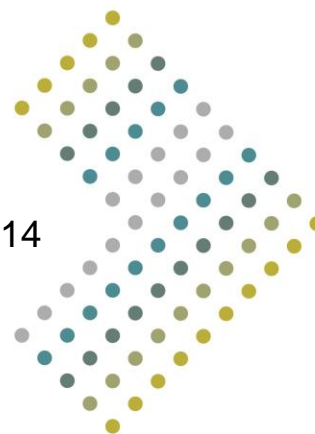


Management's Discussion and Analysis
FIERA CAPITAL CORPORATION

For the Three and Six-Month Periods Ended June 30, 2014



FIERACAPITAL

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Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

The following management's discussion and analysis ("MD&A") dated August 12, 2014 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 six-month periods ended June 30, 2014. The following MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements including the notes thereto, as at June 30, 2014 and for the three and six-month periods then ended. The unaudited interim condensed consolidated financial statements include the accounts of Fiera Capital and its wholly owned subsidiaries, Fiera Sceptre Funds Inc., ("FSFI") 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 Securities, LLC, Bel Air Management LLC, and Wilkinson O'Grady & Co. Inc.), Fiera Quantum G.P. Inc. and 9276-5072 Quebec Inc. (which collectively own a controlling 55% interest in Fiera Quantum Limited Partnership ("Fiera Quantum L.P.") which owns Fiera Quantum Holdings Limited Partnership, FQ ABCP GP Inc., FQ GenPar LLC and FQ ABCP (USA) GP Inc.), 8645230 Canada Inc. (which owns Gestion Fiera Capital S.a.r.l), Fiera Asset Management GP LLC and Fiera Management LP. All intercompany transactions and balances have been eliminated on consolidation.

Fiera Axiom Infrastructure Inc. ("Fiera Axiom") 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.

BASIS OF PRESENTATION

The Company prepares its interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standard Board ("IASB"). Accordingly, they do not include all disclosures required under International Financial Reporting Standards ("IFRS") for annual consolidated financial statements. The accounting policies and computation methods used in these interim condensed consolidated financial statements are consistent with those applied by the Company in its financial statements as at December 31, 2013 and for the year then ended, except for the impact of the adoption of the standards, interpretations and amendments described in Note 3 to the interim condensed consolidated financial statements for the period ended June 30, 2014.

The interim condensed consolidated financial statements and the following MD&A should be read in conjunction with the Company's 2013 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 41.

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 approximately \$82.1 billion in assets under management ("AUM"), including the joint ventures' AUM. The Company owns interests in the following joint ventures: Fiera Axiom 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 execute specialized investment strategies 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 acts as investment manager for certain mutual funds, a commodity pool fund and The Fiera Capital QSSP II Investment Fund Inc. (the "Mutual Funds" and, collectively with the Pooled Funds, the "Funds").

Units of the Mutual Funds are distributed through Fiera Sceptre Funds Inc., Fiera Capital's wholly owned subsidiary. FSFI is a member of the Mutual Fund Dealers Association of Canada and is registered in the category of mutual fund dealers in British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Quebec and New Brunswick.

Fiera Capital is registered in the categories of exempt market dealers and portfolio managers in all provinces and territories of Canada. Fiera Capital is also registered in the category of investment fund managers in Ontario and Quebec. 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). In addition to the above, Bel Air Investment Advisors LLC, a subsidiary of Fiera Capital, is registered with the Securities and Exchange Commission in the United States as an investment adviser.

SIGNIFICANT EVENTS

The second quarter of 2014 reflects the continued success of Fiera Capital's expansion strategy and the growing strength of its distribution capabilities in North America.

Leader in the Alternative Space

Fiera Capital's objective is to become a North American leader in alternative investment solutions, and a cohesive plan has been unveiled during the quarter to achieve this goal.

The stellar performance of Fiera Capital's alternative strategies during the quarter and the interest they keep generating in the market place are in line with our stated objective.

In the same vein, and in order to continuously bring innovating new strategies to market, Fiera Quantum L.P., a subsidiary of Fiera Capital, introduced the Fiera Quantum Income Opportunities Fund available to individual investors.

Global Expansion

The Firm is winning new mandates and experiencing strong momentum beyond the Canadian market, broadening and diversifying its client base even further.

MARKET OUTLOOK

During the quarter, bonds continued on their positive trend since the beginning of the year even though the US economy showed clear signs of improvement. Financial market participants now expect the terminal value for the overnight interest rate to be lower than in the previous cycle. The rule of thumb used to be that the neutral interest rate for monetary policy was 2% higher than inflation. With inflation expectations at 2%, it would call for a neutral rate of 4%. Considering the slow nature of the recovery and the lack of inflationary pressure while central banks are using unconventional measures, the consensus is moving towards a neutral rate closer to 1% over inflation at 3%. This change in mindset is fueling the rally in bonds. Stocks continue to gain in value as general stability in the economic and financial environment encourages risk-taking.

The economy in the United States is improving and the rest of the global economy is performing according to expectations. Inflation remains low especially in Europe, which should result in bold actions and words at the European Central Bank's upcoming monetary policy meeting.

The Bank of England has started to prepare financial markets for rate increases that may come sooner than the market had expected. The United Kingdom's economy has improved substantially and the real estate sector is showing signs of overenthusiasm. Growth is improving and inflation is increasing. The United States economy is starting to show similar signs of growth and inflation without real estate froth. Canada is following suit and inflation has returned to the target, minimizing arguments to maintain a very accommodative monetary policy. In the past, central banks would be hard at work in an effort towards normalizing monetary policy. This time, central bankers are warning of eventual rate hikes but are also doing all in their power to indicate that the path of interest rates will be much lower than it has been traditionally. Their goal is to foster better growth through the traditional channel of credit creation. This is helping all asset classes by reducing the discount rate and improving the appetite for risk.

We are experiencing a situation that is reminiscent of the 2004 to 2006 period when the volatility of financial markets disappeared. The source of the lack of volatility during that period was the recycling of accumulated reserves by foreign countries such as China. This situation has continued to this day but central banks are an additional source of money in the current period. Low variability in the value of financial assets fosters confidence and generally results in higher values for most financial assets, which is what we are currently seeing.

Simultaneous price increases for stocks and bonds are unusual in a low rate environment. This phenomenon will not last indefinitely. We expect the economy to improve over the next 12-18 months and inflation to progressively increase. This scenario should stop the simultaneous increase of stocks and bonds, with the result that equities should continue to rise while bonds fall in price.

Our outlook calls for better prospects for stocks than bonds over the next twelve months. We have an overweight position in stocks and an underweight position in bonds. Our tactical asset allocation approach for private wealth is biased towards capital preservation. We currently are significantly underweight in bonds and equally overweight in non-traditional income vehicles that provide higher yield and a shorter duration. We are overweight in equities compared to non-traditional capital appreciation strategies.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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	48.1									
Active Fixed Income Universe		5.54	0.20	3	5.96	0.77	2	01/01/1997	FTSE TMX Universe	
Tactical Fixed Income Universe		5.13	-0.20	4	6.51	1.32	1	01/01/2000	FTSE TMX Universe	
Integrated Fixed Income Universe		5.96	0.63	1	5.90	0.71	2	01/01/1993	FTSE TMX Universe	
Active Fixed Income Long-Term		7.78	0.13	3	8.46	0.41	2	01/07/1998	FTSE TMX Long Term	
High Yield Bonds		12.14	-0.53	3	13.50	-0.23	1	01/02/2002	High Yield Blended	1
Preferred Shares		4.88	1.45	N/A	8.28	2.13	N/A	01/02/2004	S&P/TSX Preferred Share	
Infrastructure Bonds		8.97	1.10	N/A	8.08*	2.15*	N/A	01/08/2011	FTSE TMX Provincials Long Term	
Balanced Investment Strategies	3.8									
Balanced Core		18.96	1.18	2	10.64	1.33	2	01/09/1984	Balanced Core Blended	2
Balanced Integrated		19.60	1.47	2	15.14*	2.13*	1	01/04/2013	Balanced Integrated Blended	3
Balanced		19.06	1.27	2	10.48	1.43	2	01/03/1973	Balanced Blended Benchmark	4
Equity Investment Strategies	26.2									
Canadian Equity Value		29.52	0.86	2	11.68	0.67	4	01/01/2002	S&P/TSX Composite	
Canadian Equity Growth		32.54	3.88	1	10.56	-0.45	4	01/01/2007	S&P/TSX Capped	
Canadian Equity Core		29.54	0.89	2	11.18	0.17	4	01/01/1992	S&P/TSX Composite	
High Income Equity		27.59	2.67	3	16.06*	2.01*	1	01/10/2009	S&P/TSX Equity Income	
Canadian Equity Small Cap Core		54.25	18.03	1	23.73	9.66	1	01/01/1989	S&P/TSX Small Cap	
Canadian Equity Small Cap		47.46	11.24	1	19.26	5.20	3	01/01/1989	S&P/TSX Small Cap	
US Equity		27.64	1.83	2	18.84	2.07	1	01/04/2009	S&P 500 CAD	
International Equity		20.91	-3.86	4	14.05*	5.42*	1	01/01/2010	MSCI EAFE Net CAD	
Global Equity		25.28	0.03	2	17.53*	5.73*	1	01/10/2009	MSCI World Net CAD	
Alternative Investment Strategies	4.0									
North American Market Neutral Fund		13.97	13.00	N/A	1.96	1.13	N/A	01/10/2007	FTSE TMX T-bill 91 days	
Long / Short Equity Fund		34.36	33.39	N/A	14.61*	13.64*	N/A	01/08/2010	FTSE TMX T-bill 91 days	
Global Macro Fund		-4.53	-5.50	N/A	-1.82	-2.65	N/A	01/11/2006	FTSE TMX T-bill 91 days	
Absolute Bond Yield Fund		-3.13	-4.10	N/A	0.22*	-0.78*	N/A	01/12/2010	FTSE TMX T-bill 91 days	
Currency Management Fund		4.27	3.30	N/A	10.64	9.81	N/A	01/04/2003	FTSE TMX T-bill 91 days	
Diversified Lending Fund		6.61	5.63	N/A	7.30	6.47	N/A	01/04/2008	FTSE TMX T-bill 91 days	
Multi-Strategy Income Fund		5.30	2.09	N/A	7.12*	4.14*	N/A	01/11/2009	FTSE TMX Short Term	
Infrastructure Fund		6.56	N/A	N/A	4.63*	N/A	N/A	01/03/2010	No Benchmark	
Real Estate Fund		3.87	N/A	N/A	3.87*	N/A	N/A	01/07/2013	No Benchmark	
Fixed Income and Currency Arbitrage Fund		-0.50	-1.47	N/A	3.64*	2.67*	N/A	01/04/2013	FTSE TMX T-bill 91 days	
Total AUM	82.1									

Notes:

1. The High Yield Blended Index is composed of 85% Merrill Lynch High Yield Corp B-BB Hedged in CAD, 15% Merrill Lynch High Yield Corp CCC Hedged in CAD.
2. Balanced Core Blended Benchmark is composed of 27.5% MSCI World Ex-Canada Net / 5% 91Tbill / 35% FTSE TMX Universe / 32.5% S&P TSX.
3. Balanced Integrated Blended Benchmark is composed of 2% FTSE TMX 91Tbill / 36% FTSE TMX Universe / 35% S&P/TSX Comp / 27% MSCI ACWI Net.
4. Balanced Blended Benchmark is composed of 27.5% MSCI World NET \$C / 35% FTSE TMX Universe / 32.5% S&P TSX Composite / 5% FTSE TMX T-Bill 91 DAYS.
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, are presented gross of management and custodial fees and without taxes but net of all trading expenses.
8. Alternative Investment Strategies are presented net of management fees, custodial fees, performance fees and withholding taxes.
9. The performance returns above assume reinvestment of all dividends.
10. Except 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.

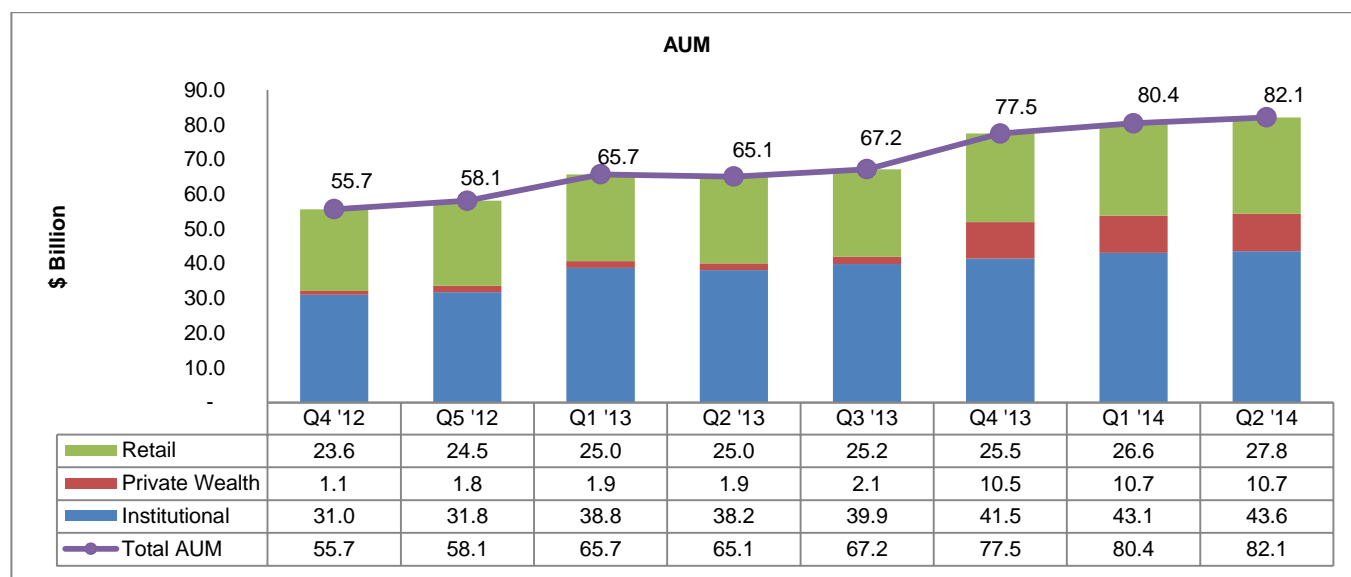
Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

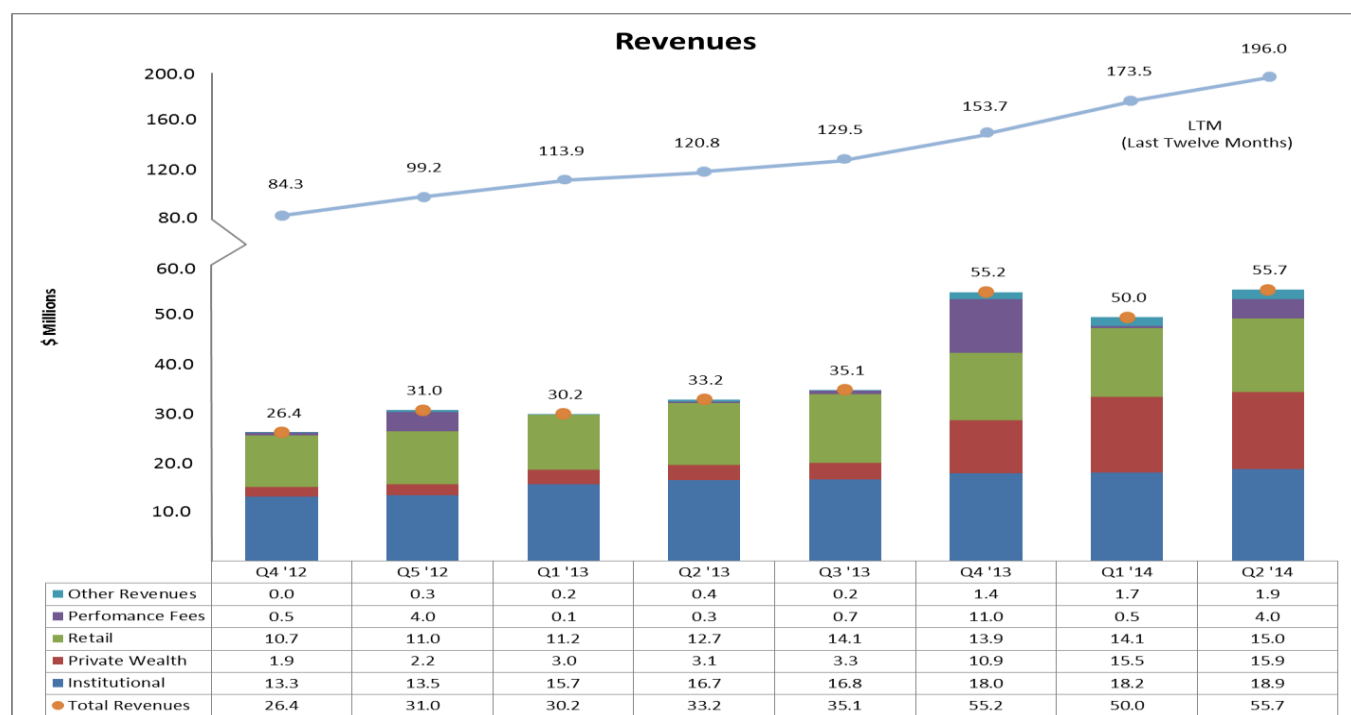
TREND HIGHLIGHTS

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" on page 29.

AUM



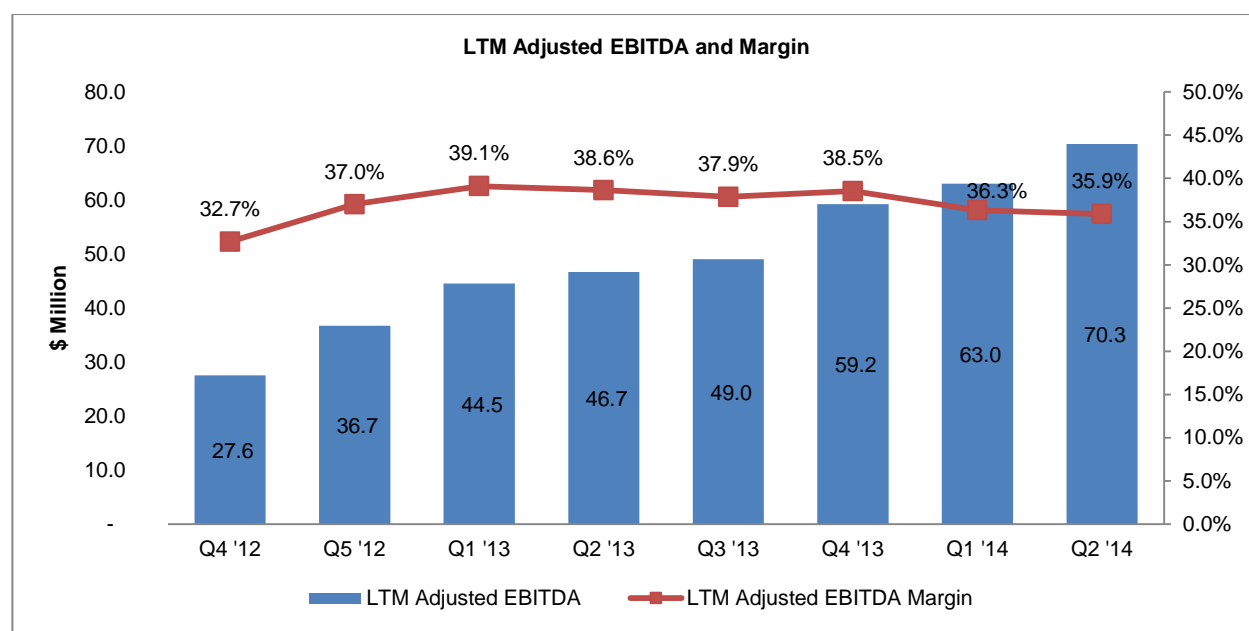
Revenues



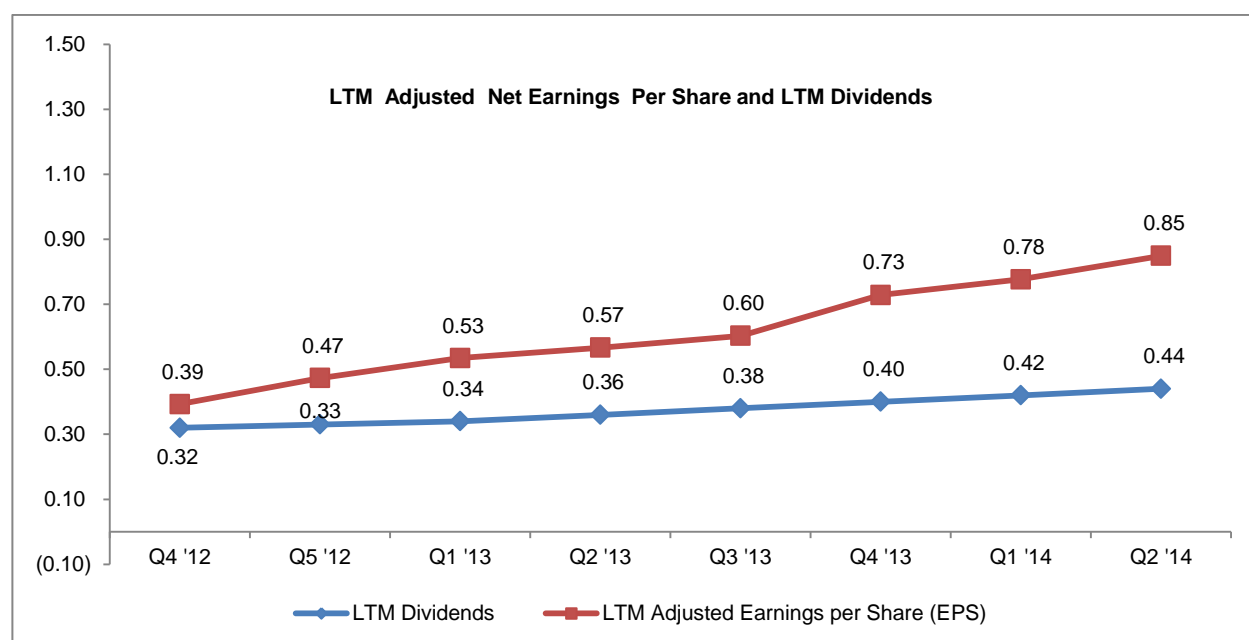
Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

Last Twelve Months Adjusted EBITDA and LTM Adjusted EBITDA Margin



LTM Adjusted Earnings per Share (EPS) and LTM Dividends



Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

HIGHLIGHTS FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2014

June 30, 2014 compared to June 30, 2013

- › Total AUM increased by \$17.0 billion, or 26%, to \$82.1 billion as at June 30, 2014, compared to AUM of \$65.1 billion as at June 30, 2013.
- › Base management fees and other revenues for the second quarter ended June 30, 2014, increased by \$18.7 million, or 57%, to \$51.6 million compared to \$32.9 million for the same period last year.
- › Performance fees were \$4.1 million for the second quarter ended June 30, 2014, compared to \$0.3 million for the same period last year.
- › Selling, general and administrative ("SG&A") expenses and external managers' expenses increased by \$15.0 million, or 71%, to \$36.1 million for the second quarter ended June 30, 2014, compared to \$21.1 million for the same period last year.
- › Adjusted EBITDA increased by \$7.3 million, or 57%, to \$20.2 million for the second quarter ended June 30, 2014, compared to \$12.9 million for the same period last year. Adjusted EBITDA per share were \$0.30 (basic) and \$0.29 (diluted) for the second quarter ended June 30, 2014, compared to \$0.23 (basic and diluted) for the same period last year.
- › For the second quarter ended June 30, 2014, the Firm recorded net earnings attributable to the Company's shareholders of \$7.7 million, or \$0.11 per share (basic and diluted), an increase of \$4.3 million, or over 100%, compared to the second quarter ended June 30, 2013, during which the Firm recorded net earnings attributable to the Company's shareholders of \$3.4 million, or \$0.06 per share (basic and diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the second quarter ended June 30, 2014 amounted to \$16.3 million, or \$0.23 per share (basic and diluted), compared to \$8.9 million, or \$0.16 per share (basic and diluted), for the second quarter ended June 30, 2013.

June 30, 2014 compared to March 31, 2014

- › Total AUM increased by \$1.7 billion, or 2%, to \$82.1 billion during the second quarter ended June 30, 2014, compared to \$80.4 billion as at March 31, 2014.
- › Base management fees and other revenues for the second quarter ended June 30, 2014, increased by \$2.1 million, or 4%, to \$51.6 million compared to \$49.5 million for the previous quarter ended March 31, 2014.
- › Performance fees were \$4.1 million for the second quarter ended June 30, 2014, compared to \$0.5 million for previous quarter ended March 31, 2014.
- › SG&A expenses and external managers' expenses decreased by \$1 million, or 3%, to \$36.1 million for the second quarter ended June 30, 2014, compared to \$37.1 million for the previous quarter ended March 31, 2014.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

- › Adjusted EBITDA increased by \$5.1 million, or 34%, to \$20.2 million for the second quarter ended June 30, 2014, compared to \$15.1 million for the previous quarter ended March 31, 2014. Adjusted EBITDA per share were \$0.30 (basic) and \$0.29 (diluted) for the second quarter ended June 30, 2014, compared to \$0.22 per share (basic and diluted) for the previous quarter ended March 31, 2014.
- › For the second quarter ended June 30, 2014, the Firm recorded net earnings attributable to the Company's shareholders of \$7.7 million, or \$0.11 per share (basic and diluted), an increase of \$5.0 million, or over 100%, compared to the previous quarter ended March 31, 2014, during which the Firm recorded net earnings attributable to the Company's shareholders of \$2.7 million, or \$0.04 per share (basic and diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the second quarter ended June 30, 2014 amounted to \$16.3 million, or \$0.23 per share (basic and diluted), compared to \$12.3 million, or \$0.18 per share (basic and diluted), for the previous quarter ended March 31, 2014.

Highlights for the six-month period ended June 30, 2014 were as follows:

- › Base management fees and other revenues for the six-month period ended June 30, 2014, increased by \$38.1 million, or 61%, to \$101.1 million compared to \$63.0 million for the same period last year.
- › Performance fees were \$4.6 million for the six-month period ended June 30, 2014, compared to \$0.4 million for the same period last year.
- › SG&A expenses and external managers' expenses rose by \$32.9 million, or 81%, to \$73.2 million for the six-month period ended June 30, 2014, compared to \$40.4 million for the six-month period ended June 30, 2013.
- › Adjusted EBITDA rose by \$11.1 million, or 46%, to \$35.3 million for the six-month period ended June 30, 2014, compared to \$24.2 million for the same period last year. Adjusted EBITDA per share were \$0.52 (basic) and \$0.51 (diluted) for the six-month period ended June 30, 2014, compared to \$0.43 per share (basic and diluted) for the same period last year.
- › For the six-month period ended June 30, 2014, the Firm recorded net earnings attributable to the Company's shareholders of \$10.3 million, or \$0.15 per share (basic and diluted), an increase of \$5.3 million, or over 100%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of \$5.0 million, or \$0.09 per share (basic and diluted).
- › Adjusted net earnings attributable to the Company's shareholders for the six-month period ended June 30, 2014 were \$28.6 million, or \$0.41 per share (basic and diluted), compared to \$16.4 million, or \$0.29 per share (basic and diluted), for the same period last year.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

SUMMARY OF QUARTERLY RESULTS

Table 1 – Statements of Earnings and Assets under Management

ASSETS UNDER MANAGEMENT (in \$ millions)	AS AT			VARIANCE	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	QUARTER OVER QUARTER FAV/(UNF) **	YEAR OVER YEAR FAV/(UNF) **
Assets under Management	82,131	80,412	65,092	1,719	17,039

STATEMENTS OF EARNINGS (in \$ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	QUARTER OVER QUARTER FAV/(UNF) **	YEAR OVER YEAR FAV/(UNF) **
Revenues					
Base management fees	49,746	47,717	32,430	2,029	17,316
Performance fees - Traditional Assets	287	483	299	(196)	(12)
Performance fees - Alternative Assets	3,786	15	19	3,771	3,767
Other revenues	1,901	1,748	430	153	1,471
Total revenues	55,720	49,963	33,178	5,757	22,542
Expenses					
Selling, general and administrative expenses	35,011	36,030	20,724	1,019	(14,287)
External managers	1,112	1,085	375	(27)	(737)
Depreciation of property and equipment	392	387	327	(5)	(65)
Amortization of intangible assets	6,326	6,308	4,450	(18)	(1,876)
Interest on long-term debt and other financial charges	2,123	1,408	1,774	(715)	(349)
Accretion and change in fair value of purchase price obligations	697	697	620	-	(77)
Restructuring and other integration costs	1,034	265	753	(769)	(281)
Acquisition costs	546	147	1,098	(399)	552
Changes in fair value of derivative financial instruments	276	539	(1,845)	263	(2,121)
Other (income) expenses***	(532)	(386)	(17)	146	515
Total expenses	46,985	46,480	28,259	(505)	(18,726)
Earnings before income taxes	8,735	3,483	4,919	5,252	3,816
Income taxes	1,404	1,206	1,805	(198)	401
Net earnings	7,331	2,277	3,114	5,054	4,217
Attributable to:					
Company's shareholders	7,671	2,678	3,364	4,993	4,307
Non-controlling interest	(340)	(401)	(250)	61	(90)
	7,331	2,277	3,114	5,054	4,217
BASIC PER SHARE					
Adjusted EBITDA*	0.30	0.22	0.23	0.08	0.07
Net earnings	0.11	0.04	0.06	0.07	0.05
Adjusted net earnings *	0.23	0.18	0.16	0.05	0.07
DILUTED PER SHARE					
Adjusted EBITDA*	0.29	0.22	0.23	0.07	0.06
Net earnings	0.11	0.04	0.06	0.07	0.05
Adjusted net earnings *	0.23	0.18	0.16	0.05	0.07

(*) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 41.

(**) FAV: Favourable - UNF: Unfavourable

(***) Other expenses (income) include "Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "Loss on dilution of investments in joint ventures".

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

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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

STATEMENTS OF EARNINGS (in \$ thousands except per share data)	FOR THE SIX-MONTH PERIODS ENDED		VARIANCE
	JUNE 30, 2014	JUNE 30, 2013	YEAR OVER YEAR FAV/(UNF)**
Revenues			
Base management fees	97,463	62,398	35,065
Performance fees - Traditional Assets	770	358	412
Performance fees - Alternative Assets	3,801	57	3,744
Other revenues	3,649	581	3,068
Total revenues	105,683	63,394	42,289
Expenses			
Selling, general and administrative expenses	71,041	39,288	(31,753)
External managers	2,197	1,083	(1,114)
Depreciation of property and equipment	779	647	(132)
Amortization of intangible assets	12,634	8,534	(4,100)
Interest on long-term debt and other financial charges	3,531	3,160	(371)
Accretion and change in fair value of purchase price obligations	1,394	1,242	(152)
Restructuring and other integration costs	1,299	1,172	(127)
Acquisition costs	693	2,033	1,340
Changes in fair value of derivative financial instruments	815	(1,638)	(2,453)
Other (income) expenses***	(918)	314	1,232
Total expenses	93,465	55,835	(37,630)
Earnings before income taxes	12,218	7,559	4,659
Income taxes	2,610	2,859	249
Net earnings	9,608	4,700	4,908
Attributable to:			
Company's shareholders	10,349	4,950	5,399
Non-controlling interest	(741)	(250)	(491)
	9,608	4,700	4,908
BASIC PER SHARE			
Adjusted EBITDA*	0.52	0.43	0.09
Net earnings	0.15	0.09	0.06
Adjusted net earnings *	0.41	0.29	0.12
DILUTED PER SHARE			
Adjusted EBITDA*	0.51	0.43	0.08
Net earnings	0.15	0.09	0.06
Adjusted net earnings *	0.41	0.29	0.12

(*) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 41.

(**) FAV: Favourable - UNF: Unfavourable

(***) Other expenses (income) include "Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "Loss on dilution of investments in joint ventures".

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

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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

	JUNE 30, 2014	MARCH 31, 2014	DECEMBER 31, 2013
Cash, restricted cash and investments	25,295	21,278	32,175
Accounts receivable	53,890	51,708	56,072
Other current assets	5,853	4,836	3,771
Intangible assets	299,606	307,022	310,151
Goodwill	357,464	360,178	357,773
Investment in joint ventures	9,175	8,667	8,284
Other long-term assets	7,557	7,770	8,341
Total assets	758,840	761,459	776,567
Current liabilities	37,577	38,440	56,329
Deferred income taxes	22,482	23,868	24,636
Long-term debt	227,978	230,877	228,262
Purchase price obligations	41,534	40,837	40,250
Derivative financial instruments	987	1,071	644
Value of option granted to non-controlling interest	8,192	7,832	7,720
Other long-term liabilities	3,849	1,638	1,685
Equity			
Attributable to Company's shareholders	416,024	416,339	416,083
Attributable to Non-controlling interest	217	557	958
	416,241	416,896	417,041
Total liabilities and equity	758,840	761,459	776,567

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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 and the change in Market value. 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 SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	JUNE 30, 2014	JUNE 30, 2013
AUM - beginning of period	80,412	77,485	65,702	77,485	58,138
Net variance	1,719	2,927	(1,243)	4,646	195
Acquisitions	-	-	633	-	6,759
AUM - end of period	82,131	80,412	65,092	82,131	65,092

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

(*) AUM were restated to include those of Fiera Axiom and Fiera Properties and include the foreign exchange impact.

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

	MARCH 31, 2014	NEW	LOST	NET CONTRIBUTIONS	MARKET	ACQUISITIONS	JUNE 30, 2014
Institutional	43,112	594	(857)	(863)	1,646	-	43,632
Private Wealth	10,728	99	(122)	(59)	84	-	10,730
Retail	26,572	64	(123)	452	804	-	27,769
AUM - end of period	80,412	757	(1,102)	(470)	2,534	-	82,131

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

AUM include the foreign exchange impact.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

Quarterly Activity

Total AUM increased by \$1.7 billion, or 2%, to \$82.1 billion during the second quarter ended June 30, 2014, compared to \$80.4 billion as at March 31, 2014. The increase is due primarily to the market appreciation of \$2.5 billion during the period. The second quarter of 2014 was also characterized by the increase in new mandates of \$0.8 billion, offset by lost mandates of \$1.1 billion and negative net contributions of \$0.5 billion. Lastly, foreign exchange rate changes negatively impacted AUM during the second quarter by approximately \$0.3 billion, as reflected in the above figures.

During the second quarter ended June 30, 2014, the institutional clientele generated approximately \$0.6 billion of new mandates to the Firm's AUM, resulting from continuous sales efforts. On the other hand, lost mandates and negative net contributions in the institutional sector are mainly from three clients remaining with the Firm but adopting different investment strategies such as: i) portfolio restructuring as a result of a derisking strategy; ii) asset rebalancing for diversification purposes, and iii) internal repatriation of assets.

The AUM in the private wealth clientele has slightly increased by \$2.0 million during second quarter ended June 30, 2014, as the Firm continues to pursue integration activities related to Bel Air and Wilkinson acquisitions.

The AUM in the retail clientele experienced increased net contributions during the second quarter ended June 30, 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	ACQUISITIONS	JUNE 30, 2014
Institutional	41,478	870	(951)	(945)	3,180	-	43,632
Private Wealth	10,535	246	(433)	(128)	510	-	10,730
Retail	25,472	660	(261)	200	1,698	-	27,769
AUM - end of period	77,485	1,776	(1,645)	(873)	5,388	-	82,131

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

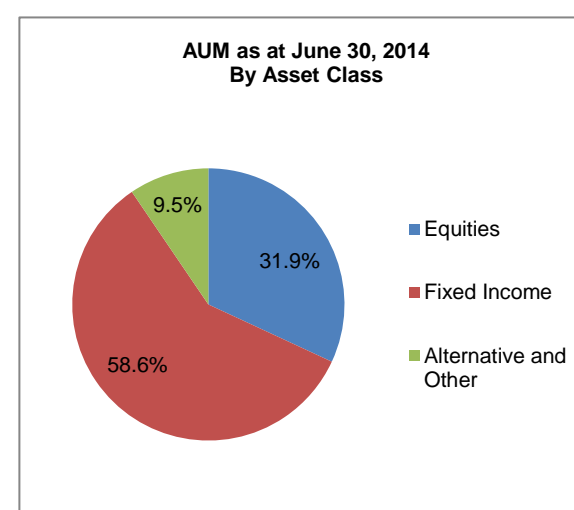
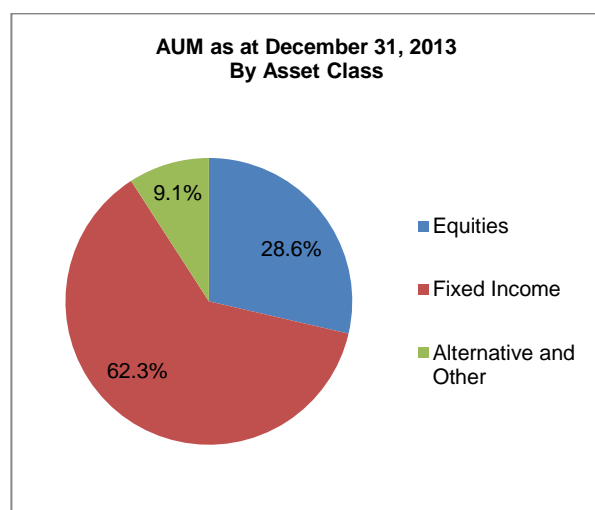
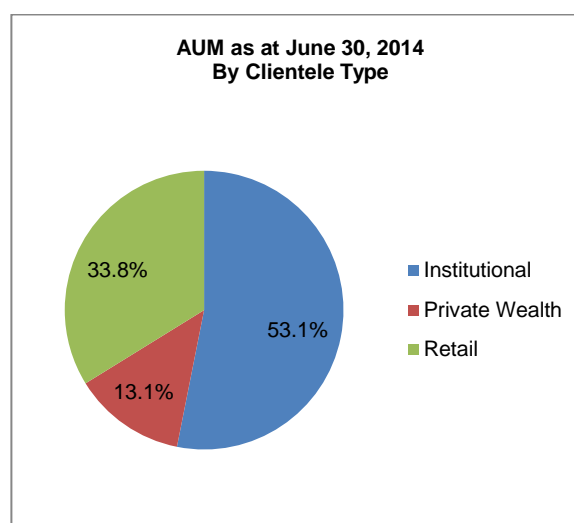
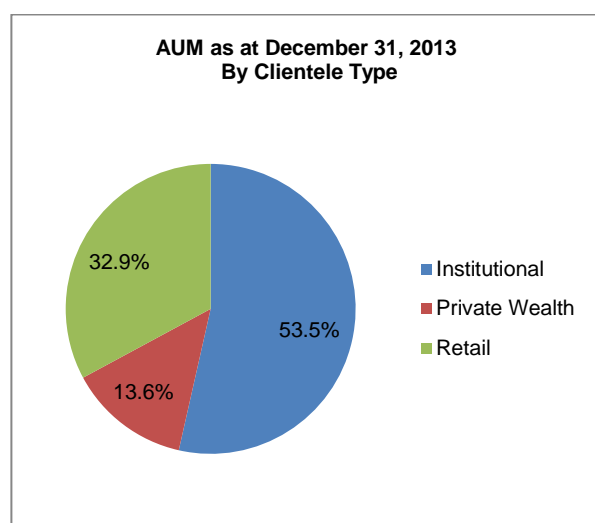
Year-to-Date Activity

Total AUM increased by \$4.6 billion, or 6%, to \$82.1 billion during the six-month period ended June 30, 2014, compared to \$77.5 billion as at December 31, 2013. The increase is due primarily to the market appreciation of \$5.4 billion during the period, combined with new mandates of \$1.8 billion, partially offset by lost mandates of \$1.6 billion and negative net contributions of \$0.9 billion. Foreign exchange rate changes did not have a material impact on the Firm's AUM during the first six months of the year.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2013 and June 30, 2014, respectively.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014



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.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	18,855	18,166	16,663	689	2,192
Private Wealth	15,851	15,508	3,070	343	12,781
Retail	15,040	14,043	12,697	997	2,343
Total management fees*	49,746	47,717	32,430	2,029	17,316
Performance fees – Traditional asset class	287	483	299	(196)	(12)
Performance fees – Alternative asset class	3,786	15	19	3,771	3,767
Total performance fees	4,073	498	318	3,575	3,755
Other revenues*	1,901	1,748	430	153	1,471
Total Revenues	55,720	49,963	33,178	5,757	22,542

(*) Other revenues 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 second quarter ended June 30, 2014 increased by \$22.5 million, or 68%, to \$55.7 million compared to \$33.2 million for the same period last year. The increase in revenues is due mainly to the higher AUM base driving a \$17.3 million improvement in management fees, following the acquisition of assets from UBS Global Asset Management (Canada) Inc. ("UBS"), GMP Investment Management ("GMP"), Bel Air Investment Advisors LLC ("Bel Air"), and Wilkinson O'Grady & Co. Inc. ("Wilkinson O'Grady"), combined with increases of \$3.8 million in performance fees and \$1.5 million in other revenues, particularly brokerage and consulting fees.

Management fees

Management fees increased by \$17.3 million, or 53%, to \$49.7 million for the second quarter ended June 30, 2014, compared to \$32.4 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 improved by \$2.2 million, or 13%, to \$18.9 million for the second quarter ended June 30, 2014, compared to the same quarter last year. The improvement is primarily due to the increase in net AUM during the second quarter of 2014 compared to the same period last year.
- › Revenues from the Private Wealth clientele increased by \$12.8 million, or over 100%, to \$15.9 million for the second quarter ended June 30, 2014, compared to the same period last year. The increase is due mainly to the inclusion of assets from Bel Air and Wilkinson O'Grady.
- › Revenues from the Retail clientele increased by \$2.3 million, or 18%, to \$15 million for the second quarter ended June 30, 2014, compared to the same quarter last year. The increase primarily results from additional net AUM in the second quarter of 2014 compared to the same period last year.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

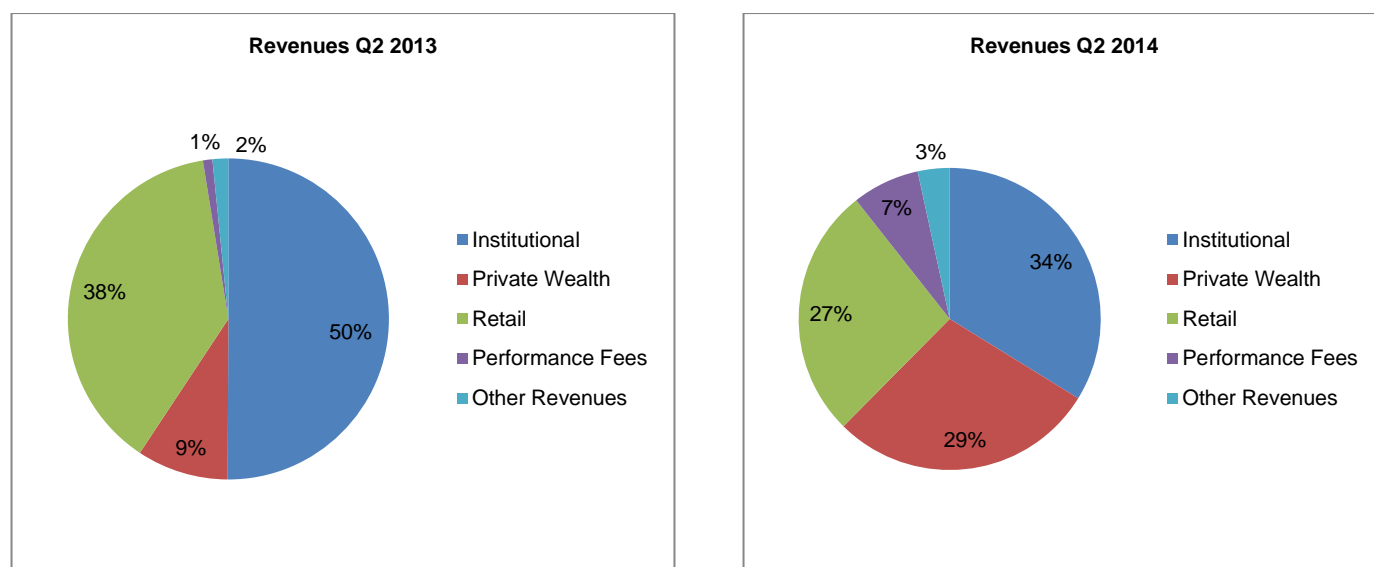
Performance fees

Total performance fees amounted to \$4.1 million for the second quarter ended June 30, 2014, compared to \$0.3 million for the same period last year. This increase is all attributable to the alternative asset class as a result of strong fund performance during the period, whereas performance fees from the traditional asset class remained stable during the second quarter of 2014 compared to the same period last year.

Other revenues

Other revenues increased by \$1.5 million, or over 100%, to \$1.9 million for the second quarter ended June 30, 2014, compared to \$0.4 million for the same period last year. The increase is mainly attributable to the brokerage and consulting fees earned during the second 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 June 30, 2013 and June 30, 2014, respectively.



Current Quarter versus Previous Quarter

Revenues for the second quarter ended June 30, 2014 rose by \$5.7 million, or 12%, to \$55.7 million compared to \$50.0 million for previous quarter ended March 31, 2014. The increase in revenues is mainly attributable to higher performance fees from the alternative asset class, combined with higher base management fees resulting from net additional AUM in the second quarter of 2014, compared to the previous quarter.

Management fees

Management fees increased by \$2.0 million, or 4.3%, to \$49.7 million for the second quarter ended June 30, 2014, compared to \$47.7 million for the previous quarter ended March 31, 2014. The increase in management fees is attributable to the higher quarterly average AUM base and the following increases by clientele type:

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

- › Revenues from the Institutional clientele increased by \$0.7 million, or 4%, to \$18.9 million for the second quarter ended June 30, 2014, compared to \$18.2 million for the previous quarter ended March 31, 2014, as a result of higher AUM and the timing of net contributions within the quarter.
- › Revenues from the Private Wealth clientele increased by \$0.4 million, or 2%, to \$15.9 million for the second quarter ended June 30, 2014, compared to \$15.5 million for the previous quarter ended March 31, 2014. The increase in revenues is mainly attributable to additional AUM from new mandates and market appreciation, offset by lost mandates and negative net contributions from existing clients.
- › Revenues from the Retail clientele increased by \$1.0 million, or 7%, to \$15.0 million for the second quarter ended June 30, 2014, compared to \$14.0 million for the previous quarter ended March 31, 2014. Although AUM in the Retail clientele increased in the second quarter ended June 30, 2014 relative to the previous quarter ended March 31, 2014, the positive impact on revenues will be felt over the remaining quarters of 2014.

Performance fees

Total performance fees amounted to \$4.1 million for the second quarter ended June 30, 2014, compared to \$0.5 million for the previous quarter ended March 31, 2014. This improvement is due to a \$3.8 million increase in alternative asset class performance fees as a result of strong fund performance.

Other revenues

Other revenues increased by \$0.2 million, or 9%, to \$1.9 million for the second quarter ended June 30, 2014, compared to \$1.7 million for the previous quarter ended March 31, 2014. The increase is mainly due to higher interest and other income, offset by lower brokerage and consulting fees.

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

	FOR THE SIX-MONTH PERIODS ENDED		VARIANCE
	JUNE 30, 2014	JUNE 30, 2013	YEAR OVER YEAR
Institutional	37,021	32,381	4,640
Private Wealth	31,359	6,103	25,256
Retail	29,083	23,914	5,169
Total management fees*	97,463	62,398	35,065
Performance fees – Traditional asset class	770	358	412
Performance fees – Alternative asset class	3,801	57	3,744
Total performance fees	4,571	415	4,156
Other revenues*	3,649	581	3,068
Total Revenues	105,683	63,394	42,289

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

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

Revenues for the six-month period ended June 30, 2014 increased by \$42.3 million, or 67%, to \$105.7 million, compared to \$63.4 million for the same period last year. The increase in revenues is mainly due to the higher AUM base, driving a \$35.1 million improvement in management fees, following the acquisition of assets from UBS, GMP, Bel Air and Wilkinson O'Grady, combined with increases of \$4.2 million in performance fees and \$3.1 million in other revenue, particularly brokerage and consulting fees.

Management fees

Management fees increased by \$35.1 million, or 56%, to \$97.5 million for the six-month period ended June 30, 2014, compared to \$62.4 million for the same period last year. The increase in overall increase in revenues and the increase by clientele type is follows:

- Revenues from the Institutional clientele increased by \$4.6 million, or 14%, to \$37.0 million for the six-month period ended June 30, 2014, compared to the same period last year. The improvement is mainly due to additional net AUM, combined with two full quarters of revenues from the UBS acquisition during the first six months of 2014 compared to only five months of revenues for the same period last year.
- Revenues from the Private Wealth clientele increased by \$25.3 million, or over 100%, to \$31.4 million for the six-month period ended June 30, 2014, compared to 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 \$5.2 million, or 22%, to \$29.0 million for the six-month period ended June 30, 2014, compared to the same period last year. The increase is mainly attributable to additional AUM from new mandates and market appreciation, combined with two full quarters of revenues from GMP during the six-month period ended June 30, 2014, compared to only two months of revenues for the same period last year.

Performance fees

Total performance fees amounted to \$4.6 million for the six-month period ended June 30, 2014, compared to \$0.4 million for the same period last year. This improvement is due to a \$3.8 million increase in alternative asset class performance fees resulting from strong fund performance, combined with a \$0.4 million increase in traditional asset class performance fees.

Other revenues

Other revenues increased by \$3.0 million, or over 100%, to \$3.6 million for the six-month period ended June 30, 2014, compared to \$0.6 million for the same period last year. The increase is mainly attributable to the brokerage and consulting fees earned during the first six months of 2014 following the Bel Air acquisition, whereas no such revenues were earned during the same period last year.

Selling, General and Administrative Expenses

Current Quarter versus Prior-Year Quarter

SG&A expenses rose by \$14.3 million, or 69%, to \$35.0 million for the three-month period ended June 30, 2014, compared to \$20.7 million for the same period last year. The increase is mainly due to the inclusion of costs related to GMP, Bel Air and Wilkinson O'Grady, including increases of \$10.0 million, \$2.2 million, \$0.9 million and \$0.3 million in compensation costs, marketing and servicing and information technology expenses, insurance and reference fees, and rental costs, respectively.

Current Quarter versus Previous Quarter

SG&A expenses decreased by \$1.0 million, or 3%, to \$35.0 million for the three-month period ended June 30, 2014, compared to \$36.0 million for the previous quarter ended March 31, 2014. The decrease is mainly attributable to a \$2.1 million reduction in compensation expense during the second quarter of 2014 resulting from one-time expenses for variable compensation and benefits recorded in the first quarter of 2014, combined with lower amortization of performance share unit ("PSU") during the second quarter of 2014 compared to the first quarter of 2014. The decrease in compensation expenses is partially offset by increases of \$0.7 million, \$0.2 million and \$0.1 million in marketing servicing and information technology expenses, insurance and reference fees and professional fees, respectively.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

SG&A expenses increased by \$31.7 million, or 81%, to \$71.0 million for the six-month period ended June 30, 2014, compared to \$39.3 million for the same period last year. The increase is mainly due to the inclusion of costs related to GMP, Bel Air and Wilkinson O'Grady, including increases of \$24.2 million, \$3.6 million, \$1.5 million and \$0.8 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 \$0.7 million, or over 100%, to \$1.1 million for the second quarter ended June 30, 2014, compared to \$0.4 million for the same quarter last year. The increase is mainly due to the acquisitions of Bel Air.

Current Quarter versus Previous Quarter

External managers' expenses remained stable at \$1.1 million for the second quarter ended June 30, 2014 compared to the previous quarter ended March 31, 2014.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

External managers' expenses rose by \$1.1 million, or 100%, to \$2.2 million for the six-month period ended June 30, 2014, compared to \$1.1 million for the same period last year. The increase is mainly due to the Bel Air acquisition.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment remained stable at \$0.4 million for the second quarter ended June 30, 2014, compared to \$0.3 million for the same quarter last year.

Amortization of intangible assets increased by \$1.9 million, or 42%, to \$6.3 million for the second quarter ended June 30, 2014, compared to \$4.4 million for the same period last year, following the acquisition of intangible assets from GMP, Bel Air and Wilkinson O'Grady.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained stable at \$0.4 million for the second quarter ended June 30, 2014, compared to the previous quarter ended March 31, 2014.

Amortization of intangible assets remained stable at \$6.3 million for the second quarter ended June 30, 2014, compared to the previous quarter ended March 31, 2014.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

Depreciation of property and equipment remained relatively stable at \$0.8 million for the six-month period ended June 30, 2014, compared to \$0.6 million for the same period last year.

Amortization of intangible assets increased by \$4.1 million, or 48%, to \$12.6 million for the six-month period ended June 30, 2014, compared to \$8.5 million for the same period last year, following the acquisition of intangible assets from GMP, Bel Air and Wilkinson O'Grady.

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 20%, to \$2.1 million for the second quarter ended June 30, 2014, compared to \$1.8 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 increased by \$0.7 million, or 50%, to \$2.1 million for the second quarter ended June 30, 2014, compared to \$1.4 million for the previous quarter ended March 31, 2014. The increase is mainly due to a \$0.6 million non-recurring foreign exchange gain recorded in the first quarter of 2014, whereas no such gain was recorded in the second quarter of 2014.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

The interest on long-term debt and other financial charges increased by \$0.4 million, or 12%, to \$3.5 million for the six-month period ended June 30, 2014, compared to \$3.1 million for the same period last year. The increase is mainly attributable to \$0.9 million in additional interest on long-term debt resulting from incremental borrowings related to

the Bel Air and Wilkinson O'Grady acquisitions, partially offset by a non-recurring foreign exchange gain of \$0.6 million during the six-month period ended June 30, 2014.

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 remained relatively stable at \$0.7 million for the second quarter ended June 30, 2014, compared to a charge of \$0.6 million for the same quarter last year.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations remained stable at \$0.7 million for the second quarter ended June 30, 2014, compared to the previous quarter ended March 31, 2014.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

The accretion and change in fair value of purchase price obligations increased by \$0.2 million, or 13%, to \$1.4 million for the six-month period ended June 30, 2014, compared to a charge of \$1.2 million for the same period last year.

Acquisition and Restructuring and Other Integration Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring and other integration costs decreased by \$0.3 million, or 15%, to \$1.6 million for the second quarter ended June 30, 2014, compared to \$1.9 million for the same period last year. This decrease is mainly due to costs related to the acquisition of assets from GMP during the second quarter ended June 30, 2013.

Current Quarter versus Previous Quarter

Acquisition and restructuring and other integration costs increased by \$1.2 million, or over 100%, to \$1.6 million for the second quarter ended June 30, 2014, compared to \$0.4 million for the previous quarter ended March 31, 2014. This increase is mainly attributable to the costs related to the integration of the Bel Air and Wilkinson O'Grady acquisitions.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

Acquisition and restructuring and other integration costs decreased by \$1.2 million, or 38%, to \$2.0 million for the six-month period ended June 30, 2014, compared to \$3.2 million for the same period last year. This decrease is mainly attributable to the costs related to the acquisition of assets from UBS and GMP during the first six months of 2013.

Changes in Fair Value of Derivative Financial Instruments

The Company recorded a \$0.3 million charge relating to changes in the fair value of derivative financial instruments for the second quarter ended June 30, 2014, compared to a charge of \$0.5 million for the previous quarter ended March 31, 2014, and compared to a gain of \$1.8 million for the second quarter ended June 30, 2013.

Management's Discussion and Analysis

For the Three and Six-Month Periods Ended June 30, 2014

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 SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	JUNE 30, 2014	JUNE 30, 2013
Revenues					
Base management fees	49,746	47,717	32,430	97,463	62,398
Performance fees	4,073	498	318	4,571	415
Other revenues	1,901	1,748	430	3,649	581
Total revenues	55,720	49,963	33,178	105,683	63,394
Expenses					
Selling, general and administrative	35,011	36,030	20,724	71,041	39,288
External managers	1,112	1,085	375	2,197	1,083
Total expenses	36,123	37,115	21,099	73,238	40,371
	19,597	12,848	12,079	32,445	23,023
Add back: Non-cash compensation	594	2,279	779	2,873	1,179
Adjusted EBITDA	20,191	15,127	12,858	35,318	24,202
Per share basic(**)	0.30	0.22	0.23	0.52	0.43
Per share diluted(**)	0.29	0.22	0.23	0.51	0.43

*Adjusted EBITDA is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 41.

** 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 second quarter ended June 30, 2014, adjusted EBITDA increased by \$7.3 million, or 57%, to \$20.2 million, or \$0.30 per share (basic) and \$0.29 (diluted), compared to \$12.9 million, or \$0.23 per share (basic and diluted), for the same period last year.

Adjusted EBITDA for the second quarter ended June 30, 2014, was driven by an increase in base management fees compared to the same period last year, mainly due to the acquisition of the GMP, Bel Air and Wilkinson O'Grady assets, combined with an increase in performance fees in the alternative asset class and in brokerage and consulting fees. 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 and Wilkinson O'Grady operations.

Current Quarter versus Previous Quarter

For the second quarter ended June 30, 2014, adjusted EBITDA increased by \$5.1 million, or 34%, to \$20.2 million, or \$0.30 per share (basic) and \$0.29 (diluted), compared to \$15.1 million, or \$0.22 per share (basic and diluted), from the previous quarter ended March 31, 2014. The increase is mainly attributable to the rise in base management and

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performance fees in the alternative asset class, combined with a decrease in SG&A expenses as described in the SG&A section.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

For the six-month period ended June 30, 2014, adjusted EBITDA increased by \$11.1 million, or 46%, to \$35.3 million, or \$0.52 per share (basic) and \$0.51 (diluted), compared to \$24.2 million, or \$0.43 per share (basic and diluted), for the same period last year.

The increase in adjusted EBITDA for the six-month period ended June 30, 2014, is mainly attributable to an increase in base management fees resulting from the acquisition of the GMP, Bel Air and Wilkinson O'Grady 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 and Wilkinson O'Grady operations.

*Net Earnings and Adjusted Net Earnings**

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	MARCH 31, 2014	JUNE 30, 2013	JUNE 30, 2014	JUNE 30, 2013
Net earnings attributable to the Company's shareholders	7,671	2,678	3,364	10,349	4,950
Depreciation of property and equipment	392	387	327	779	647
Amortization of intangible assets	6,326	6,308	4,450	12,634	8,534
Non-cash compensation items	594	2,279	779	2,873	1,179
Changes in fair value of derivative financial instruments ⁽¹⁾	276	539	(1,845)	815	(1,638)
Non-cash items	7,588	9,513	3,711	17,101	8,722
Restructuring and other integration costs ⁽¹⁾	1,034	265	753	1,299	1,172
Acquisition costs ⁽¹⁾	546	147	1,098	693	2,033
Acquisition and restructuring and other integration costs	1,580	412	1,851	1,992	3,205
Adjusted net earnings before income taxes on above-mentioned items ⁽¹⁾	16,839	12,603	8,926	29,442	16,877
Income taxes on above-mentioned items ⁽¹⁾	557	285	2	842	470
Adjusted net earnings attributable to the Company's shareholders	16,282	12,318	8,924	28,600	16,407
Per share – basic					
Net earnings	0.11	0.04	0.06	0.15	0.09
Adjusted net earnings	0.23	0.18	0.16	0.41	0.29
Per share – diluted					
Net earnings	0.11	0.04	0.06	0.15	0.09
Adjusted net earnings	0.23	0.18	0.16	0.41	0.29

*Adjusted net earnings are a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 41.

¹Income 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.

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Current Quarter versus Prior-Year Quarter

For the second quarter ended June 30, 2014, the Firm recorded net earnings attributable to the Company's shareholders of \$7.7 million, or \$0.11 per share (basic and diluted), compared to \$3.4 million, or \$0.06 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 \$17.3 million, \$3.8 million and \$1.5 million in base management fees, performance fees and brokerage and consulting fees, respectively. The increase in revenues was partly offset by increases of \$15.0 million and \$1.9 million in SG&A and external managers' expenses and depreciation and amortization costs, respectively, as well as by a \$2.1 million unfavourable change in fair value of derivative financial instruments.

Current Quarter versus Previous Quarter

The Firm's net earnings attributable to the Company's shareholders increased by \$5.0 million to \$7.7 million, or \$0.11 per share (basic and diluted), during the second quarter ended June 30, 2014, compared to \$2.7 million, or \$0.04 per share (basic and diluted), for the previous quarter ended March 31, 2014. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a \$2.0 million increase in base management fees, a \$3.8 million increase in alternative asset class performance fees, as well as a \$1.0 million reduction in SG&A and external managers' expenses, partly offset by increases of \$1.2 million, \$0.7 million and \$0.2 million in acquisition and restructuring and other integration costs, interest on long-term debt and other financial charges and income taxes, respectively.

During the second quarter ended June 30, 2014, net earnings attributable to the Company's shareholders were negatively affected by \$7.5 million of non-cash items (net of income taxes on the changes in fair value of derivative financial instruments), or \$0.10 per share (basic and diluted), and by \$1.1 million, or \$0.02 per share (basic and diluted), of acquisition and restructuring and other integration costs (net of income taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of \$7.7 million, or \$0.11 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to \$16.3 million, or \$0.23 per share (basic and diluted) for the second quarter ended June 30, 2014.

Adjusted net earnings attributable to the Company's shareholders for the three-month periods ended June 30, 2013, and March 31, 2014, were \$8.9 million, or \$0.16 per share (basic and diluted), and \$12.3 million, or \$0.18 per share (basic and diluted), respectively.

Year-to-Date June 30, 2014 versus Year-to-Date June 30, 2013

For the six-month period ended June 30, 2014, the Firm recorded net earnings attributable to the Company's shareholders of \$10.3 million, or \$0.15 per share (basic and diluted), compared to \$5.0 million, or \$0.09 per share (basic and diluted) for the same period last year. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a \$35.1 million increase in base management fees, a \$4.2 million increase in performance fees and an increase in other revenues, including \$3.1 million in brokerage and consulting fees. These elements were partly offset by increases of \$32.9 million, \$4.2 million in SG&A and external managers' expenses and depreciation and amortization costs, respectively, combined with \$2.5 million of unfavourable changes in the fair value of derivative financial instruments. Moreover, lower acquisition costs and income taxes during the six-month period ended June 30, 2014, have contributed to the increase in net earnings relative to the same period last year.

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For the six-month period ended June 30, 2014, net earnings attributable to the Company's shareholders were negatively affected by \$16.9 million of non-cash items (net of income taxes on the changes in fair value of derivative financial instruments), or \$0.24 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). When added back to the Firm's net earnings attributable to the Company's shareholders of \$10.3 million, or \$0.15 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to \$28.6 million, or \$0.41 per share (basic and diluted) for the six-month period ended June 30, 2014, compared to \$16.4 million or \$0.29 per share (basic and diluted) for the same period last year.

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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****	Q2 Jun. 30 2014	Q1 Mar. 31 2014	Q4 Dec. 31 2013	Q3 Sep. 30 2013	Q2 Jun. 30 2013	Q1 Mar. 31 2013	Q5 Dec. 31 2012	Q4 Sep. 30 2012
AUM *	76,798	82,131	80,412	77,485	67,163	65,092	65,702	58,138	55,681
Total revenues	196,016	55,720	49,963	55,222	35,111	33,178	30,216	31,009	26,399
Adjusted EBITDA **	70,344	20,191	15,127	22,941	12,085	12,858	11,344	12,746	9,717
Adjusted EBITDA margin	35.9%	36.2%	30.3%	41.5%	34.4%	38.8%	37.5%	41.1%	36.8%
Net earnings attributable to Company's shareholders	20,338	7,671	2,678	8,481	1,508	3,365	1,586	3,086	3,008
PER SHARE – BASIC									
Adjusted EBITDA**	1.10	0.30	0.22	0.36	0.22	0.23	0.20	0.23	0.18
Net earnings attributable to the Company's shareholders	0.31	0.11	0.04	0.13	0.03	0.06	0.03	0.05	0.05
Adjusted net earnings attributable to the Company's shareholders**	0.85	0.23	0.18	0.29	0.15	0.16	0.13	0.16	0.12
PER SHARE – DILUTED									
Adjusted EBITDA**	1.08	0.29	0.22	0.35	0.22	0.23	0.20	0.23	0.18
Net earnings attributable to the Company's shareholders	0.31	0.11	0.04	0.13	0.03	0.06	0.03	0.05	0.05
Adjusted net earnings attributable to the Company's shareholders**	0.84	0.23	0.18	0.28	0.15	0.16	0.13	0.16	0.12
PER SHARE – DILUTED (Including non-cash compensation and options granted) (***)									
Adjusted EBITDA**	1.01	0.28	0.20	0.33	0.20	0.22	0.19	0.22	0.17
Net earnings attributable to the Company's shareholders	0.29	0.10	0.04	0.12	0.03	0.06	0.03	0.05	0.05
Adjusted net earnings attributable to the Company's shareholders**	0.80	0.22	0.17	0.26	0.15	0.15	0.13	0.16	0.11

(*) AUM as at March 31, 2013 and before were restated to include Fiera Axiom and Fiera Properties AUM.

(**) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 41.

(***) This analysis assumes that all outstanding stock-based awards will vest and will be settled with shares of the Company (including 2,923,114 share options; 1,671,508 PSUs and 430,696 RSUs as at June 30, 2014). Per share measures as at September 30, 2013 and before were restated for calculation consistency.

(****) 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

AUM

The current quarter showed an increase in AUM compared to the previous quarter mainly due 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 and the acquisition of CWM assets in December 2012 contributed to the increase in AUM in the quarters ended March 31, 2013 and December 31, 2012, respectively.

Revenues

Since the quarter ended March 31, 2014, the Firm's revenues stream is balanced between the institutional, retail and private wealth clientele.

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 assets 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 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 following the acquisition of assets from UBS and

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GMP. The quarter ended March 31, 2013 showed a slight decrease compared to the quarter ended December 31, 2012, mainly due to lower performance fees.

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%. 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 current 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.

On a twelve-month basis, the current LTM adjusted EBITDA margin was at 35.9%, which compares to the LTM adjusted EBITDA margin of 36.6% reported as at March 31, 2014. The LTM adjusted EBITDA margin neutralizes the impact of the timing of performance fees which are generally recognized 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 \$8.5 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.

The current quarter's net earnings attributable to the Company's shareholders were higher than those of the previous quarter ended March 31, 2014, mainly due to higher base management fees and higher performance fees in the alternative asset class.

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 \$0.12 per share (basic and diluted) to a high of \$0.29 per share (basic) and \$0.28 (diluted).

The quarter ended September 30, 2012, closed with adjusted net earnings attributable to the Company's shareholders of \$0.12 per share (basic and diluted), a slight decrease compared to \$0.13 per share (basic and diluted) recorded at the previous quarter. The following 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

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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.

For the current quarter ended June 30, 2014, adjusted net earnings attributable to the Company's shareholders were \$0.23 per share (basic and diluted), representing an increase from the previous quarter mainly due to higher base management and performance fees in the alternative asset class.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

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

	FOR THE SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	JUNE 30, 2013
Cash generated by operating activities	22,407	12,331
Cash used in investing activities	(10,183)	(65,472)
Cash (used in) generated by financing activities	(18,394)	48,524
Decrease in cash	(6,170)	(4,617)
Effect of exchange rate changes on cash denominated in foreign currencies	(72)	-
Cash, beginning of period	21,774	6,016
Cash, end of period	15,532	1,399

Cash generated by operating activities amounted to \$22.4 million for the six-month period ended June 30, 2014, compared to \$12.3 million for the same period last year. The variation of \$10.1 million is mainly attributable to a \$11.1 million increase in adjusted EBITDA, combined with \$5.0 million cash inflows from the changes in non-cash operating working capital items, offset by an increase of \$7.0 million in income tax paid during the six-month period ended June 30, 2014, compared to the same period last year.

Cash used in investing activities amounted to \$10.2 million for the six-month period ended June 30, 2014, compared to \$65.5 million of cash used in the six-month period ended June 30, 2013. The year-over-year variation is mainly attributable to the acquisition of UBS and GMP assets during the six-month period ended June 30, 2013.

Cash used in financing activities totaled \$18.4 million for the six-month period ended June 30, 2014, compared to \$48.5 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 and GMP assets during the six-month period ended June 30, 2013.

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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 business. 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 six-month periods ended June 30, 2014 and 2013, respectively.

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

	FOR THE SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	JUNE 30, 2013
Net earnings attributable to the Company's shareholders	10,349	4,950
Adjusted for the following items:		
Depreciation of property and equipment	779	647
Amortization of intangible assets	12,634	8,534
Non-cash compensation	2,873	1,179
Changes in fair value of derivative financial instruments	815	(1,638)
Cash earnings	27,450	13,672
Cash earnings per share (basic)	0.40	0.24
Cash earnings per share (diluted)	0.40	0.24

(*) Cash earnings and cash earnings per share are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 41. Certain totals, subtotals and percentages may not reconcile due to rounding.

Long-Term Debt

On October 31, 2013, the Company amended its \$200.0 million credit facility, which consisted of a \$20.0 million revolving facility and a \$180.0 million term facility, to a \$250.0 million unsecured credit facility ("Credit Facility"). The amended Credit Facility, bearing interest at prime plus a premium ranging from 0% to 2.25% or at the banker's acceptance rate plus a premium ranging from 1.00% to 2.25% (2.25% as at June 30, 2014), is repayable in quarterly instalments of \$3.375 million from June 2015 to April 2017, with a final maturity payment of \$208.5 million on April 3, 2017.

On May 1, 2012, the Company entered into an interest rate swap agreement for a notional amount of \$108.0 million, to exchange its monthly variable interest rate payments for fixed interest payments at the rate of 1.835% until March 2017.

During the first quarter ended March 31, 2014, the Company converted \$30.5 million of borrowings under its term facility into US\$27.9 million. The revolving facility is entirely in US dollars, representing an amount of US\$51.3 million as at June 30, 2014 (US\$51.3 million as at December 31, 2013).

Under the terms of the loan agreement, the Firm must satisfy certain restrictive covenants in terms of minimum financial ratio requirements. These requirements include a ratio of funded debt to EBITDA and an interest coverage

ratio. EBITDA, a non-IFRS measure, is defined in the loan agreement, on a consolidated basis, as net earnings before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at June 30, 2014, the Company was in compliance with all debt covenant requirements.

Contractual Obligations

As at June 30, 2014, the Company had no material contractual obligations other than those described in the Company's 2013 Annual MD&A in the section entitled "Contractual Obligations".

Off-Balance Sheet Arrangements

At June 30, 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 June 30, 2014, the Company had 47,911,594 Class A subordinate voting shares and 20,039,750 Class B special voting shares for a total of 67,951,344 outstanding shares compared to 35,491,661 Class A subordinate voting shares and 21,138,250 Class B special voting shares for a total of 56,629,911 outstanding shares as at June 30, 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 prior to Class A Shares, Class B Shares and any other subordinate class of shares in terms of both dividend payments and return of capital. The Preferred Shares might also be subject to other conditions.

Issuance of Shares and conversion of Hold Back Shares

As part of the acquisition of Bel Air, the Company is 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 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 and is therefore included in accounts receivable as at June 30, 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

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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 \$3.1 million.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the six-month period ended June 30, 2014, under the terms of the Company's stock option plans:

Table 13 – Options Transactions

	JUNE 30, 2014	
	Number of Class A Share options	Weighted-average exercise price (\$)
Outstanding – December 31, 2013	2,942,522	8.12
Granted	100,000	13.89
Exercised	(87,232)	5.30
Forfeited	(32,176)	8.10
Outstanding – June 30, 2014	2,923,114	8.40
Options exercisable - June 30, 2014	1,067,671	6.83

An expense of \$0.29 million and \$0.59 was recorded during the three and six-month periods ended June 30, 2014, respectively for the stock option plan (\$0.31 million and \$0.61 million for the three and six-month periods ended June 30, 2013).

Performance Share Unit Plan ("PSU")

The following table summarizes the outstanding PSU awards as at June 30, 2014:

Table 14 – 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

All of the above awards are conditional on the continued employment of the participant with the Company. The Company has the option to settle the PSUs in cash or Class A shares of the Company.

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The following table presents transactions that occurred during the six-month period ended June 30, 2014 in the Company's PSU plans.

Table 15 – PSU Transactions

Date of grant	OCTOBER 30, 2013	JANUARY 1, 2014
Outstanding – December 31, 2013	1,345,321	-
Granted	62,500	307,692
Exercised	-	-
Forfeited	-	-
Outstanding – June 30, 2014	1,407,821	307,692

The value of the PSU granted was determined at inception using forecasted revenues of the different payout targets. The value of the October 30, 2013 PSU granted during the six-month period ended June 30, 2014, was evaluated at \$0.7 million while the January 1, 2014 grant was evaluated at \$2.8 million. The compensation expense is based on the number of PSU 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.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. Consequently, during the second quarter of 2014, the Company reviewed its estimated with respect to the vesting period for the October 30, 2013 PSUs resulting in a \$0.2 million reversal of previously recognized PSU expense.

An expense of \$0.03 million and \$1.5 million was recorded during the three and six-month periods ended June 30, 2014, respectively for the different PSU plans (nil for the three and six-month periods ended June 30, 2013).

Restricted Share Unit Plan ("RSU")

During the second quarter of 2014, the Company issued 65,696 restricted share units. The RSU expense is recorded at fair value and is amortized over the vesting period on a straight-line basis. 3,433 RSU were forfeited between the grant date and June 30, 2014. As at June 30, 2014, the Company had 430,696 RSUs issued and outstanding.

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Related Party Transactions

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

Table 16 – Related Party Transactions (in \$ thousands)

	FOR THE THREE-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	JUNE 30, 2014	JUNE 30, 2013	JUNE 30, 2014	JUNE 30, 2013
Base management fees and performance fees	7,015	10,009	17,526	19,284
Interest on long-term debt	1,953	1,688	3,905	3,031

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 and derivative financial instruments, are due to shareholders and their related companies as at June 30, 2014 and 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 1992) 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 Firm is currently working on the conversion to the COSO framework 2013. The conversion will be completed before December 31, 2014.

The CEO and CFO, supported by management, evaluated the design of the Company's DC&P and ICFR as at June 30, 2014, and have concluded that they were effective. Furthermore, no significant changes to the internal controls over financial reporting occurred during the quarter ended June 30, 2014.

On October 31, 2013, the Company acquired 100% of the issued and outstanding shares of Bel Air Investment Advisors LLC and of Wilkinson O'Grady. The review of the design of ICFR for this acquisition is in progress. However, as at June 30, 2014, risks were mitigated as management was fully apprised of any material events affecting these acquisitions. In addition, all acquired assets and liabilities were valued and recorded in the unaudited interim condensed consolidated financial statements as part of the purchase price allocation process and the results of operations of Bel Air Investment Advisors LLC and Wilkinson O'Grady were also included in the Company's consolidated results. Bel Air Investment Advisors LLC accounts for 18% of revenues, 17% of net earnings for the six-month period ended June 30, 2014, 18% of total assets, 15% of current assets, 19% of non-current assets, 7% of current liabilities and 0.1% of non-current liabilities in the unaudited interim condensed consolidated financial statements for the periods ended June 30, 2014. Wilkinson O'Grady accounts for 7% of revenues, 10% of net earnings for the six-month period ended June 30, 2014, 5% of total assets, 8% of current assets, 5% of non-current assets, 4% of current liabilities and 2% of non-current liabilities in the unaudited interim condensed consolidated financial statements for the periods ended June 30, 2014. In the coming months, management will complete its review of the design of ICFR for Bel Air Investment Advisors LLC and Wilkinson O'Grady, and assess its effectiveness.

Following the above mentioned acquisitions, management had to adjust the consolidation process to incorporate the new U.S. subsidiary. New controls were implemented in order to present fairly the financial position of the Company as at June 30, 2014, and its financial performance and its cash flows for the second quarter ended June 30, 2014.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and financial liabilities, is exposed to the following risks: market risk, equity market fluctuation risk, credit risk, interest rate risk, currency risk and liquidity risk. These risks and the management of these risks are described in the Company's 2013 Annual MD&A in the section entitled "Financial Instruments". The Company has not identified any material changes to the risk factors affecting its business or in the management of these risks.

CAPITAL MANAGEMENT

The Company's capital comprises share capital, (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 June 30, 2014, the Company was in compliance with all regulatory requirements and exemptions.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

This interim MD&A is prepared with reference to the unaudited interim condensed consolidated financial statements for the second quarter ended June 30, 2014. A summary of the Company's significant accounting judgments and estimation uncertainties is presented in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2013. Some of the Company's accounting policies, as required under IFRS, require the management to make subjective, complex judgments and estimates regarding matters that are inherently uncertain. The accounting policies that require management's judgment and estimates are described in the "Significant Accounting Judgments and Estimation Uncertainty" section of the Company's annual MD&A for the year ended December 31, 2013.

NEW ACCOUNTING POLICIES

The following revised standards are effective for annual periods beginning on January 1, 2014, and their adoption has not had any impact on the amounts reported or disclosures made in the Company's unaudited interim condensed consolidated financial statements for the second quarter ended June 30, 2014, but may affect the accounting for future transactions, arrangements, or disclosures in the Company's 2014 annual financial statements.

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.

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”.

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.

Amendments to IAS 36 – Impairment of Assets

The amendments to IAS 36 reduced the circumstances in which the recoverable amount of assets or cash generating units is required to be disclosed, clarified the disclosures required and introduced 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.

IFRS Issued but Not Yet Adopted

IFRS 9 - Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition. In November 2013, the IASB further amended IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The amendment also provides relief from restating comparative information and required disclosures in IFRS 7, *Financial Instruments: Disclosures*.

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.

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.

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 acquisition and restructuring and other integration costs and non-cash compensation items.

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

We have included non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when one relies solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess our ability to meet our future debt service, capital expenditure and working capital requirements. Non-IFRS measures are not recognized measures under IFRS. For example, some or all of the non-IFRS measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. Although we consider the items excluded from the calculation of non-IFRS measures to be non-recurring and less relevant to evaluate our performance, some of these items may be recurring and, accordingly, may reduce available cash. We believe that the presentation of the non-IFRS measures described above is appropriate. However, these non-IFRS measures have important limitations as analytical tools, and the reader should not consider them in isolation, or as substitutes in the analysis of our results as reported under IFRS. Because of these limitations, we rely primarily on our results as reported in accordance with IFRS and use non-IFRS measures only as a supplement. In addition, because other companies may calculate non-IFRS measures differently than we do, these measures may not be comparable to similarly titled measures reported by other companies.

RISKS OF THE BUSINESS

Fiera Capital's business is subject to a number of risk factors that may impact the Company's operating and financial performance. These risks and the management of these risks are detailed in the Company's 2013 Annual MD&A in the section entitled "Risks of the Business". The Company has not identified any material changes to the risk factors affecting its business or in the management of these risks.

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