

Management's Discussion and Analysis
FIERA CAPITAL CORPORATION

For the Three and Twelve-Month Periods Ended December 31, 2016



FIERACAPITAL

Table of Contents

Basis of Presentation	1
Forward-Looking Statements.....	2
Company Overview	3
Significant Events	3
Market and Economic Overview	5
Summary of Portfolio Performance	7
Trend Highlights	8
Highlights for the Three and Twelve-month Periods Ended December 31, 2016	10
Summary of Quarterly Results	13
Results from Operations and Overall Performance	16
Summary of Quarterly Results	31
Liquidity and Capital Resources.....	37
Control and Procedures	47
Financial Instruments.....	48
Capital Management.....	53
Significant Accounting Judgments and Estimation Uncertainties.....	53
New Accounting Policies	53
Non-IFRS Measures	56
Risks of the Business	57

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Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

The following management's discussion and analysis ("MD&A") dated March 22, 2017, 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 and twelve-month periods ended December 31, 2016. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the three and twelve-month periods ended December 31, 2016.

The financial statements of the Company include the accounts of the Company and its subsidiaries, as well as its share of interests in joint ventures. All intercompany transactions and balances with and amongst the subsidiaries are eliminated on consolidation.

The consolidated financial statements include the accounts of Fiera Capital Corporation and its wholly owned 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 fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Non-controlling interests in the earnings and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings, comprehensive income, 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. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Where applicable, the joint venture's accounting policies are changed prior to the acquisition by the Company, to ensure consistency with the policies adopted by the Company.

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 consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2016.

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

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

The Company presents adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), adjusted net earnings and cash earnings as key non-IFRS performance measures. These non-IFRS measures are defined on page 56.

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.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

COMPANY OVERVIEW

Fiera Capital Corporation 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 Charlemagne Capital (UK) Limited is registered with the Financial Conduct Authority in the United Kingdom and as an investment advisor with the SEC and 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 is listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

SIGNIFICANT EVENTS

The Firm's results reflect solid contributions from its business activities in Canada, the US and the UK, as well as its proven ability to win new mandates and, more recently in December 2016, with the inclusion of Charlemagne Capital Limited ("Charlemagne").

New Canadian Equity Team

On October 28, 2016, Fiera Capital welcomed a new Canadian equity team, within its Canadian Division, led by Nessim Mansoor who brings a high quality focused investment approach to the management of Canadian equity portfolios. The Firm is awaiting third-party Global Investment Performance Standards (GIPS®) verification in order to disclose the team's solid four-year performance track record while responsible for the management \$3B in AUM in Canadian equity mandates at a large insurance company.

Fiera Capital Successfully Launched a New Unit Traded Fund

On October 31, 2016, the Firm announced the June 2020 Corporate Bond Trust ("Fund") initial public offering. The Fund acquires and holds a portfolio comprised primarily of debt securities of Canadian and U.S. corporate issuers.

New Risk Management Overlay Strategy

On November 1, 2016, Fiera Capital was appointed as a portfolio sub-advisor for CI Investments' G5|20 Series, a family of guaranteed cash flow funds, and assumed responsibility for the funds' risk management overlay strategy. The team is led by Alexandre Hocquard and Nicolas Papageorgiou, Co-Leaders, Research and Quantitative Solutions.

Fiera Capital's New Private Lending Strategy

On November 10, 2016, the Firm acquired Centria Commerce Inc. ("Centria"), a leading Quebec-based private investment manager that manages funds providing construction financing, real estate investment and short-term business financing.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Closing of Charlemagne Capital Transaction

On December 14, 2016, Fiera Capital completed the acquisition of Charlemagne Capital Limited. In addition to broadening the Firm's offering with emerging and frontier markets strategies, the benefits of the transaction include the creation of a strong European platform onto which Fiera Capital will expand.

Dividend Increase

The Board of Directors declared a dividend of \$0.17 per Class A subordinate voting share and Class B special voting share of Fiera Capital, payable on May 2, 2017, to shareholders of record at the close of business on April 4, 2017.

This represents a 6% increase and the second dividend increase in the last twelve months.

Subsequent Events

Appointment of Martin Gagnon to the Firm's Board of Directors

On January 23, 2017, Martin Gagnon was appointed to the position of Director and Member of the Firm's Board of Directors. Mr. Gagnon is the Executive Vice-President, Wealth Management, of National Bank, as well as Co-President and Co-CEO of National Bank Financial.

Fiera Capital Lowers Management Fees for Three Mutual Funds in Canada

On February 2, 2017, the Firm announced that the management fees for the Fiera Capital Global Equity Fund, the Fiera Capital Defensive Global Equity Fund and the Fiera Capital U.S. Equity Fund have been reduced, effective February 3, 2017.

Fiera Capital International Equity Mutual Fund Launched in Canada

On February 15, 2017, Fiera Capital completed its foreign equity mutual fund offer by launching its new Fiera Capital International Equity Mutual Fund (the "Fund"). The Fund invests in equity securities of established companies across the world markets, generally excluding North America. Its strategy aims to provide strong risk-adjusted returns in a high-conviction portfolio. The Fund is accessible to investment advisors as well as individual investors.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

MARKET AND ECONOMIC OVERVIEW

Market Overview

Fixed income markets posted negative results during the fourth quarter of 2016. Government bond yields were on a steady ascent throughout the quarter, owing to the improving global growth backdrop, rebounding energy prices, and rising inflation expectations. That being said, the most profound increase took place following the surprise US election results in early November, where then President-elect Donald Trump's pledged to revitalize the US economy through expansive fiscal policies sent inflation expectations soaring higher. In this reflationary environment, yield curves steepened, as the elimination of deflation fears put upward pressure on the long-end of the curve, while the short-end remained fairly anchored in the environment of still-accommodative monetary policies. As a result, shorter-dated bonds outperformed their longer-term peers, while corporate bonds outperformed government bonds alongside the brighter outlook for economic growth and the resurgence in energy prices.

Meanwhile, global equity markets posted some decent results during the final quarter of 2016, as investor's gauged the impact of the surprise US election results, the Federal Reserve's first rate hike of the year, and lingering political uncertainties in the Eurozone. In the end, the quarter was largely characterised by investor optimism, thanks to signs of a sustainable global economic recovery, the revival in oil prices, and on hopes for meaningful fiscal stimulus in the US. Regionally speaking, the US equity market soared to record highs as investors cheered Trump's immediate focus on revitalizing the US economy, while largely shrugging-off the Federal Reserve's decision to raise interest rates in December. Instead, investors opted to interpret the rate hike as a sign of the Fed's confidence in the sustainability and durability of the US recovery. Meanwhile, the profound increase in risk appetite also spilled-over into the Canadian equity market, which soared higher alongside the resurgence in oil prices - maintaining the position of top-performing developed equity market in 2016. Looking abroad, while Japanese stocks rallied on the heels of a weaker yen and synchronized fiscal and monetary policy support, European equities proved resilient in the face of ongoing political upheaval in the Eurozone. Finally, emerging market equities failed to participate in the post-election rally on fears of a highly protectionist agenda under the Trump presidency and as the Fed hinted towards a faster pace of interest rate hikes next year.

Economic Overview

The global economy remains in a firm uptrend, with all major regions contributing to the advance, while the prospect for US fiscal expansion should support the global economy in general. In Canada, the recovery in commodity prices, a competitive loonie, and stronger demand stateside should bode well for exports and business investment, while the Canadian economy also stands to benefit from the lagged impact of fiscal support. In contrast, the combination of rising interest rates and tighter mortgage standards should take some steam out of the housing market and consumer spending.

Meanwhile, the US economy has been gaining traction, thanks to the resilient consumer backdrop and signs of stabilization in the manufacturing sector – exemplified further by President Trump's proposals for tax reform, infrastructure spending, and softer regulatory burdens. The economy should also benefit in the environment of renewed animal spirits and a corresponding rebound in business investment, which has been negligible this economic cycle. Looking abroad, despite lingering political uncertainties and a fragile banking sector, economic activity in the Eurozone is moderately accelerating. The UK continues to weather the storm, though caution is warranted as the implications of Brexit become front-and-center in 2017. And while synchronized monetary and fiscal expansion should support the Japanese economy, the consumer backdrop remains mediocre at best.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Finally, the Chinese economy continues to gather momentum, while Brazil and Russia appear to be turning the corner on the back of the recovery in commodity prices. Taken together, emerging market economies should power through the recent headwinds from a tighter Fed and the soaring greenback, thanks to the resurgence in global growth and the profound rebound in commodity prices.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

SUMMARY OF PORTFOLIO PERFORMANCE

Annualized Rates of Return

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	62.7									
Active Fixed Income Universe		1.75	0.09	4	3.3	0.08	4	01/01/1997	FTSE TMX Universe	
Tactical Fixed Income Universe		0.77	-0.89	4	3.2	-0.03	4	01/01/2000	FTSE TMX Universe	
Integrated Fixed Income Universe		2.35	0.68	3	3.77	0.54	2	01/01/1993	FTSE TMX Universe	
Active Fixed Income Long-Term		2.63	0.16	3	4.32	0.04	4	01/07/1998	FTSE TMX Long Term	
High Yield Bonds		16.53	-0.71	1	7.46	-0.21	2	01/02/2002	High Yield Blended	1
Preferred Shares Relative Value		9.53	2.55	N/A	1.74	1.77	N/A	01/02/2004	S&P/TSX Preferred Share	
Infrastructure Bonds		3.55	1.27	N/A	5.49	1.35	N/A	01/08/2011	FTSE TMX Provincial Long Term	
Tax Efficient Core Intermediate 1-10 Year*		0.11	0.21	N/A	1.70	-0.33	N/A	31/03/2007	Bloomberg Barclays 1-10 Year Municipal Index	5
Tax Efficient Core Plus*		0.32	0.42	N/A	2.05	0.40	N/A	31/12/2012	Bloomberg Barclays 1-10 Year Municipal Index	5
High Grade Core Intermediate *		1.76	-0.21	N/A	1.86	-1.86	N/A	31/12/2004	Bloomberg Barclays Intermediate Aggregat Index	5
Balanced Investment Strategies	4.4									
Balanced Core		6.86	-1.47	4	9.99	1.33	2	01/09/1984	Balanced Core Blended	2
Balanced Integrated		7.13	-1.93	3	9.68*	1.54*	2	01/04/2013	Balanced Integrated Blended	3
Balanced Fund		7.04	-1.42	3	9.33	0.78	3	01/03/1973	Balanced Blended Benchmark	4
Equity Investment Strategies	45.0									
Canadian Equity Growth		17.90	-3.18	3	9.96	1.71	3	01/01/2007	S&P/TSX Composite	
Canadian Equity Core		15.72	-5.37	4	9.84	1.59	4	01/01/1992	S&P/TSX Composite	
Canadian Equity Opportunities		27.36	6.28	1	12.14	3.89	1	01/11/2002	S&P/TSX Composite	
High Income Equity		27.07	-1.42	1	9.88	2.28	3	01/10/2009	S&P/TSX Composite High Dividend	
Canadian Equity Small Cap Core		14.32	-24.17	4	12.21	7.93	2	01/01/1989	S&P/TSX Small Cap	
Canadian Equity Small Cap		21.30	-17.18	3	14.12	9.84	1	01/01/1989	S&P/TSX Small Cap	
US Equity		5.85	-2.24	3	22.53	1.38	1	01/04/2009	S&P 500 CAD	
International Equity		-2.56	-0.07	3	14.82	2.26	1	01/01/2010	MSCI EAFE Net CAD	
Global Equity		2.26	-1.53	3	18.85	2.18	1	01/10/2009	MSCI World Net CAD	
Apex Smid Growth*		3.66	-6.06	4	13.87	0.01	2	31/01/1990	Russell 2500 Growth Index	5
Apex Small Cap Growth*		0.61	-10.70	4	13.55	-0.19	3	31/01/2006	Russell 2000 Growth Index	5
Charlemagne Emerging Markets Core Growth*		9.61	-1.58	1	4.16	2.89	2	31/07/2003	MSCI Emerging Markets Index	5
Charlemagne Emerging Markets Growth & Income*		10.63	-0.55	1	3.71	2.44	3	30/06/2010	MSCI Emerging Markets Index	5
Charlemagne Frontier Markets*		28.51	25.84	1	12.86	7.7007	1	30/06/2010	MSCI Frontier Markets Index	5
Alternative Investment Strategies	4.8									
North American Market Neutral Fund		3.32	3.32	N/A	5.93	5.93	N/A	01/10/2007	No Benchmark	
Long / Short Equity Fund		11.68	11.68	N/A	17.31	17.31	N/A	01/08/2010	No Benchmark	
Diversified Lending Fund		6.03	6.03	N/A	6.88	6.88	N/A	01/04/2008	No Benchmark	
Multi-Strategy Income Fund		8.79	7.78	N/A	5.12	3.03	N/A	01/11/2009	FTSE TMX Short Term	
Infrastructure Fund		3.61	3.61	N/A	6.24	6.24	N/A	01/03/2010	No Benchmark	
Real Estate Fund		7.42	7.42	N/A	5.36*	5.36	N/A	01/07/2013	No Benchmark	
Fiera Private Lending Construction Financial Fund		6.40	6.40	N/A	7.84	7.84	N/A	22/11/2006	No Benchmark	
Fiera Private Lending Mezzanine Financing Fund		11.05	11.05	N/A	10.80	10.80	N/A	21/07/2015	No Benchmark	
Charlemagne OCCO Eastern European Fund*		9.15	9.15	N/A	6.08	6.08	N/A	31/12/2001	No Benchmark	5
Total	116.9									

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. Balanced 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 NET CAD.
5. US Dollar returns

Important Disclosures:

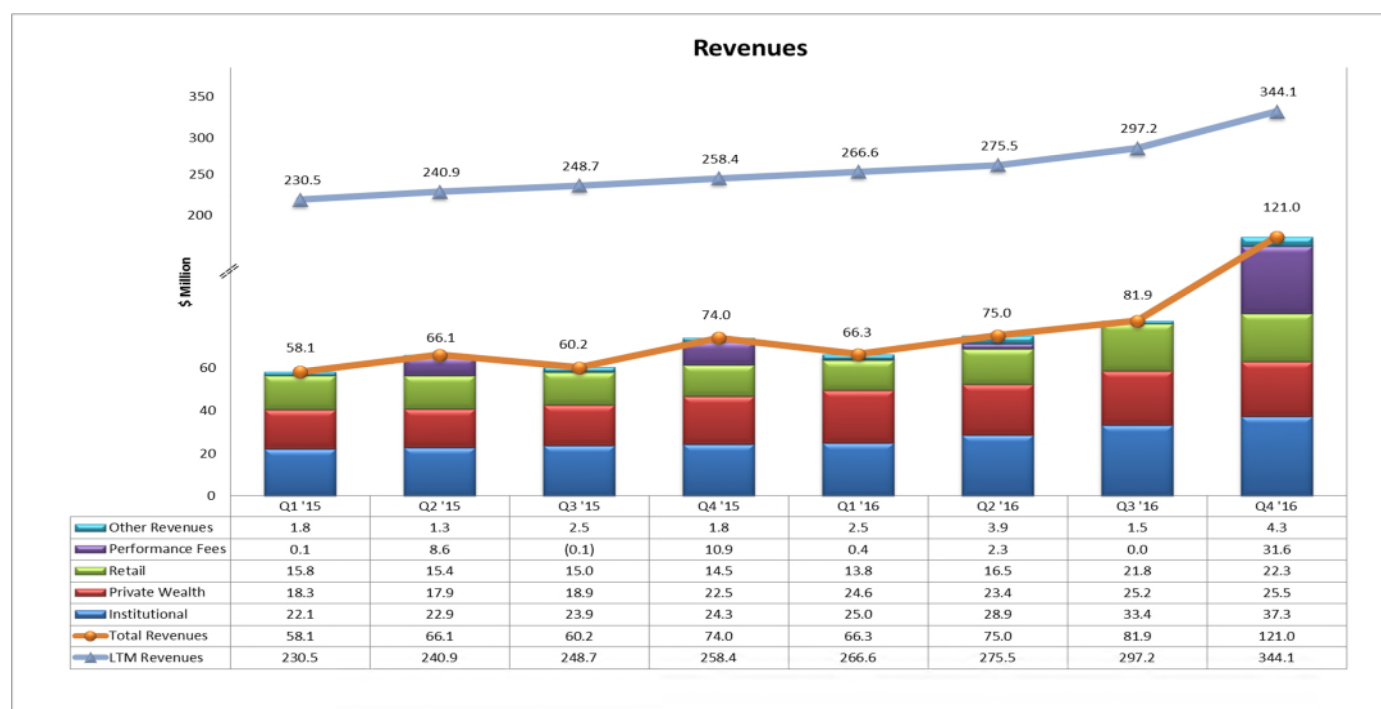
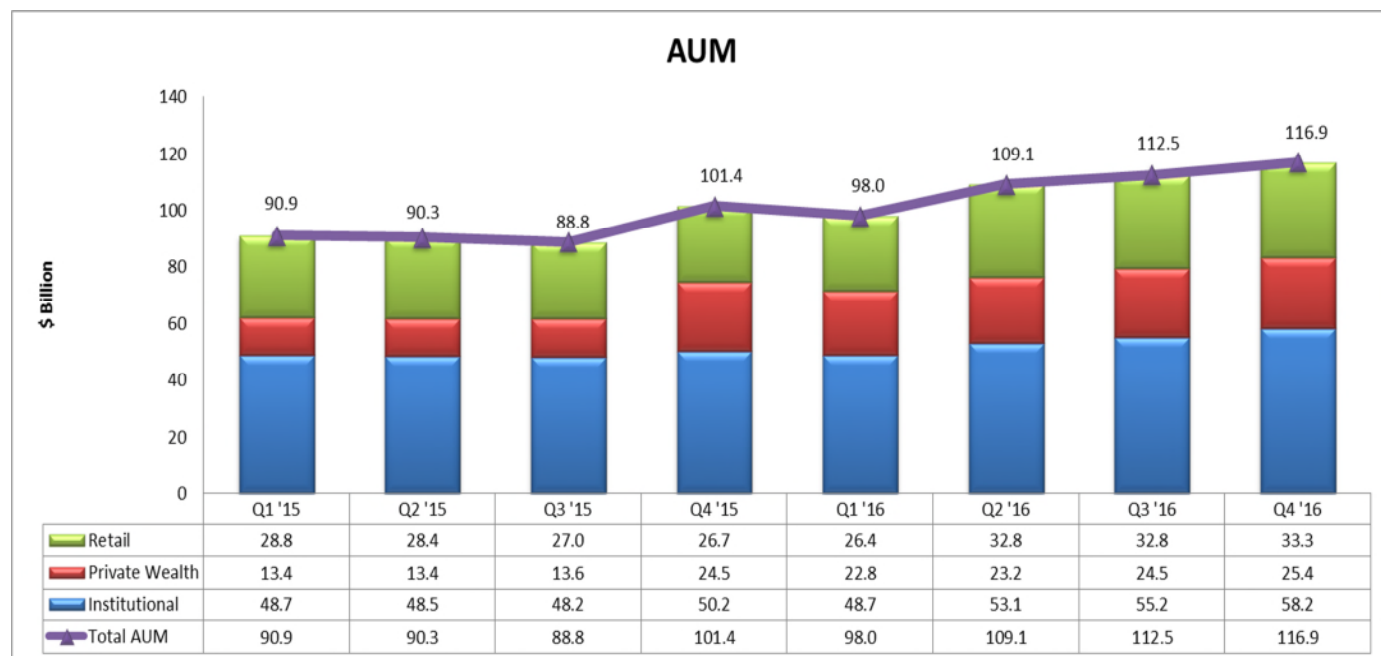
- All returns are expressed in Canadian dollars, unless indicated otherwise.
- All performance returns presented above are annualized.
- All returns, except alternative strategies and Balanced Fund are presented gross of management and custodial fees and withholding taxes but net of all trading expenses.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

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

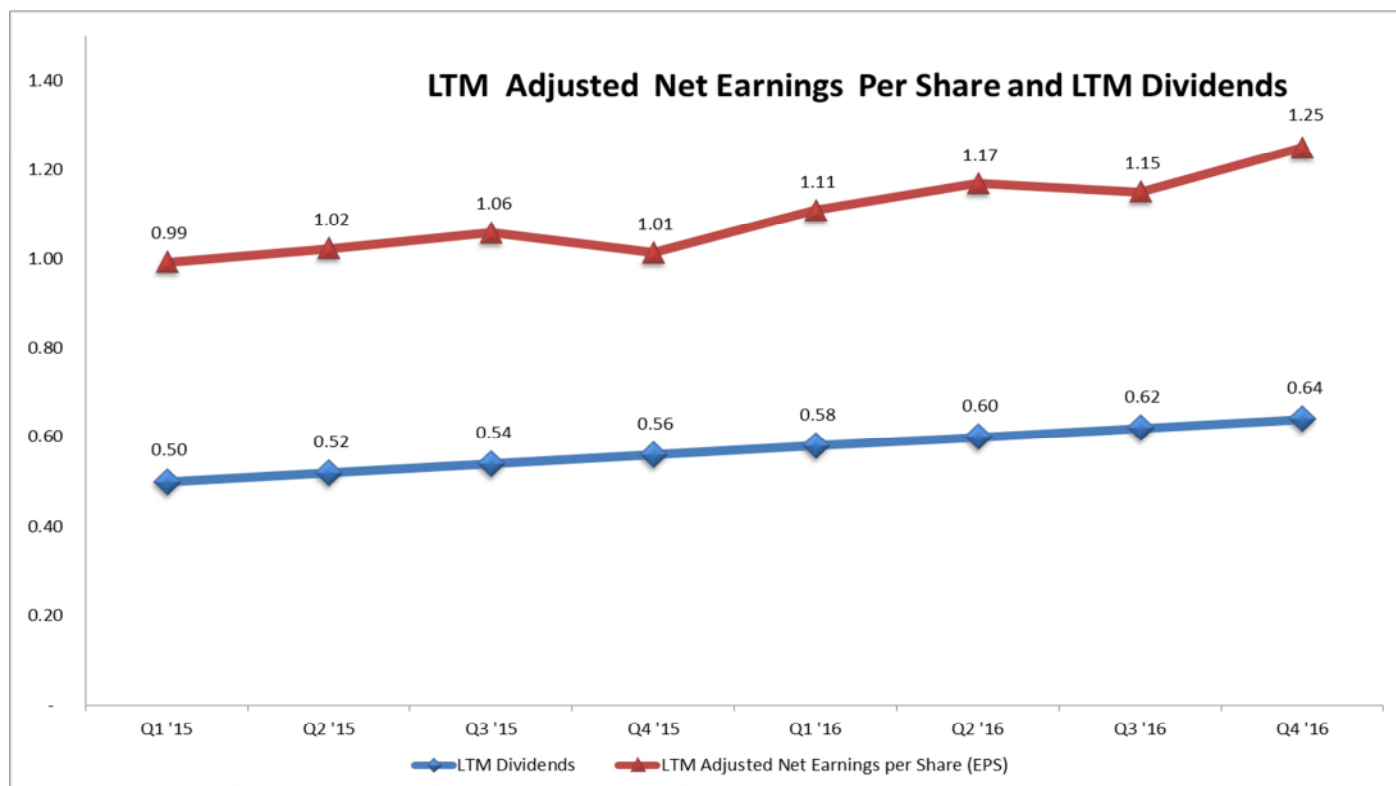
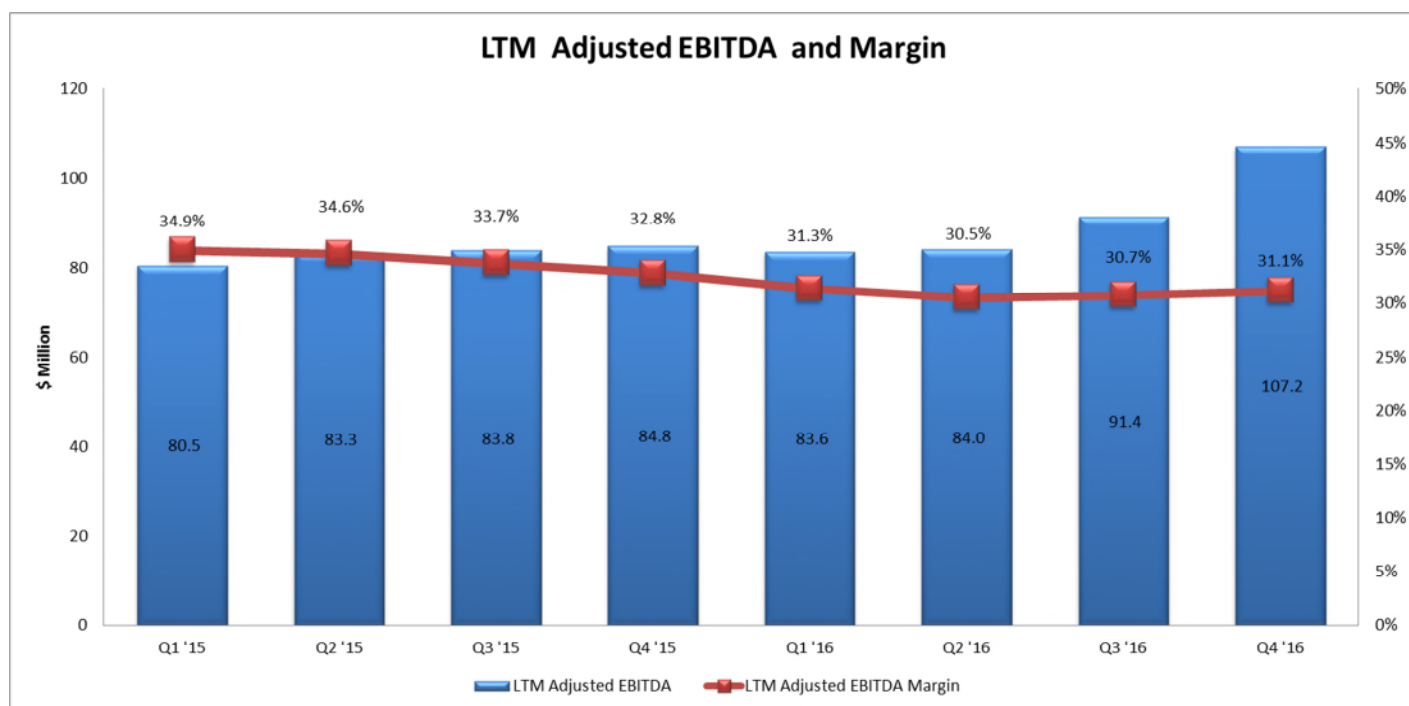
TREND HIGHLIGHTS

The following illustrates the Company's trends regarding AUM, quarterly and last twelve months ("LTM") revenues, LTM Adjusted EBITDA, LTM Adjusted EBITDA Margin, LTM Adjusted Earnings per share, as well as the LTM dividend payout. The trend analysis is presented in the "Results and Trend Analysis" section on page 32.



Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016



Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

HIGHLIGHTS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2016

Current Quarter Compared to Prior-Year Quarter

- › Total AUM were \$116.9 billion as at December 31, 2016, representing an increase of \$15.5 billion, or 15%, compared to AUM of \$101.4 billion as at December 31, 2015.
- › Base management fees and other revenues for the fourth quarter ended December 31, 2016, were \$89.4 million, representing an increase of \$26.3 million, or 42%, compared to \$63.1 million for the same period last year.
- › Performance fees were \$31.6 million for the fourth quarter ended December 31, 2016, compared to \$10.9 million for the same period last year.
- › Selling, general and administrative ("SG&A") expenses and external managers' expenses were \$85.6 million for the fourth quarter ended December 31, 2016, representing an increase of \$35.7 million, or 72%, compared to \$49.9 million for the same period last year.
- › Adjusted EBITDA was \$41.6 million for the fourth quarter ended December 31, 2016, representing an increase of \$15.8 million, or 61%, compared to \$25.8 million for the same period last year. Adjusted EBITDA per share was \$0.52 (basic) and \$0.51 (diluted) for the fourth quarter of 2016, compared to \$0.36 per share (basic and diluted) for the same period last year.
- › For the fourth quarter ended December 31, 2016, the Firm recorded net earnings attributable to the Company's shareholders of \$5.2 million, or \$0.07 per share (basic) and \$0.06 (diluted), a decrease of \$4.5 million, or 46%, compared to the fourth quarter ended December 31, 2015, during which the Firm recorded net earnings attributable to the Company's shareholders of \$9.7 million, or \$0.14 per share (basic) and \$0.13 (diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2016, amounted to \$31.5 million, or \$0.40 per share (basic) and \$0.38 (diluted), compared to \$21.1 million, or \$0.30 per share (basic) and \$0.29 (diluted), for the fourth quarter ended December 31, 2015.

Current Quarter Compared to Previous Quarter

- › Total AUM were \$116.9 billion as at December 31, 2016, representing an increase of \$4.4 billion, or 4%, compared to \$112.5 billion as at September 30, 2016.
- › Base management fees and other revenues for the fourth quarter ended December 31, 2016, were \$89.4 million, representing an increase of \$7.5 million, or 9%, compared to \$81.9 million for the previous quarter ended September 30, 2016.
- › Performance fees were \$31.6 million for the fourth quarter ended December 31, 2016, compared to almost nil for the previous quarter ended September 30, 2016, and are generally recognized in June and December of each year.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

- › SG&A expenses and external managers' expenses were \$85.6 million for the fourth quarter ended December 31, 2016, representing an increase of \$26.8 million, or 46%, compared to \$58.8 million for the previous quarter ended September 30, 2016.
- › Adjusted EBITDA was \$41.6 million for the fourth quarter ended December 31, 2016, representing an increase of \$15.7 million, or 60%, compared to \$25.9 million for the previous quarter ended September 30, 2016. Adjusted EBITDA per share was \$0.52 (basic) and \$0.51 (diluted) for the fourth quarter ended December 31, 2016, compared to \$0.33 per share (basic and diluted) for the previous quarter ended September 30, 2016.
- › For the fourth quarter ended December 31, 2016, the Firm recorded net earnings attributable to the Company's shareholders of \$5.2 million, or \$0.07 per share (basic) and \$0.06 (diluted), an increase of \$4.8 million, or over 100%, compared to the previous quarter ended September 30, 2016, during which the Firm recorded net earnings attributable to the Company's shareholders of \$0.4 million, or \$0.01 per share (basic and diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2016, amounted to \$31.5 million, or \$0.40 per share (basic) and \$0.38 (diluted), compared to \$18.1 million, or \$0.23 per share (basic and diluted), for the previous quarter ended September 30, 2016.

Year-to-Date December 31, 2016, Compared to Year-to-Date December 31, 2015

- › Base management fees and other revenues for the twelve-month period ended December 31, 2016, were \$309.9 million, representing an increase of \$71.0 million, or 30%, compared to \$238.9 million for the same period last year.
- › Performance fees were \$34.3 million for the twelve-month period ended December 31, 2016, compared to \$19.5 million for the same period last year.
- › SG&A expenses and external managers' expenses were \$252.0 million for the twelve-month period ended December 31, 2016, representing an increase of \$69.5 million, or 38%, compared to \$182.5 million for the twelve-month period ended December 31, 2015.
- › Adjusted EBITDA were \$107.2 million for the twelve-month period ended December 31, 2016, representing an increase of \$22.4 million, or 26%, compared to \$84.8 million for the same period last year. Adjusted EBITDA per share was \$1.41 (basic) and \$1.37 (diluted) for the twelve-month period ended December 31, 2016, compared to \$1.21 per share (basic) and \$1.20 (diluted) for the same period last year.
- › For the twelve-month period ended December 31, 2016, the Firm recorded net earnings attributable to the Company's shareholders of \$20.8 million, or \$0.27 per share (basic and diluted), a decrease of \$6.8 million, or 25%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of \$27.6 million, or \$0.40 per share (basic) and \$0.39 (diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the twelve-month period ended December 31, 2016, were \$95.2 million, or \$1.25 per share (basic) and \$1.22 (diluted), compared to \$70.9 million, or \$1.01 per share (basic) and \$1.00 (diluted), for the same period last year.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Impact of Charlemagne's Acquisition on the Current Quarter's and Year-to-Date Results

- › In the current quarter, Fiera Capital recognized performance fees in Charlemagne totaling \$17.4 million (\$8.3 million net of related sales commissions and related taxes) on December 31, 2016, the date on which the performance condition was considered to be met.
- › On the acquisition date of Charlemagne, the fair value of performance fees estimated to be collectible (net of related sales commissions and taxes) was determined to be \$7.5 million. This was recorded by Fiera Capital as an "other asset". This other asset was fully amortized over the period from the acquisition date to December 31, 2016.
- › The overall impact of Charlemagne's performance fees (net of related sales commissions and related taxes) on the Company's revenues, adjusted EBITDA and net earnings amounted to \$17.4 million, \$9.1 million and \$0.9 million, respectively.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

SUMMARY OF QUARTERLY RESULTS

Table 1 – Statements of Earnings and Assets under Management

ASSETS UNDER MANAGEMENT (in \$ millions)	AS AT			VARIANCE	
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Assets under Management	116,925	112,465	101,431	4,460	15,494

STATEMENTS OF EARNINGS (in \$ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015	QUARTER OVER QUARTER FAV/(UNF) ⁽²⁾	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Revenues					
Base management fees	85,085	80,413	61,319	4,672	23,766
Performance fees - Traditional Assets	5,246	(341)	5,930	5,587	(684)
Performance fees - Alternative Assets	26,341	345	4,981	25,996	21,360
Other revenues	4,296	1,492	1,769	2,804	2,527
Total revenues	120,968	81,909	73,999	39,059	46,969
Expenses					
Selling, general and administrative expenses	84,407	57,979	49,013	(26,428)	(35,394)
External managers	1,172	788	897	(384)	(275)
Depreciation of property and equipment	894	852	646	(42)	(248)
Amortization of intangible assets	16,366	10,348	7,169	(6,018)	(9,197)
Interest on long-term debt and other financial charges	4,175	3,585	2,208	(590)	(1,967)
Accretion and change in fair value of purchase price obligations	1,072	(5,807)	644	(6,879)	(428)
Restructuring and other integration costs	805	2,739	774	1,934	(31)
Acquisition costs	3,160	2,769	2,311	(391)	(849)
Changes in fair value of derivative financial instruments	1,078	(248)	(342)	(1,326)	(1,420)
Loss on disposal of subsidiaries	8	8,307	-	8,299	(8)
Other (income) expenses ⁽³⁾	(556)	(224)	(974)	332	(418)
Total net expenses	112,581	81,088	62,346	(31,493)	(50,235)
Earnings before income taxes	8,387	821	11,653	7,566	(3,266)
Income taxes	3,142	200	2,180	(2,942)	(962)
Net earnings	5,245	621	9,473	4,624	(4,228)
Attributable to:					
Company's shareholders	5,203	393	9,678	4,810	(4,475)
Non-controlling interest	42	228	(205)	(186)	247
Net earnings	5,245	621	9,473	4,624	(4,228)
BASIC PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.52	0.33	0.36	0.19	0.16
Net earnings	0.07	0.01	0.14	0.06	(0.07)
Adjusted net earnings ⁽¹⁾	0.40	0.23	0.30	0.17	0.10
DILUTED PER SHARE					
Adjusted EBITDA ⁽¹⁾	0.51	0.33	0.36	0.18	0.15
Net earnings	0.06	0.01	0.13	0.05	(0.07)
Adjusted net earnings ⁽¹⁾	0.38	0.23	0.29	0.15	0.09

⁽¹⁾ Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 56.

⁽²⁾ FAV: Favourable - UNF: Unfavourable

⁽³⁾ Other expenses (income) include "Realized loss (gain) on investments", "Share of earnings of joint ventures" and "Gain on dilution of investment in joint ventures". Certain totals, subtotals and percentages may not reconcile due to rounding.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

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

STATEMENTS OF EARNINGS (in \$ thousands except per share data)	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2016	DECEMBER 31, 2015	YEAR OVER YEAR FAV/(UNF) ⁽²⁾
Revenues			
Base management fees	297,717	231,421	66,296
Performance fees - Traditional Assets	5,840	6,228	(388)
Performance fees - Alternative Assets	28,441	13,306	15,135
Other revenues	12,146	7,462	4,684
Total revenues	344,144	258,417	85,727
Expenses			
Selling, general and administrative expenses	248,469	177,691	(70,778)
External managers	3,586	4,825	1,239
Depreciation of property and equipment	3,401	2,030	(1,371)
Amortization of intangible assets	42,723	27,119	(15,604)
Interest on long-term debt and other financial charges	12,686	8,852	(3,834)
Accretion and change in fair value of purchase price obligations	(3,337)	484	3,821
Restructuring and other integration costs	7,956	2,361	(5,595)
Acquisition costs	11,691	4,748	(6,943)
Changes in fair value of derivative financial instruments	211	445	234
Gain on disposal of investment in joint venture	(15,013)	-	15,013
Gain on acquisition of control of investment in joint venture	(5,827)	-	5,827
Loss on disposal of subsidiaries	8,315	-	(8,315)
Revaluation of assets held-for-sale	7,921	-	(7,921)
Other (income) expenses ⁽³⁾	(843)	(2,573)	(1,730)
Total net expenses	321,939	225,982	(95,957)
Earnings before income taxes	22,205	32,435	(10,230)
Income taxes	4,124	6,771	2,647
Net earnings	18,081	25,664	(7,583)
Attributable to:			
Company's shareholders	20,777	27,631	(6,854)
Non-controlling interest	(2,696)	(1,967)	(729)
Net earnings	18,081	25,664	(7,583)
BASIC PER SHARE			
Adjusted EBITDA ⁽¹⁾	1.41	1.21	0.20
Net earnings	0.27	0.40	(0.13)
Adjusted net earnings ⁽¹⁾	1.25	1.01	0.24
DILUTED PER SHARE			
Adjusted EBITDA ⁽¹⁾	1.37	1.20	0.17
Net earnings	0.27	0.39	(0.12)
Adjusted net earnings ⁽¹⁾	1.22	1.00	0.22

⁽¹⁾ Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 56.

⁽²⁾ FAV: Favourable - UNF: Unfavourable

⁽³⁾ Other expenses (income) include "Realized loss (gain) on investments", "Share of earnings of joint ventures" and "Gain on dilution of investment in joint ventures".

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

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

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

	DECEMBER 31, 2016	DECEMBER 31, 2015
Cash and cash equivalents, restricted cash, investments	49,742	33,322
Accounts receivable	116,401	65,435
Other current assets	6,547	13,366
Total current assets	172,690	112,123
Intangible assets	458,760	322,975
Goodwill	541,030	391,347
Investment in joint ventures	-	6,460
Other non-current assets	20,675	23,752
Total assets	1,193,155	856,657
Accounts payable and accrued liabilities	89,160	50,784
Other current liabilities	25,575	15,139
Total current liabilities	114,735	65,923
Deferred income taxes	15,394	12,566
Long-term debt	429,140	264,226
Purchase price obligations	21,498	30,674
Derivative financial instruments	-	1,390
Other non-current liabilities	15,743	11,850
Total liabilities	596,510	386,629
Equity		
Attributable to Company's shareholders	566,236	474,938
Attributable to Non-controlling interest	30,409	(4,910)
	596,645	470,028
Total liabilities and equity	1,193,155	856,657

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE

Assets under Management

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 level of new mandates ("New"); ii) the level of redemptions ("Lost"); iii) the level 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 a complement of information, the Note 4 of the Audited Consolidated Financial Statements for the year ended December 2016 presents the details and history of the Firm's business combinations of the current and prior year, and is to be read in conjunction with the following discussions.

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

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

	FOR THE THREE-MONTH PERIODS ENDED		
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015
AUM - beginning of period	112,465	109,136	88,759
Net variance	1,248	2,598	3,424
Acquisitions (Disposal)/Adjustment	3,212	731	9,248
AUM - end of period	116,925	112,465	101,431
Average AUM	114,064	111,707	100,906

⁽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)

	SEPTEMBER 30, 2016	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSAL) /ADJUSTMENT	DECEMBER 31, 2016
Institutional	55,175	3,621	(399)	(626)	(1,236)	100	1,629 ⁽¹⁾	58,264
Private Wealth	24,513	1,161	(422)	16	(316)	431	-	25,383
Retail	32,777	102	(1,286)	(412)	394	120	1,583 ⁽²⁾	33,278
AUM - end of period	112,465	4,884	(2,107)	(1,022)	(1,158)	651	3,212	116,925

⁽¹⁾ \$1.2 billion of Charlemagne; \$0.4 billion of CI sub-advisory mandate

⁽²⁾ \$1.6 billion of Charlemagne

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

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Quarterly Activities

Total AUM were \$116.9 billion as at December 31, 2016, representing an increase of \$4.4 billion, or 4%, compared to \$112.5 billion as at September 30, 2016. The increase is due primarily to new mandates of \$4.9 billion, combined with the acquisition of Charlemagne and the fact that Fiera Capital was appointed as a portfolio sub-advisor for CI Investments' G5|20 Series, a family of guaranteed cash flow funds, ("CI sub-advisory mandate") adding \$2.8 billion and \$0.4 billion, respectively, to the Firm's AUM. These increases in AUM were partially offset by lost mandates of \$2.1 billion, market depreciation of \$1.2 billion and negative net contributions of \$1.0 billion during the quarter. Lastly, AUM were positively impacted by foreign exchange gains on the US dollar by approximately \$0.7 billion during the quarter.

The Institutional AUM were \$58.3 billion as at December 31, 2016, representing an increase of \$3.1 billion or 5.6%, compared to \$55.2 billion from the previous quarter ended September 30, 2016. The increase was primarily driven by new mandates won during the quarter mostly in Global and International Equity as well as Liability-Driven Investments and Balanced mandates in both Canada and the United States, totaling \$3.6 billion, combined with the addition of \$1.2 billion in assets resulting from the acquisition of Charlemagne, and \$0.4 billion from CI sub-advisory mandate. These increases were partially offset by a market depreciation of \$1.2 billion, negative net contribution of \$0.6 billion and \$0.4 billion in client losses which were driven primarily by clients that either merged their activities with another pension plan or that decided to adopt de-risking strategies. Lastly, the US dollar exchange rate fluctuations positively impacted AUM during the fourth quarter by approximately \$0.1 billion.

The AUM related to the Private Wealth clientele were \$25.4 billion as at December 31, 2016, representing an increase of \$0.9 billion, or 3.7%, compared to \$24.5 billion from the previous quarter ended September 30, 2016. The increase is primarily driven by net new mandates in the US.

The AUM related to the Retail clientele were \$33.3 billion as at December 31, 2016, representing an increase of \$0.5 billion, or 1.5%, compared to \$32.8 billion from the previous quarter ended September 30, 2016. The increase is mainly due to the acquisition of Charlemagne of \$1.6 billion, partially offset by lost mandates and negative net contributions totaling \$1.3 billion and \$0.4 billion, respectively. The lost mandates for the period were driven by the loss of a large fund with low billing basis point revenues. A portion of the loss fund was re-invested in a higher yielding basis point.

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

	DECEMBER 31, 2015	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSAL) /ADJUSTMENT	DECEMBER 31, 2016
Institutional	50,177	5,447	(2,564)	(779)	2,499	(13)	3,497 ⁽¹⁾	58,264
Private Wealth	24,538	2,321	(1,011)	(44)	299	(694)	(26) ⁽²⁾	25,383
Retail	26,716	489	(2,607)	(1,305)	2,456	191	7,338 ⁽³⁾	33,278
AUM - end of period	101,431	8,257	(6,182)	(2,128)	5,254	(516)	10,809	116,925

⁽¹⁾ \$2.8 billion of Apex; (\$1.2) billion of disposal of Axium; (\$0.4) billion of adjustment presentation of Fiera Properties and \$0.1 billion reclassification from Private Wealth; \$0.3 billion of Larch Lane Advisors LLC ("Larch Lane") and \$0.3 billion of Aquila; \$1.2 billion of Charlemagne and \$0.4 billion of CI sub-advisory mandate

⁽²⁾ (\$0.1) billion reclassification to Institutional; \$0.1 billion of Larch Lane

⁽³⁾ \$5.8 billion of Apex; \$1.6 billion of Charlemagne; \$0.1 billion of Larch Lane and (\$0.1) billion to adjust the valuation of a specific mandate

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

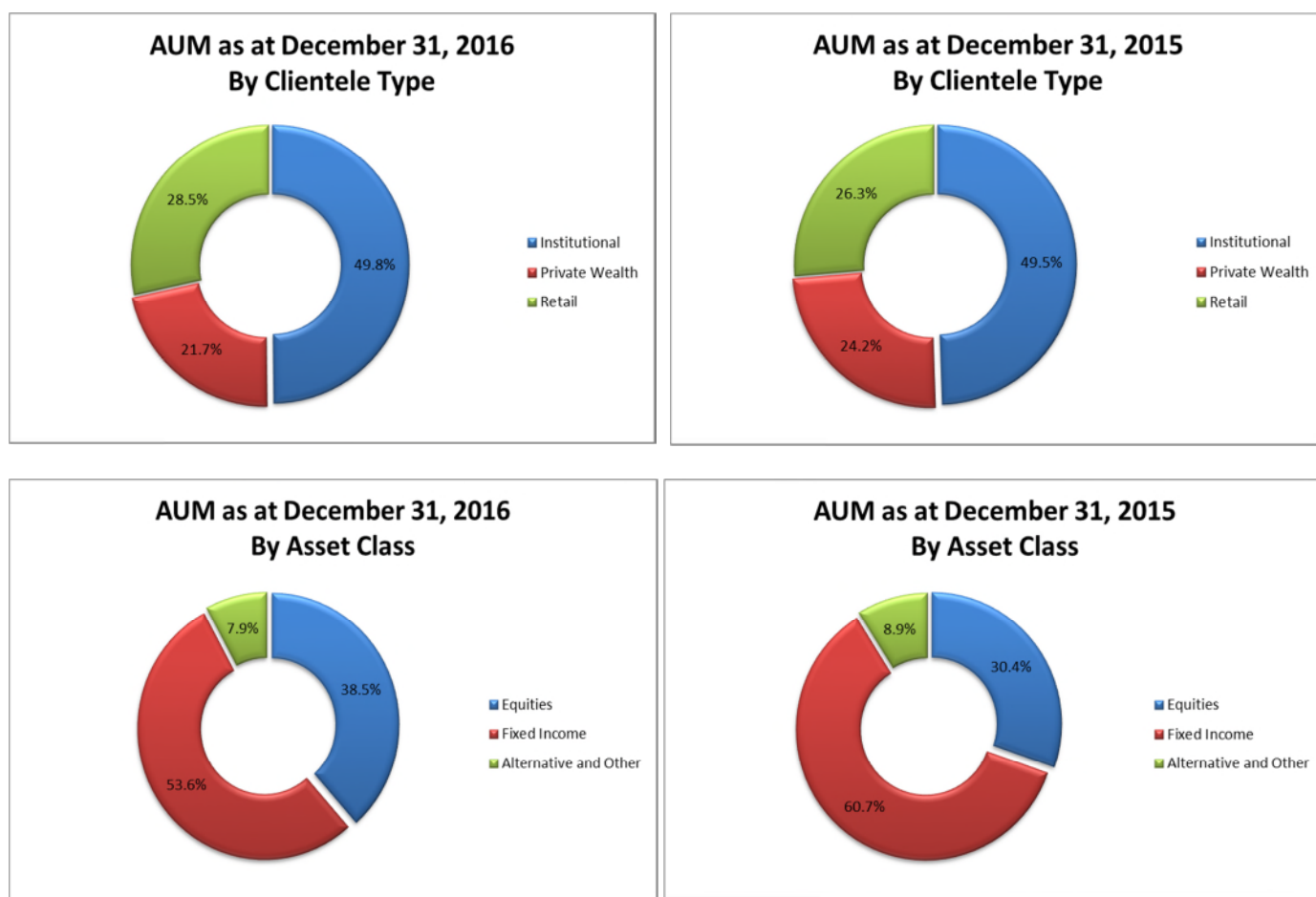
Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Year-to-Date Activity

Total AUM were \$116.9 billion as at December 31, 2016, representing an increase of \$15.5 billion, or 15%, compared to \$101.4 billion as at December 31, 2015. The increase is due primarily to the inclusion of AUM from the acquisitions of Apex (\$8.6 billion), Charlemagne (\$2.8 billion), Larch Lane (\$0.5 billion), CI sub-advisory mandate (\$0.4 billion) and Aquila (\$0.3 billion), combined with market appreciation of \$5.3 billion and new mandates of \$8.3 billion, mostly from the Institutional and Private Wealth clientele during the period. These increases in AUM were partially offset by lost mandates of \$6.2 billion, the disposal of the Axiom subsidiary (\$1.2 billion) and negative net contribution of \$2.1 billion. Finally, AUM were negatively impacted by foreign exchange losses on the US dollar by approximately \$0.6 billion.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2015, and December 31, 2016, respectively.



Revenues

The Firm's revenues consist of (i) management fees, (ii) performance fees, and (iii) other revenues. Management fees are AUM-based and, for each clientele type, revenues are primarily earned on the AUM average closing value at the end of each day, month or calendar quarter in accordance with contractual agreements. For certain mandates, the Firm is also entitled to performance fees. The Firm categorizes performance fees in two groups: those associated with traditional asset classes or strategies and those associated with alternative asset classes or strategies. Other revenues include brokerage and consulting fees and non-recurring revenues which are not AUM-driven.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

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

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	37,347	33,412	24,307	3,935	13,040
Private Wealth	25,463	25,185	22,478	278	2,985
Retail	22,275	21,816	14,534	459	7,741
Total management fees	85,085	80,413	61,319	4,672	23,766
Performance fees – Traditional asset class	5,244	(341)	5,930	5,585	(686)
Performance fees – Alternative asset class	26,342	345	4,981	25,997	21,361
Total performance fees	31,586	4	10,911	31,582	20,675
Other revenues	4,296	1,492	1,769	2,804	2,527
Total revenues	120,967	81,909	73,999	39,058	46,968

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

Current Quarter versus Prior-Year Quarter

Revenues for the fourth quarter ended December 31, 2016, were \$121.0 million, representing an increase of \$47.0 million, or 63%, compared to \$74.0 million for the same period last year. The increase in revenues is due mainly to higher performance fees from the alternative asset class, combined with the inclusion of a full quarter of operation of Samson Capital Advisor LLC ("Samson") in the fourth quarter of 2016 compared to two months in the fourth quarter of 2015, Apex, the recently acquired Charlemagne and Centria, and the revenues from Fiera Properties Limited ("Fiera Properties") following the acquisition of control of investment in a joint venture.

Management Fees

Management fees were \$85.1 million for the fourth quarter ended December 31, 2016, representing an increase of \$23.8 million, or 39%, compared to \$61.3 million for the same period last year. The overall increase in management fees and the increase by clientele type are as follows:

- › Management fees from the Institutional clientele were \$37.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$13.0 million, or 54%, compared to \$24.3 million for the same quarter last year. The increase in base management fees is primarily due to the inclusion of Apex, Fiera Properties and Centria, combined with additional revenues resulting from the increase in net AUM coming from new mandates namely from the US and Canada as well as market appreciation during the fourth quarter of 2016, compared to the same period last year.
- › Management fees from the Private Wealth clientele were \$25.5 million for the fourth quarter ended December 31, 2016, representing an increase of \$3.0 million, or 13%, compared to \$22.5 million for the same period last year. The increase is primarily due to the inclusion of a full quarter of revenues from Samson in the fourth quarter of 2016, compared to two months of revenues in the comparable period of 2015 and additional revenue resulting from a higher AUM base mostly from new mandates.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

- Management fees from the Retail clientele were \$22.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$7.8 million, or 53%, compared to \$14.5 million for the same quarter last year. The increase is mainly attributable to the inclusion of revenues from Apex and Charlemagne during the quarter ended December 31, 2016.

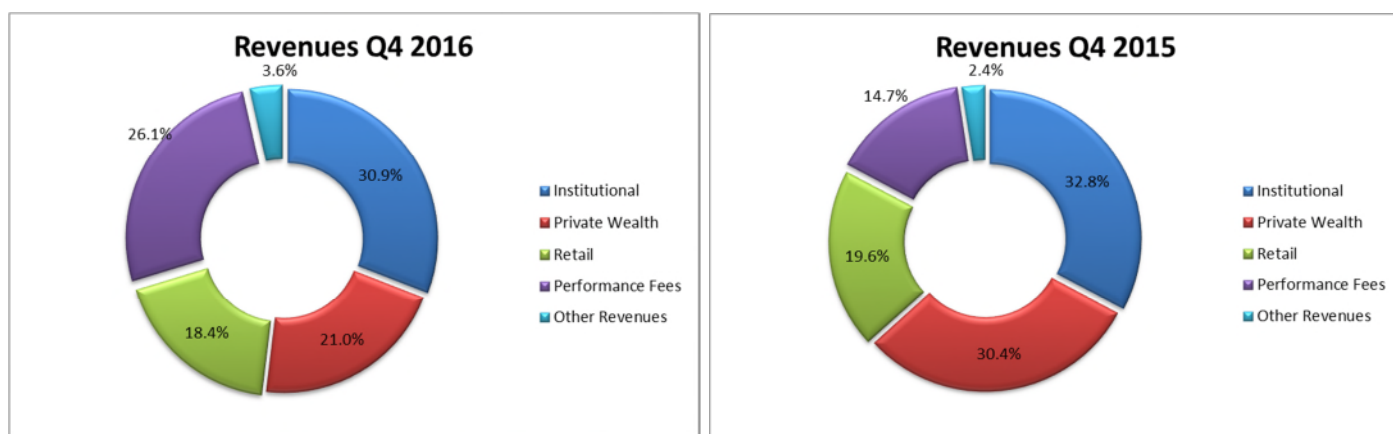
Performance Fees

Performance fees were \$31.6 million for the fourth quarter ended December 31, 2016, compared to \$10.9 million for the same period last year. The increase in performance fees is attributable to a higher asset base combined with strong fund performances as well as the inclusion of Charlemagne.

Other Revenues

Other revenues were \$4.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$2.5 million, or over 100%, compared to \$1.8 million for the same period last year. The increase is mainly due to additional revenue from Centria and Fiera Properties, combined with higher consulting and brokerage fees in the fourth quarter of 2016 compared to the same period last year.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended December 31, 2015, and December 31, 2016, respectively.



Current Quarter versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2016, were \$121.0 million, representing an increase of \$39.1 million, or 48%, compared to \$81.9 million for the previous quarter ended September 30, 2016. The increase in revenues is mainly attributable to higher performance fees from both traditional and alternative asset classes, combined with higher base management fees from the US and additional other revenues from Centria and Charlemagne during the fourth quarter of 2016.

Management Fees

Management fees were \$85.1 million for the fourth quarter ended December 31, 2016, representing an increase of \$4.7 million, or 6%, compared to \$80.4 million for the previous quarter ended September 30, 2016. The following is the breakdown of the management fees by clientele type:

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

- › Management fees from the Institutional clientele were \$37.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$3.9 million, or 12%, compared to \$33.4 million for the previous quarter ended September 30, 2016, mainly due to higher base management fees from the US as a result of higher base AUM, combined with additional revenues from Centria and Charlemagne during the period.
- › Management fees from the Private Wealth clientele were \$25.5 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.3 million, or 1%, primarily from the Canadian division, compared to \$25.2 million for the previous quarter ended September 30, 2016.
- › Management fees from the Retail clientele were \$22.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.5 million, or 2%, compared to \$21.8 million for the previous quarter ended September 30, 2016, mainly due to the inclusion of revenues from the Charlemagne and Larch Lane acquisitions during the quarter ended December 31, 2016.

Performance Fees

Total performance fees, which are generally recorded in June and December of each year, were \$31.6 million for the fourth quarter ended December 31, 2016, compared to almost nil for the previous quarter ended September 30, 2016.

Other Revenues

Other revenues were \$4.3 million for the fourth quarter ended December 31, 2016, representing an increase of \$2.8 million, or over 100%, compared to \$1.5 million for the previous quarter ended September 30, 2016. The increase is mainly due to additional other revenues from Centria and Fiera Properties, combined with higher consulting and brokerage fees in the fourth quarter of 2016, compared to the previous quarter.

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

	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2016	DECEMBER 31, 2015	YEAR OVER YEAR
Institutional	124,525	93,153	31,372
Private Wealth	98,694	77,541	21,153
Retail	74,498	60,727	13,771
Total management fees	297,717	231,421	66,296
Performance fees – Traditional asset class	5,840	6,228	(388)
Performance fees – Alternative asset class	28,441	13,306	15,135
Total performance fees	34,281	19,534	14,747
Other revenues	12,146	7,462	4,684
Total revenues	344,144	258,417	85,727

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

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

Revenues for the twelve-month period ended December 31, 2016, were \$344.1 million, representing an increase of \$85.7 million, or 33%, compared to \$258.4 million for the same period last year. The increase in revenues is mainly due to the acquisitions of Samson, Apex, Centria, Larch Lane Advisors LLC ("Larch Lane"), Fiera Infrastructure and

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Charlemagne, combined with the recognition of revenue from Fiera Properties (formerly a joint venture), higher performance fees and higher other revenues during the twelve-month period of 2016, compared to the same period last year.

Management Fees

Management fees for the twelve-month period ended December 31, 2016, were \$297.7 million, representing an increase of \$66.3 million, or 29%, compared to \$231.4 million for the same period last year. The overall increase in management fees and the increase by clientele type are as follows:

- › Revenues from the Institutional clientele for the twelve-month period ended December 31, 2016, were \$124.5 million, representing an increase of \$31.4 million, or 34%, compared to \$93.1 million for the same period last year. The increase is mainly due to the inclusion of Apex, Centria, Charlemagne and Fiera Properties, combined with an increase in net AUM.
- › Revenues from the Private Wealth clientele for the twelve-month period ended December 31, 2016, were \$98.7 million, representing an increase of \$21.2 million, or 27%, compared to \$77.5 million for the same period last year. The increase is primarily due to the inclusion of revenues from the Samson acquisition and higher revenues due to new mandates won during the period.
- › Revenues from the Retail clientele for the twelve-month period ended December 31, 2016, were \$74.5 million, representing an increase of \$13.8 million, or 23%, compared to \$60.7 million for the same period last year. The increase is mainly due to the inclusion of revenues from the Apex and Charlemagne acquisitions, partially offset by the loss of revenues resulting from the disposal of Fiera Quantum L.P.

Annualized Base Management Fees

Annualized base management fees are calculated based on December 31, 2016, AUM and the average billing basis points. It provides an estimate of the Firm's annual base management fees, which are AUM driven, translating acquisitions as well as net new mandates won throughout the year on a twelve months basis.

Annualized base management fees for 2016 are estimated at \$358.8 million, representing an increase of \$61.1 million or 21%, compared to \$297.7 million reported base management fees for the fiscal year ended December 31, 2016. The overall increase in base management fees on an annualized basis is mainly due to twelve months of revenues for the aforementioned acquisitions combined with new mandates won towards the end of the year at higher billing rates from the institutional sector.

Annualized base management fees represent an increase of \$96.0 million, or 37% year-over-year from \$262.8 million of the estimated annualized base management fees for the twelve months ended 2015. The year-over-year overall increase on an annualized basis is mainly due to a higher AUM base following higher acquisitions levels, organic growth combined with new mandates and higher billing rates.

Performance Fees

Total performance fees were \$34.3 million for the twelve-month period ended December 31, 2016, compared to \$19.5 million for the same period last year. The increase in performance fees is attributable to the inclusion of performance fees from Charlemagne, a higher asset base combined with strong fund performances.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Other Revenues

Other revenues were \$12.1 million for the twelve-month period ended December 31, 2016, representing an increase of \$4.6 million, or 63%, compared to \$7.5 million for the same period last year. The increase in other revenues is mainly due to revenues related to changes in the fair value of the foreign exchange forward contracts.

Selling, General and Administrative Expenses

Current Quarter versus Prior-Year Quarter

SG&A expenses were \$84.4 million for the three-month period ended December 31, 2016, representing an increase of \$35.4 million, or 72%, compared to \$49.0 million for the same period last year. The increase is mainly due to the inclusion of costs related to Samson, Apex, Fiera Infrastructure, Centria, Fiera Properties and Charlemagne acquisitions, and an increase in expenses to support the Firm's growth.

Current Quarter versus Previous Quarter

SG&A expenses were \$84.4 million for the three-month period ended December 31, 2016, representing an increase of \$26.4 million, or 46%, compared to \$58.0 million for the previous quarter ended September 30, 2016. The increase is attributable to higher expenses to support the increase in revenues, and the inclusion of costs related to Centria and Charlemagne.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

SG&A expenses were \$248.5 million for the twelve-month period ended December 31, 2016, representing an increase of \$70.8 million, or 40%, compared to \$177.7 million for the same period last year. The increase is attributable to the inclusion of costs related to the Samson, Apex, Fiera Infrastructure, Centria and Charlemagne acquisitions, and increased expenses to support the Firm's growth, combined with the negative impact of foreign exchange rate changes on US operations.

External Managers

Current Quarter versus Prior-Year Quarter

External managers' expenses were \$1.2 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.3 million, or 30%, compared to \$0.9 million for the same quarter last year. The increase in external managers' expenses is mainly due to higher external managers' expenses from the US to support higher revenues.

Current Quarter versus Previous Quarter

External managers' expenses for the fourth quarter ended December 31, 2016, were \$1.2 million, representing an increase of \$0.4 million, or 48%, compared to \$0.8 million from the previous quarter ended September 30, 2016. The increase in external managers' expenses is mainly due to higher external managers' expenses from the US to support higher revenues.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

External managers' expenses were \$3.6 million for the twelve-month period ended December 31, 2016, representing a decrease of \$1.2 million, or 26%, compared to \$4.8 million for the same period last year. The decrease in external managers' expenses is mainly due to lower external managers' expenses from Bel Air, resulting from the change in revenue presentation (net revenue presentation versus gross revenue presentation), partially offset by higher external managers' expenses from the US and the inclusion of the Charlemagne acquisition.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was \$0.9 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.3 million, or 39%, compared to \$0.6 million for the corresponding quarter last year.

Amortization of intangible assets was \$16.4 million for the fourth quarter ended December 31, 2016, representing an increase of \$9.2 million, or over 100%, compared to \$7.2 million for the same period last year, resulting from the acquisition of intangible assets from Samson, Apex and Fiera Properties, Centria and Charlemagne.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained stable at \$0.9 million for the fourth quarter ended December 31, 2016, compared to the previous quarter ended September 30, 2016.

Amortization of intangible assets was \$16.4 million for the fourth quarter ended December 31, 2016, representing an increase of \$6.0 million, or 58%, compared to \$10.4 million from the previous quarter ended September 30, 2016, mostly due to the accelerated amortization of intangible assets related to Charlemagne acquisition.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

Depreciation of property and equipment were \$3.4 million for the twelve-month period ended December 31, 2016, representing an increase of \$1.4 million, or 68%, compared to \$2.0 million for the same period last year. The increase is due to various acquisitions of new businesses during the year 2016.

Amortization of intangible assets were \$42.7 million for the twelve-month period ended December 31, 2016, representing an increase of \$15.6 million, or 58%, compared to \$27.1 million for the same period last year, resulting from various acquisition of new businesses during the year 2016.

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 \$4.2 million for the fourth quarter ended December 31, 2016, representing an increase of \$2.0 million, or 89%, compared to \$2.2 million for the same quarter last year. Long-term debt increased to finance the acquisitions of Samson, Apex, and Charlemagne.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Current Quarter versus Previous Quarter

The interest on long-term debt and other financial charges was \$4.2 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.6 million, or 16%, compared to \$3.6 million for the previous quarter ended September 30, 2016. The increase in long-term debt is to finance the acquisition of Charlemagne.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

The interest on long-term debt and other financial charges was \$12.7 million for the twelve-month period ended December 31, 2016, representing an increase of \$3.8 million, or 43%, compared to \$8.9 million for the same period last year. The increase in long-term debt is to finance the acquisitions of Samson, Apex and Charlemagne.

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 \$1.1 million for the fourth quarter ended December 31, 2016, compared to a charge of \$0.6 million for the same quarter last year.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations were a charge of \$1.1 million for the fourth quarter ended December 31, 2016, compared to a recovery of \$5.8 million for the previous quarter ended September 30, 2016.

During the three-month period ended September 30, 2016, the Company reviewed its estimate of the minimum assets under management threshold required to be obligated to make the contingent payment of \$7.5 million related to Natcan Investment Management Inc. The Company concluded that the minimum threshold would not be met and that the purchase price obligation was revalued. The recovery was recorded in the consolidated statement of earnings under the caption: accretion and change in fair value purchase price obligations. The contingent payment had a carrying value of \$6.4 million before the revaluation to nil.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

The accretion and change in fair value of purchase price obligations were a net recovery of \$3.3 million for the twelve-month period ended December 31, 2016, compared to a charge of \$0.5 million for the same period last year. The fiscal 2016 recovery was mostly due to the Natcan Investment Management Inc. transaction mentioned above.

Acquisition and Restructuring and Other Integration Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring and other integration costs were \$4.0 million for the fourth quarter ended December 31, 2016, representing an increase of \$0.9 million, or 29%, compared to \$3.1 million for the same period last year. The increase in acquisition and restructuring and other integration costs is mainly due to the acquisitions of Samson, Apex and Charlemagne, combined with numerous activities to set up the US platform during the fourth quarter ended December 31, 2016, compared to the same period last year.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Current Quarter versus Previous Quarter

Acquisition and restructuring and other integration costs were \$4.0 million for the fourth quarter ended December 31, 2016, representing a decrease of \$1.5 million, or 28%, compared to \$5.5 million for the previous quarter ended September 30, 2016. The decrease is mainly due to the fact that most of the restructuring costs related to the corporate reorganization had incurred in the third quarter of 2016.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

Acquisition and restructuring and other integration costs were \$19.6 million for the twelve-month period ended December 31, 2016, representing an increase of \$12.5 million, or over 100%, compared to \$7.1 million for the same period last year. The increase in acquisition and restructuring and other integration costs is mainly due to the acquisitions of Samson, Apex, Centria and Charlemagne, as well as abandoned software development costs, combined with activities to set up the US platform.

Changes in Fair Value of Derivative Financial Instruments

The Company recorded a gain of \$1.1 million of charges related to changes in the fair value of derivative financial instruments for the fourth quarter ended December 31, 2016, compared to a gain of \$0.2 million for the previous quarter ended September 30, 2016, and compared to a gain of \$0.3 million for the fourth quarter ended December 31, 2015.

Gain on Acquisition of Control of Investment in Joint Venture

On April 4, 2016, the Company amended the shareholders' agreement of Fiera Properties Limited ("Fiera Properties"), which resulted in the Company obtaining effective control. This change in control of the previously held equity interest was an economic event that triggered the remeasurement of the investment to fair value. Previously, the Company accounted for the investment in the joint venture using the equity method of accounting. At the acquisition date, the carrying amount of the investment in the joint venture was \$6.4 million. The fair value of the retained interest amounted to \$12.2 million. The remeasurement of Fiera Capital's investment to fair value resulted in a gain of \$5.8 million. The gain was recorded in the interim condensed consolidated statement of earnings during the second quarter of 2016.

Gain on Disposal of Investment in Joint Venture

On December 21, 2015, the Company entered into a definitive agreement with Axiom pursuant to which Axiom purchased for cancellation the Company's 35% equity ownership in Axiom. As a result, the Company discontinued equity accounting for Axiom and reclassified the investment as assets held-for-sale. On January 15, 2016, the Company completed the sale of its 35% equity ownership in Axiom for cash proceeds of \$20.0 million, resulting in a gain of \$15.0 million under the caption: Gain on disposal of investment in joint venture.

Revaluation of Assets Held-For-Sale and Loss on Disposal of Subsidiaries

On July 18, 2016, the Company completed the sale of the investment in the following companies: Fiera Quantum GP Inc., 9276-5072 Quebec Inc. and Fiera Quantum Limited Partnership. The Company revalued the non-current assets to the lower of its carrying amount and its fair value, less costs to sell, and a revaluation of \$7.9 million was recognized and recorded under the caption: Revaluation of assets held-for-sale during the first quarter of 2016. The intangible assets and property and equipment were no longer amortized or depreciated from the date that the assets were classified as

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

held-for-sale. On July 18, 2016, the date of disposal, the Company de-recognized the non-controlling interest in Fiera Quantum Limited Partnership and an additional charge of \$8.3 million was recorded in the statement of earnings under the caption: Loss on disposal of subsidiaries during the third quarter ended September 30, 2016.

Adjusted EBITDA

Adjusted EBITDA is calculated as the difference between total revenues and SG&A expenses (excluding non-cash compensation) and external managers' expenses. We believe that adjusted EBITDA is a meaningful measure as it allows for the evaluation of our operating performance before the impact of non-operating items.

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
Revenues					
Base management fees	85,085	80,413	61,319	297,717	231,421
Performance fees	31,587	4	10,911	34,281	19,534
Other revenues	4,296	1,492	1,769	12,146	7,462
Total revenues	120,968	81,909	73,999	344,144	258,417
Expenses					
Selling, general and administrative	84,407	57,979	49,013	248,469	177,691
External managers	1,172	788	897	3,586	4,825
Total expenses	85,579	58,767	49,910	252,055	182,516
EBITDA	35,389	23,142	24,089	92,089	75,901
Add back: Non-cash compensation	6,210	2,789	1,668	15,107	8,880
Adjusted EBITDA	41,599	25,931	25,757	107,196	84,781
Per share basic ⁽²⁾	0.52	0.33	0.36	1.41	1.21
Per share diluted ⁽²⁾	0.51	0.33	0.36	1.37	1.20

⁽¹⁾ Adjusted EBITDA is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 56.

⁽²⁾ Adjusted EBITDA include EBITDA attributable to the Company's shareholders and non-controlling interest. Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2016, adjusted EBITDA was \$41.6 million or \$0.52 per share (basic) and \$0.51 (diluted), representing an increase of \$15.8 million, or 61%, compared to \$25.8 million, or \$0.36 per share (basic) and \$0.35 (diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2016, was characterized by an increase in revenues compared to the same period last year, mainly due to additional base management fees and higher performance fees following the acquisitions of Apex, Centria and Charlemagne. However, this was partially offset by an increase in overall operating expenses to support the Firm's growth and expansion.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2016, adjusted EBITDA was \$41.6 million or \$0.52 per share (basic) and \$0.51 (diluted), representing an increase of \$15.7 million, or 60%, compared to \$25.9 million, or \$0.33 per share (basic and diluted), from the previous quarter ended September 30, 2016. The increase is mainly due to higher performance

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

fees from both alternative and traditional asset classes and higher base management fees following the acquisitions of Centria and Charlemagne, partially offset by an increase in overall operating expenses to support the Firm's growth and expansion.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

For the twelve-month period ended December 31, 2016, adjusted EBITDA were \$107.2 million, representing an increase of \$22.4 million, or 26%, or \$1.41 per share (basic) and \$1.37 (diluted), compared to \$84.8 million, or \$1.21 per share (basic) and \$1.20 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2016, is mainly attributable to an increase in revenues compared to the same period last year, resulting from additional base management fees and higher performance fees following the acquisitions of Samson, Apex, Fiera Properties, Centria and Charlemagne. However, this was partially offset by an increase in overall operating expenses to support the Firm's growth and expansion.

Net Earnings

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2016	SEPTEMBER 30, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
Net earnings attributable to the Company's shareholders	5,203	393	9,678	20,777	27,631
Depreciation of property and equipment	894	852	646	3,401	2,030
Amortization of intangible assets	16,366	10,348	7,169	42,723	27,119
Non-cash compensation items	6,210	2,789	1,668	15,107	8,880
Changes in fair value of derivative financial instruments ^(*)	1,078	(248)	(342)	211	445
Non-cash items	24,548	13,741	9,141	61,442	38,474
Restructuring and other integration costs ^(*)	805	2,739	774	7,956	2,361
Acquisition costs ^(*)	3,160	2,769	2,311	11,691	4,748
Acquisition and restructuring and other integration costs	3,966	5,508	3,085	19,647	7,109
Adjusted net earnings before income taxes on above-mentioned items ^(*)	33,716	19,642	21,904	101,866	73,214
Income taxes on above-mentioned items ^(*)	2,233	1,578	823	6,678	2,266
Adjusted net earnings attributable to the Company's shareholders	31,483	18,064	21,081	95,188	70,948
Per share – basic					
Net earnings	0.07	0.01	0.14	0.27	0.40
Adjusted net earnings	0.40	0.23	0.30	1.25	1.01
Per share – diluted					
Net earnings	0.06	0.01	0.13	0.27	0.39
Adjusted net earnings	0.38	0.23	0.29	1.22	1.00

⁽¹⁾ Adjusted net earnings are a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 56.

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

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2016, the Firm reported net earnings attributable to the Company's shareholders of \$5.2 million, or \$0.07 per share (basic) and \$0.06 (diluted), compared to \$9.7 million, or \$0.14 per share

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

(basic) and \$0.13 (diluted), for the same quarter last year. The decrease in net earnings is mainly attributable to the rise in overall operating expenses to support business growth, and higher acquisition and restructuring costs following the acquisitions of Samson, Apex and Charlemagne. The increase in expenses was partially offset by higher base management fees resulting from a higher AUM base following the acquisition of Samson, Apex and Charlemagne, organic growth and higher performance fees, mostly from Charlemagne during the three-month period ended December 31, 2016.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2016, the Firm reported net earnings attributable to the Company's shareholders of \$5.2 million, or \$0.07 per share (basic) and \$0.06 (diluted), compared to \$0.4 million, or \$0.01 per share (basic and diluted), for the previous quarter ended September 30, 2016. The increase in net earnings is mainly attributable to higher performance fees which are generally recorded in June and December of each year, combined with higher base management fees due to a higher AUM base resulting from organic growth and the acquisition of Charlemagne and Centria. The increase in revenue was partially offset by higher operating expenses to support business growth and acquisitions during the fourth quarter of 2016.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

For the twelve-month period ended December 31, 2016, the Firm recorded net earnings attributable to the Company's shareholders of \$20.8 million, or \$0.27 per share (basic and diluted), compared to \$27.6 million, or \$0.40 per share (basic) and \$0.39 (diluted) for the same period last year. The decrease in net earnings is mainly attributable to higher depreciation, acquisition and restructuring and other integration costs following the acquisitions of Samson, Apex, Centria, Fiera Properties and Charlemagne.

Adjusted Net Earnings

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. Adjusted net earnings are calculated as the sum of net earnings (loss) attributable to the Company's shareholders, non-cash items, including depreciation of property and equipment, amortization of intangible assets, after-tax changes in fair value of derivative financial instruments, after-tax acquisition and restructuring and other integration costs, and non-cash compensation items.

Current Quarter versus Prior-Year Quarter

During the fourth quarter ended December 31, 2016, \$23.5 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments (\$24.5 million before taxes), or \$0.30 per share (basic) and \$0.29 (diluted), as well as \$2.8 million, or \$0.03 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (\$4.0 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to \$31.5 million, or \$0.40 per share (basic) and \$0.38 (diluted) for the fourth quarter ended December 31, 2016.

During the fourth quarter ended December 31, 2015, \$9.2 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments (\$9.1 million before taxes), or \$0.13 per share (basic and diluted), as well as \$2.2 million, or \$0.03 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (\$3.1 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

shareholders amounted to \$21.1 million, or \$0.30 per share (basic) and \$0.29 (diluted) for the fourth quarter ended December 31, 2015.

Current Quarter versus Previous Quarter

During the third quarter ended September 30, 2016, \$13.8 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments (\$13.7 million before taxes), or \$0.17 per share (basic and diluted), as well as \$3.9 million, or \$0.05 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (\$5.5 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to \$18.1 million, or \$0.23 per share (basic and diluted) for the third quarter ended September 30, 2016, compared to adjusted net earnings attributable to the Company's shareholders of \$31.5 million or \$0.40 per share (basic) and \$0.38 (diluted) for the fourth quarter ended December 31, 2016.

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

For the twelve-month period ended December 31, 2016, \$60.7 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments (\$61.4 million before taxes), or \$0.80 per share (basic) and \$0.0.77 (diluted), as well as \$13.8 million, or \$0.18 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (\$19.6 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to \$95.2 million, or \$1.25 per share (basic) and \$1.22 (diluted) for the twelve-month period ended December 31, 2016, compared to \$70.9 million or \$1.01 per share (basic) and \$1.00 (diluted) for the same period last year.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

SUMMARY OF QUARTERLY RESULTS

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

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

	Last Twelve Months ⁽³⁾	Q4 Dec. 31 2016	Q3 Sep. 30 2016	Q2 Jun. 30 2016	Q1 Mar. 31 2016	Q4 Dec. 31 2015	Q3 Sep. 30 2015	Q2 Jun. 30 2015	Q1 Mar. 31 2015
AUM	109,129	116,925	112,465	109,136	97,988	101,431	88,759	90,291	90,927
Total revenues	344,144	120,968	81,909	74,983	66,284	73,999	60,214	66,143	58,061
Adjusted EBITDA ⁽¹⁾	107,196	41,599	25,931	23,510	16,157	25,757	18,608	23,050	17,366
Adjusted EBITDA margin	31.1%	34.4%	31.7%	31.4%	24.4%	34.8%	30.9%	34.8%	29.9%
Net earnings attributable to Company's shareholders	20,777	5,203	393	7,901	7,280	9,678	6,700	7,541	3,712
PER SHARE – BASIC									
Adjusted EBITDA ⁽¹⁾	1.41	0.52	0.33	0.32	0.22	0.36	0.27	0.33	0.25
Net earnings attributable to the Company's shareholders	0.27	0.07	0.01	0.11	0.10	0.14	0.10	0.11	0.05
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.25	0.40	0.23	0.32	0.30	0.30	0.25	0.26	0.21
PER SHARE – DILUTED									
Adjusted EBITDA ⁽¹⁾	1.37	0.51	0.33	0.32	0.22	0.36	0.27	0.33	0.25
Net earnings attributable to the Company's shareholders	0.27	0.06	0.01	0.11	0.10	0.13	0.10	0.11	0.05
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.22	0.38	0.23	0.32	0.30	0.29	0.25	0.26	0.21
PER SHARE – DILUTED (Including non-cash compensation and options granted) ⁽²⁾									
Adjusted EBITDA ⁽¹⁾	1.28	0.47	0.31	0.29	0.21	0.33	0.25	0.30	0.23
Net earnings attributable to the Company's shareholders	0.25	0.06	0.00	0.10	0.09	0.12	0.09	0.10	0.05
Adjusted net earnings attributable to the Company's shareholders ⁽¹⁾	1.13	0.36	0.21	0.30	0.28	0.27	0.23	0.24	0.19

⁽¹⁾ Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 56.

⁽²⁾ This analysis assumes that all outstanding stock-based awards will vest and will be settled with shares of the Company (including 2,799,345 share options; 2,215,782 PSUs and 772,436 RSUs as at December 31, 2016).

⁽³⁾ AUM Last Twelve Months ("LTM") represents the average of the last four quarters.

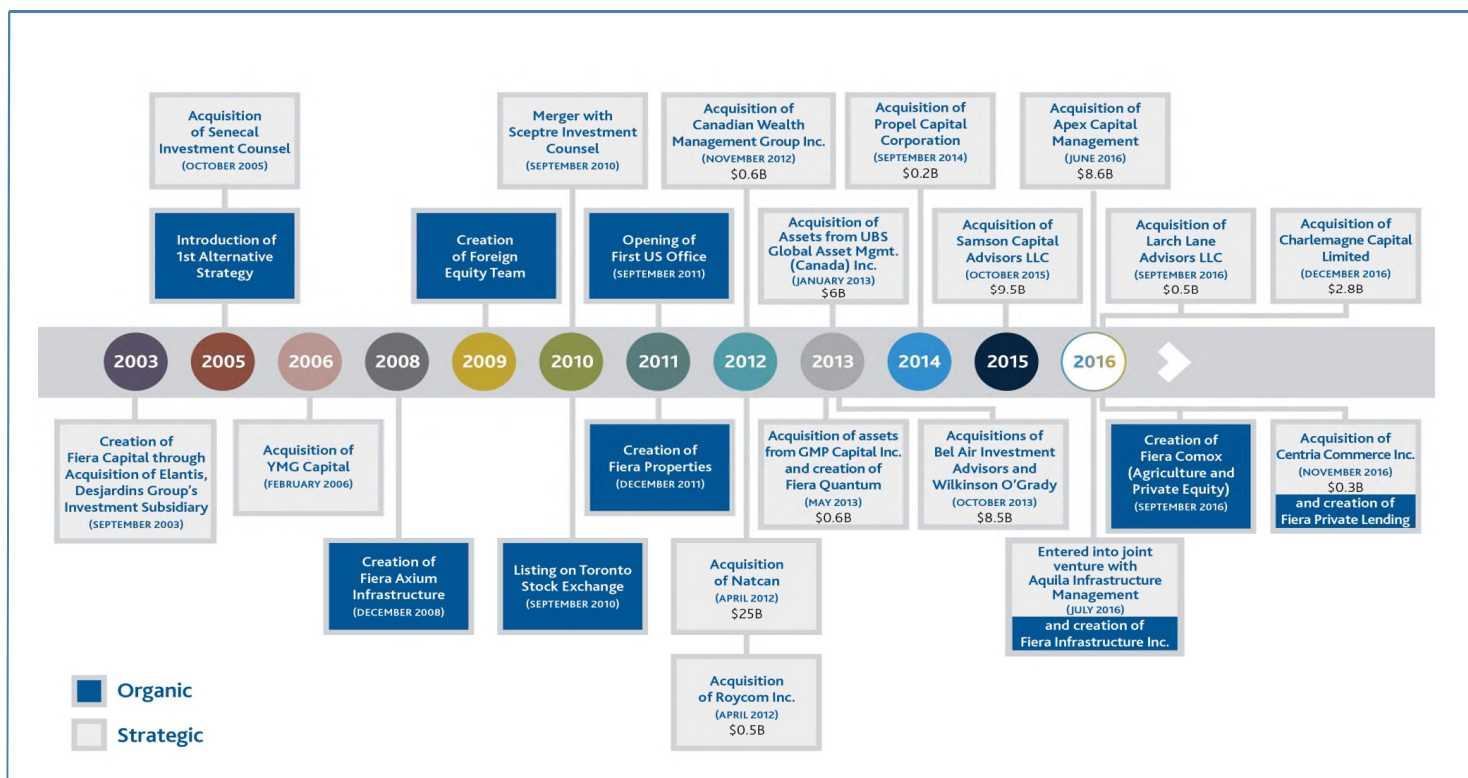
Certain totals, subtotals and percentages may not reconcile due to rounding.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Results and Trend Analysis

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



AUM

The current quarter was characterized by an increase in AUM compared to the previous quarter mainly due to new mandates won during the quarter, combined with the inclusion of Charlemagne AUM, partially offset by lost mandates and market depreciation during the period. The previous quarter ended September 30, 2016, showed an increase in AUM compared to the quarter ended June 30, 2016, mainly due to market appreciation, combined with the inclusion of Larch Lane and Aquila AUM during the period.

The quarter ended June 30, 2016, showed an increase in AUM compared to the quarter ended March 31, 2016, mainly due to the inclusion of Apex, combined with market appreciation during the period.

The quarter ended March 31, 2016, presented a decrease in AUM compared to the quarter ended December 31, 2015, mainly due to the divestiture of Axiom, combined with the negative impact of the US dollar exchange rate, negative net contribution and lost mandates. These decreases in AUM were partially offset by new mandates, namely from the Institutional and Private Wealth clientele and the market appreciation during the period.

The quarter ended December 31, 2015, showed an increase in AUM compared to the quarter ended September 30, 2015, mainly due to the acquisition of Samson and new mandates won during the quarter, namely in the US

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

institutional sector, combined with market appreciation and the positive impact of the US dollar exchange rate, partially offset by lost mandates and negative net contribution during the period.

The quarter ended September 30, 2015, showed a decrease in AUM compared to the quarter ended June 30, 2015, mainly due to market depreciation and lost mandates, despite an increase in net inflows during the period, and favourable US dollar exchange rate impact. The quarter ended June 30, 2015, showed a decrease in AUM compared to the quarter ended March 31, 2015, mainly due to market depreciation combined with lost mandates, partially offset by new mandates won during the quarter. Finally, the quarter ended March 31, 2015, showed an increase in AUM compared to the quarter ended December 31, 2014, mainly due to market appreciation and to the favourable impact of the US dollar exchange rate.

Revenues

Since the acquisition of Bel Air and Wilkinson O'Grady in late 2013, the Firm's revenue stream is balanced between the institutional, retail and private wealth clientele and has been a constant and progressing increase in international clientele. Namely, revenue from the US Institutional clientele is increasing, fuelled by new mandates.

The current quarter was characterized by an increase in revenues mainly due to higher performance fees from both traditional and alternative asset classes, which are generally recorded in June and December of each year, combined with higher base management fees resulting from a higher AUM base due to organic growth and the acquisition of Charlemagne.

The previous quarter ended September 30, 2016, showed an increase in revenues mainly due to higher base management fees from the inclusion of a full quarter of revenues from Apex, partially offset by lower performance fees.

The quarter ended June 30, 2016, showed an increase in revenues mainly due to higher base management fees following the acquisition of Apex and the acquisition of control of Fiera Properties, combined with higher performance fees compared to the quarter ended March 31, 2016.

The quarter ended March 31, 2016, showed a decrease in revenues mainly due to lower performance fees which are generally recorded in June and December of each year, partially offset by higher base management fees resulting from the inclusion of a full quarter of revenues from Samson during the first quarter of 2016, compared to two months of revenues from Samson during the previous quarter.

The quarter ended December 31, 2015, showed an increase in revenues mainly due to higher performance fees recorded at the end of the year, combined with the inclusion of two months of revenues from the Samson acquisition. The quarter ended September 30, 2015, showed an increase in base management fees compared to the quarter ended June 30, 2015, mainly as a result of new mandates from the US funded toward the end of the second quarter of 2015, for which revenues are recognized during the third quarter of 2015, while performance fees were lower due to the fact that they are generally recorded in June and December of each year.

The quarter ended June 30, 2015, showed an increase in performance fees from the alternative asset class, which are generally recorded in June and December of each year. Finally, the quarter ended March 31, 2015, showed an increase in base management fees compared to the fourth quarter of 2014 as a result of a higher AUM base.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Adjusted EBITDA

Adjusted EBITDA increased in the current quarter mainly due to higher performance fees from both alternative and traditional asset classes and higher base management fees due to organic growth and following the acquisitions of Centria and Charlemagne, partially offset by an increase in overall operating expenses to support growth in US operations, including costs related to the acquisition of Charlemagne as well as the Firm's expansion across borders, namely in Europe.

Adjusted EBITDA increased in the previous quarter ended September 30, 2016, compared to the quarter ended June 30, 2016, mainly due to higher base management fees resulting from a full quarter of operation of Apex, partially offset by higher overall operating expenses and lower performance fees compared to the previous quarter.

Adjusted EBITDA increased in the quarter ended June 30, 2016, compared to the quarter ended March 31, 2016, mainly due to higher base management fees following the acquisition of Apex, combined with higher performance fees, partially offset by higher overall operating expenses.

Adjusted EBITDA decreased in the quarter ended March 31, 2016, compared to the quarter ended December 31, 2015, mainly due to lower performance fees and higher overall operating expenses, particularly related to variable compensation, which is generally higher in the first quarter of the fiscal year and increased costs related to recent acquisitions and investments in the US, partially offset by higher base management fees.

Adjusted EBITDA increased in the quarter ended December 31, 2015, compared to the quarter ended September 30, 2015, mainly due to higher performance fees and base management fees, partially offset by higher overall operating expenses. Adjusted EBITDA decreased in the third quarter of 2015 compared to the second quarter of 2015, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June and December of each year.

Adjusted EBITDA increased in the second quarter of 2015, compared to the first quarter of 2015, mainly due to higher performance fees from the alternative asset class, partially offset by higher SG&A expenses namely related to variable compensation.

Finally, adjusted EBITDA decreased in the first quarter of 2015, compared to the fourth quarter of 2014, mainly due to lower performance fees, despite the fact that base management fees were higher and SG&A expenses stayed at the same level compared to those from the fourth quarter of 2014.

Adjusted EBITDA Margin

Adjusted EBITDA margin relates adjusted EBITDA to revenues. It is an important measure of overall operating performance because it measures Company profitability from operations.

Adjusted EBITDA margin has fluctuated from a low of 24.4% to a high of 34.8% during the most recent eight quarters. The first quarter of each year generally absorbs a higher percentage of variable compensation expenses. Also, adjusted EBITDA margin tends to be higher in the second and the fourth quarter of each year due to the fact that performance fees are generally recorded in June and December of each year.

The current quarter ended December 31, 2016, closed with an adjusted EBITDA margin of 34.4% which is higher than the previous quarter mainly due to higher performance fees from both alternative and traditional asset classes and higher base management fees due to organic growth and following the acquisition of Charlemagne, partially offset by

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

an increase in overall operating expenses to support the Firm's growth and expansion. Also, the upfront set-up costs of the US platform initiative and other costs associated with building scale will generate benefits in the upcoming quarters.

The previous quarter ended September 30, 2016, showed an adjusted EBITDA margin of 31.7%, which is higher than the previous quarter, mainly due to higher base management fees resulting from a full quarter of operations of Apex, partially offset by higher operating expenses.

The previous quarter ended June 30, 2016, presented an adjusted EBITDA margin of 31.4%, which is higher than the previous quarter, mainly due to higher base management fees following the acquisition of Apex and higher performance fees recorded during the quarter, partially offset by higher operating expenses. Also, the upfront set-up costs of the US platform initiative and other costs associated with building scale will generate benefits in the upcoming quarters.

The quarter ended March 31, 2016, showed an adjusted EBITDA margin of 24.4%, which is lower than the quarter ended December 31, 2015, mainly due to lower performance fees, combined with higher operating expenses, particularly related to higher variable compensation in the first quarter and higher SG&A expenses to support business growth.

The quarter ended December 31, 2015, showed an adjusted EBITDA margin of 34.8%, which is higher than the quarter ended September 30, 2015, mainly due to higher performance fees and higher base management fees. The quarter ended September 30, 2015, showed an adjusted EBITDA margin of 30.9% mainly due to lower performance fees compared to the quarter ended June 30, 2015, despite higher base management fees recorded in the quarter ended September 30, 2015, compared to the quarter ended June 30, 2015.

Finally, the previous quarter ended June 30, 2015, showed an adjusted EBITDA margin of 34.8% mainly due to higher performance fees from the alternative asset class compared to the first quarter of 2015. The quarter ended March 31, 2015, showed an adjusted EBITDA margin of 29.9% mainly due to lower performance fees compared to the fourth quarter of 2014.

On a twelve-month basis, the current LTM adjusted EBITDA margin was at 31.1%, which compares to the LTM adjusted EBITDA margin of 30.7% and 32.8% reported as at September 30, 2016, and December 31, 2015, respectively. The LTM adjusted EBITDA margin neutralizes the impact of the timing of performance fees which are generally recorded in the second and the fourth quarter of each year, as well as the rise in SG&A expenses in recent quarters resulting from various acquisitions and provides a better measure of the Firm's overall performance.

Net Earnings Attributable to the Company's Shareholders

Net earnings attributable to the Company's shareholders have fluctuated from a low of \$0.4 million to a high of \$9.7 million over the last eight quarters. Net earnings attributable to the Company's shareholders were impacted by various initiatives resulting in higher SG&A expenses, acquisitions and restructuring and other integration costs. Also, performance fees generally recorded in the second quarter and the fourth quarter of each year contributed to the fluctuation of the net earnings attributable to the Company's shareholders.

The current quarter's net earnings attributable to the Company's shareholders were higher than those of the previous quarter ended September 30, 2016. The increase in net earnings is mainly attributable to higher performance fees which are generally recorded in June and December of each year, combined with higher base management fees due to a higher AUM base resulting from organic growth and the acquisition of Charlemagne and Centria. The increase in revenue was offset by higher operating expenses to support business growth and various acquisitions during the fourth quarter of 2016.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Adjusted Net Earnings per Share Attributable to the Company's Shareholders

Adjusted net earnings per share attributable to the Company's shareholders are a good performance indicator of the Company's ability to generate cash flows. Adjusted net earnings attributable to the Company's shareholders have fluctuated from a low of \$0.21 per share (basic and diluted) to a high of \$0.40 per share (basic) and \$0.39 (diluted) over the last eight quarters.

The current quarter ended December 31, 2016, presented adjusted net earnings attributable to the Company's shareholders of \$0.40 per share (basic) and \$0.38 (diluted), mainly due to higher performance fees and higher base management fees resulting from a higher AUM base due to organic growth and the acquisition of Charlemagne during the period.

The previous quarter ended September 30, 2016, showed adjusted net earnings attributable to the Company's shareholders of \$0.23 per share (basic and diluted), which are lower than those of the previous quarter, mainly due to higher operating expenses following the acquisition of Apex, lower performance fees from the traditional and alternative asset classes and various one-time non-recurring costs during the period.

The quarter ended June 30, 2016, showed adjusted net earnings attributable to the Company's shareholders of \$0.32 per share (basic and diluted), which are higher than those of the previous quarter, mainly due to higher base management fees following the acquisition of Apex and higher performance fees from the traditional and alternative asset classes.

The quarter ended March 31, 2016, closed with adjusted net earnings attributable to the Company's shareholders of \$0.30 per share (basic and diluted), mainly due to a gain related to the disposal of Axiom, offset by the revaluation of assets held-for-sale related to Fiera Quantum, combined with higher base management fees reflecting a full quarter of operation of Samson, compared to two months from the previous quarter, partially offset by lower performance fees and higher SG&A expenses to support business growth, compared to the quarter ended December 31, 2015. The gain related to the disposal of the investment in Axiom and the revaluation of assets held-for-sale had a net positive impact of \$0.10 per share (basic and diluted) on the Firm's adjusted net earnings for the quarter ended March 31, 2016.

The quarter ended December 31, 2015, showed adjusted net earnings attributable to the Company's shareholders of \$0.30 per share (basic) and \$0.29 (diluted), mainly due to higher performance fees from both the traditional and alternative asset classes, combined with higher base management fees as a result of higher average AUM and the inclusion of Samson. For the quarter ended September 30, 2015, adjusted net earnings attributable to the Company's shareholders were \$0.25 per share (basic and diluted), representing a slight decrease from the previous quarter resulting mainly from lower performance fees from the alternative asset class, compared to \$0.26 per share (basic and diluted) recorded for the second quarter ended June 30, 2015.

The quarter ended June 30, 2015, closed with adjusted net earnings attributable to the Company's shareholders of \$0.26 per share (basic and diluted), a higher level compared to the first quarter of 2015, mainly due to higher performance fees from the alternative asset class than the previous quarter.

Finally, for the first quarter of 2015, the Firm recorded adjusted net earnings attributable to the Company's shareholders of \$0.21 per share (basic and diluted), a level lower than that of the fourth quarter of 2014, mainly due to lower performance fees, partially offset by higher base management fees recorded during the quarter.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The ability to consistently generate free 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.

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

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2016	DECEMBER 31, 2015
Cash generated by operating activities	57,514	66,856
Cash used in investing activities	(144,378)	(34,600)
Cash generated by (used in) financing activities	101,494	(25,852)
Net increase in cash	14,630	6,404
Effect of exchange rate changes on cash denominated in foreign currencies	(245)	2,441
Cash and cash equivalents, beginning of period	25,725	16,880
Cash and cash equivalents, end of period	40,110	25,725

Year-to-Date Activities

Cash generated by operating activities amounted to \$57.5 million for the twelve-month period ended December 31, 2016. This amount resulted from \$79.2 million cash generated from net earnings adjusted for depreciation and amortization, non-cash compensation, accretion of purchase price obligations, interest on long-term debt and other financial charges, income tax expenses, as well as changes in fair value of derivative financial instruments. These elements were offset by a gain of \$15.0 million on the disposal of Axiom (offset by the revaluation of assets-held-for-sale related to Fiera Quantum GP Inc. of \$7.9 million and \$8.3 million of loss on disposal of subsidiaries), the gain on acquisition of control of investment in joint venture of \$5.8 million, and \$16.5 million in negative change in non-cash operating working capital.

Cash used in investing activities was \$144.4 million for the twelve-month period ended December 31, 2016, resulting mainly from \$163.0 million cash used in the Apex, Charlemagne, Centria and Larch Lane acquisitions, partially offset by the proceeds of \$20.0 million from the disposal of Axiom.

Cash generated by financing activities was \$101.5 million for the twelve-month period ended December 31, 2016, resulting mainly from a \$166.5 million of increase in long-term debt and \$3.8 million of issuance of share capital, partially offset by \$49.2 million cash used for dividend payments, \$11.0 million cash used in long-term debt interest payments and financing charges, and \$1.7 million cash used to purchase shares for cancellation during the period.

Finally, the negative impact of exchange rate changes on cash denominated in foreign currencies was \$0.2 million during the twelve-month period ended December 31, 2016.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Year-to-Date December 31, 2016, versus Year-to-Date December 31, 2015

Cash generated by operating activities amounted to \$57.5 million for the twelve-month period ended December 31, 2016, compared to \$66.9 million cash generated by operating activities for the same period last year. The negative variation in cash generated by operating activities is mainly attributable to higher negative change in non-cash operating working capital and other non-current liabilities of \$15.6 million and higher income tax paid and income tax expenses totaling \$9.4 million, during the twelve-month period ended December 31, 2016, compared to the same period last year, combined with net negative variation of non-recurring items of \$4.6 million related to a gain on disposal of investment in joint ventures, revaluation of assets held-for-sale, a loss on disposal of subsidiaries and a gain on acquisition of control of investment in a joint venture. The decrease in cash generated from operating activities was partially offset by an increase of \$16.2 million in EBITDA as described in the "Adjusted EBITDA" section for the twelve-month period ended December 31, 2016, compared to the same period last year.

Cash used in investing activities amounted to \$144.4 million for the twelve-month period ended December 31, 2016, compared to \$34.6 million cash used in investing activities for the same period last year. The variation in cash used in investing activities is mainly attributable to \$138.9 million cash used related to the Apex, Charlemagne, Centria and Larch Lane acquisitions, partially offset by the proceeds related to the disposal of investment in joint ventures of \$20.0 million.

Cash generated by financing activities was \$101.5 million for the twelve-month period ended December 31, 2016, compared to \$25.9 million cash used in financing activities for the same period last year. The year-over-year variation is mainly attributable to higher long-term debt of \$143.5 million, partially offset by a higher dividend payment of \$11.4 million and higher interest paid on long-term debt of \$3.5 million during the twelve-month period ended December 31, 2016, compared to the same period of 2015.

Finally, the exchange rate changes on cash denominated in foreign currencies negatively impacted the cash flow of the Firm by \$0.2 million during the twelve-month period ended December 31, 2016, compared to \$2.4 million positive impact for the same period last year.

Cash Earnings

The Company defines cash earnings as net earnings attributable to the Company's shareholders, adjusted for depreciation and amortization, changes in fair value of derivative financial instruments and non-cash compensation items. Cash earnings are an indicator of our ability to pay out dividends, to continue operations, and to invest in new businesses. We believe that cash earnings are an important measure to assess our core operating performance.

The following table provides details of the Firm's cash earnings and cash earnings per share for the twelve-month periods ended December 31, 2016, and 2015, respectively.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Table 12 – Cash Earnings ⁽¹⁾ (in \$ thousands except per share data)

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2016	DECEMBER 31, 2015
Net earnings attributable to the Company's shareholders	20,777	27,631
Adjusted for the following items:		
Depreciation of property and equipment	3,401	2,030
Amortization of intangible assets	42,723	27,119
Non-cash compensation	15,107	8,880
Changes in fair value of derivative financial instruments	211	445
Cash earnings attributable to the Company's shareholders	82,219	66,105
Cash earnings per share (basic)	1.08	0.94
Cash earnings per share (diluted)	1.05	0.93

⁽¹⁾ Cash earnings and cash earnings per share are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 56.

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

For the twelve-month period ended December 31, 2016, \$42.7 million in depreciation of property and equipment, and amortization of intangible assets, as well as \$15.1 million non-cash compensation, and 0.2 million change in fair value of derivative financial instruments had an unfavourable impact on the net earnings attributable to the Company, compared to \$29.1 million, \$8.9 million, nil and \$0.4 million for the same period last year, respectively. Excluding these items, cash earnings attributable to the Company's shareholders amounted to \$82.2 million, or \$1.08 per share (basic) and \$1.05 (diluted) for the twelve-month period ended December 31, 2016, compared to \$66.1 million or \$0.94 per share (basic) and \$0.93 (diluted) for the same period last year.

Long-Term Debt

Table 13 – Credit Facility (in \$ thousands)

	DECEMBER 31, 2016	DECEMBER 31, 2015
Term facility	167,838	-
Revolving facility	262,323	265,270
Other facility	2,039	-
Deferred financing charges	(1,777)	(1,044)
	430,423	264,226
Less current portion	(1,283)	-
Non-current portion	429,140	264,226

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").

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

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.

On May 31, 2016, the Company used the additional amount available under the new term facility to finance the cash portion of the Apex acquisition and the remaining amount available under the term facility at that date, was used to reimburse borrowings under the revolving facility. The total amount drawn on the term facility at December 31, 2016 is US\$125.0 million (CA\$167.838 million).

Revolving Facility

The Credit Facility includes a CA\$300.0 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 December 31, 2016, the total amount drawn on the revolving facility was comprised of CA\$174.0 million and US\$65.781 million (CA\$88.323 million) (CA\$128.258 million and US\$98.997 million (CA\$137.012 million) was outstanding as at December 31, 2015). The total consideration of \$54.055 million for the Charlemagne acquisition was financed in part by the revolving facility.

Terms of the Credit Facility

The Credit Facility bears interest based on the currency in which an amount is drawn and includes a credit spread based on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. On the revolving facility, the interest rate is based on the Canadian prime rate plus a spread which varies from 0.0% to 1.5% or, at the discretion of the Company, based either on the US base rate plus a spread varying from 0.0% to 1.5% or the Libor rate plus a spread varying from 1.0% to 2.5%. The interest rate on the term facility is based on the US base rate plus a spread varying from 0.0% to 1.5% or Libor rate plus a spread varying from 1.0% to 2.5%. The Company decides whether amounts drawn in US dollars on the term and revolving facilities will be based on US base rate or the Libor rate.

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 minimal interest coverage ratio. EBITDA, a non IFRS 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 December 31, 2016 and 2015, 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.

In 2015 the Company evaluated the changes to the Third Amendment and Restated Credit Agreement and concluded that the revised terms were substantial and constituted an extinguishment of the previous facility. As a result, unamortized deferred financing charges of \$718 relating to the previous facility were written off in the consolidated financial statements on the date of the amendment (nil for 2016).

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Other Facility

One of the Company's subsidiaries has an outstanding bank loan in the amount of \$1.281 million of which quarterly payments of CA\$0.131 million are required. The loan bears interest at prime plus 0.25% to 0.50% which is based on the ratio of senior debt to EBITDA (as defined in the loan agreement), and matures on June 30, 2019. As at December 31, 2016, all debt covenant requirements were met.

Another subsidiary of the Company has a line of credit with a dollar limit of CA\$0.8 million. It bears interest at prime plus 2.75% and has no fixed maturity date. As at December 31, 2016, the amount drawn by the subsidiary on the line of credit is \$0.758 million.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2016:

Table 14 – Contractual Obligations (\$ in thousands)

	Carrying Amount	Total	2017	2018	2019	Thereafter
Long-Term Debt	432,200	432,200	1,283	525	168,069	262,323
Purchase Price Obligations	34,968	43,906	14,940	14,488	14,473	5
Operating Leases	n/a	77,164	12,655	10,439	9,435	44,635
Puttable Financial Instruments	5,500	5,500	5,500	-	-	-
Total Obligations	n/a	558,770	34,378	25,452	191,977	306,963

Contingent Liabilities

In the normal course of business, the Company is 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 December 31, 2016, Fiera Capital was not party to any off-balance sheet arrangements, including guarantees, derivatives, except for the above-mentioned floating-to-fixed interest rate swap agreement, and variable-interest entities. We do not expect to enter into such agreements.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Share Capital

As at December 31, 2016, the Company had 60,800,655 Class A shares and 19,810,903 Class B special voting shares for a total of 80,611,558 outstanding shares compared to 51,536,848 Class A subordinate voting shares and 19,847,577 Class B special voting shares for a total of 71,384,425 outstanding shares as at December 31, 2015.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2016, and 2015, under the terms of the Company's stock option plan:

Table 15 – Options Transactions

	DECEMBER 31, 2016		DECEMBER 31, 2015	
	Number of Class A Share Options	Weighted-Average Exercise Price (\$)	Number of Class A Share Options	Weighted-Average Exercise Price (\$)
Outstanding – beginning of year	3,040,225	9.58	3,346,037	9.32
Granted	254,379	12.33	255,000	11.64
Exercised	(401,642)	5.86	(356,173)	6.82
Forfeited	(93,617)	13.11	(204,639)	12.74
Outstanding – end of period	2,799,345	10.25	3,040,225	9.58
Options exercisable – end of year	1,049,685	7.82	1,225,485	7.04

Deferred Share Unit Plan ("DSU")

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. Under the DSU Plan, each director received, on the date in each quarter which is three business days following the publication by the Company of its earnings results for the previous quarter, that number of DSU having a value equal to up to 100% of such director's base retainer for the current quarter, provided that a minimum of 50% of the base retainer must be in the form of DSU. The number of DSU granted to a director was determined by dividing the dollar value of the portion of the director's fees to be paid in DSUs by the closing price of the Class A Shares of the TSX for the business day immediately preceding the date of the grant. At such time as a director ceased to be a director, the Company would make a cash payment to the director equal to the closing price of the Class A Shares on the date of departure, multiplied by the number of DSU held by the director on that date. As at September 1, 2010, the Board cancelled the DSU plan; however, all existing rights and privileges were kept intact. All directors are now compensated in cash.

As at December 31, 2016, management recorded a liability for an amount of \$0.192 million for the 14,998 units outstanding under the DSU Plan (\$0.162 million for 14,295 units as at December 31, 2015).

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Restricted Share Unit ("RSU") Plan

On December 11, 2012, the Board adopted a RSU Plan for the purposes of providing certain employees with the opportunity to acquire Class A Shares of the Company in order to induce such persons to become employees of the Company, or one of its affiliates and to permit them to participate in the growth and development of the Company. The maximum number of issuable Class A Shares under all plans is 10% of the issued and outstanding shares of the Company calculated on a non-diluted basis. The vesting date is the third anniversary of the award date. The Board may determine the number of shares each eligible employee can receive. RSU expense is recorded at fair value and is amortized over the vesting period on a straight-line basis.

The following table presents transactions that occurred during the years ended December 31, 2016 and 2015 in the Company's RSU Plans.

Table 16 – RSU Plan Transactions

	2016	2015
Outstanding - beginning of year	686,244	540,508
Granted	-	273,964
Reinvestments in lieu of dividends	31,985	30,872
Vested	(259,934)	(140,630)
Forfeited	(1,992)	(18,470)
Outstanding – end of year	456,303	686,244

114,812 Restricted share units were paid in cash (2015 - 1,760).

As at December 31, 2016, the Company recorded a liability for an amount of \$3.081 million for the 456,303 units outstanding under the RSU Plan (\$2.905 million for 686,244 units as at December 31, 2015). An expense of \$3.466 million and \$2.204 million was recorded for these grants during the years ended December 31, 2016 and 2015, respectively.

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

During the year ended December 31, 2016, the Board approved an amendment to the settlement terms under the RSU Plan. RSUs granted under the revised plan, unless specified otherwise in the participant's award notice, will be paid in cash on the vesting date. All other terms of the RSU Plan remained unchanged. Prior to the amendment, participants had the choice to settle vested units with a combination of cash and Class A Shares.

Table 17 – RSU Cash Transactions

	2016
Outstanding – beginning of year	-
Granted	308,768
Reinvestments in lieu of dividends	7,365
Outstanding – end of year	316,133

As at December 31, 2016, the liability under this RSU Plan was \$0.549 million for the 316,133 units outstanding which is included in other non-current liabilities on the consolidated statements of financial position. An expense of \$0.549 million was recorded during the year ended December 31, 2016 for these grants.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Restricted Share Plan ("RSP")

On October 30, 2015, in relation with the acquisition of Samson, the Board adopted a Restricted Share Plan for the purposes of retaining certain employees and providing them with the opportunity to participate in the growth and development of the Company. The maximum number of issuable Class A Shares under the plan is 224,699 of the issued and outstanding shares of the Company. The Board may determine the number of restricted shares each eligible employee can receive. The Restricted Shares vest over a three-year period with one third vesting each year. Accelerated vesting occurs in certain circumstances, including death or disability. The Restricted Shares are entitled to dividends and have voting rights. The plan administrator will reinvest the proceeds of the dividends received into additional shares of the Company.

On October 30, 2015, the Company issued 224,699 Restricted Shares. In conjunction with the Restricted Share issuance, the Company issued 224,699 Class A Shares which are held in escrow. During the year ended December 31, 2016, 76,326 Class A Shares that vested were released from escrow. In addition, 7,540 (2015 - 2,346) Class A Shares were purchased with the proceeds of the dividends received and credited to the escrow account.

The share-based payment expense is measured based on the fair value of the Restricted Shares on the grant date and is recognized over the vesting period on a straight-line basis. An expense of \$1.379 million and \$0.227 million was recorded for the years ended December 31, 2016 and 2015, respectively for this grant.

Performance Share Unit Plan ("PSU")

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

Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value, by the value of the performance share unit applicable to the business unit which is determined by the Board at each award date.

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

Vested performance share units are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of performance share units vested and the value of the performance share unit as calculated by the Board on the applicable vesting date.

Each award notice specifies whether the settlement of the Company's payment obligation will be by issuance and delivery of the Company's Class A shares either at the option of the Company, the eligible employee or both. When the payment obligation is settled through the delivery of shares, the Company determines the total number of the Class A Shares to be issued based on the total settlement date value divided by a volume-weighted average price as defined in the plan.

During the years ended December 31, 2016 and 2015, the total award value granted to eligible employees under the Company's PSU plans applicable to business units was \$nil and \$16.2 million, respectively. During the year ended December 31, 2016, certain PSU applicable to business units representing a total value of \$13.5 million vested. A total of 1,044 Class A Shares will be issued subsequent to December 31, 2016.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

In early 2016, the Company settled the vested PSUs at December 31, 2015 by paying \$4.237 million in cash in lieu of issuing Class A Shares. The Company treated the transaction as a repurchase of an equity interest and recorded a deduction in the amount of \$4.237 million in contributed surplus. The settling of these PSUs in cash was due to unique circumstances. The Company still has the intention to settle the remaining tranches by issuing shares.

An expense of \$6.508 million and \$4.393 million was recorded during the years ended December 31, 2016 and 2015, respectively for the PSU plan applicable to BU. For the year ended December 31, 2016, the expense is attributable to equity-settled grants and cash-settled grants for an amount of \$6.523 million and (\$0.015 million), respectively (\$4.422 million and (\$0.029 million), respectively for the year ended December 31, 2015).

PSU Plan

An expense of \$2.154 million and \$0.924 million was recorded during the years ended December 31, 2016 and 2015, respectively for this PSU plan. For the year ended December 31, 2016, the expense is attributable to equity-settled grants and to cash-settled grants for an amount of \$0.365 million and \$1.789 million, respectively (\$0.213 million and \$0.711 million, respectively for the year ended December 31, 2015).

Stock Option Plans in the Company's Subsidiaries

Two of the Company's subsidiaries have a stock option plan which is based on the shares of the respective subsidiary entity. These plans are accounted for as cash-settled plans. The total stock option expense in the statements of consolidated net earnings for the year ended December 31, 2016 was \$0.091 million. The cash settled share-based liability is \$1.297 million in the statements of financial position as at December 31, 2016.

Post-Employment Benefit Obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2016 amount to \$2.851 million (\$2.409 million for the year ended December 31, 2015).

Subsequent to a business combination in September 2010, the Company assumed the role of sponsor of several individual pension plans ("IPPs") which had been established by the Company for former employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies. These IPPs are valued on a triennial reporting cycle. The most recent actuarial valuation was performed as at January 1, 2016 for four plans. The next actuarial valuation date is January 1, 2018 for one plan, June 30, 2018 for one plan and January 1, 2019 for four plans. Each IPP plan will be wound up upon the death of the respective participant or if applicable, the surviving spouse.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Related Party Transactions

The Company entered into the following significant transactions with its shareholders and their related companies:

Table 18 – Related Party Transactions (in \$ thousands)

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2016	DECEMBER 31, 2015
Base management, performance and other revenues	50,180	52,326
Selling, general & administrative expenses		
Reference fees	1,574	1,592
Other	2,147	2,320
Interest on long-term debt	11,095	7,782
Changes in fair value of derivative financial instruments	211	445
Acquisition costs	-	120
Shares issued as settlement of the purchase price obligations	8,500	8,500

These 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.

The amounts due under the Company's Credit Facility presented as long-term debt are amounts due to a syndicate of lenders which includes two related parties of the Company. During 2016, the Company paid \$1.02 million (2015 - \$1.034 million) to the syndicate of lenders for different transaction-related fees. The amounts are recorded as deferred financing costs.

The counterparty to three of the derivative financial instruments is a related company.

The Company has carried out the following transaction with joint ventures: other revenue of nil for the year ended December 31, 2016 (\$0.4 million for the year ended December 31, 2015).

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

CONTROL AND PROCEDURES

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

Fiera Capital 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 December 31, 2016, and have concluded that they were effective.

Limitation on Scope of Design

On June 1, 2016, the Firm acquired 100% of the issued and outstanding shares of Apex Capital Management ("Apex"). On December 14, 2016, the Corporation acquired 100% of the issued and outstanding shares of Charlemagne Capital Limited ("Charlemagne"). Management is still in the process of completing its review of the design effectiveness of ICFR for Apex. As for Charlemagne, there was an initial visit in February 2017, with the objective of gaining a better understanding of the IT and business processes and risks and controls. It will be subject to a detail scoping analysis in April/May 2017. At December 31, 2016, risks were, however, mitigated as management was fully apprised of any material events affecting these acquisitions. In addition, all the assets and liabilities acquired were valued and recorded in the consolidated financial statements as part of the purchase price allocation process and the results of operations of Apex and Charlemagne were also included in the Corporation's consolidated results. Apex constitutes 6.41% of revenue, 41.16% of the net earnings of the year, 16.47% of the total assets, 4.89% of the current assets, 18.42% of the non-current assets, 3.60% of the current liabilities and none of the non-current liabilities of the audited consolidated financial statements for the twelve-month period ended December 31, 2016. Charlemagne constitutes 5.45% of revenue, 2.98% of the net earnings of the year, 9.37% of the total assets, 26.45% of the current assets, 6.48% of the non-current assets, 22.95% of the current liabilities and 1.62% of the non-current liabilities of the audited consolidated financial statements for the twelve-month period ended December 31, 2016. In the coming months, management will complete its review of the design of ICFR for Apex and assess its effectiveness. As for Charlemagne inclusion in the testing of design and operating effectiveness for 2017, it will depend on the results of the scoping analysis.

Following the above mentioned acquisition, Management had to adjust the consolidation process to incorporate the new US subsidiary. New controls were implemented in order to present fairly the financial position of the Company as at December 31, 2016, and its financial performance and its cash flows for the quarter ended December 31, 2016.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: equity market fluctuation risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2016 and 2015.

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

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

Market Risk

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

Equity Market Fluctuation Risk

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

The Company manages its investment portfolio with a medium risk mandate. Its particular expertise is asset management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at December 31, 2016 and 2015 is comprised of mutual fund and pooled fund investments and other securities with a fair value of \$8.972 million as at December 31, 2016 and \$4.707 million as at December 31, 2015. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2016, and 2015 would have an impact of increasing or decreasing other comprehensive income by \$0.897 million and \$0.471 million respectively.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

The Company's principal financial assets which are subject to credit risk are cash and cash equivalents, restricted cash, investments and accounts receivable. The carrying amounts of financial assets on the consolidated statements of financial position, other than derivative financial instruments represent the Company's maximum exposure to credit risk at the consolidated statements of financial position dates.

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

The Company's credit risk is attributable primarily to its trade receivables. The amounts disclosed in the consolidated statements of financial position are net of allowance for doubtful accounts, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. With the exception of National Bank of Canada and related companies which represent 11% as at December 31, 2016 (21% as at December 31, 2015), no customer represents more than 10% of the Company's accounts receivable as at December 31, 2016 and 2015.

Interest Rate Risk

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

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

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt denominated in US dollars and the operations of its US businesses and Charlemagne Capital which are predominantly in US dollars. The Company manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Company matches the long-term debt in foreign currency with long-term assets in the same currency.

Based on the balances outstanding (excluding long-term debt) as at December 31, 2016, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of \$1.928 million (2015 - \$0.864 million). The above calculation does not include the US dollar long-term debt, which is partially hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statements of financial position given that it is an intercompany balance and is eliminated on consolidation.

Liquidity Risk

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

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

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

Fair Value

Puttable Financial Instrument Liabilities

The puttable financial liabilities are recorded at their estimated fair value of \$5.5 million as at December 31, 2016. These are classified as current on the December 31, 2016 consolidated statements of financial position since they give the holder the right to put the shares that they hold in one of the Company's subsidiaries, to that subsidiary, upon ceasing employment. An amount of \$2.75 million is payable to a management shareholder of the Company's subsidiary within 30 days of December 31, 2016. The remaining balance is a contingent obligation to a management shareholder of the same subsidiary.

Derivative Financial Instruments

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

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

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

a) Forward Foreign Exchange Contracts – Held for Trading

On January 6, 2016, the Company entered into a series of (twelve) average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with revenues denominated in US dollars for the year ended December 31, 2016. These forward foreign exchange contracts had a total initial notional amount of US\$15.203 million (the notional amounts ranged from US\$0.859 million to US\$1.619 million per month) and matured one by one on a monthly basis until December 31, 2016. At each monthly settlement from January 2016 to December 2016, the Company sold US dollars at 1.4000.

On December 23, 2016, the Company entered into a series of (twelve) average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars for the year ending December 31, 2017. These foreign exchange contracts have a total initial notional amount of US\$35.107 million (the notional amounts range from US\$2.034 million to US\$5.935 million per month) and mature one by one on a monthly basis until December 29, 2017. At each monthly settlement from January 2017 to December 2017, the Company will sell US dollars at 1.3482.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Forward foreign exchange contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value through profit or loss at the end of each reporting period. The gain or loss from these derivative financial instruments is \$1.427 million for the year ended December 31, 2016 and is recognized in accordance to the nature of the transaction and therefore within other revenues on the statements of earnings under the caption: Other revenues.

On June 29, 2016 and October 19, 2016, one of the Company's subsidiaries entered into two forward foreign exchange contracts to manage its exposure to foreign exchange rates. Each contract has a notional U.S. dollar value of \$2.0 million to sell US and buy GBP. The contracts ended on January 25, 2017 and January 23, 2017 respectively.

The fair value of the derivative financial liability for these two contracts is US\$0.193 million (CA\$0.26 million) as at December 31, 2016. The change in fair value of derivative financial instruments presented in the consolidated statements of earnings is revenue of US\$0.009 million (CA\$0.012 million) for the period from acquisition date to December 31, 2016.

b) Forward Foreign Exchange Contracts – Hedge

On September 30, 2016, the Company entered into a foreign exchange forward contract to manage the currency fluctuation risk associated with the consideration for the acquisition of Charlemagne which was denominated in GBP. The foreign exchange forward contract with a total initial notional amount of GBP 15.0 million matured on October 27, 2016. In early October 2016, the Company entered into three additional foreign exchange forward contracts with a total initial notional amount of GBP 15.0 million. At their maturity dates, each of these contracts was rolled into a new contract, for a total notional amount of GBP 30.0 million, until they were all closed out on the closing date of the Charlemagne acquisition.

These contracts were designated as cash flows hedges and satisfied the requirements for hedge accounting. The effective portion of changes in the fair value of these contracts was recognized in other comprehensive income and accumulated in a hedging reserve until the contracts were closed at which time the net realized loss of \$1.072 million was included in the purchase consideration and was recorded as goodwill.

c) Interest Rate Swap Contract – Held for Trading

On May 1, 2012, the Company entered into a Canadian interest rate swap contract to manage the interest rate fluctuations on its term facility denominated in Canadian dollars. The interest rate swap contract had an original amortizing notional amount of CA\$108.0 million at inception and matured on April 3, 2017. As at December 31, 2016, the notional amount was CA\$95.85 million (CA\$103.95 million as at December 31, 2015). The contract consists of exchanging the variable interest rate based on one-month Canadian prime rate for a fixed rate of 1.835%. Amounts are settled on a monthly basis. The gain or loss on the interest rate swap is recorded in changes in fair value of derivative financial instruments in the consolidated statements of earnings.

The Company remains exposed to changes in the Canadian prime rate on the difference between the amount drawn on the revolving facility in Canadian dollars and the notional amount of the interest rate swap contract. The swap is effective until April 2017 while the revolving facility matures on March 25, 2020. The Company is exposed to fluctuations in the US base or Libor rates on the US dollar term and revolving facilities since the Company does not have any US dollar swaps in place. The drawings in US dollars on the revolving facilities total US\$65.781 million as at December 31, 2016 (US\$98.997 million as at December 31, 2015).

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

d) Cross currency Swaps – Held for Trading

Under the terms of the revolving facility, the Company can borrow either in U.S. dollars based on US base or LIBOR rates plus 2.5% or in Canadian dollars based on CDOR plus 2.5% (the same credit spread). To benefit from interest cost savings, the Company has effectively created a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 2.1% on CA\$100.0 million by borrowing against the US dollar revolving facility, the equivalent of CA\$100.0 million (US\$73.5 million) at Libor plus 2.5%, and swapping it into CDOR plus 2.1% with a one-month cross currency swap. On December 28, 2016, the Company withdrew US\$73.5 million on its credit facility at a one-month LIBOR rate plus 2.5% and simultaneously entered into a one-month cross currency swap contract that has a total notional amount of US\$73.5 million (CA \$100.0 million) and that matures on January 30, 2017. As a result of the swap, the Company receives floating interest payments based on a spread of one-month LIBOR rate (US\$) plus 2.5% and pays a floating rate based one-month CDOR rate (CA\$) plus a spread of 2.1%.

This combination of transactions will be repeated on a monthly basis. This strategy provides cost savings without currency risk since the terms of the US LIBOR financing and the cross currency swap are exactly matched (US dollar notional amount, LIBOR rate, trade and maturity dates).

As at December 31, 2016, the fair value of the cross currency swap contract is a liability of US\$0.984 million (CA\$1.322 million). This fair value is offset by the equivalent changes in fair value in Canadian dollars on the amount drawn on the US revolving facility specifically for this transaction (US\$73.5 million). The change in fair value of the cross currency swaps presented in the consolidated statements of earnings is \$1.322 million for the years ended December 31, 2016.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

CAPITAL MANAGEMENT

The Company's capital comprises share capital including hold back shares, (deficit) retained earnings and long-term debt, less cash. 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. During the twelve-month period ended December 31, 2016, the Company and one of its subsidiaries have complied with their respective calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, which is calculated on a non-consolidated basis. 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 or proceed to the issuance or repayment of debt.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

This MD&A is prepared with reference to the audited consolidated financial statements for the three and twelve-month periods ended December 31, 2016. 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 year ended December 31, 2016. Some of the Company's accounting policies, as required under IFRS, require the Management to make subjective, complex judgments and estimates to matters that are inherent to uncertainties.

NEW ACCOUNTING POLICIES

Adoption of New IFRS

The following revised standards are effective for annual periods beginning on January 1, 2016, and their adoption has not had any impact on the amounts reported or disclosures made in these financial statements but may affect the accounting for future transactions, arrangements, or disclosures in the Company's 2016 annual financial statements.

Amendments to IFRS 11 – Joint Arrangements

In May 2014, the IASB issued an amendment to this standard requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business.

Amendments to IAS 38 – Intangible Assets and IAS 16 – Property, Plant and Equipment

In May 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate.

Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures

In September 2014, the IASB issued amendments to these standards to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. The extent of gains and losses arising on the sale or contribution of assets depends on whether the assets sold or contributed constitute a business. In August 2015, the IASB published an exposure draft proposing an indefinite deferral of the effective date for these amendments.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Annual Improvements to IFRS (2012-2014) Cycle

In September 2014, the IASB published annual improvements on the 2012-2014 cycle which included narrow-scope amendments. Modifications of standards that are relevant to the Company include: (1) specific guidance for cases when an entity reclassifies an asset from held-for-sale to held-for-distribution and vice versa in IFRS 5 – *Non-current assets held-for-sale*, (2) additional guidance on whether a servicing contract constitutes continuing involvement in a transferred financial asset and therefore whether the asset qualifies for derecognition in IFRS 7 – *Financial Instruments: Disclosures*, and (3) clarification that the high quality bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits paid under IAS 9 – *Employee Benefits*.

Amendments to IAS 1 – Presentation of Financial Statements

In December 2014, the IASB published amendments to this standard to clarify materiality, aggregation and disaggregation of items presented on the statement of financial position, statement of earnings, and statement of comprehensive income as well as the order of notes to the financial statements.

IFRS Issued but Not Yet Adopted

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

IFRS 9 – Financial Instruments

In July 2014, the IASB finalized IFRS 9, bringing together the financial asset and financial liability classification and measurement, impairment of financial assets and hedge accounting phases of the IASB project. IFRS 9 provides a single model for financial asset classification and measurement that is based on contractual cash flow characteristics and on the business model for holding financial assets. IFRS 9 also introduces a new impairment model for financial assets not measured at fair value through profit or loss. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets and liabilities. IFRS 9 replaces IAS 39 – *Financial Instruments: Recognition and Measurement* and is mandatorily effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption permitted. The Company is still evaluating the impact of this standard on its consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments.

In April 2016, the IASB issued clarifications to IFRS 15 which provide clarity on revenue recognition related to identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property and provide some transition relief for modified contracts and completed contracts.

Adoption of IFRS 15 is mandatory for annual periods beginning on or after January 1, 2018. Entities have the choice of full retrospective application, or prospective application with additional disclosures. Early adoption is permitted. The Company is evaluating the impact of this standard on its consolidated financial statements.

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. Earlier application is permitted only for entities also applying IFRS 15 – *Revenue from Contracts with Customers*. The Company is still evaluating the impact of this standard on its consolidated financial statements.

Amendments to IAS 7 – Statement of Cash Flows

In January 2016, the IASB published amendments to IAS 7 – *Statement of cash flows*. The amendments are intended to improve information provided to users of financial statements about an entity's financing activities. The amendments will come into effect for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Management does not expect this amendment to have a significant impact on the Company's consolidated statements of cash flows.

Amendments to IAS 12 – Income Taxes

In January 2016, the IASB published amendments to IAS 12 – *Income taxes*. The amendments are intended to clarify the recognition of deferred tax assets where an asset is measured at fair value and that fair value is below the asset's tax base. The amendments will come into effect for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Management does not expect this amendment to have a significant impact on the Company's consolidated 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 classification and measurement of share-based payment transactions. The amendments will come into effect for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is evaluating the impact of this standard on its consolidated financial statements.

Amendments to IAS 40 – Investment Property

In December 2016, the IASB published amendments to IAS 40 – *Investment Property* to clarify the accounting for transfers of property to, or from, investment property. The amendments will come into effect for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is evaluating the impact of this standard on its consolidated financial statements.

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. This new standard will come into effect for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is evaluating the impact of this standard on its consolidated financial statements.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Annual Improvements to IFRS (2014-2016) Cycle

In December 2016, the IASB published annual improvements on the 2014-2016 cycle. The pronouncement contained amendments to clarify the scope of IFRS 12 – *Disclosure on interests in other entities*. The amendments will come into effect for annual periods beginning on or after January 1, 2017, for IFRS 12, and January 1, 2018 for IFRS 12.

NON-IFRS MEASURES

Adjusted EBITDA is calculated as the difference between total revenues and SG&A expenses (excluding non-cash compensation) and external managers' expenses.

Adjusted net earnings are calculated as the sum of net earnings (loss) attributable to the Company's shareholders, non-cash items, including depreciation of property and equipment, amortization of intangible assets, after-tax changes in fair value of derivative financial instruments, after-tax acquisition and restructuring and other integration costs and non-cash compensation items.

Cash earnings are calculated as the sum of net earnings (loss) attributable to the Company's shareholders, non-cash items, including depreciation of property and equipment, amortization of intangible assets, changes in fair value of derivative financial instruments and non-cash compensation items.

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 eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when one relies solely on IFRS measures. We also believe that 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. 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. Although we consider the items excluded from the calculation of non-IFRS measures to be non-recurring and less relevant to evaluate our performance, some of these items may be recurring and, accordingly, may reduce available cash. We believe that the presentation of the non-IFRS measures described above is appropriate. However, 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. In addition, because other companies may calculate non-IFRS measures differently than we do, these measures may not be comparable to similarly titled measures reported by other companies.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

RISKS OF THE BUSINESS

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

Clients are not committed to a long-term relationship

The agreements pursuant to which Fiera Capital manages its clients' assets, in accordance with industry practice, may be terminated upon short notice. Clients who are invested in units of the Funds may have their units redeemed upon short notice as well. Consequently, there is no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM, which may have a material negative impact on Fiera Capital's ability to attract and retain clients and on its management fees, its potential performance fees and its overall profitability.

The loss of any major clients or of a significant number of existing clients could have a material adverse effect upon Fiera Capital's results of operations and financial condition.

Poor investment performance could lead to the loss of existing clients, an inability to attract new clients, lower AUM and a decline in revenue

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of funds by existing clients in favour of better-performing products and would have an adverse impact upon Fiera Capital's ability to attract funds from new and existing clients, any of which could have an adverse impact on Fiera Capital's AUM, management fees, profitability and growth prospects. In addition, Fiera Capital's ability to earn performance fees is directly related to its investment performance, and therefore poor investment performance may cause Fiera Capital to earn less or no performance fees. Fiera Capital cannot guarantee that it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Reliance on a major customer

As part of the Natcan Transaction, Fiera Capital entered into an Assets Under Management Agreement with Natcan and National Bank. Following the Natcan Transaction, National Bank became the largest client of Fiera Capital with \$23.2 billion of AUM as of December 31, 2016, representing approximately 20% of Fiera Capital's \$116.9 billion in AUM. Termination of the agreement or failure to renew the term of this agreement could result in a significant reduction of Fiera Capital's AUM which could have a material adverse effect on its business, prospect financial condition and results of operations.

Loss of key employees as a result of competitive pressures could lead to a loss of clients and a decline in revenue

Fiera Capital's business is dependent on the highly skilled and often highly specialized individuals it employs. The contribution of these individuals to Fiera Capital's Investment Management, Risk Management and Client Service teams plays an important role in attracting and retaining clients. Fiera Capital devotes considerable resources to recruiting, training and compensating these individuals. However, given the growth in total AUM in the investment management industry, the number of new firms entering the industry and the reliance on performance results to sell financial products, demand has increased for high-quality investment and client service professionals. Compensation packages for these professionals have a tendency to increase at a rate well in excess of inflation and above the rates observed in other industries. Fiera Capital expects that these costs will continue to represent a significant portion of its expenses.

Fiera Capital has taken, and will continue to take, steps to encourage its key employees to remain with the Company. These steps include providing a stock option plan, a short-term incentive plan and the Employee Share Purchase Plan, as well as a working environment that fosters employee satisfaction. We are confident that these measures, aimed to ensure we are an employer of choice, will be effective in retaining these individuals, even if we face increasing

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

competition for experienced professionals in the industry, and that Fiera Capital will be able to recruit high-quality new employees with the desired qualifications in a timely manner when required.

Integration of acquired businesses

The success of the expected benefits from any acquisition completed or that may be completed by Fiera Capital will depend, in part, on the ability of management of Fiera Capital to realize the expected benefits and cost savings from integration of the businesses of Fiera Capital and those acquired. The integration of the businesses may result in significant challenges, and management of Fiera Capital may be unable to accomplish the integration smoothly or successfully or without spending significant amounts of money. It is possible that the integration process could result in the loss of key employees, the disruption of their respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management of Fiera Capital to maintain relationships with customers, suppliers or employees or to achieve the expected benefits of any acquisition.

The integration of Fiera Capital and any acquired business requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. There can be no assurance that management of Fiera Capital will be able to integrate the operations of each acquired business successfully or achieve any of the synergies or other benefits expected as a result of an acquisition. Any inability of management to successfully integrate the operations of Fiera Capital and those contemplated by an acquisition, including information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Competitive pressures could reduce revenue

The investment management industry (including the non-traditional investment industry) is competitive. Certain of Fiera Capital's competitors have, and potential future competitors could have, substantially greater technical, financial, marketing, distribution and other resources than Fiera Capital. They may also propose or develop ranges of products and service offerings that are more attractive to existing or potential clients of Fiera Capital. There can be no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM or revenues in this competitive environment. Competition could have a material adverse effect on Fiera Capital's profitability and there can be no assurance that Fiera Capital will be able to compete effectively. In addition, Fiera Capital's ability to maintain its Management Fee and Performance Fee structure is dependent on its ability to provide clients with products and services that are competitive. There can be no assurance that Fiera Capital will not come under competitive pressures to lower the fees it charges or that it will be able to retain its fee structure or, with such fee structure, retain clients in the future. A significant reduction in Fiera Capital's management fees or performance fees could have an adverse effect on revenues and profitability.

Conflicts of interest and reputational risk

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

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in Fiera Capital's earnings or client base because of its impact on Fiera Capital's corporate image. Reputational risk is inherent in virtually

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

all Fiera Capital's business transactions, even when the transaction is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent in Fiera Capital's business. For this reason, Fiera Capital's framework for reputation risk management is integrated into all other areas of risk management and is a key part of the code of ethics and conduct that all Fiera Capital's employees are required to observe.

Change(s) in the investment management industry could result in a decline in revenue

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

Employee errors or misconduct could result in regulatory sanctions or reputational harm, which could materially adversely affect Fiera Capital's business, financial condition or profitability

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Capital takes to deter and prevent such activity (including by instituting its code of ethics and conduct), Fiera Capital runs the risk that employee misconduct could occur. Misconduct by employees could include binding Fiera Capital to transactions that exceed authorized limits or present unacceptable risks, or concealing from Fiera Capital unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. Fiera Capital is also susceptible to loss as a result of employee error. It is not always possible to deter employee misconduct or prevent employee error, and the precautions Fiera Capital takes to prevent and detect these activities may not be effective in all cases, which could materially adversely affect Fiera Capital's business, financial condition or profitability.

Regulatory and litigation risk

Fiera Capital's ability to carry on business is dependent upon Fiera Capital's compliance with, and continued registration under, securities legislation in the jurisdictions where it carries on business. Any change in the securities regulatory framework or failure to comply with any of these laws, rules or regulations could have an adverse effect on Fiera Capital's business. There is also the potential that the laws or regulations governing Fiera Capital's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to Fiera Capital. The rapidly changing securities regulatory environment and the rise of investment management industry standards for operational efficiencies, as well as competitive pressures to implement innovative products and services, may require additional human resources. The implementation of additional reporting obligations and other procedures for investment funds may require additional expenditures. Failure to comply with these regulations could result in fines, temporary or permanent prohibitions on Fiera Capital's activities or the activities of some of Fiera Capital's personnel or reputational harm, which could materially adversely affect Fiera Capital's business, financial condition or profitability.

Regardless of Fiera Capital's effectiveness in monitoring and administering established compliance policies and procedures, Fiera Capital, and any of its directors, officers, employees and agents, may be subject to liability or fines that may limit its ability to conduct business. Fiera Capital maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage. In recent years, the cost of obtaining insurance has

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

increased while the number of insurance providers has decreased. As a result of the introduction of the civil liability regime for secondary market disclosure, the ability to obtain insurance on reasonable economic terms may be even more difficult in the future.

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

Certain of Fiera Capital's US subsidiaries, namely Bel Air Advisors (and its subsidiary, Bel Air Management) Fiera Capital Inc. (formerly, Wilkinson O'Grady), CCUK and CCIOM are registered investment advisers with the SEC. Fiera Capital's other US subsidiary, Bel Air Securities, is a registered US broker-dealer. Many aspects of these entities' asset management and/or broker-dealer activities are subject to US federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict Bel Air, Bel Air Management or Fiera Capital Inc. from carrying on their asset management or broker-dealer activities (including, but not limited to, by suspending individual employees, revoking registrations or imposing other censures and significant fines) in the event that they, their employees or their affiliates fail to comply with such laws and regulations. The regulatory environment in which Bel Air, Bel Air Management and Fiera Capital Inc. operate in the United States is in a period of transition. In the United States, there has been active debate over the appropriate extent of regulation and oversight of investment advisers and broker-dealers. New or revised legislation or regulations imposed by the SEC or other US governmental regulatory authorities or self-regulatory organizations, or changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations, may impose additional costs or other adverse effects on Bel Air, Bel Air Management, Fiera Capital Inc., Fiera Capital or any of its affiliates.

Indebtedness

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

These covenants limit Fiera Capital's ability to, among other things:

- incur, create, assume, or suffer to exist additional Debt for Borrowed Money (as defined therein);
- create, assume, or otherwise become or remain obligated in respect of, or permit to be outstanding guarantees;
- pay dividends on, redeem or repurchase Fiera Capital's capital stock;
- make investments and loans;
- make acquisitions;
- incur capital expenditures;

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

- create, incur, assume or suffer to exist certain liens; engage in certain mergers, acquisitions, asset sales or sale-leaseback transactions,
- dispose of assets;
- effect any change in the nature of their business activities;
- amend or modify in any way the Borrower Parties' constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the Material Contracts (as described therein); and
- consolidate, merge, wind-up, liquidate or sell all or substantially all of their respective assets.

These restrictions may prevent the Corporation from taking actions that it believes would profit its business, and may make it difficult for Fiera Capital to successfully execute its business strategy or effectively compete with companies that are not similarly restricted.

In addition, the Fourth Amended and Restated Credit Agreement requires Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of a change of control of Fiera Capital will cause an event of default.

Although at present these covenants do not restrict Fiera Capital's ability to conduct its business as presently conducted, there are no assurances that in the future, Fiera Capital will not be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. Furthermore, a failure to comply with these covenants, including a failure to meet the financial tests or ratios, could result in an event of default under the Fourth Amended and Restated Credit Agreement.

Furthermore, a portion of Fiera Capital's indebtedness, including the borrowings under the Fourth Amended and Restated Credit Agreement, is at variable rates of interest and exposes Fiera Capital to interest rate risk. If interest rates increase, Fiera Capital's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed would remain the same, and the net income and cash flows would decrease. Failure to manage risks in portfolio models could materially adversely affect Fiera Capital's business, financial condition or profitability.

Risk Management

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

Other risk management methods depend upon evaluation of information regarding markets, clients or other matters that is publicly available or otherwise accessible by Fiera Capital. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions, and events and these policies and procedures may not be fully effective. A failure by Fiera Capital to manage risks in its portfolio models could materially adversely affect Fiera Capital's business, financial condition or profitability.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

Rapid growth in Fiera Capital's AUM could adversely affect Fiera Capital's investment performance or its ability to continue to grow

An important component of investment performance is the availability of appropriate investment opportunities for new client assets. If Fiera Capital is not able to identify sufficient investment opportunities for new client assets in a timely manner, its investment performance could be adversely affected, or Fiera Capital may elect to limit its growth and reduce the rate at which it receives new client assets. If Fiera Capital's AUM increases rapidly, it may not be able to exploit the investment opportunities that have historically been available to it or find sufficient investment opportunities for producing the absolute returns it targets.

Valuation

Valuation of the Funds is subject to uncertainty. While the Funds are audited by independent auditors, within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*, in order to assess whether the Funds' financial statements are fairly stated in accordance with Canadian GAAP or IFRS, valuation of certain of the Funds' securities and other investments may involve uncertainties and judgment determinations and, if such valuations should prove to be incorrect, the net asset value of a Fund could be misstated. Independent pricing information may not always be available regarding certain of the Funds' securities and other investments. Additionally, the Funds may hold investments which by their very nature may be extremely difficult to value accurately, particularly the venture investments held by Fiera Capital in private portfolio companies. Fiera Capital may incur substantial costs in rectifying pricing errors caused by the misstatement of investment values.

Possible requirement to absorb operating expenses on behalf of mutual funds

If the assets under management in the Funds decline to the point that charging the full fund operating expenses to the Funds causes management expense ratios or the Funds to become uncompetitive, Fiera Capital may choose to absorb some of these expenses. This will result in an increase in expenses for Fiera Capital and a decrease in profitability.

Failure to implement effective information security policies, procedures and capabilities could disrupt operations and cause financial losses that could materially adversely affect Fiera Capital's business, financial condition or profitability

Fiera Capital is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that reside on or is transmitted through them. An externally caused information security incident, such as a hacker attack, a virus or a worm, or an internally caused issue, such as failure to control access to sensitive systems, could materially interrupt Fiera Capital's business operations or cause disclosure or modification of sensitive or confidential information and could result in material financial loss, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could materially adversely affect Fiera Capital's business, financial condition or profitability.

The administrative services provided by Fiera Capital depend on software supplied by third parties. Failure of a key supplier, the loss of suppliers' products or problems or errors related to such products would most likely have a material adverse effect on the ability of Fiera Capital to provide these administrative services. Changes to the pricing arrangement with such third-party suppliers because of upgrades or other circumstances could also have an adverse effect upon the profitability of Fiera Capital.

Fiera Capital has established information security controls, defined by a governance framework and processes that are intended to protect information and computer systems including information security risk assessments and privacy impact assessments. Notwithstanding these measures, the cyber security threats are rapidly and constantly changing, and there remains a possibility that processes and controls in place could be unsuccessful in preventing a security breach. Fiera Capital may be vulnerable, and work with third parties who may also be vulnerable to computer viruses

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

and other types of malicious software, cyber-attacks and hacking attempts from unauthorized persons, the physical theft of computer systems, internal programming or human errors, fraud, or other disruptive problems or events. There is also a risk that certain internal controls fail, which could also exacerbate any consequences from such events.

Dependency on information systems and telecommunications

Fiera Capital is dependent on the availability of its personnel, its office facilities and the proper functioning of its computer and telecommunications systems. A disaster such as water damage, an explosion or a prolonged loss of electrical power could materially interrupt Fiera Capital's business operations and cause material financial loss, loss of human capital, regulatory actions, and breach of client contracts, reputational harm or legal liability, which in turn could materially adversely affect Fiera Capital's business, financial condition or profitability.

Obtaining sufficient insurance coverage on favourable economic terms may not be possible

Fiera Capital holds various types of insurance, including errors and omissions insurance, general commercial liability insurance and a financial institution bond. The adequacy of its insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. However, there can be no assurance that claims will not exceed the limits of available insurance coverage or that any claim or claims will ultimately be satisfied by an insurer. A judgment against Fiera Capital in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on its business, financial condition or profitability. There can be no assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms in the future.

Major shareholders

Jean-Guy Desjardins indirectly owns approximately 35.80% of the outstanding voting interest of Fiera L.P., a controlling shareholder of Fiera Capital holding 24.78% of the outstanding voting shares of Fiera Capital. Desjardins Financial Holding Inc. ("DFH"), an indirect wholly-owned subsidiary of FCD, owns 36.11% of the outstanding voting interest of Fiera L.P. As a result, Mr. Desjardins is in a position to exercise significant control over matters of Fiera Capital requiring shareholder approval, including the election of directors and the determination of significant corporate actions. Although DFH's minority interest in Fiera L.P. does not constitute a controlling interest in Fiera Capital, DFH is entitled to appoint two of the eight directors of Fiera Capital that the holders of Class B Special Voting Shares are entitled to appoint.

As of the date hereof, National Bank holds approximately 20.97% of the outstanding voting shares of Fiera Capital, by way of its wholly-owned subsidiary Natcan. Pursuant to the Investor Rights Agreement, National Bank is entitled to appoint two of the four directors of Fiera Capital that the holders of Class A Subordinate Voting Shares are entitled to appoint.

Potential dilution

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

Further, under the *Investor Rights Agreement*, National Bank benefits from the *National Bank Anti-Dilution Rights* and Fiera L.P. benefits from the Fiera L.P. Anti-Dilution Rights, which are described in the Company's Annual Information Form ("AIF") under the sections "*Description of Material Contracts - Investor Rights Agreement*" and "*Sceptre Investor Agreement*", respectively.

Management's Discussion and Analysis

For the Three and Twelve-Month Periods Ended December 31, 2016

As a result of an issuance pursuant to the *Fiera L.P. Anti-Dilution Rights* described under the section "*Description of Material Contracts – Sceptre Investor Agreement*" of the Company's AIF, the share ownership of the Corporation would be diluted.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure relates to cash and long-term debt denominated in US dollars and the operations of its US operations which are predominantly in US dollars. The Corporation manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Corporation matches the long-term debt in foreign currency with long-term assets in the same currency. The Corporation also manages the currency risk related to its EBITDA denominated in US dollars by entering into currency hedging contracts for the value of the budgeted EBITDA.

Based on the US dollar balances outstanding (excluding long-term debt) as at December 31, 2016, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income (loss) of \$1.928 million. The above calculation does not include the US dollar long-term debt, which is hedged by a long-term asset in the same currency.

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