

Management's Discussion and Analysis FIERA CAPITAL CORPORATION

For the Three-Month Period Ended March 31, 2018



FIERACAPITAL

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Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

The following management's discussion and analysis ("MD&A") dated May 11, 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") for the three-month period ended March 31, 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 March 31, 2018.

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

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

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

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.

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

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 ability to retain its existing clients and to attract new clients, Fiera Capital's investment performance, 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 37.

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. affiliates, 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 affiliate 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 head office is located at 1501 McGill College Avenue, Suite 800, Montréal, Quebec, Canada. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

SIGNIFICANT EVENTS

- **Launch of Two New Strategies in Europe and Charlemagne Capital Rebranded to Fiera Capital** – January 15, 2018. The fund range in Europe is expanded with two new strategies, Fiera Capital Global Equity Fund and Fiera Capital US Equity Fund, launching on the Firm's UCITS platform. Charlemagne Capital now officially operates under the Fiera Capital brand name and forms the basis of Fiera Capital's European division. The name change was the final step to the integration within Fiera Capital.
- **Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners** – March 1, 2018. Fiera Capital announced the acquisition of Clearwater Capital Partners, LLC, a leading Asia focused credit and special situations investment firm headquartered in Hong Kong with US\$1.4 billion in assets under management. The acquisition, expected to close at the end of the second quarter, is subject to regulatory approval.
- **Fiera Capital Acquires Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management** – March 23, 2018. Fiera Capital and CGOV announced that they have reached an agreement whereby Fiera Capital will acquire CGOV, an Ontario-based high-net-worth and institutional investment firm with approximately C\$5.3 billion in assets under management as at December 31, 2017. The transaction, expected to close early in the second quarter, is subject to regulatory approval.
- **The Firm presents its approach to Corporate Social Responsibility and updated its website to meet new Toronto Stock Exchange requirements relating to website disclosure of security holder information** – April 10, 2018. The Firm's practice of integrating the assessment of material environmental, social and governance (ESG) risk factors into how assets are managed on behalf of clients can be found in the Firm's Responsible Investment Policy as well as its Proxy Voting Policy; both policies are available on the Firm's new [Responsibility section](#) of its Website. The new section also outlines the Firm's CSR approach, including policies and initiatives related to Human Capital, Enterprise Risk Management, Governance and building ties with communities.

SUBSEQUENT EVENTS

- **Fiera Capital is in the process of renegotiating an extension and modification of the terms and conditions of its existing credit agreement.** The Firm expects to receive commitments from its lenders shortly and plans to finalize and execute the renegotiated *Fifth Amended and Restated Credit Agreement* by the end of May 2018.

MARKET AND ECONOMIC OVERVIEW

Market Overview

After an extended period of market calm, volatility reasserted itself during the first quarter. Financial markets were jilted by fears that higher borrowing costs will derail global growth and erode corporate profitability – which came at the inopportune time when stretched equity valuations left little cushion for disappointment. Furthermore, President Trump roiled the marketplace and took his first big step towards fulfilling his protectionist agenda, sparking fears of a full-blown trade war that threatened to undermine the synchronized global expansion.

In this environment, global equity markets posted negative results - even after President Trump walked back on some of his hard-line trade proposals and as the fundamental backdrop continued to impress. Instead, the negative undertones spread broadly across the world.

After leading the bull market charge, the US equity market pulled-back from record levels amid contentious trade revelations between the US and China, while the extended rout in the technology space also weighed. Meanwhile, Canadian equity markets were plagued by headline risks pertaining to the fate of NAFTA, elevated household debt levels, and widening heavy oil differentials. Fragile sentiment also spilled over to overseas markets. European stocks stumbled in sympathy and posted their worst quarterly result since early 2016, while recent strength in the yen cut into corporate profits and equity prices in Japan. In contrast, emerging market stock exchanges bucked the global trend and managed to eke out a marginally positive return during the first quarter, owing to the solid growth and earnings trajectory in the developing world.

Meanwhile, fixed income markets posted negative results during the first quarter of 2018. Bond yields backed-up across the entire curve as investors contemplated the prospect for higher borrowing costs, while a revival in inflation expectations and newly-announced fiscal expansion in the US also placed some upward pressure on the long-end of the curve. However, yield curves flattened in late-March, with long-term yields shifting lower as investors sought out the safety of bonds in an otherwise volatile trading environment, while the short-end remained fairly anchored as market expectations converged with central bank forecasts. Meanwhile, after declining to pre-crisis levels early in the year, corporate spreads widened in March as appetite for risk soured in the environment of heightened political angst and as global growth showed signs of cresting – though interestingly, high yield spreads barely budged.

Economic Overview

The outlook for the global economy remains reasonably bright. Growth has stabilized around still-elevated levels, while the measured approach to monetary normalization combined with expansionary fiscal policies should allow the recovery to continue uninterrupted in the coming year.

The Canadian economy is moderating towards more sustainable, albeit above-trend levels. Domestic demand remains resilient, with the consumer thriving on robust job gains and rising wages, while business investment has also made a comeback. Looking forward, our expectation for stronger demand stateside and a softer stance on trade from the Trump administration should expedite the much-needed rotation towards exports, warranting a continuation of normalization from the Bank of Canada.

Despite some seasonal softness in the first quarter of 2018, the US economy remains on solid ground. Economic gains are fairly widespread, with both consumers and businesses firing on all cylinders, while robust global demand has bolstered exports. What's more, newly-announced fiscal stimulus is set to juice an already-buoyant economy, allowing the Federal Reserve to continue the gradual process raising interest rates and unwinding its balance sheet.

Looking abroad, the Eurozone is growing at the fastest pace in a decade, though the threat of populism resurfaced after a coalition of euro skeptics triumphed in the Italian elections, while the strengthening euro could weigh. While the UK outlook remains fairly bleak amid lingering Brexit uncertainties, Japan has prospered on the resurgence in exports and corporate profits – though subdued inflation has emboldened the Bank of Japan's dovish stance.

Finally, emerging market economies are demonstrating some stable growth trends early on in 2018, while improved financial positions have insulated these economies from external events (such as rising US borrowing costs). Commodity-leveraged economies such as Brazil and Russia have re-emerged from recessionary territory, while economic giants like China and India continue to demonstrate some notable signs of resilience – even in the wake of structural headwinds.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

SUMMARY OF PORTFOLIO PERFORMANCE

Annualized Rates of Return As at March 31, 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	64.9									
Integrated Fixed Income Universe		2.08	0.72	Q1	3.43	0.55	Q1	01/01/1993	FTSE TMX Universe	4
Tactical Fixed Income Universe		2.72	1.36	Q1	2.79	-0.1	Q4	01/01/2000	FTSE TMX Universe	4
High Yield Bonds		3.44	0.37	Q2	5.13	0.07	Q3	01/02/2002	High Yield Blended	1,4
Preferred Shares Relative Value		7.40	1.88	N/A	3.15	2.19	N/A	01/02/2004	S&P/TSX Preferred Share	4
Infrastructure Bonds		6.56	0.96	N/A	5.81	0.8	N/A	01/08/2011	FTSE TMX Provincial Long Term	4
Tax Efficient Core Intermediate (Primary Benchmark)		0.93	-0.25	N/A	1.59	-0.18	N/A	31/03/2007	Bloomberg Barclays 1-10 Year Municipal Index	
Tax Efficient Core Intermediate (Secondary Benchmark)		0.93	0.38	N/A	1.59	0.25	N/A	31/03/2007	Bloomberg Barclays 1-10 Year AA+ Municipal Index	
Tax Efficient Core Plus		1.76	0.58	N/A	2.23	0.45	N/A	31/12/2012	Bloomberg Barclays 1-10 Year Municipal Index	
High Grade Core Intermediate (Primary Benchmark)		0.62	0.11	N/A	1.53	0.08	N/A	31/12/2004	Bloomberg Barclays Intermediate Aggregate Index	
High Grade Core Intermediate (Secondary Benchmark)		0.62	0.28	N/A	1.53	0.21	N/A	01/01/2005	Bloomberg Barclays Intermediate Aggregate Ex CMBS/ABS/BBB Index	
Balanced Investment Strategies	3.8									
Balanced Core		6.11	2.18	Q1	9.24	1.58	Q1	01/09/1984	Balanced Core Blended	2, 4
Balanced Integrated		6.21	2.08	Q1	9.41	1.87	Q1	01/04/2013	Balanced Integrated Blended	3,4
Equity Investment Strategies	55.6									
Canadian Equity		5.07	3.36	Q1	11.02	4.09	Q1	01/01/2013	S&P/TSX Composite	4
Canadian Equity Core		3.87	2.16	Q2	8.63	1.7	Q3	01/01/1992	S&P/TSX Composite	4
Canadian Equity Opportunities		6.35	4.64	Q1	9.62	2.69	Q2	01/11/2002	S&P/TSX Composite	4
High Income Equity		-2.62	-1.01	Q4	6.37	1.26	Q4	01/10/2009	S&P/TSX Composite High Dividend	4
Canadian Equity Small Cap Core		0.90	7.47	Q3	10.24	6.73	Q2	01/01/1989	S&P/TSX Small Cap	4
Canadian Equity Small Cap		-4.98	1.59	Q4	9.35	5.84	Q2	01/01/1989	S&P/TSX Small Cap	4
US Equity		13.94	3.74	Q2	21.74	2.9	Q1	01/04/2009	S&P 500 CAD	4
International Equity		14.71	3.73	Q1	13.43	1.74	Q2	01/01/2010	MSCI EAFE Net CAD	4
Global Equity		15.84	6.03	Q1	18.28	3.22	Q1	01/10/2009	MSCI World Net CAD	4
Apex Large Cap Growth		19.33	-1.92	Q3	15.14	-0.40	Q2	01/04/2007	Russell 1000 Growth	
Apex Mid Cap Growth		29.92	10.19	Q1	17.01	3.67	Q1	01/05/2008	Russell MidCap Growth	
Apex Smid Growth		24.39	4.47	Q2	13.59	0.23	Q2	01/01/1990	Russell 2500 Growth	
Apex Small Cap Growth		13.83	-4.80	Q4	8.96	-3.94	Q4	01/01/2006	Russell 2000 Growth	
City National Rochdale Emerg Mkts		22.97	-1.96	Q3	10.59	5.60	Q1	14/12/2011	MSCI Emerging Markets NR USD	
Emerging Markets Core Growth		43.52	6.24	Q1	8.05	3.71	Q2	01/07/2003	MSCI Emerging Markets Index	
Emerging Markets Growth & Income		23.27	-1.49	Q3	4.37	-0.63	Q4	01/07/2010	MSCI Emerging Markets Index	
Frontier Markets		27.51	0.39	Q1	17.03	8.42	Q1	01/07/2010	MSCI Frontier Markets Index	
Alternative Investment Strategies	7.1									
North American Market Neutral Fund		0.15	-	N/A	5.56	-	N/A	01/10/2007	Absolute Return	4
Long / Short Equity Fund		-4.17	-	N/A	12.79	-	N/A	01/08/2010	Absolute Return	4
Diversified Lending Fund		5.87	-	N/A	6.24	-	N/A	01/04/2008	Absolute Return	4
Multi-Strategy Income Fund		2.98	-	N/A	4.32	-	N/A	01/11/2009	Absolute Return	4
Infrastructure Fund		8.29	-	N/A	6.78	-	N/A	01/03/2010	Absolute Return	4
Real Estate Fund		4.61	-	N/A	5.45*	-	N/A	01/07/2013	Absolute Return	4
Fiera Private Lending Construction Financing Fund		7.08	-	N/A	7.00	-	N/A	22/11/2006	Absolute Return	4
Fiera Private Lending Mezzanine Financing Fund		10.41	-	N/A	10.55	-	N/A	21/07/2015	Absolute Return	4
Fiera Private Lending Business Financing Fund		8.96	-	N/A	9.31	-	N/A	06/11/2013	Absolute Return	4
Charlemagne OCCO Eastern European Fund		16.99	-	N/A	9.35	-	N/A	01/01/2002	Absolute Return	
TOTAL AUM	131.4									

Notes:

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

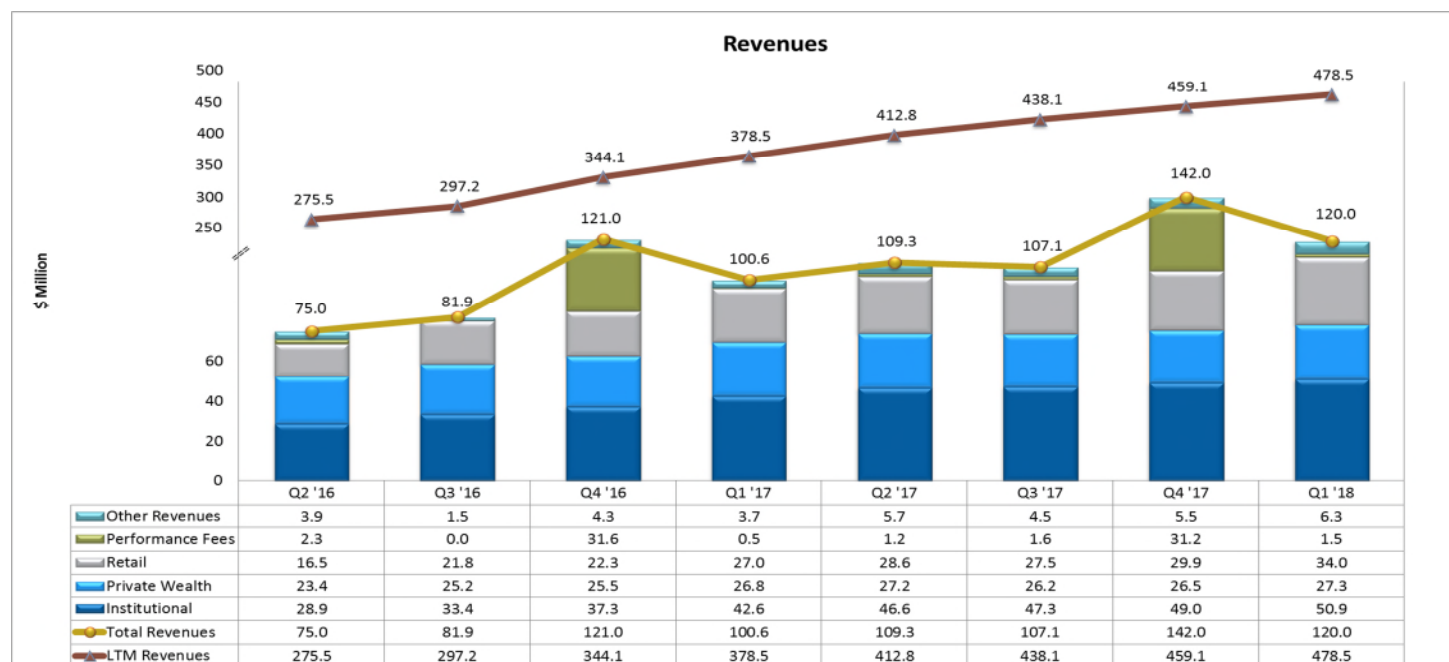
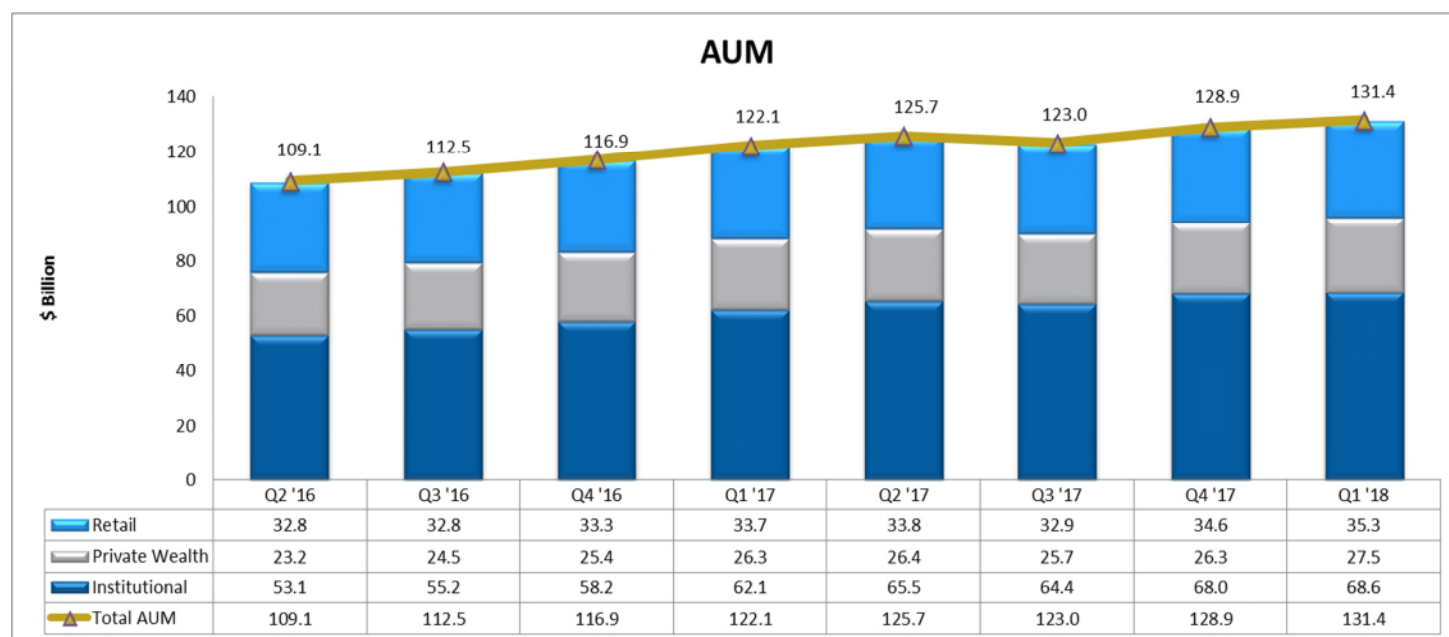
Important Disclosures:

- 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-month Period Ended March 31, 2018

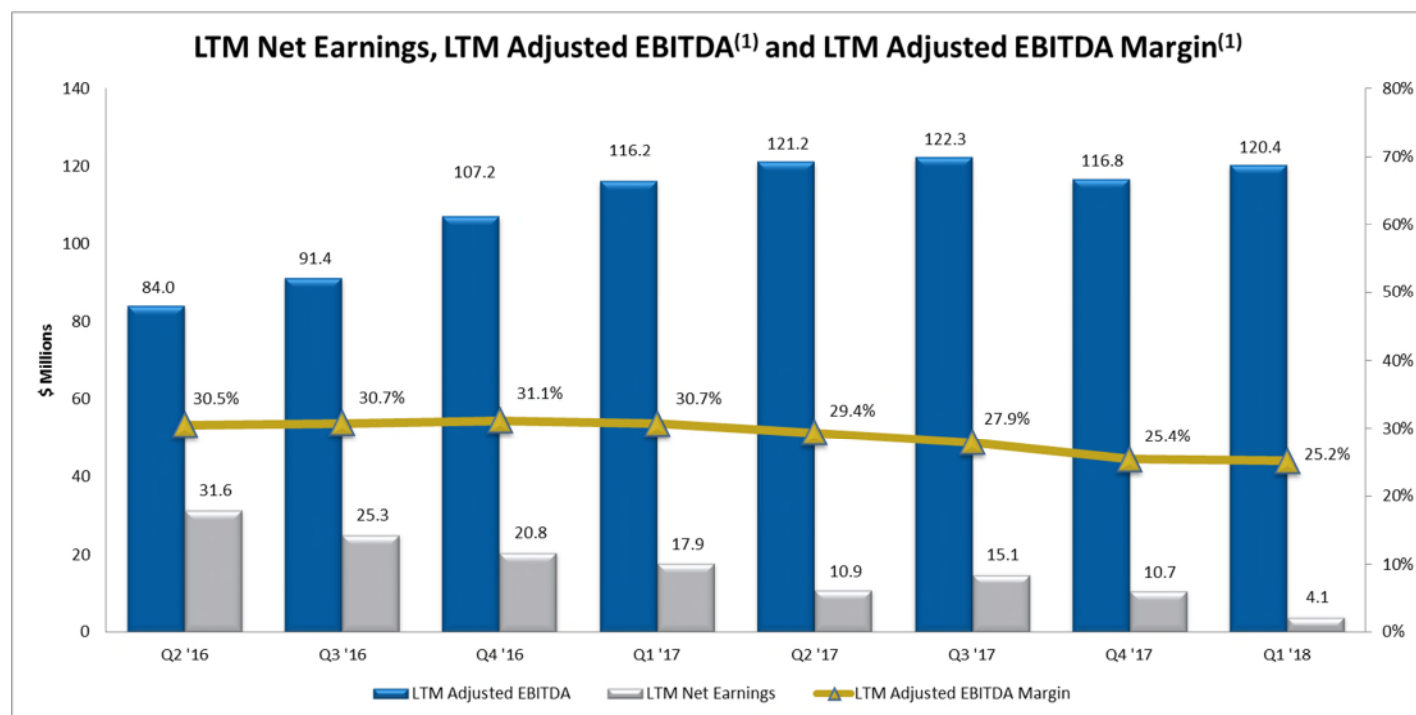
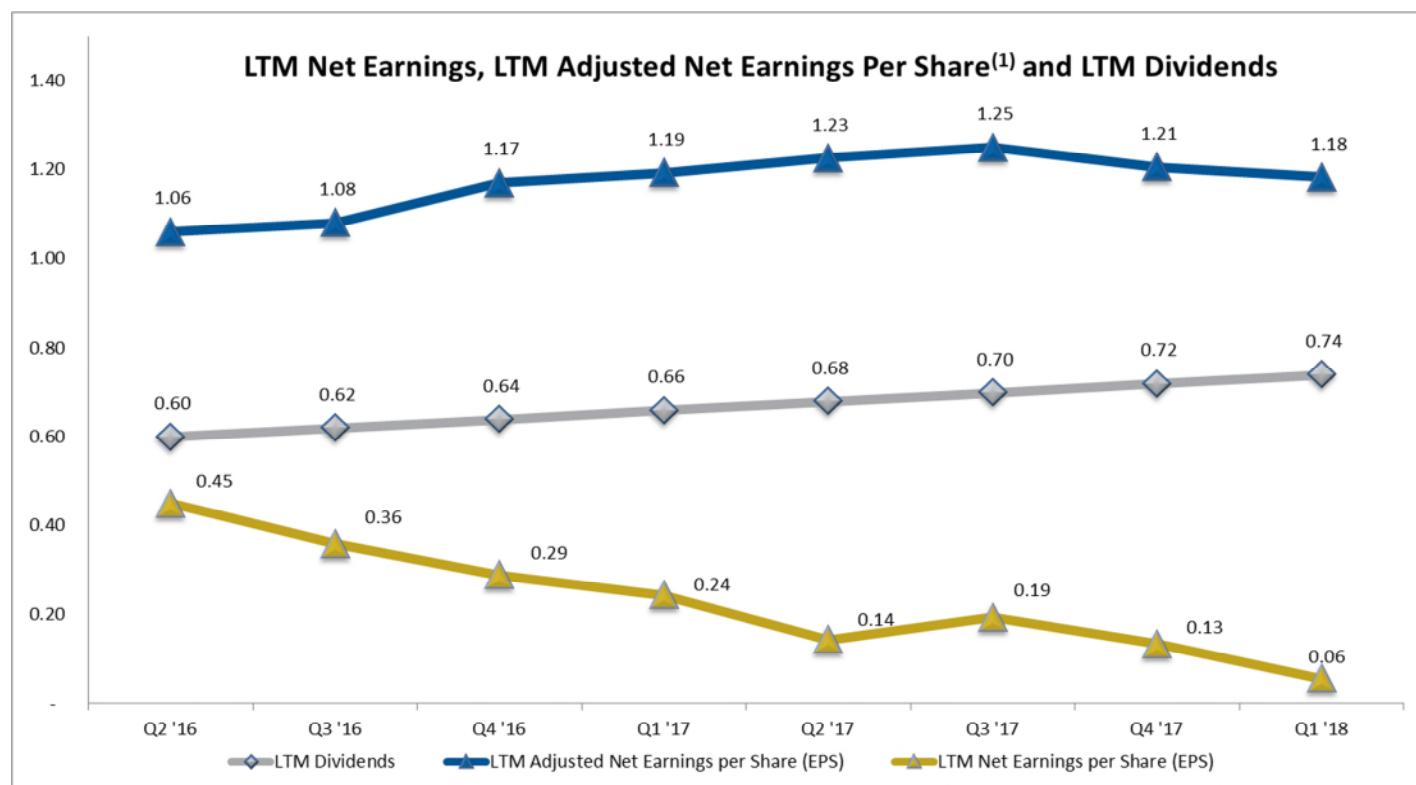
AUM AND REVENUE TREND HIGHLIGHTS

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 37.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018



⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 37.

Management's Discussion and Analysis

For the Three-month Period Ended March 31, 2018

HIGHLIGHTS FOR THE THREE -MONTH PERIOD ENDED MARCH 31, 2018

Current Quarter Compared to Prior-Year Quarter

- › Total AUM were \$131.4 billion as at March 31, 2018, representing an increase of \$9.3 billion, or 7.6%, compared to AUM of \$122.1 billion as at March 31, 2017.
- › Base management fees and other revenues for the first quarter ended March 31, 2018, were \$118.5 million, representing an increase of \$18.5 million, or 19%, compared to \$100.0 million for the same period last year.
- › Performance fees were \$1.5 million for the first quarter ended March 31, 2018, compared to \$0.5 million for the same period last year.
- › Selling, general and administrative ("SG&A") expenses and external managers' expenses were \$97.9 million for the first quarter ended March 31, 2018, representing an increase of \$19.8 million, or 25%, compared to \$78.1 million for the same period last year.
- › Adjusted EBITDA⁽¹⁾ was \$28.8 million for the first quarter ended March 31, 2018, representing an increase of \$3.6 million, or 14%, compared to \$25.2 million for the same period last year. Adjusted EBITDA per share was \$0.32 (basic and diluted)⁽¹⁾ for the first quarter of 2017, compared to \$0.31 per share (basic) and \$0.30 (diluted) for the same period last year.
- › For the first quarter ended March 31, 2018, the Firm recorded net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), a decrease of \$6.6 million, or over 100%, compared to the first quarter ended March 31, 2017, during which the Firm recorded net earnings attributable to the Company's shareholders of \$4.4 million, or \$0.05 per share (basic and diluted).
- › Adjusted net earnings⁽¹⁾ attributable to the Company's shareholders for the first quarter ended March 31, 2018, amounted to \$21.3 million, or \$0.24 per share (basic and diluted)⁽¹⁾, compared to \$21.8 million, or \$0.27 per share (basic) and \$0.26 (diluted), for the first quarter ended March 31, 2017.

Current Quarter Compared to Previous Quarter

- › Total AUM were \$131.4 billion as at March 31, 2018, representing an increase of \$2.5 billion, or 2%, compared to \$128.9 billion as at December 31, 2017.
- › Base management fees and other revenues for the first quarter ended March 31, 2018, were \$118.5 million, representing an increase of \$7.7 million, or 7%, compared to \$110.8 million for the previous quarter ended December 31, 2017.
- › Performance fees were \$1.5 million for the first quarter ended March 31, 2018, compared to \$31.2 million for the previous quarter ended December 31, 2017.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 37.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

- › SG&A expenses and external managers' expenses were \$97.9 million for the first quarter ended March 31, 2018, representing a decrease of \$12.0 million, or 11%, compared to \$109.9 million for the previous quarter ended December 31, 2017.
- › Adjusted EBITDA⁽¹⁾ was \$28.8 million for the first quarter ended March 31, 2018, representing a decrease of \$7.2 million, or 20%, compared to \$36.1 million for the previous quarter ended December 31, 2017. Adjusted EBITDA per share⁽¹⁾ was \$0.32 (basic and diluted) for the first quarter ended March 31, 2018, compared to \$0.43 (basic and diluted) for the previous quarter ended December 31, 2017.
- › For the first quarter ended March 31, 2018, the Firm recorded net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), a decrease of \$3.0 million, or over 100%, compared to the previous quarter ended December 31, 2017, during which the Firm recorded net earnings attributable to the Company's shareholders of \$0.8 million, or \$0.01 per share (basic and diluted).
- › Adjusted net earnings⁽¹⁾ attributable to the Company's shareholders for the first quarter ended March 31, 2018, amounted to \$21.3 million, or \$0.24 per share (basic and diluted), compared to \$29.2 million, or \$0.35 per share (basic and diluted), for the previous quarter ended December 31, 2017.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 37

Management's Discussion and Analysis

For the Three-month Period Ended March 31, 2018

FINANCIAL RESULTS

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

ASSETS UNDER MANAGEMENT (in \$ millions)	AS AT			VARIANCE	
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Assets under Management	131,360	128,901	122,063	2,459	9,297

STATEMENTS OF EARNINGS (LOSS) (in \$ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Revenues					
Base management fees	112,181	105,350	96,308	6,831	15,873
Performance fees - Traditional Assets	1,573	10,039	527	(8,466)	1,046
Performance fees - Alternative Assets	(103)	21,195	5	(21,298)	(108)
Other revenues	6,330	5,462	3,734	868	2,596
	119,981	142,046	100,574	(22,065)	19,407
Expenses					
Selling, general and administrative expenses	97,520	109,457	77,152	11,937	(20,368)
External managers	367	404	896	37	529
Depreciation of property and equipment	947	964	931	17	(16)
Amortization of intangible assets	10,022	8,778	10,935	(1,244)	913
Interest on long-term debt and other financial charges	4,761	4,835	2,177	74	(2,584)
Accretion and change in fair value of purchase price obligations	4,467	2,880	1,308	(1,587)	(3,159)
Restructuring, integration and other costs	928	6,866	1,076	5,938	148
Acquisition costs	3,018	1,679	1,718	(1,339)	(1,300)
Loss on disposal of intangible assets and property and equipment	-	42	-	42	-
Other (income) expenses ⁽³⁾	27	(128)	(4)	(155)	(31)
Total expenses	122,057	135,777	96,189	13,720	(25,868)
Earnings (loss) before income taxes	(2,076)	6,269	4,385	(8,345)	(6,461)
Income taxes	17	5,185	32	5,168	15
Net earnings (loss)	(2,093)	1,084	4,353	(3,177)	(6,446)
Attributable to:					
Company's shareholders	(2,193)	763	4,428	(2,956)	(6,621)
Non-controlling interest	100	321	(75)	(221)	175
Net earnings (loss)	(2,093)	1,084	4,353	(3,177)	(6,446)
BASIC PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.32	0.43	0.31	(0.11)	0.01
Net earnings (loss)	(0.02)	0.01	0.05	(0.03)	(0.07)
Adjusted net earnings ⁽¹⁾	0.24	0.35	0.27	(0.11)	(0.03)
DILUTED PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.32	0.43	0.30	(0.11)	0.02
Net earnings (loss)	(0.02)	0.01	0.05	(0.03)	(0.07)
Adjusted net earnings ⁽¹⁾	0.24	0.35	0.26	(0.11)	(0.02)

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 37.

⁽²⁾ FAV: Favorable - UNF: Unfavorable

⁽³⁾ Other expenses (income) include "Realized loss (gain) on investments".

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

Management's Discussion and Analysis

For the Three-month Period Ended March 31, 2018

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

	MARCH 31, 2018	DECEMBER 31, 2017
Cash and cash equivalents, restricted cash, investments	58,265	47,417
Accounts receivable	118,182	128,398
Other current assets	11,713	10,082
Total current assets	188,160	185,897
Goodwill	529,050	523,885
Intangible assets	463,471	462,281
Other non-current assets	39,620	32,852
Total assets	1,220,301	1,204,915
Accounts payable and accrued liabilities	59,205	114,008
Other current liabilities	56,696	39,419
Total current liabilities	115,901	153,427
Long-term debt	341,300	292,417
Convertible debentures	77,779	77,461
Purchase price obligations	57,677	58,086
Deferred income taxes	15,599	16,014
Other non-current liabilities	18,862	15,499
Total liabilities	627,118	612,904
Equity		
Attributable to Company's shareholders	593,617	592,545
Attributable to Non-controlling interest	(434)	(534)
	593,183	592,011
Total liabilities and equity	1,220,301	1,204,915

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

Management's Discussion and Analysis For the Three-month Period Ended March 31, 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 24 for the details and timing of the acquisitions and other business transactions.

The following tables (Tables 3 and 4) 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		
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017
AUM - beginning of period	128,901	123,003	116,925
Net variance	2,459	3,811	5,138
Acquisitions	-	2,087	-
AUM - end of period	131,360	128,901	122,063
Average AUM	130,512	127,830	119,726

⁽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)**

	DECEMBER 31, 2017	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSAL) /ADJUSTMENT	MARCH 31, 2018
Institutional	68,038	818	(1,129)	(64)	290	612	-	68,565
Private Wealth	26,319	825	(404)	141	(28)	663	-	27,516
Retail	34,544	367	(227)	261	25	299	-	35,279
AUM - end of period	128,901	2,010	(1,760)	338	297	1,574	-	131,360

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

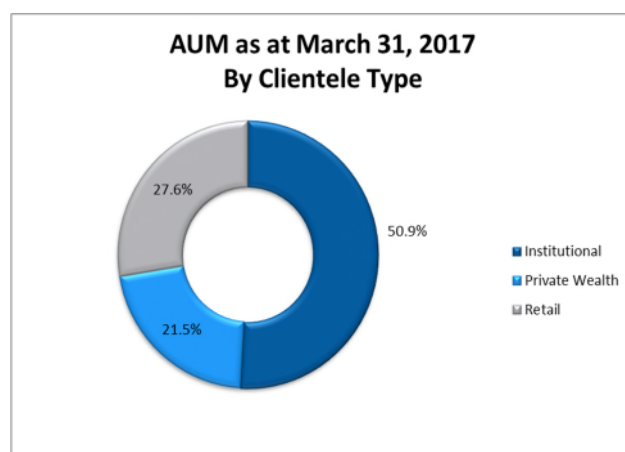
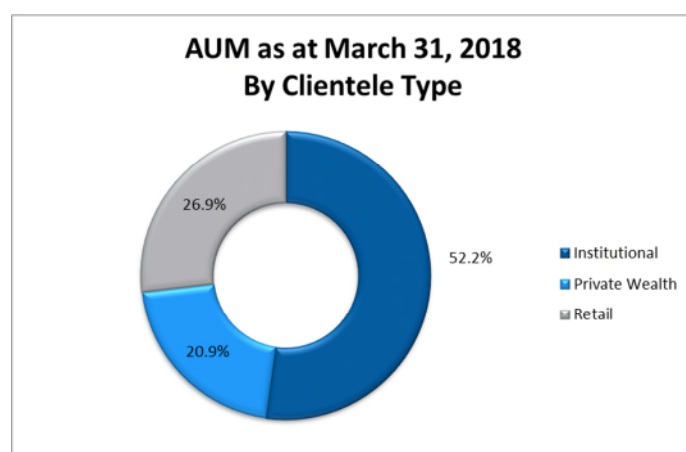
Quarterly Activities

Total AUM were \$131.4 billion as at March 31, 2018, representing an increase of \$2.5 billion, or 2%, compared to \$128.9 billion as at December 31, 2017. The increase is due primarily to \$2.0 billion in new mandates and the positive impact of fluctuations in foreign exchange rates on the US dollar of \$1.6 billion, combined with positive net contributions of \$0.3 billion and a market appreciation of \$0.3 billion during the period. These increases in AUM were partially offset by lost mandates of \$1.8 billion during the first quarter of 2018.

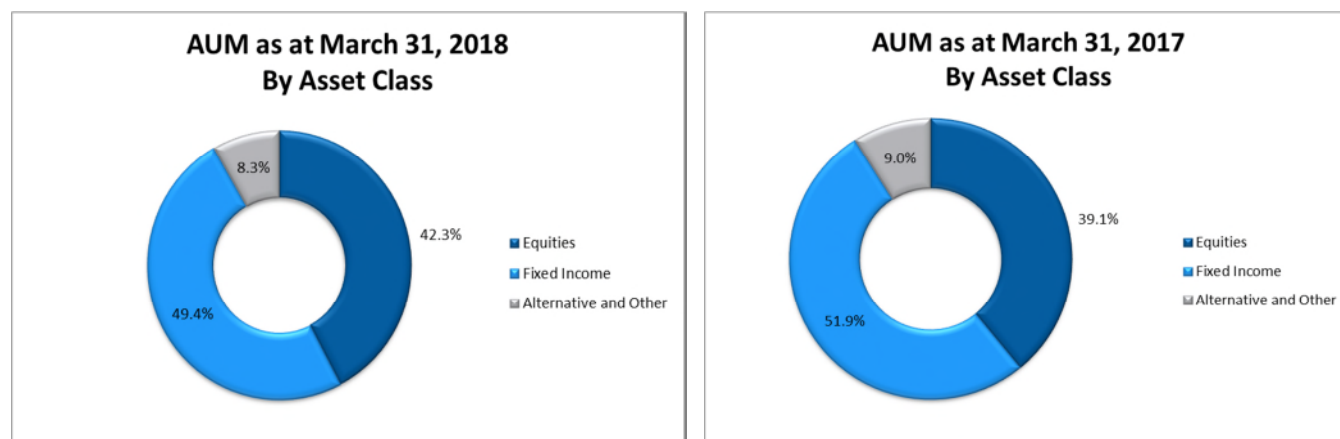
The AUM related to the Institutional clientele were \$68.6 billion as at March 31, 2018, representing an increase of \$0.6 billion or 0.8%, compared to \$68.0 billion from the previous quarter ended December 31, 2017. The increase was primarily driven by new mandates won during the quarter mostly in Global and International Equity and Fixed Income mandates, totalling \$0.8 billion, combined with the positive impact of fluctuations in foreign exchange rates on the US dollar of \$0.6 billion, and a market appreciation of \$0.3 billion during the first quarter of 2018. These increases were partially offset by \$1.1 billion in client losses which were driven primarily by clients that either consolidated investment service providers or that pursued other asset classes.

The AUM related to the Private Wealth clientele were \$27.5 billion as at March 31, 2018, representing an increase of \$1.2 billion, or 4.5%, compared to \$26.3 billion from the previous quarter ended December 31, 2017. The increase is primarily driven by net new mandates in the US, combined with the positive impact of the fluctuations in foreign exchange rates on the US dollar during the first quarter of 2018.

The AUM related to the Retail clientele were at \$35.3 billion as at March 31, 2018, representing an increase of \$0.8 billion, or 2%, compared to \$34.5 billion from the previous quarter ended December 31, 2017. The increase is primarily driven by net new mandates of \$0.4 billion in Europe and the US, combined with \$0.3 billion from the positive impact of the fluctuations in foreign exchange rates on the US dollar and positive net contributions of \$0.3 billion during the first quarter of 2018, partially offset by lost mandates of \$0.2 billion mostly due to client rebalancing activities.



Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018



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 mainly of brokerage and consulting fees which are not AUM-driven.

Table 5 – Revenues: Quarterly Activity (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	50,867	49,023	42,529	1,844	8,338
Private Wealth	27,348	26,461	26,774	887	574
Retail	33,966	29,866	27,005	4,100	6,961
Total management fees	112,181	105,350	96,308	6,831	15,873
Performance fees – Traditional asset class	1,573	10,039	527	(8,466)	1,046
Performance fees – Alternative asset class	(103)	21,195	5	(21,299)	(108)
Total performance fees	1,470	31,234	532	(29,764)	938
Other revenues	6,330	5,462	3,734	868	2,596
Total revenues	119,981	142,046	100,574	(22,065)	19,407

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

Current Quarter versus Prior-Year Quarter

Revenues for the first quarter ended March 31, 2018, were \$120.0 million, representing an increase of \$19.4 million, or 19%, compared to \$100.6 million for the same period last year. The year-over-year increase in revenues is due mainly to the organic growth, mostly from the institutional and private wealth sectors as well as growth in Private Alternative

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

Investment strategies. The agreement with City National Rochdale ("CNR") to acquire the management of the Emerging Markets Fund in December 2017 was also a contributor to revenue growth.

Management Fees

Management fees were \$112.2 million for the first quarter ended March 31, 2018, representing an increase of \$15.9 million, or 17%, compared to \$96.3 million for the same period last year. The overall increase in management fees and by clientele type are as follows:

- › Management fees from the Institutional clientele were \$50.9 million for the first quarter ended March 31, 2018, representing an increase of \$8.4 million, or 20%, compared to \$42.5 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 in Global Equity, as well as a market appreciation during the last twelve months.
- › Management fees from the Private Wealth clientele were \$27.3 million for the first quarter ended March 31, 2018, representing an increase of \$0.5 million, or 2%, compared to \$26.8 million for the same period last year. The increase is primarily the result of a higher AUM base from new mandates in the US.
- › Management fees from the Retail clientele were \$34.0 million for the first quarter ended March 31, 2018, representing an increase of \$7.0 million, or 26%, compared to \$27.0 million for the same quarter last year. The increase is mainly attributable to additional revenues resulting from the agreement with CNR to acquire the management of the Emerging Markets Fund in December 2017, combined with higher revenues from the European activities.

Performance Fees

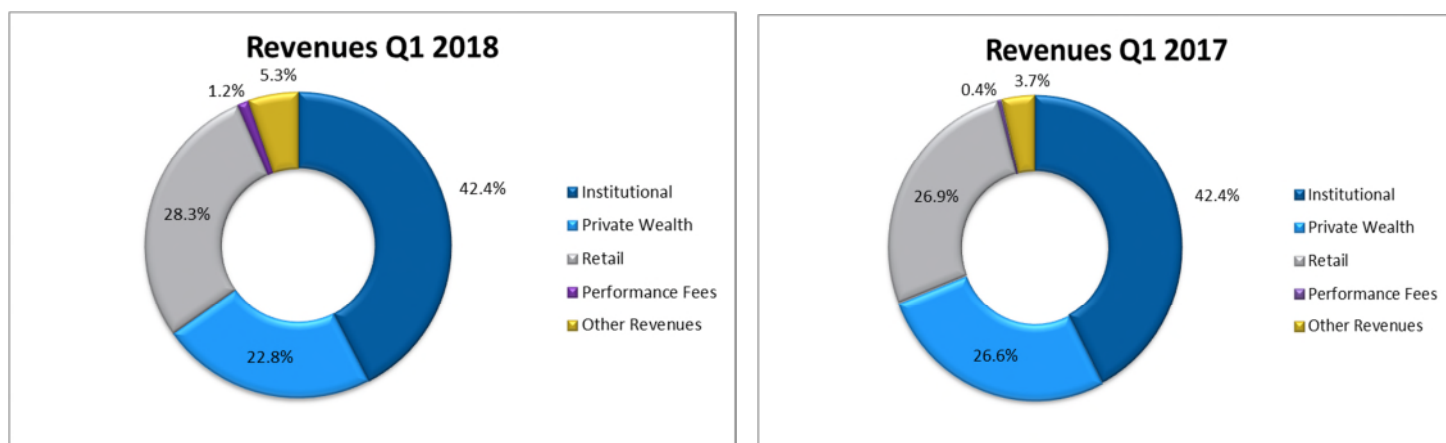
Performance fees were at \$1.5 million for the first quarter ended March 31, 2018, compared to \$0.5 million for the same period last year.

Other Revenues

Other revenues were \$6.3 million for the first quarter ended March 31, 2018, representing an increase of \$2.6 million, or 70%, compared to \$3.7 million for the same period last year. The increase is mainly due to a contingent payment combined with additional revenue from the Private Alternative Investment strategies.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended March 31, 2018, and March 31, 2017, respectively.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018



Current Quarter versus Previous Quarter

Revenues for the first quarter ended March 31, 2018, were \$120.0 million, representing a decrease of \$22.0 million, or 16%, compared to \$142.0 million for the previous quarter ended December 31, 2017. The decrease in revenues is mainly due to lower performance fees which are generally recorded in the second and fourth quarter of the year, partially offset by higher base management fees.

Management Fees

Management fees were \$112.2 million for the first quarter ended March 31, 2018, representing an increase of \$6.8 million, or 7%, compared to \$105.4 million for the previous quarter ended December 31, 2017. The following is the breakdown of the management fees by clientele type:

- › Management fees from the Institutional clientele were \$50.9 million for the first quarter ended March 31, 2018, representing an increase of \$1.9 million, or 4%, compared to \$49.0 million for the previous quarter ended December 31, 2017. The sequential increase is primarily due to organic growth from the Private Alternative Investment strategies, combined with new mandates in the US.
- › Management fees from the Private Wealth clientele were \$27.3 million for the first quarter ended March 31, 2018, representing an increase of \$0.9 million, or 3%, compared to \$26.5 million for the previous quarter ended December 31, 2017. The increase is mainly due to organic growth in the US.
- › Management fees from the Retail clientele were \$34.0 million for the first quarter ended March 31, 2018, representing an increase of \$4.1 million, or 14%, compared to \$29.9 million for the previous quarter ended December 31, 2017. The increase is mainly due to the inclusion of a full quarter of revenues of CNR following the agreement to acquire the management of the Emerging Markets Fund, combined with higher revenues from the European activities.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

Performance Fees

Performance fees, which are generally recorded in June and December of each year, were \$1.5 million for the first quarter ended March 31, 2018, compared to \$31.2 million for the previous quarter ended December 31, 2017.

Other Revenues

Other revenues were \$6.3 million for the first quarter ended March 31, 2018, representing an increase of \$0.8 million, or 16%, compared to \$5.5 million for the previous quarter ended December 31, 2017. The increase is mainly due to a contingent payment combined with additional revenue from the Private Alternative Investment strategies.

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

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expenses were \$97.9 million for the three-month period ended March 31, 2018, representing an increase of \$19.8 million, or 25%, compared to \$78.0 million for the same period last year. The higher costs are mainly due to an increase 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 in investment strategies, combined with higher volume resulting from the Firm's growth and expansion.

Current Quarter versus Previous Quarter

SG&A and external managers' expenses were \$97.9 million for the three-month period ended March 31, 2018, representing a decrease of \$12.0 million, or 11%, compared to \$109.8 million for the previous quarter ended December 31, 2017. The decrease is mainly attributable to compensation related to higher performance fees recorded during the previous quarter ended December 31, 2017.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was stable at \$0.9 million for the first quarter ended March 31, 2018, compared to the corresponding quarter last year.

Amortization of intangible assets was \$10.0 million for the first quarter ended March 31, 2018, representing a decrease of \$0.9 million, or 8%, compared to \$10.9 million for the same period last year. The decrease is mainly attributable to the reduction of the amortization of intangible assets related to finalizing the acquisition accounting of Fiera Capital (Europe).

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained stable at \$0.9 million for the first quarter ended March 31, 2018, when compared to the previous quarter ended December 31, 2017.

Amortization of intangible assets was \$10.0 million for the first quarter ended March 31, 2018, representing an increase of \$1.2 million, or 14%, compared to \$8.8 million for the previous quarter ended December 31, 2017. The increase is mainly attributable to the finalization of the acquisition accounting related to Fiera Capital (Europe) during the previous quarter ended December 31, 2017.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter versus Prior-Year Quarter

The interest on long-term debt and other financial charges was \$4.8 million for the first quarter ended March 31, 2018, representing an increase of \$2.6 million, or over 100%, compared to \$2.2 million for the same quarter last year. The increase is mainly due to increased interest expense on the convertible debentures, combined with a negative variance related to the Company's strategy of swapping the variable interest rate on a portion of its debt to a fixed interest rate.

Current Quarter versus Previous Quarter

The interest on long-term debt and other financial charges remained stable at \$4.8 million for the first quarter ended March 31, 2018, when compared to the previous quarter ended December 31, 2017.

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 \$4.5 million for the first quarter ended March 31, 2018, compared to a charge of \$1.3 million for the same quarter last year. The increase is mainly due to an additional charge related to the agreement with CNR to acquire the management of the Emerging Markets Fund which occurred in December 2017.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented a charge of \$4.5 million for the first quarter ended March 31, 2018, compared to a charge of \$2.9 million for the previous quarter ended December 31, 2017. The increase is mainly due to a full quarter of charges related to the agreement with CNR to acquire the management of the Emerging Markets Fund compared to one month of charges in the previous quarter ended December 31, 2017.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were \$3.9 million for the first quarter ended March 31, 2018, representing an increase of \$1.1 million, or over 41%, compared to \$2.8 million for the same period last year. The increase is mainly due to higher acquisition activity related costs in the first quarter of 2018 compared to the first quarter of 2017, namely related to the acquisition of Clearwater Capital Partners and CGOV Asset Management (please refer to the Section Significant Events).

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were \$3.9 million for the first quarter ended March 31, 2018, representing a decrease of \$4.9 million, or 54%, compared to \$8.5 million for the previous quarter ended December 31, 2017. The decrease is mainly due to lower restructuring costs in the first quarter of 2018 related to the restructuring of a fixed income team, compared to the previous quarter ended December 31, 2017.

Adjusted EBITDA

The following table presents the Firm's adjusted EBITDA⁽¹⁾ and adjusted EBITDA per share⁽¹⁾ for the three-month periods ended March 31, 2018, and 2017, respectively, as well as for the three-month period ended December 31, 2017.

Table 6 - Adjusted EBITDA ⁽¹⁾ (in \$ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017	QUARTER OVER QUARTER	YEAR OVER YEAR
Net earnings (Loss)	(2,093)	1,084	4,353	(3,177)	(6,446)
EBITDA ⁽¹⁾	13,654	20,846	18,428	(7,912)	(4,774)
Adjusted EBITDA ⁽¹⁾	28,839	36,056	25,199	(7,217)	3,640
Per share basic ⁽¹⁾	0.32	0.43	0.31	(0.11)	0.01
Per share diluted ⁽¹⁾	0.32	0.43	0.30	(0.11)	0.02

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 37.

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

Current Quarter versus Prior-Year Quarter

For the first quarter ended March 31, 2018, adjusted EBITDA was \$28.8 million or \$0.32 per share (basic and diluted), representing an increase of \$3.6 million, or 14%, compared to \$25.2 million, or \$0.31 per share (basic) and \$0.30 (diluted), for the same period last year.

Adjusted EBITDA for the first quarter ended March 31, 2018, was higher primarily due to higher base management fees driven by market and organic growth, the deployment of Private Alternative Investment strategies and the agreement with CNR to acquire the management of the Emerging Markets Fund in December 2017, combined with higher other revenues resulting mainly from a contingent payment in the first quarter of 2018. These increases in revenues were partially offset by an overall operating expenses increase to support the Firm's growth and expansion.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2018, adjusted EBITDA was \$28.8 million or \$0.32 per share (basic and diluted), representing a decrease of \$7.3 million, or 20%, compared to \$36.1 million or \$0.43 per share (basic and diluted), from the previous quarter ended December 31, 2017. The decrease is mainly due to lower performance fees that are generally recorded in June and December of each year, partially offset by higher base management fees and lower operating expenses, namely performance-related incentive fees.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 2018

Net Earnings (Loss)

The following table presents the Firm's net earnings (loss) and adjusted net earnings for the three-month periods ended March 31, 2018, and 2017, respectively, as well as for the three-month period ended December 31, 2017.

Table 7 - Net Earnings (Loss) and Adjusted Net Earnings ⁽¹⁾ (in \$ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED		
	MARCH 31, 2018	DECEMBER 31, 2017	MARCH 31, 2017
Net earnings (loss) attributable to the Company's shareholders	(2,193)	763	4,428
Depreciation of property and equipment	947	964	931
Amortization of intangible assets	10,022	8,778	10,935
Share-based compensation(*)	6,745	3,871	2,673
Restructuring, integration and other costs ⁽¹⁾	928	6,866	1,076
Acquisition costs ⁽¹⁾	3,018	1,679	1,718
Accretion and change in fair value of purchase price obligations(*)	4,467	2,880	1,308
Impact of US Tax Cuts and Jobs Act on future income taxes	-	6,017	
Income taxes on above-mentioned items ⁽¹⁾	2,590	2,580	1,231
Adjusted net earnings attributable to the Company's shareholders	21,344	29,238	21,838
Per share – basic			
Net earnings (loss)	(0.02)	0.01	0.05
Adjusted net earnings ⁽¹⁾	0.24	0.35	0.27
Per share – diluted			
Net earnings (loss)	(0.02)	0.01	0.05
Adjusted net earnings ⁽¹⁾	0.24	0.35	0.26

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 37.

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

Current Quarter versus Prior-Year Quarter

For the first quarter ended March 31, 2018, the Firm reported net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), compared to \$4.4 million, or \$0.05 per share (basic and diluted), for the same quarter last year. The decrease in net earnings is mainly attributable to a charge of \$4.5 million related to the accretion and change in fair value of the purchase price obligations recorded in the first quarter of 2018 compared to a charge of \$1.3 million for the same period of the previous year.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2018, the Firm reported net loss attributable to the Company's shareholders of \$(2.2) million, or \$(0.02) per share (basic and diluted), compared to \$0.8 million, or \$0.01 per share (basic and diluted), for the previous quarter ended December 31, 2017. The decrease in net earnings is mainly attributable to lower performance fees, partially offset by higher income before taxes resulting from higher base management fees, combined with a charge of \$4.5 million related to the accretion and change in fair value of purchase price obligations recorded in the first quarter of 2018 compared to a charge of \$2.9 million from the previous quarter.

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 \$21.3 million, or \$0.24 per share (basic and diluted) for the first quarter ended March 31, 2018, compared to \$21.8 million, or \$0.27 per share (basic) and \$0.26 (diluted) for the first quarter ended March 31, 2017. Adjusted net earnings for the quarter ended March 31, 2018, reflected net earnings (loss), excluding \$17.7 million, or \$0.20 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as \$5.8 million, or \$0.06 per share (basic and diluted), of acquisition and restructuring, integration and other costs, net of income taxes, as well as a charge related to the accretion and change in fair value of purchase price obligations, namely related to the agreement with CNR to acquire the management of the Emerging Markets Fund.

Current Quarter versus Previous Quarter

For the first quarter ended March 31, 2018, the Firm recorded adjusted net earnings of \$21.3 million, or \$0.24 per share (basic and diluted) representing a decrease of \$6.0 million compared to \$29.2 million, or \$0.35 (basic and diluted) from the previous quarter ended December 31, 2017. The decrease in adjusted net earnings is mainly attributable to lower revenues resulting from lower performance fees, partially offset by higher base management fees, and lower operating expenses.

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 37.

Management's Discussion and Analysis For the Three-month Period Ended March 31, 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 8 – Quarterly Results (in \$ thousands except AUM in \$ millions and per share data)

	Last Twelve Months ⁽²⁾	Q1 Mar. 31 2018	Q4 Dec. 31 2017	Q3 Sep. 30 2017	Q2 Jun. 30 2017	Q1 Mar. 31 2017	Q4 Dec. 31 2016	Q3 Sep. 30 2016	Q2 Jun. 30 2016
AUM	127,231	131,360	128,901	123,003	125,658	122,063	116,925	112,465	109,136
Total revenues	478,503	119,981	142,046	107,127	109,349	100,574	120,968	81,909	74,983
Adjusted EBITDA ⁽¹⁾	120,395	28,839	36,056	27,020	28,480	25,199	41,599	25,931	23,510
Adjusted EBITDA margin ⁽¹⁾	25.2%	24.0%	25.4%	25.2%	26.0%	25.1%	34.4%	31.7%	31.4%
Net earnings (loss) attributable to Company's shareholders	4,050	(2,193)	763	4,603	877	4,428	5,203	393	7,901
PER SHARE – BASIC									
Adjusted EBITDA ⁽¹⁾	1.43	0.32	0.43	0.33	0.35	0.31	0.52	0.33	0.32
Net earnings (loss) attributable to the Company's shareholders	0.06	(0.02)	0.01	0.06	0.01	0.05	0.07	0.01	0.11
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.18	0.24	0.35	0.28	0.31	0.27	0.40	0.26	0.27
PER SHARE – DILUTED									
Adjusted EBITDA ⁽¹⁾	1.40	0.32	0.43	0.32	0.34	0.30	0.51	0.33	0.32
Net earnings (loss) attributable to the Company's shareholders	0.05	(0.02)	0.01	0.05	0.01	0.05	0.06	0.01	0.11
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.18	0.24	0.35	0.27	0.30	0.26	0.39	0.25	0.27

⁽¹⁾ Please refer to the "Non-IFRS Measures" Section on page 37.

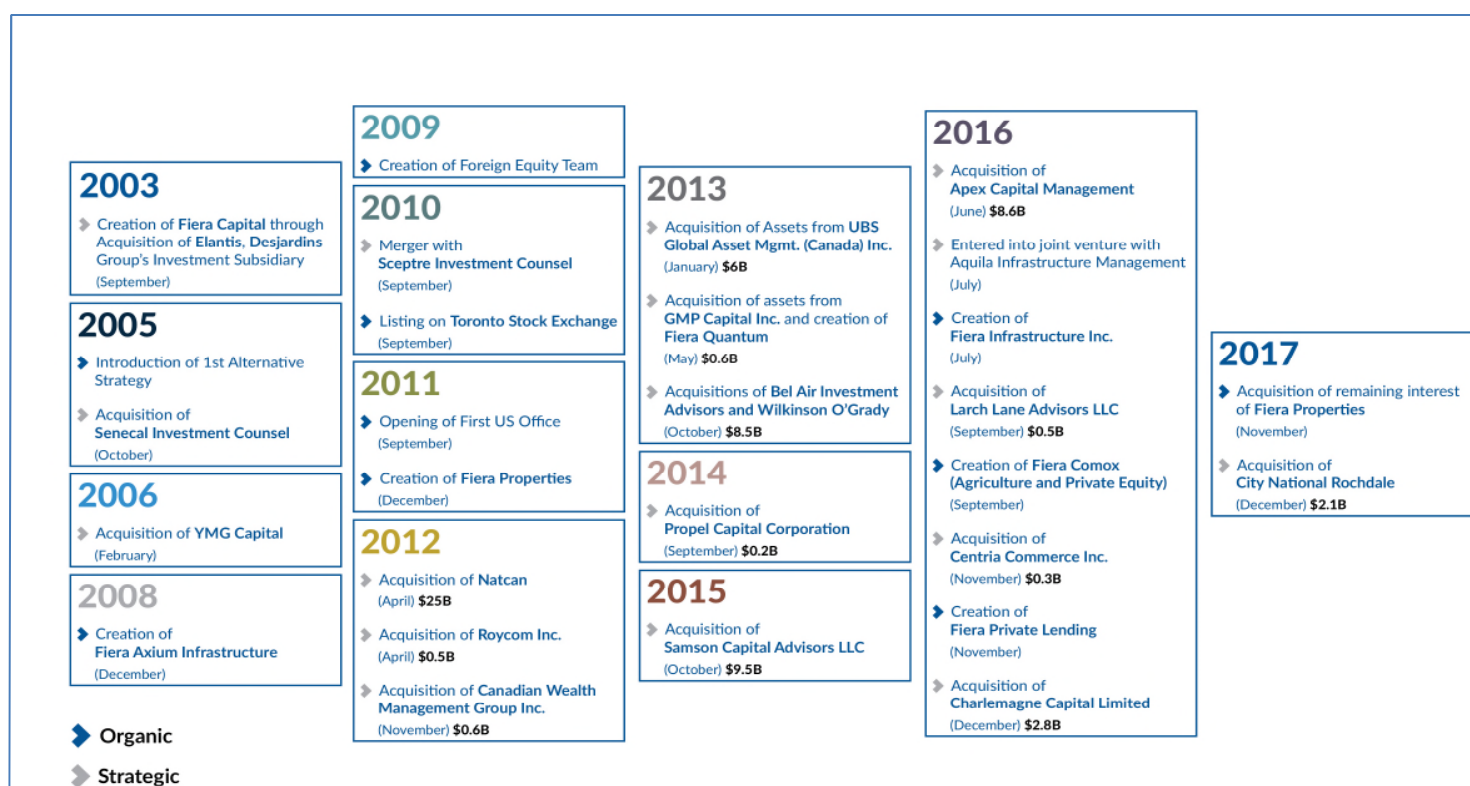
⁽²⁾ AUM Last Twelve Months ("LTM") represents the average of the last four quarters.

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

Management's Discussion and Analysis For the Three-month Period Ended March 31, 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-month Period Ended March 31, 2018

Table 9 – Summary of Consolidated Statements of Cash Flows (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED	
	MARCH 31, 2018	MARCH 31, 2017
Cash generated by (used in) operating activities	(25,178)	7,116
Cash (used in) investing activities	(3,774)	(8,965)
Cash generated by financing activities	39,478	3,050
Net increase in cash	9,986	1,201
Effect of exchange rate changes on cash denominated in foreign currencies	1,317	16
Cash and cash equivalents, beginning of period	41,079	40,110
Cash and cash equivalents, end of period	52,382	41,327

Year-to-Date Activities

Cash used in operating activities amounted to \$25.2 million for the three-month period ended March 31, 2018. This amount resulted mainly from the negative changes in non-cash operating working capital of \$45.3 million, mainly due to timing of revenue collection and year-end compensation payment (refer to Note 14 of the unaudited interim condensed consolidated financial statement for the three-month period ended March 31, 2018), partially offset by \$26.1 million cash generated from net earnings (loss) adjusted for depreciation and amortization, share-based compensation, accretion of purchase price obligations, interest on long-term debt and other financial charges, income tax expenses and income tax paid.

Cash used in investing activities was \$3.8 million for the three-month period ended March 31, 2018, resulting mainly from \$3.0 million cash used for purchase of intangible assets, \$0.9 million cash used for settlement of purchase price adjustments and obligations, \$0.4 million cash used for purchase of property and equipment during the period, partially offset by \$0.6 million of cash generated from investments.

Cash generated by financing activities was \$39.5 million for the three-month period ended March 31, 2018, resulting mainly from \$41.1 million of increase in long-term debt, combined with \$2 million of share issuance, partially offset by \$4.1 million of long-term debt interest payments and financing charges and during the period.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was \$1.3 million during the three-month period ended March 31, 2018.

Year-to-Date March 31, 2018 versus Year-to-Date March 31, 2017

Cash used in operating activities was \$25.7 million for the three-month period ended March 31, 2018, compared to \$7.1 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 \$35.5 million, partially offset by higher adjusted EBITDA year-over-year of \$3.6 million as described in the "Adjusted EBITDA" section.

Cash used in investing activities was \$3.8 million for the three-month period ended March 31, 2018, compared to \$9.0 million cash used in investing activities for the same period last year. The variation in cash used in investing activities is

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mainly attributable to lower cash used for settlement of purchase price adjustment and obligations of \$2.8 million, combined with higher cash generated from investments of \$1.6 million.

Cash generated from financing activities was \$39.5 million for the three-month period ended March 31, 2018, compared to \$3.1 million cash generated by financing activities for the same period last year. The year-over-year variation is mainly attributable to \$41.1 million of long-term debt increase in 2018, compared to \$7.4 million for the same period of last year, combined with \$2.0 million of issuance of share capital in the first quarter of 2018, compared to almost nil in the first quarter of 2017.

Finally, the exchange rate changes on cash denominated in foreign currencies negatively impacted the cash flow of the Firm by \$1.3 million during the three-month period ended March 31, 2018, compared to a \$0.016 million positive impact for the same period last year.

Long-Term Debt

Table 10 – Credit Facility (in \$ thousands)

	AS AT MARCH 31, 2018	AS AT DECEMBER 31, 2017
Credit Facility		
Term facility	161,175	156,813
Revolving facility	180,571	136,725
Other facility	1,426	1,585
Deferred financing charges	(1,195)	(1,352)
	341,977	293,771
Less current portion	677	1,354
Non- current portion	341,300	292,417

Credit Facility

On May 31, 2016, the Company entered into the Fourth Amended and Restated Credit Agreement ("Credit Agreement") which includes a term facility and a revolving facility (together, the "Credit Facility"). On December 5, 2017, the Credit Agreement was amended to modify the definitions of Funded Debt and EBITDA and unsecured debt.

Term Facility

The Credit Agreement includes a new US\$125.0 million term (non-revolving) facility for which there are no minimum repayments until May 31, 2019, the date at which the full amount drawn on the term facility is repayable.

The total amount drawn on the term facility as at March 31, 2018 is US\$125.0 million (CA\$161.175 million) (US\$125.0 million (CA\$156.813 million) as at December 31, 2017).

Revolving facility

During the year ended December 31, 2017, an increase in the revolving facility of CA\$50.0 million to CA\$350.0 million was approved by the board of directors of the Company, Fiera Capital Inc. and Fiera US Holding Inc. and the syndicate

of lenders. The increase will be used to finance the general corporate purposes of the Company. The Credit Facility includes a CA\$350.0 million senior unsecured revolving facility that can be drawn on in Canadian or US dollars at the discretion of the Company. Under the terms of the Credit Agreement, there are no minimum repayments on the revolving facility, until March 25, 2020, the date at which the full amount drawn on the revolving facility is repayable in full.

As at March 31, 2018 the total amount drawn on the revolving facility was comprised of CA\$11.88 million and US\$130.829 million (CA\$168.691 million) (CA\$74.0 million and US\$50.0 million (CA\$62.725 million) as at December 31, 2017).

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants on the Credit Facility including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum interest coverage ratio. EBITDA, a non IFRS financial measure, is defined in the Credit Agreement as consolidated earnings before interest, income taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at March 31, 2018 and December 31, 2017, all restrictive covenants under the Credit Agreement were met. The Credit Agreement 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 Credit Facility, to engage in specified types of transactions and thus imposes operating certain restrictions on these entities.

Other Facilities

As at March 31, 2018 one of the Company's subsidiaries has an outstanding bank loan in the amount of \$0.625 million of which quarterly payments of CA\$0.131 million are required (respectively \$0.756 million and CA\$0.131 million as at December 31, 2017). The loan bears interest at prime plus 0.25% to 0.50% 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 March 31, 2018 and December 31, 2017. In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at March 31, 2018, the outstanding balance of this loan is CA\$0.801 million, of which monthly payments of CA\$0.015 million are required. As at March 31, 2018, the current and non-current portions of the loan are \$0.152 million and \$0.649 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% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at March 31, 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 limit of CA\$0.95 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at March 31, 2018, the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

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Convertible Debentures

Table 11 – Convertible Debentures (in \$ thousands)

	As at March 31, 2018	As at December 31, 2017
	\$	\$
Face value	86,250	86,250
Less:		
Issuance costs	(4,269)	(4,269)
Equity component (net of issuance costs of \$237)	(4,555)	(4,555)
Cumulative accretion expense on equity component	353	35
Balance, end of year	77,779	77,461

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 share. The convertible debentures are not redeemable by the Company before June 30, 2021. The convertible debentures are redeemable by the Company at a price of \$0.001 million per convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of \$18.85 per share). On or after June 30, 2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of \$0.001 million per convertible debenture, plus accrued and unpaid interest.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

As at March 31, 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.

Off-Balance Sheet Arrangements

At March 31, 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.

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Share Capital

As at March 31, 2018, the Company had 71,293,598 Class A shares and 19,444,490 Class B special voting shares for a total of 90,738,088 outstanding shares compared to 61,338,301 Class A subordinate voting shares and 19,790,625 Class B special voting shares for a total of 81,128,926 outstanding shares as at March 31, 2017.

Share-Based Payments

Stock Option Plan

A summary of the changes that occurred in the Company's stock option plans during the three-month periods ended March 31, 2018, and 2017, is presented below:

Table 12 – 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 period	4,183,852	11.86	2,799,345	10.25
Granted	20,000	11.23	17,000	12.14
Exercised	(240,709)	8.22	(5,000)	8.44
Forfeited	(20,252)	13.58	(20,645)	13.44
Outstanding – end of period	3,942,891	12.07	2,790,700	10.24
Options exercisable – end of period	694,512	8.08	1,165,022	7.76

Deferred Share Unit Plan ("DSU")

DSU units are equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of \$(0.032) million and \$0.015 million for this plan during the three-month periods ended March 31, 2018 and 2017. As at March 31, 2018, the Company had a liability for an amount of \$0.173 million for the 15,767 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 three-month periods ended March 31, 2018 and 2017.

Table 13 – RSU Transactions

	2018	2017
Outstanding – beginning of period	608,635	456,303
Vested	(125,646)	-
Outstanding – end of period	482,989	456,303

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RSU units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$1.002 million and \$0.76 million for these grants during the three-month periods ended March 31, 2018 and 2017, respectively. As at March 31, 2018, the Company had a liability in the amount of \$2.664 million for the 482,989 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 three-month periods ended March 31, 2018, and 2017.

Table 14 – RSU Cash Transactions

	2018	2017
Outstanding – beginning of period	504,380	316,133
Vested	(9,917)	-
Outstanding – end of period	494,463	316,133

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$0.187 million and \$0.444 million for these grants during the three-month periods ended March 31, 2018 and 2017, respectively. During the three-month period ended March 31, 2018, 9,917 units vested (2017 – nil) and an amount of \$0.262 million was paid as settlement of these units. As at March 31, 2018, the Company had a liability in the amount of \$2.365 million for the 494,463 units outstanding under this RSU Plan (\$2.435 million for 504,380 units as at December 31, 2017).

Restricted Share Plan ("RSP")

The Company recorded an expense of \$0.084 million and \$0.178 million for the restricted share plan during the three-month periods ended March 31, 2018, and 2017, respectively.

Performance Share Unit Plan ("PSU")

PSU plan applicable to business units ("PSU plan applicable to BU")

The Company recorded the following expense relating to PSU plans applicable to BU during the three-month periods ended March 31, 2018, and 2017:

Table 15 – PSU Plan Applicable to BU Transactions (in \$ thousands)

	2018	2017
	\$	\$
Equity-settled grants	2,836	823
Cash-settled grants	2,097	-
Total expense	4,933	823

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During the three-month periods ended March 31, 2018, the total award value granted under the Company's PSU plans applicable to BU was nil and no PSU applicable to BU vested during the period. 322,387 Class A Shares were issued during the three-month period ended March 31, 2018 as settlement of PSU applicable to BU vested in 2017.

During the three-month periods ended March 31, 2017, the total award value granted under the Company's PSU plans applicable to BU was \$2.966 million and no PSU applicable to BU vested during the period. 477,043 Class A Shares were issued during the three-month period ended March 31, 2017 as settlement of PSU applicable to BU vested in 2016.

PSU Plan

PSU units are equivalent to one Class A Share of the Company. The Company recorded the following expense relating to PSU plans during the three-month periods ended March 31, 2018, and 2017:

Table 16 – PSU Transactions (in \$ thousands)

	2018	2017
	\$	\$
Equity-settled grants	12	408
Cash-settled grants	65	-
Total expense	77	408

During the three-month periods ended March 31, 2018, the total award value granted under the Company's PSU plans was \$4.22 million and no PSU vested during the period. 19,819 Class A Shares were issued during the three-month period ended March 31, 2018 as settlement of PSU vested in 2017.

During the three-month periods ended March 31, 2017, the total award value granted under the Company's PSU plans was \$1.2 million and no PSU vested during the period. 35,325 Class A Shares were issued during the three-month period ended March 31, 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-month periods ended March 31, 2018 and 2017 was \$0.241 million and \$0.169 million, respectively. The cash settled share-based liability is \$2.28 million in the statements of financial position as at March 31, 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.

One of the related shareholders has significant influence over the Company. Under an agreement, this related shareholder is 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 holds, directly or indirectly, at least 20% of the outstanding Class A Shares and Class B

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Shares, together, on a non-diluted basis. Following the closing of the Company's bought deal financing comprised of unsecured convertible debentures (Note 10) and of a Class A Share issuance on December 21, 2017, and subsequent shareholder transactions, the related party's beneficial ownership is approximately 19.4% of the Company's issued and outstanding shares (21.0% as at March 31, 2017) and as a result, the related party no longer has the right to designate two appointees to the 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 March 31, 2018, the other related shareholder has significant influence over the Company since it indirectly owns Class B Special Voting Shares representing approximately 8.0% of the Company's issued and outstanding shares (8.9% as at March 31, 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 17 – Related Party Transactions (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED	
	MARCH 31, 2018	MARCH 31, 2017
Base management, performance and other revenues	12,854	11,346
Selling, general & administrative expenses		
Reference fees	474	409
Other	212	122
Interest on long-term debt	3,630	3,692
Net loss in fair value of derivative financial instruments		
included in interest on long-term debt and other financial charges	(478)	190

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, President & Chief Executive Officer ("CEO") and the Executive Vice President, Global Chief Financial Officer & President of the Private Alternative Investment strategies ("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 Corporation's ("Corporation") 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.

The CEO and CFO, supported by Management, evaluated the design of the Corporation's DC&P and ICFR as at March 31, 2018, and have concluded that it was effective. Furthermore, no significant changes to the ICFR occurred during the quarter ended March 31, 2018.

It should be noted that in 2018, 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, equity market fluctuation 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 March 31, 2018 and 2017, 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-month period ended March 31, 2018. 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 December 31, 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, 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.

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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 a 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.

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 positions.

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 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

The Company has not applied the following new and revised IFRS and interpretations that have been issued but are not mandatory for the reporting period ending March 31, 2018.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17, 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 Tax Treatments

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over 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 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

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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.

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Table 18 – EBITDA and Adjusted EBITDA Reconciliation (in \$ thousands except per share data)

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net earnings (loss)	(2,093)	1,084	4,771	504	4,353	5,245	621	8,303
Income taxes	17	5,185	(263)	(797)	32	3,142	200	276
Depreciation of property and equipment	947	964	976	956	931	894	852	824
Amortization of intangible assets	10,022	8,778	10,487	10,900	10,935	16,366	10,348	8,464
Interest on long-term debt and other financial charges	4,761	4,835	2,641	1,827	2,177	5,253	3,337	2,271
EBITDA	13,654	20,846	18,612	13,390	18,428	30,900	15,358	20,138
Restructuring, integration and other costs	928	6,866	2,357	4,851	1,076	805	2,739	3,894
Acquisition costs	3,018	1,679	378	1,659	1,718	3,160	2,769	2,054
Accretion and change in fair value of purchase price obligation	4,467	2,879	375	1,289	1,308	1,072	(5,807)	694
Realized loss (gain) on investments	27	(128)	2	(8)	(4)	(548)	(224)	(2)
Loss on disposal of intangible assets and property and equipment	-	42	480	371	-	-	-	-
Loss on disposal of subsidiaries	-	-	-	-	-	-	8,307	-
(Gain) on acquisition of control of investment in joint venture	-	-	-	-	-	-	-	(5,827)
Share-based compensation	6,745	3,871	4,816	6,928	2,673	6,210	2,789	2,559
Adjusted EBITDA	28,839	36,055	27,020	28,480	25,199	25,199	25,931	23,510
REVENUES	119,981	142,046	107,127	109,349	100,574	120,968	81,909	74,983
Adjusted EBITDA Margin	24.0%	25.4%	25.2%	26.0%	25.1%	34.4%	31.7%	31.4%
Adjusted EBITDA Per Share								
Basic	0.32	0.43	0.33	0.35	0.31	0.52	0.33	0.32
Diluted	0.32	0.43	0.32	0.34	0.30	0.51	0.33	0.32

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

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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, 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. 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.

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Table 19 – Adjusted Net Earnings Reconciliation (in \$ thousands except per share data)

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Net earnings (loss) attributable to the Company's shareholders	(2,193)	763	4,603	877	4,428	5,203	393	7,901
Depreciation of property and equipment	947	964	976	956	931	894	852	824
Amortization of intangible assets	10,022	8,778	10,487	10,900	10,935	16,366	10,348	8,464
Share-based compensation(*)	6,745	3,871	4,816	6,928	2,673	6,210	2,789	2,559
Restructuring, integration and other costs(*)	928	6,866	2,357	4,851	1,076	805	2,739	3,894
Acquisition costs(*)	3,018	1,679	378	1,659	1,718	3,160	2,769	2,054
Loss on disposal of subsidiaries(*)	-	-	-	-	-	-	8,307	-
(Gain) on acquisition of control of investment in joint venture(*)	-	-	-	-	-	-	-	(5,827)
Accretion and change in fair value(*) of purchase price obligations(*)	4,467	2,880	375	1,289	1,308	1,072	(5,807)	694
Impact of US Tax Cuts and Jobs Act on future income taxes	-	6,017	-	-	-	-	-	-
Income taxes on above-mentioned items (*)	2,590	2,580	933	2,340	1,231	2,231	2,402	245
Adjusted net earnings attributable to the Company's shareholders	21,344	29,238	23,059	25,120	21,838	31,479	19,988	20,318
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	(0.02)	0.01	0.06	0.01	0.05	0.07	0.01	0.11
Adjusted net earnings attributable to the Company's shareholders	0.24	0.35	0.28	0.31	0.27	0.39	0.26	0.27
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	(0.02)	0.01	0.06	0.01	0.05	0.06	0.01	0.11
Adjusted net earnings attributable to the Company's shareholders	0.24	0.35	0.27	0.30	0.26	0.38	0.25	0.27

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

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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