Management's Discussion and Analysis

FIERA CAPITAL CORPORATION

For the Three and Twelve-month Periods Ended December 31, 2014

FIERA CAPITAL

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The following management's discussion and analysis ("MD&A") dated March 18, 2015 presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation ("the Company" or "Fiera Capital" or "we" or "Firm") for the three and twelve-month periods ended December 31, 2014. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the year ended December 31, 2014.

The audited consolidated financial statements include the accounts of Fiera Capital Corporation and its wholly owned subsidiaries, Fiera Capital Funds Inc. ("FCFI") (previously Fiera Sceptre Funds Inc.) which is registered with various provincial securities commissions as a mutual fund dealer and maintains membership in the Mutual Fund Dealer Association, Fiera US Holding Inc. (which owns Bel Air Investment Advisors LLC, Bel Air Management LLC, Bel Air Securities LLC, and Wilkinson O'Grady & Co. Inc.), Fiera Quantum GP Inc. and 9276-5072 Quebec Inc. (which collectively owns a controlling 55% interest in Fiera Quantum Limited Partnership ("Fiera Quantum L.P.") which owns FQ ABCP GP Inc., FQ GenPar LLC and FQ ABCP (USA) GP Inc.), and 8645230 Canada Inc. (which owns Gestion Fiera Capital S.a.r.l.). All intercompany transactions and balances have been eliminated on consolidation.

Fiera Axium Infrastructure Inc. ("Fiera Axium") is an entity specialized in infrastructure investments, and Fiera Properties Limited ("Fiera Properties") is an entity specialized in real estate investments, over which the Company has joint control. The financial results of the Company's joint venture investments are included in the Company's results using the equity method of accounting.

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") as issued by the International Accounting Standards Board ("IASB").

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2014.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 of the audited consolidated financial statements.

The following MD&A should be read in conjunction with the Company's 2014 annual audited consolidated financial statements, which contain a description of the accounting policies used in the preparation of these financial statements.

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 51.

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.

Company Overview

Fiera Capital is an independent, full-service, multi-product investment firm, providing investment advisory and related services, with more than $86 billion in assets under management ("AUM"), including the joint ventures' AUM. The Company owns interests in the following joint ventures: Fiera Axium Infrastructure Inc., an entity specialized in infrastructure investments, and Fiera Properties Limited, an entity specialized in real estate investments, over which the Company has joint control. Fiera Capital's business model is based foremost on delivering excellence in investment management to its clients. Fiera Capital offers multi-style investment solutions through diversified investment strategies to institutional investors, private wealth clients and retail investors. In addition to managing its clients' accounts on a segregated basis ("Managed Accounts"), Fiera Capital uses pooled funds to manage specialized asset classes and to combine the assets of smaller clients to achieve greater investment efficiencies ("Pooled Funds"). To provide retail investors with access to its investment management services, Fiera Capital also manages and acts as investment manager to mutual funds, including certain commodity pool funds, the Fiera Capital QSSP II Investment Fund Inc. (the "Mutual Funds") and following the acquisition of Propel Capital Corporation, Fiera Capital is now investment manager of several closed end funds which are listed on the TSX ("Closed End Funds" and, collectively with the Pooled Funds and the Mutual Funds, the "Funds").

Units of some of the Mutual Funds are distributed through Fiera Capital Funds Inc. ("FCFI") (previously Fiera Sceptre Funds Inc.), a wholly owned subsidiary of Fiera Capital. FCFI is a member of the Mutual Fund Dealers Association of Canada and is registered in the category of mutual fund dealer in the Provinces of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Québec, Nova Scotia New Brunswick and the Yukon. Fiera Capital is registered in the categories of exempt market dealer and portfolio manager in all provinces and territories of Canada. Fiera Capital is also registered in the category of investment fund manager in the provinces of Ontario, Quebec and Newfoundland and Labrador. In addition, as Fiera Capital manages derivatives portfolios, it is registered as a commodity trading manager pursuant to the *Commodity Futures Act* (Ontario), as an adviser under the *Commodity Futures Act* (Manitoba) and, in Quebec, as a derivatives portfolio manager pursuant to the *Derivatives Act* (Quebec).

Following its acquisition of the Bel Air entities and Wilkinson O'Grady & Co. Inc. ("Wilkinson"), Fiera Capital terminated its registration as an investment advisor with the US Securities and Exchange Commission ("SEC") and generally is not permitted to provide investment advisory services directly to US clients.

Bel Air Investment Advisors LLC ("Bel Air"), Bel Air Securities LLC ("Bel Air Securities") and Wilkinson are now Fiera Capital's US operating subsidiaries and provide a variety of investment advisory and brokerage services to US clients. Bel Air and Bel Air Securities operate under both the Bel Air and the Fiera Asset Management USA brands.

Fiera Capital shares investment advisory personnel and other resources with Bel Air and Bel Air Securities as a "participating affiliate" within the meaning of the guidance provided by the Staff of the SEC that allows US registered investment advisers to use the investment advisory resources of non-US affiliates that are not registered with the SEC.

Bel Air, its subsidiary, Bel Air Management, LLC and Wilkinson are registered investment advisers with the SEC. Bel Air Securities is a registered US broker-dealer.

SIGNIFICANT EVENTS

Fiscal 2014 was characterized by significant organic growth, while the Firm continued to diversify and strengthen its business platform in order to build a leading North American asset manager.

Strong Traction in the United States

The Firm experienced strong momentum in the US during the year, winning significant new mandates in both the institutional and private wealth segments. The US sector now accounts for an important portion of the business, amounting to 28% in revenues and 13% in AUM.

The Firm also received favorable ratings from global consultants during the year, bringing the total number of consultant approvals to six.

Launch of New Funds

The Firm is committed to continuously innovate by bringing new strategies to market.

As such, four investment strategies were introduced during the year: The Fiera High Yield Bond Fund, the Fiera Private Infrastructure Fund, the Fiera Capital Defensive U.S. Equity Fund and the Fiera Capital Defensive Global Equity Fund.

As for structured products, a preliminary prospectus has been filed for the Investment Grade Infrastructure Bond Fund at the end of the year.

Industry Recognition

In 2014, Fiera Capital's continued success and strong performance resulted in a number of industry nods.

Jean-Guy Desjardins, Chairman and Chief Executive Officer, and Sylvain Brosseau, President and Chief Operating Officer, were named among the Top 5 in the Quebec's finance industry by *Finance et Investissement*, Canada's French-language publication for financial professionals.

Jean-Philippe Choquette, Vice President and Senior Portfolio Manager, received four Canadian Hedge Fund Awards for its superior performance in the Market Neutral category, a strong endorsement of the Firm's goal of becoming a North American leader in alternative investments.

Michael Chan, Vice President and Senior Portfolio Manager, Small Cap Equities, was named one of the top *Investment Minds of the Year* according to the 2014 TopGun rankings, published by Brendan Wood International, a leading independent intelligence-based advisor. Fiera Capital was also voted in the top 5 for best investment teams.

The Fiera Capital Global Equity Fund won the Fundata FundGrade® A+ Recognition for the second consecutive year. Two funds sub-advised by Fiera Capital, the National Bank Quebec Growth Fund and the Horizons Active Corporate Bond ETF (HAB), also received an A+ rating from Fundata.

Acquisitions

Propel Capital Corporation

On September 2, 2014, the Firm acquired Propel Capital Corporation for a total consideration of up to $12 million. Propel is a prominent Toronto-based investment firm which develops, manages and distributes investment solutions to Canadians with a focus on closed-end funds. The acquisition of Propel Capital Corporation notably added depth to the Firm's retail distribution capabilities.

Samson Capital Advisors LLC

Subsequent to year-end, on February 11, 2015, the Firm reached an agreement to acquire New York based Samson Capital Advisors LLC, a prominent U.S. fixed income investment management firm with US$7.6 billion in assets under management. Total consideration paid at closing for the transaction will be approximately US$33.5 million, subject to various adjustments. This acquisition will bring Fiera Capital's total assets under management to over CAD$96 billion while bolstering its U.S. presence in the global asset management space.

Dividend Increase

The Board of Directors has declared a dividend of $0.13 per Class A subordinate voting share and Class B special voting share of Fiera Capital, payable on April 28, 2015, to shareholders of record at the close of business on March 31, 2015.

This represents the second dividend increase in fiscal 2014.

MARKET OUTLOOK

Global growth prospects and monetary policies abroad continue to decouple. While the robust growth outlook in the US means that the economy no longer requires ultra-accommodative monetary policies, liquidity is becoming more abundant elsewhere as sluggish growth overseas has resulted in coordinated actions from central banks in Europe, Japan, and China to tackle lingering disinflationary pressures. This combination of an impressive growth trajectory at home and ultra-stimulative monetary policies abroad has created a favourable environment for equities.

Bond yields continued their downward trajectory in December and fixed-income markets produced positive results, despite the impressive economic recovery in North America. Various geopolitical uncertainties and some growth concerns emanating from abroad fuelled investor anxiety, increasing the allure of North American bonds. Similarly, global equity markets declined across the board in local currency terms, with the theme of US equity outperformance prevailing. Finally, the major theme in currency and commodity markets lies with recent USD strength stemming from the stronger growth landscape in the US versus the rest of the world. Recent USD strength has fuelled commodity price weakness amid some oversupply issues, which have been at the forefront of the oil price decline.

We continue to see substantial macroeconomic divergences between the US and the rest of the world. The US economy continues to be the bright spot in an otherwise uncertain global economic environment on the back of buoyant consumer demand stemming from an improving labour market and low gasoline prices. At the same time, inflation remains firmly under control amid the combination of lower energy prices and USD strength. Accordingly, the Federal Reserve has stressed a "patient" approach to interest-rate policy normalization. Meanwhile, growth has been firming in Canada and exceeded expectations in October. As the Bank of Canada predicted, high levels of inflation proved temporary and inflation declined closer to target in November, providing the bank with more leeway to remain flexible on interest-rate policy.

In contrast to North America, economic prospects abroad have been mediocre. Growth and inflation (deflation) in Europe have been underwhelming, Japan entered official recession territory in the third quarter as the economy continues to digest the increased consumption tax implemented in early 2014, and economic data in China continues to surprise on the downside. As a result, we have witnessed a major influx of liquidity from international central banks aimed at reigniting these faltering economies. While the European Central Bank is anticipated to announce a quantitative program later in January, the Japanese authorities have committed to reflating the economy by weakening the yen and delaying a planned increase in the consumption tax. Finally, the muted inflationary backdrop in China has allowed policymakers to implement targeted stimulative policies to ensure that China's growth targets are met.

Our central scenario for "Stronger Growth" remains intact. We are witnessing a global growth re-acceleration, led by the mighty US, which has also fuelled the Canadian economy. Meanwhile, more subdued economic recoveries abroad have resulted in coordinated stimulus policies to promote growth in these regions, where expectations for growth are likely too pessimistic, setting the stage for a potential upside surprise for global growth. The recent decline in energy prices is providing an additional stimulus to consumption-based economies, further supporting the global economic backdrop in 2015.

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	**50.5**									
Active Fixed Income Universe		8.48	-0.31	3	5.93	0.49	2	01/01/1997	FTSE TMX Universe	
Tactical Fixed Income Universe		9.34	0.55	1	6.44	0.99	1	01/01/2000	FTSE TMX Universe	
Integrated Fixed Income Universe		9.07	0.28	1	5.91	0.46	2	01/01/1993	FTSE TMX Universe	
Active Fixed Income Long-Term		16.69	-0.78	3	9.24	0.20	2	01/07/1998	FTSE TMX Long Term	
High Yield Bonds		3.77	0.59	4	9.25	-0.06	1	01/02/2002	High Yield Blended	1
Preferred Shares		7.04	0.22	N/A	6.13	1.57	N/A	01/02/2004	S&P/TSX Preferred Share	
Infrastructure Bonds		18.65	0.65	N/A	9.21*	1.7*	N/A	01/08/2011	FTSE TMX Provincials Long Term	
Balanced Investment Strategies	**4.7**									
Balanced Core		12.30	1.58	1	9.64	1.50	2	01/09/1984	Balanced Core Blended	2
Balanced Integrated		12.48	1.77	1	13.19*	2.46*	2	01/04/2013	Balanced Integrated Blended	3
Balanced Fund		10.92	0.24	2	9.57	1.63	2	01/03/1973	Balanced Blended Benchmark	4
Equity Investment Strategies	**27.2**									
Canadian Equity Value		8.42	-2.14	3	7.89	0.36	4	01/01/2002	S&P/TSX Composite	
Canadian Equity Growth		14.28	3.72	1	7.19	-0.33	4	01/01/2007	S&P/TSX Capped	
Canadian Equity Core		12.48	1.92	2	8.47	0.94	3	01/01/1992	S&P/TSX Composite	
High Income Equity		4.02	-1.21	4	12.29	1.68	1	01/10/2009	S&P/TSX Composite High Dividend	
Canadian Equity Small Cap Core		11.42	13.76	2	13.96	10.94	1	01/01/1989	S&P/TSX Small Cap	
Canadian Equity Small Cap		15.87	18.21	1	11.04	8.03	2	01/01/1989	S&P/TSX Small Cap	
US Equity		26.97	3.03	1	20.95	3.17	1	01/04/2009	S&P 500 CAD	
International Equity		6.95	3.29	1	13.07	5.61	1	01/01/2010	MSCI EAFE Net CAD	
Global Equity		16.51	2.12	1	17.76	5.34	1	01/10/2009	MSCI World Net CAD	
Alternative Investment Strategies	**4.2**									
North American Market Neutral Fund		11.29	10.39	N/A	1.92	1.03	N/A	01/10/2007	FTSE TMX T-Bill 91 day	
Long / Short Equity Fund		24.81	23.90	N/A	15.57*	14.60*	N/A	01/08/2010	FTSE TMX T-Bill 91 day	
Absolute Bond Yield Fund		-4.21	-5.12	N/A	-0.03*	-1.01*	N/A	01/12/2010	FTSE TMX T-Bill 91 day	
Diversified Lending Fund		6.02	5.11	N/A	7.36	6.47	N/A	01/04/2008	FTSE TMX T-Bill 91 day	
Multi-Strategy Income Fund		7.12	4.06	N/A	6.18	3.18	N/A	01/11/2009	FTSE TMX Short Term	
Infrastructure Fund		8.13	N/A	N/A	5.09*	N/A	N/A	01/03/2010	No Benchmark	
Real Estate Fund		5.83	N/A	N/A	4.25*	N/A	N/A	01/07/2013	No Benchmark	
Fixed Income and Currency Arbitrage Fund		-3.93	-4.83	N/A	1.38*	0.41*	N/A	01/04/2013	FTSE TMX T-Bill 91 day	
Total AUM	**86.6**									

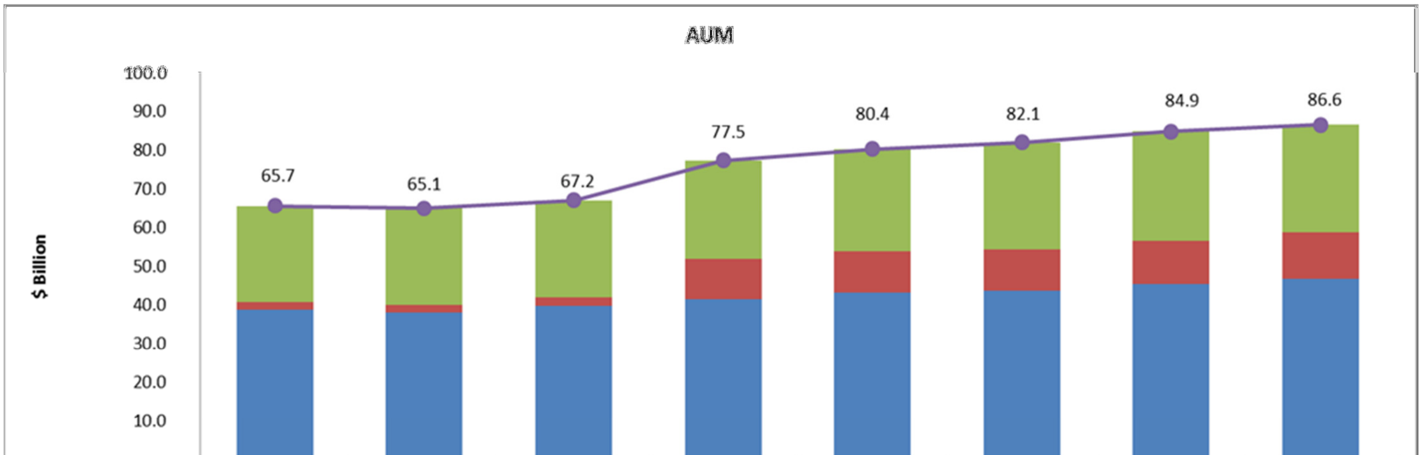
Notes:

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. *All returns, including those of the High Yield Bonds, US Equities, International Equities, and Global Equities, are expressed in Canadian dollars.*
6. *All performance returns presented above are annualized.*
7. *All returns, except alternative strategies and Balanced Fund are presented gross of management and custodial fees and without taxes but net of all trading expenses.*
8. *Alternative Investment Strategies and Balanced Fund are presented net of management fees, custodial fees, performance fees and withholding taxes.*
9. *The performance returns above assume reinvestment of all dividends.*
10. *Besides for the alternative strategies, the returns presented for any one line above represent the returns of a composite of discretionary portfolios.*
11. *Each strategy listed above represents a single discretionary portfolio or group of discretionary portfolios that collectively represent a unique investment strategy or composite.*
12. *The since inception date represents the earliest date at which a discretionary portfolio was in operation within the strategy.*
13. *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.*
14. *Quartile rankings are provided by eVestment.*

TREND HIGHLIGHTS

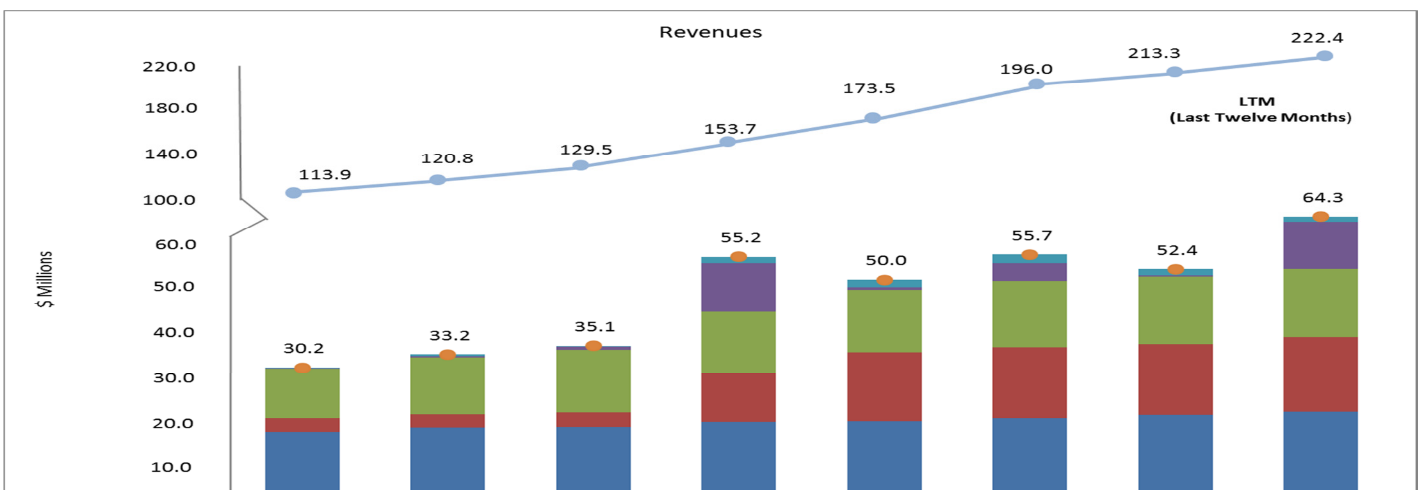
The following illustrates the Company's trends regarding AUM, revenues, Last Twelve Months ("LTM") Adjusted EBITDA, LTM Adjusted EBITDA Margin, LTM Adjusted Earnings per share, as well as the LTM dividend payout. The trend analysis is presented in the "Results and Trend Analysis" section on page 31.

AUM



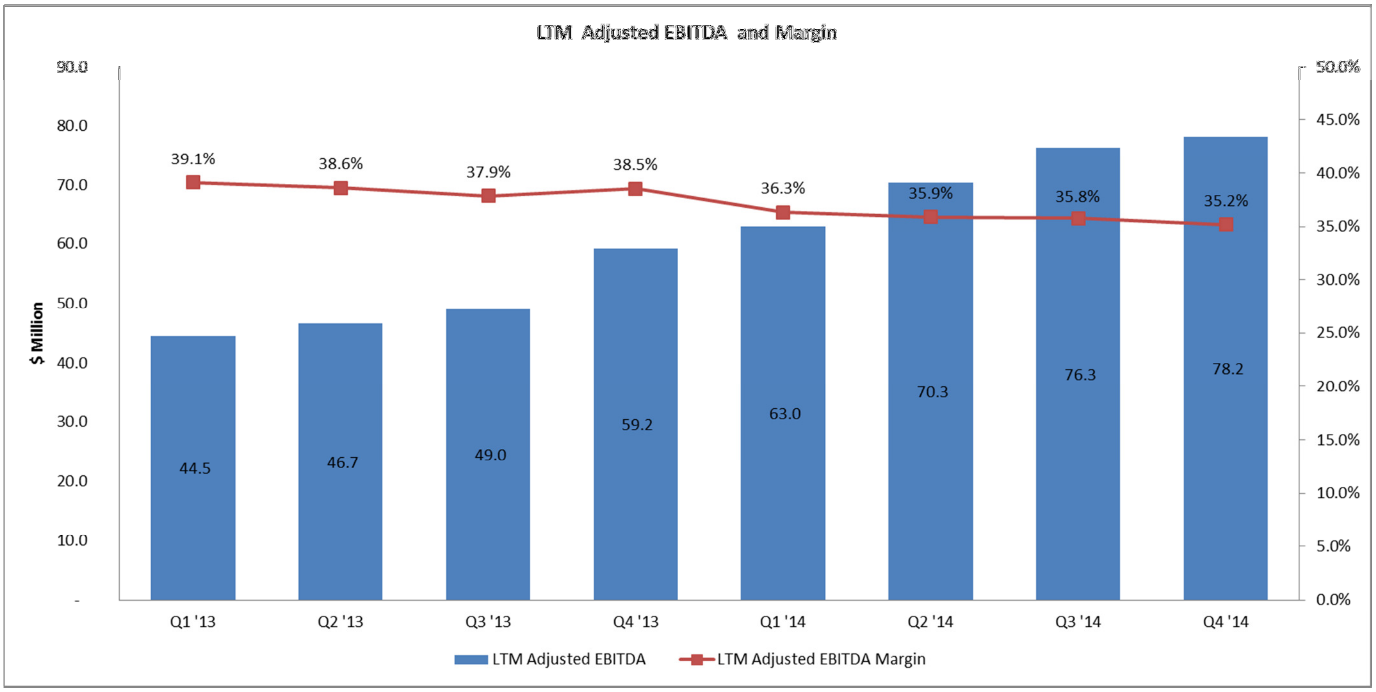
	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14
Retail	25.0	25.0	25.2	25.5	26.6	27.8	28.2	27.8
Private Wealth	1.9	1.9	2.1	10.5	10.7	10.7	11.2	12.0
Institutional	38.8	38.2	39.9	41.5	43.1	43.6	45.5	46.8
Total AUM	65.7	65.1	67.2	77.5	80.4	82.1	84.9	86.6

Revenues

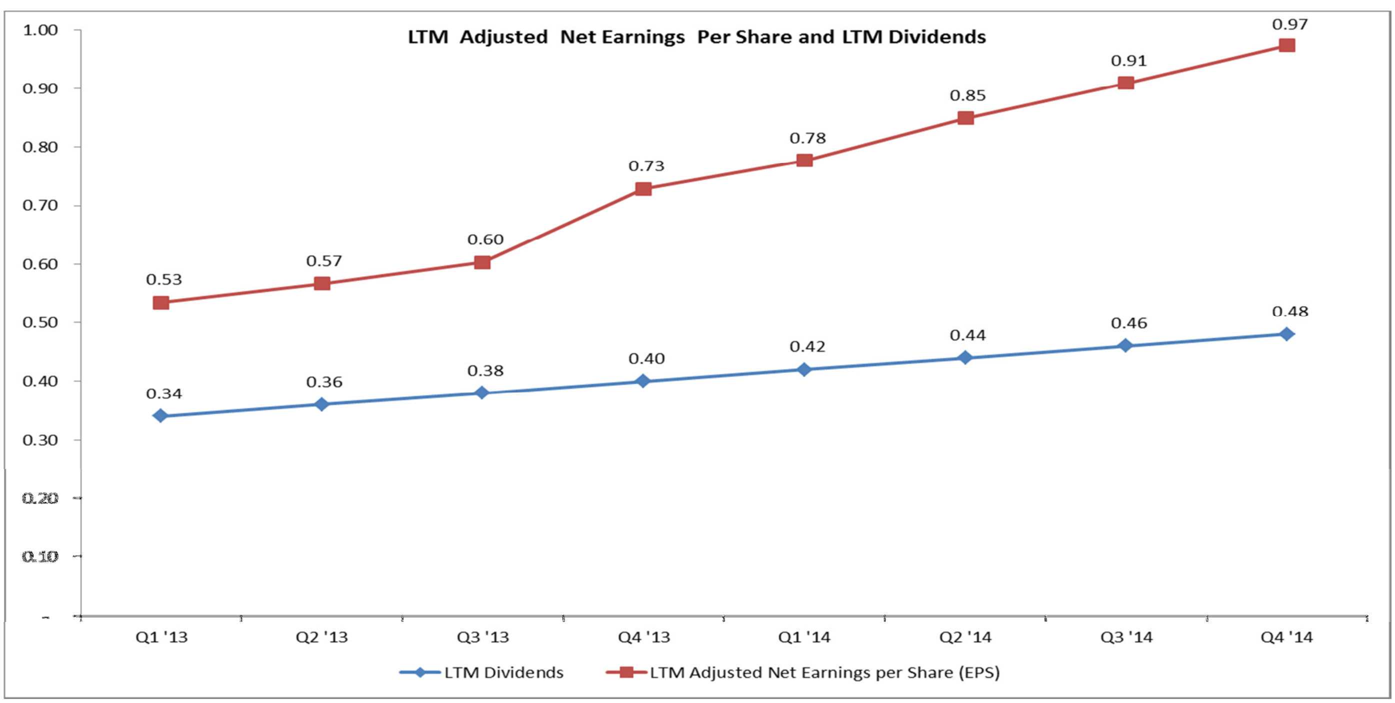


	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14
Other Revenues	0.2	0.4	0.2	1.4	1.7	1.9	1.4	1.2
Perfomance Fees	0.1	0.3	0.7	11.0	0.5	4.0	0.3	10.6
Retail	11.2	12.7	14.1	13.9	14.1	15.0	15.2	15.5
Private Wealth	3.0	3.1	3.3	10.9	15.5	15.9	15.9	16.7
Institutional	15.7	16.7	16.8	18.0	18.2	18.9	19.6	20.3
Total Revenues	30.2	33.2	35.1	55.2	50.0	55.7	52.4	64.3

Last Twelve Months Adjusted EBITDA and LTM Adjusted EBITDA Margin



LTM Adjusted Net Earnings per Share (EPS) and LTM Dividends



HIGHLIGHTS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2014

Highlights for the three-month period ended December 31, 2014 were as follows:

December 31, 2014 compared to December 31, 2013

- Total AUM increased by $9.1 billion, or 12%, to $86.6 billion as at December 31, 2014, compared to AUM of $77.5 billion as at December 31, 2013.
- Base management fees and other revenues for the fourth quarter ended December 31, 2014, increased by $9.5 million, or 21%, to $53.7, million compared to $44.2 million for the same period last year.
- Performance fees were $10.6 million for the fourth quarter ended December 31, 2014, compared to $11.0 million for the same period last year.
- Selling, general and administrative ("SG&A") expenses and external managers' expenses increased by $8.0 million, or 24%, to $41.6 million for the fourth quarter ended December 31, 2014, compared to $33.6 million for the same period last year.
- Adjusted EBITDA increased by $1.9 million, or 8%, to $24.8 million for the fourth quarter ended December 31, 2014, compared to $22.9 million for the same period last year. Adjusted EBITDA per share remained unchanged at $0.36 per share (basic) and $0.35 (diluted) compared to those of the same period last year.
- For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), an increase of $3.6 million, or 43%, compared to the fourth quarter ended December 31, 2013, during which the Firm recorded net earnings attributable to the Company's shareholders of $8.5 million, or $0.13 per share (basic and diluted).
- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2014 amounted to $23.5 million, or $0.34 per share (basic and diluted), compared to $18.1 million, or $0.28 per share (basic) and $0.27 (diluted), for the fourth quarter ended December 31, 2013.

December 31, 2014 compared to September 30, 2014

- Total AUM increased by $1.7 billion, or 2%, to $86.6 billion during the fourth quarter ended December 31, 2014, compared to $84.9 billion as at September 30, 2014.
- Base management fees and other revenues for the fourth quarter ended December 31, 2014, increased by $1.6 million, or 3%, to $53.7 million compared to $52.1 million for the previous quarter ended September 30, 2014.
- Performance fees were $10.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.
- SG&A expenses and external managers' expenses increased by $5.4 million, or 15%, to $41.6 million for the fourth quarter ended December 31, 2014, compared to $36.2 million for the previous quarter ended September 30, 2014.

- Adjusted EBITDA increased by $6.7 million, or 37%, to $24.8 million for the fourth quarter ended December 31, 2014, compared to $18.1 million for the previous quarter ended September 30, 2014. Adjusted EBITDA per share were $0.36 (basic) and $0.35 (diluted) for the fourth quarter ended December 31, 2014, compared to $0.26 per share (basic and diluted) for the previous quarter ended September 30, 2014.

- For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), an increase of $7.0 million, or over 100%, compared to the previous quarter ended September 30, 2014, during which the Firm recorded net earnings attributable to the Company's shareholders of $5.1 million, or $0.07 per share (basic and diluted).

- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2014 amounted to $23.5 million, or $0.34 per share (basic and diluted), compared to $14.6 million, or $0.21 per share (basic and diluted), for the previous quarter ended September 30, 2014.

Highlights for the twelve-month period ended December 31, 2014 were as follows:

- Base management fees and other revenues for the twelve-month period ended December 31, 2014, increased by $65.3 million, or 46%, to $206.9 million compared to $141.6 million for the same period last year.

- Performance fees were $15.4 million for the twelve-month period ended December 31, 2014, compared to $12.1 million for the same period last year.

- SG&A expenses and external managers' expenses rose by $53.9 million, or 55%, to $151.1 million for the twelve-month period ended December 31, 2014, compared to $97.2 million for the twelve-month period ended December 31, 2013.

- Adjusted EBITDA rose by $19.0 million, or 32%, to $78.2 million for the twelve-month period ended December 31, 2014, compared to $59.2 million for the same period last year. Adjusted EBITDA per share were $1.14 (basic) and $1.12 (diluted) for the twelve-month period ended December 31, 2014, compared to $1.01 per share (basic) and $1.00 (diluted) for the same period last year.

- For the twelve-month period ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), an increase of $12.6 million, or 84%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of $14.9 million, or $0.26 per share (basic) and $0.25 (diluted).

- Adjusted net earnings attributable to the Company's shareholders for the twelve-month period ended December 31, 2014 were $66.7 million, or $0.97 per share (basic) and $0.96 (diluted), compared to $43.4 million, or $0.74 per share (basic) and $0.73 (diluted), for the same period last year.

Summary of Quarterly Results

Table 1 – Statements of Earnings and Assets under Management

ASSETS UNDER MANAGEMENT (in $ millions)	AS AT DECEMBER 31, 2014	AS AT SEPTEMBER 30 , 2014	AS AT DECEMBER 31, 2013	VARIANCE QUARTER OVER QUARTER FAV/(UNF) (2)	VARIANCE YEAR OVER YEAR FAV/(UNF) (2)
Assets under Management	86,612	84,875	77,485	1,737	9,127

STATEMENTS OF EARNINGS (in $ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2014	SEPTEMBER 30, 2014	DECEMBER 31, 2013	VARIANCE QUARTER OVER QUARTER FAV/(UNF) (2)	VARIANCE YEAR OVER YEAR FAV/(UNF) (2)
Revenues					
Base management fees	52,502	50,647	42,802	1,855	9,700
Performance fees - Traditional Assets	5,567	97	6,529	5,470	(962)
Performance fees - Alternative Assets	5,022	180	4,450	4,842	572
Other revenues	1,213	1,447	1,441	(234)	(228)
Total revenues	64,304	52,371	55,222	11,933	9,082
Expenses					
Selling, general and administrative expenses	40,150	34,775	32,388	(5,375)	(7,762)
External managers	1,490	1,420	1,221	(70)	(269)
Depreciation of property and equipment	611	343	367	(268)	(244)
Amortization of intangible assets	6,655	6,411	6,164	(244)	(491)
Interest on long-term debt and other financial charges	2,283	2,164	2,029	(119)	(254)
Accretion and change in fair value of purchase price obligations	636	612	(1,302)	(24)	(1,938)
Restructuring and other integration costs	1,174	654	67	(520)	(1,107)
Acquisition costs	824	561	2,878	(263)	2,054
Changes in fair value of derivative financial instruments	(8,284)	50	(390)	8,334	7,894
Impairment of non-financial assets	8,016	-	-	(8,016)	(8,016)
Other (income) expenses (3)	(38)	(364)	(536)	(326)	(498)
Total expenses	53,517	46,626	42,886	(6,891)	(10,631)
Earnings before income taxes	10,787	5,745	12,336	5,042	(1,549)
Income taxes	1,322	1,226	3,924	(96)	2,602
Net earnings	9,465	4,519	8,412	4,946	1,053
Attributable to:					
Company's shareholders	12,090	5,053	8,481	7,037	3,609
Non-controlling interest	(2,625)	(534)	(69)	(2,091)	2,556
Net earnings	9,465	4,519	8,412	4,946	1,053
BASIC PER SHARE					
Adjusted EBITDA (1)	0.36	0.26	0.36	0.10	-
Net earnings	0.18	0.07	0.13	0.11	0.05
Adjusted net earnings (1)	0.34	0.21	0.28	0.13	0.06
DILUTED PER SHARE					
Adjusted EBITDA (1)	0.35	0.26	0.35	0.09	-
Net earnings	0.18	0.07	0.13	0.11	0.05
Adjusted net earnings (1)	0.34	0.21	0.27	0.13	0.07

(1) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 51.
(2) FAV: Favourable - UNF: Unfavourable
(3) Other expenses (income) include "(Gain) Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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, 2014	DECEMBER 31, 2013	YEAR OVER YEAR FAV/(UNF) [2]
Revenues			
Base management fees	200,612	139,397	61,215
Performance fees - Traditional Assets	6,434	7,181	(747)
Performance fees - Alternative Assets	9,003	4,936	4,067
Other revenues	6,309	2,213	4,096
Total revenues	222,358	153,727	68,631
Expenses			
Selling, general and administrative expenses	145,967	94,357	(51,610)
External managers	5,107	2,858	(2,249)
Depreciation of property and equipment	1,733	1,341	(392)
Amortization of intangible assets	25,700	19,083	(6,617)
Interest on long-term debt and other financial charges	7,977	6,931	(1,046)
Accretion and change in fair value of purchase price obligations	2,642	637	(2,005)
Restructuring and other integration costs	3,127	1,509	(1,618)
Acquisition costs	2,079	6,572	4,493
Changes in fair value of derivative financial instruments	(7,419)	(426)	6,993
Impairment of non-financial assets	8,016	-	(8,016)
Other (income) expenses [3]	(1,320)	(1,129)	191
Total expenses	193,609	131,733	(61,876)
Earnings before income taxes	28,749	21,994	6,755
Income taxes	5,158	7,389	2,231
Net earnings	23,591	14,605	8,986
Attributable to:			
Company's shareholders	27,492	14,939	12,553
Non-controlling interest	(3,901)	(334)	(3,567)
Net earnings	23,591	14,605	8,986
BASIC PER SHARE			
Adjusted EBITDA [1]	1.14	1.01	0.13
Net earnings	0.40	0.26	0.14
Adjusted net earnings [1]	0.97	0.74	0.23
DILUTED PER SHARE			
Adjusted EBITDA [1]	1.12	1.00	0.12
Net earnings	0.40	0.25	0.15
Adjusted net earnings [1]	0.96	0.73	0.23

[1] Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 51.
[2] FAV: Favourable - UNF: Unfavourable
[3] Other expenses (income) include "(Gain) Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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

	DECEMBER 31, 2014	DECEMBER 31, 2013
Cash, restricted cash and investments	25,445	32,174
Accounts receivable	59,960	56,072
Other current assets	4,654	3,771
Intangible assets	292,835	310,151
Goodwill	370,161	357,773
Investment in joint ventures	9,635	8,284
Other long-term assets	9,490	8,342
Total assets	772,180	776,567
Current liabilities	53,680	56,329
Deferred income taxes	20,091	24,636
Long-term debt	222,081	228,262
Purchase price obligations	36,168	40,250
Derivative financial instruments	945	644
Value of option granted to non-controlling interest	-	7,720
Other long-term liabilities	5,004	1,685
Total liabilities	337,969	359,526
Equity		
Attributable to Company's shareholders	437,154	416,083
Attributable to Non-controlling interest	(2,943)	958
	434,211	417,041
Total liabilities and equity	772,180	776,567

Results from Operations and Overall Performance

Assets under Management

Assets under management levels are critical to Fiera Capital's business. The change in the Firm's AUM is determined by i) the level of new mandates ("New"); ii) the level of redemption ("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"). 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. In this MD&A, the Firm analyzes its results based on its clientele type.

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

Table 3 – Assets under Management (in $ millions)*

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2014	SEPTEMBER 30, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
AUM - beginning of period	84,875	82,131	67,163	77,485	58,138
Net variance	1,737	2,519	2,067	8,902	4,334
Acquisitions	-	225	8,255	225	15,013
AUM - end of period	86,612	84,875	77,485	86,612	77,485

Certain totals, subtotals and percentages may not reconcile due to rounding.
(*) AUM include the foreign exchange impact.

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

	SEPTEMBER 30, 2014	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITIONS	DECEMBER 31, 2014
Institutional	45,539	651	(233)	(477)	1,234	60	-	46,774
Private Wealth	11,186	443	(53)	31	68	323	-	11,998
Retail	28,150	9	(671)	393	(41)	-	-	27,840
AUM - end of period	84,875	1,103	(957)	(53)	1,261	383	-	86,612

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

Quarterly Activity

Total AUM increased by $1.7 billion, or 2%, to $86.6 billion during the fourth quarter ended December 31, 2014, compared to $84.9 billion as at September 30, 2014. The increase is due primarily to new mandates of $1.1 billion, namely $0.7 billion from the institutional clientele, combined with positive net contributions of $0.3 billion from existing clients and market appreciation of $1.3 billion, partially offset by lost mandates of $1.0 billion during the period. Lastly, the US dollars exchange rate variation positively impacted AUM during the fourth quarter by approximately $0.4 billion.

During the fourth quarter ended December 31, 2014, the institutional clientele generated approximately $650 million of new mandates to the Firm's AUM, fueled by a number of asset classes, most notably global equity, specialized fixed income mandates and real assets. The growth came from clients across North America, which is in line with the Firm's objective of becoming a leading North American asset management firm. On the other hand, lost mandates in the institutional sector over the quarter were primarily the result of internal repatriation of assets as well as consolidation of investment management providers.

The AUM in the private wealth clientele increased by $0.8 billion during the fourth quarter ended December 31, 2014, mainly attributable to new mandates from Bel Air, the positive impact of foreign exchange rate change and market appreciation during the period.

The AUM in the retail clientele decreased by $0.3 billion during the fourth quarter ended December 31, 2014 mainly due to the loss of one mandate which accounts for $0.6 billion from a large client for which the other mandates remained with the Firm. This loss was partially offset by new and net contributions of $0.4 billion as the retail clientele continued to increase net contributions during the fourth quarter of 2014 as a result of improved distribution channels.

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

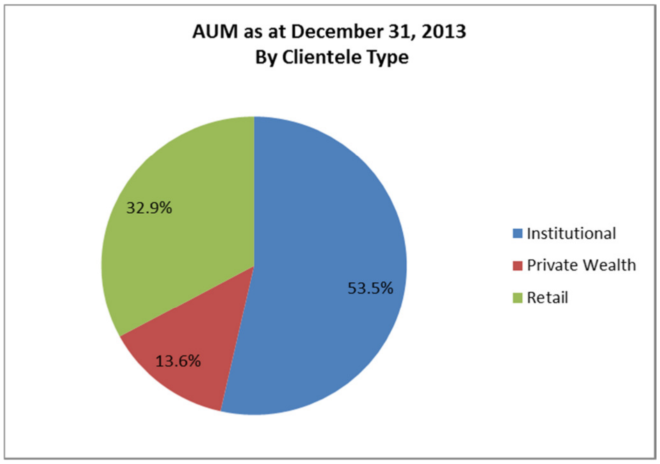
	DECEMBER 31, 2013	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITIONS	DECEMBER 31, 2014
Institutional	41,478	2,729	(1,228)	(974)	4,671	98	-	46,774
Private Wealth	10,534	772	(564)	(74)	558	772	-	11,998
Retail	25,473	686	(943)	694	1,705	-	225	27,840
AUM - end of period	77,485	4,187	(2,735)	(354)	6,934	870	225	86,612

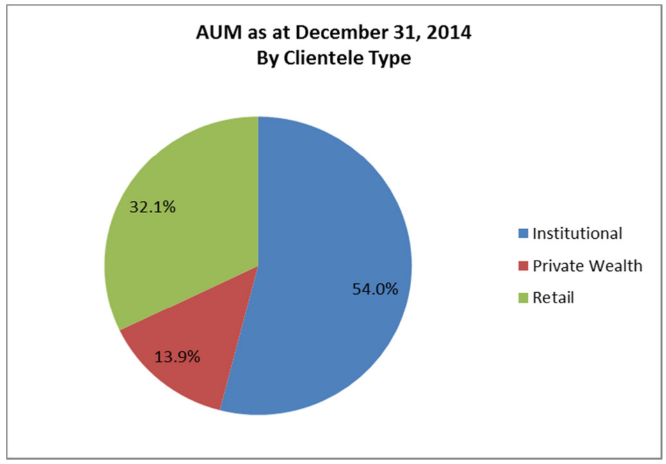
Certain totals, subtotals and percentages may not reconcile due to rounding.

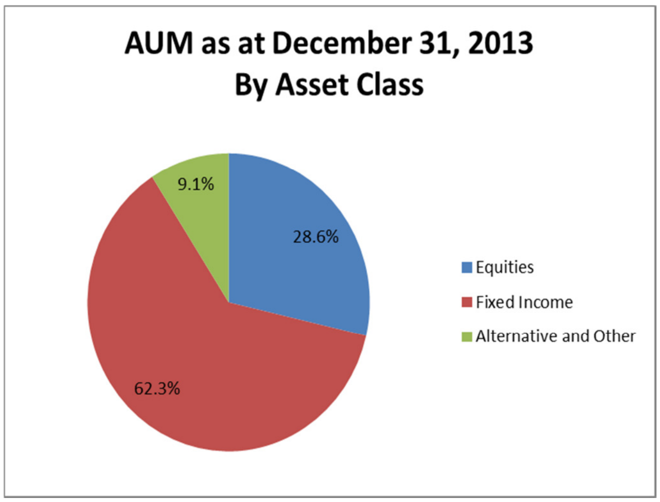
Year-to-Date Activity

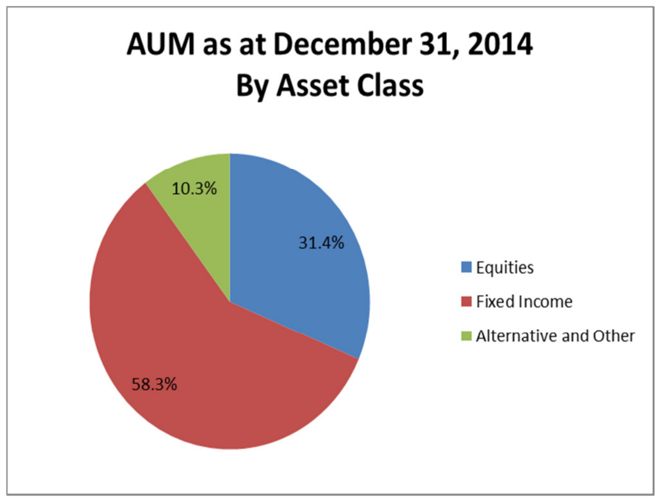
Total AUM increased by $9.1 billion, or 12%, to $86.6 billion during the twelve-month period ended December 31, 2014, compared to $77.5 billion as at December 31, 2013. The increase is due primarily to the market appreciation of $6.9 billion during the period, combined with new mandates of $4.2 billion. These were partially offset by lost mandates of $2.7 billion. Also, foreign exchange rate changes positively impacted AUM during fiscal 2014 by approximately $0.9 billion, as reflected in the above figures.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2013 and December 31, 2014, respectively.









Revenues

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

The following revenues analysis refers to average assets for each clientele type.

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

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2014	SEPTEMBER 30, 2014	DECEMBER 31, 2013	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	**20,298**	**19,603**	**18,026**	695	2,272
Private Wealth	**16,662**	**15,876**	**10,918**	786	5,744
Retail	**15,542**	**15,168**	**13,858**	374	1,684
Total management fees*	**52,502**	**50,647**	**42,802**	1,855	9,700
Performance fees – Traditional asset class	**5,567**	**97**	**6,529**	5,470	(962)
Performance fees – Alternative asset class	**5,022**	**180**	**4,450**	4,842	572
Total performance fees	**10,589**	**277**	**10,979**	10,312	(390)
Other revenues*	**1,213**	**1,447**	**1,441**	(234)	(228)
Total Revenues	**64,304**	**52,371**	**55,222**	11,933	9,082

(*) Other revenues for the three-month period ended December 31, 2013, were reclassified to better reflect the business of the Company.
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, 2014 increased by $9.1 million, or 16%, to $64.3 million compared to $55.2 million for the same period last year. The increase in revenues is due mainly to the higher AUM base driving a $9.7 million improvement in management fees, following the acquisition of assets from Bel Air and Wilkinson, and most recently Propel, partially offset by the decrease of $0.2 million in other revenues, particularly brokerage and consulting fees and lower performance fees of $0.4 million, mainly from the traditional asset class.

Management Fees

Management fees increased by $9.7 million, or 23%, to $52.5 million for the fourth quarter ended December 31, 2014, compared to $42.8 million for the same period last year. The overall increase in revenues and the increase by clientele type are as follows:

- Revenues from the Institutional clientele improved by $2.3 million, or 13%, to $20.3 million for the fourth quarter ended December 31, 2014, compared to $18.0 million for the same quarter last year. The improvement is primarily due to the increase in net AUM namely from the U.S. during the fourth quarter of 2014 compared to the same period last year.

- Revenues from the Private Wealth clientele increased by $5.7 million, or 53%, to $16.7 million for the fourth quarter ended December 31, 2014, compared to $10.9 million for the same period last year. The increase is due mainly to a full quarter of operation of Bel Air and Wilkinson O'Grady in the fourth quarter of 2014 compared to two months of operations in the same period of last year, combined with the positive impact of changes in foreign exchange rate.

- Revenues from the Retail clientele increased by $1.6 million, or 12%, to $15.5 million for the fourth quarter ended December 31, 2014, compared to $13.9 million for the same quarter last year. The increase results primarily from additional net AUM in the fourth quarter of 2014 compared to the same period last year and additional revenue from the acquisition of Propel during the fourth quarter of 2014.

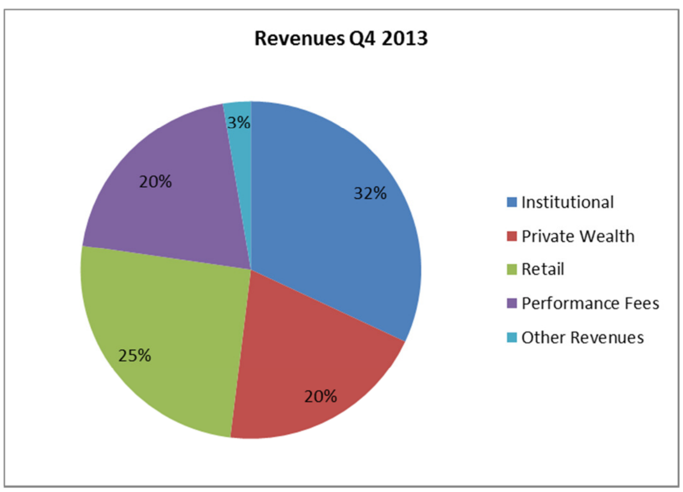
Performance Fees

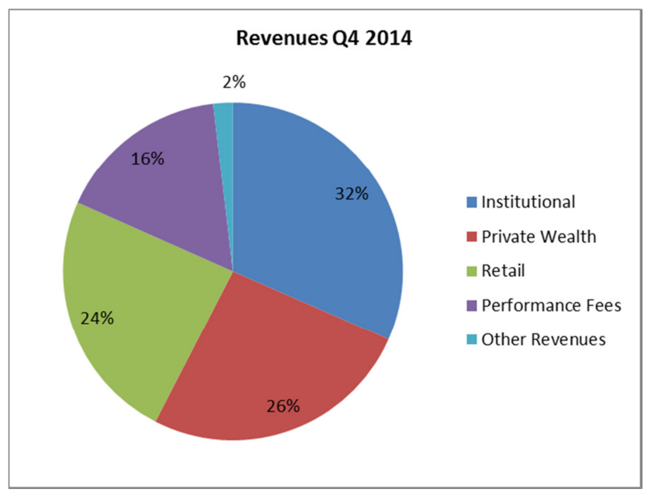
Total performance fees amounted to $10.6 million for the fourth quarter ended December 31, 2014, compared to $11.0 million for the same period last year. The mix of the level of the AUM subject to performance fees and the fund performance resulted in slightly lower performance fee revenues for the quarter ended December 31, 2014. The performance of the traditional asset class was slightly lower with a higher AUM base, combined with a strong performance from the alternative asset class for which the AUM base remained stable.

Other Revenues

Other revenues decreased by $0.2 million, or 16%, to $1.2 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the same period last year. The decrease is mainly attributable to lower revenue from interest and tax planning fees, partially offset by higher brokerage and consulting fees earned during the fourth quarter of 2014 following the acquisition of Bel Air.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended December 31, 2013 and December 31, 2014, respectively.





Current Quarter Versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2014 increased by $11.9 million, or 23%, to $64.3 million compared to $52.4 million for the previous quarter ended September 30, 2014. The increase in revenues is mainly attributable to higher performance fees, which are generally recognized in December of each year, combined with higher base management fees resulting from net additional AUM in the fourth quarter of 2014, compared to the previous quarter.

Management Fees

Management fees increased by $1.9 million, or 4%, to $52.5 million for the fourth quarter ended December 31, 2014, compared to $50.6 million for the previous quarter ended September 30, 2014. The increase in management fees is attributable to the higher quarterly average AUM base and the following is the increase by clientele type:

- Revenues from the Institutional clientele increased by $0.7 million, or 3.5%, to $20.3 million for the fourth quarter ended December 31, 2014, compared to $19.6 million for the previous quarter ended September 30, 2014, mainly as a result of new mandates from the U.S. funded toward the end of the quarter, for which revenues will be fully recognized in the upcoming months.

- Revenues from the Private Wealth clientele increased by $0.8 million, or 5%, to $16.7 million for the fourth quarter ended December 31, 2014, compared to $15.9 million for the previous quarter ended September 30, 2014. This increase in revenue is mainly attributable to higher average AUM from Bel Air, combined with the positive impact of foreign exchange rate changes.

- Revenues from the Retail clientele increased by $0.3 million, or 2.5%, to $15.5 million for the fourth quarter ended December 31, 2014, compared to $15.2 million for the previous quarter ended September 30, 2014. The increase is mainly attributable to a full quarter of operation of Propel during the fourth quarter ended December 31, 2014, compared to one month of operation in the previous quarter ended September 30, 2014.

Performance Fees

Total performance fees, which are generally recorded in December of each year, were $10.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.

Revenues from performance fees resulted from the strong performance of the alternative asset class combined with a higher AUM base that are subject to performance fees in the traditional asset class.

Other Revenues

Other revenues decreased by $0.2 million, or 16%, to $1.2 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the previous quarter ended September 30, 2014. The decrease is mainly due to lower interest and tax planning fees.

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

	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2014	DECEMBER 31, 2013	YEAR OVER YEAR
Institutional	**76,921**	**67,161**	9,760
Private Wealth	**63,897**	**20,344**	43,553
Retail	**59,794**	**51,892**	7,902
Total management fees*	**200,612**	**139,397**	61,215
Performance fees – Traditional asset class	**6,434**	**7,181**	(747)
Performance fees – Alternative asset class	**9,003**	**4,936**	4,067
Total performance fees	**15,437**	**12,117**	3,320
Other revenues*	**6,309**	**2,213**	4,096
Total Revenues	**222,358**	**153,727**	68,631

(*) Other revenues were reclassified to better reflect the business of the Company.
Certain totals, subtotals and percentages may not reconcile due to rounding.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Revenues for the twelve-month period ended December 31, 2014 increased by $68.6 million, or 45%, to $222.4 million, compared to $153.7 million for the same period last year. The increase in revenues is mainly due to the higher AUM base, driving a $61.2 million improvement in management fees, following the acquisition of assets from UBS Global Asset Management (Canada) Inc. ("UBS"), GMP Capital Inc. ("GMP"), Bel Air, Wilkinson O'Grady and Propel and the Firm's organic growth, combined with increases of $3.3 million in performance fees and $4.1 million in other revenues, particularly brokerage and consulting fees.

Management Fees

Management fees increased by $61.2 million, or 44%, to $200.6 million for the twelve-month period ended December 31, 2014, compared to $139.4 million for the same period last year. The overall increase in revenues and the increase by clientele type are as follows:

- Revenues from the Institutional clientele increased by $9.7 million, or 15%, to $76.9 million for the twelve-month period ended December 31, 2014, compared to $67.2 million for the same period last year. The improvement is mainly due to additional net AUM.

- Revenues from the Private Wealth clientele increased by $43.6 million, or over 100%, to $63.9 million for the twelve-month period ended December 31, 2014, compared to $20.3 million for the same period last year. The increase is mainly due to the inclusion of assets from Bel Air and Wilkinson O'Grady.

- Revenues from the Retail clientele increased by $7.9 million, or 15%, to $59.8 million for the twelve-month period ended December 31, 2014, compared to $51.9 million for the same period last year. The increase is mainly attributable to additional AUM from new mandates, combined with a higher AUM base resulting from market appreciation, and the inclusion of AUM from Propel since September 2014.

Performance Fees

Total performance fees amounted to $15.4 million for the twelve-month period ended December 31, 2014, compared to $12.1 million for the same period last year. This improvement is due to a $4.1 million increase in alternative asset class performance fees resulting from strong fund performance with a stable AUM level, partially offset by a $0.7 million decrease in traditional asset class performance fees revenues resulting from a slightly lower performance with higher AUM levels.

Other Revenues

Other revenues increased by $4.1 million, or over 100%, to $6.3 million for the twelve-month period ended December 31, 2014, compared to $2.2 million for the same period last year. The increase is mainly attributable to the brokerage and consulting fees earned during the full year of operation in 2014 following the Bel Air acquisition, compared to two months of operations during the same period last year.

Selling, General and Administrative Expenses

Current Quarter Versus Prior-Year Quarter

SG&A expenses rose by $7.8 million, or 24%, to $40.2 million for the three-month period ended December 31, 2014, compared to $32.4 million for the same period last year. The increase is mainly due to the inclusion of costs related to the Bel Air, Wilkinson O'Grady and Propel acquisitions, amounting to $6.8 million, $1.1 million, $0.6 million and $0.2 million increases in compensation costs, insurance and reference fees, marketing and servicing and information technology expenses, and rental costs, respectively. These increases are partially offset by a decrease of $0.9 million in professional fee expenses.

Current Quarter Versus Previous Quarter

SG&A expenses increased by $5.4 million, or 15.5%, to $40.2 million for the three-month period ended December 31, 2014, compared to $34.8 million for the previous quarter ended September 30, 2014. The increase is mainly attributable to the rise of $5.1 million in fixed and variable compensation related to incentive performance fees and the inclusion of Propel for a full quarter of operations in the fourth quarter ended December 31, 2014, compared to one month of operation in the previous quarter.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

SG&A expenses increased by $51.6 million, or 55%, to $146.0 million for the twelve-month period ended December 31, 2014, compared to $94.4 million for the same period last year. The increase is mainly due to the inclusion of costs related to GMP (a full year of operations in 2014 compared to eight months in the comparable period of 2013), Bel Air and Wilkinson O'Grady (twelve months of operation in 2014 compared to two months in 2013) and Propel (four months of operation in 2014 compared to nil in 2013), amounting to $39.9 million, $5.5 million, $2.5 million and $1.4 million in compensation costs, marketing and servicing and information technology expenses, insurance and reference fees and rental costs, respectively.

External Managers

Current Quarter Versus Prior-Year Quarter

External managers' expenses increased by $0.3 million, or 22%, to $1.5 million for the fourth quarter ended December 31, 2014, compared to $1.2 million for the same quarter last year. The increase is mainly due to the acquisitions of Bel Air and Propel.

Current Quarter Versus Previous Quarter

External managers' expenses increased by $0.1 million, or 5%, to $1.5 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the previous quarter ended September 30, 2014. The increase is mainly due to the acquisition of Propel.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

External managers' expenses rose by $2.3 million, or 79%, to $5.1 million for the twelve-month period ended December 31, 2014, compared to $2.9 million for the same period last year. The increase is mainly due to the Bel Air and Propel acquisitions.

Depreciation and Amortization

Current Quarter Versus Prior-Year Quarter

Depreciation of property and equipment increased by $0.2 million, or 67%, to $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.4 million from the corresponding quarter last year.

Amortization of intangible assets increased by $0.5 million, or 8%, to $6.7 million for the fourth quarter ended December 31, 2014, compared to $6.2 million for the same period last year, following the acquisition of intangible assets from Bel Air, Wilkinson O'Grady and Propel.

Current Quarter Versus Previous Quarter

Depreciation of property and equipment increased by $0.3 million, or 78%, to $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.

Amortization of intangible assets increased by $0.2 million, or 4%, to $6.6 million for the fourth quarter ended December 31, 2014, compared to $6.4 million for the previous quarter ended September 30, 2014, following the acquisition of Propel.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Depreciation of property and equipment increase by $0.4 million, or 29%, to $1.7 million for the twelve-month period ended December 31, 2014, compared to $1.3 million for the same period last year.

Amortization of intangible assets increased by $6.6 million, or 35%, to $25.7 million for the twelve-month period ended December 31, 2014, compared to $19.1 million for the same period last year, following the acquisition of intangible assets from GMP (twelve months of operations in 2014 compared to eight months in the comparable period of 2013), Bel Air, Wilkinson O'Grady and Propel.

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 increased by $0.3 million, or 13%, to $2.3 million for the fourth quarter ended December 31, 2014, compared to $2.0 million for the same quarter last year. The increase is mainly attributable to additional long-term debt related to the Bel Air and Wilkinson O'Grady acquisitions.

Current Quarter Versus Previous Quarter

The interest on long-term debt and other financial charges remained relatively stable at $2.3 million for the fourth quarter ended December 31, 2014, compared to $2.2 million for the previous quarter ended September 30, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

The interest on long-term debt and other financial charges increased by $1.1 million, or 15%, to $8.0 million for the twelve-month period ended December 31, 2014, compared to $6.9 million for the same period last year. The increase is mainly attributable to additional interest on long-term debt resulting from incremental borrowings related to the Bel Air and Wilkinson O'Grady acquisitions.

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 $0.6 million for the fourth quarter ended December 31, 2014, compared to a gain of $1.3 million for the same quarter last year. The variance is mainly due to the reversal of $2 million of the purchase price obligation recorded in the fourth quarter of 2013 related to the acquisition of assets from Canadian Wealth Management Group Inc. ("CWM") since the Company reviewed the assets under management and concluded that the conditions required to trigger the contingent payment of $2 million were not met.

Current Quarter Versus Previous Quarter

The accretion and change in fair value of purchase price obligations remained stable at $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.6 million for the previous quarter ended September 30, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

The accretion and change in fair value of purchase price obligations increased by $2.0 million, or over 100%, to $2.6 million for the twelve-month period ended December 31, 2014, compared to $0.6 million for the same period last year. The increase is due mainly to the reversal of $2 million of the purchase price obligation related to the acquisition of CWM assets recorded in the fourth quarter of 2013.

Acquisition and Restructuring and Other Integration Costs

Current Quarter Versus Prior-Year Quarter

Acquisition and restructuring and other integration costs decreased by $0.9 million, or 32%, to $2.0 million for the fourth quarter ended December 31, 2014, compared to $2.9 million for the same period last year. This decrease is mainly due to costs related to the acquisition of Bel Air and Wilkinson recorded during the fourth quarter ended December 31, 2013.

Current Quarter Versus Previous Quarter

Acquisition and restructuring and other integration costs increased by $0.8 million, or 64%, to $2.0 million for the fourth quarter ended December 31, 2014, compared to $1.2 million for the previous quarter ended September 30, 2014. This increase is mainly attributable to higher costs related to Propel and Samson acquisitions (as identified in the subsequent event section).

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Acquisition and restructuring and other integration costs decreased by $2.9 million, or 36%, to $5.2 million for the twelve-month period ended December 31, 2014, compared to $8.1 million for the same period last year. This decrease is mainly attributable to the higher costs related to the acquisition of assets from UBS, GMP, Bel Air and Wilkinson in 2013.

Changes in Fair Value of Derivative Financial Instruments/Impairment of Non-Financial Assets

The Company recorded $8.3 million of gain related to changes in the fair value of derivative financial instruments for the fourth quarter ended December 31, 2014, which include a gain of $8.4 million from the value of the option granted to non-controlling interest, net of that, the gain would have been an expense of $0.1 million for the quarter ended December 31, 2014, compared to a charge of $0.1 million for the previous quarter ended September 30, 2014, and compared to a gain of $0.4 million for the fourth quarter ended December 31, 2013.

During the fourth quarter ended December 31, 2014, an impairment of non-financial assets of $8.0 million was recorded.

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. This formula uses 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 will affect 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. During the fourth quarter of 2014, the Company completed the annual budget for fiscal 2015 and recalculated the option value using the most recent EBITDA attributable to Fiera Quantum L.P. As a result, as at December 31, 2014, the Company determined that the value of the option was nil. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

*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 (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2014	SEPTEMBER 30, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
Revenues					
Base management fees	52,502	50,647	42,802	200,612	139,397
Performance fees	10,589	277	10,979	15,437	12,117
Other revenues	1,213	1,447	1,441	6,309	2,213
Total revenues	64,304	52,371	55,222	222,358	153,727
Expenses					
Selling, general and administrative	40,150	34,775	32,388	145,967	94,357
External managers	1,490	1,420	1,221	5,107	2,858
Total expenses	41,640	36,195	33,609	151,074	97,215
EBITDA	22,664	16,176	21,613	71,284	56,512
Add back: Non-cash compensation	2,156	1,909	1,328	6,940	2,716
Adjusted EBITDA	24,820	18,085	22,941	78,224	59,228
Per share basic(**)	0.36	0.26	0.36	1.14	1.01
Per share diluted(**)	0.35	0.26	0.35	1.12	1.00

* Adjusted EBITDA is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 51.
** 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, 2014, adjusted EBITDA increased by $1.9 million, or 8%, to $24.8 million, or $0.36 per share (basic) and $0.35 (diluted), compared to $22.9 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, 2014, was driven by an increase in base management fees compared to the same period last year, mainly due to the acquisition of the Bel Air, Wilkinson O'Grady and Propel assets. These items were partially offset by an overall increase in operating expenses, including SG&A and external managers' expenses due to the inclusion of the acquired GMP, Bel Air, Wilkinson O'Grady and Propel operations.

Current Quarter Versus Previous Quarter

For the fourth quarter ended December 31, 2014, adjusted EBITDA increased by $6.7 million, or 37%, to $24.8 million, or $0.36 per share (basic) and $0.35 (diluted), compared to $18.1 million, or $0.26 per share (basic and diluted), from the previous quarter ended September 30, 2014. The increase is mainly attributable to higher performance fees in both alternative and traditional asset class which are generally recorded in December of each year, combined with higher base management fees, partially offset by higher SG&A expenses as described in the SG&A section.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, adjusted EBITDA increased by $19.0 million, or 32%, to $78.2 million, or $1.14 per share (basic) and $1.12 (diluted), compared to $59.2 million, or $1.01 per share (basic) and $1.00 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2014, is mainly attributable to an increase in base management fees resulting from the acquisition of the GMP, Bel Air, Wilkinson O'Grady and Propel assets. These items were partially offset by an overall rise in operating expenses, including SG&A and external managers' expenses due to the inclusion of the acquired GMP, Bel Air, Wilkinson O'Grady and Propel operations.

Net Earnings

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2014	SEPTEMBER 30, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
Net earnings attributable to the Company's shareholders	**12,090**	**5,053**	**8,481**	**27,492**	**14,939**
Depreciation of property and equipment	611	343	367	1,733	1,341
Amortization of intangible assets	6,655	6,411	6,164	25,700	19,083
Non-cash compensation items	2,156	1,909	1,328	6,940	2,716
Impairment of non-financial assets(1)	8,016	-	-	8,016	-
Changes in fair value of derivative financial instruments(1)	(8,284)	50	(390)	(7,419)	(426)
Non-cash items	**9,154**	**8,713**	**7,469**	**34,970**	**22,714**
Restructuring and other integration costs(1)	1,174	654	67	3,127	1,509
Acquisition costs(1)	824	561	2,878	2,079	6,572
Acquisition and restructuring and other integration costs	**1,998**	**1,215**	**2,945**	**5,206**	**8,081**
Adjusted net earnings before income taxes on above-mentioned items (1)	**23,242**	**14,981**	**18,895**	**67,668**	**45,734**
Income taxes on above-mentioned items (1)	(269)	380	767	953	2,297
Adjusted net earnings attributable to the Company's shareholders	**23,511**	**14,601**	**18,128**	**66,715**	**43,437**
Per share – basic					
Net earnings	**0.18**	**0.07**	**0.13**	**0.40**	**0.26**
Adjusted net earnings*	**0.34**	**0.21**	**0.28**	**0.97**	**0.74**
Per share – diluted					
Net earnings	**0.18**	**0.07**	**0.13**	**0.40**	**0.25**
Adjusted net earnings	**0.34**	**0.21**	**0.27**	**0.96**	**0.73**

*Adjusted net earnings are a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 51.

[1] Income tax on Changes in fair value of derivative financial instruments, acquisitions and restructuring and other integration costs is estimated by using a tax rate of 30%

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

Current Quarter Versus Prior-Year Quarter

The Firm's net earnings attributable to the Company's shareholders increased by $3.6 million to $12.1 million, or $0.18 per share (basic and diluted), during the fourth quarter ended December 31, 2014, compared to $8.5 million, or $0.13 per share (basic and diluted) for the same quarter last year. The increase in net earnings attributable to the Company's shareholders is mainly due to increases of $9.7 million in base management fees, combined with lower acquisition costs of $2.1 million. The increase in revenues was partly offset by increases of $8.0 million, $1.9 million and $1.1 million in

SG&A and external managers' expenses, accretion and change in fair value of purchase price obligation and restructuring and other integration costs, respectively.

Current Quarter Versus Previous Quarter

For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), compared to $5.1 million, or $0.07 per share (basic and diluted), for the previous quarter ended September 30, 2014. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a $10.3 million increase in performance fees, which are generally recorded in December of each year, combined with a $1.9 million increase in base management fees. The increase in revenues was partly offset by higher corporate expenses, namely in SG&A and external managers' expenses and acquisition and restructuring and other integration costs.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), compared to $14.9 million, or $0.26 per share (basic) and $0.25 (diluted) for the same period last year. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a $61.2 million increase in base management fees, a $3.3 million increase in performance fees and an increase of $4.1 million in other revenues, mainly in brokerage and consulting fees. These elements were partly offset by increases of $53.9 million, $7.0 million, $1.6 million in SG&A and external managers' expenses and depreciation and amortization costs and restructuring and other integration costs, respectively, combined with $2.0 million of unfavorable changes in accretion on purchase price obligations. Moreover, lower acquisition costs during the twelve-month period ended December 31, 2014, have also contributed to the increase in net earnings relative to the same period last year.

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 impairment of non-financial assets, 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, 2014, net earnings attributable to the Company's shareholders were negatively affected by $10.0 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments and impairment of non-financial assets ($9.2 million before taxes), or $0.14 per share (basic and diluted), and by $1.4 million, or $0.02 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($2.0 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $23.5 million, or $0.34 per share (basic and diluted) for the fourth quarter ended December 31, 2014.

During the fourth quarter ended December 31, 2013, net earnings attributable to the Company's shareholders were negatively affected by $7.6 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($7.5 million before taxes), or $0.12 per share (basic) and $0.11 (diluted), and by $2.1 million, or

$0.03 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($2.9 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $8.5 million, or $0.13 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $18.1 million, or $0.28 per share (basic) and $0.27 (diluted) for the fourth quarter ended December 31, 2013.

Current Quarter Versus Previous Quarter

During the previous quarter ended September 30, 2014, net earnings attributable to the Company's shareholders were negatively affected by $8.7 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($8.7 million before taxes), or $0.13 per share (basic and diluted), and by $0.8 million, or $0.01 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (or $1.2 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $5.1 million, or $0.07 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $14.6 million, or $0.21 per share (basic and diluted) for the third quarter ended September 30, 2014, compared to adjusted net earnings attributable to the Company's shareholders of $23.5 million or $0.34 per share (basic and diluted) for the fourth quarter ended December 31, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, net earnings attributable to the Company's shareholders were negatively affected by $35.6 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments and impairment of non-financial assets ($35.0 million before taxes), or $0.52 per share (basic) and $0.51 (diluted), and by $3.6 million, or $0.05 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($5.2 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $66.7 million, or $0.97 per share (basic) and $0.96 (diluted) for the twelve-month period ended December 31, 2014, compared to $43.4 million or $0.74 per share (basic) and $0.73 (diluted) for the same period last year.

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:

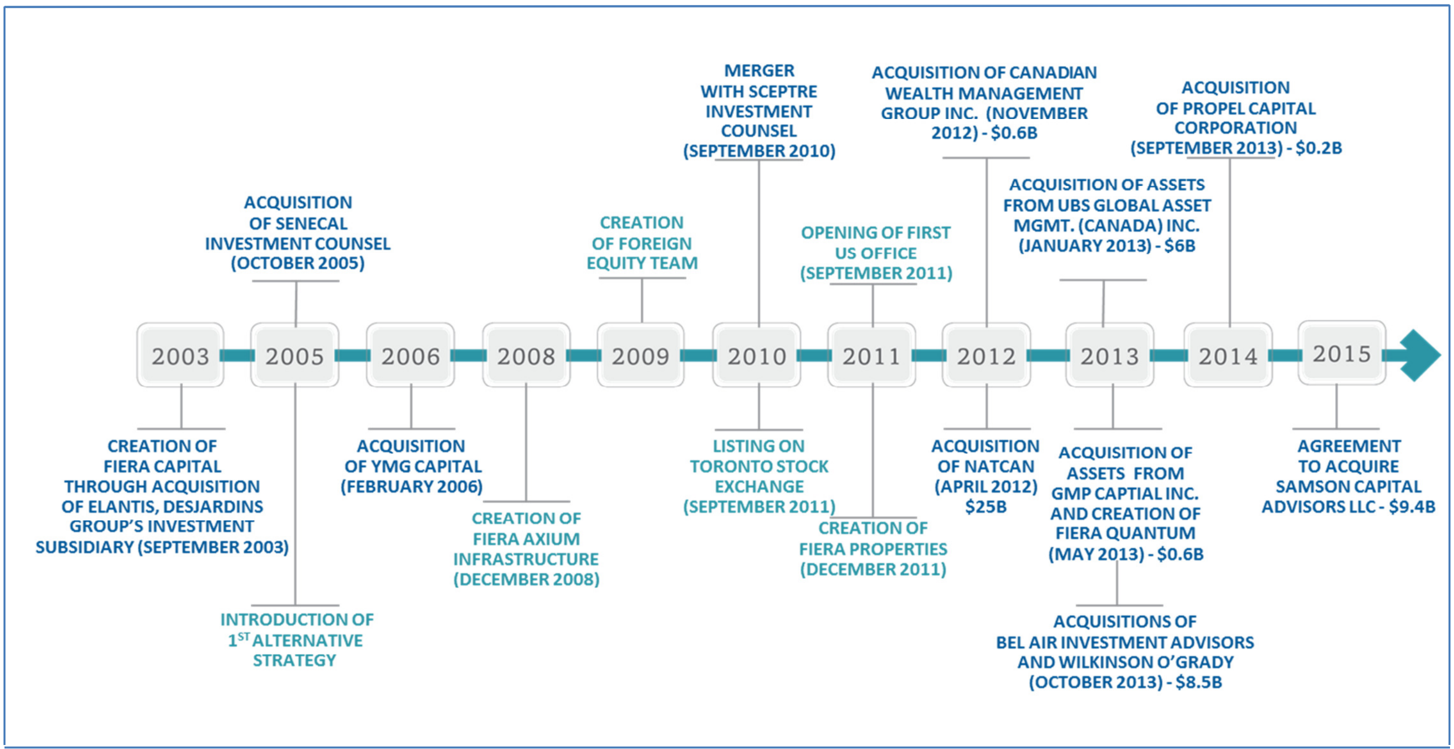
Table 10 – Quarterly Results (in $ thousands except AUM in $ millions and per share data)

	Last Twelve Months (4)	Q4 Dec. 31 2014	Q3 Sep. 30 2014	Q2 Jun. 30 2014	Q1 Mar. 31 2014	Q4 Dec. 31 2013	Q3 Sep. 30 2013	Q2 Jun. 30 2013	Q1 Mar. 31 2013
AUM (1)	83,508	86,612	84,875	82,131	80,412	77,485	67,163	65,092	65,702
Total revenues	222,358	64,304	52,371	55,720	49,963	55,222	35,111	33,178	30,216
Adjusted EBITDA (2)	78,223	24,280	18,085	20,191	15,127	22,941	12,085	12,858	11,344
Adjusted EBITDA margin	35.2%	38.6%	34.5%	36.2%	30.3%	41.5%	34.4%	38.8%	37.5%
Net earnings attributable to Company's shareholders	27,492	12,090	5,053	7,671	2,678	8,481	1,508	3,365	1,586
PER SHARE – BASIC									
Adjusted EBITDA (2)	1.14	0.36	0.26	0.30	0.22	0.36	0.22	0.23	0.20
Net earnings attributable to the Company's shareholders	0.40	0.18	0.07	0.11	0.04	0.13	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders (2)	0.97	0.34	0.21	0.23	0.18	0.28	0.16	0.16	0.13
PER SHARE – DILUTED									
Adjusted EBITDA (2)	1.12	0.35	0.26	0.29	0.22	0.35	0.22	0.23	0.20
Net earnings attributable to the Company's shareholders	0.40	0.18	0.07	0.11	0.04	0.13	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders (2)	0.96	0.34	0.21	0.23	0.18	0.27	0.16	0.16	0.13
PER SHARE – DILUTED (Including non-cash compensation and options granted) (3)									
Adjusted EBITDA (2)	1.05	0.33	0.24	0.28	0.20	0.33	0.20	0.22	0.19
Net earnings attributable to the Company's shareholders	0.37	0.16	0.07	0.10	0.04	0.12	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders (2)	0.90	0.31	0.20	0.22	0.17	0.26	0.15	0.15	0.13

(1) AUM as at March 31, 2013 and before were restated to include Fiera Axium and Fiera Properties AUM.
(2) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 51.
(3) This analysis assumes that all outstanding stock-based awards will vest and will be settled with shares of the Company (including 3,346,037 share options; 1,699,508 PSUs and 540,508 RSUs as at December 31, 2014. Per share measures as at September 30, 2013 and before were restated for calculation consistency.
(4) Last Twelve Months ("LTM") represents the sum of the last four quarters, except for AUM, which are average of last four quarters.

Results and Trend Analysis

The following shows the evolution of the Company since its creation through successful organic growth and various business acquisitions.



AUM

The current quarter continued to show an increase in AUM compared to the previous quarter mainly due to new mandates won in the institutional clientele notably in the U.S., combined with market appreciation and favourable impact of foreign exchange rates. The previous quarter ended September 30, 2014 showed a significant increase in AUM compared to the quarter ended June 30, 2014, mainly due to large mandates won in the institutional clientele namely in the U.S., combined with market appreciation and additional assets following the acquisition of Propel. The increase in AUM in the second quarter of 2014 compared to the first quarter of 2014 is mainly attributable to market appreciation and new mandates, partially offset by lost mandates and net negative contribution. The increase in AUM in the first quarter of 2014 compared to the fourth quarter of 2013 is mainly attributable to new mandates and market appreciation from one quarter to the next. The rise in AUM in the fourth quarter of 2013 compared to the quarter ended September 30, 2013, is primarily due to the Bel Air and Wilkinson O'Grady acquisitions, combined with additional AUM from new mandates. AUM increased in the third quarter of 2013 compared to the second quarter ended June 30, 2013, mainly due to additional AUM from new mandates in the institutional clientele combined with market appreciation during the period. AUM increased in the second quarter ended June 30, 2013 compared to previous quarters due to the acquisition of assets from GMP, combined with market appreciation as well as additional net AUM. The acquisition of UBS assets in January 2013 contributed to the increase in AUM in the quarter ended March 31, 2013 compared to the previous quarter ended December 31, 2012.

Revenues

Since the acquisition of Bel Air and Wilkinson in late 2013, the Firm's revenues stream is balanced between the institutional, retail and private wealth clientele and has been constantly progressing.

The current quarter showed a significant increase in revenues mainly due to the inclusion of performance fees from both traditional and alternative asset classes which are generally recorded in December of each year. Also, revenue from base management fees in the fourth quarter of 2014 were higher than those from the third quarter of 2014. For nine consecutive quarters since the quarter ended December 31, 2012, revenues have been on a continuous growth path.

The third quarter ended September 30, 2014, showed an increase in base management fees compared to the quarter ended June 30, 2014. Performance fees were lower in the third quarter of 2014 compared to the second quarter of 2014 due to the fact that they are generally recorded in June of each year. The increase in revenues in the second quarter of 2014 compared to the first quarter of 2014 is mainly attributable to the increase in base management and performance fees in the alternative asset class. The previous quarter ended March 31, 2014 was characterized by an increase in base management fees and other revenue resulting from a full quarter of Bel Air and Wilkinson O'Grady operations and net additional AUM, combined with market appreciation. During the quarter ended December 31, 2013, revenues increased due to the inclusion of Bel Air and Wilkinson O'Grady operations, combined with higher performance fees in both traditional and alternative asset classes, which are generally earned in the fourth quarter of each year. Revenues for the quarter ended September 30, 2013 increased mainly due to positive net contributions and new mandates. The quarter ended June 30, 2013 also demonstrated an increase compared to the previous quarter as a result of the acquisition of assets from UBS and GMP. Revenues in the quarter ended March 31, 2013 decreased slightly compared to the quarter ended December 31, 2012, mainly due to timing of performance fees generally earned in the quarter ending in December of each year.

Adjusted EBITDA

Adjusted EBITDA has been on an increasing trend over the last eight quarters. Adjusted EBITDA increased in the fourth quarter of 2014 compared to those from the third quarter of 2014, mainly due to higher performance fees which are generally recorded in December of each year, combined with higher base management fee revenues. Adjusted EBITDA decreased in the third quarter of 2014 compared to the second quarter of 2014, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June of each year

Adjusted EBITDA increased in the second quarter of 2014 compared to the first quarter of 2014, mainly due to higher base management and performance fees, combined with lower SG&A expenses, particularly relating to variable compensation. The first quarter ended March 31, 2014 showed a decrease in adjusted EBITDA compared to the previous quarter, mainly due to lower performance fees and higher SG&A expenses. The increase in SG&A is mainly due to the inclusion of a full quarter of Bel Air and Wilkinson O'Grady operations, combined with higher performance-based investment manager compensation. The previous quarter ended December 31, 2013 was positively impacted by additional AUM base revenues resulting from the Bel Air and Wilkinson O'Grady acquisitions, as well as by higher performance fees which are generally recognized in the quarter ending in December of each year. The quarter ended September 30, 2013 benefited from positive net contributions, market appreciation and new mandates. The quarter ended June 30, 2013 also showed an increase compared to the previous quarter ended March 31, 2013 following the acquisition of assets from UBS and GMP.

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 30.3% to a high of 41.5% during the most recent eight quarters. The quarters following the Natcan Investment Management Inc. ("Natcan") acquisition in 2012 have shown an adjusted EBITDA margin ranging from 36.8% to 41.1% due to higher revenues and cost savings from post-acquisition synergies. The quarters ended December 31, 2012 and 2013 had a high adjusted EBITDA margin, approximately 41%, due to high performance fees which are generally earned in the fourth quarter of each year. The quarter ended September 30, 2013 had an adjusted EBITDA margin of 34.4% due to the overall rise in SG&A expenses resulting mainly from higher performance-based compensation earned by the investment teams. The quarter ended June 30, 2014 had an adjusted EBITDA margin of 36.2% mainly due to higher base management fees, higher performance fees in the alternative asset class, combined with lower SG&A expenses, particularly related to variable compensation. The third quarter ended September 30, 2014 had an adjusted EBITDA margin of 34.5%, a lower level compared to the previous quarter, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June of each year. The current quarter ended December 31, 2014 had an adjusted EBITDA margin of 38.6%, a higher level compared to the previous quarter, mainly attributable to higher performance fees which are generally recorded in December of each year, combined with higher base management fees as a result of higher base AUM.

On a twelve-month basis, the current LTM adjusted EBITDA margin was at 35.2%, which compares to the LTM adjusted EBITDA margin of 35.8 % and 35.9% reported as at September 30, 2014, and June 30, 2014, respectively. The LTM adjusted EBITDA margin neutralizes the impact of the timing of performance fees which are generally recorded in 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 $1.5 million to a high of $12.1 million. 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 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, 2014, mainly due to higher performance fees which are generally recorded in December of each year, combined with higher base management fees as a result of higher base AUM.

Adjusted Net Earnings Attributable to the Company's Shareholders

Adjusted net earnings attributable to the Company's shareholders per share 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 $0.13 per share (basic and diluted) to a high of $0.34 per share (basic and diluted).

The quarter ended December 31, 2012, had adjusted net earnings attributable to the Company's shareholders of $0.16 per share (basic and diluted), mainly due to additional performance fees earned in this period. The quarter ended March 31, 2013, showed adjusted net earnings attributable to the Company's shareholders of $0.13 per share (basic and diluted), mainly due to lower performance fees recorded in that period. During the following quarter and the quarter ended

September 30, 2013, the Company recorded adjusted net earnings attributable to the Company's shareholders of $0.16 and $0.15 per share (basic and diluted), respectively. The quarter ended December 31, 2013, closed with high adjusted net earnings attributable to the Company's shareholders of $0.29 per share (basic) and $0.28 per share (diluted), mainly due to higher base management fees combined with higher performance fees in the traditional and alternative asset classes recorded in the fourth quarter of that year. During the first quarter of 2014 and the second quarter ended June 30, 2014, the Company recorded adjusted net earnings attributable to the Company's shareholders of $0.18 and $0.23 per share (basic and diluted), respectively.

For the current quarter ended December 31, 2014, adjusted net earnings attributable to the Company's shareholders were $0.34 per share (basic and diluted), representing an increase from the previous quarter mainly due to higher performance fees and higher base management fees.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The ability to consistently generate free cash flow 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-back.

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, 2014	DECEMBER 31, 2013
Cash generated by operating activities	63,735	35,002
Cash used in investing activities	(20,712)	(201,368)
Cash (used in) generated by financing activities	(48,987)	181,918
Increase (Decrease) in cash	(5,964)	15,552
Effect of exchange rate changes on cash denominated in foreign currencies	1,070	206
Cash, beginning of period	21,774	6,016
Cash, end of period	16,880	21,774

Cash generated by operating activities amounted to $63.7 million for the twelve-month period ended December 31, 2014, compared to $35.0 million for the same period last year. The variation of $28.7 million is mainly attributable to a $19.0 million increase in adjusted EBITDA as describe in the "Adjusted EBITDA" section, combined with $13.1 million cash inflows from the changes in non-cash operating working capital items, partially offset by an increase of $8.4 million in income tax paid during the twelve-month period ended December 31, 2014, compared to the same period last year.

Cash used in investing activities amounted to $20.7 million for the twelve-month period ended December 31, 2014, compared to $201.4 million of cash used in the twelve-month period ended December 31, 2013. The year-over-year variation is mainly attributable to the acquisition of UBS, GMP, Bel Air and Wilkinson assets during the twelve-month period ended December 31, 2013.

Cash used in financing activities totaled $49 million for the twelve-month period ended December 31, 2014, compared to $181.9 million of cash generated by financing activities for the same period last year. The year-over-year variation is attributable mainly to additional borrowings related to the acquisition of UBS, GMP, Bel Air and Wilkinson assets during the twelve-month period ended December 31, 2013.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was $1.1 million during the twelve-month period ended December 31, 2014, compared to a positive impact of $0.2 million for the same period last year. The year-over-year variation is mainly due to a full year of operation of Bel Air and Wilkinson in 2014, compared to two months of operations of Bel Air and Wilkinson in 2013.

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 used 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, 2014 and 2013, respectively.

Table 12 – Cash Earnings and Cash Earnings per Share (in $ thousands except per share data)

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2014	DECEMBER 31, 2013
Net earnings attributable to the Company's shareholders	27,492	14,939
Adjusted for the following items:		
Depreciation of property and equipment	1,733	1,341
Amortization of intangible assets	25,700	19,083
Non-cash compensation	6,940	2,716
Impairment of non-financial assets	8,016	-
Changes in fair value of derivative financial instruments	(7,419)	(426)
Cash earnings attributable to the Company's shareholders	62,462	37,653
Cash earnings per share (basic)	0.91	0.64
Cash earnings per share (diluted)	0.90	0.63

(*) Cash earnings and cash earnings per share are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 51.

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

For the twelve-month period ended December 31, 2014, earnings attributable to the Company's shareholders were negatively affected by $27.4 million of depreciation of property and equipment, and amortization of intangible assets, and by $7.5 million of non-cash compensation, impairment of non-financial assets and change in fair value of derivative financial instruments, compared to $20.4 million and $2.3 million for the same period last year, respectively. When added back to the Firm's net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), cash earnings attributable to the Company's shareholders amounted to $62.5 million, or $0.91 per share (basic) and $0.90 (diluted) for the twelve-month period ended December 31, 2014, compared to $37.7 million or $0.64 per share (basic) and $0.63 (diluted) for the same period last year.

Long-Term Debt

Fiera Capital Corporation has in place a $250.0 million unsecured credit facility ("Credit Facility") consisting of:

a) $75.0 million revolving facility maturing in April 2017 and;
b) $175.0 million term facility maturing in April 2017.

On October 31, 2013, the Company amended its $118.0 million credit facility which consisted of a $10.0 million revolving facility and a $108.0 million term facility to a $250.0 million Credit Facility. The amended Credit Facility bears interest at prime rate plus a premium varying from 0% to 2.25% or at banker's acceptance rate plus a premium varying from 1.00% to 2.25% (2.25% as at December 31, 2014), matures on April 3, 2017, and is repayable in quarterly instalments of $3.375 million starting in June 2015 up to April 2017. The instalments that are due in June 2015 have been classified as non-current since the Company has the ability to refinance the term facility using the undrawn portion of the revolving facility. The revolving facility can also be used for general corporate purposes, to finance permitted acquisitions and was used to finance a portion of the Bel Air and Wilkinson O'Grady acquisitions.

During the year ended December 31, 2014, the Company converted $45.5 million from its term facility to US$41.597 million. In addition, the Company reduced the drawing under its revolving facility by US$12.3 million. As at December 31, 2014, the total amount of long-term debt included US$41.597 million outstanding on the term facility and US$39.0 million outstanding on the revolving facility (US$51.3 million was outstanding on the revolving facility as at December 31, 2013).

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions are composed of ratio of funded debt to EBITDA and 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 and shall include various items. As at December 31, 2014, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement of a notional amount of $108.0 million, which consists of exchanging its variable rate for a fixed rate of 1.835% ending in March 2017, payable in monthly instalments. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2014:

Table 13 – Contractual Obligations ($ in thousands)

	Carrying Amount	Total	2015	2016	2017	Thereafter
Long-Term Debt	223,000	223,000	10,125	13,500	199,375	-
Purchase Price Obligations	44,668	52,000	8,500	10,500	8,500	24,500
Operating Leases	n/a	21,422	8,231	4,505	4,281	4,405
Total Obligations	n/a	296,422	26,856	28,505	212,156	28,905

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, 2014, 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.

Share Capital

As at December 31, 2014, the Company had 48,715,873 Class A subordinate voting shares and 20,039,750 Class B special voting shares for a total of 68,755,623 outstanding shares compared to 46,639,057 Class A subordinate voting shares and 20,798,008 Class B special voting shares for a total of 67,437,065 outstanding shares as at December 31, 2013.

Preferred Shares

On April 17, 2014, the Company directors approved the filing of articles of amendment to create a new class of shares to be designated as preferred shares ("Preferred Shares''). This amendment was approved by the Company's shareholders at the annual shareholders' meeting. The Preferred Shares would be issuable in series and would rank, both in regards to dividends and return on capital, in priority to the holders of the Class A Shares, the holders of the Class B Shares and over any other shares ranking junior to the holders of the Preferred Shares. Other conditions could also be applicable to the holders of the Preferred Shares.

Shares Issued

As part of the acquisition of Bel Air, the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares valued at US$9.8 million. This commitment represents an equity component that was recorded as hold back shares at a discounted value of US$8.4 million ($8.8 million). During the second quarter ended June 30, 2014, the first tranche amounting to 277,578 hold back shares were issued and effectively converted into Class A Shares and a value of $3.1 million was transferred from the caption hold back shares to share capital.

On the same day as the conversion of the first tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada ("National Bank") for $1.8 million. The amount of $1.8 million was received on July 2, 2014. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement. The National Bank anti-dilution rights allow National Bank to participate in future issuances of shares upon the occurrence of certain dilutive events in order for National Bank to maintain its ownership percentage.

In connection with the agreement described above, the Company also issued two subscription receipts to National Bank, each 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 second and third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been transferred to an escrow account but the release from the escrow is conditional on the issuance of the hold back shares. As such, the amounts have been recorded as an asset and a liability for an amount of $3.4 million, of which $1.7 million is presented as a current asset/liability.

Shares issued as settlement of purchase price obligations

On November 3, 2014, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 642,275 Class A Shares for $8.5 million as settlement of purchase price obligations.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the twelve-month period ended December 31, 2014, and 2013, under the terms of the Company's stock option plan:

Table 14 – Options Transactions

	DECEMBER 31, 2014		DECEMBER 31, 2013	
	Number of Class A Share Options	Weighted-Average Exercise Price ($)	Number of Class A Share Options	Weighted-Average Exercise price ($)
Outstanding – beginning of year	2,942,522	8.12	2,290,393	6.92
Granted	692,427	13.43	823,000	10.77
Exercised	(249,236)	6.77	(170,871)	4.84
Forfeited	(32,176)	8.10	-	-
Expired	(7,500)	5.59	-	-
Outstanding – end of year	3,346,037	9.32	2,942,522	8.12
Options exercisable – end of year	1,230,298	6.55	999,690	6.48

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, 2014, management had recorded a liability for an amount of approximately $0.174 million for the 13,681 units ($0.186 million for 13,214 units as at December 31, 2013) outstanding under the DSU Plan.

Employee share purchase plan ("ESPP")

On October 6, 2011, the Board adopted an Employee Share Purchase Plan ("ESPP") for the purposes of attracting and retaining eligible employees, therefore allowing them to participate in the growth and development of the Company. The maximum number of issuable shares under this plan is 1.5 million shares of Class A Shares. The Board may determine the subscription date and the number of shares each eligible employee can subscribe to. The subscription price is determined by the volume-weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the date of the subscription.

Restricted Share Unit Plan ("RSU")

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 subscription 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, 2014 and 2013 in the Company's RSU plans.

Table 15 – RSU Transactions

	Number of RSUs Outstanding	
	2014	2013
Outstanding – beginning of year	367,548	125,646
Granted	166,559	237,071
Reinvestments in lieu of dividends	15,573	4,831
Forfeited	(9,172)	-
Outstanding – end of year	540,508	367,548

As at December 31, 2014, management had recorded a liability for an amount of $2.2 million for the 540,508 units ($0.6 million for 367,548 units as at December 31, 2013) outstanding under the RSU Plan. An expense of $1.64 million and $0.567 million was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

Performance Share Unit Plan ("PSU")

On October 30, 2013, the Board adopted a PSU Plan for the purposes of retaining key employees and to permit them to participate in the growth and development of the Company. Under this PSU Plan, the Company has the option to settle the PSUs in cash or Class A Shares of the Company with the exception of the September 2, 2014 plan for which the option is at the discretion of the participant. 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 following table summarizes the outstanding PSU awards as at December 31, 2014:

Table 16 – PSU Awards

Date of Grant	Vesting Schedule	Vesting Date	Key vesting Performance Conditions	Payout Formula
October 30, 2013	20% per year for 5 years	December 31 of each year	Annualized revenue growth objective for private wealth revenues	Multiple of the private wealth revenues
January 1, 2014	6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5	December 31 of each year	Annualized revenue growth objective for alternative revenues	Multiple of the non-traditional investment solution revenues
September 2, 2014	100% in 2017	December 31, 2017	Annualized revenues of the last quarter of 2017 for closed-end funds	Variable percentage of annualized revenue for closed-end funds

All of the above awards are conditional on the continued employment of the participant with the Company.

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2014, and December 31, 2013, in the Company's PSU plans.

Table 17 – PSU Transactions

Date of Grant	October 30, 2013 Wilkinson	October 30, 2013 Bel Air	January 1, 2014	September 2, 2014
Outstanding – December 31, 2012		-	-	-
Granted	147,404	1,241,667	-	-
Forfeited	-	(43,750)	-	-
Outstanding – December 31, 2013	147,404	1,197,917	-	-
Granted	-	-	307,692	107,692
Forfeited	-	(25,000)	-	-
Outstanding – December 31, 2014	147,404	1,172,917	307,692	107,692

October 30, 2013

During the fourth quarter of 2013, the Company issued PSUs to employees of Bel Air and Wilkinson O'Grady that became employees of the Company as at October 31, 2013. The PSUs will vest in tranches equivalent to 20% of the total grant in each of the next five years. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

During the fourth quarter of 2014, the October 30, 2013 grant was modified to include revised performance conditions to all former Bel Air employees that participated in this grant. These conditions aim at better aligning the performance condition applicable to these employees with each participant's ability to impact the Company's results. After giving effect of this modification, the PSUs attributed to the former Bel Air employees are now subject to the attainment of an agreed upon annualized revenue growth objective solely on the Bel Air business unit as opposed to the Fiera Private Wealth North America business unit.

The value of each PSU granted to the former Wilkinson employees is derived from the value of the Fiera Private Wealth North America business unit while the value of each PSU granted to the former Bel Air employees is derived from the value of the Bel Air business unit. The value of the PSUs granted on October 30, 2014 was evaluated at US$13.7 million.

The attainment of the performance conditions for these two grants and the estimated vesting of the PSUs are reassessed at the end of each reporting period. The following table summarizes the Company's estimated vesting of the PSUs for the years ended December 31.

Vesting Schedule	Fiscal Year	October 30, 2013 Wilkinson	October 30, 2013 Bel Air
Year 1	2014	0%	100%
Year 2	2015	0%	100% (note 1)
Year 3	2016	0%	100%
Year 4	2017	0%	0%
Year 5	2018	0%	0%

Note 1: Year 2 expected to vest in Year 3 along with Year 3 according to estimates.

An expense of $3.96 million and $0.76 million was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

January 1, 2014

During the first quarter of 2014, the Company issued PSUs to the responsible of the Alternative revenues business unit. The PSUs will vest in accordance with the following tranches: 6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the different payout targets. The value of the PSUs granted on January 1, 2014 was evaluated at $2.8 million. The compensation expense is based on the number of PSUs expected to vest based on the attainment of the performance conditions and is recorded over the vesting period.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company does not believe these PSU's will vest. As such, the Company did not record an expense for this PSU plan.

September 2, 2014

During the third quarter of 2014, the Company issued PSUs to employees of Propel that became employees of the Company as at September 2, 2014. The PSUs will vest on December 31, 2017. The vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon level of revenues during the last quarter of 2017 for closed-end funds and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the payout target. The value of the PSUs granted on September 2, 2014 was evaluated at $0.435 million.

The Company intends to settle this grant in cash. As such, the PSUs are recorded at fair value at the end of each reporting period. The liability for this grant is $0.043 million as at December 31, 2014.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company believes that all these PSUs will vest at December 31, 2017.

Post-Employment Benefit Obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2014, amount to $2.26 million ($1.56 million for the year ended December 31, 2013).

Subsequent to a business combination realized in September 2010, the Company assumed the role of sponsor of an individual pension plan ("IPP") 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, 2013, and the next actuarial valuation date is January 1, 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, 2014	DECEMBER 31, 2013
Base management fees	45,057	39,132
Performance fees	4,233	6,114
Selling, general & administrative expenses		
Reference fees	1,583	1,503
Other	1,775	1,638
Interest on long-term debt	7,864	6,934
Changes in fair value of derivative financial instruments	301	(847)
Integration cost	-	183
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 due to syndicate of lenders which includes two related parties of the Company. The derivative financial instruments liability is due to a related company.

The Company has carried out the following transaction with joint ventures: other revenue of $1.2 million for the year ended December 31, 2014 ($0.9 million for the year ended December 31, 2013).

Control and Procedures

The Chairman and Chief Executive Officer ("CEO") and the Executive Vice President and 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 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 and operating effectiveness of the Company's DC&P and ICFR as at December 31, 2014, and have concluded that they were effective. Furthermore, no significant changes to the internal controls over financial reporting occurred during the quarter ended December 31, 2014.

Financial Instruments

The Company, through its financial assets and financial liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement of risks as at December 31, 2014.

The Company's business is the management of investment assets. The key performance driver of the Company's results is the level of assets under management. The level of assets under management is directly tied to the Company's investment returns and ability to retain existing assets and attract new assets.

The Company's audited consolidated statements of financial position include a portfolio of investments. The value of these investments is subject to a number of risk factors. While a number of these risks also affect the value of client's assets under management, the following discussion relates only to the Company's own portfolio of investments.

The Company's exposure to potential loss from its financial instrument investments is due primarily to market risk, equity market fluctuation risks, credit risk, interest rate risk, currency risk and liquidity risk.

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

Fluctuations in the value of equity securities affect the level and timing of recognition of gains and losses on equity and mutual fund and pool fund securities in the Company's portfolio and causes 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 value of the equity, mutual fund and fixed income available-for-sale financial assets held.

The Company manages its investment portfolio with a medium risk mandate. Its particular expertise is investment 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, 2014 and 2013, is comprised of mutual fund and pool fund investments under its management with a fair value of $7.1 million as at December 31, 2014 and $6.1 million as at December 31, 2013. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds. Mutual fund and pool fund units have no specific maturities.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2014, and 2013 has an impact of increasing or decreasing other comprehensive income by $0.7 million and $0.6 million respectively.

Credit Risk

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

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

The credit risk on cash, restricted cash and investments is limited because the counterparties are chartered and commercial banks with high-credit ratings assigned by national 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 20.1% as at December 31, 2014 (22% as at December 31, 2013), no customer represents more than 10% of the Company's accounts receivable as at December 31, 2014 and 2013.

Interest Rate Risk

The Company is exposed to interest rate risk through its cash 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, accounts receivable, accounts payable and accrued liabilities and long-term debt denominated in US dollars and the operations of its US businesses 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 US dollar balances outstanding (excluding long-term debt) as at December 31, 2014, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $1.1 million (2013 - $0.5 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. This long-term asset is not included in the consolidated statement of financial position given that it is an intercompany balance.

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.

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.

Determination of Fair Value of Financial Instruments

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
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 $6.5 million as at December 31, 2014 and $5.9 million as at December 31, 2013, while the fair value is $7.1 million as at December 31, 2014 and $6.1 million as at December 31, 2013. The unrealized gain of $0.6 million (net of income taxes of $0.083 million) as at December 31, 2014 and $0.2 million as at December 31, 2013, (net of income taxes of nil) are reflected in other comprehensive income.

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

The Company measured the initial fair value of the subscription receipts receivable of $3.4 million and subscription receipts obligation of the same amount using level 2 inputs in the fair value hierarchy. The Company determined the fair value by using observable market inputs such as the discount rate.

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. During the fourth quarter of 2014, the Company completed the annual budget of the subsidiary for fiscal year 2015 and recalculated the option value using the most recent forecasted EBITDA attributable to Fiera Quantum L.P. As a result, the Company determined that the value of the option was nil.

For the year ended December 31, 2014, the Company recorded a recovery of \$7.7 million (2013 – charge of \$0.4 million) in changes in fair value of financial instruments in the consolidated statement of earnings to reflect the re-measurement of the value of the option to fair value.

Derivative financial instruments consist only of interest rate swap contracts, 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 it is consistent with accepted economic methods for pricing financial instruments.

Changes in fair value of derivative financial instruments presented in the consolidated statement of earnings include changes in the fair value of the interest rate swap contracts described above and the changes in the fair value of the option granted to non-controlling interest for a total of \$0.3 million and \$(7.7) million for the year ended December 31, 2014, respectively and \$(0.8) million and \$0.4 million for the year ended December 31, 2013, respectively. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

Capital Management

The Company's capital comprises share capital, (deficit) retained earnings and long-term debt, including the current portion thereof, less cash. The Company manages its capital to ensure adequate capital resources while maximizing return to shareholders through optimization of the debt and equity mix and to maintain compliance with regulatory requirements and certain restrictive debt covenants.

To maintain its capital structure, the Company may issue additional shares, incur additional debt, repay existing debt and acquire or sell assets to improve its financial performance and flexibility.

To comply with Canadian Securities Administrators' regulations, the Company is required to maintain minimum capital of \$100,000 as defined in Regulation 31-103 respecting *Registration Requirements, Exemptions and Ongoing Registrant Obligations.*

As at December 31, 2014, all regulatory requirements and exemptions were met.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

Management's best estimates regarding the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results will differ from the estimates used, and such differences could be material. Management's annual budget and long-term plan which covers a five-year period are key information for many significant estimates necessary to prepare these consolidated financial statements. Management prepares a budget on an annual basis and periodically updates its long-term plan. Cash flows and profitability included in the budget and long-term plan are based on existing and future assets under management, general market conditions and current and future cost structures. The budget and long-term plan are subject to approval at various levels, including senior management. The Board approves the annual budget.

The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the consolidated financial statements:

Cash Generating Unit

The Company determined that it had one CGU for the purpose of assessing the carrying value of the allocated goodwill and indefinite-life intangible assets, until the acquisition by the Company of the asset management funds of GMP Investment Management which also constitutes a CGU since their acquisition on May 1, 2013.

Share- Based Payments

The Company measures the cost of cash and equity-settled transactions with employees by reference to the fair value of the related instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. This also requires making assumptions and determining the most appropriate inputs to the valuation model including the assessment of some of the performance criteria along with the expected number of units that are going to vest.

Impairment of Goodwill, Indefinite-Life Intangible Assets and Finite-Life intangible Assets

Goodwill is tested annually for impairment. The recoverable amount of the CGU is determined based on value-in-use calculation. This calculation requires the use of estimates including those with respect to the assumed growth rates for future cash flows, the numbers of years used in the cash flow model, the discount rate and others estimates. The recoverable amounts of indefinite-life-intangible assets and finite-life intangible assets are based on the present value of the expected future cash flows, which involves making estimates about the future cash flows including projected client attrition rates when applicable, as well as discount rates and gross profit margin percentage.

Business Combinations

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of assets acquired including intangible assets, property and equipment along with liabilities assumed and the purchase price obligation due over time. The Company uses valuation techniques, which are generally based on a forecast of the total expected future net discounted cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the related assets and the discount rate applied.

Income Taxes

The calculation of income tax expense requires significant judgment in interpreting tax rules and regulations, which are frequently subject to change. Furthermore, there are transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets and liabilities require judgment in determining the amounts to be recognized. Significant judgment is required when assessing the timing of the reversal of the temporary differences to which future tax rates are applied. The amount of deferred tax assets, which is limited to the amount that is probable to be realized, is estimated with consideration given to the timing, sources and level of future taxable profit.

NEW ACCOUNTING POLICIES

Adoption of New IFRS

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities

The amendments to IFRS 10 define an investment entity and require that a reporting entity that meets the definition of an investment entity measures its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements, instead of consolidating them.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

IFRIC Interpretation 21 – Levies

IFRIC Interpretation 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37- *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation, other than income taxes within the scope of IAS 12 - *Income Taxes* and fines or other penalties imposed for breaches of the legislation. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 36 – Impairment of Assets

The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash generating units is required to be disclosed, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated 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, *Financial Instruments,* 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.

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. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2017, and is to be applied retrospectively. Early adoption is permitted.

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. The amendment is effective for annual periods beginning on or after January 1, 2016.

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. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

Annual Improvements to IFRS (2010-2012) and (2011-2013) Cycles

In December 2013, the IASB published annual improvements on the 2010-2012 and the 2011-2013 cycles which included narrow-scope amendments to a total of nine standards. Modifications of standards that may be relevant to the Company include amendments made to clarify items including the definition of vesting conditions in IFRS 2 – *Share-Based payment*, disclosure on the aggregation of operating segments in IFRS 8 – *Operating segments*, measurement of short-term receivables and payables under IFRS 13 – *Fair value measurement*, definition of related party in IAS 24 – *Related party disclosures, and other amendments.* Most of the amendments are effective for annual periods beginning on or after July 1, 2014. Early adoption is permitted.

Amendments to IAS 1 – Presentation of Financial Statements

In December 2014, the IASB published amendments to this standard which aims to improve presentation and disclosure. The amendments relate to materiality, order of notes, subtotals, accounting policies and disaggregation and are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

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

NON-IFRS MEASURES

Adjusted EBITDA are 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 impairment of non-financial assets, 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, impairment of non-financial assets 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.

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 $24.2 billion of AUM as of December 31, 2014, representing approximately 28% of Fiera Capital's $86.6 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 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 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. There can be no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM or revenue 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 a 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 revenue.

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 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 revenue.

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 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.

Fiera Capital's US subsidiaries, Bel Air Advisors (and its subsidiary, Bel Air Management, LLC ("Bel Air Management")) and Wilkinson O'Grady, are registered investment advisers with the SEC. Bel Air Securities is also a registered US broker-dealer. Many aspects of these entities' asset management and 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 Wilkinson O'Grady 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 Wilkinson O' Grady 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 or Wilkinson O' Grady.

Indebtedness

The Second Amended and Restated Credit Agreement contains various covenants that limit the ability of Fiera Capital to engage in specified types of transactions and imposes significant operating restrictions, which may prevent Fiera Capital from pursuing certain business opportunities and taking certain actions that may be in its 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 maintain in respect of, or permit to be outstanding, certain guarantees;
- pay dividends on, redeem or repurchase Fiera Capital's capital stock;
- make investments and loans;
- 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 its business activities;
- amend or modify in any way Fiera Capital's constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the material contracts (as described therein); and
- consolidate, merge or sell all or substantially all of the assets.

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

In addition, the 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 will cause an event of default.

Although at present, given Fiera Capital's strong balance sheet, 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 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, would most probably result in an event of default under the Credit Agreement as amended and restated.

Furthermore, a portion of Fiera Capital's indebtedness, including the borrowings under the 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 net earnings and cash flows would decrease.

Failure to manage risks in portfolio models could materially adversely affect Fiera Capital's business, financial condition or profitability

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.

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.

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.