

Interim Condensed Consolidated Financial Statements of FIERA CAPITAL CORPORATION

For the periods ended June 30, 2016 and 2015
(unaudited)



FIERACAPITAL

Fiera Capital Corporation

Table of Contents

Interim Condensed Consolidated Statements of Earnings	1
Interim Condensed Consolidated Statements of Comprehensive Income	2
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Changes in Equity	4
Interim Condensed Consolidated Statements of Cash Flows.....	5
Notes to Interim Condensed Consolidated Financial Statements	6-23

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Earnings

For the three and six-month periods ended June 30,

(Unaudited)

(In thousands of Canadian dollars, except per share data)

	Three-month periods		Six-month periods	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenues				
Base management fees	68,804	56,135	132,219	112,316
Performance fees	2,318	8,643	2,690	8,751
Other revenues (Note 16)	3,861	1,365	6,358	3,137
	74,983	66,143	141,267	124,204
Expenses				
Selling, general and administrative expenses	53,289	45,373	106,083	85,929
External managers	743	1,138	1,626	2,723
Depreciation of property and equipment	824	455	1,655	897
Amortization of intangible assets	8,464	6,619	16,009	13,241
Acquisition costs	2,054	187	5,762	1,247
Restructuring and other integration costs (Note 6)	3,894	118	4,412	1,120
	69,268	53,890	135,547	105,157
Earnings before under-noted items	5,715	12,253	5,720	19,047
Realized (gain) loss on investments	(2)	(295)	14	(350)
Interest on long-term debt and other financial charges	2,536	2,595	4,926	4,739
Accretion of purchase price obligations	694	636	1,398	1,271
Gain on acquisition of control of investment in joint venture (Note 5)	(5,827)	-	(5,827)	-
Gain on dilution of investments in joint ventures	-	(1)	-	(52)
Changes in fair value of derivative financial instruments	(265)	(276)	(619)	876
Gain on disposal of investment in joint venture (Note 7)	-	-	(15,013)	-
Revaluation of assets held-for-sale (Note 8)	-	-	7,921	-
Share of earnings of joint ventures	-	(119)	(77)	(333)
Earnings before income taxes	8,579	9,713	12,997	12,896
Income taxes	276	2,664	782	2,924
Net earnings for the period	8,303	7,049	12,215	9,972
Net earnings attributable to :				
Company's shareholders	7,901	7,541	15,181	11,253
Non-controlling interest	402	(492)	(2,966)	(1,281)
	8,303	7,049	12,215	9,972
Net earnings per share (Note 12)				
Basic and diluted	0.11	0.11	0.21	0.16

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Comprehensive Income

For the three and six-month periods ended June 30,
(Unaudited)

(In thousands of Canadian dollars)

	Three-month periods		Six-month periods	
	2016	2015	2016	2015
	\$	\$	\$	\$
Net earnings for the period	8,303	7,049	12,215	9,972
Other comprehensive income:				
Items that may be reclassified subsequently to earnings:				
Unrealized (loss) gain on available-for-sale financial assets (net of income taxes of (\$10) and \$14 for the three and six-month periods ended June 30, 2016, respectively and income taxes of \$61 and (\$8) for the three and six-month periods ended June 30, 2015, respectively)	58	(398)	(96)	40
Reclassification of loss on disposal of investments (net of income tax recovery of \$1 in 2016)	-	-	11	-
Share of other comprehensive income of joint ventures	-	(29)	-	76
Reclassification of share of other comprehensive income of joint ventures (Note 7)	-	-	(509)	-
Unrealized exchange differences on translating financial statements of foreign operations	(302)	(1,576)	(7,745)	6,631
Other comprehensive (loss) income for the period	(244)	(2,003)	(8,339)	6,747
Comprehensive income for the period	8,059	5,046	3,876	16,719
Comprehensive income attributable to:				
Company's shareholders	7,657	5,538	6,842	18,000
Non-controlling interest	402	(492)	(2,966)	(1,281)
	8,059	5,046	3,876	16,719

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation
Interim Condensed Consolidated Statements of
Financial Position
(Unaudited)
(In thousands of Canadian dollars)

	As at June 30, 2016	As at December 31, 2015
	\$	\$
Assets		
Current assets		
Cash	15,097	25,725
Restricted cash	905	2,890
Investments	5,147	4,707
Assets held-for-sale (Note 7)	-	5,496
Accounts receivable	69,719	65,435
Prepaid expenses and other assets	5,253	6,115
Subscription receipts receivable	-	1,755
	96,121	112,123
Non-current assets		
Deferred charges	1,846	3,284
Long-term receivable	193	433
Deferred income taxes	246	1,079
Investment in joint ventures	-	6,460
Property and equipment	18,104	18,956
Intangible assets (Note 9)	466,280	322,975
Goodwill (Note 9)	422,206	391,347
	1,004,996	856,657
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	41,606	50,784
Dividend payable	136	334
Restructuring provisions (Note 6)	-	75
Amount due to related companies	431	1,259
Purchase price obligations	10,167	11,561
Client deposits	155	155
Subscription receipts obligation	-	1,755
	52,495	65,923
Non-current liabilities		
Deferred lease obligations	3,236	1,311
Lease inducements	4,699	5,284
Deferred income taxes	9,639	12,566
Long-term restructuring provisions (Note 6)	872	936
Other non-current liabilities	2,929	2,512
Cash settled share-based liabilities	2,733	1,807
Long-term debt (Note 10)	357,632	264,226
Purchase price obligations	31,783	30,674
Derivative financial instruments	771	1,390
	466,789	386,629
Equity		
Equity attributable to Company's shareholders	537,379	474,938
Non-controlling interest	8,126	2,388
Initial value of option granted to non-controlling interest	(7,298)	(7,298)
Total non-controlling interest	828	(4,910)
	538,207	470,028
	1,004,996	856,657

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Changes in Equity

For the six-month periods ended June 30,

(Unaudited)

(In thousands of Canadian dollars)

	Share Capital	Hold back shares	Contributed surplus	(Deficit) Retained earnings	Accumulated other compre- hensive income	Equity attributable to Company's shareholders	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2015	467,134	3,662	11,056	(35,528)	28,614	474,938	(4,910)	470,028
Net earnings for the period	-	-	-	15,181	-	15,181	(2,966)	12,215
Other comprehensive income	-	-	-	-	(8,339)	(8,339)	-	(8,339)
Comprehensive income for the period	-	-	-	15,181	(8,339)	6,842	(2,966)	3,876
Issuance of shares	1,815	-	-	-	-	1,815	-	1,815
Shares issued as part of a business combination (Note 5)	75,076	-	-	-	-	75,076	-	75,076
Conversion of hold back shares	2,718	(2,718)	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	10,278	10,278
Call option	-	-	1,419	-	-	1,419	-	1,419
Share-based compensation expense	-	-	3,522	-	-	3,522	-	3,522
Performance share units settled	-	-	(4,237)	-	-	(4,237)	-	(4,237)
Stock options exercised	1,547	-	(291)	-	-	1,256	-	1,256
Shares purchased for cancellation	(1,306)	-	-	(353)	-	(1,659)	-	(1,659)
Dividends	-	-	-	(21,593)	-	(21,593)	(1,574)	(23,167)
As at June 30, 2016	546,984	944	11,469	(42,293)	20,275	537,379	828	538,207
As at December 31, 2014	436,888	5,677	9,231	(24,493)	9,851	437,154	(2,943)	434,211
Net earnings for the period	-	-	-	11,253	-	11,253	(1,281)	9,972
Other comprehensive income	-	-	-	-	6,747	6,747	-	6,747
Comprehensive income for the period	-	-	-	11,253	6,747	18,000	(1,281)	16,719
Issuance of shares	1,830	-	-	-	-	1,830	-	1,830
Conversion of hold back shares	2,959	(2,959)	-	-	-	-	-	-
Share-based compensation expense	-	-	3,766	-	-	3,766	-	3,766
Performance share units settled	-	-	(3,450)	-	-	(3,450)	-	(3,450)
Stock options exercised	1,704	-	(377)	-	-	1,327	-	1,327
Dividends	-	-	-	(18,048)	-	(18,048)	-	(18,048)
As at June 30, 2015	443,381	2,718	9,170	(31,288)	16,598	440,579	(4,224)	436,355

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the six-month periods ended June 30,

(Unaudited)

(In thousands of Canadian dollars)

	2016	2015
	\$	\$
Operating activities		
Net earnings for the period	12,215	9,972
Adjustments for:		
Depreciation of property and equipment	1,655	897
Amortization of intangible assets	16,009	13,241
Amortization of deferred charges	352	239
Accretion of purchase price obligations	1,398	1,271
Lease inducements	(301)	(74)
Deferred lease obligations	1,786	63
Share-based compensation expense	3,522	3,766
Cash settled share-based compensation expense	2,587	1,097
Restructuring costs	2,739	(297)
Interest on long-term debt and other financial charges	4,926	4,739
Changes in fair value of derivative financial instruments (Note 16)	(619)	876
Income tax expense	782	2,924
Income tax paid	(9,698)	(7,236)
Share of earnings of joint ventures	(77)	(333)
Gain on disposal of investment in joint venture	(15,013)	-
Revaluation of assets held-for-sale	7,921	-
Gain on acquisition of control of investment in joint venture	(5,827)	-
Gain on dilution of investments in joint ventures	-	(52)
Realized (gain) loss on investments	14	(350)
Other non-current liabilities	547	-
Changes in non-cash operating working capital items (Note 14)	(10,954)	(14,029)
Net cash generated by operating activities	13,964	16,714
Investing activities		
Business combinations (less cash acquired of \$2,848) (Note 5)	(112,353)	-
Proceeds from disposal of investment in joint venture (Note 7)	20,000	-
Payment of purchase price obligations (Note 5)	(1,321)	-
Investments, net	611	3,228
Purchase of property and equipment	(2,753)	(899)
Purchase of intangible assets	(516)	(816)
Long-term receivable	241	(363)
Deferred lease obligations	331	-
Deferred charges	(237)	(624)
Restricted cash and clients deposits	1,956	(728)
Net cash used in investing activities	(94,041)	(202)
Financing activities		
Settlement of share-based compensation	(4,237)	(3,450)
Dividends	(23,365)	(18,151)
Issuance of share capital	2,948	3,157
Shares purchased for cancellation	(1,659)	-
Long-term debt, net	101,959	1,109
Interest paid on long-term debt	(4,071)	(3,721)
Financing charges	(828)	(1,093)
Net cash generated by (used in) financing activities	70,747	(22,149)
Net decrease in cash	(9,330)	(5,637)
Effect of exchange rate changes on cash denominated in foreign currencies	(1,298)	979
Cash – beginning of period	25,725	16,880
Cash – end of period	15,097	12,222

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

1. Description of Business

Fiera Capital Corporation (“Fiera Capital” or the “Company”) was incorporated as Fry Investment Management Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a North American 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 the Company’s U.S. affiliates, which are investment advisors registered with the U.S. Securities and Exchange Commission. Its head office is located at 1501 Avenue McGill College, office 800, Montreal, Quebec, Canada. The Company is listed on the Toronto Stock Exchange (“TSX”) under the symbol “FSZ”.

The Board of Directors (the “Board”) approved the interim condensed consolidated financial statements for the period ended June 30, 2016 on August 5, 2016.

2. Basis of presentation

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*, as issued by the International Accounting Standard Board (“IASB”) and accordingly, do not include all disclosures required under International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements. The accounting policies and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2015, except for the impact of the adoption of the standards, interpretations and amendment described in Note 3.

In addition, on January 6, 2016, the Company entered into a series of twelve foreign exchange forward contracts in order to manage the currency fluctuation risk associated with revenues denominated in U.S. dollars. The foreign exchange forward contracts mature on December 31, 2016 with a total initial notional amount of US\$15,203 (the notional amounts range from US\$858 to US\$1,619 per month). The foreign exchange forward contracts are recognized at fair value at the date the contracts were entered into and subsequently remeasured to their fair value at the end of each reporting period through profit or loss. The gain or loss is recognized within the revenues section under the caption: Other revenues since it follows the nature of the transaction.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015.

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

3. 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.

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.

4. IFRS issued but not yet adopted

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 is permitted.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

4. IFRS issued but not yet adopted (continued)

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 July 2015, the IASB affirmed its proposal to defer the effective date by one year. Application of IFRS 15 is mandatory for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted.

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.

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 to a total of four standards. Modifications of standards that may be relevant to the Company include amendments made to provide: (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 is continuing involvement in a transferred asset and clarification on offsetting disclosures in condensed interim financial statements in IFRS 7 – *Financial Instruments: Disclosures*, (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*, (4) clarification of the term "elsewhere in the interim report" in IAS 34 – *Interim Financial Reporting*. Most of the amendments are effective for annual periods beginning on or after July 1, 2016. Early adoption is permitted.

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.

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 for unrealized losses related to debt instruments measured at fair value. The amendments will come into effect for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

The Company is still evaluating the impact of these standards on its consolidated financial statements.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

5. Business combinations

Apex Capital Management (“Apex”)

On June 1, 2016, the Company completed the acquisition of all of the outstanding shares of Apex, a prominent growth equity manager based in Dayton, Ohio. The acquisition is in line with the Company's North American growth strategy, and provides a meaningful complementary presence in the institutional and sub-advisory retail markets, small/mid cap, small cap and other growth strategies.

Under the terms of the agreement, the purchase price for Apex includes US\$88,000 (CA\$115,201) paid in cash to the sellers and US\$57,000 (CA\$74,619) worth of Fiera Capital Class A subordinate shares (“Class A Shares”), representing 5,775,075 Class A Shares, that were issued upon closing, which was accounted for at a fair value of US\$57,349 (CA\$75,076). The Class A Shares will be held in escrow and released on a pro-rata basis over 7 years starting on the first anniversary of the closing date. The Class A Shares will not have voting rights until their release from escrow but are entitled to dividends. In addition, the purchase price includes an amount of US\$81 (CA\$107) which represents the Company's best estimate of the working capital adjustment. The purchase price is subject to post-closing price adjustments.

The transaction was accounted for as a business combination using the acquisition method and the purchase price was preliminarily allocated to the assets and liabilities based on their estimated fair value at the acquisition date as follows:

	\$
Cash	678
Other current assets	5,035
Property and equipment	53
Intangible assets	156,326
Goodwill (\$29,970 deductible for tax purposes)	29,970
Accounts payable and accrued liabilities	(745)
Deferred revenues	(1,147)
	190,170
	\$
Purchase consideration	
Cash consideration	115,201
Share capital	75,076
Purchase price adjustment	(107)
	190,170

The goodwill is attributable to synergies expected as a result of the consolidation of the Company's U.S. operations. Management of Fiera Capital has identified intangible assets acquired from Apex which have been accounted for separately from goodwill. These intangible assets were non-compete agreement valued at \$3,927, customer relationships valued at \$145,506 and tradename valued at \$6,893. The Company incurred acquisition-related costs of \$1,831 mainly composed of legal, financial advisor fees and due diligence costs. These costs were included under the caption acquisition costs in the consolidated statement of earnings. The Company financed the cash portion of the acquisition price with a new term facility as described in Note 10. The Company expects to finalize the accounting for this acquisition within the next twelve months.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

5. Business combinations (continued)

Pro forma Impact

The impact of the acquisition for the six-month period ended June 30, 2016 on the Company's base management fees, performance fees and net earnings was as follows:

	\$
Base management fees	3,031
Performance fees	-
Net earnings	1,362

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the six-month period ended June 30, 2016 would have been as follows:

	\$
Base management fees	148,503
Performance fees	2,690
Net earnings	20,923

The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business over a six-month period and that they provide a baseline against which to compare the financial performance of future periods.

The above pro forma net earnings includes selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition costs, as well as related tax effects.

Fiera Properties Limited

On April 4, 2016, the Company amended the shareholders' agreement of Fiera Properties Limited ("Fiera Properties"), an entity in Halifax, which resulted in the Company obtaining effective control. This change in control of the previously held equity interest is an economic event that triggers the remeasurement of the investment to fair value. The amended shareholders' agreement included as consideration transferred, an option to acquire an additional 10 class A shares of Fiera Properties, which constitutes a majority of class A shares. The Company's economic ownership in Fiera Properties is approximately 38.5% of class B shares and 50% of class A shares. The transaction was accounted for as a business combination achieved in stages using the acquisition method of accounting.

The purchase price was preliminarily allocated to assets and liabilities based on their estimated fair value at the acquisition date as follows:

	\$
Cash	2,170
Other current assets	3,302
Property and equipment	123
Intangible assets	18,950
Goodwill (nil deductible for tax purposes)	7,397
Deferred income taxes	(5,385)
Accounts payable and accrued liabilities	(935)
Long-term debt	(1,675)
	23,947

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

5. Business combinations (continued)

Purchase consideration	\$
Call option	1,419
Non-controlling interest	10,278
Fiera Capital's previously held equity interest	12,250
	23,947

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 \$6,423. The fair value of the retained interest amounted to \$12,250. The remeasurement of Fiera Capital's investment to fair value resulted in a gain of \$5,827. The gain was recorded in the interim condensed consolidated statement of earnings under the caption: gain on acquisition of control of investment in joint venture.

The goodwill is attributable to the expected synergies and other benefits from combining the assets and activities of Fiera Properties with those of Fiera Capital. Management of Fiera Capital has identified intangible assets acquired from Fiera Properties which have been accounted for separately from goodwill. These intangible assets were customer relationships valued at \$18,950. The Company expects to finalize the accounting for this acquisition within the next twelve months.

Pro forma Impact

The impact of the acquisition for the six-month period ended June 30, 2016 on the Company's base management fees, performance fees and net earnings was as follows:

	\$
Base management fees	2,022
Performance fees	-
Net earnings	392

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the six-month period ended June 30, 2016 would have been as follows:

	\$
Base management fees	134,133
Performance fees	2,690
Net earnings	12,391

The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business over a six-month period and that they provide a baseline against which to compare the financial performance of future periods.

The above pro forma net earnings includes selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition costs, as well as related tax effects.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

5. Business combinations (continued)

Samson Capital Advisors

During the six-month period ended June 30, 2016, the Company completed the calculation of the closing adjustments. As a result, the Company reduced the purchase price obligation by US\$26 (CA\$35) and goodwill by the same amount. The excess working capital in the amount of US\$999 (CA\$1,321) was paid to the former shareholders of Samson.

6. Restructuring and other integration costs

During the three and six-month periods ended June 30, 2016, the Company recorded restructuring provisions related to severance of nil and \$112, respectively (\$224 and \$1,063 for the three and six-month periods ended June 30, 2015, respectively), and other restructuring costs of \$3,109 for the three and six-months periods ended June 30, 2016. In addition, the Company recorded other integration costs of \$785 and \$1,191, respectively ((\$106) and \$57 for the three and six-month periods ended June 30, 2015, respectively) for an aggregate amount of \$3,894 and \$4,412 for the three and six-month periods ended June 30, 2016, respectively (\$118 and \$1,120 for the three and six-month periods ended June 30, 2015, respectively). The restructuring charges are mostly composed of severance costs due to corporate reorganizations following business combinations or as a result of the normal evolution of the business, as well as abandoned software development costs. The integration costs are mostly composed of professional fees, relocation and lease related costs and other expenses incurred as a result of the integration of businesses recently acquired.

	Severance
	\$
Balance, December 31, 2015	1,011
Additions during the period	112
Paid during the period	(251)
Balance, June 30, 2016	872

7. Disposal of investment in joint venture

On January 15, 2016 the Company completed the sale of the Company's 35% equity ownership in Axiom Infrastructure Inc. for cash proceeds of \$20,000. As a result, the Company derecognized the investment of \$5,496, reclassified \$509 of accumulated other comprehensive income to net earnings and recorded a gain on disposal of \$15,013 under the caption: Gain on disposal of investment in joint venture.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

8. Revaluation of assets held-for-sale

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 \$7,921 had been recognized and recorded under the caption: Revaluation of assets held-for sale. The intangible assets and property and equipment were no longer being amortized or depreciated from the date that the assets were classified as held-for-sale.

9. Goodwill and intangible assets

	Goodwill	Indefinite life Asset management contracts	Asset management contracts	Finite-life Customer relationships	Other	Total
	\$	\$	\$	\$	\$	\$
For the six-month period ended June 30, 2016						
Opening net book value	391,347	8,800	53,000	250,755	10,420	322,975
Business combinations	37,332	-	-	164,456	10,820	175,276
Revaluation	-	-	-	(7,031)	-	(7,031)
Additions	-	-	-	-	497	497
Write-off	-	-	-	-	(779)	(779)
Foreign exchange difference	(6,473)	(158)	-	(8,189)	(302)	(8,649)
Amortization for the period	-	-	(4,240)	(10,160)	(1,609)	(16,009)
Closing net book value	422,206	8,642	48,760	389,831	19,047	466,280
Balance, June 30, 2016						
Cost	405,836	8,154	84,800	427,852	24,869	545,675
Accumulated amortization and impairment	(1,918)	-	(36,040)	(53,871)	(6,677)	(96,588)
Foreign exchange difference	18,288	488	-	15,850	855	17,193
Net book value	422,206	8,642	48,760	389,831	19,047	466,280

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

9. Goodwill and intangible assets (continued)

During the six-month period ended June 30, 2016, customer relationships with a cost of \$18,570 (nil for the six-month period ended June 30, 2015) and accumulated amortization of \$11,539 (nil for the six-month period ended June 30, 2015) and other intangibles assets with a cost of \$65 (nil for the six-month period ended June 30, 2015) and accumulated amortization of \$65 (nil for the six-month period ended June 30, 2015) were revalued at their fair value of nil and reclassified as held-for-sale. In addition, the Company wrote-off software development costs in the amount of \$779.

10. Long-term debt

As at	June 30, 2016	December 31, 2015
	\$	\$
Revolving facility	195,204	265,270
Term facilities	164,156	-
Deferred financing charges	(1,728)	(1,044)
	357,632	264,226

On May 31, 2016, the Company amended the terms of its credit facility to include, amongst others, the following change:

- A new US\$125,000 term facility maturing in May 2019;

The Company used the additional amounts available under the term facility to finance the cash portion of the Apex acquisition and to reimburse existing borrowings under the revolving facility.

As at June 30 2016, the total amount of the revolving facility was comprised of CA\$108,000 and US\$67,034 (CA\$87,204 (CA\$128,258 and US\$98,997 (CA\$137,012) was outstanding as at December 31, 2015) and the total amount of the term facility was comprised of US\$125,000 (CA\$162,613).

In addition, the Company's subsidiary, Fiera Properties has an outstanding term facility in the amount of CA\$1,543 of which quarterly instalments of CA\$131 are required.

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions include maintaining a maximum ratio of funded debt to EBITDA and a minimal interest coverage ratio. EBITDA, a non IFRS measure, is defined in the credit facility on a consolidated basis, as earnings of the Borrower before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at June 30, 2016, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement for an initial notional amount of CA\$108,000, to exchange its monthly variable interest rate payments for fixed interest payments at the rate of 1.835% until March 2017, payable in monthly instalments.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

11. Share capital and accumulated other comprehensive income

	Class A subordinate voting shares ("Class A Shares")		Class B special voting shares ("Class B Shares")		Total	
	Number	\$	Number	\$	Number	\$
As at December 31, 2015	51,536,848	435,551	19,847,577	31,583	71,384,425	467,134
Conversion of hold back shares	277,578	2,718	-	-	277,578	2,718
Issuance of shares	159,011	1,815	-	-	159,011	1,815
Shares issued as part of a business combination (Note 5)	5,775,075	75,076	-	-	5,775,075	75,076
Stock options exercised	265,403	1,547	-	-	265,403	1,547
Shares purchased for cancellation	(154,500)	(1,306)	-	-	(154,500)	(1,306)
As at June 30, 2016	57,859,415	515,401	19,847,577	31,583	77,706,992	546,984
As at December 31, 2014	48,715,873	404,999	20,039,750	31,889	68,755,623	436,888
Conversion of hold back shares	277,578	2,959	-	-	277,578	2,959
Issuance of shares	149,469	1,830	-	-	149,469	1,830
Stock options exercised	216,923	1,704	-	-	216,923	1,704
Transfer from Class B Shares to Class A Shares	48,323	77	(48,323)	(77)	-	-
As at June 30, 2015	49,408,166	411,569	19,991,427	31,812	69,399,593	443,381

Conversion of hold back shares

As part of the acquisition of Bel Air Investment Advisors LLC as well as its affiliate Bel Air Securities LLC (collectively "Bel Air"), the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares worth US\$9,760. This commitment was considered an equity component and was recorded at a discounted value of US\$8,419 (CA\$8,781) under the caption: Restricted and Hold back shares.

During the second quarter of 2016, the third tranche amounting to 277,578 (2015 – 277,578) of the hold back shares were issued and effectively converted into Class A Shares and a value of CA\$2,718 (2015 – CA\$2,959) was transferred from the caption Restricted and Hold back shares to share capital.

Issuance of shares

On the same day as the conversion of the third tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 (2015 - 149,469) Class A Shares to National Bank of Canada ("National Bank") for cash proceeds of \$1,830 (2015 - \$1,830) less issuance costs of \$138. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

11. Share capital and accumulated other comprehensive income (continued)

In connection with the agreement described above, the Company had issued subscription receipts to National Bank providing for the issuance of 149,469 Class A Shares, at a pre-determined price of \$12.24, to be exchanged into shares concurrently with the third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been released from escrow on the issuance of the hold back shares.

In addition, the Company issued 9,542 Class A Shares from treasury at a cost of \$123 for performance share units that vested during the six-month period ended June 30, 2016.

Shares issued as part of a business combination

As part of the acquisition of Apex, the Company issued 5,775,075 Class A Shares worth US\$57,000. The shares issued were recorded at the closing price at the acquisition date of CA\$75,076.

Shares purchased for cancellation

During the six-month period ended June 30, 2016, the Company purchased and cancelled 154,500 Class A Shares at a cost of \$1,306. The excess paid of \$353 over the recorded capital stock value of the shares repurchased for cancellation was charged to retained earnings.

Transfers

During the six-month period ended June 30, 2015, 48,323 Class B Shares were converted into 48,323 Class A Shares on a one-for-one basis.

Dividends

During the six-month period ended June 30, 2016, the Company declared dividends of \$21,403 (\$0.30 per share) on Class A Shares and Class B Shares (\$17,903 for the six-month period ended June 30, 2015 (\$0.26 per share)) and \$190 on hold back shares (\$145 for the six-month period ended June 30, 2015).

The components of accumulated other comprehensive income include:

As at	June 30, 2016	December 31, 2015
	\$	\$
Unrealized gain on available-for-sale financial assets	694	779
Share of other comprehensive income of joint ventures	-	509
Unrealized exchange differences on translating financial statements of foreign operations	19,581	27,326
	20,275	28,614

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

12. Earnings per share

Earnings per share as well as the reconciliation of the number of shares used to calculate basic and diluted earnings per share are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Net earnings attributable to shareholders for the periods	7,901	7,541	15,181	11,253
Weighted average shares outstanding – basic	73,999,160	69,411,693	72,945,840	69,366,344
Effect of dilutive share-based awards	627,571	899,920	632,753	913,797
Weighted average shares outstanding – diluted	74,626,731	70,311,613	73,578,593	70,280,141
Basic and diluted earnings per share	0.11	0.11	0.21	0.16

For the three and six-month periods ended June 30 2016, the calculation of hypothetical conversions does not include 1,261,686 stock options (1,045,427 for the three and six-month periods ended June 30, 2015) with an anti-dilutive effect.

13. Share-based payments

(a) Stock option plan:

The following table presents transactions that occurred during the six-month periods ended June 30 in the Company's stock option plans.

	2016		2015	
	Number of Class A Share options	Weighted- average exercise price \$	Number of Class A Share options	Weighted average exercise price \$
Outstanding – beginning of period	3,040,225	9.58	3,346,037	9.32
Granted	41,259	13.33	25,000	13.83
Exercised	(265,403)	4.73	(216,923)	6.12
Forfeited	-	-	(149,638)	12.72
Outstanding – end of period	2,816,081	10.09	3,004,476	9.42
Options exercisable – June 30, 2016 and 2015	1,103,440	7.74	1,182,649	6.96

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

13. Share-based payments (continued)

The following table presents the weighted average assumptions used during the three and six-month periods ended June 30, to determine the fair value of options granted using the Black-Scholes option pricing model:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Dividend yield (%)	-	-	4.63	3.80
Risk-free interest rate (%)	-	-	1.08	1.09
Expected life (years)	-	-	7.50	7.50
Expected volatility for the share price (%)	-	-	40.87	42.53
Weighted-average fair values (\$)	-	-	3.12	3.92

The expected volatility is based on the historical volatility of the Company's share price. The risk-free interest rate used is equal to the yield available on government of Canada bonds at the date of grant with a term equal to the expected life of options.

An expense of \$331 and \$672 was recorded during the three and six-month periods ended June 30, 2016, respectively for the stock option plan (\$274 and \$509 for the three and six-month periods ended June 30, 2015, respectively).

(b) Performance share unit ("PSU") plan:

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

The following table presents transactions that occurred during the six-month period ended June 30, 2016 in the Company's PSU plan applicable to BU.

	Number of PSUs outstanding	Weighted-average value of PSU
		\$
Outstanding – December 31, 2015	2,542,711	12.88
Settled	(244,878)	12.23
Transferred to PSU plan	(82,051)	13.66
Outstanding – June 30, 2016	2,215,782	12.99

During the six-month period ended June 30, 2016, 244,878 PSUs vested and were settled. The Company settled the vested PSUs by paying \$4,237 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 in contributed surplus. The settling of these PSUs in cash was due to exceptional circumstances. The Company still has the intention to settle the remaining tranches by issuing shares.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

13. Share-based payments (continued)

The Company recorded an expense of \$1,038 and \$2,124 during the three and six-month periods ended June 30, 2016, respectively for the PSU plan applicable to business units (\$2,244 and \$2,680 for the three and six-month periods ended June 30, 2015, respectively). For the three and six-month periods ended June 30, 2016, the expense is attributable to equity-settled grants for an amount of \$1,038 and \$2,139, respectively and cash-settled grants for an amount of nil and (\$15), respectively (for the three and six-month periods ended June 30, 2015, the expense is attributable to equity-settled grants for an amount of \$2,320 and \$2,723 respectively and cash-settled grants for an amount of (\$76) and (\$43), respectively).

PSU plan

The Company recorded an expense of \$135 and \$583 during the three and six-month periods ended June 30, 2016, respectively for the PSU Plan (\$534 for the three and six-month periods ended June 30, 2015, respectively). For the three and six-month periods ended June 30, 2016, the expense is attributable to equity-settled grants for an amount of nil and (\$23), respectively and to cash-settled grants for an amount of \$135 and \$606, respectively (for the three and six-month periods ended June 30, 2015 the expense is attributable to equity-settled grants for an amount of \$135 and cash-settled grants for an amount of \$399). During the six-month period ended June 30, 2016, the Company settled vested PSUs by issuing 9,542 Class A Shares.

(c) Restricted share unit ("RSU") plan:

The Company recorded an expense of \$648 and \$1,971 during the three and six-month periods ended June 30, 2016, respectively for the RSU Plan (\$365 and \$1,140 during the three and six-month periods ended June 30, 2015, respectively). As at June 30, 2016, the Company had a liability totalling \$4,856 related this plan (\$2,905 as at December 31, 2015). During the six-month period ended June 30, 2016, 1,991 RSUs were forfeited. As at June 30, 2016 there were 700,033 RSUs outstanding (686,244 December 31, 2015).

(d) Restricted share plan

The Company recorded an expense of \$381 and \$734 during the three and six-month periods ended June 30, 2016 for the restricted share plan (nil for the three and six-month periods ended June 30, 2015).

(e) Deferred share unit plan

The Company recorded an expense of (\$5) and \$25 during the three and six-month periods ended June 30, 2016, respectively for the deferred share unit plan ((\$16) and \$1 for the three and six-month periods ended June 30, 2015, respectively).

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

14. Additional information relating to interim condensed consolidated statement of cash flows

	For the six-month periods ended June 30,	
	2016	2015
	\$	\$
Changes in non-cash operating working capital items		
Accounts receivable	1,334	(6,268)
Prepaid expenses	737	(1,317)
Accounts payable and accrued liabilities	(11,217)	(7,237)
Amount due to related companies	(828)	854
Deferred revenues	(980)	(61)
	(10,954)	(14,029)

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between current income tax expense of \$9,120 (2015 – \$6,725) and income taxes paid of \$9,698 (2015 – \$7,236) for a net impact of \$578 (2015 – (\$511)).

15. 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.

In order to maintain its capital structure, the Company may issue additional shares or proceed to the issuance or repayment of debt and acquire or sell assets to improve its financial performance and flexibility.

During the six-month period ended June 30, 2016, all regulatory requirements and exemptions were met.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

16. Fair value of financial instruments

The fair value of the financial instruments represents the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The Company presents a fair value hierarchy with three levels that reflects the significance of inputs used in determining the fair value assessments. The fair value of financial assets and liabilities classified in these three levels is evaluated as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, dividend payable, amount due to related companies and client deposits is approximately equal to their carrying values due to their short-term maturities.

The cost of mutual fund investments and pool funds is \$4,346 as at June 30, 2016 and \$3,808 as at December 31, 2015, while the fair value is \$5,147 as at June 30, 2016 and \$4,707 as at December 31, 2015. The unrealized gain of \$694 (net of income taxes of \$107) as at June 30, 2016 and \$779 (net of income taxes of \$120) as at December 31, 2015, is reflected in accumulated other comprehensive income. The Company measures the fair value of the mutual fund investments and pool funds using level 2 inputs in the fair value hierarchy.

The fair value of long-term debt approximates its carrying amount, given that it is subject to terms and conditions, including variable interest rates, similar to those currently available to the Company for instruments with comparable terms.

Derivative financial instruments consist of interest rate swap contracts and foreign exchange forward contracts which are presented at fair value on the statement of financial position. The Company measures the fair value of the derivative financial instruments using level 2 inputs in the fair value hierarchy. The Company determines the fair value of its interest rate swap contracts by applying valuation techniques, using 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. The Company ensures, to the extent practicable, that its valuation technique incorporates all factors that market participants would consider in setting a price and that is 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.

As part of the acquisition of GMP Capital Inc. ("GMP"), the key members of the GMP Investment Management's team have the option to sell all but not less than all of their interest in Fiera Quantum Limited Partnership. The value of the option granted to non-controlling interest is based on a formula that was agreed upon by all parties during the acquisition of the selected alternative asset management funds of GMP. The value of the option is calculated using the present value of the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees. The actual performance of the subsidiary directly impacts the value of the option. Forecasts are monitored and updated on a monthly basis, and the value of the option is recalculated at the end of each reporting period. As at June 30, 2016 and December 31, 2015, the Company determined that the value of the option was nil. The Company measures the fair value of the option granted to non-controlling interest using level 3 inputs in the fair value hierarchy.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

16. Fair value of financial instruments (continued)

In addition, the Company has the option to purchase the 45% interest owned by the key member of the GMP Investment Management team at any time following December 31, 2015. This option can be settled in cash or by the issuance of Class A Shares at the option of Fiera Capital. The formula to determine the purchase price of the remaining 45% is the same that is used to calculate the value of the option granted to non-controlling interest, which considers the sum of a multiple of the forecasted EBITDA and forecasted performance fees.

Changes in fair value of derivative financial instruments presented in the statement of earnings include changes in the fair value of the interest rate swap contracts described above of (\$265) and (\$619) for the three and six-month periods ended June 30, 2016, respectively ((\$276) and \$876 for three and six-month periods ended June 30, 2015, respectively). Other revenues include \$335 and \$1,384 related to changes in the fair value of the foreign exchange forward contracts for the three and six-month periods ended June 30, 2016, respectively.

There was no transfer between the three levels of the fair value hierarchy during these periods.

17. Related party transactions

The Company has carried out the following principal transactions with shareholders and their related companies.

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Base management and performance fees and other revenues	12,847	12,062	24,855	23,692
Interest on long-term debt	2,678	1,895	4,654	3,721

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. The derivative financial instruments are entered into with a related company.

Fiera Capital Corporation

Notes to the Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three and six-month periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

18. Segment reporting

The chief operating decision-maker of the Company has determined that the Company's reportable segment is investment management services in Canada and the United States of America.

Geographical information:

Revenues:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Canada	47,517	48,532	88,171	88,417
United States of America	27,466	17,611	53,096	35,787

Non-current assets:

	As at June 30,	As at December 31,
	2016	2015
	\$	\$
Canada	493,887	492,841
United States of America	414,742	250,614

Revenues are attributed to countries on the basis of the customer's location. Non-current assets exclude deferred income taxes.

19. 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.

20. Subsequent event

Dividends declared

On August 5, 2016, the Board declared a quarterly dividend of \$0.16 per share to shareholders of record as at August 18, 2016 and payable on September 15, 2016.

