	14.4
Adjusted EBITDA[2]	**61.8**	46.6	39.3	15.2	22.5
Adjusted EBITDA margin[2]	***30.2%***	*29.1%*	*25.1%*	*1.1%*	*5.1%*

[1] Attributable to the Company's Shareholders

[2] Please refer to the "Non-IFRS Measures" Section on page 32 and the reconciliation to net earnings (loss) IFRS measures.

Financial Highlights

AUM reached \$169.7 billion as at December 31, 2019, a \$5.0 billion increase versus September 30, 2019. The sequential increase in AUM stems mainly from market appreciation, which added \$4.8 billion in AUM, as well as new mandates of \$4.7 billion with major wins in Europe and the United States. These were partially offset by lost mandates and net outflows of \$3.1 billion during the quarter, mainly as a result of clients consolidating investment service providers or taking mandates in-house. Foreign exchange rate fluctuation had an unfavourable impact of \$1.4 billion during the fourth quarter of 2019.

The Company generated revenues of \$204.5 million during the fourth quarter of 2019, a \$47.5 million, or 30%, increase from the fourth quarter of 2018. The year-over-year increase in revenues stems mainly from:

- organic growth in Institutional, Private Wealth and Fiera Private Alternative Investments;
- higher performance fees and other revenues; and
- additional revenues from 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 Natixis' Canadian operations ("Natixis Canada" subsequently rebranded to "Fiera Investments").

The Company reported net earnings attributable to the Company's shareholders of \$3.4 million, or \$0.03 per share (basic and diluted) during the fourth quarter of 2019, versus a net loss of \$(1.7) million, or \$(0.02) per share (basic and diluted), for the same quarter of last year. The positive variance is mainly attributable to the increase in revenues mainly due to organic growth and recent acquisitions, partially offset by the rise in overall SG&A expenses in line with the Company's growth, as well as higher interest, amortization and income tax expenses.

Adjusted net earnings for the fourth quarter of 2019 totalled \$42.7 million, or \$0.42 per share (basic) and \$0.41 (diluted), up \$14.4 million from \$28.3 million, or \$0.29 per share (basic and diluted) in the fourth quarter of 2018, mainly as a result of an increase in total revenues from organic growth as well as from the recent acquisitions. This was partly offset by an increase in SG&A expense in line with the Company's growth, the inclusion of various acquisition-related operating expenses, higher interest on long-term debt and on finance leases as well as higher income tax expense.

Adjusted EBITDA increased to \$61.8 million, up \$22.5 million, or 57% year-over-year, as a result of:

- the acquisition of Palmer Capital in April 2019;
- the contributions of Foresters, IAM and Fiera Investments, closed during the third quarter of 2019;
- positive contributions from Fiera Private Alternative Investments from the deployment of capital in real estate, infrastructure and private debt investments;
- organic growth and market appreciation;
- a gain on the forward foreign exchange contracts during the fourth quarter of 2019, versus a loss recorded in the fourth quarter of 2018; as well as
- the shift in lease expense classification from SG&A expenses to financing costs and amortization following the adoption of a new accounting standard related to leases ("IFRS 16 – Leases") on January 1, 2019.

Adjusted EBITDA margin for the fourth quarter of 2019 was 30.2%, up 5.1% versus the 25.1% margin generated in the same period last year.

The Company's next phase of growth is expected to stem from enhancing its distribution capabilities to leverage the robust suite of investment strategies now in place, as well as the further strengthening of its technology platform as Fiera Capital continues to move forward with the development of the global IT and operations infrastructure already underway.

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-twelve-month period ended December 31, 2019, are as follows:

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

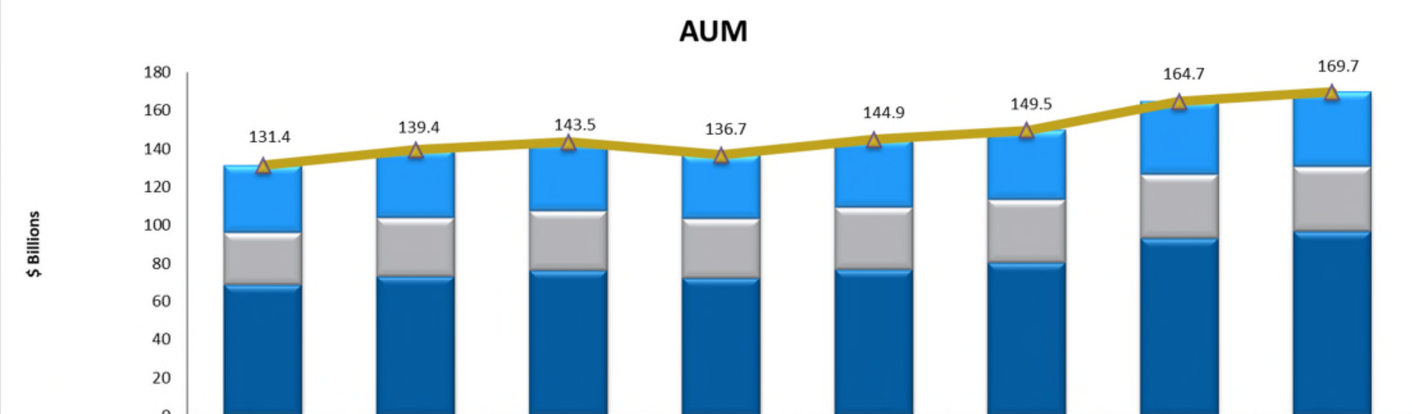
	Last Twelve Months [2]	Q4 Dec. 31 2019	Q3 Sep. 30 2019	Q2 Jun. 30 2019	Q1 Mar. 31 2019	Q4 Dec. 31 2018	Q3 Sep. 30 2018	Q2 Jun. 30 2018	Q1 Mar. 31 2018
AUM	157,182	169,671	164,664	149,531	144,861	136,675	143,475	139,389	131,360
Total revenues	657,170	204,526	159,956	149,904	142,785	156,963	137,109	126,232	119,981
Adjusted EBITDA[1]	192,953	61,752	46,578	45,804	38,817	39,322	36,620	32,703	28,839
Adjusted EBITDA margin[1]	29.4%	30.2%	29.1%	30.6%	27.2%	25.1%	26.7%	25.9%	24.0%
Net earnings (loss) attributable to the Company's shareholders	(13,419)	3,387	(4,740)	(5,513)	(6,553)	(1,709)	995	(2,106)	(2,193)
PER SHARE – BASIC									
Adjusted EBITDA[1]	1.95	0.61	0.46	0.47	0.40	0.41	0.38	0.35	0.32
Net earnings (loss) attributable to the Company's shareholders	(0.14)	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)	(0.02)
Adjusted net earnings (loss)[1] attributable to the Company's shareholders	1.34	0.42	0.32	0.33	0.26	0.29	0.29	0.26	0.24
PER SHARE – DILUTED									
Adjusted EBITDA[1]	1.95	0.60	0.46	0.47	0.40	0.41	0.36	0.35	0.32
Net earnings (loss) attributable to the Company's shareholders	(0.14)	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)	(0.02)
Adjusted net earnings (loss)[1] attributable to the Company's shareholders	1.34	0.41	0.32	0.33	0.26	0.29	0.27	0.26	0.24

[1] Please refer to the "Non-IFRS Measures" Section on page 32.
The quarters of 2019 results include the impacts from the adoption of IFRS 16 *Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements. As is permitted by IFRS 16 *Leases*, comparative information has not been restated and, therefore, may not be comparable.
[2] AUM Last Twelve Months ("LTM'') represents the average of the ending AUM of the last four quarters.

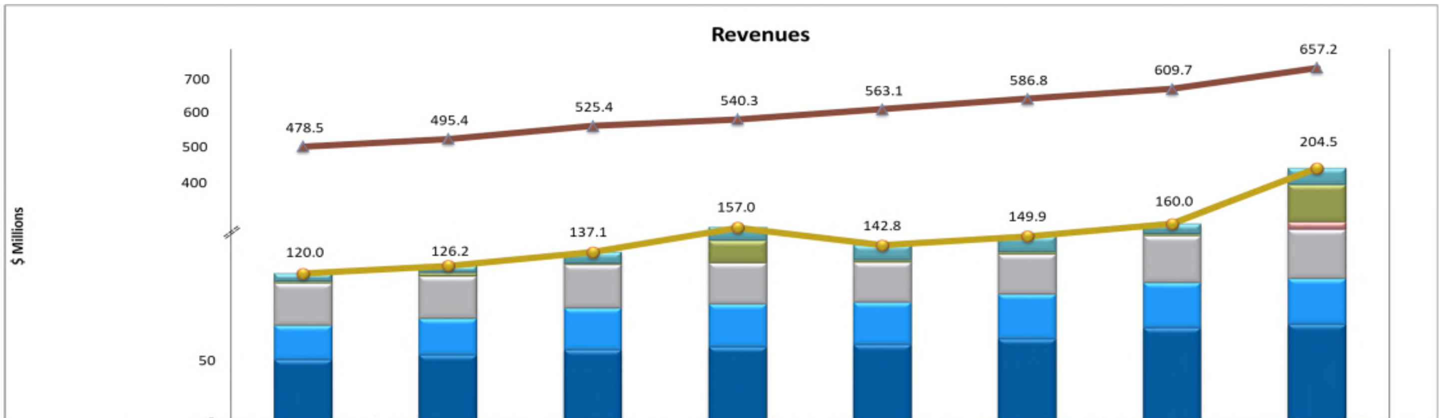
Certain totals, subtotals and percentages may not reconcile due to rounding.

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], as well as the LTM dividend , LTM Adjusted EBITDA[1] as well as LTM Adjusted EBITDA Margin[1].

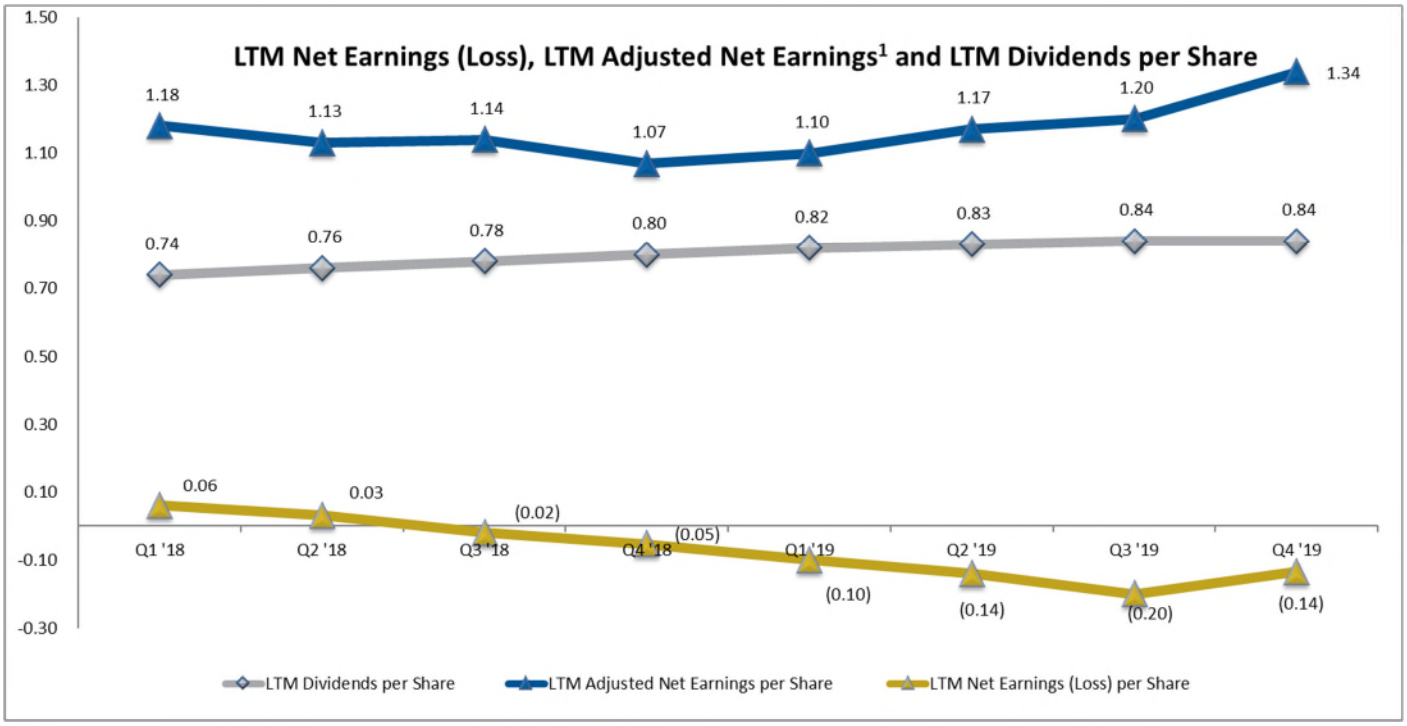


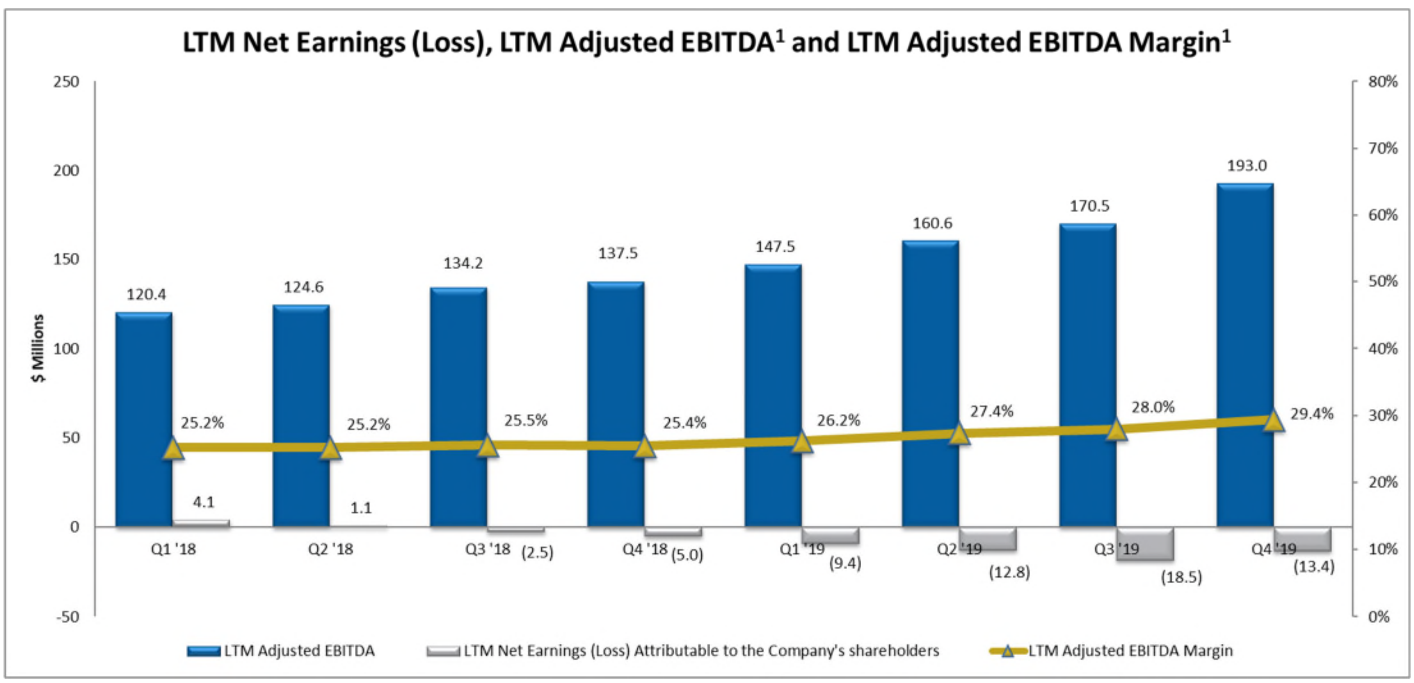
	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19
Retail	35.3	35.7	36.1	33.4	35.7	36.5	38.4	39.5
Private Wealth	27.5	30.6	31.0	31.3	32.7	32.8	33.5	33.9
Institutional	68.6	73.1	76.4	72.0	76.5	80.2	92.8	96.3
Total AUM	131.4	139.4	143.5	136.7	144.9	149.5	164.7	169.7



	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19
Other Revenues	6.3	5.6	9.0	10.6	12.1	12.8	8.1	13.3
Performance Fees	1.5	2.7	1.2	17.8	1.6	1.6	1.6	29.9
Share of earnings in JV	-	-	-	-	-	-	-	6.0
Retail	34.0	34.0	34.6	33.3	32.4	32.1	37.7	39.3
Private Wealth	27.3	29.3	33.6	34.4	33.6	35.9	36.2	36.8
Institutional	50.9	54.7	58.8	60.9	63.1	67.5	76.4	79.2
Total Revenues	120.0	126.2	137.1	157.0	142.8	149.9	160.0	204.5
LTM Revenues	478.5	495.4	525.4	540.3	563.1	586.8	609.7	657.2

Certain totals, subtotals and percentages may not reconcile due to rounding.
[1] Please refer to the "Non-IFRS Measures" Section on page 32.





[1] Please refer to the "Non-IFRS Measures" Section on page 32.

Basis of Presentation and Forward-Looking Statements

Basis of Presentation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2019.

The audited 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.

Subsequent to the acquisition date, 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 32.*

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 $169.7 billion in AUM as at December 31, 2019. 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 expanding international presence, commitment to being both disciplined and entrepreneurial in how it evaluates opportunities, and 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. The Company believes there are multiple approaches to managing stocks, bonds and alternative investments.

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.

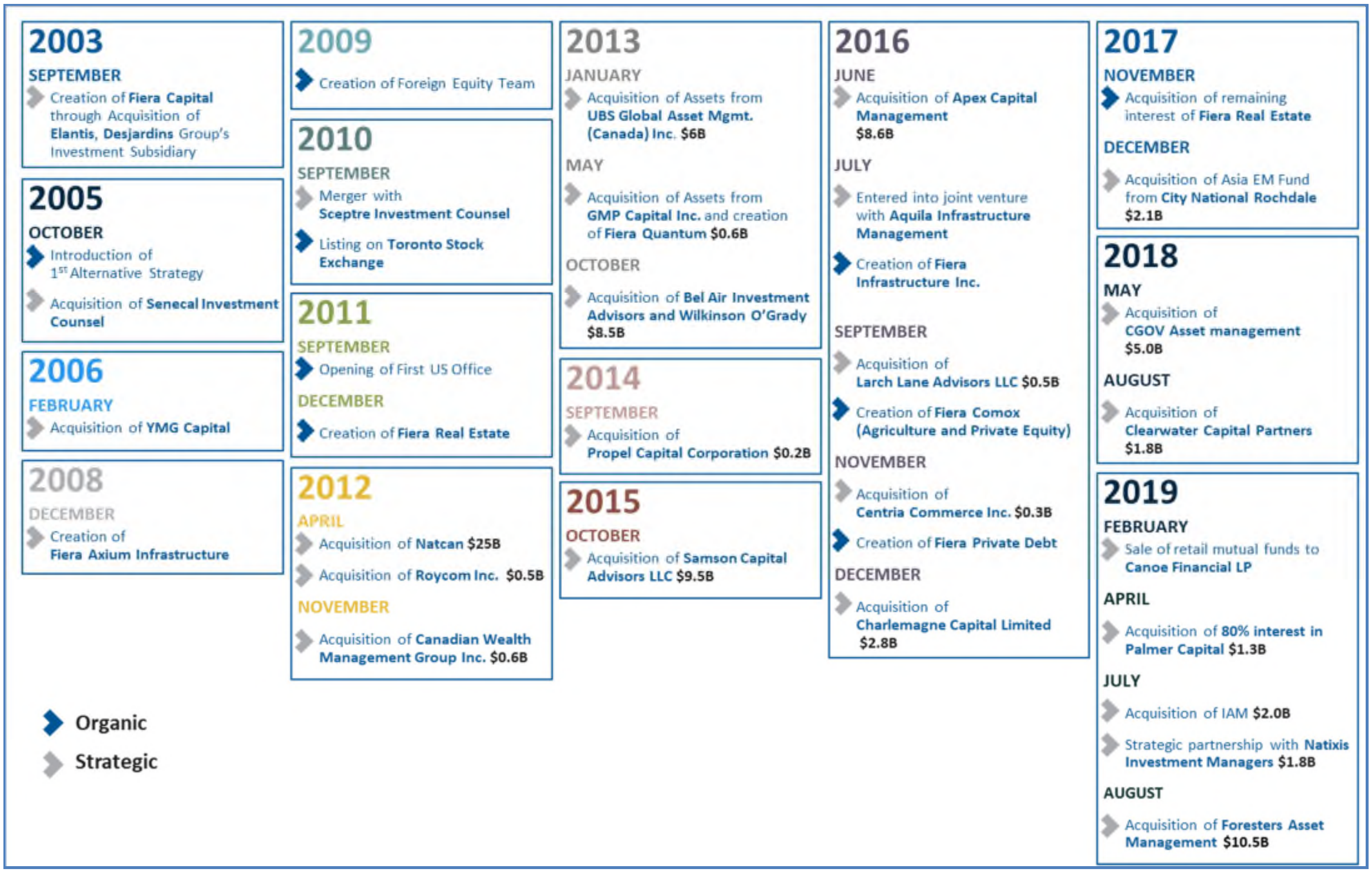
To adapt to the investment landscape's constant evolution, Fiera Capital teams collaborate and seek to draw on the global industry's most innovative and diverse offerings to craft strategies that meet the needs of every client, no matter where they may be located. The Company adheres to the highest governance 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. Until the closing of the Canoe Transaction on February 22, 2019, the Company also managed the Fiera Capital Mutual Funds and currently acts as sub-advisor for certain of such mutual funds.

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.



- **AUM of $169.7 billion as at December 31, 2019, an increase of $5.0 billion, or 3%, from September 30, 2019.** The increase in the current quarter was primarily due to market appreciation and new mandates, which had a favourable impact on AUM of $4.8 billion and $4.7 billion, respectively. New mandates in the current quarter included new institutional global equity mandates won in Europe and the United States which contributed $2.8 billion towards this AUM growth. These increases were partly offset by lost mandates and net outflows of $3.1 billion and the unfavourable impact of foreign exchange rate fluctuations of $1.4 billion in the current quarter.
- **MSCI ESG rating upgraded to 'A' from 'BBB'.** MSCI noted that Fiera Capital continues to lead its industry peers in incorporating ESG principles into its business activities with its responsible investment policies, thereby enabling effective management of ESG risks and opportunities. MSCI's report also made light of the Company's improvements in reinforcing its cybersecurity programs through training provided to its employees.

Market Review – Q4 2019

Over the last year, unnerved investors digested a flurry of geopolitical headlines that sparked fears of a pronounced global slowdown. However, investors finally have reason to breathe a sigh of relief as two major sources of policy-related uncertainty receded substantially in mid-December. Most noteworthy is that the US and China managed to agree on the details of a "phase one" trade accord that averted a fresh onslaught of tariffs and modestly rolled back some existing duties. And across the Atlantic, the likelihood of a disorderly Brexit scenario declined after Prime Minister Boris Johnson secured a solid Conservative majority in the general elections, which has paved the way for a smooth exit in 2020. The good news is that these headwinds that plagued growth and sentiment through 2019 have now translated into tailwinds as we head into the new year. Indeed, it would appear that we are past the point of peak pessimism on the state of the global economy, with some nascent signs that the worst may finally be behind us. While the consumer has been a pivotal source of strength, improving manufacturing results out of the US, Europe, and China have validated our expectations for a reacceleration in global growth after several months of trade-induced angst – while the ceasefire in the US-Sino trade war suggests that further damage to the global economy will be limited from here. Finally, policymakers have stepped-up and pledged their unrelenting support, with the plethora of growth-enhancing efforts from both central banks and governments ultimately proving successful in revitalizing the global economy.

Global equity markets thrived at the end of 2019 amid receding global trade tensions, the increased likelihood of an orderly Brexit scenario, and the plethora of central bank support. Regionally speaking, US equities advanced to record highs, while Canadian equities followed suit and closed out 2019 with the best annual performance in a decade. Looking abroad, international bourses also joined the quarterly ascent, with European stocks posting their best year since 2009. Finally, the animal spirits revived themselves and investors flocked back into the emerging market space that assumed the brunt of the trade-related angst earlier on in the year, with the gauge of emerging market stocks soaring to an 18-month high.

Meanwhile, fixed income markets posted negative results during the fourth quarter. Yield curves bear-steepened, with the biggest upward move taking place in the long-end of the curve, while the short end shifted modestly higher as investors pared their wagers for aggressive central bank easing in response to the improving macroeconomic backdrop. Meanwhile, corporate spreads narrowed even in the wake of lingering geopolitical uncertainties, with corporate bonds outperforming their government peers at the end of 2019.

Economic Outlook – As at March 17, 2020

Financial markets have been rattled by the latest headlines around the novel COVID-19 virus, with investors attempting to gauge the severity of the widening pandemic and the implications for global growth. While the outbreak has slowly been abating in China and businesses have gradually resumed operations, news that the deadly virus has spread outside of China has caused investors to reassess whether the outbreak will be contained in a timely manner.

The coronavirus emerged at a time when the global economy was finally showing some renewed signs of life. Global factory surveys rebounded meaningfully at the end of 2019 and in early 2020, the US economy was firing on all cylinders, and the beleaguered Chinese economy revealed the clearest signs of a cyclical upswing early-on in the new year. In other words, the worst of the factory-driven global economic slump was largely behind us.

Undoubtedly, the outbreak poses some serious downside risks in the near-term amid China's efforts to contain the virus. The economic revival in China has suffered a notable setback and activity data has deteriorated in response to factory closures, restricted mobility, and the blow to the consumer-driven services sector. And the damage hasn't been limited to China, with global firms bracing for supply-chain disruptions and a shock to demand from the world's second largest consumer. What's more, the current economic environment is unusually cloudy because the coronavirus transmission has progressed globally. While the situation in China is promising as drastic containment measures seem to have abated the propagation of the COVID-19, the epicenter of transmission has now moved to Europe - where Italy is the first to suffer a large amount of cases, while cases have also accelerated in the United States. As a result, governments in the developed world are now putting in place more draconian measures to mitigate the spread of the coronavirus, with efforts to contain the virus that include mass quarantines, cancelled events, business closures, and travel restrictions almost certain to restrict economic activity in the near-term.

We continue to closely monitor the latest developments in assessing the impact of the outbreak as it spreads aggressively across the globe, as well as the unprecedented and abrupt hit to global economic activity that comes with. As witnessed across Asia, severe economic pain needs to be assumed in order to ensure that the virus is contained. We are now experiencing this same trade-off across Europe and in North America.

Taken together, the early-2020 rebound in global economic activity has been overwhelmed by the economic impact of the coronavirus. The economy may fall in a recession even though the growth slump is likely to prove temporary as life will go back to normal later in the year following drastic social distancing measures. When the outbreak has been contained, the result should be a sharp recovery as pent-up demand is released, which will be further amplified by the vast amount of fiscal and monetary policy support in place. As it is difficult to predict the duration and magnitude of the pandemic, plenty of uncertainty prevails at this time. It goes without saying that financial markets will remain extremely fragile until there's more visibility surrounding the COVID-19 crisis, setting the stage for near-term volatility as investors weigh the various headlines on the status of the outbreak.

Results

The Company's strategies delivered solid overall performance over the last 5 years and this has held true over the last twelve months as well.

Traditional Fixed Income Strategies

The Company's fixed income strategies generated positive absolute results during the twelve-month period ended December 31, 2019, with the majority of our fixed income teams generally exceeding the returns of their respective benchmarks. Our activities in municipal bonds and our strategies focused on credit performed particularly well.

Private Debt Strategies

The Company's private debt strategies in Canada and Developed Asia continued to deliver high single-digit to low double-digit returns.

Real Assets Strategies

Global Agriculture and Infrastructure have performed according to expectations, delivering high single digit returns and deploying capital rapidly. Canadian and UK Real Estate have delivered attractive returns. Canadian Industrial Real Estate and Core Real Estate have been top performers compared to peers over the last five years.

Equity Strategies

Most of the Company's equity strategies outperformed their benchmarks during the twelve-month period ended December 31, 2019. Our Global Equity team again generated exceptional results and has built an amazing track record over the last 10 years. Our main Canadian Equity team has also built a strong record. Our Emerging Equity strategies have rapidly turned around in 2019 after a more difficult 2018.

Hedge funds

Most of our hedge fund strategies have generated positive returns over the last twelve months.

Non-Traditional Capital Appreciation Strategies

Canadian Real Estate Value Add Strategies, UK Real Estate Value Add Strategies and Private Equity have all delivered very attractive results to clients over the long term as well as over the last twelve months.

Positioning

In the face of a constantly evolving investment environment, our suite of investment strategies has been built to meet the needs of most investors. We believe that our wide-ranging offering can provide the necessary solutions for pension plans, insurers, endowments and foundations, as well as wealthy individuals. In addition, we have also developed a powerful Multi-Asset Class Solutions ("MACS") risk framework to guide decision-making.

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 in an effort to address the evolving wants of investors.

Table 2 – Annualized Rates of Return as at December 31, 2019

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	8.49	0.43	Q2	4.09	0.32	Q2	01/03/2012	FTSE Canada Corporate Universe	CAD
Integrated Fixed Income Universe	7.43	0.56	Q2	3.69	0.52	Q2	01/01/1993	FTSE Canada Universe	CAD
Tactical Fixed Income Universe	6.58	-0.29	Q3	3.22	0.04	Q3	01/01/2000	FTSE Canada Universe	CAD
High Yield Bonds [1]	14.04	1.03	Q1	5.48	0	Q2	01/02/2002	85% Merrill Lynch High Yield Corp B-BB Hedged in CAD, 15% Merrill Lynch High Yield Corp CCC Hedged in CAD	CAD
Preferred Share Opportunistic	2.41	0.13	N/A	3.42*	0.84*	N/A	01/08/2015	SOLACTIVE Preferred Share Laddered Index	CAD
Preferred Shares Relative Value	2.85	-0.63	N/A	0.79	1.09	N/A	01/02/2004	S&P/TSX Preferred Share Index	CAD
Infrastructure Bonds	13.86	0.34	N/A	6.19	0.82	N/A	01/08/2011	FTSE Canada Provincial Long	CAD
Active and Strategic Fixed Income - Active Universe	6.61	-0.26	Q3	4.15*	0.05*	Q3	01/01/2018	FTSE Canada Universe	CAD
Active and Strategic Fixed Income - Strategic Universe	7.43	0.56	Q2	4.5*	0.4*	Q2	01/01/2018	FTSE Canada Universe	CAD
Canadian Total Return Fixed Income	8.66	1.79	Q2	4.24	1.06	Q2	01/02/2001	FTSE CAN Overall Universe	CAD
Short Term Bonds	4.32	1.23	Q2	2.53	0.8	Q1	01/10/2003	FTSE CAN Overall Short Term	CAD
Tax Efficient Core Intermediate (Primary Benchmark)	5.61	-0.02	N/A	2.53	-0.07	N/A	31/03/2007	Bloomberg Barclays 1-10 Year Municipal Index	USD
Tax Efficient Core Intermediate (Secondary Benchmark)	5.61	0.69	N/A	2.53	0.37	N/A	31/03/2007	Bloomberg Barclays 1-10 Year AA+ Municipal Index	USD
Tax Efficient Core Plus	6.59	0.96	N/A	3.13	0.52	N/A	31/12/2012	Bloomberg Barclays 1-10 Year Municipal Index	USD
High Grade Core Intermediate (Primary Benchmark)	6.50	-0.17	N/A	2.64	0.44	N/A	31/12/2004	Bloomberg Barclays Intermediate Aggregate Index	USD
High Grade Core Intermediate (Secondary Benchmark)	6.50	0.05	N/A	2.64	0.25	N/A	01/01/2005	Bloomberg Barclays Intermediate Aggregate Ex CMBS/ABS/BBB Index	USD
Balanced Investment Strategies									
Balanced Core [2]	17.73	2.09	Q1	7.99	1.46	Q1	01/09/1984	Balanced Core Blended	CAD
Balanced Integrated [3]	18.04	2.17	Q1	8.11	1.63	Q1	01/04/2013	Balanced Integrated Blended	CAD
Equity Investment Strategies									
Canadian Equity	23.55	0.68	Q2	9.49	3.21	Q1	01/01/2013	S&P/TSX Composite	CAD
Canadian Equity Core	23.49	0.62	Q2	6.96	0.68	Q3	01/01/1992	S&P/TSX Composite	CAD
Canadian Equity Small Cap Core	28.52	12.68	Q1	5.68	2.5	Q2	01/01/1987	S&P/TSX Small Cap	CAD
Canadian Equity Small Cap	20.90	5.06	Q3	3.09	-0.08	Q4	01/01/1989	S&P/TSX Small Cap	CAD
US Equity	28.09	3.25	Q1	16.88	2.63	Q1	01/04/2009	S&P 500 CAD	CAD
International Equity	25.74	9.89	Q1	13.36	5.28	Q1	01/01/2010	MSCI EAFE Net CAD	CAD
Global Equity	27.77	6.56	Q1	15.87	4.64	Q1	01/10/2009	MSCI World Net CAD	CAD
CGOV Total Equity	18.21	-3.40	Q3	9.84	0.02	Q4	01/04/1999	65% MSCI WORLD / 35% S&P/TSX Composite	CAD
Apex Large Cap Growth	36.26	-0.13	Q2	14.71	0.08	Q2	01/04/2007	Russell 1000 Growth	USD
Apex Mid Cap Growth	26.49	-8.98	Q4	15.58	3.98	Q1	01/05/2008	Russell MidCap Growth	USD
Apex Smid Growth	32.55	-0.08	Q2	9.63	-1.20	Q3	01/01/1990	Russell 2500 Growth	USD
Apex Small Cap Growth	36.64	8.21	Q1	7.61	-1.70	Q4	01/01/2006	Russell 2000 Growth	USD
Emerging Markets Select	23.45	5.03	Q1	5.95	0.34	Q3	14/12/2011	MSCI Emerging Markets NR USD	USD
Emerging Markets Core Growth	22.45	4.01	Q2	7.03	1.42	Q1	01/08/2003	MSCI Emerging Markets Index	USD
Emerging Markets Growth & Income	21.92	3.49	Q2	5.79	0.18	Q3	01/07/2010	MSCI Emerging Markets Index	USD
Frontier Markets	17.90	-0.09	Q1	10.90	8.20	Q1	01/07/2010	MSCI Frontier Markets Index	USD
Hedge Funds - Liquid Strategies									
North American Market Neutral Fund	4.56	-	N/A	2.87	-	N/A	01/10/2007	Absolute Return	CAD
Long / Short Equity Fund	9.78	-	N/A	4.78	-	N/A	01/08/2010	Absolute Return	CAD
Multi-Strategy Income Fund	5.92	-	N/A	4.23	-	N/A	01/11/2009	Absolute Return	CAD
Charlemagne OCCO Eastern European Fund	7.02	-	N/A	6.84	-	N/A	01/01/2002	Absolute Return	USD
OAKS Emerging & Frontier Opportunities Fund	12.97	-	Q2	7.52	-	Q1	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 December 31, 2019 (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	7.86	-	N/A	6.75	-	N/A	01/04/2008	Absolute Return	CAD
Global Diversified Lending Master Fund, L.P.	9.34	-	N/A	9.47	-	N/A	01/06/2018	Absolute Return	CAD
Fiera FP Real Estate Financing Fund, L.P.	7.58	-	N/A	7.05	-	N/A	22/11/2006	Absolute Return	CAD
Fiera FP Business Financing Fund, L.P.	7.83	-	N/A	9.39	-	N/A	06/11/2013	Absolute Return	CAD
Fiera Private Debt Fund V	7.11	-	N/A	5.52	-	N/A	01/04/2016	Absolute Return	CAD
Fiera Infrastructure Debt Fund LP	3.08	-	N/A	5.37	-	N/A	01/02/2017	Absolute Return	CAD
Asian Credit									
Clearwater Capital Partners Fund V [1]	N/A	-	N/A	8.62	-	N/A	01/02/2017	Absolute Return	USD
Clearwater Capital Direct Lending Opportunities Fund, L.P.	12.52	-	N/A	11.85	-	N/A	01/08/2018	Absolute Return	USD
Clearwater Capital Yield Fund, L.P. [1]	N/A	-	N/A	17.11	-	N/A	01/11/2018	Absolute Return	USD
Real Estate									
Fiera Real Estate CORE Fund L.P.	8.57	-	N/A	7.98	-	N/A	01/04/2013	Absolute Return	CAD
Fiera Real Estate Small Cap Industrial Fund LP	13.21	-	N/A	12.24	-	N/A	01/02/2014	Absolute Return	CAD
Palmer Capital Development Fund III, L.P. [2]	N/A	-	N/A	12.10	-	N/A	01/06/2014	Absolute Return	GBP
Fiera Real Estate Long Income Fund (UK), L.P.	1.86	-	N/A	6.74	-	N/A	01/08/2009	Absolute Return	GBP
Fiera FP Mezzanine Financing Fund, L.P.	10.75	-	N/A	10.96	-	N/A	21/07/2015	Absolute Return	CAD
Fiera Real Estate CORE Mortgage Fund	4.91	-	N/A	5.56	-	N/A	01/12/2017	Absolute Return	CAD
Infrastructure									
EagleCrest Portfolio Holdings LP [1]	12.74	-	N/A	10.96	-	N/A	01/01/2016	Absolute Return	CAD
Private Equity									
Glacier Global Private Equity Fund I L.P. [3]	18.80	-	N/A	18.00	-	N/A	01/09/2018	Absolute Return	CAD
Agriculture									
Global Agriculture Open-End Fund L.P. [3]	8.20	-	N/A	8.30	-	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, net of management fees, performance fees, fund operating expenses*
3. *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*

Table 3 – Consolidated Statements of Earnings (Loss) for the three-month periods ended December 31, 2019 and 2018, and September 30, 2019

STATEMENTS OF EARNINGS (LOSS) (in $ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2019	SEPTEMBER 30, 2019	DECEMBER 31, 2018	VARIANCE QUARTER OVER QUARTER FAV/(UNF) [2]	YEAR OVER YEAR FAV/(UNF) [2]
Revenues					
Base management fees	155,304	150,316	128,561	4,988	26,743
Performance fees - Traditional Assets	16,139	1,354	8,309	14,785	7,830
Performance fees - Alternative Assets	13,779	210	9,498	13,569	4,281
Share of earnings in joint ventures and associates	6,047	-	-	6,047	6,047
Other revenues	13,257	8,076	10,595	5,181	2,662
	204,526	159,956	156,963	44,570	47,563
Expenses					
Selling, general and administrative expenses	147,876	116,905	122,440	(30,971)	(25,436)
External managers	1,804	1,849	560	45	(1,244)
Amortization of intangible assets	14,412	13,525	12,468	(887)	(1,944)
Depreciation of property and equipment	1,504	1,403	1,179	(101)	(325)
Depreciation of right-of-use assets	5,412	4,892	-	(520)	(5,412)
Restructuring, integration and other costs	6,812	3,577	3,399	(3,235)	(3,413)
Acquisition costs	(391)	2,306	2,966	2,697	3,357
Realized and unrealized (gain) loss on investments	(550)	140	(171)	690	379
(Gain) loss on lease modifications and other	-	(114)	-	(114)	-
(Gain) loss on disposal of property and equipment	121	(199)	55	(320)	(66)
(Gain) loss on disposal of intangible assets	-	-	26	-	26
Interest on lease liabilities	1,425	1,393	-	(32)	(1,425)
Interest on long-term debt and other financial charges	8,870	8,865	10,147	(5)	1,277
Accretion and change in fair value of purchase price obligations	8,052	8,801	8,332	749	280
Revaluation of puttable financial instrument liability	336	317	-	(19)	(336)
Revaluation of assets held-for-sale	-	-	191	-	191
Total expenses	195,683	163,660	161,592	(32,023)	(34,091)
Earnings (loss) before income taxes	8,843	(3,704)	(4,629)	12,547	13,472
Income tax expense	3,589	889	(3,056)	(2,700)	(6,645)
Net earnings (loss)	5,254	(4,593)	(1,573)	9,847	6,827
Attributable to:					
Company's shareholders	3,387	(4,740)	(1,709)	8,127	5,096
Non-controlling interest	1,867	147	136	1,720	1,731
Net earnings (loss)	5,254	(4,593)	(1,573)	9,847	6,827
BASIC PER SHARE					
Adjusted EBITDA[1]	0.61	0.46	0.41	0.15	0.20
Net earnings (loss)	0.03	(0.05)	(0.02)	0.08	0.05
Adjusted net earnings[1]	0.42	0.32	0.29	0.10	0.13
DILUTED PER SHARE					
Adjusted EBITDA[1]	0.60	0.46	0.41	0.14	0.19
Net earnings (loss)	0.03	(0.05)	(0.02)	0.08	0.05
Adjusted net earnings[1]	0.41	0.32	0.29	0.09	0.12

[1] Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 32. The 2019 three-month periods results include the impacts from the adoption of IFRS 16 *Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements. As is permitted by IFRS 16 *Leases*, comparative information has not been restated and, therefore, may not be comparable.

[2] FAV: Favourable - UNF: Unfavourable - Certain totals, subtotals and percentages may not reconcile due to rounding.

Table 4 – Consolidated Statements of Earnings (Loss) for the twelve-month periods ended December 31, 2019 and 2018

STATEMENTS OF EARNINGS (LOSS) (in $ thousands except per share data)	FOR THE TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2019	DECEMBER 31, 2018	VARIANCE YEAR OVER YEAR FAV/(UNF) [2]
Revenues			
Base management fees	570,256	485,624	84,632
Performance fees - Traditional Assets	20,246	13,680	6,566
Performance fees - Alternative Assets	14,397	9,422	4,975
Share of earnings in joint ventures and associates	6,047	-	6,047
Other revenues	46,224	31,559	14,665
	657,170	540,285	116,885
Expenses			
Selling, general and administrative expenses	484,397	425,924	(58,473)
External managers	4,084	1,845	(2,239)
Amortization of intangible assets	52,975	44,813	(8,162)
Depreciation of property and equipment	5,207	4,235	(972)
Depreciation of right-of-use assets	19,923	-	(19,923)
Restructuring, integration and other costs	14,539	7,586	(6,953)
Acquisition costs	10,292	11,086	794
Realized and unrealized (gain) loss on investments	(856)	(145)	711
(Gain) loss on lease modifications and other	(114)	-	114
Loss on disposal of assets, intangible assets and property and equipment	222	82	(140)
Interest on lease liabilities	5,390	-	(5,390)
Interest on long-term debt and other financial charges	31,841	25,355	(6,486)
Accretion and change in fair value of purchase price obligations	29,980	24,497	(5,483)
Revaluation of puttable financial instrument liability	1,003	-	(1,003)
Revaluation of assets held-for-sale	(699)	191	890
Total expenses	658,184	545,469	(112,715)
Earnings (loss) before income taxes	(1,014)	(5,184)	4,170
Income tax expense	9,692	(429)	(10,121)
Net earnings (loss)	(10,706)	(4,755)	(5,951)
Attributable to:			
Company's shareholders	(13,419)	(5,013)	(8,406)
Non-controlling interest	2,713	258	2,455
Net earnings (loss)	(10,706)	(4,755)	(5,951)
BASIC PER SHARE			
Adjusted EBITDA[1]	1.95	1.45	0.50
Net earnings (loss)	(0.14)	(0.05)	(0.09)
Adjusted net earnings[1]	1.34	1.07	0.27
DILUTED PER SHARE			
Adjusted EBITDA[1]	1.95	1.45	0.50
Net earnings (loss)	(0.14)	(0.05)	(0.09)
Adjusted net earnings[1]	1.34	1.07	0.27

[1] Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 32. The current period results include the impacts from the adoption of IFRS 16 *Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements. As is permitted by IFRS 16 *Leases*, comparative information has not been restated and, therefore, may not be comparable.

[2] FAV: Favourable - UNF: Unfavourable.

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

Table 5 - Selected Consolidated Statements of Financial Position Information (in $ thousands)

	AS AT DECEMBER 31, 2019	AS AT DECEMBER 31, 2018
Cash and cash equivalents, restricted cash, investments	107,024	58,335
Trade and other receivables	177,013	148,459
Other current assets	16,753	50,654
Total current assets	300,790	257,448
Goodwill	687,899	631,699
Intangible assets	516,880	529,062
Right-of-use assets	123,392	-
Other non-current assets	77,931	42,398
Total assets	1,706,892	1,460,607
Accounts payable and accrued liabilities	207,447	144,059
Other current liabilities	63,245	46,260
Total current liabilities	270,692	190,319
Long-term debt	446,699	421,139
Lease liabilities	129,228	-
Convertible debt	185,793	79,008
Purchase price obligations	90,732	98,221
Puttable financial instrument liability	13,997	-
Deferred income taxes	14,041	12,489
Other non-current liabilities	11,874	25,705
Total liabilities	1,163,056	826,881
Equity		
Attributable to Company’s shareholders	542,811	632,958
Attributable to Non-controlling interest	1,025	768
	543,836	633,726
Total liabilities and equity	1,706,892	1,460,607

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 6, 7 and 8) provide a summary of changes in the Company's assets under management.

Table 6 – Assets under Management[1] (in $ millions)

	FOR THE THREE-MONTH PERIODS ENDED		
	DECEMBER 31, 2019	SEPTEMBER 30, 2019	DECEMBER 31, 2018
AUM - beginning of period	164,664	149,531	143,475
Net variance	5,007	123	(6,800)
Acquisitions	-	15,010	-
AUM - end of period	169,671	164,664	136,675
Average AUM	167,993	161,223	137,995

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

Table 7 – Assets under Management by Clientele Type – Quarterly Activity Continuity Schedule (in $ millions)

	SEPTEMBER 30, 2019	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITIONS / ADJUSTMENT	DECEMBER 31, 2019
Institutional	92,826	3,629	(2,010)	(25)	1,881	(595)	592	96,298
Private Wealth	33,446	551	(314)	(248)	947	(544)	-	33,838
Retail	38,392	538	(323)	(194)	1,942	(228)	(592)	39,535
AUM - end of period	164,664	4,718	(2,647)	(467)	4,770	(1,367)	-	169,671

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

Quarterly Activities

Total AUM were $169.7 billion as at December 31, 2019, representing an increase of $5.0 billion, or 3%, versus $164.7 billion as at September 30, 2019. The increase in AUM is due primarily to new mandates of $4.7 billion won during the period, mostly in Europe and the USA, combined with market appreciation of $4.8 billion. These increases in AUM were partially offset by lost mandates of $2.6 billion and negative net contributions of $0.5 billion during the fourth quarter of 2019. Finally, the foreign exchange rate fluctuation had an unfavourable impact on the Company's AUM of approximately $1.4 billion during the fourth quarter of 2019.

AUM managed on behalf of Institutional clientele were $96.3 billion as at December 31, 2019, representing an increase of $3.5 billion, or 4%, versus $92.8 billion from the quarter ended September 30, 2019. The increase in AUM was driven mainly by new mandates and inflows of $3.6 billion managed primarily on behalf of European and US clients, as well as market appreciation of $1.9 billion. The increase in AUM was partially offset by lost mandates of $2.0 billion during the quarter, mostly as a result of clients consolidating investment service providers globally, further pursuing de-risking strategies as well as taking the management of their mandates in-house. Finally, the foreign exchange rate fluctuation had an unfavourable impact on the Company's AUM during the three-month period ended December 31, 2019, of approximately $0.6 billion.

The AUM related to the Private Wealth clientele were $33.9 billion as at December 31, 2019, representing an increase of $0.4 billion, or 1.2%, versus $33.5 billion from the previous quarter ended September 30, 2019. The increase is primarily due to new mandates of $0.6 billion mainly from Canadian activities and market appreciation of $0.9 billion, partially offset by lost mandates of $0.3 billion during the period. Finally, the foreign exchange rate fluctuation had an unfavourable impact on the Company's AUM during the three-month period ended December 31, 2019, of approximately $0.5 billion.

The AUM related to the Retail clientele were $39.5 billion as at December 31, 2019, representing an increase of $1.1 billion, or 3%, versus $38.4 billion from the previous quarter ended September 30, 2019. The increase is primarily due to market appreciation of $1.9 billion, combined with new mandates of $0.5 billion won during the quarter mainly in Europe. The increase in AUM was partially offset by lost mandates of $0.3 billion mainly due to clients pursuing their de-risking strategies, and negative net contributions of $0.2 billion during the period. Finally, the foreign exchange rate fluctuation had an unfavourable impact on the Company's AUM during the three-month period ended December 31, 2019, of approximately $0.2 billion.

Table 8 – Assets under Management by Clientele Type – Year-to-Date Activity Continuity Schedule (in $ millions)

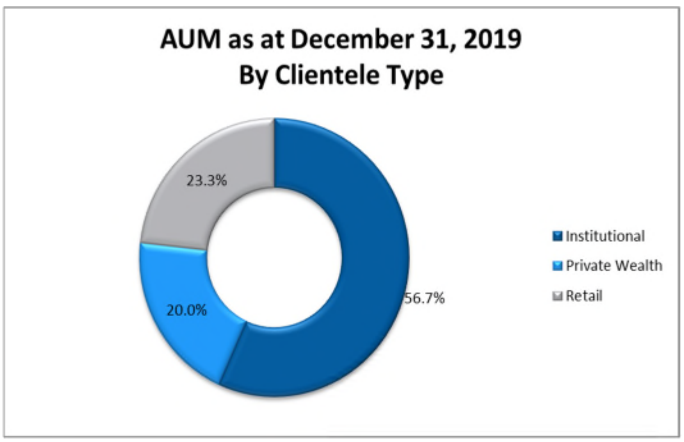
	DECEMBER 31, 2018	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITIONS / ADJUSTMENT	DECEMBER 31, 2019
Institutional	71,958	8,847	(7,216)	(1,333)	10,896	(1,363)	14,509	96,298
Private Wealth	31,317	2,296	(1,191)	(354)	3,201	(1,453)	22	33,838
Retail	33,400	1,362	(1,465)	(116)	5,648	(510)	1,216	39,535
AUM - end of period	136,675	12,505	(9,872)	(1,803)	19,745	(3,326)	15,747	169,671

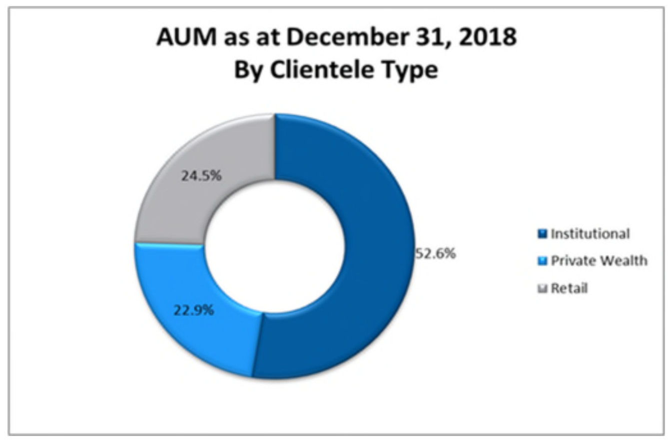
Certain totals, subtotals and percentages may not reconcile due to rounding.

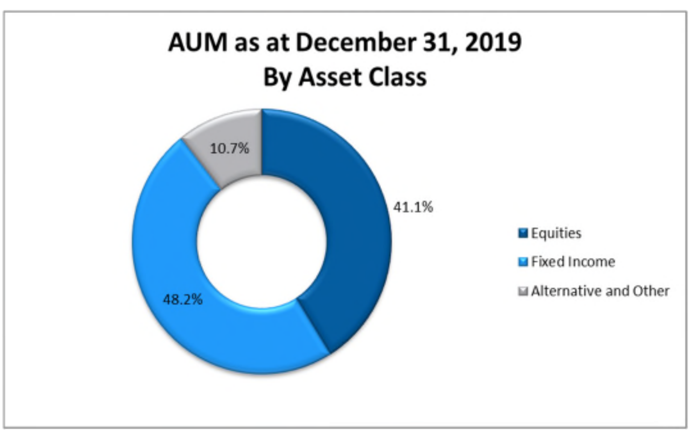
Year-to-Date Activity

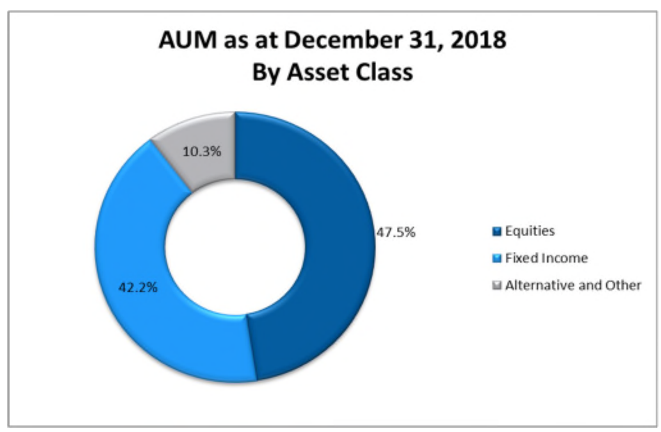
Total AUM were $169.7 billion as at December 31, 2019, representing an increase of $33.0 billion, or 24%, versus $136.7 billion as at December 31, 2018. The higher AUM are due primarily to market appreciation of $19.7 billion, combined with the acquisitions of Palmer Capital, IAM and Foresters and the creation of Fiera Investments following the acquisition of Natixis Canada, bringing $15.7 billion in AUM, and new mandates of $12.5 billion won during the period, mainly in the institutional and private wealth sectors. These increases in AUM were partially offset by lost mandates of $9.9 billion as a result of clients consolidating investment service providers or pursuing other asset classes, and negative net contributions of $1.8 billion. Foreign exchange rate fluctuations had an unfavourable impact on the Company's AUM of approximately $3.3 billion during the twelve-month period ended December 31, 2019.

The following graphs illustrate the breakdown of the Company's AUM by clientele type and by asset class as at December 31, 2019, and December 31, 2018, respectively.









Revenues

The Company's revenues consist of (i) management fees, (ii) performance fees, (iii) share of earnings in joint ventures and associates, and (i) 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 as the Company has ownership interests in a number of individually insignificant joint ventures and associates. Other revenues are comprised mainly of brokerage and consulting fees which are not AUM-driven, as well as gains or losses on the foreign exchange forward contracts.

Table 9 – Revenues: Quarterly Activity (in $ thousands)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2019	SEPTEMBER 30, 2019	DECEMBER 31, 2018	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	79,150	76,394	60,926	2,756	18,224
Private Wealth	36,817	36,167	34,341	650	2,476
Retail	39,337	37,755	33,294	1,582	6,043
Total management fees	155,304	150,316	128,561	4,988	26,743
Performance fees – Traditional asset class	16,139	1,354	8,309	14,785	7,830
Performance fees – Alternative asset class	13,779	210	9,498	13,569	4,281
Total performance fees	29,918	1,564	17,807	28,354	12,111
Share of earnings in joint ventures and associates	6,047	-	-	6,047	6,047
Other revenues	13,257	8,076	10,595	5,181	2,662
Total revenues	204,526	159,956	156,963	44,570	47,563

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

Current Quarter versus Prior-Year Quarter

Revenues for the fourth quarter ended December 31, 2019, were $204.5 million, representing an increase of $47.5 million, or 30%, versus $157.0 million for the same period last year. The increase in revenues is mainly due to organic growth, combined with the acquisition of an 80% interest in Palmer Capital in April 2019, and most recently the creation of Fiera Investments following the acquisition of Natixis Canada and the acquisition of IAM (July 2019) and Foresters (August 2019), higher other revenues (detailed below) as well as higher performance fees.

Management Fees

Management fees were $155.3 million for the fourth quarter ended December 31, 2019, representing an increase of $26.7 million, or 21%, versus $128.6 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 $79.2 million for the fourth quarter ended December 31, 2019, representing an increase of $18.3 million, or 30%, versus $60.9 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, as well as from higher AUM due to new mandates from the US, Canada and Europe, mainly in the Global Equity strategy, combined with additional revenues from the Palmer Capital, IAM and Foresters acquisitions.

› Management fees from the Private Wealth clientele were $36.8 million for the fourth quarter ended December 31, 2019, representing an increase of $2.5 million, or 7%, versus $34.3 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 $39.3 million for the fourth quarter ended December 31, 2019, representing an increase of $6.0 million, or 18%, versus $33.3 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 $29.9 million for the fourth quarter ended December 31, 2019, versus $17.8 million for the same period last year, mainly due to strong performance and higher volume.

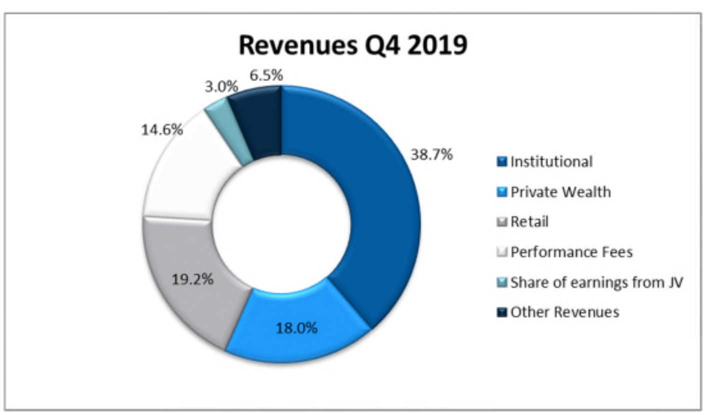
Share of Earnings from Joint Ventures and Associates

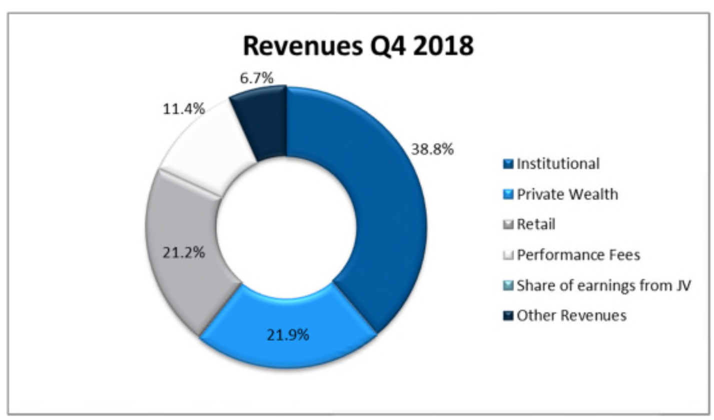
The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. The Company recorded $6.0 million in share of earnings in joint ventures and associates for the fourth quarter ended December 31, 2019, primarily related to the Palmer Capital acquisition, versus nil for the corresponding quarter of 2018.

Other Revenues

Other revenues were $13.3 million for the fourth quarter ended December 31, 2019, representing an increase of $2.7 million, or 25%, versus $10.6 million for the same period last year. The increase is mainly due to a gain on the forward foreign exchange contracts of $1.1 million, versus a loss of ($3.5) million for the same period last year, partially offset by lower other revenues mainly from Canada due to the impact of the adoption of IFRS 15 presenting gross revenue as opposed to a net basis under SG&A expenses.

The following graphs illustrate the breakdown of the Company's revenues for the three-month periods ended December 31, 2019, and December 31, 2018, respectively.





Current Quarter versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2019, were $204.5 million, representing an increase of $44.5 million, or 28%, versus $160.0 million for the previous quarter ended September 30, 2019. The increase in revenues is mainly due to higher performance fees in both traditional and alternative asset classes, combined with higher other revenues and base management fees resulting from a higher AUM base.

Management Fees

Management fees were $155.3 million for the fourth quarter ended December 31, 2019, representing an increase of $5.0 million, or 3%, versus $150.3 million for the previous quarter ended September 30, 2019. The following is the breakdown of the management fees by clientele type:

› Management fees from the Institutional clientele were $79.2 million for the fourth quarter ended December 31, 2019, representing an increase of $2.8 million, or 4%, versus $76.4 million for the previous quarter ended September 30, 2019. The sequential increase is primarily due to higher revenues from Canadian, European and US activities.

› Management fees from the Private Wealth clientele were $36.8 million for the fourth quarter ended December 31, 2019, representing an increase of $0.6 million, or 2%, versus $36.2 million for the previous quarter ended September 30, 2019, mainly due to US activities.

› Management fees from the Retail clientele were $39.3 million for the fourth quarter ended December 31, 2019, representing an increase of $1.5 million, or 4%, versus $37.8 million for the previous quarter ended September 30, 2019. The increase is mainly due to US and Canadian activities, resulting from a higher AUM base.

Performance Fees

Performance fees were $29.9 million for the fourth quarter ended December 31, 2019, versus $1.6 million for the previous quarter ended September 30, 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 $6.0 million in share of earnings in joint ventures and associates for the fourth quarter ended December 31, 2019, mostly related to the Palmer Capital acquisition, versus nil for the previous quarter ended September 30, 2019.

Other Revenues

Other revenues were $13.3 million for the fourth quarter ended December 31, 2019, representing an increase of $5.2 million, or 64%, versus $8.1 million for the previous quarter ended September 30, 2019. The increase is mainly due to higher other revenues from Fiera Private Alternative Investments, combined with a gain on the forward foreign exchange contracts of $1.1 million, versus a loss of ($0.9) million for the previous quarter ended September 30, 2019.

Table 10 – Revenues: Year-to-Date Activity (in $ thousands)

	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2019	DECEMBER 31, 2018	YEAR OVER YEAR
Institutional	286,108	225,229	60,879
Private Wealth	142,532	124,505	18,027
Retail	141,616	135,890	5,726
Total management fees	570,256	485,624	84,632
Performance fees – Traditional asset class	20,246	13,680	6,566
Performance fees – Alternative asset class	14,397	9,422	4,975
Total performance fees	34,643	23,102	11,541
Share of earnings in joint ventures and associates	6,047	-	6,047
Other revenues	46,224	31,559	14,665
Total revenues	657,170	540,285	116,885

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

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

Revenues for the twelve-month period ended December 31, 2019, were $657.2 million, representing an increase of $116.9 million, or 22%, versus $540.3 million for the same period last year. The year-over-year increase in revenues is mainly due to additional revenues from the acquisitions of CGOV Asset Management ("CGOV"), Clearwater, Palmer Capital and IAM, the creation of Fiera Investments following the acquisition of Natixis Canada, combined with organic growth resulting from continued enhancement to our distribution capabilities, mostly from the institutional and private wealth sectors as well as growth in Fiera Private Alternative Investments, as well as higher performance fees from both traditional and alternative asset classes.

Management Fees

Management fees for the twelve-month period ended December 31, 2019, were $570.3 million, representing an increase of $84.7 million, or 17%, versus $485.6 million for the same period last year. The overall increase in management fees and the increase by clientele type are as follows:

- Revenues from the Institutional clientele for the twelve-month period ended December 31, 2019, were $286.1 million, representing an increase of $60.9 million, or 27%, versus $225.2 million for the same period last year. The increase in base management fees is mainly due to additional revenues following the acquisitions of CGOV, Clearwater, Palmer Capital, IAM and Foresters, combined with organic growth resulting from higher AUM from new mandates in Global Equity and Fiera Private Alternative Investments.

- Revenues from the Private Wealth clientele for the twelve-month period ended December 31, 2019, were $142.5 million, representing an increase of $18.0 million, or 14%, versus $124.5 million for the same period last year. The increase was primarily due to organic growth as a result of continued enhancement to our distribution capabilities mostly in the US, combined with additional revenues from the CGOV acquisition.

- Revenues from the Retail clientele for the twelve-month period ended December 31, 2019, were $141.6 million, representing a decrease of $5.7 million, or 4.2%, versus $135.9 million for the same period last year. The increase is mainly attributable to additional revenues from the creation of Fiera Investments following the acquisition of Natixis Canada, as well as higher management fees from US activities, partially offset by lower revenues from European and Canadian activities.

Performance Fees

Total performance fees were $34.6 million for the twelve-month period ended December 31, 2019, versus $23.1 million for the same period last year, reflecting an increase in both traditional and alternative asset classes.

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 $6.0 million in share of earnings in joint ventures and associates for the twelve-month period ended December 31, 2019, mostly related to the Palmer Capital acquisition, versus nil for the corresponding period of 2018.

Other Revenues

Other revenues were $46.2 million for the twelve-month period ended December 31, 2019, representing an increase of $14.6 million, or 46%, versus $31.6 million for the same period last year. The increase is mostly due to a gain of $2.2 million on the forward foreign exchange contracts on revenues denominated in US dollars in 2019, versus a loss of ($5.3) million in 2018, combined with higher other revenues from Fiera Private Alternative Investments and higher other income from US activities during 2019 versus 2018.

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

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expenses were $149.7 million for the three-month period ended December 31, 2019, representing an increase of $26.7 million, or 22%, versus $123.0 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. The increases were partially offset by the impact of adopting IFRS 16, *Leases* on January 1, 2019 which resulted in lease expenses which were previously treated as SG&A expenses being accounted for as financing costs and amortization expense.

Current Quarter versus Previous Quarter

SG&A and external managers' expenses were $149.7 million for the three-month period ended December 31, 2019, representing an increase of $30.9 million, or 26%, versus $118.8 million for the previous quarter ended September 30, 2019. The increase is mainly attributable to higher variable compensation expense in line with an increase in revenues and year-end compensation accruals as a result of strong 2019 investment performance combined with higher expenses following recent acquisitions.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

SG&A and external managers' expenses were $488.5 million for the twelve-month period ended December 31, 2019, representing an increase of $60.7 million, or 14%, versus $427.8 million for the same period last year. The increase in costs is attributable to the higher volume of operations following the Company's global growth and acquisitions, partially offset by the impact of adopting IFRS 16 *Leases* effective January 1, 2019.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was $1.5 million for the fourth quarter ended December 31, 2019, versus $1.2 million during the same period last year. The increase is primarily due to higher depreciation on leasehold improvements associated with the Company's new headquarters office space in 1981 McGill College Avenue..

Amortization of intangible assets was $14.4 million during the fourth quarter ended December 31, 2019, representing an increase of $1.9 million, or 15%, versus $12.5 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 adoption of IFRS 16 *Leases* was $5.4 million for the fourth quarter ended December 31, 2019, versus nil for the corresponding quarter last year.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained consistent at $1.5 million for the fourth quarter ended December 31, 2019, versus $1.4 million from the previous quarter ended September 30, 2019.

Amortization of intangible assets was $14.4 million for the fourth quarter ended December 31, 2019, representing an increase of $0.9 million, or 7%, versus $13.5 million for the previous quarter ended September 30, 2019. The increase is mainly due to the inclusion of Fiera Investments, IAM and Foresters.

Depreciation of right-of-use assets related to the adoption of IFRS 16 *Leases* was $5.4 million for the fourth quarter ended December 31, 2019, versus $4.9 million from the previous quarter ended September 30, 2019.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

Depreciation of property and equipment was $5.2 million for the twelve-month period ended December 31, 2019, versus $4.2 million for the same period last year. The increase is principally due to depreciation on leasehold improvements.

Amortization of intangible assets was $53.0 million for the twelve-month period ended December 31, 2019, representing an increase of $8.2 million, or 18%, versus $44.8 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 adoption of IFRS 16 *Leases* was $19.9 million for the twelve-month period ended December 31, 2019, versus nil for the comparable period ended December 31, 2018.

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 $8.9 million for the fourth quarter ended December 31, 2019, representing a decrease of $1.2 million, or 12%, versus $10.1 million for the same quarter last year. The decrease is mainly due to the positive net impact of other financial charges, partially offset by higher interest expense on convertible debt and higher long-term debt expenses.

Current Quarter versus Previous Quarter

Interest on long-term debt and other financial charges in the fourth quarter of 2019 remained consistent with the quarter ended September 30, 2019, at $8.9 million.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

Interest on long-term debt and other financial charges was $31.8 million for the twelve-month period ended December 31, 2019, representing an increase of $6.4 million, or 25%, versus $25.4 million for the same period last year. The increase is mainly due to higher interest expense on long-term debt, higher interest expense on convertible debt, partially offset by the positive net impact of other financial charges.

Interest on Lease Liabilities

Following the adoption of IFRS 16 *Leases*, the interest on lease liabilities was $1.4 million for the fourth quarter ended December 31, 2019, versus $1.4 million in the previous quarter ended September 30, 2019, and to nil for the comparable quarter ended December 31, 2018.

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 expense of $8.1 million for the fourth quarter ended December 31, 2019, versus an expense of $8.3 million for the same quarter of last year. The variance is mainly due to the revaluation of the purchase price obligation in the fourth quarter of 2018.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented an expense of $8.1 million for the fourth quarter ended December 31, 2019, versus an expense of $8.8 million for the previous quarter ended September 30, 2019. The variance is mainly due to the revaluation of the purchase price obligation in the third quarter of 2019.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

The accretion and change in fair value of purchase price obligations represented an expense of $30.0 million for the twelve-month period ended December 31, 2019, versus an expense of $24.5 million for the same period last year. The increase is mainly due to the acquisition of Clearwater.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were stable at $6.4 million for the fourth quarter ended December 31, 2019, versus $6.4 million for the same period of last year. Higher restructuring, integration and other costs were offset by lower acquisition costs year-over-year.

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were $6.4 million for the fourth quarter ended December 31, 2019, representing an increase of $0.5 million, or 8%, versus $5.9 million for the previous quarter ended September 30, 2019. The increase is largely due to higher restructuring, integration and other costs, partially offset by lower acquisition costs in the fourth quarter of 2019, namely in Fiera Private Alternative Investments, versus the previous quarter ended September 30, 2019.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

Acquisition and restructuring, integration and other costs were $24.8 million for the twelve-month period ended December 31, 2019, representing an increase of $6.1 million, or 33%, versus $18.7 million for the same period last year. The increase is mainly due to higher acquisition related costs following various acquisition initiatives in 2019, as well as higher restructuring, integration and other costs.

Net Earnings

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2019, the Company reported net earnings attributable to the Company's shareholders of $3.4 million, or $0.03 per share (basic and diluted), versus a net loss of $(1.7) million, or $(0.02) per share (basic and diluted), for the same quarter last year. The positive variance is mainly attributable to higher revenues due to volume and acquisitions, combined with lower acquisition, restructuring and other integration costs, partially offset by the increase in overall SG&A expenses and income tax expenses.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2019, the Company reported net earnings attributable to the Company's shareholders of $3.4 million, or $0.03 per share (basic and diluted), versus a net loss of $(4.7) million, or $(0.05) per share (basic and diluted), for the previous quarter ended September 30, 2019. The positive variance is mainly attributable to higher revenues as a result of higher performance fees, higher other revenues and base management fees, combined with lower acquisition, restructuring and other integration costs, partially offset by higher SG&A, and higher income tax expenses.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

For the twelve-month period ended December 31, 2019, the Company recorded a net loss attributable to the Company's shareholders of $(13.4) million, or $(0.14) per share (basic and diluted), versus a net loss of $(5.0) million, or $(0.05) per share (basic and diluted) for the same period of last year. The variance in net loss is attributable to higher overall SG&A expenses, higher interest expenses, higher amortization and depreciation costs, higher acquisition and restructuring costs, higher purchase price obligation expenses, and higher income tax expenses, mostly due to higher non-deductible items combined with better earnings before taxes, partially offset by higher revenues due to continued enhancement to our distribution capabilities, market appreciation and acquisitions.

Non-IFRS Measures

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.

The Company initially adopted IFRS 16 *Leases* on January 1, 2019. The Company has applied IFRS 16 *Leases* using the modified retrospective approach. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use its office facilities, equipment and other assets that meet the definition of a lease, and lease liabilities representing its obligations to make lease payments. Accordingly, the comparative information presented has not been restated and is presented as previously reported under IAS 17 *Leases*. The impact of adoption is disclosed in Note 3 of the audited consolidated financial statements for the years ended December 31, 2019 and 2018.

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 and twelve-month periods ended December 31, 2019, and 2018, as well as for the three-month period ended September 30, 2019.

Table 11 - Adjusted EBITDA (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2019	SEPTEMBER 30, 2019	DECEMBER 31, 2018	DECEMBER 31, 2019	DECEMBER 31, 2018
Net earnings (Loss)	5,254	(4,593)	(1,573)	(10,706)	(4,755)
Income tax expense (recovery)	3,589	889	(3,056)	9,692	(429)
Depreciation of property and equipment	1,504	1,403	1,179	5,207	4,235
Amortization of intangible assets	14,412	13,525	12,468	52,975	44,813
Depreciation of right-of-use assets	5,412	4,892	-	19,923	-
Interest on lease liabilities	1,425	1,393	-	5,390	-
Interest on long-term debt and other financial charges	8,870	8,865	10,147	31,841	25,355
EBITDA[1]	40,466	26,374	19,165	114,322	69,219
Restructuring, integration and other costs	6,812	3,577	3,399	14,539	7,586
Acquisition costs	(391)	2,306	2,966	10,292	11,086
Accretion and change in fair value of purchase price obligations	8,052	8,801	8,332	29,980	24,497
Realized loss (gain) on investments	(550)	140	(171)	(856)	(145)
(Gain) loss on lease modifications and other	-	(114)	-	(114)	-
(Gain) loss on disposal of assets, intangible assets and property and equipment	121	(199)	81	222	82
Revaluation of puttable financial instrument liability	336	317	-	1,003	-
Revaluation of assets-held-for-sale	-	-	191	(699)	191
Share-based compensation	6,906	5,376	5,359	24,264	24,967
Adjusted EBITDA[1]	61,752	46,578	39,322	192,953	137,483
Per share basic	0.61	0.46	0.41	1.95	1.45
Per share diluted	0.60	0.46	0.41	1.95	1.45

[1] The 2019 three and twelve-month period results include the impacts from the adoption of IFRS 16 *Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements. 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.

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2019, adjusted EBITDA was $61.8 million or $0.61 per share (basic) and $0.60 (diluted), representing an increase of $22.5 million, or 57%, versus $39.3 million, or $0.41 per share (basic and diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2019, was higher primarily due to the inclusion of Clearwater, Palmer Capital, Fiera Investments, IAM and Foresters, combined with higher revenues from Fiera Private Alternative Investments, higher performance fees, higher other revenues and the impact of the adoption of IFRS 16 *Leases* on January 1, 2019. This increase was partially offset by an increase in overall SG&A expenses to support the Company's growth and expansion.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2019, adjusted EBITDA was $61.8 million or $0.61 per share (basic) and $0.60 (diluted), representing an increase of $15.2 million, or 33%, versus $46.6 million or $0.46 per share (basic and diluted), from the previous quarter ended September 30, 2019. The sequential increase in adjusted EBITDA is mainly due to higher revenues resulting from higher performance fees, higher base management fees and other revenues, combined with a gain from forward foreign exchange contracts versus a loss recorded in the previous quarter, partially offset by higher overall SG&A expenses.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

For the twelve-month period ended December 31, 2019, adjusted EBITDA was $193.0 million, or $1.95 per share (basic and diluted), representing an increase of $55.5 million, or 40%, versus $137.5 million, or $1.45 per share (basic and diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2019, is mainly attributable to an AUM-driven increase in revenues resulting from organic and market growth, as well as various acquisitions and the impact of the adoption of IFRS 16 *Leases* versus the same period last year.

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 12 – EBITDA[1] and Adjusted EBITDA[1] Reconciliation (in $ thousands except per share data)

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net earnings (loss)	5,254	(4,593)	(4,783)	(6,584)	(1,573)	1,127	(2,215)	(2,093)
Income tax expense (recovery)	3,589	889	3,370	1,844	(3,056)	969	1,641	17
Depreciation of property and equipment	1,504	1,403	1,216	1,084	1,179	1,091	1,018	947
Amortization of intangible assets	14,412	13,525	12,622	12,415	12,468	11,834	10,488	10,022
Depreciation of right-of-use assets	5,412	4,892	4,561	5,057	-	-	-	-
Interest on leases	1,425	1,393	1,288	1,284	-	-	-	-
Interest on long-term debt and other financial charges	8,870	8,865	6,709	7,398	10,147	5,393	5,054	4,761
EBITDA[1]	40,466	26,374	24,983	22,498	19,165	20,414	15,986	13,654
Restructuring, integration and other costs	6,812	3,577	1,022	3,128	3,399	871	2,389	928
Acquisition costs	(391)	2,306	6,670	1,707	2,966	2,594	2,508	3,018
Accretion and change in fair value of purchase price obligations	8,052	8,801	6,636	6,491	8,332	5,978	5,720	4,467
Realized loss (gain) on investments	(550)	140	(452)	5	(171)	(3)	2	27
(Gain) loss on lease modifications and other	-	(114)	-	-	-	-	-	-
(Gain) loss on disposal of assets	121	(199)	-	300	81	1	-	-
Revaluation of puttable financial instrument liability	336	317	350	-	-	-	-	-
Revaluation of assets-held-for-sale	-	-	(153)	(546)	191	-	-	-
Share-based compensation	6,906	5,376	6,748	5,234	5,359	6,765	6,098	6,745
Adjusted EBITDA[1]	61,752	46,578	45,804	38,817	39,322	36,620	32,703	28,839
REVENUES	204,526	159,956	149,904	142,785	156,963	137,109	126,232	119,981
Adjusted EBITDA Margin	30.2%	29.1%	30.6%	27.2%	25.1%	26.7%	25.9%	24.0%
Adjusted EBITDA Per Share								
Basic	0.61	0.46	0.47	0.40	0.41	0.38	0.35	0.32
Diluted	0.60	0.46	0.47	0.40	0.41	0.36	0.35	0.32

[1] The 2019 three-month period results include the impacts from the adoption of IFRS 16 *Leases*. This adoption is discussed in Note 3 of the audited consolidated financial statements. 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 (loss) on revaluation of a purchase price obligation and after-tax gain on acquisition of control of investment in joint venture, after-tax revaluation of puttable financial instrument liability.

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 and twelve-month periods ended December 31, 2019, and 2018, as well as for the three-month period ended September 30, 2019.

Table 13 - Net Earnings (Loss) and Adjusted Net Earnings (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2019	SEPTEMBER 30, 2019	DECEMBER 31, 2018	DECEMBER 31, 2019	DECEMBER 31, 2018
Net earnings (loss) attributable to the Company's shareholders	3,387	(4,740)	(1,709)	(13,419)	(5,013)
Depreciation of property and equipment	1,504	1,403	1,179	5,207	4,235
Amortization of intangible assets	14,412	13,525	12,468	52,975	44,813
Depreciation of right-of-use assets	5,412	4,892	-	19,923	-
Share-based compensation(*)	6,906	5,376	5,359	24,264	24,967
Restructuring, integration and other costs(*)	6,812	3,577	3,399	14,539	7,586
Acquisition costs(*)	(391)	2,306	2,966	10,292	11,086
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt(*)	8,676	9,297	8,692	31,772	25,819
Revaluation of puttable financial instrument liability (*)	336	317	-	1,003	-
Revaluation of assets-held-for-sale(*)	-	-	191	(699)	191
Less: Income taxes on above-mentioned items (*)	4,393	3,373	4,294	13,260	12,447
Adjusted net earnings attributable to the Company's shareholders	42,661	32,580	28,251	132,597	101,237
Per share – basic					
Net earnings (loss)	0.03	(0.05)	(0.02)	(0.14)	(0.05)
Adjusted net earnings	0.42	0.32	0.29	1.34	1.07
Per share – diluted					
Net earnings (loss)	0.03	(0.05)	(0.02)	(0.14)	(0.05)
Adjusted net earnings	0.41	0.32	0.29	1.34	1.07

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 $42.7 million, or $0.42 per share (basic) and $0.41 (diluted) for the fourth quarter ended December 31, 2019, versus $28.3 million, or $0.29 per share (basic and diluted) for the fourth quarter ended December 31, 2018. Adjusted net earnings for the quarter ended December 31, 2019, reflected net earnings, excluding $28.2 million, or $0.28 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 $11.0 million, or $0.11 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, the revaluation of assets held-for-sale and the revaluation of puttable financial instrument liability, net of income taxes. The increase in adjusted net earnings is mainly attributable to higher Adjusted EBITDA (refer to the Adjusted EBITDA section), partially offset by higher income tax expenses and interests.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2019, the Company recorded adjusted net earnings of $42.7 million, or $0.42 per share (basic) and $0.41 (diluted), versus $32.6 million, or $0.32 (basic and diluted) in the previous quarter ended

September 30, 2019. The increase in adjusted net earnings is mainly attributable to higher Adjusted EBITDA (refer to the *Adjusted EBITDA* section), partially offset by higher income tax expenses.

Year-to-Date December 31, 2019, versus Year-to-Date December 31, 2018

For the twelve-month period ended December 31, 2019, adjusted net earnings attributable to the Company's shareholders amounted to $132.6 million, or $1.34 per share (basic and diluted), versus $101.2 million, or $1.07 per share (basic and diluted) for the same period of last year. Adjusted net earnings for the twelve-month period ended December 31, 2019, reflected net loss, excluding $102.4 million, or $1.04 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as $43.6 million, or $0.44 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, the revaluation of assets held-for-sale and the revaluation of puttable financial instrument liability, net of income taxes. The increase in adjusted net earnings is mainly attributable to higher Adjusted EBITDA (refer to the Adjusted EBITDA section), partially offset by higher income tax expenses, mostly due to higher non-deductible items combined with better earnings before taxes and higher interest 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 14 – Adjusted Net Earnings Reconciliation (in $ thousands except per share data)

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net earnings (loss) attributable to the Company's shareholders	3,387	(4,740)	(5,513)	(6,553)	(1,709)	995	(2,106)	(2,193)
Depreciation of property and equipment	1,504	1,403	1,216	1,084	1,179	1,091	1,018	947
Amortization of intangible assets	14,412	13,525	12,622	12,415	12,468	11,834	10,488	10,022
Depreciation of right-of-use assets	5,412	4,892	4,561	5,057	-	-	-	-
Share-based compensation(*)	6,906	5,376	6,748	5,234	5,359	6,765	6,098	6,745
Restructuring, integration and other costs(*)	6,812	3,577	1,022	3,128	3,399	871	2,389	928
Acquisition costs(*)	(391)	2,306	6,670	1,707	2,966	2,594	2,508	3,018
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt(*)	8,676	9,297	6,992	6,807	8,692	6,285	6,058	4,784
Revaluation of assets-held-for-sale(*)	-	-	(153)	(546)	191	-	-	-
Revaluation of puttable financial instrument liability(*)	336	317	350	-	-	-	-	-
Less: Income taxes on above-mentioned items (*)	4,393	3,373	2,034	3,460	4,294	2,902	2,661	2,590
Adjusted net earnings attributable to the Company's shareholders	42,661	32,580	32,481	24,873	28,251	27,533	23,792	21,661
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)	(0.02)
Adjusted net earnings attributable to the Company's shareholders	0.42	0.32	0.33	0.26	0.29	0.29	0.26	0.24
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	0.03	(0.05)	(0.06)	(0.07)	(0.02)	0.01	(0.02)	(0.02)
Adjusted net earnings attributable to the Company's shareholders	0.41	0.32	0.33	0.26	0.29	0.27	0.26	0.24

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.

Based on current projections, we expect to have sufficient financial resources available (mainly from the use of our net cash flows from operations, debt and credit facilities and share capital issuance) to finance our business plan, meet our working capital needs and maintain an appropriate level of capital spending.

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

Table 15 – Summary of Consolidated Statements of Cash Flows (in $ thousands)

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2019	DECEMBER 31, 2018
Cash generated by operating activities	149,799	106,294
Cash used in investing activities	(92,497)	(110,745)
Cash generated by (used in) financing activities	(7,227)	16,811
Net (decrease) increase in cash and cash equivalent	50,075	12,360
Effect of exchange rate changes on cash denominated in foreign currencies	(6,322)	(973)
Cash and cash equivalents, beginning of period	52,466	41,079
Cash and cash equivalents, end of period	96,219	52,466

Year-to-Date December 31, 2019 versus Year-to-Date December 31, 2018

Cash generated from operating activities amounted to $149.8 million for the twelve-month period ended December 31, 2019. This amount resulted mainly from $152.5 million cash generated from net earnings (loss) adjusted for depreciation and amortization, revaluation of assets held-for-sale, loss on disposal of intangible assets and property and equipment, gain on lease modification and other, accretion and change in fair value of purchase price obligations and puttable financial instrument liability, lease inducements and deferred lease obligations, share-based compensation, restructuring, integration and other costs, interest on lease liabilities, interest on long-term debt and other financial charges, income tax expenses and income tax paid, combined with a positive change in non-cash operating working capital of $16.0 million (refer to Note 24 of the audited consolidated financial statements for the years ended December 31, 2019 and 2018), partially offset by a share of earnings in joint ventures and associates of $6.0 million as well as by a $8.9 million cash used for payment of other non-current liabilities.

Cash generated from operating activities was $149.8 million for the twelve-month period ended December 31, 2019, versus $106.3 million cash generated from operating activities for the same period last year. The positive variation of $43.5 million is mainly attributable to higher adjusted EBITDA year-over-year of $55.5 million as described in the *"Adjusted EBITDA"* section, combined with $18.9 million positive change in non-cash operating working capital, partially offset by $10.5 million of negative change in other non-current liabilities, $9.8 million negative variance in income tax paid and $6.0 million share of earnings in joint ventures and associates.

Cash used in investing activities was $92.5 million for the twelve-month period ended December 31, 2019, resulting mainly from $79.2 million cash used for business combinations and the purchase of intangible assets, $28.8 million cash used for the settlement of purchase price obligations, $16.0 million cash used for the purchase of property and equipment, combined with an increase of $7.2 million in restricted cash and of $5.2 million in deferred charges and other assets, partially offset by $33.9 million cash generated from the disposal of assets and $9.2 million of distributions received from joint ventures and associates.

Cash used in investing activities was $92.5 million for the twelve-month period ended December 31, 2019, versus $110.7 million cash used in investing activities for the same period last year. The decrease in cash used in investing activities is mainly attributable to $33.9 million cash generated from the disposal of assets, combined with higher cash generated from investments of $22.4 million and higher distributions received from joint ventures and associates of $9.2 million, partially offset by an increase in cash used for business combinations and the purchase of intangible assets of $14.2 million, the purchase of property and equipment of $13.5 million, the use of restricted cash of $7.2 million as well as the settlement of purchase price obligations, and the investments in joint ventures and associates of $3.7 million and $3.6 million, respectively.

Cash used in financing activities was $7.2 million for the twelve-month period ended December 31, 2019, resulting mainly from $85.6 million cash used for dividend payments, combined with $29.1 million cash used for share repurchase and cancellation, $25.0 million long-term debt interest payments, $10.4 million lease payments, $7.8 million in settlement of derivative financial instruments and $2.7 million in settlement of share-based compensation during the period, partially offset by the issuance of $105.0 million in Hybrid debentures and an increase of $49.0 million in long-term debt.

Cash used in financing activities was $7.2 million for the twelve-month period ended December 31, 2019, versus $16.8 million cash generated from financing activities for the same period last year. The year-over-year variation is mainly attributable to higher cash used for share repurchases and cancellation of $29.1 million, for dividend payment of $12.3 million, and the use of the cash for lease payments of $10.4 million in financing activities, following a shift in lease expense classification from SG&A expenses to financing costs, combined with higher cash used for settlement of share-based compensation and derivative financial instruments of $9.8 million and for payment of long-term debt interest of $4.2 million, partially offset by an increase of $44.7 million in cash generated from long-term debt and Hybrid debentures borrowing.

Finally, exchange rate fluctuations on cash denominated in foreign currencies had an unfavourable impact of $6.3 million during the twelve-month period ended December 31, 2019, versus an unfavourable impact of $1.0 million for the same period last year.

Long-Term Debt

Table 16 – Credit Facility (in $ thousands)

	AS AT DECEMBER 31, 2019	AS AT DECEMBER 31, 2018
Credit Facility		
Revolving facility	449,490	422,805
Other facilities	-	919
Deferred financing charges	(2,791)	(2,197)
	446,699	421,527
Less current portion	-	(388)
Non- current portion	446,699	421,139

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 17 of the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2019 and 2018), 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 December 31, 2019, the total amount drawn on the Facility was $29.784 million and US$323.66 million ($419.706 million) ($123.5 million and US$219.4 million ($299.305 million) as at December 31, 2018).

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.

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.

Prior to May 28, 2018, the Fourth Amended and Restated Credit Agreement (the "Previous Credit Agreement") included a US$125 million term (non-revolving) facility and a $350 million senior unsecured revolving facility which could be drawn in Canadian or US dollars at the discretion of the Company. There were no changes to the interest rates applicable on the Previous Credit Facility. Transaction fees of $1.466 million associated with the Facility and $1.034 million associated with the Previous Credit Agreement were capitalized to the Facility as long-term debt in the consolidated statements of financial position.

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 December 31, 2019 and December 31, 2018. 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

As at December 31, 2018, one of the Company's subsidiaries had an outstanding bank loan in the amount of $0.231 million of which quarterly payments of $0.131 million were required. The loan bore interest at prime plus 0.25% to 1.25% which was based on the ratio of senior debt to EBITDA (a non-IFRS financial measure defined in the loan agreement). The original maturity of this loan was June 30, 2019, however the subsidiary repaid the total outstanding balance in January 2019. All debt covenant requirements were met as at December 31, 2018.

As at December 31, 2018, this subsidiary also had a leasing facility with an outstanding balance of $0.688 million, under which monthly payments of $0.015 million were required. In January 2019, the subsidiary repaid the outstanding balance of this lease facility. As at December 31, 2018, the current and non-current portions of the loan were $0.157 million and $0.531 million respectively.

As at December 31, 2018, this subsidiary also had a line of credit with a limit of $0.75 million. This credit limit bore interest at prime plus 0.25% to up to 1.00% which was also based on the ratio of senior debt to EBITDA and had no fixed maturity date. As at December 31, 2018 the subsidiary had not drawn on the line of credit and it was cancelled in January 2019.

Another subsidiary of the Company has a line of credit with a dollar limit of $0.95 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at December 31, 2019 the subsidiary had not drawn on the line of credit (nil as at December 31, 2018).

Convertible Debt

The balance of the convertible debt as at December 31, 2019 consists of the following:

Table 17 – Convertible Debt (in $ thousands)

	As at December 31, 2019	As at December 31, 2018
	$	$
Convertible debentures – 5.00% due June 23, 2023	80,425	79,008
Hybrid debentures – 5.60% due July 31, 2024	105,368	-
Non-current portion	185,793	79,008

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

Table 18 – Convertible Debentures (in $ thousands)

	As at December 31, 2019	As at December 31, 2018
	$	$
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	2,774	1,357
Balance, end of year	80,425	79,008

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 Shares. 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 year ended December 31, 2019, an amount of $4.313 million (2018 – $4.431 million) was paid representing the accrued cash interest.

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

Table 19 – Hybrid Debentures (in $ thousands)

	As at December 31, 2019
	$
Face value	110,000
Less:	
Issuance costs	(5,007)
Cumulative accretion expense	375
Balance, end of year	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 lesss 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.

At December 31, 2019, an amount of $3.08 million is recorded in accounts payable and accrued liabilities, representing accrued cash interest from the issuance date to December 31, 2019.

The Company incurred underwriting fees and issuance costs of $5.007 million which are netted against the Hybrid debentures. The Hybrid debentures are accounted for at amortized cost, using the effective interest rate method.

The proceeds of the Hybrid debentures were used to finance the cash portion of the Natixis Canada, Foresters and IAM acquisitions, to reduce indebtedness under the Credit Facility and for general corporate purposes.

Share Capital

As at December 31, 2019, the Company had 81,362,603 Class A shares and 19,412,401 Class B special voting shares for a total of 100,775,004 outstanding shares versus 77,556,288 Class A shares and 19,412,401 Class B special voting shares for a total of 96,968,689 outstanding shares as at December 31, 2018.

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 December 31, 2019 and 2018, 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 to 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

The Company has the following contractual obligations as at December 31, 2019:

Table 20– Contractual Obligations ($ in thousands)

	Carrying Amount	Total	2020	2021	2022	2023	2024	Thereafter
Long-Term Debt	449,490	449,490	-	-	-	449,490	-	-
Convertible Debt	185,793	196,250	-	-	-	86,250	110,000	-
Purchase Price Obligations	127,374	288,629	31,710	44,061	49,085	33,241	27,774	102,758
Puttable financial instrument liability	13,997	20,898	-	-	20,898	-	-	-
Lease liabilities	n/a	179,286	19,099	21,004	18,862	20,107	16,786	83,428
License, software services and other	n/a	25,258	11,207	8,399	4,970	409	273	-
Total Obligations	n/a	1,159,811	62,016	73,464	93,815	589,497	154,833	186,186

Contingent Liabilities

In the normal course of business, the Company and its subsidiaries may be party to business and employee-related claims. 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*

Under the Company's stock option plan, the exercise price of each stock option is equal to the volume weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the date the stock option is granted. The Board may determine the maximum term for which options are granted and will become exercisable and whether the options will be exercisable in instalments or pursuant to a vesting schedule.

A summary of the changes that occurred in the Company's stock option plans during the years ended December 31, 2019, and 2018, is presented below:

Table 21 – Options Transactions

	2019		2018	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted average exercise price
		$		$
Outstanding – beginning of year	3,977,191	12.21	4,183,852	11.86
Granted	1,100,000	12.25	305,000	12.22
Exercised	(152,377)	6.58	(391,409)	8.07
Forfeited	(398,045)	13.31	(120,252)	13.63
Outstanding – end of year	4,526,769	12.32	3,977,191	12.21
Options exercisable – end of year	1,176,510	11.60	1,281,812	11.20

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

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. As at September 1, 2010, the Board cancelled the DSU plan; however, all existing rights and privileges were kept intact. All directors are now compensated in cash.

As at December 31, 2019, the Company had a liability for an amount of $0.106 million for the 9,031 units outstanding under the DSU plan ($0.095 million for 8,395 units as at December 31, 2018).

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

On April 12, 2018, the Board approved an amended and restated RSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the RSU awards in cash or in shares. The purpose of this plan is to provide eligible employees with the opportunity to acquire RSUs in order to retain key employees and to permit them to participate in the growth and development of the Company and to better align the interests of participants with the long-term interests of shareholders of the Company.

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2019 and 2018.

Table 22 – RSU Transactions

	2019	2018
Outstanding units – beginning of year	258,560	608,635
Granted	100,001	-
Reinvested in lieu of dividends	20,411	24,610
Vested[(1)]	(136,234)	(374,685)
Forfeited	-	-
Outstanding units– end of year	242,738	258,560

(1) No restricted share units were settled in cash (2018 – 47,252).

One RSU is equivalent to one Class A Share of the Company. The Company recorded an expense of $1.88 million and $3.176 million for these grants during the years ended December 31, 2019 and 2018, respectively. During the year ended December 31, 2019, 136,234 Class A Shares (2018 – 327,433) were issued as settlement of RSU vested and no cash was paid as settlement of vested RSUs (2018 – $0.585 million). As at December 31, 2019, the Company had a liability in the amount of $2.1 million for the 242,738 units outstanding under the RSU Plan ($1.759 million for 258,560 units as at December 31, 2018).

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

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2019 and 2018.

Table 23 – RSU Cash Transactions

	2019	2018
Outstanding units – beginning of year	528,308	504,380
Granted	127,389	154,693
Reinvestments in lieu of dividends	38,560	37,936
Vested	(325,643)	(167,974)
Forfeited	–	(727)
Outstanding units – end of year	368,614	528,308

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of $2.658 million and $2.254 million for these grants during the years ended December 31, 2019 and 2018, respectively. During the year ended December 31, 2019, 325,643 units vested (2018 - 167,974) and an amount of $1.945 million was paid in cash as settlement of 172,057 units (2018 - $0.396 million paid in cash for 32,607 units) and the remaining 153,586 units were settled in cash in January 2020. In addition, $1.528 million was paid during the year as settlement of units that vested in 2018. As at December 31, 2019, the Company had a liability totalling $3.486 million for the 368,614 units outstanding ($4.305 million for the 528,308 units as at December 31, 2018).

e) Restricted Share Plan ("RSP")

As at December 31, 2018, there were no longer any restricted shares outstanding. On March 21, 2019 the Board approved the termination of the Restricted share plan. No expenses were recorded for the restricted share plan during the year ended December 31, 2019 (2018 - $0.284 million).

f) 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 years ended December 31, 2019 and 2018:

Table 24 – PSU Plan Applicable to BU Transactions (in $ thousands)

	2019	2018
	$	$
Equity-settled grants	6,343	6,229
Cash-settled grants	8,540	7,297
Total expense	14,883	13,526

During the year ended December 31, 2019, the total award value granted under the Company's PSU plans applicable to BUs was $6.32 million. A total of 1,820,929 Class A Shares were issued during the year ended December 31, 2019 as settlement of PSU applicable to BUs that had vested in 2018 and 7,818 Class A Shares were issued as settlement of PSU applicable to BUs vested in 2019. Vested units that were not settled as at December 31, 2019 will be settled during fiscal year 2020.

During the year ended December 31, 2018, the total award value granted under the Company's PSU plans applicable to BUs was $6.575 million. A total of 616,948 Class A Shares were issued during the year ended December 31, 2018 as settlement of PSU applicable to BUs. Vested units were settled in 2019 through the issuance of Class A Shares.

UAR Applicable to BU

Under the UAR plan applicable to BUs, 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 $1.963 million and $1.276 million during the years ended December 31, 2019 and 2018, respectively.

g) PSU Plan

On April 12, 2018, the Board approved an amended and restated PSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the PSU awards in cash or in shares. PSUs 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 PSUs awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date. One PSU unit is equivalent to one Class A Share of the Company.

The Company recorded the following expense relating to PSU plans during the years ended December 31, 2019 and 2018:

Table 25 – PSU Transactions (in $ thousands)

	2019	2018
	$	$
Equity-settled grants	1,419	1,292
Cash-settled grants	1,149	1,126
Total expense	2,568	2,418

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2019 and 2018 was $0.548 million and $4.828 million respectively. A total of 217,882 Class A Shares were issued and $2.58 million was paid during the year ended December 31, 2019 as settlement of PSU vested in 2018 and 2019 (2018 – 19,819 Class A shares issued as settlement of PSU vested in 2017). Vested units that were not settled as at December 31, 2019 will be settled in 2020.

h) 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 statements of consolidated net earnings (loss) for the year ended December 31, 2019 was $2.443 million ($2.568 million for the year ended December 31, 2018). The subsidiary paid an amount of $1.119 million and $0.651 million during the years ended December 31, 2019 and 2018, respectively, as settlement of stock options. The cash settled share-based liability is $5.28 million in the statements of financial position as at December 31, 2019 ($3.956 million as at December 31, 2018).

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 December 31, 2019, a related shareholder indirectly owns Class B Special Voting Shares representing approximately 7.2% of the Company's issued and outstanding shares (7.4% as at December 31, 2018) and 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 as 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 (Note 4 of the audited consolidated financial statements for the years ended December 31, 2019 and 2018), a related shareholder owns 10.60% Class A Subordinate voting shares and has the right to elect one director to the Company's Board.

Table 26 – Related Party Transactions (in $ thousands)

	2019	2018
	$	$
Base management fees	22,150	44,154
Performance fees	–	3,779
Other revenues	5,323	367
Selling, general & administrative expenses		
Reference fees	544	1,701
Other	196	613
Interest on long-term debt	17,331	15,946
Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	8,276	(3,093)
Cash consideration as settlement of a purchase price obligation	–	8,500

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. Fees are at prevailing market prices and are settled on normal trade terms.

Internal Control 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

Disclosure Controls and Procedures are designed 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

Internal Controls over Financial Reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Fiera Capital Corporation's ("Company") 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).

The CEO and CFO, supported by Management, have evaluated or caused to be evaluated the design (quarterly) and operating effectiveness (annually) of the Company's Disclosure Controls and Procedures and Internal Controls over Financial Reporting as at December 31, 2019, and have concluded that they were effective.

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 Internal Controls over Financial Reporting occurred during the twelve-month period ended December 31, 2019, that have affected, or are reasonably likely to materially affect, the Company's Internal Controls over Financial Reporting

Limitation on Scope of Design

The CEO and CFO have limited the scope of design controls and procedures and internal control over financial reporting to exclude controls, policies and procedures for certain material businesses acquired during fiscal 2019.

This scope limitation is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of disclosure controls and procedures and internal control over financial reporting for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A. Refer to Note 4, Business combinations and other transactions, of the Consolidated Financial Statements of Fiera Capital Corporation, which contains summary financial information about the businesses acquired during fiscal 2019.

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.

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: market risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2019 and 2018.

The Company's business is the management of investment assets. The key performance driver of the Company's ongoing results is the level of AUM. The level of AUM is directly linked to investment returns and the Company's ability to attract and retain clients.

The Company's consolidated statements of financial position includes a portfolio of investments. The value of these investments is subject to a number of risk factors.

Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how these exposures are managed.

Appreciation or depreciation in the fair value of equity securities affect the amount and timing of recognition of gains and losses on equity securities and investment funds in the Company's portfolio resulting in changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock and bond markets and, consequently, the fair value of the equity, investment fund and fixed income financial assets held.

The Company's portfolio managers monitor the risks of the portfolio as part of its daily operations. The Company's portfolio of equity and equity-related securities as at December 31, 2019 and 2018 is comprised of investment funds and other securities with a fair value of $8.4 million as at December 31, 2019 and $4.857 million as at December 31, 2018. Investment funds are comprised of a well-diversified portfolio of investments in equities and bonds.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2019 and 2018 would have an impact of increasing or decreasing comprehensive income by $0.84 million and $0.486 million respectively.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's principal financial assets which are subject to credit risk are cash and cash equivalents, restricted cash and cash equivalents, investments and trade and other receivables. The carrying amounts of financial assets on the consolidated statements of financial position, other than derivative financial instruments represent the Company's maximum exposure to credit risk at the consolidated statements of financial position dates.

The credit risk on cash and cash equivalents and restricted cash and cash equivalents is limited because the counterparties are commercial banks or financial institutions with high credit ratings assigned by independent credit-rating agencies.

The Company's credit risk is attributable primarily to its trade receivables. The amounts disclosed in the consolidated statements of financial position are net of expected credit losses, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. No customer represents more than 10% of the Company's accounts receivable as at December 31, 2019 and 2018.

Interest rate risk

The Company is exposed to interest rate risk through its cash and cash equivalents and long-term debt. The interest rates on the long-term debt are variable and expose the Company to cash flow interest rate risk.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. The Company obtained its long-term debt at a floating rate and swapped a portion of it into fixed rates that were lower than those available if the Company borrowed at fixed rates directly. Under the interest rate swap contracts, the Company agrees with the counterparty to exchange, at specified intervals, the difference between the fixed contract rate and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to cash and cash equivalents, restricted cash, accounts receivable, investments, derivative financial instruments, accounts payable and accrued liabilities, puttable financial instrument liability, purchase price obligations and long-term debt. The Company manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Company matches the long-term debt in foreign currency with long-term assets in the same currency.

Based on the balances outstanding (excluding long-term debt) as at December 31, 2019, a 5% strengthening or weakening of the US dollar versus the Canadian dollar would result in an increase or decrease in total comprehensive income of $1.364 million (2018 - $1.794 million). A 5% strengthening or weakening of the GBP versus the Canadian dollar would result in an increase or decrease in total comprehensive income of $0.858 million (2018 – nil). The above calculation does not include the US dollar long-term debt, which is partially hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statements of financial position given that it is an intercompany balance and is eliminated on consolidation.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when they become due. The Company monitors its cash and cash equivalents balance and cash flows generated from operations to meet its requirements.

The Company generates enough cash from its operating activities and has sufficient available financing through its long-term debt to finance its activities and to respect its obligations as they become due.

Fair Value

Investments

The cost and fair value of investments recorded at fair value through profit or loss was $8.1 million and $8.4 million, respectively, as at December 31, 2019 ($4.574 million and $4.857 million respectively as at December 31, 2018). An unrealized gain of $0.488 million and realized gain of $0.368 million was recognized in realized and unrealized (gain) loss on investments during the year ended December 31, 2019 (unrealized loss of $0.623 million and realized gain of $0.768 million during the year ended December 31, 2018).

Convertible and Hybrid Debentures

The convertible and hybrid debentures are recorded respectively at an amortized cost of $80.425 million and $105.368 million as at December 31, 2019 ($79.008 million and nil as at December 31, 2018). Their fair value based on market quotes is respectively $90.537 million and $112.475 million as at December 31, 2019 ($87.544 million and nil as at December 31, 2018).

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. The Company determines the fair value of its interest rate swap and cross currency swap contracts by applying valuation techniques.

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

Table 27 – Net gains (losses), fair value and notional amount of derivatives (in $ thousands)

	For the year ended December 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	2,216	755	–	62,300	–	–
b)Cross currency swaps – held for trading	(12,257)	–	(3,540)	225,000	–	–
Interest rate contracts						
c)Swap contracts – held for trading	(710)	537	(1,946)	–	250,000	–
d)Swap contracts – cash flow hedges	–	–	(1,615)	–	219,151	–

	For the year ended December 31, 2018	As at December 31, 2018				
		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	(5,294)	–	(1,672)	45,374	–	–
b)Cross currency swaps – held for trading	4,700	1,083	–	80,000	–	–
Interest rate contracts						
c)Swap contracts – held for trading	(1,770)	860	(1,560)	–	190,000	–
d)Swap contracts – cash flow hedges	–	4,506	–	–	230,550	–

Table 28 – Financial statement presentation of derivative financial instruments (in $ thousands)

	As at December 31, 2019	As at December 31, 2018
	$	$
Current derivative financial instrument assets[1]	755	1,083
Non-current derivative financial instrument assets	537	5,366
Current derivative financial instrument liabilities	(3,540)	(1,672)
Non-current derivative financial instrument liabilities	(3,561)	(1,560)

[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.

For the year ended December 31, 2019 and 2018, the Company has entered 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 consolidated statement of earnings (loss) in accordance with the nature of the hedged item.

The Company recorded a gain of $2.347 million during the year ended December 31, 2019 (loss of $4.673 million for the year ended December 31, 2018) and paid $0.376 million as settlement of contracts that matured during the year (paid $2.939 million during the year ended December 31, 2018). The fair value of the foreign exchange contracts is an asset of $0.735 million as at December 31, 2019 (liability of $1.237 million as at December 31, 2018).

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 $0.131 million and a loss of $0.621 million during the years ended December 31, 2019 and 2018, respectively. A total of $0.587 million and $0.186 million was paid during the year ended December 31, 2019 and 2018 respectively as settlement of the contracts. As at December 31, 2019, the fair value of these contracts was an asset of $0.02 million (liability of $0.435 million as at December 31, 2018).

b) Cross currency swaps – held for trading

Under the terms of the Company's revolving facility (Note 16 of the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2019 and 2018), 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 January 16, 2020, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.51% on $225 million (1.57% on $80 million as at December 31, 2018) by borrowing against the US dollar revolving facility, the equivalent of $225 million (US$170.5 million) ($80 million (US$59.4 million) as at December 31, 2018) at LIBOR plus 2.00%, and swapping it into CDOR plus 1.51% 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 consolidated statements of earnings (loss) in accordance with the nature of the economically hedged item, the revolving facility, and therefore is presented in interest on long-term debt and other financial charges. The Company recorded a loss of $12.257 million during the year ended December 31, 2019, with no net impact on earnings as described above (gain of $4.7 million during the year ended December 31, 2018). A total of $7.633 million was paid during the year ended December 31, 2019 as settlement of these contracts ($3.617 million was received during the year ended December 31, 2018).

The fair value of the cross-currency swap contracts was a liability of $3.54 million as at December 31, 2019 (asset of $1.083 million as at December 31, 2018).

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.

In May 2019, the Company entered into two interest rate swap contracts with an original notional amount of $35 million and $25 million maturing on May 2, 2022 and May 13, 2022 respectively. The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.945% (on $35 million) and 1.900% (on $25 million). There were no changes to the terms of the other interest rate swap contracts (held for trading) held by the Company during the year ended December 31, 2019.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) with interest on long-term debt and other financial charges. The Company recorded a loss of $0.71 million during the year ended December 31, 2019 (loss of $1.77 million during the year ended December 31, 2018).

The fair value of the interest rate swap contracts is an asset of $0.537 million and a liability of $1.946 million as at December 31, 2019 (asset of $0.86 million and liability of $1.56 million as at December 31, 2018).

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 year ended December 31, 2019.

The effective portion of changes in the fair value of these contracts is recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded another comprehensive loss of $5.31 million (net of income taxes of $0.811 million) during the year ended December 31, 2019 (gain of $1.833 million (net of income taxes of $0.259 million) during the year ended December 31, 2018).

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the consolidated statement of earnings (loss). There is no ineffective portion on these contracts for the years ended December 31, 2019 and 2018. The fair value of the interest rate swap contracts designated as cash flow hedges is a liability of $1.615 million as at December 31, 2019 (asset of $4.506 million as at December 31, 2018).

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 are US$323.66 million as at December 31, 2019 (US$219.4 million as at December 31, 2018).

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 December 31, 2019, this derivative financial instrument has no financial impact on the Company's consolidated financial statements.

f) Puttable financial instrument liability and call option related to Palmer Capital

Under the terms of the Sale and Purchase Agreement Fiera Real Estate, the acquirer, 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 Fiera Real Estate or 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 put right on the non-controlling interest in Palmer Capital is classified as a financial liability and measured at fair value through profit and loss. It was initially measured at fair value of $13.237 million at the acquisition date and subsequently remeasured at each reporting date with changes in fair value recognized in the consolidated statement of net earnings (loss). The fair value of the puttable financial instrument liability is $13.997 million at December 31, 2019.

g) Contingent value rights related to IAM

Through the acquisition of IAM, IAM shareholders received CVRs (Note 4 of the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2019 and 2018). The Company accounted for the CVR asset at fair value on the acquisition date, and subsequently revalued the instrument at amortized cost. The short-term portion of the CVR asset is recorded within Trade and other receivables, while the long-term portion is recorded in Other non-current assets. The CVR liability, on the acquisition date, was recorded at fair value and subsequently revalued at fair value through profit and loss. The short-term portion of the CVR liability was recorded in Trade accounts payable and accrued liabilities, while the long-term portion was recorded in Other non-current liabilities.

This MD&A is prepared with reference to the audited consolidated financial statements for the years ended December 31, 2019 and 2018. A summary of the Company's significant accounting judgments and estimation uncertainties are presented in Note 3 of the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018. 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 is 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 and puttable financial instrument liabilities 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

A reasonable change in unobservable inputs would not result in a significant change in the fair value of purchase price obligations other than for the City National Rochdale ("CNR") liability, which is presented below.

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 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 December 31, 2019, for market growth rate and net contributions rate, the Company used 8.6% and 2.5% 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 December 31, 2019, the Company used a discount rate of 41%.

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to CNR as contingent consideration. The fair value of the CNR purchase price obligation as at December 31, 2019 was $74.054 million (US$57.108 million) and $74.118 million (US$54.331 million) as at December 31, 2018.

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 $5.187 million (US$4 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 $2.204 million (US$1.7 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 $2.594 million (US$2 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 is not necessarily 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, the market growth and the net contributions and established a reasonable fair value range that could result in a $7.781 million (US$6 million) increase or decrease in the fair value of the purchase price obligation as at December 31, 2019 ($8.08 million (US$6 million) as at December 31, 2018).

Purchase Price Obligation – Clearwater

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The Company increased the fair value of the purchase price obligation and recorded an expense of $1.359 million (US$1.026 million) during the year ended December 31, 2019. The fair value of the Clearwater purchase price obligation as at December 31, 2019 was $43.753 million (US$33.738 million) and $39.955 million (US$28.553 million) as at December 31, 2018.

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 before interest, taxes, depreciation and amortization ("EBITDA") forecasts, management's estimates of revenue from cross-selling, and the risk-adjusted discount rate. The discount rate is the input used to bring the future cash flow to their present value. The Company used discount rates 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 is not necessarily 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 $36.309 million (US$28 million) and $40.199 million (US$31 million) for its purchase price obligation as at December 31, 2019.

Puttable financial instrument liability

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. During the year ended December 31, 2019, the Company recorded an expense of $1.003 million (GBP 0.598 million) as revaluation of the puttable financial instrument liability. The fair value of the puttable financial instrument liability was $13.997 million (GBP 8.148 million) as at December 31, 2019.

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 discount rate is the input used to bring the future cash flow to their present value. The company used a discount rate of 17%.

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 and EBITDA and established a reasonable fair value range between $13.228 million (GBP 7.7 million) and $16.148 million (GBP 9.4 million) for its purchase price obligation as at December 31, 2019.

Adoption of New IFRS

IFRS 16 – Leases

The Company adopted IFRS 16 *Leases* on January 1, 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets in the consolidated statement of financial position mostly representing its rights to use its office facilities that meet the definition of a lease, and lease liabilities representing its obligations to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated and is presented, as previously reported, under IAS 17 –*Leases and related interpretations*. The details of the changes in accounting policies are described below.

Definition of a lease

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

Transition

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases and applied IFRS 16 only to contracts that were previously identified as leases under IAS 17. For leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Exclude initial direct costs from measuring the right-of-use asset at the date of initial application.
- Did not recognize right-of-use assets and liabilities for leases of low value assets
- Rely on previous assessments of whether a lease is an onerous contract.

The Company did not elect to use the exemption which permits it to exclude right-of-use assets and leases liabilities with a lease term of less than 12 months at the transition date.

Revised IFRS, Interpretations and Amendments

The following revised standards are effective for annual periods beginning on January 1, 2019. Their adoption did not have a significant impact on the amounts reported or disclosures made in the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2019 and 2018.

IFRIC 23 – Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over Income Tax Treatments*. The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatment under IAS 12. It specifically considers whether tax treatments should be considered collectively, assumptions for taxation authorities' examinations, the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and the effect of changes in facts and circumstances.

Annual improvements to IFRS (2015-2017 cycle)

In December 2017, the IASB published *Annual Improvements to IFRS Standards 2015–2017 Cycle*. It contains amendments to four IFRS as a result of the IASB's annual improvements project. The amendments to IFRS 3 – *Business combinations* clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 – *Joint arrangements* clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The amendments to IAS 12 – *Income taxes* clarify that all income tax consequences of dividends should be recognized in profit or loss, regardless of how the tax arises. The amendments to IAS 23 – *Borrowing costs* clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

New Standards and Interpretations Not Yet Adopted

A number of interpretations and amendments to existing standards were issued by the IASB Interpretations Committee ("IFRIC") that are mandatory but not yet effective for the year ended December 31, 2019 and have not been applied in preparing these consolidated financial statements. The Company is evaluating the impact of these new standards and interpretations on its consolidated financial statements. However, they are not expected to have a significant impact for the Company.

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 are effective from January 1, 2020. 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 apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. 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.

Risks Related to Investment Performance and Investment of the AUM

Investment Performance

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of cash by existing clients in favour of better performing products and an inability for Fiera Capital to attract new clients. In addition, Fiera Capital's ability to earn performance fees is directly related to its investment performance and therefore poor investment performance may cause Fiera Capital to earn less or no performance fees.

Fiera Capital's inability to retain existing clients and attract new clients, could have an adverse impact on Fiera Capital's AUM, management fees, profitability and growth prospects.

Fiera Capital cannot guarantee it will be able to achieve or maintain any particular level of AUM and cannot guarantee it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Investment of the AUM

The assets, investment strategies and vehicles (the "**Investments**") into which the Funds' and Managed Accounts' AUM are invested are subject to risks which could have a negative effect on the value and/or performance of such Investments, and consequently the AUM. These risks include, but are not limited to, some or all of the following:

- external market and economic conditions and other events beyond the Firm's control such as regulatory environments and changes thereto, economic uncertainty, and local, regional, national and international political circumstances, natural disasters and public health crises (such as the recent global outbreak of a novel coronavirus, COVID-19);
- interest rates, inflation rates and availability of credit;
- currency risk and foreign investment risk;
- special investment techniques, such as short selling, leveraging, hedging, using derivatives or options and concentration of investment holdings, carry their own particular risks;
- the competitive environment for investments means there may be uncertainty in identifying and completing investment transactions which may result in less favourable investment terms than would otherwise be the case;
- Investments may be made in entities that the Firm does not control and may therefore be subject to business, financial or management decisions which the Firm does not agree with or do not serve the Firm's interests; and
- the due diligence undertaken in connection with a particular Investment may not reveal all facts relevant to whether such Investment will be favourable.

The failure by Fiera Capital to appropriately manage and address investments' risk could have an adverse impact on Fiera Capital's AUM, management fees, profitability and growth prospects.

Risks Related to the Business

Fiera Capital's business is subject to a number of risk factors, including but not limited to the following:

Reputational Risk

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in Fiera Capital's earnings or client base due to its impact on Fiera Capital's corporate image. Reputational risk is inherent in virtually all of Fiera Capital's business transactions, even when the transaction is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent in Fiera Capital's business. For this reason, reputational risk is part of Fiera Capital's risk management framework and is a key part of the Global Code of Conduct which all of Fiera Capital's employees are required to observe.

Regulatory and Litigation Risks

Fiera Capital's ability to carry on business is dependent upon Fiera Capital's compliance with, and continued registration under, securities legislation in the jurisdictions where it carries on business. Monitoring and responding to the rapidly changing securities regulatory environment, both in Canada and abroad, requires significant managerial, operational and financial resources.

Laws or regulations governing Fiera Capital's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to Fiera Capital. Any change in the securities regulatory framework or failure to comply with these regulations could result in fines, temporary or permanent prohibitions on Fiera Capital's activities or the activities of some of Fiera Capital's personnel or reputational harm, which could materially adversely affect Fiera Capital's business, financial condition and results of operations.

Litigation risk is inherent in the asset management industry in which Fiera Capital operates. Litigation risk cannot be eliminated, even if there is no legal cause of action. The legal risks facing Fiera Capital, its directors, officers, employees and agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. In addition, with the existence of the secondary market civil liability regime in certain jurisdictions, dissatisfied shareholders may more easily make claims against Fiera Capital, its directors and its officers.

Fiera Capital maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage. There is no guarantee that Fiera Capital's insurance coverage will be adequate to cover all risks relating to its business.

Insurance Coverage

Fiera Capital holds various types of insurance, including directors' and officers', errors and omissions, general commercial liability and a financial institution bond. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits.

There can be no assurance that claims will not exceed the limits of available insurance coverage or that any claim or claims will be ultimately paid by an insurer, nor can there be any assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms in the future.

A judgment against Fiera Capital in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on the business, financial condition and results of operations.

Growth and Integration of Acquired Businesses

Future growth will depend on, among other things, the ability to efficiently operate to address growth and realize the anticipated synergies, benefits and cost savings from integration of any businesses acquired by Fiera Capital. The maintenance of the current operations and the integration of any acquired businesses may result in significant challenges, and management of Fiera Capital may face difficulties to accomplish integrations smoothly or successfully or without expending significant amounts of managerial, operational or financial resources. Moreover, through acquisitions Fiera Capital may be exposed to inconsistencies in standards, internal controls, procedures and policies that adversely affect the ability of management of Fiera Capital to maintain relationships with customers, suppliers, employees or to achieve the anticipated benefits.

Any inability of Fiera Capital to successfully manage its growth or the integration of acquired businesses, including governance, regulatory processes, information technology platforms, operational processes and financial reporting processes, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Growth in Fiera Capital's AUM

An important component of investment performance is the availability of appropriate investment opportunities for new client assets in a timely manner. If Fiera Capital's AUM increases rapidly, it may not be able to exploit the investment opportunities that have historically been available to it or find sufficient investment opportunities for producing the absolute returns it targets.

Any inability to identify sufficient investment opportunities for new client assets in a timely manner, could be adversely affected upon Fiera Capital's results of operations and financial condition.

Fiera Capital may elect to limit its growth and reduce the rate at which it wins new client assets.

Key Employees

Fiera Capital's business is dependent on the highly-skilled and often highly-specialized individuals it employs. The contributions of these individuals to Fiera Capital's asset management, investment risk management and client service teams are important to retaining clients and attracting new clients. Given the growth in total AUM in the asset management industry, the number of new firms entering the industry and the reliance on performance results to sell financial products, demand has increased for high-quality investment and client service professionals, and it is always a risk that management personnel or other key employees may decide to leave Fiera Capital. Additionally, in the face of increasing competition for experienced professionals in the industry, there is a risk that Fiera Capital will be unable to recruit high quality new employees with the desired qualifications in a timely manner, when required.

The loss of the services of management personnel or other key employees and an inability to recruit high quality new employees could materially adversely affect the business, financial condition and results of operations of Fiera Capital.

Fiera Capital devotes considerable resources to recruiting, training and compensating key employees, as well as measures to encourage them to remain with Fiera Capital. Compensation related measures include providing a stock option plan, a restricted share unit plan, a performance share unit plan, a performance share unit and unit appreciation right plan applicable to business units and a short-term incentive plan, as well as a working environment that fosters employee satisfaction.

Further, compensation packages for these professionals have a tendency to increase at a rate well in excess of inflation and above the rates observed in other industries. Fiera Capital expects that these costs will continue to represent a significant portion of its expenses. As a result, such increased expenses could adversely affect the business, financial condition and results of operations of Fiera Capital.

Competitive Pressures

The asset management industry (including the alternative investment industry) is competitive. Certain of Fiera Capital's competitors have, and potential future competitors could have, substantially greater technical, financial, marketing, distribution and other resources than Fiera Capital. They may also propose or develop ranges of products and service offerings that are more attractive to existing or potential clients of Fiera Capital.

Competition could have a material adverse effect on Fiera Capital's management fees or performance fees and there can be no assurance that Fiera Capital will be able to compete effectively.

Asset Management Industry

Fiera Capital's ability to generate revenues has been significantly influenced by the growth experienced in the asset management industry and by Fiera Capital's relative performance within the asset management industry. The historical growth of the asset management industry may not continue and adverse economic conditions and other factors, including any significant decline in the financial markets, could affect the popularity of Fiera Capital's services or result in clients withdrawing from the markets or decreasing their level and/or rate of investment.

A decline in the growth of the asset management industry or other changes to the industry that discourage investors from using Fiera Capital's services could affect Fiera Capital's ability to attract clients and result in a decline in revenues.

Major Customer

Fiera Capital entered into the AUM Agreement as part of the Natcan Transaction and such AUM Agreement was renewed until June 30, 2022. National Bank is presently Fiera Capital's largest client, representing a significant portion of Fiera Capital's $169.7 billion in AUM. Termination of the agreement could result in a significant reduction of Fiera Capital's AUM which could have a material adverse effect on its business, financial condition and results of operations.

Conflicts of Interest

Certain of the Funds and Managed Accounts have overlapping investment objectives and potential conflicts may arise with respect to a decision regarding how to allocate investment opportunities among them. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. The failure by Fiera Capital to appropriately manage and address conflicts of interest and claims in connection with conflicts of interest could have a material adverse effect on Fiera Capital's reputation, which could materially adversely affect Fiera Capital's business in a number of ways, including as a result of any related client losses.

Employee Misconduct or Error

There have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Capital takes to deter and prevent such activity (including by instituting its Global Code of Conduct), Fiera Capital runs the risk that employee misconduct could occur. Misconduct by employees could include binding Fiera Capital to transactions that exceed authorized limits or present unacceptable risks, or concealing from Fiera Capital unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. Fiera Capital is also susceptible to loss as a result of employee error.

It is not always possible to deter employee misconduct or prevent employee error and the precautions Fiera Capital takes to prevent and detect these activities may not be effective in all cases, which could materially adversely affect Fiera Capital's business, financial condition and results of operations.

Investment Valuation

Valuation of certain securities and other investments may involve uncertainties and judgment determinations and, if such valuations should prove to be incorrect, the net asset value of a Fund and/or the AUM of the Firm could be misstated. Independent pricing information may not always be available regarding certain securities and other investments. Additionally, the Funds may hold investments which by their very nature may be extremely difficult to value accurately, particularly the venture investments held by Fiera Capital in private portfolio companies, as well as alternative investments (e.g. real estate, infrastructure and private lending) and emerging market investments, as well as certain types of hedge funds.

Fiera Capital may incur substantial costs in rectifying pricing errors caused by the misstatement of investment values.

Client Commitment

The agreements pursuant to which Fiera Capital manages its clients' assets, in accordance with industry practice, may be terminated upon short notice. Clients that are invested in units of the Funds may have their units redeemed upon short notice as well. The loss of any major client or of a significant number of existing clients could have a material adverse effect on Fiera Capital's results of operations and financial condition.

There is no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM, which may have a material negative impact on Fiera Capital's ability to attract and retain clients and on its management fees, its potential performance fees and its overall profitability.

Information Security Policies, Procedures and Capabilities

Fiera Capital is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that resides on or is transmitted through them. The administrative services provided by Fiera Capital depend on software supplied by third-parties. An externally caused information security incident, such as a cyber attack or a virus or worm, or an internally-caused issue, such as failure to control access to sensitive systems, affecting such administrative services could materially interrupt Fiera Capital's business operations or cause disclosure or modification of sensitive or confidential information.

Security breach, sensitive data compromise, information security issue experienced by or failure of key third parties, the loss of use of these third parties' products, problems or errors related to such products, termination or failure to renew the term of a third party agreement, could result in material financial loss, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could materially adversely affect Fiera Capital's business, financial condition and results of operations.

Fiera Capital has established a comprehensive information security program, defined by a governance framework and processes including information security risk assessments and privacy impact assessments, that are intended to strengthen the security posture. The program, managed by qualified cybersecurity professionals, includes investment in security technologies and third-party partnerships to better protect information and computer systems and to improve our resilience and cybersecurity capabilities. Notwithstanding these measures, the cybersecurity threats are rapidly and constantly changing, and there remains a possibility that processes and controls in place could be unsuccessful in preventing a security breach. Fiera Capital may be vulnerable, and work with third parties who may also be vulnerable to computer viruses and other types of malicious software, cyber-attacks and hacking attempts from unauthorized persons, the physical theft of computer systems, internal programming or human errors, fraud, or other disruptive problems or events. There is also a risk that certain internal controls fail, which could also exacerbate any consequences from such events.

Limitations of Enterprise Risk Management

Fiera Capital's operations are subject to external market risks to which all investors are subject, as well as internal risks resulting from the nature of the Firm's business. Fiera Capital monitors, evaluates and manages the principal risks associated with the conduct of its business. In certain cases the Firm's methods for managing these risks are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which may be significantly greater than the historical measures indicated.

Other enterprise risk management methods depend upon evaluation of information regarding markets, clients or other matters that is publicly available or otherwise accessible by Fiera Capital. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of strategic, technologic, operational, financial, legal and regulatory risks requires, among other things, policies and procedures including the segregation of duties. These policies and procedures may not be fully effective in managing these risks. A failure by Fiera Capital to manage risks in its portfolios and activities could materially adversely affect Fiera Capital's business, financial condition and results of operations.

In order to reduce this risk, Fiera Capital adopted risk management practices that are under the oversight of Fiera Capital's Audit and Risk Management Committee. See "Audit and Risk Management Committee Disclosure".

Fund Operating Expenses

If the AUM in the Funds decline to the point that charging the full fund operating expenses to the Funds results in weakening management expense ratios or the Funds becoming uncompetitive, Fiera Capital may choose to absorb some of these expenses.

Any such discretionary decision will result in an increase in expenses for Fiera Capital and a decrease in profitability.

Operational Risk

Fiera Capital is dependent on the availability of its personnel, its office facilities and the proper functioning of its computer and telecommunications systems, as well as the goods and services provided by third-party suppliers and service providers.

The occurrence of a disaster or other calamity affecting the Firm's facilities or those of its third-party suppliers and service providers (such as water damage, an explosion or a prolonged loss of electrical power) or affecting the regions in which the Firm, or those of the Firm's third party-suppliers and service providers operate (such as a natural disaster, or upon an incident of war, riot or civil unrest, terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious diseases (including, most recently, the novel coronavirus (COVID-19), and related events), could materially interrupt Fiera Capital's business operations and cause material financial loss, loss or shortages of human capital, regulatory actions, interrupt supplies or services received from third parties or provided to clients, breach of client contracts, reputational harm or legal liability, which in turn could materially adversely affect Fiera Capital's business, financial condition and results of operations. Despite being reviewed on an annual basis, there is no guarantee that the disaster recovery plan maintained by the Firm will be adequate in mitigating the impacts of such a disaster.

Risks Related to Structure and Shares

Major Shareholders

As of the date hereof, Mr. Jean-Guy Desjardins indirectly owns approximately 28.62% of the outstanding voting interest of Fiera L.P., a controlling shareholder of Fiera Capital holding 24.95% of the outstanding Shares and the sole holder of Class B Special Voting Shares. Desjardins Financial Holding Inc. ("**DFH**"), a direct wholly-owned subsidiary of Fédération des caisses Desjardins du Québec ("**FCD**"), owns 28.87% of the outstanding voting interest of Fiera L.P. DFH proposed for election two of the current eight directors of Fiera Capital that the holder of Class B Special Voting Shares are entitled to appoint. Mr. Desjardins is in a position to exercise significant control over matters of Fiera Capital requiring shareholder approval, including the election of directors and the determination of significant corporate actions.

Potential Dilution

Fiera Capital is authorized to issue an unlimited number of Class A Subordinate Voting Shares, Class B Special Voting Shares and Preferred Shares and may decide to issue additional Shares or Preferred Shares in order to finance investment projects or raise liquidity, which could dilute the share ownership.

Further, under the Sceptre Investor Agreement, Fiera L.P. benefits from the Fiera L.P. Anti-Dilution Rights (as defined below), which is described in this AIF under section "Description of Material Contracts - Sceptre Investor Agreement". As a result of an issuance pursuant to the Fiera L.P. Anti-Dilution Rights, the share ownership of Fiera Capital would be diluted.

Also, under the Natixis Investor Rights Agreement, Natixis Canada Holdings benefits from certain anti-dilution rights allowing Natixis Canada Holdings to maintain its ownership interest in Fiera Capital. The issuance of Class A Subordinate Voting Shares pursuant to such rights would dilute the share ownership of Fiera Capital.

Additionally, Fiera Capital may determine to redeem outstanding Debentures for Class A Subordinate Voting Shares or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Class A Subordinate Voting Shares. Moreover, the 2023 Debentures are convertible at the holder's discretion into Class A Subordinate Voting Shares at a price of $18.85 per share. The issuance of additional Class A Subordinate Voting Shares may have a dilutive effect on Fiera Capital's shareholders and an adverse impact on the price of Class A Subordinate Voting Shares. See "Description of Capital Structure –Debentures" of the Company's Annual Information Form Financial Year Ended December 31, 2019.

Risks Related to the Firm's Liquidity and Financial Position

Indebtedness

The Firm's credit facilities contains various covenants that limit the ability of Fiera Capital and certain of its subsidiaries (collectively, the "**Borrower Parties**") to engage in specified types of transactions and imposes significant operating restrictions, which may prevent the Borrower Parties from pursuing certain business opportunities and taking certain actions that may be in their interest.

These covenants may limit the Borrower Parties' ability to take actions that it believes would profit its business, and may make it difficult for Fiera Capital to successfully execute its business strategy or effectively compete with companies that are not similarly restricted.

In addition, the Firm's credit facilities require Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of an acquisition of control of Fiera Capital will cause an event of default.

A failure to comply with these covenants, including a failure to meet the financial tests or ratios, could result in an event of default under the Firm's credit facilities.

Although at present these covenants do not restrict Fiera Capital's ability to conduct its business as presently conducted, there are no assurances that in the future, Fiera Capital will not be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets.

Also, on maturity of the Firm's credit facilities, Fiera Capital may not be able to refinance the outstanding principal under the credit facilities or the terms of such credit facilities may be more onerous than those of the existing credit facilities.

Interest Risk

A portion of Fiera Capital's indebtedness, including under the Firm's credit facilities, is at variable rates of interest and exposes Fiera Capital to interest rate risk. If interest rates increase, Fiera Capital's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed would remain the same, and net income and cash flows would decrease.

Failure to manage interest risks could materially adversely affect Fiera Capital's business, financial condition and results of operations.

To hedge some of the interest rate risk it is exposed to via its borrowing under its credit facilities, Fiera Capital has contracted interest rate swaps that fix a portion of interest rate payments. Given that changes in the fair values of derivatives must be reported in the Firm's financial statements, interest rate fluctuations may have an impact on the reported profits and loss of Fiera Capital on a quarterly basis, thus creating some volatility in reported earnings.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the Firm's earnings and AUM is denominated in US dollars and GBP. The Firm's main exposure relates to cash and cash equivalents, restricted cash, accounts receivables, investments, derivative financial instruments, accounts payables and accrued liabilities, puttable financial instrument liability, purchase price obligations and long-term debt denominated in US dollars and GBP. The Firm and certain of its subsidiaries manage currency risk by entering into currency hedging contracts relating to US dollars and various other currencies.

Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted. Fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Firm's results and financial condition.

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