Fiera Capital Corporation

Management's Discussion and Analysis

For the Three Months and Year Ended December 31, 2020

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BASIS OF PRESENTATION AND FORWARD-LOOKING STATEMENTS

Basis of Presentation

The following management's discussion and analysis ("MD&A") dated March 17, 2021, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital") as at and for the three months ended and year ended December 31, 2020. The following MD&A should be read in conjunction with the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2020 and 2019. The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and includes the accounts of the Company and other entities that the Company controls, which can require significant judgement. Non-controlling interest in the earnings (loss) and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings (loss), comprehensive income (loss), and changes in equity. All financial figures are reported in Canadian dollars, unless otherwise noted. Certain comparative figures have been reclassified to conform with the current period's presentation.

The Company presents earnings before interest, taxes, depreciation and amortization(1) ("EBITDA"), adjusted EBITDA(1), adjusted EBITDA per share(1), adjusted EBITDA margin(1), adjusted net earnings(1) and adjusted net earnings per share(1) as non-IFRS performance measures. These non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The definition of these non-IFRS measures and the reconciliation to the most comparable IFRS measures are presented in the "Non-IFRS Measures" section of this MD&A.

Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events or future performance and reflecting management's expectations or beliefs regarding future events including business and economic conditions and Fiera Capital's growth, results of operations, performance and business prospects and opportunities. Forward-looking statements may include comments with respect to Fiera Capital's objectives, strategies to achieve those objectives, expected financial results, and the outlook for Fiera Capital's businesses and for the Canadian, American, European, Asian and other global economies. Such statements reflect management's current beliefs and are based on factors and assumptions it considers to be reasonable based on information currently available to management and may typically be identified by terminology such as "believe", "expect", "plan", "anticipate", "estimate", "may increase", "may fluctuate", "predict", "potential", "continue", "target", "intend" or the negative of these terms or other comparable terminology and similar expressions of future or conditional verbs, such as "will," "should," "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions, forecasts, projections, expectations or conclusions will not prove to be accurate. The uncertainty created by the COVID-19 pandemic has heightened such risk given the increased challenge in making predictions, forecasts, projections, expectations, or conclusions.

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 predictions, forecasts, projections, expectations, or conclusions expressed in such forward-looking statements which include, but are not limited to, risks relating to performance and investment of the assets

(1) Refer to the "Non-IFRS Measures" Section on page 33.

under management ("AUM"), AUM concentration within limited number of strategies, reputational risk, regulatory compliance, information securities policies, procedures and capabilities, litigation risk, insurance coverage, third-party relationships, growth and integration of acquired businesses, AUM growth, key employees and other factors. For a description of risks and uncertainties related to the forward looking statements presented in this MD&A, and the Company, refer to the “Risk Factors” section of the Company’s Annual Information Form for the year ended December 31, 2020, and other documents filed by the Company with applicable securities regulatory authorities from time to time, which are available on SEDAR at www.sedar.com.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements in this MD&A and any other disclosure made by Fiera Capital, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Fiera Capital does not undertake to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf in order to reflect new events or circumstances, except as required by applicable laws.

COVID-19

The COVID-19 pandemic has created a period of unprecedented volatility and uncertainty with regards to global economic and market conditions. The Company continues to monitor the financial impact of the COVID-19 pandemic and related market risk on its capital position and profitability should the duration, spread or intensity of the pandemic further develop. It is not possible to forecast with certainty the duration and full scope of the economic impact of COVID-19 both in the short and long term as well as the unknown additional government and central bank interventions and the timeline of the transition to a fully reopened economy. The Company maintains sufficient liquidity to satisfy all of its financial obligations for the foreseeable future. Despite this liquidity, the Company may see an impact to the cost of capital in the future as a result of disrupted credit markets or potential credit rating actions in relation to the Company’s debt if the timing and pace of economic recovery is slow. Furthermore, a sustained period of significant market volatility could negatively impact the Company’s investment performance, could have a negative effect on the value of the Company’s assets and investment strategies (and consequently the AUM), could negatively impact the market price or value of the Company’s securities and could result in a write-down of the Company’s goodwill and intangible assets in subsequent periods. The valuation of the Company’s purchase price obligations could also be impacted if expected results from operations change significantly from current assumptions.

QUARTERLY FINANCIAL HIGHLIGHTS

(in $ billions)	AUM and average quarterly AUM as at and for the three months ended			Variance	
	December 31, 2020	September 30, 2020	December 31, 2019	Quarter over Quarter Change	Year over Year Change
AUM	**180.2**	177.7	169.7	2.5	10.5
Average quarterly AUM[(1)]	**177.3**	177.0	168.0	0.3	9.3

(in $ millions unless otherwise indicated)	Summary Financial Results for the three months ended			Variance	
	December 31, 2020	September 30, 2020	December 31, 2019	Quarter over Quarter Change	Year over Year Change
Revenues	**195.9**	170.7	204.5	25.2	(8.6)
Net earnings (loss)[(2)]	**(1.0)**	4.7	3.4	(5.7)	(4.4)
Adjusted EBITDA[(3)]	**61.0**	53.4	61.8	7.6	(0.8)
Adjusted EBITDA margin[(3)]	**31.1 %**	31.3 %	30.2 %	(0.2)%	0.9 %
Adjusted net earnings [(2),(3)]	**49.2**	37.6	42.7	11.6	6.5
Basic per share					
Net earnings (loss)[(2),(3)]	**(0.01)**	0.05	0.03	(0.06)	(0.04)
Adjusted EBITDA[(3)]	**0.58**	0.51	0.61	0.07	(0.03)
Adjusted net earnings[(3)]	**0.47**	0.36	0.42	0.11	0.05
Diluted per share					
Net earnings (loss)[(2),(3)]	**(0.01)**	0.04	0.03	(0.05)	(0.04)
Adjusted EBITDA[(3)]	**0.58**	0.49	0.60	0.09	(0.02)
Adjusted net earnings[(3)]	**0.47**	0.35	0.41	0.12	0.06

(1) *Average quarterly AUM for a given period is the average of the ending value of AUM for each month during the period*
(2) *Attributable to the Company's Shareholders*
(3) *Refer to the "Non-IFRS Measures" Section and the related reconciliations on page 33*

Overview

As part of the Company's strategic review of its operations in the United States following the implementation of its new global operating model announced in June 2020, the Company entered into the following transactions, which resulted in the recognition of a $7.0 million gain and $6.3 million gain for the three months ended and year ended December 31, 2020, respectively:

i. Wilkinson Global Asset Management ("WGAM")

On December 31, 2020, the Company completed the sale of all of its equity interest in WGAM, a New York-based private wealth investment manager, to Wilkinson Global Capital Partners LLC, pursuant to a call option entered into on December 1, 2018. The sale of WGAM reduced the Company's AUM by $2.7 billion at December 31, 2020.

ii. Bel Air Investment Advisors ("Bel Air")

On December 31, 2020, the Company entered into a securities and purchase agreement to sell Bel Air to Hightower Advisors ("Hightower"). The transaction closed on February 28, 2021 and as a result the assets and liabilities of Bel Air are presented as 'held for sale' at December 31, 2020. AUM from Bel Air accounted for $10.3 billion at December 31, 2020 of which approximately $2.0 billion will remain sub-advised by Fiera Capital.

iii. City National Rochdale ("CNR")

During the fourth quarter of 2020, the Company reviewed its distribution channel priorities in the US and in particular as it relates to the Fiera Capital Emerging Markets Fund (the "Fund") in which CNR is a majority investor. The Company explored different strategic alternatives for the Fund including with CNR. As part of these discussions, CNR informed the Company of its decision to no longer offer the fund to its clients, and therefore not continue with its revenue sharing arrangement. This is expected to reduce the Company's AUM by US$1.7 billion in the first quarter of 2021 out of the Fund's total assets of approximately US$2.3 billion as at December 31, 2020. The right to manage the Fund was acquired by Fiera Capital from CNR in December 2017. On March 2, 2021, the Company announced that Fiera Capital Inc., its wholly-owned subsidiary, entered into an agreement in principle to sell the advisory business related to its Fiera Capital Emerging Markets Fund to Sunbridge Capital Partners LLC. Refer to the "Subsequent Events" Section on page 59 for further details.

In connection with the above, the Company reduced the carrying value of the CNR related purchase price obligation associated with the revenue-sharing arrangement by $49.3 million, and recognized an impairment charge of $66.4 million on the related intangible asset during the three months ended December 31, 2020. As a result, the Company's net income (loss) was impacted by $17.1 million for the three months ended December 31, 2020.

Q4 2020 compared to Q3 2020

AUM at December 31, 2020 was $180.2 billion compared to $177.7 billion as at September 30, 2020, an increase of $2.5 billion or 1.4%. The increase was primarily due to market appreciation of $9.6 billion and new mandates won of $2.4 billion in the current quarter. This was partially offset by lost mandates and negative net contributions of $4.1 billion and an unfavourable foreign exchange impact of $2.7 billion from the weakening of the U.S. dollar versus the Canadian dollar.

Average quarterly AUM for the three months ended December 31, 2020 was $177.3 billion compared to $180.2 billion at December 31, 2020. The difference was primarily due to stronger market appreciation during the second half of the fourth quarter and the sale of WGAM which reduced AUM by $2.7 billion at December 31, 2020.

Revenues in the fourth quarter of 2020 were $195.9 million compared to $170.7 million in the third quarter of 2020, an increase of $25.2 million or 14.8%. The increase was primarily due to higher performance fees of $21.7 million and higher base management fees of $3.9 million which increased primarily due to higher average AUM in the Institutional channel's Canadian and US markets.

Selling, general and administration expenses ("SG&A") and external managers' expense were $140.2 million in the fourth quarter of 2020 compared to $122.6 million in the third quarter of 2020, an increase of $17.6 million, or 14.4%. The increase was primarily due to higher employee compensation related expenses.

For the fourth quarter ended December 31, 2020, net loss attributable to the Company's shareholders was $(1.0) million, or $(0.01) per share (basic and diluted), compared to net earnings attributable to the Company's shareholders of $4.7 million, or $0.05 per share (basic) and $0.04 per share (diluted) in the third quarter of 2020. The $5.7 million decrease was primarily due to a $66.9 million increase in impairment charges related to intangible assets, $17.6 million in higher SG&A, and $5.2 million in higher restructuring and integration costs. This was partially offset by a $45.8 million unrealized gain related to fair value adjustments net of accretion charges on the purchase price obligations in the current quarter compared to a $5.7 million revaluation and accretion charge in the previous quarter, an increase in revenues of $25.2 million primarily due to the recognition of performance fees in the current quarter and higher base management fees, and a $7.0 million gain on the sale of a business and an impairment of assets held for sale.

Adjusted EBITDA in the fourth quarter of 2020 was $61.0 million, or $0.58 per share (basic and diluted) compared to $53.4 million or $0.51 per share (basic) and $0.49 per share (diluted) in the third quarter of 2020, an increase in adjusted EBITDA of $7.6 million or 14.2%. The increase was primarily due to a $25.2 million increase in revenues driven by performance fees recorded in the quarter and higher base management fees. This was partially offset by a $17.6 million increase in SG&A and external managers' expense, excluding the impact of share-based compensation, primarily due to higher employee related compensation expenses.

Adjusted net earnings for the fourth quarter of 2020 was $49.2 million or $0.47 per share (basic and diluted), compared to $37.6 million, or $0.36 per share (basic) and $0.35 per share (diluted) in the third quarter of 2020. The $11.6 million increase was primarily due to a $25.2 million increase in revenue principally due to higher performance fees and base management fees, and a $3.6 million lower impact of income taxes. This was partially offset by a $17.6 million increase in SG&A and external managers' expense, excluding the impact of share-based compensation, driven by higher employee compensation expenses.

Q4 2020 compared to Q4 2019

AUM at December 31, 2020 was $180.2 billion compared to $169.7 billion as at December 31, 2019, an increase of $10.5 billion or 6.2%. The increase was primarily due to market appreciation of $18.9 billion and new mandates won of $10.2 billion in the period. This was partially offset by lost mandates of $10.5 billion and negative net contributions of $4.2 billion. AUM decreased $3.9 billion compared to last year due to the sale of WGAM on December 31, 2020 which reduced AUM $2.7 billion, and the sale of the rights to manage Fiera Investments’ retail mutual funds to Canoe Financial LP ("Canoe Financial") on June 26, 2020, which reduced AUM $1.2 billion.

Revenues for the fourth quarter of 2020 were $195.9 million compared to $204.5 million for the same period last year, a decrease of $8.6 million or 4.2%. The decrease was primarily due to lower performance fees of $7.3 million from traditional asset class and hedge funds in European and emerging markets, $5.1 million of lower other revenue driven by Fiera Private Alternative Investments and a $1.1 million gain on foreign exchange forward contracts recognized in the previous year which did not recur in the current quarter. Share of earnings in joint ventures and associates decreased $4.5 million primarily related to Fiera Real Estate UK. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying projects. These decreases were partly offset by a net increase in base management fees of $8.3 million which was primarily due to a $13.3 million increase in institutional management fees due to higher average AUM, partly offset by a $4.6 million reduction in retail management fees due to the sale of the rights to manage Fiera Investments’ retail mutual funds to Canoe Financial on June 26, 2020.

SG&A and external managers' expense in the fourth quarter of 2020 was $140.2 million compared to $149.7 million in the same period last year, a decrease of $9.5 million, or 6.3%. The decrease was primarily due to lower compensation related costs and the deployment of cost containment measures implemented during the fiscal year in response to market pressures from the effects of COVID-19.

Net loss attributable to the Company's shareholders for the fourth quarter of 2020 was $(1.0) million, or $(0.01) per share (basic and diluted), compared to net earnings of $3.4 million, or $0.03 per share (basic and diluted), for the same quarter of last year. The $4.4 million decrease was primarily due to $66.9 million in impairment charges related to intangible assets and $8.6 million of lower revenues. This was partially offset by a $45.8 million unrealized gain related to fair value adjustments net of accretion on the purchase price obligations compared to an $8.1 million expense in the same period last year, $9.5 million in lower SG&A and external managers' expense, and a $7.0 million gain on the sale of a business and an impairment of assets held for sale.

Adjusted EBITDA for the fourth quarter of 2020 was $61.0 million, or $0.58 per share (basic and diluted) compared to $61.8 million, or $0.61 per share (basic) and $0.60 per share (diluted), in the same period last year, a decrease of $0.8 million, or 1.3%. The decrease was primarily due to $8.6 million of lower revenues partly offset by a $7.7 million decrease in SG&A and external managers' expense, excluding the impact of share-based compensation due to lower employee related compensation, and cost containment measures which were implemented during the year.

Adjusted net earnings for the fourth quarter of 2020 was $49.2 million or $0.47 per share (basic and diluted), compared to $42.7 million, or $0.42 per share (basic) and $0.41 per share (diluted) in the same period last year. The $6.5 million increase was primarily due to $7.7 million of lower SG&A and external managers' expense, excluding share-based compensation principally due to lower employee compensation expenses and cost containment measures implemented during the year in response to market pressures from the effects of COVID-19, a $4.6 million lower impact of income taxes, and a $1.0 million decrease in interest on long-term debt and other financial charges. This was partly offset by $8.6 million of lower revenues driven by decreased performance fees in the traditional asset class and performance fee hedge funds, and lower other revenues from Fiera Private Alternative Investments.

OVERVIEW

Company Overview

Fiera Capital is a leading independent asset management firm with a growing global presence and approximately $180.2 billion in AUM at December 31, 2020. The Company delivers customized and multi-asset solutions across public and private market asset classes to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia.

As at December 31, 2020, the Company had approximately 840 employees, including approximately 245 investment professionals.

Fiera Capital's global suite of public market solutions spans the full spectrum of strategies, from small to large cap, including market-specific and global strategies, to top-down macro and specialized fixed income strategies, as well as liquid alternative strategies, including some with a defensive tilt and that can be applied using a stand-alone approach or through an overlay.

In the private markets space, Fiera Capital's globally diversified private market platform is growing steadily, providing unique and sustainable risk and return attributes to our clients through real estate, private debt, infrastructure, agriculture, and private equity investment strategies. Although each asset class has its own unique features, the private market investment class as a whole has garnered increased investor attention in recent years as a result of its unique investment characteristics, offering attractive returns with a lower degree of volatility and correlation to public market assets, as well as steady and predictable cash flows.

In addition to the Company's direct relationships with institutional and private wealth clients, Fiera Capital and certain of its subsidiaries act as portfolio manager on behalf of its financial partners and intermediaries. These sub-advisory relationships are a means of providing retail investors with the opportunity to benefit from the Company's breadth of investment strategies and deep industry expertise.

Company Evolution

The following diagram shows key business developments since the Company was established in 2003.

2003

SEPTEMBER
- Creation of **Fiera Capital** through Acquisition of **Elantis, Desjardins** Group's Investment Subsidiary

2005

OCTOBER
- Introduction of 1st Alternative Strategy
- Acquisition of **Senecal Investment Counsel**

2006

FEBRUARY
- Acquisition of **YMG Capital**

2008

DECEMBER
- Introduction of first private market investment strategy (Infrastructure)

2009
- Creation of the Global Equity Team

2010

SEPTEMBER
- Merger with **Sceptre Investment Counsel $7.2B**
- Listing on **Toronto Stock Exchange**

2011

SEPTEMBER
- Opening of First US Office

DECEMBER
- Creation of **Fiera Real Estate**

2012

APRIL
- Acquisition of **Natcan $25B**
- Acquisition of **Roycom Inc. $0.5B**

NOVEMBER
- Acquisition of **Canadian Wealth Management Group Inc. $0.6B**

2013

JANUARY
- Acquisition of Assets from **UBS Global Asset Mgmt. (Canada) Inc. $6B**

MAY
- Acquisition of Assets from **GMP Capital Inc.** and creation of **Fiera Quantum $0.6B**

OCTOBER
- Acquisition of **Bel Air Investment Advisors and Wilkinson O'Grady $8.5B**

2014

SEPTEMBER
- Acquisition of **Propel Capital Corporation $0.2B**

2015

OCTOBER
- Acquisition of **Samson Capital Advisors LLC $9.5B**

2016

JUNE
- Acquisition of **Apex Capital Management $8.6B**

JULY
- Entered into joint venture with **Aquila Infrastructure Management**
- Creation of **Fiera Infrastructure Inc.**

SEPTEMBER
- Acquisition of **Larch Lane Advisors LLC $0.5B**
- Creation of **Fiera Comox (Agriculture and Private Equity)**

NOVEMBER
- Acquisition of **Centria Commerce Inc. $0.3B**
- Creation of **Fiera Private Debt**

DECEMBER
- Acquisition of **Charlemagne Capital Limited $2.8B**

2017

NOVEMBER
- Acquisition of remaining interest of **Fiera Real Estate**

DECEMBER
- Acquisition of Asia EM Fund from **City National Rochdale $2.1B**

2018

MAY
- Acquisition of **CGOV Asset Management $5.0B**

AUGUST
- Acquisition of **Clearwater Capital Partners $1.8B**

2019

FEBRUARY
- Sale of retail mutual funds to **Canoe Financial LP**

APRIL
- Acquisition of **80% interest in Palmer Capital $1.3B**

JULY
- Acquisition of IAM **$2.0B**
- Strategic partnership with **Natixis Investment Managers**

2019

AUGUST
- Acquisition of **Foresters Asset Management $10.5B**

2020

JUNE
- Sale of Fiera Investments retail mutual funds **$1.2B**

JULY
- Introduction of new global operating model

DECEMBER
- Sale of Wilkinson Global Asset Management **$2.7B**

2021

MARCH
- Sale of Bel Air Investment Advisors **$8.3B**
- Announcement of the sale of the rights to manage the Emerging Markets Fund **US$2.3B**
- Acquisition of new Global Equity capability **US$0.5B**

Organic

Strategic

MARKET, ECONOMIC AND FUND PERFORMANCE REVIEW

Economic and Market Review – Q4 2020

The global economy regained some notable traction at the end of 2020, with the abundance of policy support acting as a critical source of support even as the COVID-19 virus continued to circulate across the globe.

While the second wave of the COVID-19 virus led to governments reinstating restrictions to stem the outbreak, there is reason for optimism. Multiple vaccine candidates have proven safe and effective. As populations get inoculated and larger parts of the economy reopen, the revitalization in confidence should unleash pent-up demand, particularly as savings remain elevated around the world. While the factory sector has demonstrated a growing resilience to the pandemic, the resumption in services sector activity should make way for more sweeping economic gains.

From a geographic perspective, the Canadian economy bounced back assertively in the back-half of 2020, though momentum has slowed as governments were forced to reimpose restrictions to stem the outbreak. Beyond the near-term, vaccine deployment should help reinvigorate confidence and drive spending through 2021. Until then, the Canadian government remains committed through its fiscal policy to alleviate the pain for the private sector, while the Bank of Canada has also pledged its continued support.

The US economy held firm even in the face of increasing infections and nationwide restrictions, with relative strength reflecting the lagged impacts of unprecedented fiscal stimulus. The consumer remains a dominant force, with job gains and elevated savings setting the stage for a sharp revival in spending, while factory activity, business investment, and housing are also bright spots. Encouragingly, lawmakers agreed on a new round of fiscal aid to bridge the gap between the pandemic and post-vaccine economy.

The European economy has struggled given its heavy reliance on services, as governments reinstated lockdowns targeted towards the high-touch leisure and hospitality space. However, as the vaccines are deployed, the reflationary policy impulse coupled with robust demand from U.S. and China should aid in Europe's economic recovery.

The Chinese economy remains a key pillar of strength and was the only major economy to grow in 2020. The early and successful containment of COVID-19 has positioned the world's second largest economy for an accelerated convergence back to pre-COVID levels. Economic gains have been all-encompassing across both the factory and consumer space thanks to robust domestic and foreign demand. This vigorous landscape in China remains an important tailwind for the global economy in the coming year. Conversely, Japan's economy was shaken in the latest wave of infections and required the government to approve further fiscal aid.

Global equity markets ended the year on a strong note reaching all-time highs. Continued pledges for monetary and fiscal support and news of positive efficacy results from three COVID-19 vaccine candidates drove investor optimism and led to a profound global market rally into year-end.

The outlook for global equity markets has improved as the monumental task of global vaccine distribution gets underway. Moreover, bond yields are forming a bottom, inflation expectations are on the rise, the US dollar is weakening, and commodity prices are pushing higher. In this reflationary environment, it is likely that equities will make new highs. While a near-term consolidation remains a possibility after the strong run-up in equity prices, the increasingly durable global growth backdrop and the reflationary policy impetus at hand should help power the equity rally in the post-pandemic landscape.

Fixed income markets posted modest positive results during the fourth quarter of 2020. Yield curves steepened with long-term rates rising faster than short-term rates. Short-end rates remained lower as central banks reinforced their pledges for continued support, while longer-term bond yields rose on the prospect of increased fiscal spending and an improved global growth landscape. Meanwhile, risk appetite flourished and credit spreads narrowed in response, with corporate bonds outperforming their government peers.

With bond yields at depressed levels, return prospects for the traditional core fixed income asset class appear less appealing going forward, given the expectations of economic recovery in the coming year. While policymakers have confirmed they will anchor rates at the short-end of the curve, the expectation of an economic recovery and the corresponding rise in inflation expectations should place some upward pressure on longer-term rates. The inclusion of non-traditional income strategies should be considered due to their solid income-generating capabilities, their ability to protect against inflation, and their low correlation to traditional asset classes.

Investment Strategy Performance - Public Markets

Equity Strategies

Large Cap Equity

The Company's large cap equity investment teams mostly outperformed during fiscal 2020. However, most of the large cap equity mandates underperformed the market during the last quarter of the year. The majority of the major indexes continued their positive trend in the fourth quarter as some of the COVID-19 affected sectors started to rebound. During the year, outperformance in International and Canadian mandates was mostly due to security selection in the Financial and Industrials sectors, with minimal allocation to the energy sector. On a long-term basis, the large cap equity results are mostly all in the first quartile as compared to their respective peer groups.

Small Cap, Emerging and Frontier Equity Strategies

The Company's Canadian small cap strategies underperformed during the fourth quarter, but outperformed during fiscal 2020, delivering strong value added relative to their benchmark, which resulted in capital appreciation despite the uncertainty brought on by the COVID-19 pandemic. The value added from the small cap strategies was primarily driven by strong security selection in the Information Technology and Real Estate sectors and an underallocation to the Energy sector.

The Company's Small-Mid Cap Growth strategy underperformed during the fourth quarter, but outperformed its benchmark for fiscal 2020. The Emerging Markets Select strategy added value in the quarter, driven by strong security selection in Consumer Discretionary. Performance of the Emerging Markets strategy was in line with the index. The New Frontiers Strategy outperformed its index in the fourth quarter. Strong performance was driven by positive news on vaccines as economies began to benefit from a global re-opening.

Fixed Income Strategies

Canadian Fixed Income Strategies
Active Universe Strategies

The Company's Canadian fixed income strategies also performed very well in 2020 with the majority delivering first quartile results within their peer group. The outperformance within the Active Universe strategy was driven primarily by curve positioning and tactical allocation to credit as credit spreads peaked, which delivered value as spreads began to decrease. The Integrated and Fixed Income team and Specialized Fixed Income team added significant value as spreads narrowed, which commenced during the second quarter of 2020.

Credit Oriented and Other Strategies

The Company's other fixed income strategies, which include credit strategies, preferred shares and infrastructure bonds, outperformed their benchmark in the last quarter as well as for the whole year and delivered value added relative to their respective benchmark on a long-term basis.

US Fixed Income Strategies

Following the US election, there was strong demand for tax-exempt fixed income securities. The Tax Efficient Core Intermediate strategy had positive security selection and credit quality but was weighed down by the impact of the flattening municipal curves.

The High Grade Core Intermediate strategy outperformed its benchmark in the fourth quarter. The strategy's non benchmark allocations to TIPS and Taxable Municipals were additive.

Balanced Investment Strategies

Balanced investment strategies continued to outperform on a long-term basis driven primarily by strong value-added from underlying strategies. However, the Company's tactical asset allocation strategies detracted value on a year-to date basis by an under-allocation to bonds and over-allocation to equities and private market investment strategies.

Liquid Alternative Investment Strategies

The majority of the Company's hedge fund strategies delivered positive returns over the last twelve months and over the long term. The positive long-term performance of the Global Market Neutral strategy was driven primarily by positive returns from the Canadian market.

Investment Strategy Performance - Private Markets

Real Estate Strategies

The Canadian and the UK real estate strategies delivered strong returns in the fourth quarter. After the downturn in the second quarter of 2020, driven by COVID-19 uncertainty, both the Canadian and UK strategies recaptured value and are showing flat to slightly positive appreciation for fiscal 2020. The Company's strategies which are more heavily weighted to industrial and logistics properties, which hold only retail properties in the more stable food and home improvement-anchored categories, continued to deliver strong returns in the fourth quarter of 2020.

Infrastructure Strategy

The Infrastructure strategy continued to perform well and remained resilient throughout the COVID-19 pandemic, generating positive fourth quarter and year-to-date returns. The assets within the strategy are essential in nature and in many instances, revenues are underpinned by long-term and fixed price contracts.

Private Debt Strategies

The Company's private debt strategies globally delivered positive returns during the fourth quarter of 2020. The demonstrated resilience of the portfolio in the past year highlights the benefits of its focus on diversification across regions and asset classes, the conservative loan to value ratios and the primarily senior secured loans.

Global Agriculture Strategy

The Global Agriculture Strategy had strong performance throughout the year despite the COVID-19 crisis. The fund's positive performance throughout the year is the result of several value creation initiatives that have taken place across the portfolio.

Private Equity Strategy

The Fund's investments continue to perform well and show quarter-over-quarter increases in valuations. The largest position in the Fund's portfolio, a specialty finance company, ended the year with strong financial performance. The private equity strategy team continues to be actively engaged in opportunities to build on the strong foundation of the fund.

Developments

The Company is committed to responsible investing and adheres to its duty to act professionally, responsibly and diligently in the best interests of its clients with a view of creating long-term, sustainable value. As such, additional efforts have been devoted to maintaining and improving our environmental, social and governance (''ESG'') integration throughout our strategies. Recognizing the growing need for sustainable and impact strategies, we launched our first Global and multi-asset class impact fund in early 2020.

Table 1 – Public Markets Performance as at December 31, 2020

		Q4 2020			1 yr			3 yr			5 yrs or since inception (SI)* SI if inception < 5 yrs)		
Public market strategies	**Currency**	**Strategy return**	**Added value**	**Quartile**	**Strategy return**	**Added value**	**Quartile**	**Strategy return**	**Added value**	**Quartile**	**Strategy return**	**Added value**	**Quartile**
Equity Investment Strategies													
Large Cap Equity													
US Equity	CAD	5.93	(1.03)	4	20.49	4.17	2	19.22	4.41	1	16.49	3.25	2
International Equity	CAD	6.93	(3.75)	4	17.95	12.03	1	14.41	9.54	1	12.61	7.01	1
Global Equity	CAD	6.93	(1.77)	4	18.67	4.80	2	17.04	5.88	1	15.10	4.83	1
Canadian Equity	CAD	5.25	(3.72)	4	8.27	2.67	1	9.29	3.55	1	11.30	1.98	1
Canadian Equity Core	CAD	7.15	(1.82)	4	4.92	(0.68)	2	5.99	0.25	2	8.61	(0.72)	3
Small Cap. Emerging and Frontier													
U.S. Small & Mid Cap Growth	USD	23.11	(2.78)	3	45.00	4.54	2	20.63	0.73	3	18.39	(0.27)	3
Canadian Equity Small Cap Core	CAD	15.07	(8.41)	3	19.80	6.93	3	10.67	8.39	2	9.21	0.44	3
Canadian Equity Small Cap	CAD	11.41	(12.07)	4	15.45	2.58	3	4.30	2.02	4	6.21	(2.56)	4
Emerging Markets Select	USD	23.67	3.98	2	23.29	4.98	2	5.12	(1.05)	2	11.07	(1.74)	3
Emerging Markets Core Growth	USD	19.75	0.06	2	12.91	(5.40)	3	3.41	(2.76)	4	10.20	(0.14)	3
Frontier Markets	USD	29.38	18.18	1	3.23	1.81	2	1.46	1.45	1	9.79	4.60	1
Canadian Fixed Income Strategies													
Active Universe Strategies													
Active Core*	CAD	1.01	0.38	3	10.66	1.98	1	6.28	0.67	1	6.28	0.67	1
Strategic Core*	CAD	0.98	0.34	2	10.88	2.20	1	6.59	0.98	1	6.59	0.98	1
Credit Oriented	CAD	0.97	0.34	2	9.61	0.93	2	6.18	0.58	2	4.87	0.69	1
Specialized Credit	CAD	1.65	1.02	4	10.68	2.00	2	7.26	1.65	1	5.66	1.48	2
Relative Value	CAD	0.70	0.49	4	11.07	2.38	1	6.90	1.39	1	6.58	1.37	1
Credit Oriented and Others													
Corporate Universe	CAD	2.04	0.24	3	9.20	0.46	3	6.24	0.34	3	5.43	0.47	3
Preferred Shares	CAD	9.61	2.29	1	6.85	0.69	2	(0.11)	(0.49)	4	4.86	0.65	4
Infrastructure Bonds	CAD	0.94	0.26	4	11.68	0.39	1	8.80	0.81	1	7.79	0.96	1
Multi-Strategy Income	CAD	3.92	N/A	N/A	2.22	N/A	N/A	2.62	N/A	N/A	4.46	N/A	N/A
US Fixed Income Strategies													
Tax Efficient Core Intermediate	USD	0.77	(0.21)	N/A	4.26	0.03	N/A	3.75	(0.07)	N/A	2.89	(0.07)	N/A
High Grade Core Intermediate	USD	0.45	0.25	N/A	6.64	1.03	N/A	4.64	0.27	N/A	3.61	0.14	N/A
Balanced Investment Strategies													
Balanced Core	CAD	4.62	(0.90)	4	10.20	(0.01)	2	8.82	1.22	1	8.76	0.95	2
Balanced EFT[1]	CAD	4.62	(1.02)	4	9.80	0.84	2	8.38	1.43	1	8.48	1.11	2
Tactical Asset Allocation[2]	CAD	6.10	1.12	N/A	6.98	(2.07)	N/A	6.28	(0.46)	N/A	7.42	0.21	N/A
Liquid Alternative Investment Strategies													
Global Market Neutral*	CAD	(5.04)	NA	N/A	(3.16)	NA	N/A	NA	NA	N/A	6.20	NA	N/A
OCCO Eastern European Fund	USD	4.40		2	7.40		3	8.00		2	12.32		2
OAKS Emerging & Frontier Opportunities Fund	USD	27.45		1	1.38		4	0.64		4	7.00		3

Important Disclosures:

Performance returns are annualized for periods of 1 year and up.

All returns are presented gross of management and custodial fees and withholding taxes but net of all trading expenses.

The performance returns assume reinvestment of all dividends.

Each strategy listed above represents a single discretionary portfolio or group of discretionary portfolios that collectively represent a unique investment strategy or composite.

The since inception date represents the earliest date at which a discretionary portfolio was in operation within the strategy.

The above composites and pooled funds were selected from the Firm's major investment strategies.

Quartile rankings are calculated using eVestment.

GIPS Composites are available upon request.

Notes:

[1] Balanced Fund for Endowments, Foundations and Trusts. Includes an allocation to Fiera Diversified Real Assets Fund.

[2] Theoretical value added of tactical asset mix decisions over a fictitious traditional balanced portfolio. Includes theoretical allocation to private assets.

Table 2 – Private Markets Performance as at December 31, 2020

Private market strategies	Currency	Inception date	Open-ended	Closed-ended	Performance - Since Inception		NAV (in $M)	Total Undrawn Commitment (in $M)
					Return[1]	Gross IRR[2]		
Real Estate								
Fiera Real Estate CORE Fund L.P.	CAD	Apr-13	✓		8.02%	—	2,146	151
Fiera Real Estate Small Cap Industrial Fund L.P.	CAD	Feb-14	✓		13.47%	—	325	33
UK CORE INCOME FUND	GBP	Aug-09	✓		6.81%	—	264	—
Infrastructure								
EagleCrest Infrastructure[3]	CAD	Jan-16	✓		—	9.70%	1,376	264
Private Debt								
Real Estate & Infrastructure								
Fiera Real Estate Core Mortgage Fund[4]	CAD	Dec-17	✓		5.30%	—	84	65
Fiera Real Estate Financing Fund	CAD	Dec-06	✓		13.03%	—	547	—
Fiera Infrastructure Debt Fund LP	CAD	Feb-17		✓	5.72%	—	344	15
Clearwater Capital Partners Direct Lending Opportunities Fund, L.P.	USD	Feb-17	✓		—	11.86%	156	—
Corporate Debt								
Fiera Private Debt Fund VI	CAD	Feb-19		✓	7.26%	—	326	489
Fiera Comox Private Credit Opportunities Open-End Fund L.P[5]	USD	Apr-20	✓		—	11.47%	30	30
Fiera Business Financing Fund	CAD	May-13	✓		13.62%	—	109	—
Clearwater Capital Yield Fund, L.P.	USD	Nov-18		✓	—	16.48%	109	—
Funds of Funds								
Global Diversified Lending Master Fund, L.P.[6]	USD	Jun-18	✓		8.34%	—	209	—
Fiera Diversified Lending Fund[4][6]	CAD	Apr-08	✓		6.42%	—	1,226	—
Global Agriculture								
Global Agriculture Open-End Fund L.P.[5]	USD	Jul-17	✓		—	8.71%	492	95
Private Equity								
Glacier Global Private Equity Fund I L.P.[5]	USD	Sep-18	✓		—	18.45%	95	28

Important Disclosures:

(1) Annualized time weighted returns, presented gross of management and performance fees and expenses, unless otherwise stated.

(2) Presented gross of management and performance fees and expenses, unless otherwise stated.

(3) EagleCrest represents the combined performance of EagleCrest Infrastructure Canada LP and EagleCrest Infrastructure SCSp. IRR shown gross of management fees, performance fees, fund operating expenses and adjusted for FX movements.

(4) Returns presented net of management and performance fees and expenses.

(5) Gross IRR shown net of fund operating expenses.

(6) Strategies with diversified allocation to various private debt LP, including some above mentioned.

OUTLOOK

Despite the COVID-19 global pandemic and challenges faced in 2020, we are optimistic as we look towards 2021, particularly as the global distribution of COVID-19 vaccines gets underway. Countries around the world are now gradually lifting various lockdown measures that were implemented during the second wave of this pandemic. The health and safety of our employees remains our highest priority and we are actively engaged with local health authorities to ensure a safe return of employees to our offices around the world when the time comes. While global markets continued their recovery in the fourth quarter, with equity markets finishing stronger than expected, the Company continues to review the potential impact from COVID-19 and the market risk to its capital position and profitability should the duration, spread or intensity of the pandemic further develop.

Fiera Capital continues to demonstrate its financial strength in this period of uncertainty through the depth and diversity of its investment strategies, the majority of which have outperformed their respective benchmarks in 2020, as well as its prudent approach to capital allocation. We will continue to build on this positive momentum by maintaining our focus and executing against the following priorities in support of our 2022 Strategic Plan.

- **Investment Excellence** – Our competitive suite of public and private market investment strategies, developed through organic initiatives and strategic acquisitions offer our clients a wide range of solutions in this difficult investment environment. The acquisition of a new Global Equities capability from AMP Capital, announced on March 8, 2021, strengthens the competitiveness and range of our investment platform on a global basis in markets where there are opportunities for future growth, while serving the investment needs of our clients.

- **New Global Operating Model** – Realigning the Company under the new global operating model, which was announced in 2020, continues to be a high priority for the organization. The new operating model will strengthen the alignment between the Company's Public Markets, Private Markets and Private Wealth operations, which were previously managed on a geographic basis, while improving operating efficiency between our investment and distribution teams. The divestitures of Bel Air and WGAM, announced on January 4, 2021, was made after a thorough strategic review of our private wealth operations in the U.S. These divestitures will further support the development of the Company's globally integrated private wealth management operating model.

  Attracting and retaining top talent remains the key to success for our Company. Fiera Capital remains committed to promoting continuous development opportunities to support our employees in reaching their full potential. The appointment of Anik Lanthier to the Company's global management leadership team, as President and Chief Investment Officer, Public Markets, will provide additional leadership capabilities and deep capital markets expertise across all asset classes. Our new global model will also allow for increased opportunities for global talent development and retention.

- **Focus on Distribution** – In order to fully deploy our global investment capabilities, we continue to transition towards a solutions-based relationship approach. Our new client interaction model results in an integrated distribution team focused on offering holistic investment solutions across various asset classes, in order to better service our existing clients and better compete for new mandates going forward.

- **Capital Allocation –** Delivering value to our shareholders remains a key priority. We returned $87.2 million to our shareholders via our dividend payments in 2020 and the Company was added to the S&P/TSX Canadian Dividend Aristocrats Index earlier in the year. The Company also introduced a normal course issuer bid during the third quarter of 2020 and returned an additional $2.9 million of capital to our shareholders. We also continue to invest in our investment management teams and distribution function to drive further revenue growth. Investments in our global technology and operating platforms will also continue in 2021, in order to drive future operating efficiencies and support our globally integrated operating model.

As we look ahead, we are confident in our ability to execute on the priorities outlined above to support and drive future long-term growth.

FINANCIAL RESULTS

Table 3 – Consolidated Statements of Earnings (Loss) for the three months ended December 31, 2020 and 2019, and September 30, 2020

STATEMENTS OF EARNINGS (LOSS)	FOR THE THREE MONTHS ENDED			VARIANCE	
(in $ thousands except per share data)	December 31, 2020	September 30, 2020	December 31, 2019	QoQ Change FAV / (UNF) (2)	YoY Change FAV / (UNF) (2)
Revenues					
Base management fees	**163,580**	159,670	155,304	3,910	8,276
Performance fees - Traditional Assets	**12,057**	478	16,139	11,579	(4,082)
Performance fees - Alternative Assets	**10,551**	462	13,779	10,089	(3,228)
Share of earnings in joint ventures and associates	**1,558**	2,145	6,047	(587)	(4,489)
Other revenues	**8,140**	7,982	13,257	158	(5,117)
Total revenues	**195,886**	170,737	204,526	25,149	(8,640)
Expenses					
Selling, general and administrative expenses	**139,048**	121,576	147,876	(17,472)	8,828
External managers	**1,188**	992	1,804	(196)	616
Amortization of intangible assets	**14,846**	14,487	14,412	(359)	(434)
Depreciation of property and equipment	**1,560**	1,612	1,504	52	(56)
Depreciation of right-of-use assets	**4,699**	3,768	5,412	(931)	713
Restructuring, integration and other costs	**8,184**	2,980	6,812	(5,204)	(1,372)
Acquisition costs	**928**	119	(391)	(809)	(1,319)
Realized and unrealized gain on investments	**(400)**	(1,065)	(550)	(665)	(150)
Interest on lease liabilities	**1,184**	574	1,425	(610)	241
Interest on long-term debt and other financial charges	**7,908**	9,658	8,870	1,750	962
Accretion and change in fair value of purchase price obligations	**(45,825)**	5,660	8,052	51,485	53,877
Accretion and change in fair value of puttable financial instrument liability	**1,666**	501	336	(1,165)	(1,330)
Gain on sale of a business and impairment of assets held for sale	**(7,001)**	—	—	7,001	7,001
Impairment of intangible assets	**66,911**	—	—	(66,911)	(66,911)
Other (gains) losses	**(215)**	30	121	245	336
Total expenses	**194,681**	160,892	195,683	(33,789)	1,002
Earnings before income taxes	**1,205**	9,845	8,843	(8,640)	(7,638)
Income tax expense	**1,914**	4,817	3,589	2,903	1,675
Net earnings (loss)	**(709)**	5,028	5,254	(5,737)	(5,963)
Attributable to:					
Company's shareholders	**(983)**	4,726	3,387	(5,709)	(4,370)
Non-controlling interest	**274**	302	1,867	(28)	(1,593)
Net earnings (loss)	**(709)**	5,028	5,254	(5,737)	(5,963)
BASIC PER SHARE					
Adjusted EBITDA(1)	**0.58**	0.51	0.61	0.07	(0.03)
Net earnings (loss)	**(0.01)**	0.05	0.03	(0.06)	(0.04)
Adjusted net earnings(1)	**0.47**	0.36	0.42	0.11	0.05
DILUTED PER SHARE					
Adjusted EBITDA(1)	**0.58**	0.49	0.60	0.09	(0.02)
Net earnings (loss)	**(0.01)**	0.04	0.03	(0.05)	(0.04)
Adjusted net earnings(1)	**0.47**	0.35	0.41	0.12	0.06

(1) Refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 33

(2) *FAV: Favourable - UNF: Unfavourable*

Table 4 – Consolidated Statements of Earnings (Loss) for the years ended December 31, 2020 and 2019

STATEMENTS OF EARNINGS (LOSS) (in $ thousands except per share data)	FOR THE YEARS ENDED December 31, 2020	December 31, 2019	VARIANCE YoY Change FAV / (UNF) [(2)]
Revenues			
Base management fees	**633,976**	570,256	63,720
Performance fees - Traditional Assets	**17,283**	20,246	(2,963)
Performance fees - Alternative Assets	**11,507**	14,397	(2,890)
Share of earnings in joint ventures and associates	**5,670**	6,047	(377)
Other revenues	**26,709**	46,224	(19,515)
Total revenues	**695,145**	657,170	37,975
Expenses			
Selling, general and administrative expenses	**498,231**	484,397	(13,834)
External managers	**5,372**	4,084	(1,288)
Amortization of intangible assets	**57,400**	52,975	(4,425)
Depreciation of property and equipment	**6,366**	5,207	(1,159)
Depreciation of right-of-use assets	**18,375**	19,923	1,548
Restructuring, integration and other costs	**39,333**	14,539	(24,794)
Acquisition costs	**1,532**	10,292	8,760
Realized and unrealized gain on investments	**(2,297)**	(856)	1,441
Interest on lease liabilities	**4,684**	5,390	706
Interest on long-term debt and other financial charges	**41,195**	31,841	(9,354)
Accretion and change in fair value of purchase price obligations	**(44,802)**	29,980	74,782
Accretion and change in fair value of puttable financial instrument liability	**747**	1,003	256
Gain on sale of a business and impairment of assets held for sale	**(6,326)**	(699)	5,627
Impairment of intangible assets	**66,911**	—	(66,911)
Other (gains) losses	**(1,222)**	108	1,330
Total expenses	**685,499**	658,184	(27,315)
Earnings (loss) before income taxes	**9,646**	(1,014)	10,660
Income tax expense	**7,619**	9,692	(2,073)
Net earnings (loss)	**2,027**	(10,706)	12,733
Attributable to:			
Company's shareholders	**(3,379)**	(13,419)	10,040
Non-controlling interest	**5,406**	2,713	2,693
Net earnings (loss)	**2,027**	(10,706)	12,733
BASIC PER SHARE			
Adjusted EBITDA[(1)]	**2.02**	1.95	0.07
Net earnings (loss)	**(0.03)**	(0.14)	0.11
Adjusted net earnings[(1)]	**1.40**	1.34	0.06
DILUTED PER SHARE			
Adjusted EBITDA[(1)]	**2.02**	1.95	0.07
Net earnings (loss)	**(0.03)**	(0.14)	0.11
Adjusted net earnings[(1)]	**1.40**	1.34	0.06

[(1)] Refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 33

[(2)] *FAV: Favourable - UNF: Unfavourable*

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE – AUM AND REVENUES

Assets under Management

AUM are the main driver of Fiera Capital's revenues. Fiera Capital's revenues, for the most part, are calculated as a percentage of the Company's AUM. The change in the Company's AUM is determined by i) the amount of new mandates ("New"); ii) the amount of redemptions ("Lost"); iii) the amount of inflows and outflows from existing distribution channels ("Net Contributions"); iv) the increase or decrease in the market value of the assets held in the portfolio of investments ("Market"); v) foreign exchange impact; and vi) business acquisitions ("Acquisitions") and disposals ("Disposals"). "Net variance" is the sum of the New mandates, Lost mandates, Net contributions, the change in Market value, the impact of foreign exchange rate changes and acquisitions and dispositions. Average assets under management ("Average AUM") for a given period is the average of the ending value of AUM of each of the months during the period.

The following tables (Tables 5-6) provide a summary of changes in the Company's assets under management.

Current Quarter versus Prior-Year Quarter

Table 5 – Assets under Management by Distribution Channel – Yearly Activity Continuity Schedule (in $ millions)

	December 31, 2019	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSITION) / ADJUSTMENT	December 31, 2020
Institutional	96,298	5,697	(3,337)	(1,358)	10,910	(135)	561	**108,636**
Private Wealth	33,838	2,697	(2,697)	(2,402)	2,629	(353)	(2,713)	**30,999**
Retail	39,535	1,805	(4,443)	(408)	5,346	(94)	(1,180)	**40,561**
AUM - end of period	169,671	10,199	(10,477)	(4,168)	18,885	(582)	(3,332)	**180,196**

AUM was $180.2 billion as at December 31, 2020 compared to $169.7 billion as at December 31, 2019, an increase of $10.5 billion or 6.2%. The higher AUM was primarily due to market appreciation of $18.9 billion consisting of $10.9 billion in the Institutional portfolio (driven by $7.1 billion in Canada and $3.8 billion in the United States), $5.3 billion in Retail distribution channel and $2.6 billion in Private Wealth distribution channel mainly in the United States. Market appreciation of AUM was in line with the overall strengthening of the market in the second half of 2020.

New mandates of $10.2 billion were won in the current year primarily by Institutional distribution channel added in Canada and the US contributing $4.8 billion and new Private Wealth distribution channel in the US contributing $1.9 billion. These increases in AUM were more than offset by lost mandates and negative net contributions of $14.6 billion driven primarily by Private Wealth distribution channel in the US of $4.8 billion, Institutional distribution channel in Canada of $2.7 billion, and Retail distribution channel in Canada of $2.1 billion and Europe of $1.2 billion. Lost mandates and lower net contributions of $2.9 billion in Private Wealth related to Bel Air and were primarily related to the departure of an advisory team in September 2020.

AUM decreased by $3.9 billion compared to last year as a result of divestitures completed during the year which included $2.7 billion from the sale of WGAM on December 31, 2020 and $1.2 billion from the sale of the rights to manage Fiera Investments' retail mutual funds to Canoe Financial on June 26, 2020.

Current Quarter versus Previous Quarter

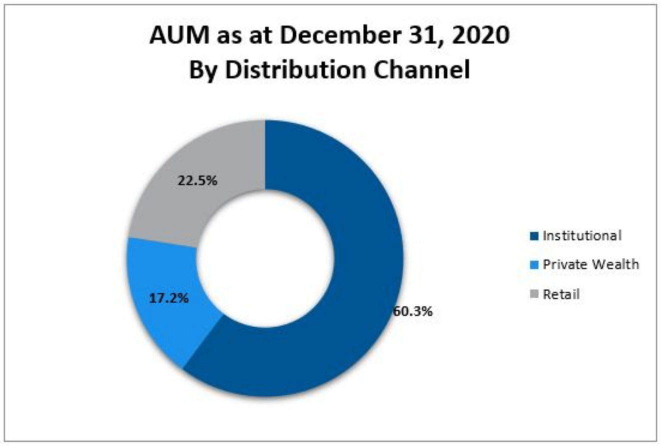
Table 6 – Assets under Management by Distribution Channel – Quarterly Activity Continuity Schedule (in $ millions)

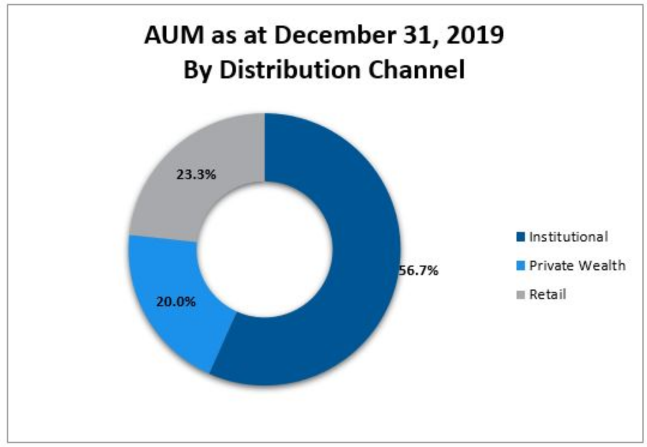
	September 30, 2020	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSITION) / ADJUSTMENT	December 31, 2020
Institutional	103,807	1,318	(150)	(413)	5,133	(1,059)	—	**108,636**
Private Wealth	34,932	807	(1,668)	(470)	1,283	(1,172)	(2,713)	**30,999**
Retail	38,954	287	(1,630)	269	3,232	(551)	—	**40,561**
AUM - end of period	177,693	2,412	(3,448)	(614)	9,648	(2,782)	(2,713)	**180,196**

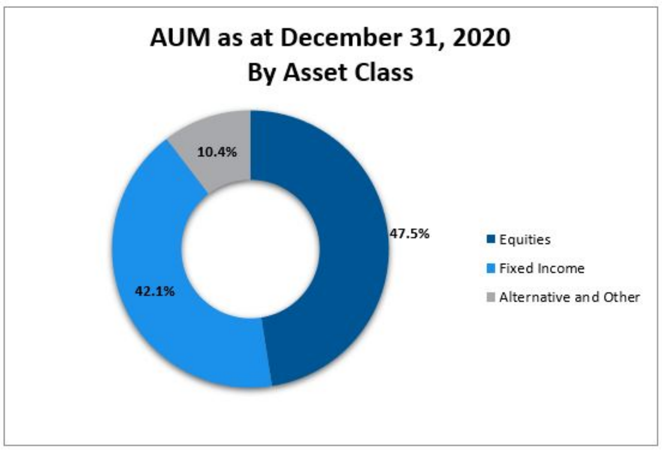
AUM at December 31, 2020 was $180.2 billion compared to $177.7 billion as at September 30, 2020, an increase of $2.5 billion or 1.4%. The higher AUM was primarily due to market appreciation of $9.6 billion with increases in all three distribution channels. The increased market appreciation was primarily due to the overall positive sentiment and market rally in the second half of the fourth quarter following news of distribution of the COVID-19 vaccine.

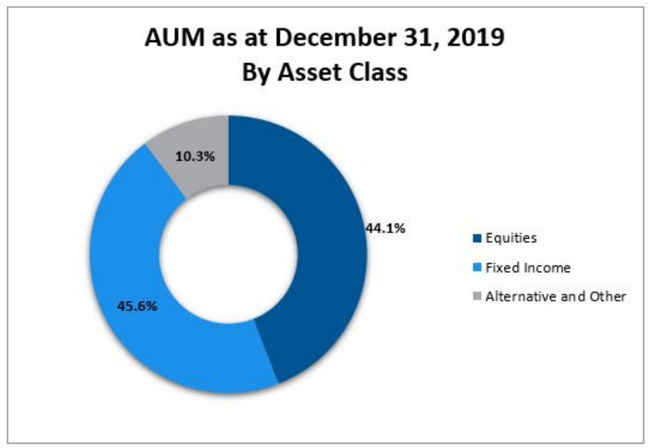
New mandates of $2.4 billion were won in the current quarter primarily by Institutional distribution channel added in Canada contributing $1.1 billion, new Private Wealth distribution channel in the United States contributing $0.6 billion, and new Retail distribution channel in the US and Europe contributing $0.3 billion. These increases in AUM were partially offset by lost mandates and negative net contributions of $4.1 billion driven primarily by Private Wealth distribution channels in the US of $2.1 billion and Retail distribution channels in Canada of $0.8 billion, an unfavourable foreign exchange impact across all distribution channels of $2.8 billion due to the weakening of the US dollar versus the Canadian dollar, and a decrease in Private Wealth AUM of $2.7 billion due to the sale of WGAM on December 31, 2020. Lost mandates and lower net contributions of $1.7 billion in Private Wealth related to Bel Air and were primarily related to the departure of an advisory team in September 2020.

The following graphs illustrate the breakdown of the Company's AUM by distribution channel and by asset class as at December 31, 2020, and December 31, 2019, respectively.









Revenues

The Company's revenues consist of (i) base management fees, (ii) performance fees, (iii) share of earnings in joint ventures and associates, and (iv) other revenues. Base management fees are AUM-driven and for each distribution channel, 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 Company is also entitled to performance fees. The Company categorizes performance fees in two groups: those associated with traditional asset classes or strategies and those associated with alternative asset classes or strategies. Revenues also comprise share of earnings in joint ventures and associates in which the Company has ownership interests. Other revenues are primarily comprised of brokerage and consulting fees which are not AUM-driven, commitment and transaction fees from private market investment strategies, as well as gains or losses on foreign exchange forward contracts.

Table 7 – Revenues: Quarterly Activity (in $ thousands)

	FOR THE THREE MONTHS ENDED			VARIANCE	
	December 31, 2020	September 30, 2020	December 31, 2019	Quarter over Quarter Change	Year over Year Change
Institutional	**92,475**	88,555	79,150	3,920	13,325
Private Wealth	**37,381**	38,384	36,817	(1,003)	564
Retail	**33,724**	32,731	39,337	993	(5,613)
Total base management fees	**163,580**	159,670	155,304	3,910	8,276
Performance fees – Traditional asset class	**12,057**	478	16,139	11,579	(4,082)
Performance fees – Alternative asset class	**10,551**	462	13,779	10,089	(3,228)
Total performance fees	**22,608**	940	29,918	21,668	(7,310)
Share of earnings in joint ventures and associates	**1,558**	2,145	6,047	(587)	(4,489)
Other revenues	**8,140**	7,982	13,257	158	(5,117)
Total revenues	**195,886**	170,737	204,526	25,149	(8,640)

Current Quarter versus Previous Quarter

Revenues for the three months ended December 31, 2020 were $195.9 million compared to $170.7 million for the three months ended September 30, 2020, representing an increase of $25.2 million, or 14.8%. The increase was due to the following:

Base Management Fees

Base management fees were $163.6 million for the three months ended December 31, 2020 compared to $159.7 million for the previous three months ended September 30, 2020, an increase of $3.9 million, or 2.4%. The increase was primarily due to higher institutional revenues as a result of higher AUM in Canada and the United States.

Performance Fees

Performance fees for the three months ended December 31, 2020 were $22.6 million compared to $0.9 million for the three months ended September 30, 2020, an increase of $21.7 million. The increase in performance fees was primarily due to the timing of recognition which generally occurs in the fourth quarter of a fiscal year.

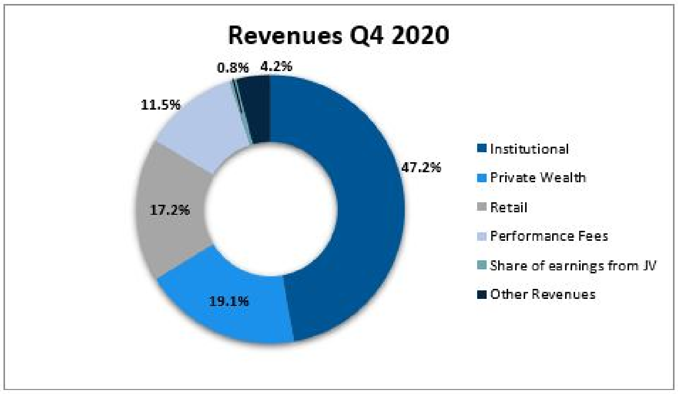
Share of Earnings in Joint Ventures and Associates

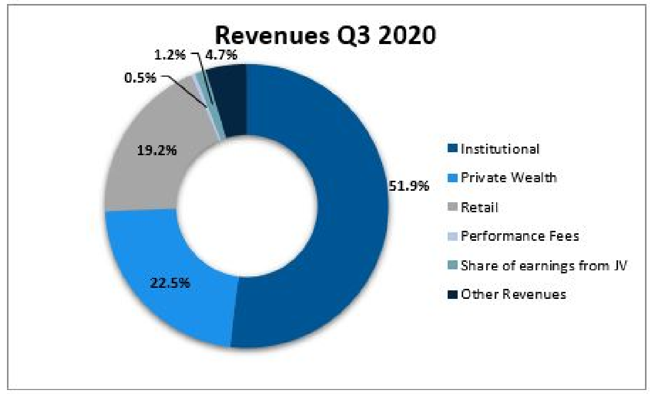
Share of earnings in joint ventures and associates were $1.6 million for the three months ended December 31, 2020, compared to $2.1 million for the three months ended September 30, 2020, a decrease of $0.5 million or 23.8%. The Company's share of earnings in joint ventures and associates primarily related to Fiera Real Estate UK. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying projects.

Other Revenues

Other revenues of $8.1 million for the fourth quarter ended December 31, 2020 were in line with $8.0 million for the previous quarter ended September 30, 2020.

The following graphs illustrate the breakdown of the Company's revenues for the three months ended December 31, 2020, and September 30, 2020, respectively.





Current Quarter versus Prior-Year Quarter

Revenues for the three months ended December 31, 2020, were $195.9 million compared to $204.5 million for the same period last year, a decrease of $8.6 million, or 4.2%. The decrease was due to the following:

Base Management Fees

Base management fees were $163.6 million for the three months ended December 31, 2020 compared to $155.3 million for the same period last year, an increase of $8.3 million, or 5.3%. The increase in base management fees was primarily due to higher revenue from institutional distribution channels of $13.3 million which was primarily due to higher AUM from in the United States, Canada and Europe. This was partly offset by a decrease in retail revenue of $5.6 million which was primarily due to the sale of the rights to manage Fiera Investments' retail mutual funds in June 2020 which accounted for $4.6 million of management fee revenue in the same period last year.

Performance Fees

Performance fees for the three months ended December 31, 2020 were $22.6 million compared to $29.9 million for the same period last year, a decrease of $7.3 million or 24.4%. The decrease in performance fees was primarily due to lower fees from private market investment strategies in the traditional asset class and lower fees from hedge funds in the European market.

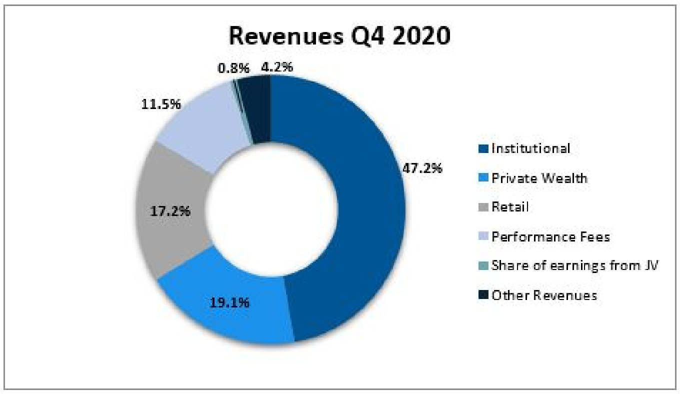
Share of Earnings in Joint Ventures and Associates

Share of earnings in joint ventures and associates were $1.6 million for the three months ended December 31, 2020 compared to $6.0 million in the same period last year, a decrease of $4.4 million. The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying joint venture projects within Fiera Real Estate UK.

Other Revenues

Other revenues for the three months ended December 31, 2020 were $8.1 million compared to $13.3 million in the same period last year, a decrease of $5.2 million, or 39.1%. The decrease in other revenues was primarily due to $3.1 million of lower transaction fees in private market investment strategies and a $1.1 million gain on foreign exchange forward contracts in the previous year which did not recur in the current quarter.

The following graphs illustrate the breakdown of the Company's revenues for the three months ended December 31, 2020, and December 31, 2019, respectively.



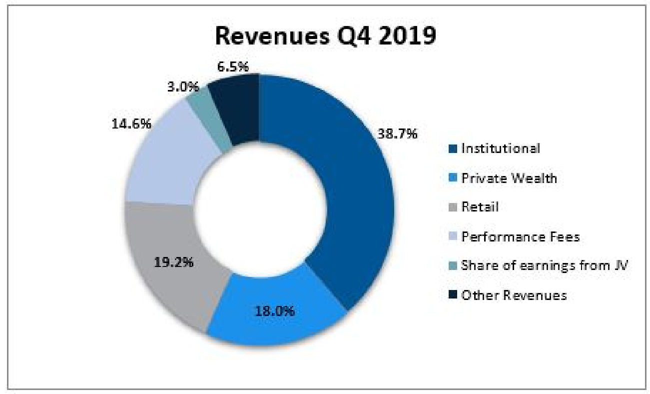


Table 8 – Revenues: Year-to-Date Activity (in $ thousands)

	FOR THE YEARS ENDED		VARIANCE
	December 31, 2020	December 31, 2019	Year over Year Change
Institutional	**345,961**	286,108	59,853
Private Wealth	**149,906**	142,532	7,374
Retail	**138,109**	141,616	(3,507)
Total base management fees	**633,976**	570,256	63,720
Performance fees – Traditional asset class	**17,283**	20,246	(2,963)
Performance fees – Alternative asset class	**11,507**	14,397	(2,890)
Total performance fees	**28,790**	34,643	(5,853)
Share of earnings in joint ventures and associates	**5,670**	6,047	(377)
Other revenues	**26,709**	46,224	(19,515)
Total revenues	**695,145**	657,170	37,975

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Revenues for the year ended December 31, 2020, were $695.1 million compared to $657.2 million for the same period last year, an increase of $37.9 million, or 5.8%. The increase in revenues was primarily due to higher management fees from higher AUM including the positive impact from the acquisitions of IAM and Foresters which were completed in the second half of 2019, combined with organic growth resulting from enhanced distribution capabilities, principally from the institutional and private wealth sectors. This was partly offset by lower other revenues due to a $5.1 million loss on foreign exchange forward contracts recognized in fiscal 2020 compared to a $2.2 million gain recorded in the comparable period in 2019, decreased revenue of $6.1 million from specific contracts which did not recur in the current period, in addition to the delayed deployment of projects in Fiera Private Alternative Investments, as well as lower performance fees.

Base Management Fees

Base management fees for the year ended December 31, 2020, were $634.0 million compared to $570.3 million for the same period last year, an increase of $63.7 million, or 11.2%. The increase in base management fees was primarily due to higher Institutional revenue of $59.9 million primarily due to the acquisitions of Foresters and IAM completed in the second half of 2019, combined with higher AUM mainly from new mandates in Canada and the US. Private Wealth revenues increased $7.4 million primarily due to higher revenues from US and Canadian activities. These increases were partly offset by $3.5 million of lower Retail revenues from European and Canadian clients.

Performance Fees

Total performance fees were $28.8 million for the year ended December 31, 2020 compared to $34.6 million for the same period last year, a decrease of $5.8 million. The decrease in performance fees was primarily due to lower fees from private market investment strategies in the traditional asset class and lower fees from hedge funds in the European market.

Share of Earnings in Joint Ventures and Associates

Share of earnings in joint ventures and associates were $5.7 million for the year ended December 31, 2020 compared to $6.0 million in the same period last year, a decrease of $0.3 million or 5.0%. The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying joint venture projects within Fiera Real Estate UK.

Other Revenues

Other revenues were $26.7 million for the year ended December 31, 2020 compared to $46.2 million for the same period last year, a decrease of $19.5 million, or 42.2%. The decrease was primarily due to a $5.1 million loss on foreign exchange forward contracts, incurred in the first quarter of 2020, compared to a $2.2 million gain recorded in fiscal 2019, $6.1 million of revenue from specific contracts received in fiscal 2019 which did not recur in the current period, and $3.5 million lower revenue from Fiera Private Alternative Investments.

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE – EXPENSES

Selling, General and Administrative (“SG&A”) and External Managers' Expense

Current Quarter versus Previous Quarter

SG&A and external managers' expense were $140.2 million for the three months ended December 31, 2020, compared to $122.6 million for the three months ended September 30, 2020, an increase of $17.6 million, or 14.4%. The increase was primarily due to higher employee compensation related costs primarily attributable to the timing of recognition of associated expenses.

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expense were $140.2 million for the three months ended December 31, 2020 compared to $149.7 million for the same period last year, a decrease of $9.5 million, or 6.3%. The decrease was primarily due to lower marketing and travel costs as a result of cost containment measures implemented in response to market pressures from COVID-19 and cost savings related to the sale of the rights to manage Fiera Investments’ mutual funds. Cost savings from the reorganization announced in June 2020 generated estimated savings of approximately $5.0 million in the current quarter which was redeployed to certain key functions to help accelerate future growth.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

SG&A and external managers' expense were $503.6 million for the year ended December 31, 2020 compared to $488.5 million for the same period last year, an increase of $15.1 million, or 3.1%. The increase was primarily due to higher employee compensation related costs during the year which included the full year impact of acquisitions completed during 2019. This increase was partly offset by $9.6 million of lower marketing and travel costs and a decrease in share-based compensation of $6.1 million. During the second quarter of 2020, the Company recognized $3.0 million of subsidies through the Canadian Emergency Wage Subsidy (CEWS) program. Share based compensation decreased $6.1 million primarily due to a performance share units ("PSU") plan which fully vested on December 31, 2019.

Estimated cost savings of $8.0 million generated through the reorganization were redeployed to certain key functions to help accelerate future growth.

Depreciation and Amortization

Current Quarter versus Previous Quarter

Depreciation and amortization expense for the three months ended December 31, 2020 was $21.1 million compared to $19.9 million for the three months ended September 30, 2020, an increase of $1.2 million or 6.0%. The increase was primarily due to lower depreciation on right-of-use assets in the prior quarter due to an adjustment related to an existing lease that did not recur in the current quarter.

Current Quarter versus Prior-Year Quarter

Depreciation and amortization expense for the three months ended December 31, 2020 was $21.1 million compared to $21.3 million in the same period last year, a nominal decrease of $0.2 million or 0.9%.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Depreciation and amortization expense was $82.1 million for the year ended December 31, 2020, compared to $78.1 million for the same period last year, an increase of $4.0 million or 5.1%. The increase was primarily driven by the full-year impact of amortization of intangible assets related to the acquisitions completed in 2019 and additional amortization from capitalized IT costs as the Company continues to invest in technology capabilities across the business.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter versus Previous Quarter

Interest on long-term debt and other financial charges was $7.9 million for the three months ended December 31, 2020 compared to $9.7 million for the three months ended September 30, 2020, a decrease of $1.8 million, or 18.6%. The decrease was primarily driven by a $1.0 million favourable impact from currency revaluation of items denominated in foreign currency and lower interest on long-term debt of $0.4 million.

Current Quarter versus Prior-Year Quarter

Interest on long-term debt and other financial charges was $7.9 million for the three months ended December 31, 2020 compared to $8.9 million for the same period last year, a decrease of $1.0 million, or 11.2%. The decrease was primarily due to a $1.1 million favourable impact from currency revaluation of items denominated in foreign currency, partly offset by a $0.5 million unfavourable change in the fair value of interest rate swaps.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Interest on long-term debt and other financial charges was $41.2 million for the year ended December 31, 2020 compared to $31.8 million for the same period last year, an increase of $9.4 million, or 29.6%. The increase was primarily due to a $4.1 million unfavourable change in the fair value of interest rate swaps, $3.7 million of higher interest related to the hybrid debentures which were issued in the third quarter of 2019, and a $1.2 million unfavourable impact from currency revaluation of items denominated in foreign currencies.

Interest on Lease Liabilities

Current Quarter versus Previous Quarter

Interest on lease liabilities was $1.2 million for the three months ended December 31, 2020 compared to $0.6 million for the three months ended September 30, 2020, an increase of $0.6 million. The increase was primarily due to an adjustment related to an existing lease in the previous quarter that did not recur in the current period.

Current Quarter versus Prior-Year Quarter

Interest on lease liabilities was $1.2 million for the three months ended December 31, 2020 compared to $1.4 million in the same period last year, a decrease of $0.2 million.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Interest on lease liabilities was $4.7 million for the year ended December 31, 2020, compared to $5.4 million for the same period last year. The decrease of $0.7 million was primarily driven by a favourable adjustment related to an existing lease during the current fiscal year, partially offset by a new office lease which commenced in the third quarter of 2020.

Accretion and Change in Fair Value of Purchase Price Obligations

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations was an unrealized gain of $45.8 million for the three months ended December 31, 2020, compared to an expense of $5.7 million for the three months ended September 30, 2020, a change of $51.5 million.

Purchase price obligations ("PPOs") are accounted for as level 3 financial liabilities that are measured at fair value at the reporting date using an appropriate valuation method. Level 3 financial liabilities refer to those where the fair value is based on inputs that are not based on observable market data. The fair value of the PPO's are determined using a discounted cash flow analysis which makes use of unobservable inputs such as expected cash flows and risk adjusted discount rates. Expected cash flows are estimated based on the terms of the contractual arrangements and the Company's knowledge of business and how the current economic environment is expected to impact it.

The Company was informed by CNR of its decision to remove 100% of their units from an emerging markets fund which Fiera Capital managed that invested primarily in Asian emerging markets. The right to manage the emerging markets fund was acquired by Fiera Capital on December 1, 2017. This is expected to reduce the Company's retail AUM by CAD $ 2.2 billion or US $1.7 billion in the first quarter of 2021. This had a significant impact on the discounted cash flow analysis related to the purchase price obligation related to CNR, resulting in a revaluation adjustment of $49.3 million to reduce the value of the related purchase price obligation to approximately CAD $10.3 million (US $8.1 million). The purchase price obligation of $10.3 million related to CNR is expected to be fully settled through the revenue share payments linked to realized revenue, which will continue until the CNR assets are removed from the fund in the first quarter of 2021.

Current Quarter versus Prior-Year Quarter

The accretion and change in fair value of purchase price obligations was an unrealized gain of $45.8 million for the three months ended December 31, 2020, compared to an expense of $8.1 million for the same period last year, a change of $53.9 million. The change was primarily due to a fair value revaluation adjustment of $49.3 million related to the purchase price obligation related to CNR.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

The accretion and change in fair value of purchase price obligations was an unrealized gain of $44.8 million for the year ended December 31, 2020, compared to a $30.0 million expense for the same period last year, a change of $74.8 million. The change was primarily due to a fair value revaluation adjustment of $64.2 million on the purchase price obligation related to CNR and a $6.7 million fair value revaluation adjustment on the purchase price obligation related to Clearwater Capital Partners.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were $9.1 million for the three months ended December 31, 2020, compared to $3.1 million for the three months ended September 30, 2020, an increase of $6.0 million. The increase was primarily due to $2.5 million of costs directly related to the sale of Bel Air, which included professional fees and Bel Air employee compensation related costs. The Company incurred $2.4 million of additional severance costs that were related to the new global operating model announced in June 2020. In addition, $0.8 million of restructuring costs were incurred directly related to an acquisition completed in 2019.

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were $9.1 million for the three months ended December 31, 2020, compared to $6.4 million for the same period last year, an increase of $2.7 million or 42.2%. The increase was primarily due to $2.5 million of costs directly related to the sale of Bel Air, which included professional fees and Bel Air employee compensation related costs.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Acquisition and restructuring, integration and other costs were $40.9 million for the year ended December 31, 2020, compared to $24.8 million for the same period last year, an increase of $16.1 million. The increase was primarily due to approximately $23.2 million of severance costs incurred as part of the transition to the new global operating model announced in June 2020, partly offset by an $8.8 million reduction in acquisition cost. The Company completed four acquisitions in fiscal 2019 versus no acquisitions in the current year.

Gain on Sale of a Business and Impairment of Assets Held for Sale

During the three months and year ended December 31, 2020, the Company realized $7.0 million and $6.3 million gain on sale of a business and impairment of assets held for sale, respectively. The gain was due to the following:

Sale of Fiera Investments' retail mutual funds

On April 9, 2020, the Company announced the sale of its rights to manage all of Fiera Investments’ retail mutual funds, as well as the sale of its interest in Fiera Investment Managers Capital Corp., to Canoe Financial LP, a Canadian mutual fund company. The transaction closed on June 26, 2020 for total cash consideration of $19.0 million.

Sale of Wilkinson Global Asset Management LLC ("WGAM")

On December 31, 2020, the Company completed the sale of all its equity interest in WGAM, a New York-based private wealth investment manager, to Wilkinson Global Capital Partners LLC, pursuant to the call option agreement entered into on December 1, 2018. The selling price is comprised of a Promissory Note issued by Wilkinson Global Asset Management LLC for a notional amount of $35.7 million (US$28.0 million) and working capital of $3.6 million (US$2.8 million) included in Other non-current assets. The Promissory Note will earn interest at EURIBOR plus a premium of 3% and will be reimbursable to the Company through quarterly payments based on a specified revenue amount for each fiscal quarter with a minimum annual repayment of US$1.8 million. The Promissory Note is secured by units of membership interests and the assets of WGAM.

Sale of Bel Air Investment Advisors ("Bel Air")

On December 31, 2020, the Company entered into a securities and purchase agreement to sell Bel Air, to Hightower. The transaction closed on February 28, 2021. The assets and liabilities of Bel Air, or the disposal group, are presented as 'held for sale' at December 31, 2020 and are comprised primarily of working capital ($5.4 million), Property, equipment and right-of-use asset ($8.9 million), Intangible assets and goodwill ($43.7 million) and lease liability ($7.9 million).

Impairment of Intangible Assets

The Company recognized an impairment charge of $66.9 million for the three months ended and year ended December 31, 2020, compared to nil in the same periods last year, and the three months ended September 30, 2020. On acquisition of the management contract in connection with the Fiera Capital Emerging Markets Fund in December 2017, the Company recognized US$60.3 million of intangible asset management contracts with an indefinite useful life, with a corresponding financial instrument liability recorded as a purchase price obligation. Under IAS 36, Impairment of Assets, indefinite life intangible assets are assessed for impairment on an annual basis or when a potential indication of impairment has been identified.

The Company was informed by CNR of its decision to remove 100% of their units from an emerging markets fund which Fiera Capital managed that invested primarily in Asian emerging markets. This is expected to reduce AUM by CAD $2.2 billion or $US1.7 billion in retail in the first quarter 2021. As a result, an impairment charge of $66.4 million was recognized to reduce the carrying value of the intangible asset related to the asset management contract. The impairment charge reflects the expected future decrease in cash flows resulting from the expected withdrawal of assets from the Emerging Markets Fund in the first quarter of 2021.

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE – NET EARNINGS (LOSS)

Current Quarter versus Previous Quarter

For the three months ended December 31, 2020, the Company reported net loss attributable to the Company's shareholders of $(1.0) million, or $(0.01) per share (basic and diluted), compared to net earnings of $4.7 million, or $0.05 per share (basic) and $0.04 per share (diluted), in the third quarter of 2020. The $5.7 million decrease was primarily due to $66.9 million of impairment charges on intangible assets, $17.6 million in higher SG&A and external managers' expense, and $5.2 million in higher restructuring and integration costs. This was partially offset by a $45.8 million unrealized gain related to fair value adjustments net of accretion on purchase price obligations compared to a $5.7 million expense in the previous quarter, $25.2 million of higher revenue primarily due to increased performance fees, and a $7.0 million gain on the sale of a business and an impairment of assets held for sale.

Current Quarter versus Prior-Year Quarter

For the three months ended December 31, 2020, the Company reported net loss attributable to the Company's shareholders of $(1.0) million, or $(0.01) per share (basic and diluted) compared to net earnings of $3.4 million, or $0.03 per share (basic and diluted), for the same period last year. The $4.4 million decrease was primarily due to $66.9 million of impairment charges on intangible assets and $8.6 million of lower revenues from performance fees and other revenues. This was partly offset by a $45.8 million unrealized gain related to fair value adjustments net of accretion on the purchase price obligations compared to an $8.1 million expense in the same period last year, $9.5 million in lower SG&A and external managers' expense driven by lower employee compensation costs and cost containment measures which were implemented during the year, and a $7.0 million gain on the sale of a business and an impairment of assets held for sale.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

For the year ended December 31, 2020, the Company recorded a net loss attributable to the Company's shareholders of $(3.4) million, or $(0.03) per share (basic and diluted), compared to a net loss of $(13.4) million, or $(0.14) per share (basic and diluted) for the same period last year. The $10.0 million decrease was primarily due to a $44.8 million unrealized gain related to fair value adjustments net of accretion on the purchase price obligations compared to a $30.0 million expense in the prior year, $38.0 million of higher revenues primarily due to higher base management fees, $8.8 million of lower acquisition costs, and a $6.3 million gain on the sale of a business and an impairment of assets held for sale. This was partly offset by $66.9 million in impairment charges related to intangible assets, $24.8 million of higher restructuring and integration costs primarily due to the new global operating model announced in June 2020, $15.1 million of higher SG&A and external managers' expense, $9.4 million of higher interest on long-term debt and other financial charges, and $4.4 million of increased amortization expense related to intangible assets.

NON-IFRS MEASURES

We have included non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe non-IFRS measures are important supplemental metrics of operating and financial performance because they highlight trends in our core business that may not otherwise be apparent when one relies solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess our ability to meet our future debt service, capital expenditure and working capital requirements.

Non-IFRS measures are not recognized measures under IFRS. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. For example, some or all of the non-IFRS measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. These non-IFRS measures have important limitations as analytical tools, and the reader should not consider them in isolation, or as substitutes in the analysis of our results as reported under IFRS. Because of these limitations, we rely primarily on our results as reported in accordance with IFRS and use non-IFRS measures only as a supplement.

We define ***EBITDA*** as net earnings (loss) before interest, income taxes, depreciation and amortization (EBITDA). ***Adjusted EBITDA*** is calculated as EBITDA, adjusted for acquisition, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, realized and unrealized loss (gain) on investments, other (gains) losses, accretion and change in fair value of puttable financial instrument liability, (gain) loss on sale of a business and impairment of assets held for sale, impairment of intangible assets, and share-based compensation expenses.

Adjusted EBITDA per share (basic) is calculated as adjusted EBITDA divided by the basic weighted average number of shares outstanding during the period. ***Adjusted EBITDA per share (diluted)*** is calculated as adjusted EBITDA divided by the diluted weighted average number of shares outstanding during the period. Basic and diluted Adjusted EBITDA per share are calculated using the same weighted average number of shares outstanding as the basic and diluted net earnings (loss) per share figures, respectively, calculated in accordance with IFRS, regardless of net earnings or net loss.

We believe that EBITDA, adjusted EBITDA and adjusted EBITDA per share (basic and diluted) are meaningful measures as they allow for the evaluation of our core operating performance from one period to the next without the variations caused by the impact of the items described above. The Company considers its core operating activities to be asset management, investment advisory and related services. Costs related to strategic initiatives such as business acquisitions, integration of newly acquired businesses and restructuring are considered non-core. The Company excludes these items because they affect the comparability of its financial results amongst periods and could potentially distort the analysis of trends in its core business performance. Excluding these items does not imply they are necessarily non-recurring.

We define ***adjusted EBITDA margin*** as the ratio of adjusted EBITDA to revenues. It is an important measure of overall operating performance because it measures Company profitability from operations.

Adjusted net earnings is net earnings (loss) attributable to the Company's shareholders, adjusted for depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets and share-based compensation, as well as after-tax acquisition, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, accretion of effective interest on convertible debt, after-tax (gain) loss on sale of a business and impairment of assets held for sale, after-tax accretion and change in fair value of puttable financial instrument liability, after-tax impairment of intangible assets, and after-tax other (gains) losses.

Adjusted net earnings per share (basic) is calculated as adjusted net earnings divided by the basic weighted average number of shares outstanding during the period. ***Adjusted net earnings per share (diluted)*** is calculated as adjusted net earnings divided by the diluted weighted average number of shares outstanding during the period. Basic and diluted Adjusted net earnings per share are calculated using the same weighted average number of shares outstanding as the basic and diluted net earnings (loss) per share figures, respectively, calculated in accordance with IFRS, regardless of net earnings or net loss.

We believe that adjusted net earnings and adjusted net earnings per share (basic and diluted) are meaningful measures as they allow for the evaluation of the Company's overall performance from one period to the next without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results between periods and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring.

Tables 9 and 10 provide a reconciliation of the non-IFRS measures to the most comparable IFRS earnings measures.

Adjusted EBITDA

The following table presents the Company's adjusted EBITDA and adjusted EBITDA per share for the three months ended and years ended December 31, 2020, and 2019, and the three months ended September 30, 2020.

Table 9 - Adjusted EBITDA (in $ thousands except per share data)

	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net earnings (loss)	**(709)**	5,028	5,254	**2,027**	(10,706)
Income tax expense	**1,914**	4,817	3,589	**7,619**	9,692
Depreciation of property and equipment	**1,560**	1,612	1,504	**6,366**	5,207
Amortization of intangible assets	**14,846**	14,487	14,412	**57,400**	52,975
Depreciation of right-of-use assets	**4,699**	3,768	5,412	**18,375**	19,923
Interest on lease liabilities	**1,184**	574	1,425	**4,684**	5,390
Interest on long-term debt and other financial charges	**7,908**	9,658	8,870	**41,195**	31,841
EBITDA	**31,402**	39,944	40,466	**137,666**	114,322
Restructuring, integration and other costs	**8,184**	2,980	6,812	**39,333**	14,539
Acquisition costs	**928**	119	(391)	**1,532**	10,292
Accretion and change in fair value of purchase price obligations	**(45,825)**	5,660	8,052	**(44,802)**	29,980
Realized and unrealized gain on investments	**(400)**	(1,065)	(550)	**(2,297)**	(856)
Accretion and change in fair value of puttable financial instrument liability	**1,666**	501	336	**747**	1,003
Gain on sale of a business and impairment of assets held for sale	**(7,001)**	—	—	**(6,326)**	(699)
Impairment of intangible assets	**66,911**	—	—	**66,911**	—
Share-based compensation	**5,304**	5,255	6,906	**18,180**	24,264
Other (gains) losses	**(215)**	30	121	**(1,222)**	108
Adjusted EBITDA	**60,954**	53,424	61,752	**209,722**	192,953
Per share basic	**0.58**	0.51	0.61	**2.02**	1.95
Per share diluted	**0.58**	0.49	0.60	**2.02**	1.95
Weighted average shares outstanding - basic (thousands)	**104,518**	104,871	123,457	**104,080**	99,045
Weighted average shares outstanding - diluted (thousands)	**104,518**	108,918	123,457	**104,080**	99,045

Current Quarter versus Previous Quarter

Adjusted EBITDA for the three months ended December 31, 2020 was $61.0 million or $0.58 per share (basic and diluted) compared to $53.4 million or $0.51 per share (basic) and $0.49 per share (diluted) for the three months ended September 30, 2020. The $7.6 million increase in adjusted EBITDA was due to a $25.2 million increase in revenues primarily from higher performance fees. This was partly offset by an increase of $17.6 million in SG&A and external managers' expense excluding share-based compensation, primarily due to higher employee compensation expense.

Current Quarter versus Prior-Year Quarter

Adjusted EBITDA for the three months ended December 31, 2020 was $61.0 million, or $0.58 per share (basic and diluted) compared to $61.8 million or $0.61 per share (basic) and $0.60 per share (diluted), in the same period last year. The $0.8 million decrease in adjusted EBITDA was primarily due to $8.6 million of lower revenues driven by lower performance fees and lower other revenues mainly as a result of lower transaction fees in private market investment strategies. This was partially offset by a $7.7 million decrease in SG&A and external managers' expense, excluding the impact of share-based compensation, related to lower employee compensation costs and cost containment measures which were implemented during 2020 in response to market pressures from the effects of COVID-19.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Adjusted EBITDA for the year ended December 31, 2020 was $209.7 million, or $2.02 per share (basic and diluted) compared to $193.0 million, or $1.95 per share (basic and diluted), in the same period last year. The $16.7 million increase in adjusted EBITDA was primarily due to a $38.0 million increase in revenue principally due to higher base management fees partly offset by higher SG&A and external managers' expense, excluding the impact of share-based compensation, of $21.2 million mainly related to higher compensation costs.

Adjusted Net Earnings

The following table presents the Company's net earnings (loss) and adjusted net earnings for the three months ended and years ended December 31, 2020, and 2019, and the three months ended September 30, 2020.

Table 10 - Net Earnings (Loss) and Adjusted Net Earnings (in $ thousands except per share data)

	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net earnings (loss) attributable to the Company's shareholders	**(983)**	4,726	3,387	**(3,379)**	(13,419)
Depreciation of property and equipment	**1,560**	1,612	1,504	**6,366**	5,207
Amortization of intangible assets	**14,846**	14,487	14,412	**57,400**	52,975
Depreciation of right-of-use assets	**4,699**	3,768	5,412	**18,375**	19,923
Share-based compensation	**5,304**	5,255	6,906	**18,180**	24,264
Restructuring, integration and other costs	**8,184**	2,980	6,812	**39,333**	14,539
Acquisition costs	**928**	119	(391)	**1,532**	10,292
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt	**(45,169)**	6,280	8,676	**(42,317)**	31,772
Accretion and change in fair value of puttable financial instrument liability	**1,666**	501	336	**747**	1,003
Gain on sale of a business and impairment of assets held for sale	**(7,001)**	—	—	**(6,326)**	(699)
Impairment of intangible assets	**66,911**	—	—	**66,911**	—
Other (gains) losses	**(215)**	30	121	**(1,222)**	108
Tax effect of above-mentioned items	**(1,492)**	(2,170)	(4,393)	**(9,500)**	(13,260)
Adjusted net earnings attributable to the Company's shareholders	**49,238**	37,588	42,782	**146,100**	132,705
Per share – basic					
Net earnings (loss)	**(0.01)**	0.05	0.03	**(0.03)**	(0.14)
Adjusted net earnings	**0.47**	0.36	0.42	**1.40**	1.34
Per share – diluted					
Net earnings (loss)	**(0.01)**	0.04	0.03	**(0.03)**	(0.14)
Adjusted net earnings	**0.47**	0.35	0.41	**1.40**	1.34
Weighted average shares outstanding - basic (thousands)	**104,518**	104,871	123,457	**104,080**	99,045
Weighted average shares outstanding - diluted (thousands)	**104,518**	108,918	123,457	**104,080**	99,045

Current Quarter versus Previous Quarter

Adjusted net earnings for the three months ended December 31, 2020 was $49.2 million or $0.47 per share (basic and diluted), compared to $37.6 million, or $0.36 per share (basic) and $0.35 per share (diluted) for the three months ended September 30, 2020. The $11.6 million increase was primarily due to a $25.2 million increase in revenue principally due to higher performance fees and base management fees, and a $3.6 million lower impact of income taxes. This was partially offset by a $17.6 million increase in SG&A and external managers' expense, excluding the impact of share-based compensation, driven by higher employee compensation expenses.

Current Quarter versus Prior-Year Quarter

Adjusted net earnings for the three months ended December 31, 2020 was $49.2 million or $0.47 per share (basic and diluted), compared to $42.7 million, or $0.42 per share (basic) and $0.41 per share (diluted) in the same period last year. The $6.5 million increase was primarily due to $7.7 million lower SG&A and external managers' expense, excluding share-based compensation principally due to lower employee compensation expenses and cost containment measures implemented during the year in response to market pressures from the effects of COVID-19, a $4.6 million lower impact of income taxes, and a $1.0 million decrease in interest on long-term debt and other financial charges. This was partly offset by $8.6 million of lower revenues.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Adjusted net earnings attributable to Company's shareholders for the year ended December 31, 2020 was $146.1 million, or $1.40 per share (basic and diluted), compared to adjusted net earnings attributable to the Company’s shareholders of $132.6 million, or $1.34 per share (basic and diluted) for the same period last year. The $13.5 million increase was primarily due to a $38.0 million increase in revenues and a $5.8 million lower impact of income taxes. This was partly offset by an increase of $21.2 million in SG&A and external managers' expense excluding share-based compensation, primarily due to higher employee compensation costs, and an increase of $9.4 million in interest on long-term debt and other financial charges.

SUMMARY OF QUARTERLY RESULTS

The Company's AUM, total revenues, adjusted EBITDA[(1)], adjusted EBITDA margin[(1)], net earnings (loss) and adjusted net earnings[(1)], on a consolidated basis, including per share amounts, for each of the Company's most recently completed eight quarterly periods, as well as for the last-twelve-month period ended December 31, 2020, are as follows:

Table 11 – Quarterly Results (in $ thousands except AUM in $ millions and per share data)

	Last Twelve Months[(2)]	Q4 Dec. 31, 2020	Q3 Sept. 30, 2020	Q2 Jun. 30, 2020	Q1 Mar. 31, 2020	Q4 Dec. 31, 2019	Q3 Sept. 30, 2019	Q2 Jun. 30, 2019	Q1 Mar. 31, 2019
AUM	**171,749**	**180,196**	177,693	170,986	158,121	169,671	164,664	149,531	144,861
Total revenues	**695,145**	**195,886**	170,737	166,865	161,657	204,526	159,956	149,904	142,785
Adjusted EBITDA[(1)]	**209,722**	**60,954**	53,424	51,893	43,451	61,752	46,578	45,804	38,817
Adjusted EBITDA margin[(1)]	**30.2 %**	**31.1 %**	31.3 %	31.1 %	26.9 %	30.2 %	29.1 %	30.6 %	27.2 %
Net earnings (loss) attributable to the Company's shareholders	**(3,379)**	**(983)**	4,726	(14,703)	7,581	3,387	(4,740)	(5,513)	(6,553)
Adjusted net earnings attributable to the Company's shareholders	**146,100**	**49,238**	37,588	38,704	20,471	42,661	32,466	32,481	24,873
PER SHARE – BASIC									
Adjusted EBITDA[(1)]	**2.02**	**0.58**	0.51	0.50	0.42	0.61	0.46	0.47	0.40
Net earnings (loss) attributable to the Company's shareholders	**(0.03)**	**(0.01)**	0.05	(0.14)	0.07	0.03	(0.05)	(0.06)	(0.07)
Adjusted net earnings[(1)] attributable to the Company's shareholders	**1.40**	**0.47**	0.36	0.38	0.20	0.42	0.32	0.33	0.26
PER SHARE – DILUTED									
Adjusted EBITDA[(1)]	**2.02**	**0.58**	0.49	0.50	0.41	0.60	0.46	0.47	0.40
Net earnings (loss) attributable to the Company's shareholders	**(0.03)**	**(0.01)**	0.04	(0.14)	0.07	0.03	(0.05)	(0.06)	(0.07)
Adjusted net earnings[(1)] attributable to the Company's shareholders	**1.40**	**0.47**	0.35	0.38	0.19	0.41	0.32	0.33	0.26

[(1)] The Company adopted IFRS 16, Leases, on January 1, 2019 using the modified retrospective approach where comparative information presented for 2018 has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17, based on its assessment of whether the lease transferred substantially of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, on January 1, 2019, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16. The Company's lease portfolio in 2019 was impacted by the four acquisitions completed over the course of the year, in addition to new leases entered into in 2019 related to the Company's new headquarters in Montreal, Canada and new office premises in London, United Kingdom. Our lease payments presented in the statement of cash flows for the year ended December 31, 2019 were also impacted by lease inducements and rent-free periods related to these new leases in 2019.

[(2)] AUM Last Twelve Months ("LTM") represents an average of the ending AUM for the last four quarters.

The following table provides a reconciliation between EBITDA[1], adjusted EBITDA[1], adjusted EBITDA margin[1] and adjusted EBITDA per share[1] to the most comparable IFRS earnings measures for each of the Company's last eight quarters:

Table 12 – EBITDA[1] and Adjusted EBITDA[1] Reconciliation (in $ thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net earnings (loss)	**(709)**	5,028	(14,314)	12,022	5,254	(4,593)	(4,783)	(6,584)
Income tax expense (recovery)	**1,914**	4,817	(2,736)	3,624	3,589	889	3,370	1,844
Depreciation of property and equipment	**1,560**	1,612	1,632	1,562	1,504	1,403	1,216	1,084
Amortization of intangible assets	**14,846**	14,487	14,350	13,717	14,412	13,525	12,622	12,415
Depreciation of right-of-use assets	**4,699**	3,768	4,866	5,042	5,412	4,892	4,561	5,057
Interest on lease liabilities	**1,184**	574	1,474	1,452	1,425	1,393	1,288	1,284
Interest on long-term debt and other financial charges	**7,908**	9,658	7,807	15,822	8,870	8,865	6,709	7,398
EBITDA[1]	**31,402**	39,944	13,079	53,241	40,466	26,374	24,983	22,498
Restructuring, integration and other costs	**8,184**	2,980	24,964	3,205	6,812	3,577	1,022	3,128
Acquisition costs	**928**	119	275	210	(391)	2,306	6,670	1,707
Accretion and change in fair value of purchase price obligations	**(45,825)**	5,660	6,025	(10,662)	8,052	8,801	6,636	6,491
Realized and unrealized (gain) loss on investments	**(400)**	(1,065)	(966)	134	(550)	140	(452)	5
Accretion and change in fair value of puttable financial instrument liability	**1,666**	501	379	(1,799)	336	317	350	—
Gain on sale of a business and impairment of assets held for sale	**(7,001)**	—	675	—	—	—	(153)	(546)
Impairment of intangible assets	**66,911**	—	—	—	—	—	—	—
Share-based compensation	**5,304**	5,255	7,499	122	6,906	5,376	6,748	5,234
Other (gains) losses	**(215)**	30	(37)	(1,000)	121	(313)	—	300
Adjusted EBITDA[1]	**60,954**	53,424	51,893	43,451	61,752	46,578	45,804	38,817
REVENUES	**195,886**	170,737	166,865	161,657	204,526	159,956	149,904	142,785
Adjusted EBITDA Margin[1]	**31.1 %**	31.3 %	31.1 %	26.9 %	30.2 %	29.1 %	30.6 %	27.2 %
Adjusted EBITDA Per Share[1]								
Basic	**0.58**	0.51	0.50	0.42	0.61	0.46	0.47	0.40
Diluted	**0.58**	0.49	0.50	0.41	0.60	0.46	0.47	0.40

[1] The Company adopted IFRS 16, Leases, on January 1, 2019 using the modified retrospective approach where comparative information presented for 2018 has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17, based on its assessment of whether the lease transferred substantially of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, on January 1, 2019, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16. The Company's lease portfolio in 2019 was impacted by the four acquisitions completed over the course of the year, in addition to new leases entered into in 2019 related to the Company's new headquarters in Montreal, Canada and new office premises in London, United Kingdom. Our lease payments presented in the statement of cash flows for the year ended December 31, 2019 were also impacted by lease inducements and rent-free periods related to these new leases in 2019.

The following table provides a reconciliation between adjusted net earnings[(1)] and adjusted net earnings per share[(1)] to the most comparable IFRS earnings measures for each of the Company's last eight quarters:

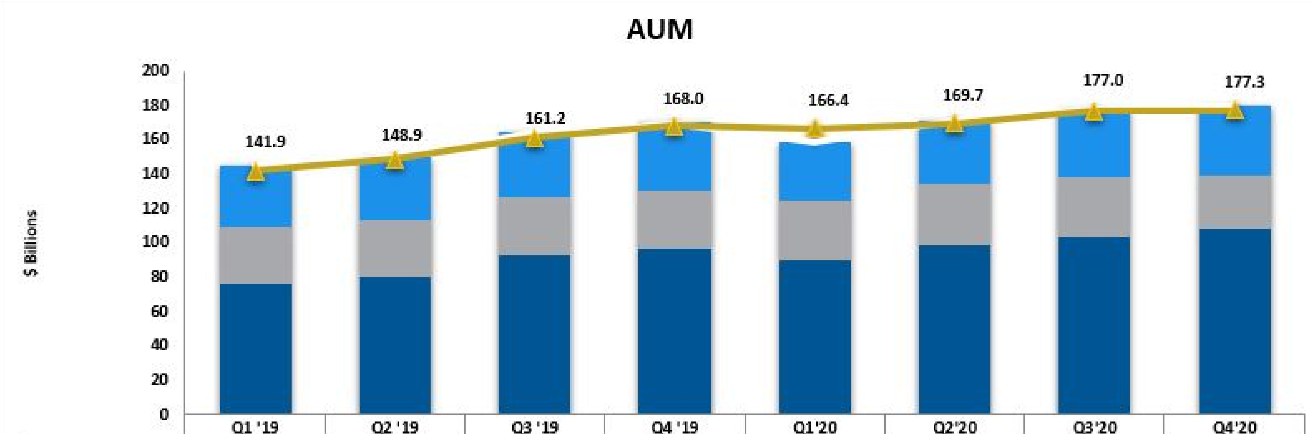
Table 13 – Adjusted Net Earnings Reconciliation[(1)] (in $ thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net earnings (loss) attributable to the Company's shareholders	**(983)**	4,726	(14,703)	7,581	3,387	(4,740)	(5,513)	(6,553)
Depreciation of property and equipment	**1,560**	1,612	1,632	1,562	1,504	1,403	1,216	1,084
Amortization of intangible assets	**14,846**	14,487	14,350	13,717	14,412	13,525	12,622	12,415
Depreciation of right-of-use assets	**4,699**	3,768	4,866	5,042	5,412	4,892	4,561	5,057
Share-based compensation	**5,304**	5,255	7,499	122	6,906	5,376	6,748	5,234
Restructuring, integration and other costs	**8,184**	2,980	24,964	3,205	6,812	3,577	1,022	3,128
Acquisition costs	**928**	119	275	210	(391)	2,306	6,670	1,707
Accretion and change in fair value of purchase price obligations and effective interest on convertible debt	**(45,169)**	6,280	6,624	(10,051)	8,676	9,297	6,992	6,807
Gain on sale of a business and impairment of assets held for sale	**(7,001)**	—	675	—	—	—	(153)	(546)
Impairment of intangible assets	**66,911**	—	—	—	—	—	—	—
Accretion and change in fair value of puttable financial instrument liability	**1,666**	501	379	(1,799)	336	317	350	—
Other (gains) losses	**(215)**	30	(37)	(1,100)	121	(313)	—	300
Tax effect of above-mentioned items	**(1,492)**	(2,170)	(7,820)	1,982	(4,393)	(3,373)	(2,034)	(3,460)
Adjusted net earnings attributable to the Company's shareholders	**49,238**	37,588	38,704	20,471	42,782	32,267	32,481	25,173
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	**(0.01)**	0.05	(0.14)	0.07	0.03	(0.05)	(0.06)	(0.07)
Adjusted net earnings attributable to the Company's shareholders	**0.47**	0.36	0.38	0.20	0.42	0.32	0.33	0.26
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	**(0.01)**	0.04	(0.14)	0.07	0.03	(0.05)	(0.06)	(0.07)
Adjusted net earnings attributable to the Company's shareholders	**0.47**	0.35	0.38	0.19	0.41	0.32	0.33	0.26

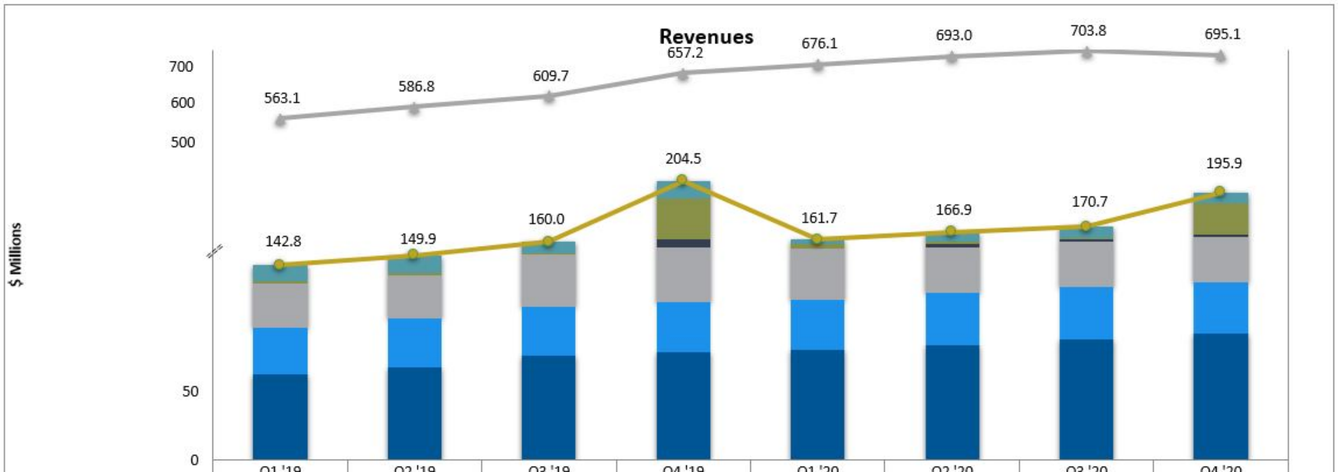
[(1)] The Company adopted IFRS 16, Leases, on January 1, 2019 using the modified retrospective approach where comparative information presented for 2018 has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17, based on its assessment of whether the lease transferred substantially of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, on January 1, 2019, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16. The Company's lease portfolio in 2019 was impacted by the four acquisitions completed over the course of the year, in addition to new leases entered into in 2019 related to the Company's new headquarters in Montreal, Canada and new office premises in London, United Kingdom. Our lease payments presented in the statement of cash flows for the year ended December 31, 2019 were also impacted by lease inducements and rent-free periods related to these new leases in 2019.

AUM and Revenue Trend

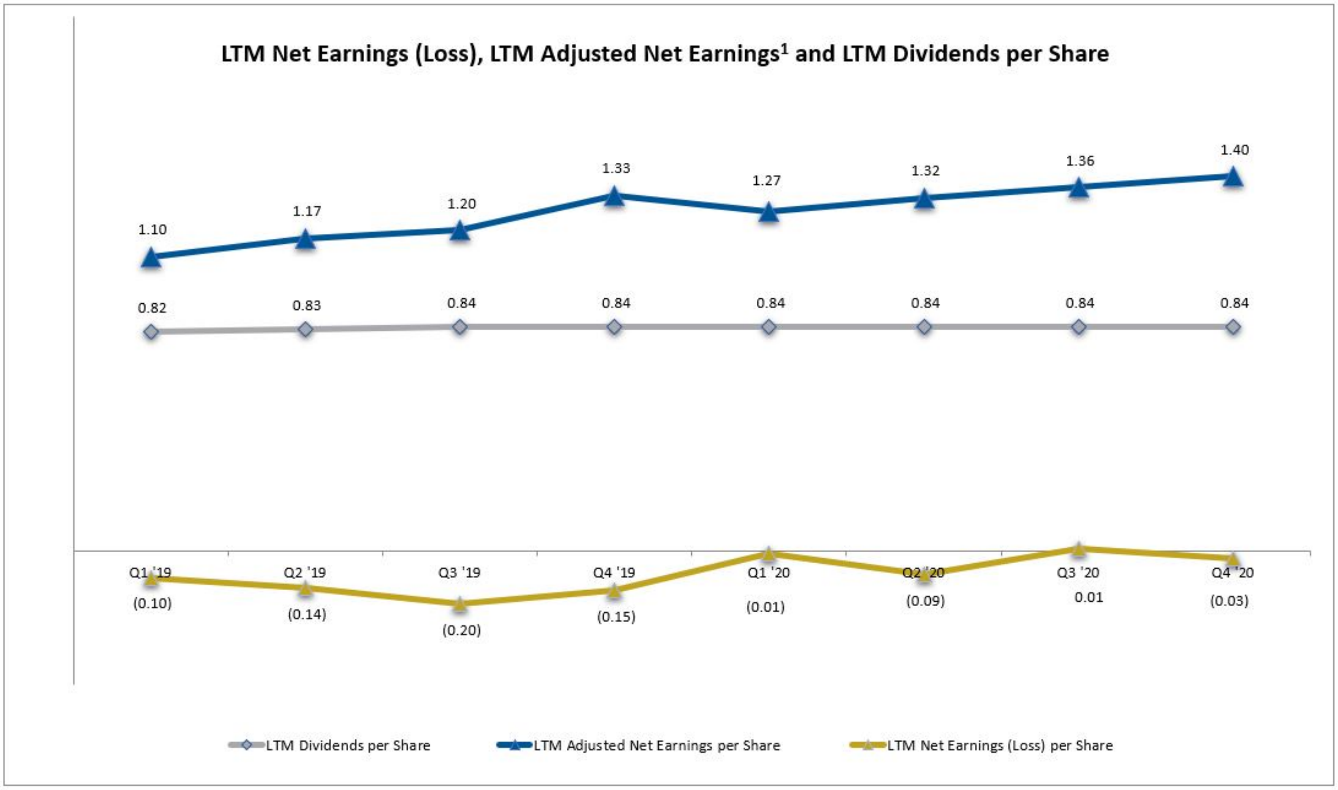
The following illustrates the Company's trends regarding AUM, quarterly and last twelve months ("LTM") revenues, LTM Adjusted EBITDA[(1)], LTM Adjusted EBITDA Margin[(1)], LTM Net Earnings (loss) per share, LTM Adjusted Earnings per share[(1)], as well as the LTM dividend payout.

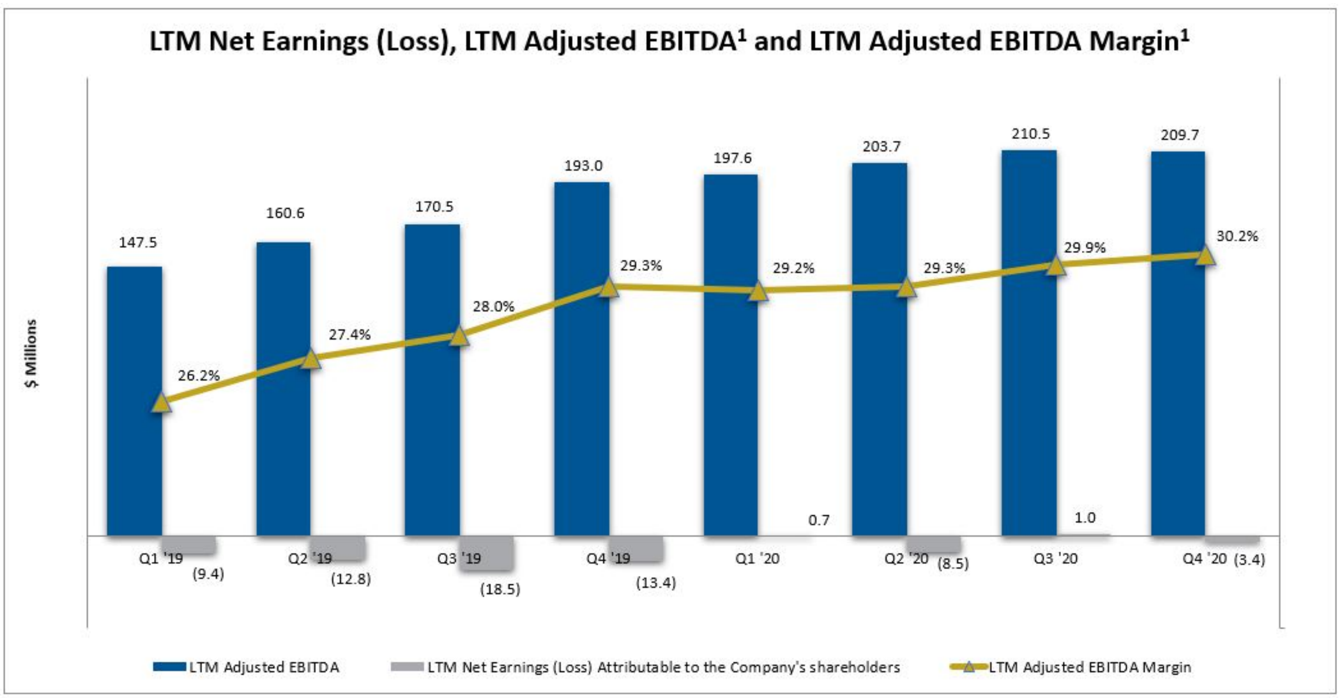


	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1'20	Q2'20	Q3'20	Q4'20
Retail	35.7	36.5	38.4	39.5	33.4	36.8	39.0	40.6
Private Wealth	32.7	32.8	33.5	33.9	34.5	35.9	34.9	31.0
Institutional	76.5	80.2	92.8	96.3	90.2	98.3	103.8	108.6
Total AUM	144.9	149.5	164.7	169.7	158.1	171.0	177.7	180.2
Average AUM	141.9	148.9	161.2	168.0	166.4	169.7	177.0	177.3



	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20
Other Revenues	12.1	12.8	8.1	13.3	3.8	6.8	8.0	8.1
Performance Fees	1.6	1.6	1.6	29.9	3.3	2.0	0.9	22.6
Share of earnings in JV	-	-	-	6.0	(0.2)	2.2	2.1	1.6
Retail	32.4	32.1	37.7	39.3	37.9	33.8	32.7	33.7
Private Wealth	33.6	35.9	36.2	36.8	36.4	37.8	38.4	37.4
Institutional	63.1	67.5	76.4	79.2	80.6	84.4	88.6	92.5
Total Revenues	142.8	149.9	160.0	204.5	161.7	166.9	170.7	195.9
LTM Revenues	563.1	586.8	609.7	657.2	676.1	693.0	703.8	695.1





(1) The Company adopted IFRS 16, Leases, on January 1, 2019 using the modified retrospective approach where comparative information presented for 2018 has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17, based on its assessment of whether the lease transferred substantially of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. For the three months ended March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018, the Company recognized rent expense of $3.0 million, $3.3 million, $3.4 million and $3.4 million, respectively. For the year ended December 31, 2018, the Company recognized rent expense of $13.1 million in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, on January 1, 2019, they were presented as cash

generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16. The Company's lease portfolio in 2019 was impacted by the four acquisitions completed over the course of the year, in addition to new leases entered into in 2019 related to the Company's new headquarters in Montreal, Canada and new office premises in London, United Kingdom. Our lease payments presented in the statement of cash flows for the year ended December 31, 2019 were also impacted by lease inducements and rent-free periods related to these new leases in 2019.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The Company's principal uses of cash, other than for SG&A expenses, include (but are not limited to) dividend payments, share repurchases, debt servicing, capital expenditures and business acquisitions.

Based on current projections, we expect to have sufficient financial resources available (mainly from the use of our net cash flows from operations, debt and credit facilities and share capital issuance) to finance our business plan, meet our working capital needs and maintain an appropriate level of capital spending.

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

Table 14 – Summary of Consolidated Statements of Cash Flows (in $ thousands)

	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED		
	December 31, 2020	December 31, 2019	VARIANCE	December 31, 2020	December 31, 2019	VARIANCE
Cash generated by operating activities	**94,162**	75,453	18,709	**145,644**	149,799	(4,155)
Cash used in investing activities	**(6,907)**	(6,835)	(72)	**(13,687)**	(92,497)	78,810
Cash used in financing activities	**(62,956)**	(58,194)	(4,762)	**(159,855)**	(7,227)	(152,628)
Net (decrease) increase in cash and cash equivalents	**24,299**	10,424	13,875	**(27,898)**	50,075	(77,973)
Effect of exchange rate changes on cash denominated in foreign currencies	**(1,248)**	(2,005)	757	**537**	(6,322)	6,859
Cash and cash equivalents, beginning of period	**45,807**	87,800	(41,993)	**96,219**	52,466	43,753
Cash and cash equivalents, end of period	**68,858**	96,219	(27,361)	**68,858**	96,219	(27,361)

Current Quarter versus Prior-Year Quarter

Cash generated by Operating Activities

Cash generated by operating activities was $94.2 million for the three months ended December 31, 2020 compared to $75.5 million in the same period last year, an increase of $18.7 million or 24.8%. The increase was primarily due to higher cash generated from working capital of $11.2 million and cash generated from operating activities excluding working capital of $7.5 million.

Cash used in Investing Activities

Cash used in investing activities for the three months ended December 31, 2020 was $6.9 million, compared to $6.8 million in the same period last year. The increase in cash used was driven by a $6.0 million decrease in distributions received from joint ventures and associates, a decrease in restricted cash and cash equivalents of

$3.4 million, and a $3.1 million increase in cash used in investments in joint ventures and associates. These increases in cash used in investing activities were offset by a reduction in settlement of purchase price obligations of $9.8 million, a reduction in cash used in business combinations of $3.7 million.

Cash used in Financing Activities

Cash used in financing activities for the three months ended December 31, 2020 was $63.0 million compared to $58.2 million in the same period last year, an increase of $4.8 million. The increase was primarily due to a net decrease in long-term debt of $5.1 million and $2.1 million of cash used towards the repurchase and cancellation of shares through the Company's normal course issuers bid, announced in the third quarter of 2020. This was partly offset by a reduction of dividends to non-controlling interest shareholders of $2.5 million in the current quarter compared to the same period last year.

Effect of exchange rate changes on cash denominated in foreign currencies

Exchange rate fluctuations on cash denominated in foreign currencies had an unfavourable impact of $1.2 million during the three months ended December 31, 2020, compared to an unfavourable impact of $2.0 million for the same period last year. The effect of exchange rate changes on cash is primarily due to the revaluation of cash denominated in US dollars and the impact of currency fluctuations between the Canadian dollar and US dollar during the comparable period.

Year-to-Date December 31, 2020, versus Year-to-Date December 31, 2019

Cash generated by Operating Activities

Cash generated by operating activities for the year ended December 31, 2020 was $145.6 million compared to $149.8 million in the same period last year, a decrease of $4.2 million or 2.8%. The decrease was due to cash used in working capital of $19.3 million, partly offset by a $15.1 million increase in cash generated from operating activities excluding working capital.

Cash used in Investing Activities

Cash used in investing activities for the year ended December 31, 2020 was $13.7 million compared to $92.5 million in the same period last year, a decrease of $78.8 million. The decrease was primarily due to lower cash used towards business combinations of $64.1 million and decreased purchases of intangible assets and property and equipment and intangible assets of $10.5 million and $8.8 million respectively. Restricted cash and cash equivalents increased $4.8 million and the settlement of purchase price obligations decreased $3.1 million compared to the prior year. This was partly offset by lower proceeds received on the disposition of assets of $14.9 million.

Cash used in Financing Activities

Cash used in financing activities for the year ended December 31, 2020 was $159.9 million compared to $7.2 million in the same period last year, an increase of $152.7 million. The increase was primarily due to the $105.0 million issuance of hybrid debentures in 2019, a $43.8 million increase in the settlement of net long-term debt, an increase in cash used for the settlement of share-based compensation of $13.7 million, an increase in lease payments of $8.3 million primarily due to a reduction in lease inducements received over the comparable period, and an increase in interest paid on long-term debt of $6.2 million. This was partly offset by a $26.1 million decrease in cash used towards the repurchase and cancellation of shares under the Company's normal course issuer bid, announced in the third quarter of 2020.

Following the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, the Company granted performance share units applicable to a business unit ("PSU BU") on November 17, 2017 to an executive of CCL in connection with their previous equity arrangement which existed prior to the acquisition by the Company. Included in the increase in cash used for the settlement of share-based compensation was a $16.4 million payment for the settlement of the PSU BUs which occurred during the year ended December 31, 2020.

Effect of exchange rate changes on cash denominated in foreign currencies

Exchange rate fluctuations on cash denominated in foreign currencies had a favourable impact of $0.5 million during the year ended December 31, 2020, compared to an unfavourable impact of $6.3 million for the same period last year. The effect of exchange rate changes on cash is primarily due to the revaluation of cash denominated in US dollars and the impact of currency fluctuations between the Canadian dollar and US dollar.

Components of Total Debt

Table 15 – Credit Facility (in $ thousands)

	As at December 31, 2020	As at December 31, 2019
	$	$
Credit Facility		
Revolving facility	**446,880**	449,490
Deferred financing charges	**(1,888)**	(2,791)
Non-current portion	**444,992**	446,699

Credit Facility

The Company has a $600.0 million senior unsecured revolving facility ("Facility") which can be drawn in Canadian or US dollars at the discretion of the Company. As at December 31, 2020, the total amount drawn on the Facility was $45.6 million (December 31, 2019 - $29.8 million) and US$315.0 million ($401.3 million) (December 31, 2019 – US$323.7 million ($419.7 million)).

Under the terms of the Credit Agreement, the maturity date is the earlier of (i) June 30, 2023 and (ii) April 23, 2023 if the unsecured convertible debentures have not been repaid or refinanced (i.e. two months prior to their maturity date). The Company may request an increase in the available Facility by an amount of up to $200.0 million subject to the acceptance by the lenders. The Credit Agreement provides for an annual extension which can be requested each year between April 1 and April 30 which is subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount to more than 66 2/3% of the facility.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn. The interest rates are based on either the Canadian prime rate, bankers' acceptances, the US base rate or the LIBOR, plus a margin as a function of the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement.

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. All restrictive covenants under the Credit Agreement were met as at December 31, 2020 and December 31, 2019.

Table 16 – Convertible Debt (in $ thousands)

	As at December 31, 2020	As at December 31, 2019
	$	$
Convertible debentures – 5.00% due June 23, 2023	**81,963**	80,425
Hybrid debentures – 5.60% due July 31, 2024	**106,316**	105,368
Non-current portion	**188,279**	185,793

Convertible Debentures

On December 21, 2017, the Company issued $86.25 million unsecured convertible debentures at 5.00% maturing on June 23, 2023 (the "Convertible debentures").

During the year ended December 31, 2020, $4.3 million was paid as accrued interest ($4.3 million was paid during the year ended December 31, 2019). At December 31, 2020, nil (nil as at December 31, 2019) is recorded in accounts payable and accrued liabilities, representing accrued cash interest from June 30, 2020 to December 31, 2020.

Hybrid Debentures

On July 4, 2019, the Company issued $100 million senior subordinated unsecured hybrid debentures due July 31, 2024, and on July 9, 2019, the Company issued $10 million senior subordinated unsecured hybrid debentures related to the overallotment option, due July 31, 2024 (together, the "Hybrid debentures"). The Hybrid debentures bear interest at a rate of 5.60% per annum.

During the year ended December 31, 2020, $6.6 million was paid as accrued interest (nil during the year ended December 31, 2019). At December 31, 2020, an amount of $2.6 million ($3.1 million as at December 31, 2019) is recorded in accounts payable and accrued liabilities, representing accrued cash interest from July 31, 2020 to December 31, 2020.

Table 17 – Current and Long Term Lease Liabilities (in $ thousands)

	As at December 31, 2020	As at December 31, 2019
	$	$
Current portion of lease liabilities	**15,642**	16,631
Non-current lease liabilities	**102,518**	129,228
Total lease liabilities	**118,160**	**145,859**

Lease Liabilities

The Company mainly leases offices. Rental contracts are typically entered into for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but right-of-use assets may not be used as security for borrowing purposes. Total lease liabilities of $118.2 million as at December 31, 2020 were $27.7 million lower compared to $145.9 million as at December 31, 2019. The decrease was primarily due to the reclassification of lease liabilities related to Bel Air to liabilities held for sale, adjustments made to an existing lease, and lease payments made during fiscal 2020.

Share Capital

Table 18 - The following table provides details of the issued, fully paid and outstanding common shares (in $ thousands - except share information):

	Class A Shares		Class B Shares		Total	
	Number	$	Number	$	Number	$
As at December 31, 2019	**81,362,603**	**779,618**	**19,412,401**	**30,891**	**100,775,004**	**810,509**
Issuance of shares						
Shares issued as settlement of purchase price obligations	**1,620,924**	**11,741**	**—**	**—**	**1,620,924**	**11,741**
Performance and restricted share units settled	**1,251,483**	**7,020**	**—**	**—**	**1,251,483**	**7,020**
Stock options exercised	**205,185**	**1,688**	**—**	**—**	**205,185**	**1,688**
Reinvested dividends	**134,380**	**1,234**	**—**	**—**	**134,380**	**1,234**
Share repurchase and cancellation	**(274,800)**	**(2,604)**	**—**	**—**	**(274,800)**	**(2,604)**
As at December 31, 2020 (1)	**84,299,775**	**798,697**	**19,412,401**	**30,891**	**103,712,176**	**829,588**
As at December 31, 2018	77,556,288	744,724	19,412,401	30,891	96,968,689	775,615
Issuance of shares						
Shares issued as part of business combinations	3,044,333	35,313	—	—	3,044,333	35,313
Shares issued as settlement of purchase price obligations	458,157	5,532	—	—	458,157	5,532
Performance and restricted share units settled	2,194,706	10,710	—	—	2,194,706	10,710
Stock options exercised	152,377	1,241	—	—	152,377	1,241
Reinvested dividends	31,000	339	—	—	31,000	339
Conversion of holdback shares	384,292	5,501	—	—	384,292	5,501
Share repurchase and cancellation	(2,458,550)	(23,742)	—	—	(2,458,550)	(23,742)
As at December 31, 2019	81,362,603	779,618	19,412,401	30,891	100,775,004	810,509

(1) Includes 2,475,034 Class A Shares held in escrow in relation with the Apex acquisition (3,300,045 as at December 31, 2019) and 356,884 Class A Shares held in escrow in relation with the Clearwater acquisition (637,293 as at December 31, 2019).

Share Repurchase and Cancellation

During the year ended December 31, 2020, the Company entered into a normal course issuer bid for its Class A shares from July 15, 2020 to no later than July 14, 2021. Under its normal course issuer bid, the Company may purchase for cancellation up to a maximum of 2,000,000 Class A Shares, representing approximately 2.4% of its 84,124,711 issued and outstanding Class A Shares as at July 8, 2020 (date of filing with the TSX).

During the year ended December 31, 2020, the Company paid $2.9 million to purchase and cancel 274,800 Class A Shares through the facilities of the Toronto Stock Exchange which reduced share capital by $2.6 million.

On March 17, 2021, the TSX approved an amendment to the normal course issuer bid which increases the number of class A subordinate voting shares the Company may repurchase for cancellation from 2,000,000 Class A Shares to 4,000,000 Class A Shares.

Dividends

During the year ended December 31, 2020, the Company declared dividends on Class A shares and Class B shares totaling $86.6 million ($0.84 per share) (2019 – $83.7 million ($0.84 per share)) of which nil were declared on holdback shares (2019 – $0.2 million).

Capital Management

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, convertible debentures and hybrid debentures, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt. The Company is subject to calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, calculated on a non-consolidated basis. As at December 31, 2020 and December 31, 2019, it has complied with its calculations. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

In order to maintain or adjust its capital structure, the Company may issue shares, proceed with the issuance or repayment of debt or redeem convertible and hybrid debentures (as applicable under the terms of the respective final short-term prospectuses for these convertible debt).

Contractual Obligations

The Company had the following contractual obligations as at December 31, 2020:

Table 19 – Contractual Obligations (in $ thousands)

	Carrying Amount	Total	2021	2022	2023	2024	2025	Thereafter
Long-term debt	446,880	446,880	—	—	446,880	—	—	—
Convertible debt	188,279	196,250	—	—	86,250	110,000	—	—
Purchase price obligations	45,874	52,298	4,248	4,367	21,008	22,675	—	—
Puttable financial instrument liability	14,945	14,945	—	14,945	—	—	—	—
Lease liabilities	118,160	139,366	16,929	16,528	17,294	14,487	13,603	60,525
License, software services and other	n/a	35,587	12,053	7,009	3,463	3,381	3,132	6,549
Total obligations	814,138	885,326	33,230	42,849	574,895	150,543	16,735	67,074

Contingent Liabilities

In the ordinary course of business, the Company may be involved in and potentially subject to claims, proceedings, and investigations, including, legal, regulatory and tax. There are a number of uncertainties involved in such matters, individually or in aggregate, and as such, it is not currently possible to predict the final outcome with certainty. The Company intends to defend these actions and management believes that the resolution of these matters will not have a material adverse effect on the Company's financial condition. Management regularly assesses its position on the adequacy of accruals or provisions related to such matters.

FINANCIAL CONDITION

Table 20 – Financial Condition

(in $ thousands)	December 31, 2020	December 31, 2019	Variance Year over Year Change
Assets			
Current assets	**314,166**	300,790	13,376
Non-current assets	**1,194,167**	1,406,102	(211,935)
	1,508,333	1,706,892	(198,559)
Liabilities			
Current liabilities	**222,341**	270,692	(48,351)
Non-current liabilities	**815,516**	892,364	(76,848)
	1,037,857	1,163,056	(125,199)
Net Assets	**470,476**	543,836	(73,360)

Total assets were $1,508.3 million as at December 31, 2020, a decrease of $198.6 million or 11.6% compared to total assets of $1,706.9 million as at December 31, 2019. The decrease was driven by a $211.9 million decrease in non-current assets primarily due to a $178.2 million decrease in intangible assets, a $42.5 million decrease in goodwill and a $32.8 million decrease in right-of-use assets, partially offset by a $34.6 million increase in other non-current assets primarily related to a Promissory Note received on the sale of WGAM. The decrease in total assets was partly offset by a $13.4 million increase in current assets primarily due to the $67.9 million reclassification of assets as held for sale related to the sale of Bel Air, this was partly offset by $31.0 million of lower trade and other receivables and $27.4 million of lower cash and cash equivalents.

Total liabilities were $1,037.9 million as at December 31, 2020, a decrease of $125.2 million or 10.8% compared to total liabilities of $1,163.1 million as at December 31, 2019. The decrease was driven by $76.8 million of lower non-current liabilities primarily due to a $56.7 million decrease in purchase price obligations and a $26.7 million decrease in lease liabilities, partly offset by a $7.9 million increase in derivative financial instruments. Total liabilities further decreased by $48.4 million driven by lower current liabilities, primarily due to $47.9 million of lower accounts payable and accrued liabilities and a $24.8 million decrease in the current portion of purchase price obligations. These decreases were partly offset by $17.8 million of liabilities reclassified as held for sale and $7.4 million of higher restructuring provisions.

RELATED PARTY TRANSACTIONS

In the normal course of business, the Company carries out transactions with related parties which include related shareholders or entities under the same common control as these related shareholders.

At December 31, 2020, a related shareholder indirectly owned Class B Shares representing approximately 7.0% of the Company's issued and outstanding shares (7.2% as at December 31, 2019). Pursuant to the terms of a shareholders' agreement between this related shareholder and an entity related to the Company, the related shareholder is entitled to appoint two of the eight directors of the Company that the holders of Class B Shares are entitled to elect. This related shareholder is one of the two co-lead arrangers and one of the lenders in the syndicate of lenders to the Company's Credit Facility and effective June 2019 took on the role as administrative agent of the Credit Agreement.

Following the Natixis transaction in May 2019, a shareholder was no longer considered a related party due to a reduction in their beneficial share ownership. Transactions with this shareholder prior to May 2019 are included in the table below.

In addition, following the Natixis transaction in May 2019, a related shareholder owned 10.3% Class A Shares (10.6% as at December 31, and is entitled to propose one nominee for election to the Company's board of directors.

The following table presents transactions either directly with the two related shareholders or with entities under the same common control as these related shareholders:

Table 21 – Related Party Transactions (in $ thousands)

	2020	2019
	$	$
Base management fees	**9,294**	22,150
Other revenues	**(2,965)**	5,323
Selling, general & administrative expenses		
Reference fees	**—**	544
Other	**—**	196
Interest on long-term debt	**14,222**	17,331
Net loss (gain) in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**(9,855)**	8,276

FINANCIAL INSTRUMENTS

Fair value investments

The cost and fair value of investments recorded at fair value through profit or loss is $8.7 million and $11.0 million respectively as at December 31, 2020 ($8.1 million and $8.4 million respectively as at December 31, 2019). An unrealized gain of $2.4 million and realized loss of $0.1 million was recognized in realized and unrealized (gain) loss on investments during the year ended December 31, 2020 (unrealized gain of $0.5 million and realized gain of $0.4 million during the year ended December 31, 2019).

Convertible and hybrid debentures

The convertible and hybrid debentures are recorded at an amortized cost of $82.0 million and $106.3 million as at December 31, 2020 ($80.4 million and $105.4 million as at December 31, 2019). The fair value based on market quotes is $89.0 million and $111.7 million as at December 31, 2020 ($90.5 million and $112.5 million as at December 31, 2019).

Long-term debt

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

Derivative financial instruments

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

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

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

Net gains (losses), fair value and the notional amount of derivatives by term to maturity are as follows:

Table 22 – Net gains (losses), fair value and notional amount of derivatives (in $ thousands)

	For the year ended December 31, 2020	As at December 31, 2020				
		Fair value		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign exchange contracts						
a) Forward foreign exchange contracts - – held for trading	**(5,091)**	—	—	—	—	—
b) Cross currency swaps – held for trading	**9,855**	—	**(1,064)**	**210,000**	—	—
Interest rate contracts						—
c) Swap contracts – held for trading	**(4,832)**	—	**(6,241)**	—	**250,000**	—
d) Swap contracts – cash flow hedges	—	—	**(5,267)**	—	**215,306**	—

	For the year ended December 31, 2019	As at December 31, 2019				
		Fair value		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign exchange contracts						
a) Forward foreign exchange contracts - – held for trading	2,216	755	—	63,300	—	—
b) Cross currency swaps – held for trading	(12,257)	—	(3,540)	225,000	—	—
Interest rate contracts						—
c) Swap contracts – held for trading	(710)	537	(1,946)	—	250,000	—
d) Swap contracts – cash flow hedges	—	—	(1,615)	—	219,151	—

Table 23 – Financial statement presentation of derivative financial instruments (in $ thousands)

	As at December 31, 2020	As at December 31, 2019
	$	$
Current derivative financial instrument assets [1]	**—**	755
Non-current derivative financial instrument assets	**—**	537
Current derivative financial instrument liabilities	**(1,064)**	(3,540)
Non-current derivative financial instrument liabilities	**(11,508)**	(3,561)

[1] Included in prepaid expenses and other assets on the consolidated statements of financial position.

a) *Forward foreign exchange contracts — held for trading*

The Company enters into month-end spot rate forward exchange contracts with various terms to maturity that aim to manage the currency fluctuation risk associated with up to twelve months of estimated future revenues in US dollars. One of the Company's subsidiaries enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in Euros.

Forward foreign exchange contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to fair value through profit or loss at the end of each reporting period. The gain or loss on these derivative financial instruments is recognized in other revenues in the consolidated statement of earnings (loss) in accordance with the nature of the hedged item.

The Company recorded a loss of $5.1 million during the year ended December 31, 2020 (gain of $2.2 million for the year ended December 31, 2019) and paid $4.3 million as settlement of contracts that matured during the year (paid $1.0 million during the year ended December 31, 2019). The fair value of the foreign exchange contracts is an asset of nil as at December 31, 2020 (an asset of $0.8 million as at December 31, 2019).

b) Cross currency swaps – held for trading

Under the terms of the Company’s revolving facility (Note 16 of the audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2020 and 2019), the Company can borrow either in a US dollars based on US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR rate plus a spread varying from 1.0% to 2.5%, or in Canadian dollars based on the Canadian prime rate plus a spread varying from 0.0% to 1.5%. To benefit from interest cost savings, the Company has effectively created, until January 12, 2021, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.43% on $210.0 million (CDOR plus 1.51% on $225.0 million as at December 31, 2019) by borrowing against the US dollar revolving facility, the equivalent of $210.0 million (US$164.0 million) ($225.0 million (US$170.5 million) as at December 31, 2019) at LIBOR plus 2.00%, and swapping it into CDOR plus 1.43% with a one-month cross currency swap.

The objective of this strategy was to provide cost savings without currency risk since the terms of the US LIBOR financing and the cross currency swap are exactly matched (US dollar notional amount, LIBOR rate, trade and maturity dates). Losses (gains) on cross currency swaps are offset by equivalent gains (losses) on the translation of the US denominated economically hedged portion of the revolving facility since the financing terms are exactly matched.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) in accordance with the nature of the economically hedged item, the revolving facility, and therefore is presented in interest on long-term debt and other financial charges. The Company recorded a gain of $9.9 million during the year ended December 31, 2020, with no net impact on earnings (loss) as described above (loss of $12.3 million during the year ended December 31, 2019). A total of $7.4 million was received during the year ended December 31, 2020 as settlement of these contracts ($7.6 million was paid during the year ended December 31, 2019).

The fair value of the cross-currency swap contracts was a liability of $1.1 million at December 31, 2020 (a liability of $3.5 million as at December 31, 2019).

c) Interest rate swap contract – held for trading

The Company enters into interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in Canadian dollars. Interest is settled on a monthly basis.

The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate applied to the notional of each contract. There were no changes to the terms of the other interest rate swap contracts (held for trading) held by the Company during the year ended December 31, 2020.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) with interest on long-term debt and other financial charges. The Company recorded a loss of $4.8 million during the year ended December 31, 2020 (loss of $0.7 million during the year ended December 31, 2019).

The fair value of the interest rate swap contracts is a liability of $6.2 million as at December 31, 2020 (an asset of $0.5 million and a liability of $1.9 million as at December 31, 2019).

d) Interest rate swap contracts – Cash flow hedges

The Company holds interest rate swap contracts designated as cash flows hedges and which satisfy the requirements for hedge accounting. There were no changes to the terms of the contracts held by the Company during the year ended December 31, 2020.

The effective portion of changes in the fair value of these contracts is recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded another comprehensive loss of $2.5 million (net of income taxes of $1.2 million) during the year ended December 31, 2020 (loss of $5.3 million (net of income taxes of $0.8 million) during the year ended December 31, 2019).

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the consolidated statement of earnings (loss). There is no ineffective portion on these contracts for the years ended December 31, 2020 and 2019. The fair value of the interest rate swap contracts designated as cash flow hedges is a liability of $5.3 million as at December 31, 2020 (a liability of $1.6 million as at December 31, 2019).

The Company remains exposed to fluctuations in the US base or LIBOR rates on the difference between the US dollar credit facility and the notional amounts of the US dollar interest rate swap contracts. The drawings in US dollars on the Credit Facility are US$315.0 million as at December 31, 2020 (US$323.7 million as at December 31, 2019).

e) Contingent value rights related to IAM

Through the acquisition of IAM during the year ended December 31, 2019, IAM shareholders received Contingent Value Rights ("CVRs"). The Company accounted for the CVR asset at fair value on the acquisition date, and subsequently revalued the instrument at amortized cost. The short-term portion of the CVR asset is recorded within Trade and other receivables, while the long-term portion is recorded in Other non-current assets. The CVR liability, on the acquisition date, was recorded at fair value and subsequently revalued at fair value through profit and loss. The short-term portion of the CVR liability was recorded in Trade accounts payable and accrued liabilities, while the long-term portion was recorded in Other non-current liabilities.

Risks Associated with Financial Instruments

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: market risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis outlines the risks as at December 31, 2020 and 2019.

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

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

Market risk

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

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

The Company's portfolio managers monitor the risks of the portfolio as part of its daily operations. The Company's portfolio of equity and equity-related securities as at December 31, 2020 and 2019 is comprised of investment funds and other securities with a fair value of $11.0 million as at December 31, 2020 and $8.4 million as at December 31, 2019. Investment funds are comprised of a well-diversified portfolio of investments in equities and bonds.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2020 and 2019 would have an impact of increasing or decreasing comprehensive income by $1.1 million and $0.8 million respectively.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's principal financial assets which are subject to credit risk are cash and cash equivalents, restricted cash and cash equivalents, investments and trade and other receivables and other non-current assets. The carrying amounts of financial assets on the consolidated statements of financial position, other than derivative financial instruments represent the Company's maximum exposure to credit risk at the consolidated statements of financial position dates.

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

The Company's credit risk is attributable primarily to its trade receivables and other non-current assets. The amounts disclosed in the consolidated statements of financial position are net of expected credit losses, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. No customer represents more than 10% of the Company's accounts receivable as at December 31, 2020 and 2019.

Interest rate risk

A portion of Fiera Capital's indebtedness, including under the Company's credit facilities, is at variable rates of interest and exposes Fiera Capital to interest rate risk. If interest rates increase, Fiera Capital's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed would remain the same, and net income and cash flows would decrease.

Failure to manage interest risks could materially adversely affect Fiera Capital's business, financial condition and results of operations.

To mitigate some of the interest rate risk it is exposed to via its borrowing under its credit facilities, Fiera Capital has contracted interest rate swaps that fix a portion of interest rate payments. Given that changes in the fair values of derivatives must be reported in the Company's financial statements, interest rate fluctuations may have an impact on the reported profits and loss of Fiera Capital on a quarterly basis, thus creating some volatility in reported earnings.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the Company's earnings and AUM is denominated in US dollars and GBP. The Company's main exposure relates to cash and cash equivalents, restricted cash, accounts receivables, investments, derivative financial instruments, accounts payables and accrued liabilities, puttable financial instrument liability, purchase price obligations and long-term debt denominated in US dollars, GBP, and EUR. The Company and certain of its subsidiaries may manage currency risk by entering into currency hedging contracts relating to US dollars and various other currencies.

Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted. Fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Company's results and financial condition.

Liquidity risk

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

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

SUBSEQUENT EVENTS

Sale of Bel Air

On March 1, 2021, the Company announced the closing of the sale of Bel Air. As at December 31, 2020, Bel Air represented approximately $8.3 billion of AUM.

Fiera Capital Emerging Markets Fund

On March 2, 2021, the Company announced that Fiera Capital Inc. ("FCI"), its wholly-owned subsidiary, entered into an agreement in principle to sell the advisory business related to its Fiera Capital Emerging Markets Fund (the "Fund") to Sunbridge Capital Partners LLC ("Sunbridge"). The sale contemplates a pre-closing reorganization of the Fund which will be subject to approval by the Fund's Board and shareholders. Completion of the reorganization remains subject to FCI and Sunbridge entering into definitive documentation which would be subject to various conditions. In connection with the purchase of the advisory business of the Fund from CNR in December 2017, the Company was carrying $10.3 million (US$8.1 million) of purchase price obligations and $10.8 million (US$8.5 million) of intangible assets for an asset management contract with indefinite life as at December 31, 2020.

Dividends Declared

On March 17, 2021, the Board declared a quarterly dividend of $0.21 per Class A Share and Class B Share, payable on April 27, 2021 to shareholders of record at the close of business on March 30, 2021. The dividend is an eligible dividend for income tax purposes.

Amendment and increase to Normal Course Issuer Bid

On March 17, 2021, the TSX approved an amendment to the Company's previously announced NCIB in order to increase the number of Class A Shares which the Company may purchase for cancellation from 2,000,000 Class A Shares, or 2.4% of the Company's issued and outstanding Class A Shares as of July 8, 2020, to 4,000,000 Class A Shares, representing 4.8% of the Company's issued and outstanding Class A Shares as of July 8, 2020.

The Company repurchased 274,800 Class A shares for $2.9 million during the year ended December 31, 2020. Subsequent to December 31, 2020, the Company repurchased 620,263 Class A shares for $7.1 million for a total repurchase of 895,063 Class A shares for $10.0 million since the NCIB began on July 15, 2020. The NCIB will end on July 14, 2021.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

This MD&A is prepared with reference to the audited consolidated financial statements for the years ended December 31, 2020 and 2019. A summary of the Company's significant accounting judgments and estimation uncertainties are presented in Note 3 of the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019. Some of the Company's accounting policies, as required under IFRS, require Management to make subjective, complex judgments and estimates to matters that are inherent to uncertainties.

The fair value of the promissory note, purchase price obligations, the puttable financial instrument liability and the CVRs are determined using a discounted cash flow analysis which makes use of unobservable inputs such as expected cash flows and risk adjusted discount rates. Expected cash flows are estimated based on the terms of the contractual arrangements and the Company's knowledge of the business and how the current economic environment is likely to impact it.

The promissory note, purchase price obligations, puttable financial instrument liability and the CVRs are Level 3 financial instruments. The Company has used valuation techniques to record the fair value of the instruments at the reporting date. The Company analyzed the characteristics of the instrument being valued, including the circumstances and the information available as at the valuation date and selected the most appropriate valuation technique.

Purchase Price Obligation – CNR

The Company reduced the fair value of the purchase price obligation adjustment by $64.2 million (US$49.2 million) during the year ended December 31, 2020 ($nil during the year ended December 31, 2019). The decrease in fair value was due to the expected withdrawal of assets from the fund by CNR as well as market volatility caused by the COVID-19 global pandemic. In addition, during the year ended December 31, 2020, the Company settled an amount of $19.7 million in cash ($18.5 million during the year ended December 31, 2019). The fair value of the CNR purchase price obligation as at December 31, 2020 was $10.3 million (US$8.1 million) and $74.1 million (US$57.1 million) as at December 31, 2019.

The discounted cash flow method was used to measure the fair value of the expected future cash flows to be paid to CNR as contingent consideration. The main Level 3 inputs used by the Company to value the purchase price obligations of CNR are derived from the following unobservable inputs and determined as follows:

- Annual revenue growth factors, such as market rate and net contributions rate, are estimated based on internal and external data and publications, economic conditions, and the specific characteristics of the financial liability. A higher annual revenue growth factor will result in a higher fair value. To assess the fair value as at December 31, 2020 the Company assumed 8.6% (2019 – 8.6%) and 2.5% (2019 – 2.5%) as a long-term average market growth rate and net contributions rate, respectively.

- The risk-adjusted discount rate is determined by adjusting a risk-free rate to reflect the specific risks associated with the financial liability. The discount rate is the input used to bring the future cash flows to their present value. A higher discount rate would result in a lower fair value. To assess the fair value as at December 31, 2019, the Company used a discount rate of 41.2%.

Due to the short-term maturity of the purchase price obligation, a reasonable variation in unobservable inputs such as market growth, net contributions and risk-adjusted discount rate would not lead to significant variations in the fair value of the instrument.

Purchase Price Obligation – Clearwater

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The Company reduced the fair value of the purchase price obligation and recorded an adjustment of $6.7 million (US$5.0 million) during the year ended December 31, 2020 (expense of $1.4 million (US$1.0 million) during the year ended December 31, 2019). The fair value of the Clearwater purchase price obligation as at December 31, 2020 was $29.7 million (US$23.3 million) and $43.8 million (US$33.7 million) as at December 31, 2019.

The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and EBITDA forecasts, management's estimates of revenue generated from inflows of AUM from the Asia region, and the risk-adjusted discount rate. The Company used discount rates ranging between 10.0% and 15.0% (2019 – Between 10.0% and 15.0%).

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have a direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, revenue, EBITDA, and revenue forecasts from inflows of AUM from the Asia region, and established a reasonable fair value range between $25.0 million (US$19.6 million) and $31.1 million (US$24.4 million) for its purchase price obligation as at December 31, 2020.

Puttable Financial Instrument Liability – Palmer Capital

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the non-controlling interest shareholders. During the year ended December 31, 2020, the Company recorded an expense of $0.8 million (GBP0.4 million) as revaluation of the puttable financial instrument liability. The fair value of the puttable financial instrument liability as at December 31, 2020 was $14.9 million (GBP8.6 million) and $14.0 million (GBP8.1 million) as at December 31, 2019.

The main Level 3 inputs used by the Company to value the puttable financial instrument liability are derived from unobservable inputs of EBITDA forecasts, and the risk-adjusted discount rate. The Company used discount rates ranging between 2.5% and 10.0% (2019 - 13.0%).

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate and EBITDA and established a reasonable fair value range between $10.5 million (GBP6.0 million) and $14.9 million (GBP8.6 million) for its purchase price obligation as at December 31, 2020.

Promissory Note – WGAM

On December 31, 2020, the Company completed the sale of all its equity interest in WGAM, in exchange for a Promissory Note issued by Wilkinson Global Asset Management LLC for a notional amount of $35.7 million (US$28.0 million). Under the terms of the agreement, the Promissory Note will earn interest at EURIBOR plus a premium of 3% and will be reimbursable to the Company through quarterly payments based on a specified revenue amount for which fiscal quarter with a minimum annual repayment of US$1.8 million. The Promissory Note is secured by units of membership interests and the assets of WGAM.

The Promissory Note is a financial asset recorded at fair value through profit and loss and has been categorized as a Level 3 fair value instrument. The discounted cash flow method was used to measure the present value of the Promissory Note. The main Level 3 inputs used by the Company to value the Promissory Note are derived from unobservable inputs of revenue forecasts and the risk-adjusted discount rate reflecting the estimated maturity of the Promissory Note. The Company used a discount rate of 5%. The fair value of the instrument was $33.7 million (US$26.4 million) as at December 31, 2020.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of this Level 3 financial instrument and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have a direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate and revenue forecasts and established a reasonable fair value range between $32.2 million (US$25.3 million) and $34.8 million (US$27.3 million) as at December 31, 2020.

NEW ACCOUNTING STANDARDS

Revised IFRS, interpretations and amendments

Definition of a Business (Amendments to IFRS 3)

On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The amendments are effective for annual periods beginning on January 1, 2020. Their adoption did not have a significant impact on the amounts reported or disclosures made in these consolidated financial statements.

New standards and interpretations not yet adopted

At the date of approval of these consolidated financial statements, new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

INTERNAL CONTROLS AND PROCEDURES

The Chairman of the Board and Chief Executive Officer ("CEO") and the Executive Vice President, Global Chief Financial Officer ("CFO"), together with Management, are responsible for establishing and maintaining adequate Disclosure Controls and Procedures and Internal Controls Over Financial Reporting, as defined in *National Instrument* 52-109.

Disclosure Controls and Procedures

Disclosure Controls and Procedures are designed to provide reasonable assurance that material information is collected and communicated to Management in a timely manner so that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal Controls Over Financial Reporting

Internal Controls over Financial Reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Fiera Capital Corporation's ("Company") internal control framework is based on the criteria published in the Internal Control-Integrated Framework (COSO framework 2013) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The CEO and CFO, supported by Management, have evaluated or caused to be evaluated the design (quarterly) and operating effectiveness (annually) of the Company's Disclosure Controls and Procedures and Internal Controls over Financial Reporting as at December 31, 2020, and have concluded that they were effective.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

There have been no changes to the Internal Controls over Financial Reporting that occurred during the three months ended December 31, 2020, that have affected, or are reasonably likely to materially affect, the Company's Internal Controls Over Financial Reporting.

Additional information about Fiera Capital Corporation, including the Company's most recent audited annual financial statements and annual information form, is available on SEDAR at www.sedar.com.

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