

Management's Discussion and Analysis FIERA CAPITAL CORPORATION

For the Three and Nine-Month Periods Ended September 30, 2018



FIERACAPITAL

Table of Contents

Basis of Presentation.....	1
Forward-Looking Statements.....	2
Company Overview	3
Significant Events	3
Market and Economic Overview.....	4
Summary of Portfolio Performance.....	6
AUM and Revenue Trend Highlights.....	7
Highlights for the Three-month Period Ended September 30, 2018	9
Financial Results	11
Results from Operations and Overall Performance	14
Summary of Quarterly Results	27
Liquidity and Capital Resources.....	28
Control and Procedures.....	37
Financial Instruments	38
Capital Management	38
Significant Accounting Judgments and Estimation Uncertainties	38
New Accounting Standards.....	39
Non-IFRS Measures.....	42
Risk Factors.....	46

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Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

The following management's discussion and analysis ("MD&A") dated November 9, 2018, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital" or "Firm" or "Corporation") as at and for the three and nine-month periods ended September 30, 2018. The following MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements including the notes thereto, as at and for the three-month period ended September 30, 2018.

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

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

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

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.

BASIS OF PRESENTATION

The Company prepares its interim condensed consolidated financial statements in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standard Board ("IASB") and accordingly, do not include all disclosures required under International Financial Reporting Standards ("IFRS") for annual consolidated financial statements. The accounting policies and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2017, except for the impact of the adoption of the standards, interpretations and amendment described in Note 3. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2017, and December 31, 2016.

The following MD&A should also be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2017, and December 31, 2016, which contain a description of the accounting policies used in the preparation of these financial statements.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

The Company presents earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted EBITDA per share, adjusted EBITDA margin, 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.

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 among 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.

⁽¹⁾ The definition of adjusted net earnings was amended and certain comparative figures have been restated to conform with the current presentation. Refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

COMPANY OVERVIEW

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation. The Company provides investment advisory and related services to institutional investors, private wealth clients and retail investors. In the U.S., investment advisory services are provided by two of the Company's U.S. subsidiaries, Fiera Capital Inc. and Bel Air Management, LLC, that are registered as investment advisors with the U.S. Securities and Exchange Commission ("SEC"). The Company's subsidiaries Fiera Capital (UK) Limited (formerly Charlemagne Capital (UK) Limited) is registered with the Financial Conduct Authority in the United Kingdom and as an investment advisor with the SEC and Fiera Capital (IOM) Limited (formerly Charlemagne Capital (IOM)) is registered with the Isle of Man Financial Services Authority and is also registered as an investment advisor with the SEC. The Company's affiliate Clearwater Capital Partners Singapore Pte Ltd., Clearwater Capital Partners Hong Kong Limited and Clearwater Capital Partners, L.P. are respectively licensed by the Monetary Authority of Singapore, licensed the Securities and Futures Commission of Hong Kong and registered with the Cayman Islands Monetary Authority and each entity is an Exempt Reporting Adviser with the SEC. The Company's head office is located at 1501 McGill College Avenue, Suite 800, Montréal, Québec, Canada. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

SIGNIFICANT EVENTS

- **Expanded presence in Asia with acquisition of Clearwater Capital Partners** – *August 9, 2018*. The Company acquired Clearwater Capital Partners LLC, an Asia focused credit and special situations investment firm headquartered in Hong Kong. The aggregate consideration paid at closing, subject to various post-closing adjustments, was US\$21 million, including US\$12 million in cash and US\$9 million in newly issued Class A Shares. Additional contingent payments of up to US\$44 million (undiscounted amount) will be payable over five years if certain performance conditions are achieved.
- **Renegotiated terms and conditions of existing assets under management agreement** – *August 31, 2018*. Fiera Capital announced that it has agreed on the terms and conditions of a renewal until June 30, 2022 of the assets under management agreement with National Bank of Canada and Natcan Investment Management Inc., a wholly-owned subsidiary of National Bank of Canada, dated April 2, 2012.

SUBSEQUENT EVENTS

- **Execution of new Strategic Plan** – *October 2, 2018*. The Company provided an update on the advancement of the Firm's 2022 Strategic Plan (the "2022 Plan"). The objective of the 2022 Plan, which was developed internally over the past 12-months and approved by the Firm's Board of Directors in August, is to establish Fiera Capital as a top-tier, global, multi-strategy asset manager with top-quartile embedded strategies, recognized for its talented people and for providing the best solutions to its clients globally.
- **Welcoming key hires** – October 16 and 22, 2018. Kanesh Lakhani was appointed President and Chief Executive Officer of Fiera Capital's European Division, based in London and Lucas Pontillo joined Fiera Capital as Executive Vice President and Global Chief Financial Officer. Former Chief Financial Officer John Valentini progressed to a full-time role as President and Chief Executive Officer of Fiera Private Alternative Investments.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

- **Natcan annual payment obligation** – *October 1st, 2018*. Fiera Capital proceeded with a cash payment of \$8.5 million to Natcan Investment Management Inc., a wholly-owned subsidiary of National Bank of Canada, pursuant to the terms of the asset purchase agreement, dated February 24, 2012, as amended, with respect to the acquisition by the Corporation of the business of Natcan.
- **Sale of retail mutual funds to Canoe Financial LP** – *October 22, 2018*. The Company reached an agreement with Canoe Financial LP, pursuant to which Canoe has agreed to acquire the rights to manage nine retail mutual funds and agreed that Fiera Capital would continue to act as sub-advisor for the Fiera Capital Global Equity Fund, Fiera Capital Defensive Global Equity Fund, Fiera Capital International Equity Fund, and Fiera Capital Equity Growth Fund. The transaction is expected to close during Q1 2019 and is subject to among other matters, receiving all necessary unitholder and regulatory approvals, as well as satisfying other customary conditions of closing.

MARKET AND ECONOMIC OVERVIEW

Market Overview

Investors had plenty to contemplate over the last quarter, including an escalation in President Trump's protectionist agenda, turmoil in the emerging markets, and a politically-charged environment in Europe. Specifically, President Trump has now imposed tariffs on a total of US\$ 250 billion worth of Chinese imports, while China has retaliated with levies on a total of US\$ 110 billion worth of US imports.

Furthermore, Trump has ratcheted-up his aggressive posturing and has threatened to slap tariffs on an additional US\$ 267 billion if China retaliates further. However, notable progress has been made elsewhere. After several months of stalemate in NAFTA negotiations, policymakers succeeded in securing a revamped trilateral accord, while a new round of tariffs have been sidelined as the US and European Union undergo trade talks – essentially allowing Trump to shift his focus back to China, the primary target of his protectionist agenda since day one. Finally, diverging views on the fiscal rules of the European Union are testing the region's financial stability after Italy proposed a much larger than expected budget deficit, while the future of the UK remains frustratingly uncertain as Brexit negotiations linger on with little in the way of progress.

Global equity markets proved fairly resilient in the environment of heightened trade tensions and emerging market turmoil. That being said, while the MSCI All Country World index ended the quarter firmly in positive territory, equity results diverged on a regional basis. Namely, the US equity market was the clear winner during the third quarter and breached fresh record highs. In contrast, the Canadian equity market remained under pressure as negotiations between the US and Canada yielded little in the way of progress towards a revamped NAFTA and weighed on the TSX. European stocks were under pressure amid lingering trade headwinds and concerns that Italy's populist coalition will collide with the EU over the expansionary fiscal budget, though Japanese bourses managed to soar higher on the back of the weaker yen and robust earnings growth. Finally, the combination of rising US yields, a strengthening greenback, trade tensions, and some idiosyncratic issues in Turkey and Argentina triggered widespread outflows from emerging market assets, sending the index of developing market stocks pummeling lower – though managed to pare quarterly losses amid some softer dollar conditions at quarter-end.

Meanwhile, fixed income markets posted negative results during the third quarter of 2018. North American bond yields moved higher across the curve and yield curves flattened, with the back-up in the short-end exceeding that of the long-end. The short-end rose as investors boosted their wagers for central bank normalization, while the long-end also moved higher as inflation expectations resurfaced on the back of the robust growth backdrop, signs of building pricing pressures,

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

and higher commodity prices. Finally, corporate and high yield bonds outperformed their government peers, with improved risk appetite sending investors flocking into the corporate space during the third quarter.

Economic Overview

Despite the latest escalation in trade tensions and political vulnerabilities in Europe, the narrative of a synchronous global expansion remains firmly intact – while the accommodative monetary and fiscal impulse should allow the expansion to continue uninterrupted in the coming year.

The Canadian economy has seen little in the way of collateral damage stemming from the stalemate in NAFTA negotiations during the third quarter. While the domestic economy has been well-supported by healthy gains in consumer and business spending, most encouraging has been the revival in exports - owing to robust demand stateside and a weaker loonie. The environment of above-trend growth and building pricing pressures has provided the Bank of Canada with the scope to raise interest rates once more in 2018.

The US economy continues to fire on all cylinders and is leading the G7 growth charge, with broad based strength in both the services and factory sectors. Furthermore, forward looking indicators are pointing to continued economic resilience in the coming year, while the double-dose of fiscal stimulus for an already-buoyant economy should help to boost inflationary pressures – reinforcing the need for the Federal Reserve to continue normalizing monetary policy, albeit very gradually.

Looking abroad, the European economy has reverted back towards more self-sustaining levels, justifying the ECB decision to cease its asset purchases later this year. Meanwhile, economic momentum has improved in Japan, though the subdued inflation backdrop is sure to keep the Bank of Japan in stimulus-mode, while the risk of a breakdown in Brexit negotiations or a change in government represent downside risks to the economic outlook in the UK.

Finally, emerging market vulnerabilities remain largely idiosyncratic, while improved financial positions have reduced the likelihood of a 1997-style crisis. Importantly, China's economic trajectory remains stable, while growth drivers have rotated towards consumption and reduced the vulnerability to a full-blown trade war. Moreover, policymakers have pledged a willingness to support the economy via stimulative monetary and fiscal policies – helping to counter any negative side effects from newly imposed tariffs.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

SUMMARY OF PORTFOLIO PERFORMANCE

Annualized Rates of Return as at September 30, 2018

Strategies	AUM (\$Billion)	1 yr			5 yrs or Since Inception (SI)* (SI if inception < 5 yrs)			Inception date	Benchmark name	Notes
		Strategy return	Added value	Quartile	Strategy return	Added value	Quartile			
Fixed Income Investment Strategies	68.7									
Integrated Fixed Income Universe		2.21	0.54	1	3.8	0.53	1	01/01/1993	FTSE TMX Universe	
Tactical Fixed Income Universe		3.13	1.47	1	3.44	0.18	3	01/01/2000	FTSE TMX Universe	
High Yield Bonds		2.73	0.39	3	5.4	-0.06	2	01/02/2002	High Yield Blended	1
Preferred Shares Relative Value		6.12	1.02	N/A	4.27	1.87	N/A	01/02/2004	S&P/TSX Preferred Share	
Infrastructure Bonds		4.11	0.23	N/A	6.61	0.73	N/A	01/08/2011	FTSE TMX Provincial Long Term	
Tax Efficient Core Intermediate (Primary Benchmark)		-0.53	-0.34	N/A	1.94	-0.21	N/A	31/03/2007	Bloomberg Barclays 1-10 Year Municipal Index	4
Tax Efficient Core Intermediate (Secondary Benchmark)		-0.53	-0.06	N/A	1.94	0.33	N/A	31/03/2007	Bloomberg Barclays 1-10 Year AA+ Municipal Index	4
Tax Efficient Core Plus		-0.26	-0.08	N/A	2.74	0.38	N/A	31/12/2012	Bloomberg Barclays 1-10 Year Municipal Index	4
High Grade Core Intermediate (Primary Benchmark)		-0.55	0.38	N/A	1.85	0.15	N/A	31/12/2004	Bloomberg Barclays Intermediate Aggregate Index	4
High Grade Core Intermediate (Secondary Benchmark)		-0.55	0.45	N/A	1.85	0.31	N/A	01/01/2005	Bloomberg Barclays Intermediate Aggregate Ex CMBS/ABS/BBB Index	4
Balanced Investment Strategies	4.1									
Balanced Core		8.48	1.71	1	9.32	1.43	1	01/09/1984	Balanced Core Blended	2
Balanced Integrated		8.44	2.10	1	9.49	1.7	1	01/04/2013	Balanced Integrated Blended	3
Equity Investment Strategies	60.5									
Canadian Equity		7.92	2.05	1	10.88	3.07	1	01/01/2013	S&P/TSX Composite	
Canadian Equity Core		8.50	2.63	1	9.16	1.36	3	01/01/1992	S&P/TSX Composite	
Canadian Equity Opportunities		6.73	0.86	2	7.92	0.11	3	01/11/2002	S&P/TSX Composite	
High Income Equity		-0.03	-1.36	4	5.92	0.61	4	01/10/2009	S&P/TSX Composite High Dividend	
Canadian Equity Small Cap Core		13.74	13.67	1	9.18	4.94	2	01/01/1989	S&P/TSX Small Cap	
Canadian Equity Small Cap		3.68	3.61	3	7.66	3.42	3	01/01/1989	S&P/TSX Small Cap	
US Equity		26.91	5.05	1	21.43	2.14	1	01/04/2009	S&P 500 CAD	
International Equity		11.89	5.71	1	12.82	3.51	1	01/01/2010	MSCI EAFE Net CAD	
Global Equity		18.47	3.50	1	17.55	3.14	1	01/10/2009	MSCI World Net CAD	
Apex Large Cap Growth		22.66	-3.63	3	15.95	-0.64	2	01/04/2007	Russell 1000 Growth	4
Apex Mid Cap Growth		32.69	11.59	1	17.94	4.93	1	01/05/2008	Russell MidCap Growth	4
Apex Smid Growth		22.80	-0.31	3	12.17	-0.70	3	01/01/1990	Russell 2500 Growth	4
Apex Small Cap Growth		17.90	-3.13	4	8.90	-3.24	4	01/01/2006	Russell 2000 Growth	4
City National Rochdale Emerg Mkts		-12.71	-12.81	4	6.26	1.08	2	14/12/2011	MSCI Emerging Markets NR USD	4
Emerging Markets Core Growth		-6.09	-5.28	4	5.31	1.69	2	01/07/2003	MSCI Emerging Markets Index	4
Emerging Markets Growth & Income		1.91	2.72	1	3.06	-0.56	4	01/07/2010	MSCI Emerging Markets Index	4
Frontier Markets		-7.35	0.38	3	11.00	8.13	1	01/07/2010	MSCI Frontier Markets Index	4
Alternative Investment Strategies	10.2									
North American Market Neutral Fund		4.46	-	N/A	4.62	-	N/A	01/10/2007	Absolute Return	
Long / Short Equity Fund		4.36	-	N/A	10.54	-	N/A	01/08/2010	Absolute Return	
Diversified Lending Fund		8.11	-	N/A	6.38	-	N/A	01/04/2008	Absolute Return	
Multi-Strategy Income Fund		3.06	-	N/A	5.07	-	N/A	01/11/2009	Absolute Return	
Infrastructure Fund		7.96	-	N/A	6.25	-	N/A	01/03/2010	Absolute Return	
Real Estate Fund		6.85	-	N/A	6.23	-	N/A	01/07/2013	Absolute Return	
Fiera Private Lending Construction Financing Fund		7.57	-	N/A	7.04	-	N/A	22/11/2006	Absolute Return	
Fiera Private Lending Mezzanine Financing Fund		10.17	-	N/A	9.85	-	N/A	21/07/2015	Absolute Return	
Fiera Private Lending Business Financing Fund		6.72	-	N/A	8.27	-	N/A	06/11/2013	Absolute Return	
Charlemagne OCCO Eastern European Fund		2.95	-	N/A	4.94	-	N/A	01/01/2002	Absolute Return	4
Charlemagne OAKS Emerging & Frontier Opportunities Fund		-5.66	-	N/A	6.82	-	N/A	25/09/2013	Absolute Return	4
TOTAL AUM	143.5									

Notes:

- 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.
- 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.
- 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.
- US Dollar returns

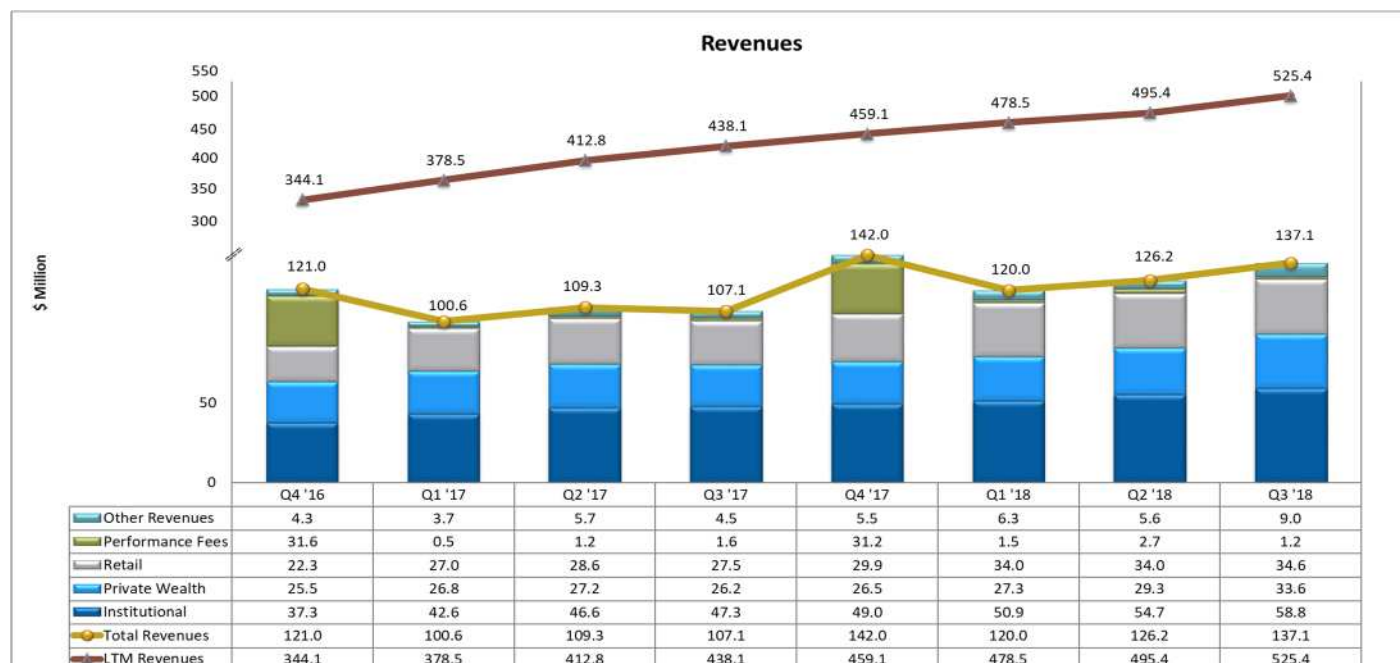
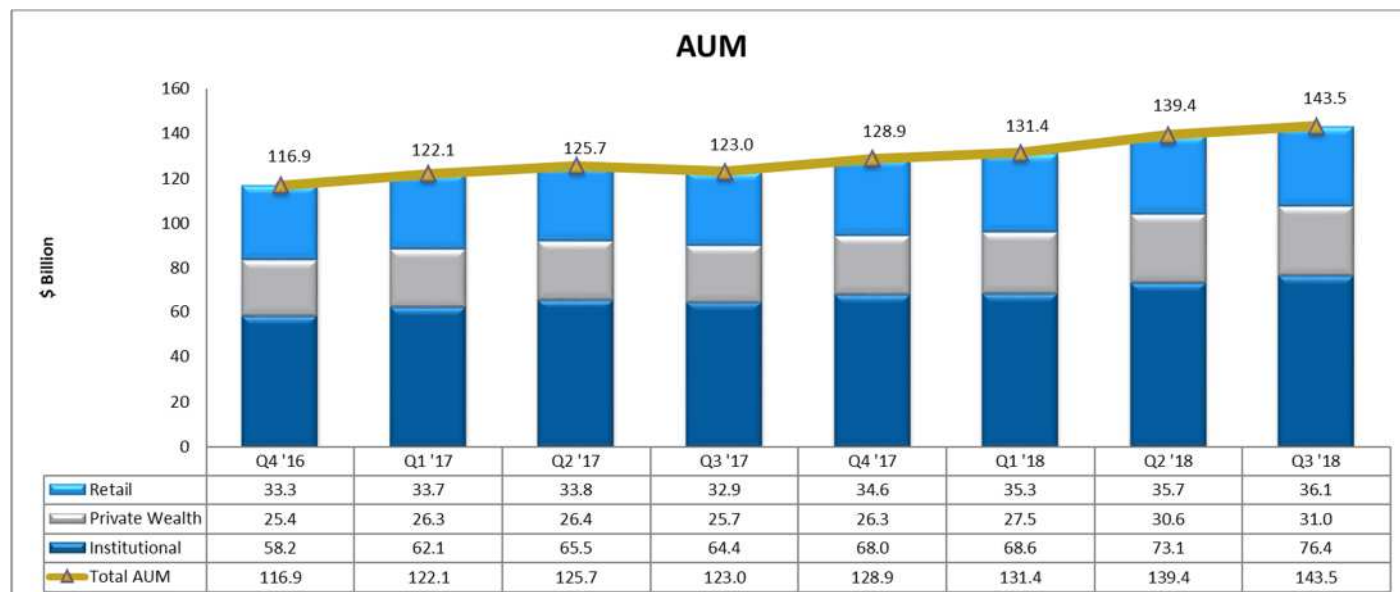
Important Disclosures:

- All returns are expressed in Canadian dollars, unless indicated otherwise.
- All performance returns presented above are annualized.
- All returns, except alternative strategies and Balanced Fund are presented gross of management and custodial fees and withholding taxes but net of all trading expenses.
- Alternative Investment Strategies and Balanced Fund 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 alternative 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.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

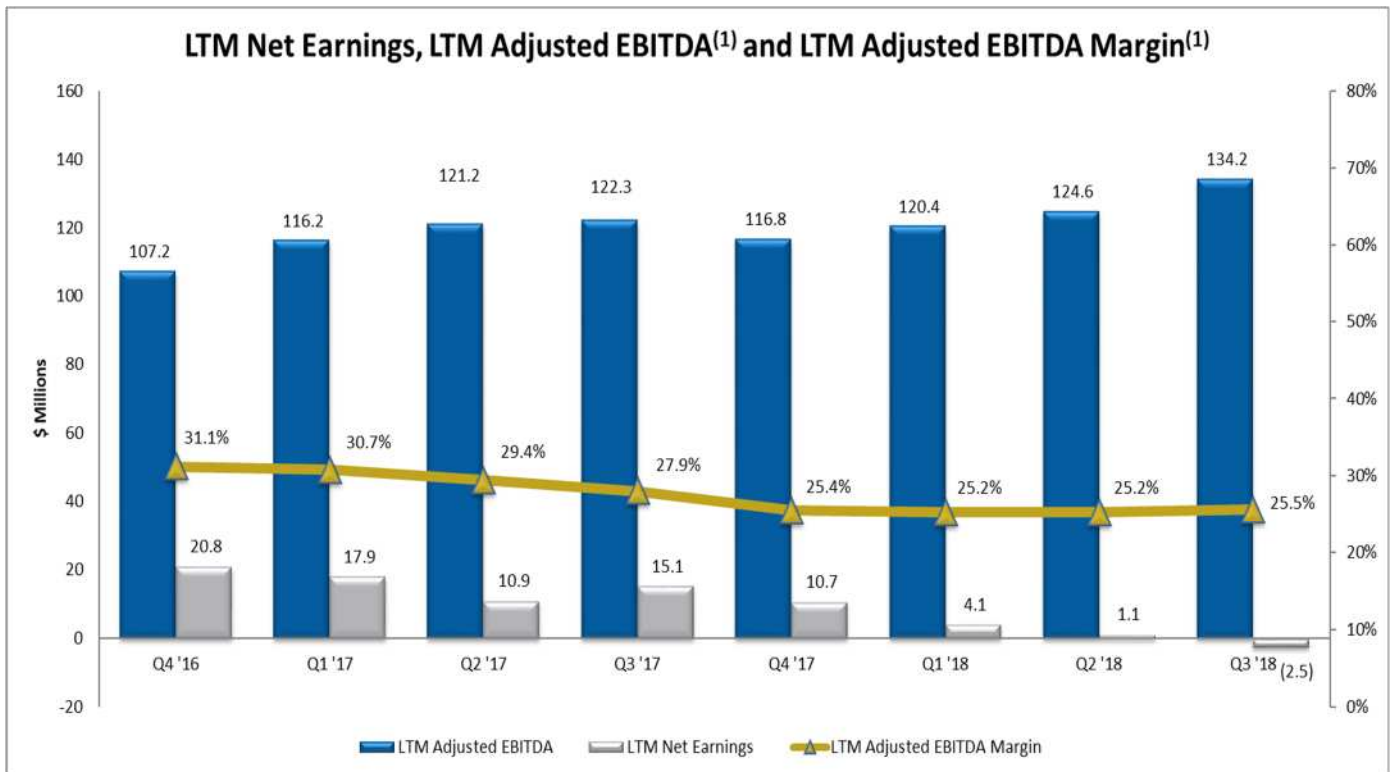
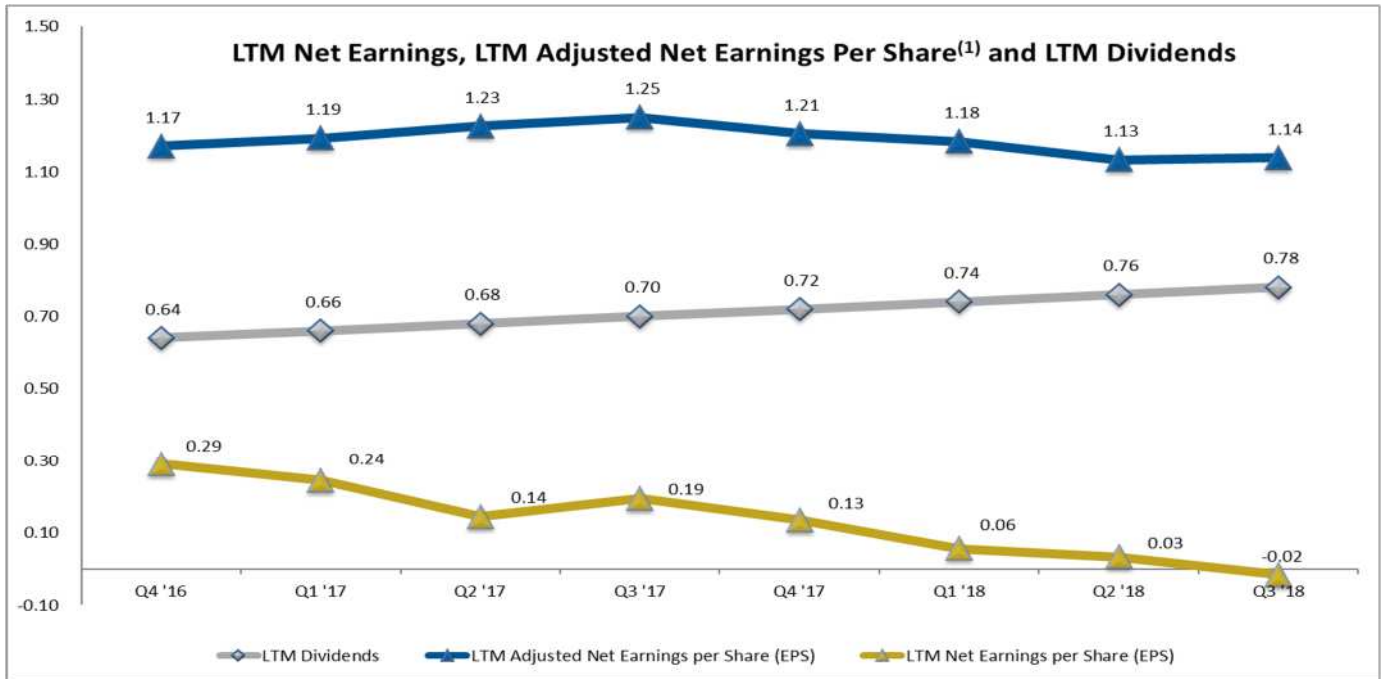
AUM AND REVENUE TREND

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



⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018



⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

HIGHLIGHTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Current Quarter Compared to Prior-Year Quarter

- › Total AUM were \$143.5 billion as at September 30, 2018, representing an increase of \$20.5 billion, or 17%, compared to AUM of \$123.0 billion as at September 30, 2017.
- › Base management fees and other revenues for the third quarter ended September 30, 2018, were \$135.9 million, representing an increase of \$30.4 million, or 29%, compared to \$105.5 million for the same period last year.
- › Performance fees were \$1.2 million for the third quarter ended September 30, 2018, compared to \$1.6 million for the same period last year.
- › Selling, general and administrative ("SG&A") expenses and external managers' expenses were \$107.3 million for the third quarter ended September 30, 2018, representing an increase of \$22.4 million, or 26%, compared to \$84.9 million for the same period last year.
- › Adjusted EBITDA⁽¹⁾ was \$36.6 million for the third quarter ended September 30, 2018, representing an increase of \$9.6 million, or 36%, compared to \$27.0 million for the same period last year. Adjusted EBITDA per share was \$0.38 (basic) and \$0.36 (diluted)⁽¹⁾ for the third quarter of 2018, compared to \$0.33 per share (basic) and \$0.32 (diluted) for the same period last year.
- › For the third quarter ended September 30, 2018, the Firm recorded net earnings attributable to the Company's shareholders of \$1.0 million, or \$0.01 per share (basic and diluted), a decrease of \$3.6 million, or 78%, compared to the third quarter ended September 30, 2017, during which the Firm recorded net earnings attributable to the Company's shareholders of \$4.6 million, or \$0.06 per share (basic) and \$0.05 (diluted).
- › Adjusted net earnings⁽¹⁾ attributable to the Company's shareholders for the third quarter ended September 30, 2018, amounted to \$27.5 million, or \$0.29 per share (basic) and \$0.27 (diluted)⁽¹⁾, compared to \$23.1 million, or \$0.28 per share (basic) and \$0.27 (diluted), for the third quarter ended September 30, 2017.

Current Quarter Compared to Previous Quarter

- › Total AUM were \$143.5 billion as at September 30, 2018, representing an increase of \$4.1 billion, or 3%, compared to \$139.4 billion as at June 30, 2018.
- › Base management fees and other revenues for the third quarter ended September 30, 2018, were \$135.9 million, representing an increase of \$12.3 million, or 10%, compared to \$123.6 million for the previous quarter ended June 30, 2018.
- › Performance fees were \$1.2 million for the third quarter ended September 30, 2018, compared to \$2.7 million for the previous quarter ended June 30, 2018.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

- › SG&A expenses and external managers' expenses were \$107.3 million for the third quarter ended September 30, 2018, representing an increase of \$7.7 million, or 8%, compared to \$99.6 million for the previous quarter ended June 30, 2018.
- › Adjusted EBITDA⁽¹⁾ was \$36.6 million for the third quarter ended September 30, 2018, representing an increase of \$3.9 million, or 12%, compared to \$32.7 million for the previous quarter ended June 30, 2018. Adjusted EBITDA per share⁽¹⁾ was \$0.38 (basic) and \$0.36 (diluted) for the third quarter ended September 30, 2018, compared to \$0.35 (basic and diluted) for the previous quarter ended June 30, 2018.
- › For the third quarter ended September 30, 2018, the Firm recorded net earnings attributable to the Company's shareholders of \$1.0 million, or \$0.01 per share (basic and diluted), an increase of \$3.1 million, or over 100%, compared to the previous quarter ended June 30, 2018, during which the Firm recorded net loss attributable to the Company's shareholders of \$(2.1) million, or \$(0.02) per share (basic and diluted).
- › Adjusted net earnings⁽¹⁾ attributable to the Company's shareholders for the third quarter ended September 30, 2018, amounted to \$27.5 million, or \$0.29 per share (basic) and \$0.27 (diluted), compared to \$23.8 million, or \$0.26 per share (basic and diluted), for the previous quarter ended June 30, 2018.

Year-to-Date September 30, 2018, Compared to Year-to-Date September 30, 2017

- › Base management fees and other revenues for the nine-month period ended September 30, 2018, were \$378.0 million, representing an increase of \$64.3 million, or 20%, compared to \$313.7 million for the same period last year.
- › Performance fees were \$5.3 million for the nine-month period ended September 30, 2018, compared to \$3.3 million for the same period last year.
- › SG&A expenses and external managers' expenses were \$304.8 million for the nine-month period ended September 30, 2018, representing an increase of \$54.0 million, or 22%, compared to \$250.8 million for the nine-month period ended September 30, 2017.
- › Adjusted EBITDA were \$98.2 million for the nine-month period ended September 30, 2018, representing an increase of \$17.5 million, or 22%, compared to \$80.7 million for the same period last year. Adjusted EBITDA per share was \$1.05 (basic and diluted) for the nine-month period ended September 30, 2018, compared to \$0.99 per share (basic) and \$0.95 (diluted) for the same period last year.
- › For the nine-month period ended September 30, 2018, the Firm recorded a net loss attributable to the Company's shareholders of \$(3.3) million, or \$(0.04) per share (basic and diluted), a decrease of \$13.2 million, or over 100%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of \$9.9 million, or \$0.12 per share (basic and diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the nine-month period ended September 30, 2018, were \$72.7 million, or \$0.78 per share (basic and diluted), compared to \$70.0 million, or \$0.86 per share (basic) and \$0.83 (diluted), for the same period last year.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

FINANCIAL RESULTS

Table 1 – Consolidated Statements of Earnings (Loss) and Assets under Management

ASSETS UNDER MANAGEMENT (in \$ millions)	AS AT			VARIANCE	
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Assets under Management	143,475	139,389	123,003	4,085	20,471

STATEMENTS OF EARNINGS (LOSS) (in \$ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Revenues					
Base management fees	126,936	117,947	100,997	8,989	25,939
Performance fees - Traditional Assets	1,133	2,664	1,603	(1,531)	(470)
Performance fees - Alternative Assets	41	(14)	1	55	40
Other revenues	8,999	5,635	4,526	3,364	4,473
	137,109	126,232	107,127	10,877	29,982
Expenses					
Selling, general and administrative expenses	106,710	99,254	84,498	(7,456)	(22,212)
External managers	544	373	425	(171)	(119)
Depreciation of property and equipment	1,091	1,018	966	(73)	(125)
Amortization of intangible assets	11,834	10,488	10,497	(1,346)	(1,337)
Interest on long-term debt and other financial charges	5,393	5,054	2,641	(339)	(2,752)
Accretion and change in fair value of purchase price obligations	5,978	5,720	375	(258)	(5,603)
Restructuring, integration and other costs	871	2,389	2,357	1,518	1,486
Acquisition costs	2,594	2,508	378	(86)	(2,216)
Loss on disposal of property and equipment	1	-	480	(1)	479
Realized (gain) loss on investments	(3)	2	2	5	5
Total expenses	135,013	126,806	102,619	(8,207)	(32,394)
Earnings (loss) before income taxes	2,096	(574)	4,508	2,670	(2,412)
Income tax expense (recovery)	969	1,641	(263)	672	(1,232)
Net earnings (loss)	1,127	(2,215)	4,771	3,342	(3,644)
Attributable to:					
Company's shareholders	995	(2,106)	4,603	3,101	(3,608)
Non-controlling interest	132	(109)	168	241	(36)
Net earnings (loss)	1,127	(2,215)	4,771	3,342	(3,644)
BASIC PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.38	0.35	0.33	0.03	0.05
Net earnings (loss)	0.01	(0.02)	0.06	0.03	(0.05)
Adjusted net earnings ⁽¹⁾	0.29	0.26	0.28	0.03	0.01
DILUTED PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.36	0.35	0.32	0.01	0.04
Net earnings (loss)	0.01	(0.02)	0.05	0.03	(0.04)
Adjusted net earnings ⁽¹⁾	0.27	0.26	0.27	0.01	-

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 42.

⁽²⁾ FAV: Favorable - UNF: Unfavorable

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 1 – Consolidated Statements of Earnings and Assets under Management (Continued)

STATEMENTS OF EARNINGS (in \$ thousands except per share data)	FOR THE NINE-MONTH PERIODS ENDED		VARIANCE
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Revenues			
Base management fees	357,064	299,706	57,358
Performance fees - Traditional Assets	5,370	3,339	2,031
Performance fees - Alternative Assets	(76)	(1)	(75)
Other revenues	20,964	14,006	6,958
	383,322	317,050	66,272
Expenses			
Selling, general and administrative expenses	303,483	248,996	(54,487)
External managers	1,284	1,772	488
Depreciation of property and equipment	3,056	2,853	(203)
Amortization of intangible assets	32,345	32,332	(13)
Interest on long-term debt and other financial charges	15,208	6,645	(8,563)
Accretion and change in fair value of purchase price obligations	16,165	2,972	(13,193)
Restructuring, integration and other costs	4,188	8,284	4,096
Acquisition costs	8,120	3,755	(4,365)
Loss on disposal of property and equipment	1	480	479
Loss on disposal of intangible assets	-	371	371
Realized (gain) loss on investments	26	(10)	(36)
	383,876	308,450	(75,426)
Earnings before income taxes	(554)	8,600	(9,154)
Income tax expense (recovery)	2,627	(1,028)	(3,655)
Net earnings	(3,181)	9,628	(12,809)
Attributable to:			
Company's shareholders	(3,304)	9,908	(13,212)
Non-controlling interest	123	(280)	403
Net earnings	(3,181)	9,628	(12,809)
BASIC PER SHARE			
Adjusted EBITDA ⁽¹⁾	1.05	0.99	0.06
Net earnings	(0.04)	0.12	(0.16)
Adjusted net earnings ⁽¹⁾	0.78	0.86	(0.08)
DILUTED PER SHARE			
Adjusted EBITDA ⁽¹⁾	1.05	0.95	0.10
Net earnings	(0.04)	0.12	(0.16)
Adjusted net earnings ⁽¹⁾	0.78	0.83	(0.05)

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 42.

⁽²⁾ FAV: Favorable - UNF: Unfavorable

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 2 - Selected Consolidated Statements of Financial Position Information (in \$ thousands)

	AS AT SEPTEMBER 30, 2018	AS AT DECEMBER 31, 2017
Cash and cash equivalents, restricted cash, investments	64,014	47,417
Accounts receivable	131,176	128,398
Other current assets	15,175	10,082
Total current assets	210,365	185,897
Goodwill	620,956	523,885
Intangible assets	533,833	462,281
Other non-current assets	45,439	32,852
Total assets	1,410,593	1,204,915
Accounts payable and accrued liabilities	98,190	114,008
Other current liabilities	40,123	39,419
Total current liabilities	138,313	153,427
Long-term debt	415,817	292,417
Convertible debentures	78,648	77,461
Purchase price obligations	96,849	58,086
Deferred income taxes	19,360	16,014
Other non-current liabilities	23,541	15,499
Total liabilities	772,528	612,904
Equity		
Attributable to Company's shareholders	637,432	592,545
Attributable to Non-controlling interest	633	(534)
	638,065	592,011
Total liabilities and equity	1,410,593	1,204,915

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

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE

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 Firm's AUM. The change in the Firm'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 disposal ("Disposal"). 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.

As complementary information, Note 4 of the audited consolidated financial statements for the years ended December 31, 2017, and 2016 presents the Firm's business combinations, and is to be read in conjunction with the following discussions. Also, refer to the Company's evolution diagram on page 28 for the details and timing of the acquisitions and other business transactions.

The following tables (Tables 3, 4 and 5) provide a summary of changes in the Firm's assets under management.

Table 3 – Assets under Management ⁽¹⁾ (in \$ millions)

	FOR THE THREE-MONTH PERIODS ENDED		
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017
AUM - beginning of period	139,389	131,360	125,658
Net variance	2,252	2,999	(2,655)
Acquisitions	1,834	5,030	-
AUM - end of period	143,475	139,389	123,003
Average AUM	143,314	134,350	123,886

⁽¹⁾ AUM include foreign exchange impact.

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

Table 4 – Assets under Management by Clientele Type – Quarterly Activity Continuity Schedule (in \$ millions)

	JUNE 30, 2018	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSAL) /ADJUSTMENT	SEPTEMBER 30, 2018
Institutional	73,142	2,346	(522)	(762)	723	(388)	1,834	76,373
Private Wealth	30,560	613	(144)	(247)	620	(426)	-	30,976
Retail	35,687	1,136	(512)	(244)	244	(185)	-	36,126
AUM - end of period	139,389	4,095	(1,178)	(1,253)	1,587	(999)	1,834	143,475

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Quarterly Activities

Total AUM were \$143.5 billion as at September 30, 2018, representing an increase of \$4.1 billion, or 3%, compared to \$139.4 billion as at June 30, 2018. The higher AUM is due primarily to \$4.1 billion in new mandates, combined with the acquisition of Clearwater Capital Partners LLC ("Clearwater") on August 9, 2018, of \$1.8 billion and the market appreciation of \$1.6 billion during the period. These increases in AUM were partially offset by lost mandates of \$1.2 billion and negative net contribution of \$1.2 billion during the third quarter of 2018. Finally, the US dollar exchange rate fluctuation negatively impacted the Firm's AUM by approximately \$1.0 billion during the third quarter of 2018.

The AUM related to the Institutional clientele were \$76.4 billion as at September 30, 2018, representing an increase of \$3.3 billion or 5%, compared to \$73.1 billion from the previous quarter ended June 30, 2018. The increase in AUM was significantly driven by new mandates won during the quarter most notably in Balanced, Global and International Equity and Fixed Income mandates as well as Alternative mandates, totaling \$2.3 billion, combined with the Clearwater acquisition adding \$1.8 billion, as well as a market appreciation of \$0.7 billion. These increases were partially offset by a negative net contribution of \$0.8 billion and by \$0.5 billion in client losses, which were driven primarily by clients that either consolidated investment service providers or that pursued other asset classes. Finally, the US dollar exchange rate fluctuation negatively impacted AUM during the three-month period ended September 30, 2018, by approximately \$0.4 billion.

The AUM related to the Private Wealth clientele were \$31.0 billion as at September 30, 2018, representing an increase of \$0.4 billion, or 1%, compared to \$30.6 billion from the previous quarter ended June 30, 2018. The increase is primarily due to new mandates of \$0.6 billion, combined with market appreciation of \$0.6 billion, partially offset by lost mandates and negative net contribution totaling \$0.4 billion during the quarter. Finally, the US dollar exchange rate fluctuation negatively impacted AUM during the three-month period ended September 30, 2018, by approximately \$0.4 billion.

The AUM related to the Retail clientele were at \$36.1 billion as at September 30, 2018, representing an increase of \$0.4 billion, or 1%, compared to \$35.7 billion from the previous quarter ended June 30, 2018. The increase is primarily driven by new mandates of \$1.1 billion in Canada, Europe and the US, combined with a market appreciation of \$0.2 billion, partially offset by lost mandates of \$0.5 billion and negative net contribution of \$0.2 billion. Finally, the US dollar exchange rate fluctuation negatively impacted AUM during the three-month period ended September 30, 2018, by approximately \$0.2 billion.

**Table 5 – Assets under Management by Clientele Type – Year-to-Date Activity Continuity Schedule
(in \$ millions)**

	DECEMBER 31, 2017	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSAL) /ADJUSTMENT	SEPTEMBER 30, 2018
Institutional	68,038	4,013	(2,621)	(725)	2,114	638	4,916	76,373
Private Wealth	26,319	1,941	(649)	(83)	786	714	1,948	30,976
Retail	34,544	1,956	(934)	117	117	326	-	36,126
AUM - end of period	128,901	7,910	(4,204)	(691)	3,017	1,678	6,864	143,475

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

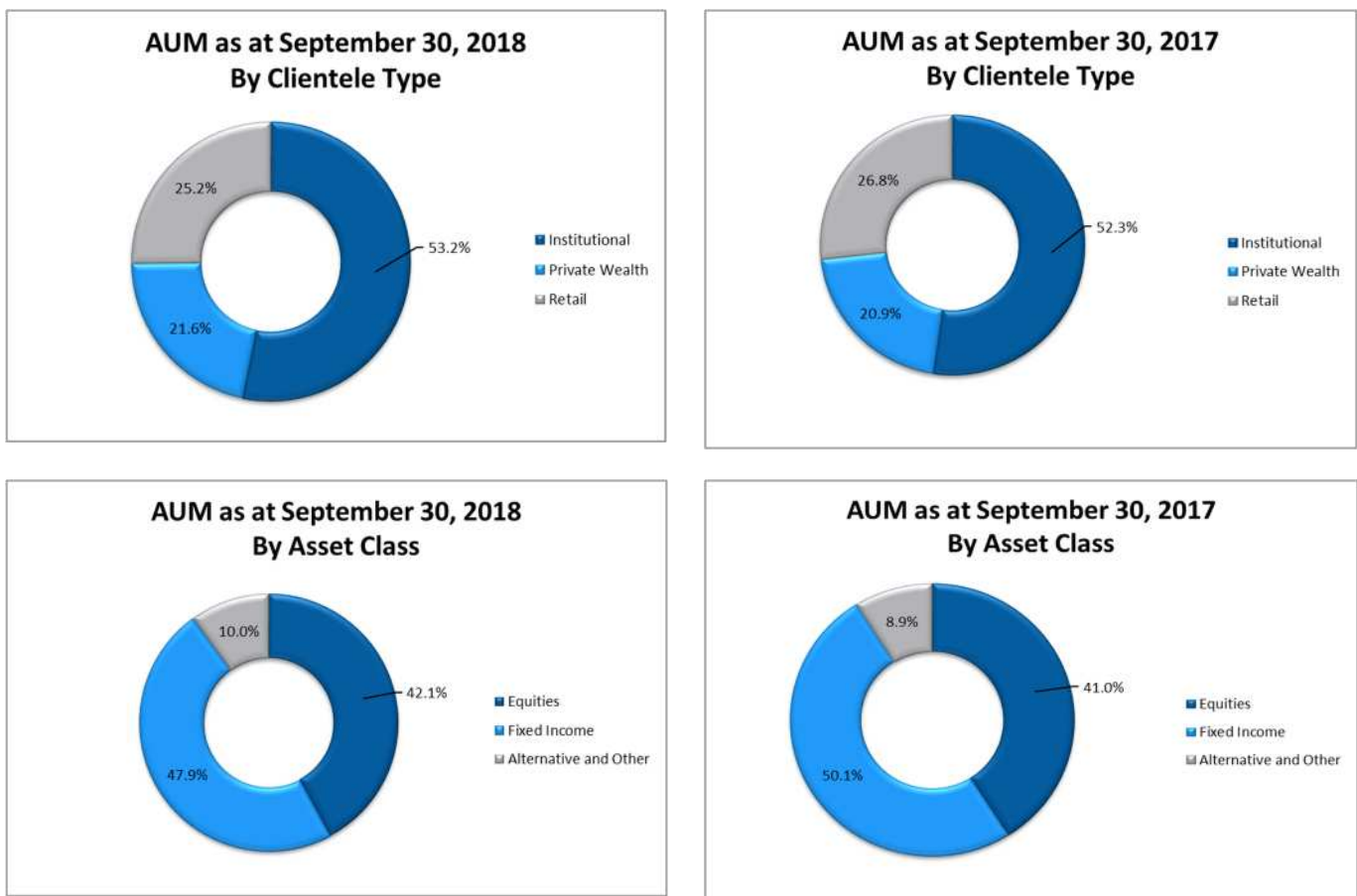
Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

Year-to-Date Activity

Total AUM were \$143.5 billion as at September 30, 2018, representing an increase of \$14.6 billion, or 11.3%, compared to \$128.9 billion as at December 31, 2017. The increase is due primarily to new mandates of \$7.9 billion, combined with the CGOV Asset Management ("CGOV") acquisition which closed on May 31, 2018, and Clearwater acquisition adding \$5.0 billion and \$1.8 billion, respectively, as well as a market appreciation of \$3.0 billion during the period. These increases in AUM were partially offset by lost mandates of \$4.2 billion and negative net contribution of \$0.7 billion during the first nine months of 2018. Finally, the US dollar exchange rate fluctuation positively impacted AUM during the nine-month period ended September 30, 2018, by approximately \$1.7 billion.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at September 30, 2018, and September 30, 2017, respectively.



Revenues

The Firm's revenues consist of (i) management fees, (ii) performance fees, and (iii) 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 Firm is also entitled to performance fees. The Firm categorizes performance fees in two groups: those associated with traditional asset classes or strategies and those associated with alternative asset classes or strategies. Other revenues are comprised

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

mainly of brokerage and consulting fees which are not AUM-driven, as well as gains or losses on the foreign exchange hedge contracts.

Table 6 – Revenues: Quarterly Activity (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	58,752	54,683	47,285	4,069	11,467
Private Wealth	33,568	29,249	26,174	4,319	7,394
Retail	34,616	34,015	27,538	601	7,078
Total management fees	126,936	117,947	100,997	8,989	25,939
Performance fees – Traditional asset class	1,133	2,664	1,603	(1,531)	(470)
Performance fees – Alternative asset class	41	(14)	1	55	40
Total performance fees	1,174	2,650	1,604	(1,476)	(430)
Other revenues	8,999	5,635	4,526	3,364	4,473
Total revenues	137,109	126,232	107,127	10,877	29,982

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

Current Quarter versus Prior-Year Quarter

Revenues for the third quarter ended September 30, 2018, were \$137.1 million, representing an increase of \$30.0 million, or 28%, compared to \$107.1 million for the same period last year. The year-over-year increase in revenues is mainly due to organic growth, combined with market appreciation, mostly from the institutional and private wealth sectors as well as growth in the Private Alternative Investment strategies, along with additional revenues from the Fiera Capital Emerging Markets Fund created following the acquisition of City National Rochdale ("CNR") in December 2017, and from the recent acquisitions of CGOV in May 2018 and Clearwater in August 2018.

Management Fees

Management fees were \$126.9 million for the third quarter ended September 30, 2018, representing an increase of \$25.9 million, or 26%, compared to \$101.0 million for the same period last year. The overall increase in management fees by clientele type are as follows:

- › Management fees from the Institutional clientele were \$58.8 million for the third quarter ended September 30, 2018, representing an increase of \$11.5 million, or 24%, compared to \$47.3 million for the same quarter last year. The increase in base management fees is primarily due to additional revenues resulting from the higher net AUM from new mandates namely from the US and Canada mainly in Global Equity, as well as from the growth in Private Alternative Investment Strategies, combined with revenues from the CGOV and Clearwater acquisitions.
- › Management fees from the Private Wealth clientele were \$33.6 million for the third quarter ended September 30, 2018, representing an increase of \$7.4 million, or 28%, compared to \$26.2 million for the same period last year. The increase is mainly due to the acquisition of CGOV, combined with a higher AUM base from new mandates in the US.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

- Management fees from the Retail clientele were \$34.6 million for the third quarter ended September 30, 2018, representing an increase of \$7.1 million, or 26%, compared to \$27.5 million for the same quarter last year. The increase is mainly attributable to additional revenues following the acquisition of CNR, combined with higher revenues from the Canadian and European activities.

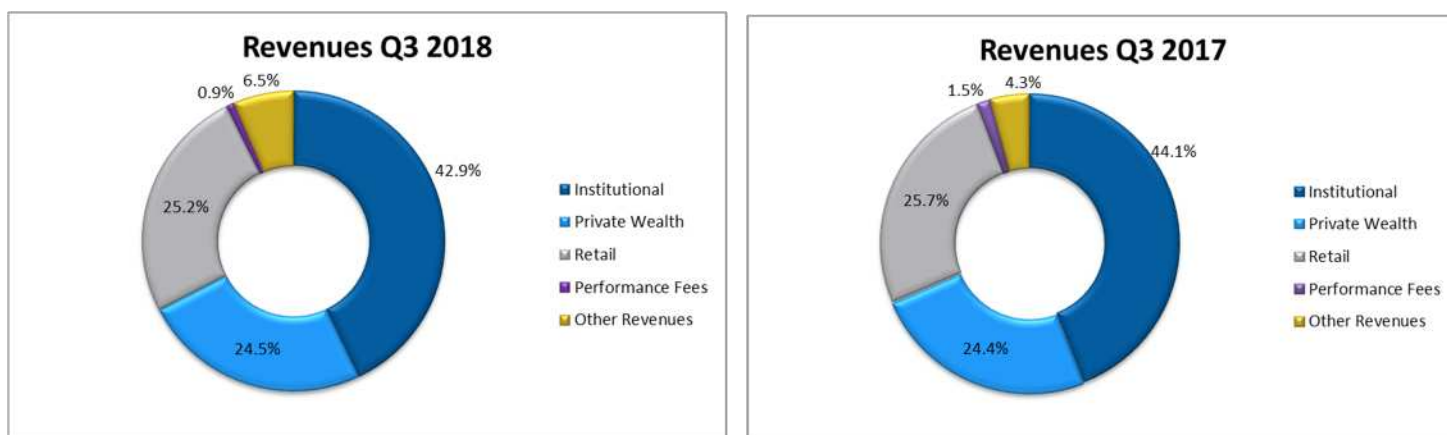
Performance Fees

Performance fees were at \$1.2 million for the third quarter ended September 30, 2018, compared to \$1.6 million for the same period last year.

Other Revenues

Other revenues were \$9.0 million for the third quarter ended September 30, 2018, representing an increase of \$4.5 million, or 100%, compared to \$4.5 million for the same period last year. The increase is mainly due to additional volume from the Private Alternative Investment strategies and higher other income from the Fiera Capital Emerging Markets Fund created in June 2018 following the acquisition of CNR in December 2017.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended September 30, 2018, and September 30, 2017, respectively.



Current Quarter versus Previous Quarter

Revenues for the third quarter ended September 30, 2018, were \$137.1 million, representing an increase of \$10.9 million, or 9%, compared to \$126.2 million for the previous quarter ended June 30, 2018. The increase in revenues is mainly due to additional revenues from the CGOV and Clearwater acquisitions and higher base management fees, namely in the Institutional and Private wealth sectors as well as growth in Private Alternative Investment strategies.

Management Fees

Management fees were \$126.9 million for the third quarter ended September 30, 2018, representing an increase of \$9.0 million, or 8%, compared to \$117.9 million for the previous quarter ended June 30, 2018. The following is the breakdown of the management fees by clientele type:

- Management fees from the Institutional clientele were \$58.8 million for the third quarter ended September 30, 2018, representing an increase of \$4.1 million, or 7%, compared to \$54.7 million for the previous quarter

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

ended June 30, 2018. The sequential increase is primarily due to additional revenues from the Clearwater and CGOV acquisitions, combined with new mandates in the US.

- › Management fees from the Private Wealth clientele were \$33.6 million for the third quarter ended September 30, 2018, representing an increase of \$4.4 million, or 15%, compared to \$29.2 million for the previous quarter ended June 30, 2018. The increase is mainly due to additional revenues from the CGOV acquisition, combined with organic growth in the US.
- › Management fees from the Retail clientele were \$34.6 million for the third quarter ended September 30, 2018, representing an increase of \$0.6 million, or 2%, compared to \$34.0 million for the previous quarter ended June 30, 2018. The increase is mainly due to higher base management fees from the Investment Strategic Partnerships in Canada.

Performance Fees

Performance fees were \$1.2 million for the third quarter ended September 30, 2018, compared to \$2.7 million for the previous quarter ended June 30, 2018, mainly in the traditional asset class.

Other Revenues

Other revenues were \$9.0 million for the third quarter ended September 30, 2018, representing an increase of \$3.4 million, or 61%, compared to \$5.6 million for the previous quarter ended June 30, 2018. The increase is mainly due to a gain of \$1.1 million on hedging of the estimated twelve months revenues denominated in US dollars recorded in the third quarter, compared to a loss of \$1.4 million recorded in the previous quarter, combined with higher other income from the Private Alternative Investment strategies and from the Fiera Capital Emerging Markets Fund created in June 2018 following the acquisition of CNR in December 2017. These increases in other revenues were partially offset by a contingent payment recorded in the previous quarter, compared to nil for the current quarter.

Table 7 – Revenues: Year-to-Date Activity (in \$ thousands)

	FOR THE NINE-MONTH PERIODS ENDED		VARIANCE
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	YEAR OVER YEAR
Institutional	164,303	136,429	27,874
Private Wealth	90,164	80,137	10,027
Retail	102,597	83,140	19,457
Total management fees	357,064	299,706	57,358
Performance fees – Traditional asset class	5,370	3,339	2,301
Performance fees – Alternative asset class	(76)	(1)	(75)
Total performance fees	5,294	3,338	1,956
Other revenues	20,964	14,006	6,958
Total revenues	383,322	317,050	66,272

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

Revenues for the nine-month period ended September 30, 2018, were \$383.3 million, representing an increase of \$66.2 million, or 21%, compared to \$317.1 million for the same period last year. The year-over-year increase in revenues is mainly due to organic growth, mostly from the institutional sector as well as growth in the Private Alternative Investment strategies combined with additional revenues from the Fiera Capital Emerging Markets fund created in June 2018, following the acquisition of CNR in December 2017, and the recent acquisitions of CGOV and Clearwater.

Management Fees

Management fees for the nine-month period ended September 30, 2018, were \$357.1 million, representing an increase of \$57.4 million, or 19%, compared to \$299.7 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 nine-month period ended September 30, 2018, were \$164.3 million, representing an increase of \$27.9 million, or 20%, compared to \$136.4 million for the same period last year. The increase in base management fees is mainly due to higher net AUM from new mandates in Global Equity strategies and Private Alternative Investment strategies, strong market appreciation, combined with the acquisitions of CGOV and Clearwater.
- › Revenues from the Private Wealth clientele for the nine-month period ended September 30, 2018, were \$90.2 million, representing an increase of \$10.1 million, or 13%, compared to \$80.1 million for the same period last year. The increase was primarily due to additional revenues from the CGOV acquisition, combined with higher revenues resulting from organic growth.
- › Revenues from the Retail clientele for the nine-month period ended September 30, 2018, were \$102.6 million, representing an increase of \$19.5 million, or 23%, compared to \$83.1 million for the same period last year. The increase is mainly attributable to the additional revenues from Fiera Capital Europe.

Performance Fees

Total performance fees were \$5.3 million for the nine-month period ended September 30, 2018, compared to \$3.3 million for the same period last year. The increase in performance fees was attributable to the traditional asset class during the first nine months of 2018 compared to the same period last year.

Other Revenues

Other revenues were \$21.0 million for the nine-month period ended September 30, 2018, representing an increase of \$7.0 million, or 50%, compared to \$14.0 million for the same period last year, mostly from the Private Alternative Investment strategies, partially offset by a loss on the forward foreign exchange contracts on revenues denominated in US dollars. Beginning with the fourth quarter of 2017, the Company commenced a strategy of hedging estimated twelve months revenues denominated in US dollars. This hedging strategy resulted in a loss of \$1.5 million in the first nine months of 2018, compared to a gain of \$1.3 million for the comparable period of 2017.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

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

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expenses were \$107.3 million for the three-month period ended September 30, 2018, representing an increase of \$22.4 million, or 26%, compared to \$84.9 million for the same period last year. The higher costs are mainly due to an increase in variable compensation related to long-term cash compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies, combined with higher volume resulting from the Firm's growth, acquisition and expansion.

Current Quarter versus Previous Quarter

SG&A and external managers' expenses were \$107.3 million for the three-month period ended September 30, 2018, representing an increase of \$7.7 million, or 8%, compared to \$99.6 million for the previous quarter ended June 30, 2018. The increase is mainly attributable to higher volume resulting from the Firm's growth and expansion.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

SG&A and external managers' expenses were \$304.8 million for the nine-month period ended September 30, 2018, representing an increase of \$54.0 million, or 22%, compared to \$250.8 million for the same period last year. The increase in costs is attributable to higher volume of operations following the Firm's global growth and expansion, and increases in variable compensation related to long-term cash and share-based compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and investment strategies.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was stable at \$1.1 million for the third quarter ended September 30, 2018, compared to \$1.0 million from the corresponding quarter last year.

Amortization of intangible assets was \$11.8 million for the third quarter ended September 30, 2018, representing an increase of \$1.3 million, or 12%, compared to \$10.5 million for the same period last year. The increase in amortization of intangible assets is mainly attributed to various acquisitions.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained stable at \$1.1 million for the third quarter ended September 30, 2018, when compared to \$1.0 million from the previous quarter ended June 30, 2018.

Amortization of intangible assets was \$11.8 million for the third quarter ended September 30, 2018, representing an increase of \$1.3 million, or 12%, compared to \$10.5 million for the previous quarter ended June 30, 2018. The increase is mainly attributable to the CGOV and Clearwater acquisitions.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

Depreciation of property and equipment was \$3.1 million for the nine-month period ended September 30, 2018, representing an increase of \$0.2 million, or 7%, compared to \$2.9 million for the same period last year.

Amortization of intangible assets was stable at \$32.3 million for the nine-month period ended September 30, 2018, compared to \$32.3 million for the same period last year.

As complementary information, Note 4 of the audited consolidated financial statements for the years ended December 31, 2017, and 2016, presents the details on the acquisition of intangible assets from business acquisitions.

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 \$5.4 million for the third quarter ended September 30, 2018, representing an increase of \$2.8 million, or over 100%, compared to \$2.6 million for the same quarter last year. The increase is mainly due to increased interest expense on the convertible debentures.

Current Quarter versus Previous Quarter

Interest on long-term debt and other financial charges was \$5.4 million for the third quarter ended September 30, 2018, representing an increase of \$0.3 million, or 6%, compared to \$5.1 million for the previous quarter ended June 30, 2018. The increase is mainly due to increased debt to finance the recent acquisitions.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

Interest on long-term debt and other financial charges was \$15.2 million for the nine-month period ended September 30, 2018, representing an increase of \$8.6 million, or over 100%, compared to \$6.6 million for the same period last year. The increase is mainly due to increased interest expense on the convertible debentures.

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 a charge of \$6.0 million for the third quarter ended September 30, 2018, compared to a charge of \$0.4 million for the same quarter last year. The increase is mainly due to the CNR acquisition.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented a charge of \$6.0 million for the third quarter ended September 30, 2018, compared to a charge of \$5.7 million for the previous quarter ended June 30, 2018.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

The accretion and change in fair value of purchase price obligations represented a charge of \$16.2 million for the nine-month period ended September 30, 2018, compared to a charge of \$3.0 million for the same period last year. The increase is mainly due to CNR acquisition in December 2017.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were \$3.5 million for the third quarter ended September 30, 2018, representing an increase of \$0.8 million, or 30%, compared to \$2.7 million for the same period last year. The increase is mainly due to higher acquisition activity related costs in the third quarter of 2018 compared to the third quarter of 2017, namely related to the acquisitions of Clearwater and CGOV, partially offset by lower restructuring costs.

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were \$3.5 million for the third quarter ended September 30, 2018, representing a decrease of \$1.4 million, or 29%, compared to \$4.9 million for the previous quarter ended June 30, 2018. The decrease is mainly due to lower restructuring costs in the third quarter of 2018, compared to the previous quarter ended June 30, 2018.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

Acquisition and restructuring, integration and other costs were \$12.3 million for the nine-month period ended September 30, 2018, representing an increase of \$0.3 million, or 3%, compared to \$12.0 million for the same period last year.

Adjusted EBITDA

The following table presents the Firm's adjusted EBITDA⁽¹⁾ and adjusted EBITDA per share⁽¹⁾ for the three and nine-month periods ended September 30, 2018, and 2017, respectively, as well as for the three-month period ended June 30, 2018.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 8 - Adjusted EBITDA ⁽¹⁾ (in \$ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Net earnings (Loss)	1,127	(2,215)	4,771	(3,181)	9,628
EBITDA ⁽¹⁾	20,414	15,986	18,612	50,055	50,430
Adjusted EBITDA ⁽¹⁾	36,620	32,703	27,020	98,163	80,699
Per share basic ⁽¹⁾	0.38	0.35	0.33	1.05	0.99
Per share diluted ⁽¹⁾	0.36	0.35	0.32	1.05	0.95

¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 42. Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter versus Prior-Year Quarter

For the third quarter ended September 30, 2018, adjusted EBITDA was \$36.6 million or \$0.38 per share (basic) and \$0.36 (diluted), representing an increase of \$9.6 million, or 36%, compared to \$27.0 million, or \$0.33 per share (basic) and \$0.32 (diluted), for the same period last year.

Adjusted EBITDA for the third quarter ended September 30, 2018, was higher primarily due to the acquisitions of CNR and CGOV, combined with revenues from the deployment of the Private Alternative Investment strategies. This increase in revenues was partially offset by an overall operating expenses increase to support the Firm's growth and expansion.

Current Quarter versus Previous Quarter

For the third quarter ended September 30, 2018, adjusted EBITDA was \$36.6 million or \$0.38 per share (basic) and \$0.36 (diluted), representing an increase of \$3.9 million, or 12%, compared to \$32.7 million or \$0.35 per share (basic and diluted), from the previous quarter ended June 30, 2018. The sequential increase in adjusted EBITDA is mainly due to higher revenues, combined with the acquisitions of CGOV, partially offset by additional SG&A expenses to support the Firm's growth.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

For the nine-month period ended September 30, 2018, adjusted EBITDA was \$98.2 million, or \$1.05 per share (basic and diluted), representing an increase of \$17.5 million, or 22%, compared to \$80.7 million, or \$0.99 per share (basic) and \$0.95 (diluted), for the same period last year.

The increase in adjusted EBITDA for the nine-month period ended September 30, 2018, is mainly attributable to the acquisitions of CNR in December 2017, CGOV in May 2018, combined with an increase in revenues resulting from organic and market growth. This was partially offset by increases in variable compensation related to long-term cash agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies, combined with higher operating expenses to support the Firm's growth and expansion.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Net Earnings (Loss)

The following table presents the Firm's net earnings (loss) and adjusted net earnings for the three and nine-month periods ended September 30, 2018, and 2017, respectively, as well as for the three-month period ended June 30, 2018.

Table 9 - Net Earnings (Loss) and Adjusted Net Earnings ⁽¹⁾ (in \$ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	JUNE 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Net earnings (loss) attributable to the Company's shareholders	995	(2,106)	4,603	(3,304)	9,908
Depreciation of property and equipment	1,091	1,018	966	3,056	2,853
Amortization of intangible assets	11,834	10,488	10,497	32,345	32,332
Share-based compensation ^(*)	6,765	6,098	4,816	19,608	14,417
Restructuring, integration and other costs ^(*)	871	2,389	2,357	4,188	8,284
Acquisition costs ^(*)	2,594	2,508	378	8,120	3,755
Accretion and change in fair value of purchase price obligations and effective interest on convertible bonds ^(*)	6,285	6,058	375	16,810	2,972
Less: Income taxes on above-mentioned items ^(*)	2,902	2,661	933	8,153	4,504
Adjusted net earnings attributable to the Company's shareholders	27,533	23,792	23,059	72,670	70,017
Per share – basic					
Net earnings (loss)	0.01	(0.02)	0.06	(0.04)	0.12
Adjusted net earnings ⁽¹⁾	0.29	0.26	0.28	0.78	0.86
Per share – diluted					
Net earnings (loss)	0.01	(0.02)	0.05	(0.04)	0.12
Adjusted net earnings ⁽¹⁾	0.27	0.26	0.27	0.78	0.83

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 42.

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

Current Quarter versus Prior-Year Quarter

For the third quarter ended September 30, 2018, the Firm reported net earnings attributable to the Company's shareholders of \$1.0 million, or \$0.01 per share (basic and diluted), compared to \$4.6 million, or \$0.06 per share (basic) and \$0.05 (diluted), for the same quarter last year. The decrease in net earnings is attributable to a higher charge related to the accretion and change in fair value of the purchase price obligations of \$5.6 million mainly related to the acquisition of CNR, as well as higher income taxes recorded in the third quarter of 2018 compared to the same period of the previous year, partially offset by the improvement of the operating margin resulting from higher revenues due to volume and acquisitions.

Current Quarter versus Previous Quarter

For the third quarter ended September 30, 2018, the Firm reported net earnings attributable to the Company's shareholders of \$1.0 million, or \$0.01 per share (basic and diluted), compared to \$(2.1) million, or \$(0.02) per share (basic and diluted), for the previous quarter ended June 30, 2018. The quarter net earnings resulted mainly from an improvement in operating margin, partially offset by the increase in charges related to the accretion and change in fair value of purchase price obligations related to the CNR acquisition, combined with the rise in debt interest and in amortization of intangible assets, and higher income taxes.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

For the nine-month period ended September 30, 2018, the Firm recorded net loss attributable to the Company's shareholders of \$(3.3) million, or \$(0.04) per share (basic and diluted), compared to \$9.9 million, or \$0.12 per share (basic and diluted) for the same period last year. The decrease in net earnings is attributable to a higher charge related to the accretion and change in fair value of the purchase price obligations of \$13.2 million related to the acquisition of CNR, as well as higher income taxes, partially offset by the improvement in operation margin resulting from higher revenues due to sales efforts, market appreciation and acquisitions.

Adjusted Net Earnings⁽¹⁾

The Firm selects adjusted net earnings as one of the key non-IFRS performance measures as it is a good indicator of the Firm's ability to generate cash flows from its core operations. Please refer to the "Non-IFRS Measures" Section for the definition of adjusted net earnings.

Current Quarter versus Prior-Year Quarter

Adjusted net earnings attributable to the Company's shareholders amounted to \$27.5 million, or \$0.29 per share (basic) and \$0.27 (diluted) for the third quarter ended September 30, 2018, compared to \$23.1 million, or \$0.28 per share (basic) and \$0.27 (diluted) for the third quarter ended September 30, 2017.

Current Quarter versus Previous Quarter

For the third quarter ended September 30, 2018, the Firm recorded adjusted net earnings of \$27.5 million, or \$0.29 per share (basic) and \$0.27 (diluted) representing an increase of \$3.7 million compared to \$23.8 million, or \$0.26 (basic and diluted) from the previous quarter ended June 30, 2018.

Year-to-Date September 30, 2018, versus Year-to-Date September 30, 2017

For the nine-month period ended September 30, 2018, adjusted net earnings attributable to the Company's shareholders amounted to \$72.7 million, or \$0.78 per share (basic and diluted), compared to \$70.0 million, or \$0.86 per share (basic) and \$0.83 (diluted) for the same period last year. The first nine months of the year were negatively impacted by a \$1.5 million foreign exchange hedging loss related to the Company's strategy of hedging twelve months of US dollar revenues.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

SUMMARY OF QUARTERLY RESULTS

The Firm's AUM, total revenues, adjusted EBITDA⁽¹⁾, adjusted EBITDA margin⁽¹⁾ and net earnings (loss), on a consolidated basis including per share amounts, for each of the Firm's most recently completed eight quarterly periods and the last twelve months are as follows:

Table 10 – Quarterly Results (in \$ thousands except AUM in \$ millions and per share data)

	Last Twelve Months (²)	Q3 Sep. 30 2018	Q2 Jun. 30 2018	Q1 Mar. 31 2018	Q4 Dec. 31 2017	Q3 Sep. 30 2017	Q2 Jun. 30 2017	Q1 Mar. 31 2017	Q4 Dec. 31 2016
AUM	135,781	143,475	139,389	131,360	128,901	123,003	125,658	122,063	116,925
Total revenues	525,368	137,109	126,232	119,981	142,046	107,127	109,349	100,574	120,968
Adjusted EBITDA ⁽¹⁾	134,218	36,620	32,703	28,839	36,056	27,020	28,480	25,199	41,599
Adjusted EBITDA margin ⁽¹⁾	25.5%	26.7%	25.9%	24.0%	25.4%	25.2%	26.0%	25.1%	34.4%
Net earnings (loss) attributable to Company's shareholders	(2,541)	995	(2,106)	(2,193)	763	4,603	877	4,428	5,203
PER SHARE – BASIC									
Adjusted EBITDA ⁽¹⁾	1.48	0.38	0.35	0.32	0.43	0.33	0.35	0.31	0.52
Net earnings (loss) attributable to the Company's shareholders	(0.02)	0.01	(0.02)	(0.02)	0.01	0.06	0.01	0.05	0.07
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.14	0.29	0.26	0.24	0.35	0.28	0.31	0.27	0.39
PER SHARE – DILUTED									
Adjusted EBITDA ⁽¹⁾	1.46	0.36	0.35	0.32	0.43	0.32	0.34	0.30	0.51
Net earnings (loss) attributable to the Company's shareholders	(0.02)	0.01	(0.02)	(0.02)	0.01	0.05	0.01	0.05	0.06
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.12	0.27	0.26	0.24	0.35	0.27	0.30	0.26	0.38

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 42.

⁽²⁾ AUM Last Twelve Months ("LTM") represents the average of the last four quarters.

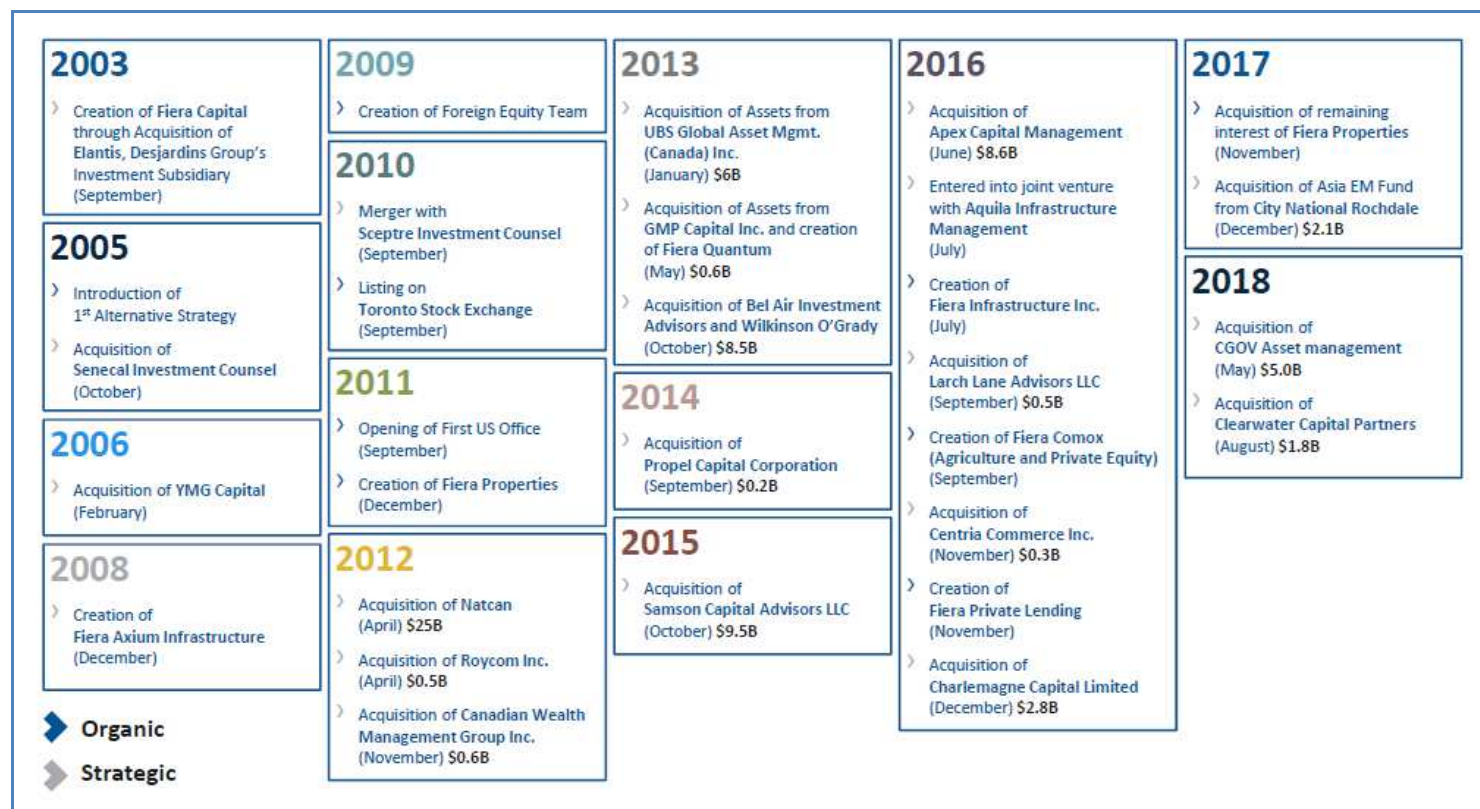
Certain totals, subtotals and percentages may not reconcile due to rounding.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

Company Evolution

The following diagram shows key initiatives, including organic growth and business acquisitions in terms of AUM in the evolution of the Company since its creation.



LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The ability to consistently generate cash flows from operations in excess of dividend payments, share repurchases, capital expenditures, and ongoing operating expenses remains one of the Company's fundamental financial goals. The Firm's principal uses of cash, other than for operating expenses, include (but are not limited to) dividend payments, debt repayments, capital expenditures, business acquisitions and stock buy-backs.

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 11 – Summary of Consolidated Statements of Cash Flows (in \$ thousands)

	FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Cash generated by operating activities	43,447	44,995
Cash (used in) investing activities	(94,095)	(4,956)
Cash generated by (used in) financing activities	48,552	(35,090)
Net (decrease) increase in cash and cash equivalent	(2,096)	4,949
Effect of exchange rate changes on cash denominated in foreign currencies	443	(2,151)
Cash and cash equivalents, beginning of period	41,079	40,110
Cash and cash equivalents, end of period	39,426	42,908

Year-to-Date Activities

Cash generated in operating activities amounted to \$43.4 million for the nine-month period ended September 30, 2018. This amount resulted mainly from \$76.2 million cash generated from net earnings (loss) adjusted for depreciation and amortization, share-based compensation, accretion of purchase price obligations, restructuring integration and other costs, interest on long-term debt and other financial charges, income tax expenses and income tax paid, partially offset by the negative changes in non-cash operating working capital of \$35.0 million (refer to Note 14 of the unaudited interim condensed consolidated financial statements for the three and nine-month period ended September 30, 2018).

Cash used in investing activities was \$94.1 million for the nine-month period ended September 30, 2018, resulting mainly from \$53.2 million cash used for the acquisitions of CGOV and Clearwater and from \$8.8 million for purchases of intangible assets, combined with \$18.0 million cash used in investments, \$12.1 million cash used for the settlement of purchase price adjustments and obligations and \$1.8 million cash used for the purchase of property and equipment during the period.

Cash generated by financing activities was \$48.6 million for the nine-month period ended September 30, 2018, resulting mainly from the increase of long-term debt by \$117.4 million of long-term debt, a share issuance of \$2.7 million, partially offset by dividend payments totalling \$54.0 million, \$15.5 million of long-term debt interest payments and financing charges and \$2.5 million of settlement of derivative financial instruments during the period.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was \$0.4 million during the nine-month period ended September 30, 2018.

Year-to-Date September 30, 2018 versus Year-to-Date September 30, 2017

Cash generated by operating activities was \$43.4 million for the nine-month period ended September 30, 2018, compared to \$45.0 million cash generated by operating activities for the same period last year. The variation is mainly attributable to the negative impact in non-cash operating working capital of \$24.6 million, partially offset by higher adjusted EBITDA year-over-year of \$17.5 million as described in the "Adjusted EBITDA" section, and lower income taxes paid of \$5.5 million.

Cash used in investing activities was \$94.1 million for the nine-month period ended September 30, 2018, compared to \$5.0 million cash used in investing activities for the same period last year. The increase in cash used in investing activities

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

is mainly attributable to increase acquisition activities of \$53.2 million, combined with higher cash used in investing activities of \$22.2 million and cash used for the settlement of purchase price adjustment and obligations of \$8.7 million and higher cash used for purchase of intangible assets of \$6.9 million.

Cash generated from financing activities was \$48.6 million for the nine-month period ended September 30, 2018, compared to \$35.1 million cash used in financing activities for the same period last year. The year-over-year variation is mainly attributable to \$93.9 million increase in long-term debt in 2018 following various acquisitions, partially offset by higher dividend payments of \$11.2 million.

Finally, the exchange rate changes on cash denominated in foreign currencies positively impacted the cash flow of the Firm by \$0.4 million during the nine-month period ended September 30, 2018, compared to a \$2.2 million negative impact for the same period last year.

Long-Term Debt

Table 12 – Credit Facility (in \$ thousands)

	AS AT SEPTEMBER 30, 2018	AS AT DECEMBER 31, 2017
Credit Facility		
Revolving facility	417,590	136,725
Term facility	-	156,813
Other facilities	1,220	1,585
Deferred financing charges	(2,345)	(1,352)
	416,465	293,771
Less current portion	(648)	(1,354)
Non- current portion	415,817	292,417

Credit Facility

On May 28, 2018, the Company entered into the Fifth 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, there are no minimum repayments until June 30, 2022, 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 CA\$200 million subject to the acceptance of the individual lenders in the banking syndicate. 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 in the aggregate, to more than 66 2/3%, subject to certain terms and conditions.

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%.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

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 CA\$350 million senior unsecured revolving facility which could be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Previous Credit Agreement, there were no minimum repayments on the term facility until May 31, 2019, and until March 25, 2020, for the revolving facility, at which dates the amounts drawn were repayable in full. On May 28, 2018, the term facility was terminated and balances drawn on that date were converted to the Facility.

There were no changes to the interest rates applicable on the Previous Credit Facility. As at September 30, 2018, the total amount drawn on the Facility was CA\$112.347 million and US\$235.800 million (CA\$305.243 million) (CA\$74 million and US\$50 million (CA\$62.725 million) on the revolving facility, and US\$125 million (CA\$156.813 million) on the term facility under the Previous Credit Agreement at December 31, 2017.

The renegotiation of the Credit Agreement was treated as a modification under IFRS 9 – *Financial Instruments* and 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. As at September 30, 2018, all restrictive covenants under the Credit Agreement were met. 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. The financial ratios under the terms of the Previous Credit Agreement were met at December 31, 2017.

Other Facilities

As at September 30, 2018 one of the Company's subsidiaries has an outstanding bank loan in the amount of \$0.494 million of which quarterly payments of CA\$0.131 million are required (respectively \$CA0.756 million and CA\$0.131 million as at December 31, 2017). The loan bears interest at prime plus 0.25% to 1.25% which is based on the ratio of senior debt to EBITDA (a non-IFRS financial measure defined in the loan agreement), and matures on June 30, 2019. All debt covenant requirements were met as at September 30, 2018, and December 31, 2017. In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at September 30, 2018, the outstanding balance of this loan is CA\$0.726 million (CA\$0.829 million at December 31, 2017), of which monthly payments of CA\$0.015 million are required. As at September 30, 2018, the current and non-current portions of the loan are \$0.154 million and \$0.572 million respectively. This subsidiary also has a line of credit with a limit of CA\$0.750 million. It bears interest at prime plus up to 0.25% to 1.25% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at September 30, 2018, the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

Another subsidiary of the Company has a line of credit with a dollar limit of CA\$0.950 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at September 30, 2018, the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Convertible Debentures

Table 13 – Convertible Debentures (in \$ thousands)

	As at September 30, 2018	As at December 31, 2017
	\$	\$
Face value	86,250	86,250
Less:		
Issuance costs ⁽¹⁾	(4,031)	(4,269)
Equity component (net of issuance costs of \$224)	(4,568)	(4,555)
Cumulative accretion expense on equity component	997	35
Balance, end of period	78,648	77,461

⁽¹⁾ During the nine-month period ended September 30, 2018, the Company revised the issuance costs and effective interest rate in order to reflect differences between issuance costs estimated at the date of issuance of the unsecured convertible debentures and the invoices subsequently received.

On December 21, 2017, the Company issued 86,250 unsecured convertible debentures at 5% maturing on June 23, 2023, with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of CA\$86.250 million. The convertible debentures are convertible at the option of the holder at a conversion price of \$18.85 per Class A subordinate shares ("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 nine-month period ended September 30, 2018, an amount of \$2.274 million was paid representing the accrued interest from the issuance date of the unsecured convertible debentures to June 30, 2018.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

As at September 30, 2018, the Company had no material contractual obligation other than those described in the Company's 2017 Annual MD&A in the section entitled "Contractual Obligations".

Contingent Liabilities

In the normal course of business, the Company and its subsidiaries may be party to 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.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Off-Balance Sheet Arrangements

At September 30, 2018, Fiera Capital was not party to any off-balance sheet arrangements, including guarantees, derivatives, except variable-interest entities. We do not expect to enter into such agreements.

Share Capital

As at September 30, 2018, the Company had 77,180,400 Class A shares and 19,412,401 Class B special voting shares for a total of 96,592,801 outstanding shares compared to 62,586,973 Class A shares and 19,748,503 Class B special voting shares for a total of 82,335,476 outstanding shares as at September 30, 2017.

Share-Based Payments

Stock Option Plan

A summary of the changes that occurred in the Company's stock option plans during the nine-month periods ended September 30, 2018, and 2017, is presented below:

Table 14 – Options Transactions

	2018		2017	
	Number of Class A Share Options	Weighted-Average Exercise Price (\$)	Number of Class A Share Options	Weighted-Average Exercise Price (\$)
Outstanding – beginning of periods	4,183,852	11.86	2,799,345	10.25
Granted	305,000	12.22	387,000	13.74
Exercised	(336,606)	8.06	(284,758)	8.09
Forfeited	(120,252)	13.63	(20,645)	13.44
Outstanding – end of periods	4,031,994	12.15	2,880,942	10.90
Options exercisable – end of periods	588,615	8.06	885,264	7.66

Deferred Share Unit Plan ("DSU")

DSU units are equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of \$0.009 million and (\$0.004) million for this plan during the three and nine-month periods ended September 30, 2018, respectively (\$0.012 million and \$0.033 million during the three and nine-month periods ended September 30, 2017, respectively). As at September 30, 2018, the Company had a liability for an amount of \$0.103 million for the 8,266 units outstanding under the DSU plan (\$0.205 million for 15,767 units as at December 31, 2017).

Restricted Share Unit ("RSU") Plan

The following table presents transactions that occurred in the Company's RSU Plan during the nine-month periods ended September 30, 2018 and 2017.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 15 – RSU Transactions

	2018	2017
Outstanding units – beginning of period	608,635	456,303
Granted	-	240,662
Reinvestments in lieu of dividends	19,955	15,107
Vested	(248,694)	(311,658)
Outstanding units – end of period	379,896	400,414

RSU units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$0.78 million and \$2.82 million for these grants during the three and nine-month periods ended September 30, 2018, respectively (\$0.711 million and \$5.344 million during the three and nine-month periods ended September 30, 2017, respectively).

During the nine-month period ended September 30, 2018, 201,442 Class A Shares were issued as settlement of RSU vested and \$0.585 million was paid in cash. As at September 30, 2018, the Company had a liability in the amount of \$2.975 million for the 379,896 units outstanding under the RSU Plan (\$3.075 million for 608,635 units as at December 31, 2017).

Restricted Share Unit Plan – Cash (“RSU Cash”)

The following table presents transactions that occurred in the Company's cash-settled RSU Plan during the nine-month periods ended September 30, 2018, and 2017.

Table 16 – RSU Cash Transactions

	2018	2017
Outstanding units – beginning of period	504,380	316,133
Granted	76,873	128,521
Reinvestments in lieu of dividends	25,989	14,853
Vested	(32,607)	-
Forfeited	(728)	-
Outstanding units – end of period	573,907	459,507

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$1.022 million and \$1.838 million for these grants during the three and nine-month periods ended September 30, 2018, respectively (\$0.639 million and \$1.573 million during the three and nine-month periods ended September 30, 2017, respectively). During the nine-month period ended September 30, 2018, 32,607 units vested (2017 – nil) and an amount of \$0.391 million was paid as settlement of these units. As at September 30, 2018, the Company had a liability in the amount of \$3.417 million for the 573,907 units outstanding under this RSU Plan (\$2.435 million for 504,380 units as at December 31, 2017).

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Restricted Share Plan ("RSP")

The Company recorded an expense of \$0.088 million and \$0.260 million for the restricted share plan during the three and nine-month periods ended September 30, 2018, respectively (\$0.190 million and \$0.552 million during the three and nine-month periods ended September 30, 2017, respectively).

PSU and UAR Plan applicable to Business Units

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 Appreciate Rights applicable to Business Units (UAR applicable to BU). The PSU and UAR Plan applicable to Business Units is described below:

PSU applicable to BU

The Company recorded the following expense relating to PSU plans applicable to BU during the three and nine-month periods ended September 30, 2018, and 2017:

Table 17 – PSU Plan Applicable to BU Transactions (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED		FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Equity-settled grants	1,349	3,222	5,039	5,827
Cash-settled grants	1,825	-	5,517	-
Total expense	3,174	3,222	10,556	5,827

During the nine-month periods ended September 30, 2018, the total award value granted under the Company's PSU plans applicable to BU was \$6.575 million and no PSU applicable to BU vested during the period. A total of 407,978 Class A Shares were issued during the nine-month period ended September 30, 2018 as settlement of PSU applicable to BU vested in 2017.

During the nine-month periods ended September 30, 2017, the total award value granted under the Company's PSU plans applicable to BU was \$6.566 million and no PSU applicable to BU vested during the period. A total of 730,285 Class A Shares were issued during the nine-month period ended September 30, 2017 as settlement of PSU applicable to BU vested in 2016.

UAR applicable to BU

Under the UAR applicable to BU eligible employees are entitled to receive Class A Shares of the Company for an amount equivalent to the difference between the business value per unit on the vesting date and the exercise price determined on the grant date. The Company recorded an expense of \$0.383 million and \$0.506 million during the three and nine-month periods ended September 30, 2018.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

PSU Plan

PSU units are equivalent to one Class A Share of the Company. The Company recorded the following expense relating to the PSU plan during the three and nine-month periods ended September 30, 2018, and 2017:

Table 18 – PSU Transactions (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED		FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Equity-settled grants	345	(200)	1,003	(200)
Cash-settled grants	880	368	1,523	1,100
Total expense	1,225	168	2,526	900

During the nine-month periods ended September 30, 2018, the total award value granted under the Company's PSU plans was \$4.828 million and no PSU vested during the period. A total of 19,819 Class A Shares were issued during the nine-month period ended September 30, 2018 as settlement of PSU vested in 2017.

During the nine-month periods ended September 30, 2017, the total award value granted under the Company's PSU plans was \$1.2 million and no PSU vested during the period. A total of 73,030 Class A Shares were issued during the nine-month period ended September 30, 2017 as settlement of PSU vested in 2016 and \$0.475 million was paid in cash.

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. During the year ended December 31, 2017, another subsidiary's stock option plan was discontinued. The Company's subsidiaries stock option expense in the consolidated statements of earnings (loss) for the three and nine-month periods ended September 30, 2018 was \$0.607 million and \$1.613 million, respectively (\$0.146 million and \$0.721 million for the three and nine-month periods ended September 30, 2017). The cash settled share-based liability is \$3.001 million in the statements of financial position as at September 30, 2018 (\$2.039 million as at December 31, 2017).

Related Party Transactions

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

Under a former agreement with a related shareholder, this related shareholder was entitled to appoint two of the four directors of the Company that the holders of Class A Shares are entitled to elect, as long as it held, directly or indirectly, at least 20% of the outstanding Class A Shares and Class B Shares, together, on a non-diluted basis. Following the closing of the Company's bought deal financing comprised of unsecured convertible debentures and of a Class A Share issuance on December 21, 2017 and subsequent shareholder transactions, the related party's beneficial ownership is approximately 18.0% of the Company's issued and outstanding shares as at September 30, 2018 (20.7% as at September 30, 2017) and as a result, such agreement terminated and the related party no longer has the right to designate two appointees to the

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

Company's Board. This related shareholder is the lead arranger to the Company's Credit Facility and is the counterparty to the derivative financial instruments presented as being with a related entity in the table below.

At September 30, 2018, the other related shareholder indirectly owns Class B Special Voting Shares representing approximately 7.4% of the Company's issued and outstanding shares (8.8% as at September 30, 2017) 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.

In order to maintain the rights described above, the related shareholder is required to maintain a minimum ownership level in the Company and a specified minimum level of assets under management.

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

Table 19 – Related Party Transactions (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED		FOR THE NINE-MONTH PERIODS ENDED	
	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017	SEPTEMBER 30, 2018	SEPTEMBER 30, 2017
Base management and performance fees and other revenues	12,504	11,747	36,052	37,349
Selling, general & administrative expenses				
Reference fees	409	411	1,292	1,230
Other	126	343	475	558
Interest on long-term debt	4,143	4,127	11,296	11,751
Acquisition costs	-	-	-	252
Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	1,558	(3,875)	420	(10,279)

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.

CONTROL AND PROCEDURES

The Chairman of the Board & 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 ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109.

Fiera Capital's internal control framework is based on the criteria published in the *Internal Control-Integrated Framework (COSO framework 2013)* report issued by the *Committee of Sponsoring Organizations of the Treadway Commission (COSO)* and 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.

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

The CEO and CFO, supported by Management, evaluated the design of the Corporation's DC&P and ICFR as at September 30th, 2018, and have concluded that it was effective. Furthermore, no significant changes to the ICFR occurred during the quarter ended September 30, 2018.

It should be noted that in 2019, the implementation of a new accounting system will take place and changes to ICFR are expected. Furthermore, the CEO and CFO are in the process of assessing the impact on the ICFR of other ongoing major projects related to key processes (specifically for Billing, Assets under Management, Operational Transactions and Information Technology).

The CEO and CFO, supported by Management, will ensure that these major changes are reflected in ICFR.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and financial liabilities, has exposure to the following risks from its use of financial instruments: market risk, credit risk, interest rate risk, currency risk and liquidity risk. These risks and the management of these risks are described in the Company's 2017 Annual MD&A in the section entitled "*Financial Instruments*". The Company has not identified any material changes to the risk factors affecting its business or in the management of these risks.

CAPITAL MANAGEMENT

The Company's capital comprises share capital, retained earnings (deficit), long-term debt and convertible debentures, less cash and cash equivalents. The Company manages its capital to ensure adequate capital resources while maximizing return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive debt covenants required by the lender of the debt. As at September 30, 2018, the Company and one of its subsidiaries subject to calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, calculated on a non-consolidated basis, have complied with their respective calculations. The Company and its subsidiaries 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.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

This MD&A is prepared with reference to the interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2018, and 2017. A summary of the Company's significant accounting judgments and estimation uncertainties are presented in Note 3 to the Company's audited consolidated financial statements for the years ended December 31, 2017, and 2016. 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.

NEW ACCOUNTING STANDARDS

Adoption of New IFRS

On January 1, 2018, the Company adopted the following new IFRS standards.

IFRS 9 – Financial Instruments

IFRS 9 replaced IAS 39 – *Financial Instruments: Recognition and Measurement* and was mandatorily effective for annual periods beginning on or after January 1, 2018. As permitted by IFRS 9, the Company has taken the exemption not to restate the comparative information in the consolidated financial statements with respect to classification and measurement requirements. The retrospective impact of applying IFRS 9 was accounted for through adjustments to the opening balance of retained earnings (deficit) and accumulated other comprehensive income as at January 1, 2018.

The adoption of IFRS 9 did not have a significant impact on the Company's interim condensed consolidated financial statements.

Classification and measurement

IFRS 9 retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available-for-sale.

Under IFRS 9, all equity instrument financial assets must be classified as at fair value through profit or loss. However, the Company may, at initial recognition of a non-trading equity instrument, irrevocably elect to designate the instrument as at fair value through other comprehensive income with no subsequent reclassification of gains and losses to net earnings. This election is made on an investment-by-investment basis. Dividends will continue to be recognized in net earnings (loss). This designation is also available for existing non-trading equity instruments at the date of IFRS 9 adoption. Derivative financial instruments continue to be measured at fair value through profit or loss.

As a result of the application of the classification and measurement requirements of IFRS 9, on January 1, 2018, the Company reclassified its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and therefore reclassified an unrealized gain of \$0.161 million from accumulated other comprehensive income to retained earnings (deficit).

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an 'expected credit loss' ("ECL") model. The new ECL impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company's financial assets subject to the new impairment model are cash and cash equivalents, accounts receivable and long-term receivable. The new impairment guidance using an expected credit loss model did not have a significant impact on the carrying amounts of the Company's accounts receivable or long-term receivable as the Company has had negligible credit losses.

The following table presents the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at January 1, 2018.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended September 30, 2018

Financial assets	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents and restricted cash	Loans and receivables	Amortized cost
Investments	Available-for-sale / Fair value through profit or loss	Fair value through profit or loss
Accounts receivable	Loans and receivables	Amortized cost
Long-term receivable ⁽¹⁾	Loans and receivables	Amortized cost
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss

⁽¹⁾ Presented in deferred charges and other on the consolidated statements of financial position.

Financial assets will not be reclassified subsequent to their initial recognition, unless the Company identifies changes in the business model in managing financial assets.

There were no changes to the measurement categories under IFRS 9 for the Company's financial liabilities as at January 1, 2018, and therefore the Company's financial liabilities are not presented in the table above.

Hedge accounting

The hedge accounting requirements under IAS 39 may continue to be applied until the IASB finalizes its macro hedge accounting project. As permitted, the Company elected not to adopt the general hedge accounting requirements of IFRS 9 and instead chose to continue to apply the requirements in IAS 39 – *Financial instruments: recognition and measurement*.

The Company also adopted amendments to the revised hedge accounting disclosures required by IFRS 7 – *Financial Instruments: Disclosures*. This will result in the Company adding disclosure relating to its risk management strategies, where hedge accounting is applied, in its consolidated financial statements for the year ending December 31, 2018.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 – *Revenue* and was mandatorily effective for annual periods beginning on or after January 1, 2018. The new standard specifies a five-step approach to determine how and when to recognize revenue and requires additional disclosures. The Company completed an impact assessment for all major revenue streams, reviewed contracts and analyzed revenue recognized by the Company.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flow arising from a contract with a customer.

The Company elected to adopt IFRS 15 using the modified retrospective approach with the effect of initially applying this standard at the date of initial application (January 1, 2018). However, the adoption of IFRS 15 did not have a significant impact on the ongoing recognition of the Company's revenues or net earnings (loss) and therefore there were no opening retained earnings (deficit) adjustments required as at January 1, 2018.

Revised IFRS, interpretations and amendments

The following revised standards are effective for annual periods beginning on January 1, 2018. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

Amendments to IFRS 2 – Share-based payments

In June 2016, the IASB published amendments to IFRS 2 – *Share-based payments*. The amendments clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB published IFRIC 22 – *Foreign Currency Transactions and Advance Consideration* to clarify the exchange rate that should be used for transactions that include the receipt or payment of advance consideration in a foreign currency.

IFRS Issued but Not Yet Adopted

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17 - *Leases*, which required lessees and lessors to classify their leases as either finance leases or operating leases and to account for those two types of leases differently. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months and for which the underlying asset is not of low value. This new standard will come into effect for annual periods beginning on or after January 1, 2019. The Company is evaluating the impact of this standard on its consolidated financial statements.

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. This new interpretation is applicable to annual reporting periods beginning on or after January 1, 2019. The Company is evaluating the impact of this standard on its consolidated financial statements.

Annual Improvements to IFRS (2015-2017) Cycle

In December 2017, the IASB issued Annual Improvements to IFRS Standards 2015–2017 Cycle. The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as 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 recognised 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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

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. These amendments are effective for annual periods beginning on or after January 1, 2019. The Company is evaluating the impact of these amendments on its consolidated financial statements.

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 significant 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 acquisitions, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, realized loss (gain) on investments, loss on disposal of investment in subsidiaries, gain on disposal of investment in joint venture, revaluation of assets held-for-sale, share of (earnings) loss of joint ventures 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 among periods and could potentially distort the analysis of trends in its core business performance. Excluding these items does not imply they are necessarily non-recurring.

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

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 20 – EBITDA and Adjusted EBITDA Reconciliation (in \$ thousands except per share data)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net earnings (loss)	1,127	(2,215)	(2,093)	1,084	4,771	504	4,353	5,245
Income tax expense (recovery)	969	1,641	17	5,185	(263)	(797)	32	3,142
Depreciation of property and equipment	1,091	1,018	947	964	976	956	931	894
Amortization of intangible assets	11,834	10,488	10,022	8,778	10,487	10,900	10,935	16,366
Interest on long-term debt and other financial charges	5,393	5,054	4,761	4,835	2,641	1,827	2,177	5,253
EBITDA	20,414	15,986	13,654	20,846	18,612	13,390	18,428	30,900
Restructuring, integration and other costs	871	2,389	928	6,866	2,357	4,851	1,076	805
Acquisition costs	2,594	2,508	3,018	1,679	378	1,659	1,718	3,160
Accretion and change in fair value of purchase price obligations	5,978	5,720	4,467	2,879	375	1,289	1,308	1,072
Realized loss (gain) on investments	(3)	2	27	(128)	2	(8)	(4)	(548)
Loss on disposal of intangible assets and property and equipment	1	-	-	42	480	371	-	-
Share-based compensation	6,765	6,098	6,745	3,871	4,816	6,928	2,673	6,210
Adjusted EBITDA	36,620	32,703	28,839	36,055	27,020	28,480	25,199	41,599
REVENUES	137,109	126,232	119,981	142,046	107,127	109,349	100,574	120,968
Adjusted EBITDA Margin	26.7%	25.9%	24.0%	25.4%	25.2%	26.0%	25.1%	34.4%
Adjusted EBITDA Per Share								
Basic	0.38	0.35	0.32	0.43	0.33	0.35	0.31	0.52
Diluted	0.36	0.35	0.32	0.43	0.32	0.34	0.30	0.51

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

We define *adjusted net earnings* as net earnings (loss) attributable to the Company's shareholders, adjusted for depreciation of property and equipment, 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 bonds, after-tax gain on disposal of investment in joint venture and after-tax revaluation of assets held-for-sale, after-tax loss on disposal of investment in subsidiaries, after-tax gain on revaluation of a purchase price obligation and after-tax gain on acquisition of control of investment in joint venture, as well as the impact of US Tax Cuts and Jobs Act.

Effective December 31, 2017, the Company amended the definition of adjusted net earnings to no longer adjust for after-tax changes in fair value of derivative financial instruments that are used to hedge the Company's interest rate or foreign currency exposure. This change was made to recognize the gain or loss from these derivative financial instruments in net earnings in accordance with the nature of the hedged item. Comparative figures for adjusted net earnings and adjusted net earnings per share (basic and diluted) have been restated to be consistent with the current presentation.

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 June 30, 2018, the Company amended the definition of adjusted net earnings to adjust for the accretion on effective interest on convertible bonds. Accretion expense 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 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 Firm'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 among periods and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring.

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

Table 21 – Adjusted Net Earnings Reconciliation (in \$ thousands except per share data)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net earnings (loss) attributable to the Company's shareholders	995	(2,106)	(2,193)	763	4,603	877	4,428	5,203
Depreciation of property and equipment	1,091	1,018	947	964	976	956	931	894
Amortization of intangible assets	11,834	10,488	10,022	8,778	10,487	10,900	10,935	16,366
Share-based compensation ^(*)	6,765	6,098	6,745	3,871	4,816	6,928	2,673	6,210
Restructuring, integration and other costs ^(*)	871	2,389	928	6,866	2,357	4,851	1,076	805
Acquisition costs ^(*)	2,594	2,508	3,018	1,679	378	1,659	1,718	3,160
Accretion and change in fair value of purchase price obligations and effective interest on convertible bonds ^(*)	6,285	6,058	4,467	2,880	375	1,289	1,308	1,072
Impact of US Tax Cuts and Jobs Act on future income taxes	-	-	-	6,017	-	-	-	-
Income taxes on above-mentioned items ^(*)	2,902	2,661	2,590	2,580	933	2,340	1,231	2,231
Adjusted net earnings attributable to the Company's shareholders	27,533	23,792	21,344	29,238	23,059	25,120	21,838	31,479
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	0.01	(0.02)	(0.02)	0.01	0.06	0.01	0.05	0.07
Adjusted net earnings attributable to the Company's shareholders	0.29	0.26	0.24	0.35	0.28	0.31	0.27	0.39
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	0.01	(0.02)	(0.02)	0.01	0.05	0.01	0.05	0.06
Adjusted net earnings attributable to the Company's shareholders	0.27	0.26	0.24	0.35	0.27	0.30	0.26	0.38

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

Management's Discussion and Analysis For the Three and Nine-Month Periods Ended September 30, 2018

RISK FACTORS

Fiera Capital's business is subject to a number of risk factors that may impact the Company's operating and financial performance. These risks and the management of these risks are detailed in the Company's 2017 Annual MD&A in the section entitled "*Risks Factors*". The Company has not identified any material changes to the risk factors affecting its business or in the management of these risks.



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