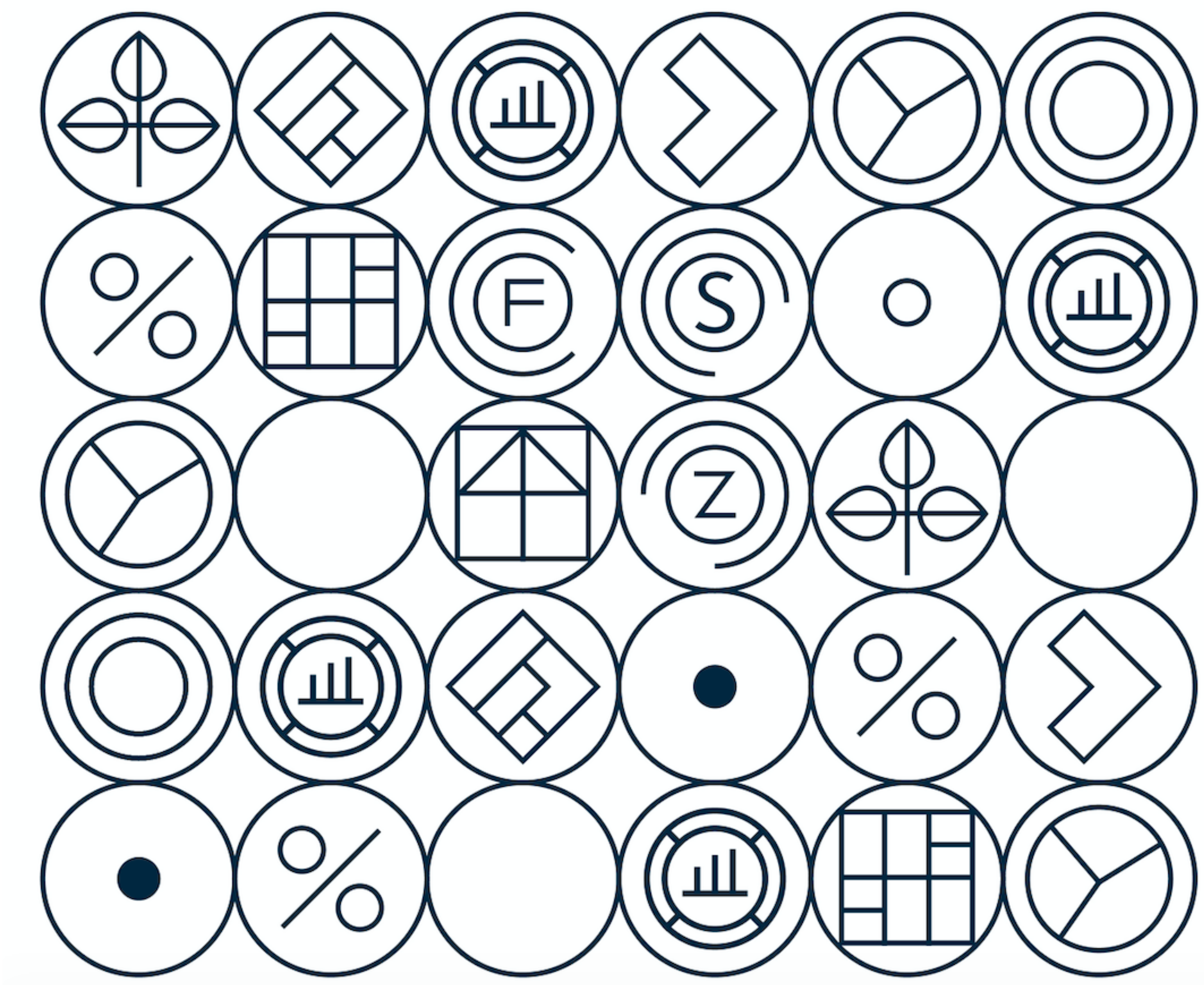
Fiera Capital Corporation

Consolidated Financial Statements

For the Years ended December 31, 2020 and 2019



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Independent Auditor's Report

To the Shareholders of
Fiera Capital Corporation

Opinion

We have audited the consolidated financial statements of Fiera Capital Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of earnings (loss), comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2020. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of purchase price obligations — Refer to Notes 3 and 13 to the financial statements

Key Audit Matter Description

The acquisition of Clearwater Capital Partners LLC included contingent considerations which were recorded as purchase price obligations and are accounted for at fair value. The determination of the fair value involves complex discounted cash flow models that include significant assumptions and unobservable inputs.

There are many estimates and judgements management made in determining the significant assumptions and unobservable inputs. However, those with the highest degree of subjectivity and impact are the assumptions underlying management's estimated forecasts related to revenue generated from inflows of assets under management from the Asia region and risk-adjusted discount rate. These required a high degree of auditor judgement and an increased audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of revenue generated from inflows of assets under management from the Asia region and risk-adjusted discount rate included the following, among others:

- Evaluated management's ability to accurately forecast revenue generated from inflows of assets under management from the Asia region by comparing management's historical estimates to subsequent results, taking into account changes in market conditions.
- Evaluated whether the forecasts revenue generated from inflows of assets under management from the Asia region are consistent with evidence obtained in other areas of the audit.
- With the assistance of fair value specialists evaluated the reasonableness of the discount rate by testing the source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Chantal Leclerc.

/s/ *Deloitte LLP*[1]

March 17, 2021
Montreal, Quebec

[1] CPA auditor, CA, public accountancy permit No. A121444

Fiera Capital Corporation

Consolidated Statements of Earnings (Loss)

For the years ended December 31,

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

	2020	2019
	$	$
Revenues		
Base management fees	**633,976**	570,256
Performance fees	**28,790**	34,643
Share of earnings in joint ventures and associates (Note 8)	**5,670**	6,047
Other revenues (Note 13)	**26,709**	46,224
	695,145	657,170
Expenses		
Selling, general and administrative expenses (Note 22)	**498,231**	484,397
External managers	**5,372**	4,084
Amortization of intangible assets (Note 10)	**57,400**	52,975
Depreciation of property and equipment (Note 11)	**6,366**	5,207
Depreciation of right-of-use assets (Note 12)	**18,375**	19,923
Restructuring, integration and other costs (Note 5)	**39,333**	14,539
Acquisition costs	**1,532**	10,292
	626,609	591,417
Earnings before under-noted items	**68,536**	65,753
Realized and unrealized gain on investments	**(2,297)**	(856)
Interest on lease liabilities	**4,684**	5,390
Interest on long-term debt and other financial charges (Note 23)	**41,195**	31,841
Accretion and change in fair value of purchase price obligations (Note 13)	**(44,802)**	29,980
Accretion and change in fair value of puttable financial instrument liability (Note 13)	**747**	1,003
Gain on sale of a business and impairment of assets held for sale (Note 4)	**(6,326)**	(699)
Impairment of intangible assets (Note 10)	**66,911**	—
Other (gains) losses	**(1,222)**	108
Earnings (loss) before income taxes	**9,646**	(1,014)
Income tax expense (Note 15)	**7,619**	9,692
Net earnings (loss)	**2,027**	(10,706)
Net earnings (loss) attributable to:		
Company's shareholders	**(3,379)**	(13,419)
Non-controlling interest	**5,406**	2,713
	2,027	(10,706)
Net earnings (loss) per share (Note 19)		
Basic	**(0.03)**	(0.14)
Diluted	**(0.03)**	(0.14)

The accompanying notes are an integral part of these consolidated financial statements.

Fiera Capital Corporation

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31,

(In thousands of Canadian, dollars)

	2020	2019
	$	$
Net earnings (loss)	**2,027**	(10,706)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to earnings (loss):		
Cash flow hedges (Note 13)	**(2,473)**	(5,310)
Unrealized exchange differences on translating financial statements of foreign operations	**(10,951)**	(16,486)
Other	**61**	(61)
Other comprehensive loss	**(13,363)**	(21,857)
Comprehensive loss	**(11,336)**	(32,563)
Comprehensive income (loss) attributable to:		
Company's shareholders	**(16,742)**	(35,276)
Non-controlling interest	**5,406**	2,713
	(11,336)	(32,563)

The accompanying notes are an integral part of these consolidated financial statements.

Fiera Capital Corporation

Consolidated Statements of Financial Position

As at December 31,

(in thousands of Canadian dollars)

	2020	2019
	$	$
Assets		
Current assets		
Cash and cash equivalents	**68,858**	96,219
Restricted cash and cash equivalents	**10,547**	8,148
Trade and other receivables (Note 9)	**146,012**	177,013
Investments (Note 13)	**3,512**	2,657
Prepaid expenses and other assets	**17,307**	16,753
Assets held for sale	**67,930**	—
	314,166	300,790
Non-current assets		
Goodwill (Note 10)	**645,411**	687,899
Intangible assets (Note 10)	**338,654**	516,880
Property and equipment (Note 11)	**26,760**	29,343
Right-of-use assets (Note 12)	**90,612**	123,392
Derivative financial instruments (Note 13)	**—**	537
Deferred income taxes (Note 15)	**34,121**	23,559
Long-term investments (Note 13)	**7,521**	5,743
Investments in joint ventures and associates (Note 8)	**8,817**	11,035
Other non-current assets (Note 4 and 13)	**42,271**	7,714
	1,508,333	1,706,892
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 14)	**159,570**	207,447
Current portion of purchase price obligations (Note 13)	**11,870**	36,642
Current portion of lease liabilities (Note 12)	**15,642**	16,631
Restructuring provisions (Note 5)	**10,589**	3,159
Derivative financial instruments (Note 13)	**1,064**	3,540
Amounts due to related parties	**2,558**	1,512
Client deposits and deferred revenues	**3,272**	1,761
Liabilities held for sale	**17,776**	—
	222,341	270,692
Non-current liabilities		
Long-term debt (Note 16)	**444,992**	446,699
Convertible debt (Note 17)	**188,279**	185,793
Lease liabilities (Note 12)	**102,518**	129,228
Derivative financial instruments (Note 13)	**11,508**	3,561
Puttable financial instrument liability (Note 13)	**14,945**	13,997
Purchase price obligations (Note 13)	**34,004**	90,732
Long-term restructuring provisions (Note 5)	**—**	225
Cash-settled share-based liabilities (Note 20)	**5,074**	60
Deferred income taxes (Note 15)	**10,144**	14,041
Other non-current liabilities (Note 13)	**4,052**	8,028
	1,037,857	1,163,056
Equity attributable to:		
Company's shareholders	**467,975**	542,811
Non-controlling interest	**2,501**	1,025
	470,476	543,836
	1,508,333	1,706,892

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

/s/ Jean-Guy Desjardins — */s/ Raymond Laurin*

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Jean-Guy Desjardins, Director — Raymond Laurin, Director

Fiera Capital Corporation

Consolidated Statements of Changes in Equity

For the years ended December 31,

(In thousands of Canadian dollars)

	Notes	Share Capital	Restricted and holdback shares	Contributed surplus	Convertible debentures equity component	Retained earnings (deficit)	Accumulated other comprehensive income	Equity attributable to Company's shareholders	Non-Controlling Interest	Total Equity
		$	$	$	$	$	$	$	$	$
Balance, December 31, 2019		**810,509**	**—**	**21,943**	**3,339**	**(308,779)**	**15,799**	**542,811**	**1,025**	**543,836**
Net earnings (loss)		**—**	**—**	**—**	**—**	**(3,379)**	**—**	**(3,379)**	**5,406**	**2,027**
Other comprehensive income (loss)		**—**	**—**	**—**	**—**	**—**	**(13,363)**	**(13,363)**	**—**	**(13,363)**
Comprehensive income (loss)		**—**	**—**	**—**	**—**	**(3,379)**	**(13,363)**	**(16,742)**	**5,406**	**(11,336)**
Share-based compensation expense	**20,22**	**—**	**—**	**11,059**	**—**	**—**	**—**	**11,059**	**—**	**11,059**
Deferred tax on share-based compensation expense	**15**	**—**	**—**	**5,660**	**—**	**—**	**—**	**5,660**	**—**	**5,660**
Shares issued as settlement of purchase price obligations	**18**	**11,741**	**—**	**—**	**—**	**—**	**—**	**11,741**	**—**	**11,741**
Performance and restricted share units settled	**18**	**7,020**	**—**	**(6,739)**	**—**	**—**	**—**	**281**	**—**	**281**
Stock options exercised	**18**	**1,688**	**—**	**(274)**	**—**	**—**	**—**	**1,414**	**—**	**1,414**
Dividends	**18**	**—**	**—**	**—**	**—**	**(86,564)**	**—**	**(86,564)**	**(3,930)**	**(90,494)**
Share repurchase and cancellation	**18**	**(2,604)**	**—**	**(315)**	**—**	**—**	**—**	**(2,919)**	**—**	**(2,919)**
Common shares issued under DRIP	**18**	**1,234**	**—**	**—**	**—**	**—**	**—**	**1,234**	**—**	**1,234**
Balance, December 31, 2020		**829,588**	**—**	**31,334**	**3,339**	**(398,722)**	**2,436**	**467,975**	**2,501**	**470,476**
Balance, December 31, 2018		775,615	5,501	22,475	3,339	(211,628)	37,656	632,958	768	633,726
Net earnings (loss)		—	—	—	—	(13,419)	—	(13,419)	2,713	(10,706)
Other comprehensive income (loss)		—	—	—	—	—	(21,857)	(21,857)	—	(21,857)
Comprehensive income (loss)		—	—	—	—	(13,419)	(21,857)	(35,276)	2,713	(32,563)
Share-based compensation expense	20,22	—	—	10,242	—	—	—	10,242	—	10,242
Shares issued as part of a business combination	18	35,313	—	—	—	—	—	35,313	—	35,313
Shares issued as settlement of purchase price obligations	18	5,532	—	—	—	—	—	5,532	—	5,532
Performance and restricted share units settled	18	10,710	—	(7,266)	—	—	—	3,444	—	3,444
Stock options exercised	18	1,241	—	(238)	—	—	—	1,003	—	1,003
Conversion of holdbacks	18	5,501	(5,501)	—	—	—	—	—	—	—
Business combination	18	—	—	—	—	—	—	—	179	179
Deferred tax on share-based compensation expense	15	—	—	2,048	—	—	—	2,048	—	2,048
Non-controlling interest disposal		—	—	—	—	—	—	—	(179)	(179)
Dividends	18	—	—	—	—	(83,732)	—	(83,732)	(2,456)	(86,188)
Common shares issued under DRIP	18	339	—	—	—	—	—	339	—	339
Share repurchase and cancellation	18	(23,742)	—	(5,318)	—	—	—	(29,060)	—	(29,060)
Balance, December 31, 2019		810,509	—	21,943	3,339	(308,779)	15,799	542,811	1,025	543,836

The accompanying notes are an integral part of these consolidated financial statements.

Fiera Capital Corporation

Consolidated Statements of Cash Flows

For the years ended December 31,

(In thousands of Canadian dollars)

	2020	2019
	$	$
Operating activities		
Net earnings (loss)	**2,027**	(10,706)
Adjustments for:		
Amortization of intangible assets and depreciation of property and equipment and right-of-use assets	**82,141**	78,105
Impairment of assets (Note 10)	**66,911**	—
Gain on sale of a business and impairment of assets held for sale (Note 4)	**(6,326)**	(699)
Other (gains) losses	**720**	333
Accretion and change in fair value of purchase price obligations and puttable financial instrument liability	**(44,055)**	30,983
Share-based compensation (Note 22)	**11,059**	10,242
Change in fair value of cash-settled share-based compensation (Note 22)	**7,117**	14,022
Interest on lease liabilities	**4,684**	5,390
Interest on long-term debt and other financial charges	**41,195**	31,841
Income tax expense	**7,619**	9,692
Income tax paid	**(16,066)**	(17,756)
Change in derivative financial instruments	**754**	(856)
Realized and unrealized gain on investments	**(2,238)**	(2,201)
Share of earnings in joint ventures and associates (Note 8)	**(5,670)**	(6,047)
Other non-current liabilities	**(1,322)**	(8,917)
	148,550	133,426
Changes in non-cash operating working capital items (Note 24)	**(2,906)**	16,373
Net cash generated by operating activities	**145,644**	149,799
Investing activities		
Business combinations	—	(64,147)
Proceeds on disposition (Note 4)	**19,000**	33,931
Settlement of purchase price adjustments and obligations	**(25,690)**	(28,838)
Investments in joint ventures and associates (Note 8)	**(4,088)**	(3,616)
Distributions received from joint ventures and associates (Note 8)	**12,064**	9,161
Purchase of property and equipment	**(7,248)**	(16,049)
Purchase of intangible assets	**(4,531)**	(15,008)
Investment acquisitions and other	**(777)**	(685)
Restricted cash and cash equivalents	**(2,417)**	(7,246)
Net cash used in investing activities	**(13,687)**	(92,497)
Financing activities		
Settlement of share-based compensation (Note 20)	**(16,396)**	(2,688)
Dividends to the Company's shareholders	**(85,330)**	(83,394)
Dividends to Non-controlling interest	**(3,930)**	(2,456)
Lease payments	**(18,744)**	(10,407)
Issuance of share capital net of issuance costs of $16 (2019 - $16))	**1,396**	987
Share repurchase and cancellation	**(2,919)**	(29,060)
Long-term debt, net (Note 13 and 16)	**(2,595)**	41,160
Issuance of debentures, net of transaction costs	—	104,993
Interest paid on long-term debt	**(31,226)**	(25,042)
Financing charges	**(111)**	(1,320)
Net cash used in financing activities	**(159,855)**	(7,227)
Net (decrease) increase in cash and cash equivalents	**(27,898)**	50,075
Effect of exchange rate changes on cash denominated in foreign currencies	**537**	(6,322)
Cash and cash equivalents – beginning of year	**96,219**	52,466
Cash and cash equivalents – end of year	**68,858**	96,219

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which 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.

The Company's head office is located at 1981 McGill College Avenue, Suite 1500, Montréal, Quebec, Canada. The Company's Class A subordinate voting shares ("Class A Shares") are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

The Company's Board of Directors (the "Board") approved the consolidated financial statements for the years ended December 31, 2020 and 2019 on March 17, 2021.

2. Basis of presentation and adoption of new IFRS

Compliance with IFRS

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2020.

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

The Company has prepared and presented these consolidated financial statements in Canadian dollars.

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.

2. Basis of presentation and adoption of new IFRS (continued)

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.

3. Significant accounting policies, judgments and estimation uncertainty

Significant accounting policies

This note provides a list of significant accounting policies adopted in the presentation of these consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities measured at fair value through profit or loss (including derivatives) and investments in joint ventures and associates measured using the equity accounting method.

Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries (including structured entities) and its share of interests in joint ventures and associates. All intercompany transactions and balances with subsidiaries are eliminated on consolidation.

Subsidiaries (including structured entities) are those entities which the Company controls. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. Assessing whether the Company has control over an investee can require significant judgment.

Non-controlling interests 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.

Where applicable, the subsidiaries’ accounting policies are modified at the business acquisition date to ensure that they are consistent with the policies adopted by the Company.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related costs are expensed when incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of earnings (loss). The determination of fair value involves making estimates relating to assets acquired and liabilities assumed including among others, intangible assets, property and equipment and contingent consideration. Contingent consideration that is classified as a financial liability measured at fair value through profit and loss is remeasured at each subsequent reporting date with the corresponding gain or loss being recognized in the statements of earnings (loss).

Goodwill is measured as the excess of the consideration transferred over the net amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of earnings (loss) as a bargain purchase gain.

Investments in joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company's interests in joint ventures and associates are accounted for using the equity method of accounting. They are initially recognized at cost. Subsequent to the acquisition date, the Company's share of earnings of a joint venture and an associate is recognized in the consolidated statements of earnings (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Where applicable, the joint venture's and associate's accounting policies are modified at the acquisition date to ensure that they are consistent with the policies adopted by the Company.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

The Company assesses at each year end whether there is any objective evidence that its interests in joint ventures and associates are impaired; if impaired, the carrying value of the Company's investment in the joint venture or associate is written down to its estimated recoverable amount (being the higher of fair value less costs to sell and value-in-use) and charged to the consolidated statements of earnings. In accordance with IAS 36 – *Impairment of assets*, impairment losses are reversed in subsequent years if the recoverable amount of the investment subsequently increases and the increase can be related objectively to an event occurring after the impairment was recognized.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses from the settlement of foreign currency transactions and from the translation at reporting date exchange rates for monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of earnings. Foreign exchange gains or losses are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to a part of the net investment in a foreign operation. Non-monetary assets and liabilities denominated in foreign currencies are translated in Canadian dollars using the exchange rates in effect at the date of initial recognition.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Canadian dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated at exchange rates at the date of transactions.

Translation gains or losses related to foreign operations are recognized in other comprehensive income (loss) and are reclassified in earnings on disposal or partial disposal of the investment in the related foreign operations.

Derivative financial instruments

The Company uses derivative financial instruments including interest rate and cross currency swaps and forward foreign exchange contracts, to manage its exposure to foreign exchange, interest rate and market risks arising from operational, financing and investment activities. Derivative financial instruments are used only for economic hedging purposes and not as speculative instruments.

The Company designates certain derivatives as cash flow hedges. When hedge accounting is applied, the Company documents at the inception of the hedging transaction, the relationship between the hedging instrument and hedged items as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment both at hedge inception and on an ongoing basis, of whether the derivatives that are used for hedging transactions have been and will continue to be highly effective in offsetting changes in fair values and cash flows of hedged items.

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item. For trading derivatives, gains or losses on remeasurement to fair value are recognized immediately in profit or loss.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

For derivatives qualifying as cash flow hedges, the effective portion of changes in fair value of derivatives that qualify for hedge accounting are recognized in other comprehensive income (loss) and accumulated reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss.

When a hedging instrument designed as a cash flow hedge expires, is sold or terminated, or when a hedge no longer meets the definition for hedge accounting, any cumulative gains or losses in equity at that time remain in equity and are recognized when the transaction is ultimately recognized in profit or loss.

Derivatives are classified as current when the remaining maturity of the contract is less than 12 months.

Revenue recognition

Revenue is recognized when or as the performance obligations are satisfied and control of the services is transferred to the Company. Control either transfers over time or at a point in time, which affects when revenue is recorded.

Base management fees are calculated and invoiced monthly or quarterly based on daily average assets under management ("AUM") or invoiced quarterly in arrears based on the calendar quarter-end or month-end asset values under management or on an average of opening and closing AUM for the quarter.

Performance fees are recognized when the amount to be received is known and it is highly probable that the revenue recognized will not result in a subsequent reversal of revenue recognized to date. This may be earlier than the performance measurement dates contained in the individual account agreements and which may be dependent upon performance of the account exceeding agreed-upon benchmarks over the relevant period.

Other revenues

Other revenues consist mainly of brokerage commissions, consulting fees, tax planning and unrealized and realized gains or losses on forward foreign exchange contracts.

Deferred revenues

Payments received in advance for services to be provided to external parties are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related services are rendered.

Employee benefits

Post-employment benefit obligations

Certain employees of the Company have entitlements under the Company's defined contribution pension plans. The cost of defined contribution pension plans is charged to expense as the contributions are earned by the employees.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Bonus plans

The Company recognizes a provision and an expense for bonuses at the time the Company becomes contractually obliged to make a payment or when there is a past practice that has created a constructive obligation.

Share-based compensation

The fair value of share-based payments is measured in accordance with IFRS 2, *Share-based payment*. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed based on cliff vesting or graded vesting, depending on the individual plans, over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in contributed surplus.

For cash-settled share-based payments, a liability is recognized at the grant date and is remeasured at each reporting period until the liability is settled, with any changes in fair value recognized in profit or loss.

Stock options

Share-based compensation expense is recorded using the fair value method. Under this method, the compensation expense for each tranche is measured at fair value at the grant date using the Black-Scholes option-pricing model and recognized as share-based compensation over the vesting period with an equal and offsetting amount recorded to contributed surplus.

The vesting period is the period over which all the specified vesting conditions are to be satisfied. When stock options are exercised, any consideration paid by employees is credited to share capital and the recorded fair value of the options is removed from contributed surplus and credited to share capital.

Deferred share unit plan

The Deferred Share Unit Plan ("DSU Plan") is recorded as a share-based liability since the payments will be made in cash when a participant ceases to be a director. The expense associated with granting deferred share units ("DSU") was recognized when the deferred shares were issued. Changes in the fair value of previously issued DSU that arise due to changes in the price of the Company's Class A Shares are recognized in the consolidated statements of earnings (loss).

The liability related to this plan is classified as current and is recognized in accounts payable and accrued liabilities. The liability is derecognized when the DSUs are settled.

A DSU participant's account is credited with dividend equivalents in the form of additional DSUs at each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Restricted share unit plan

The Restricted Share Unit Plan ("RSU Plan") is recorded as a share-based liability since a portion may be settled in cash, at the sole discretion of the Company. The liability is remeasured at each reporting period based on the closing trading price of the Company's Class A Shares on the TSX and is remeasured until the settlement date. The fair value of the restricted share unit ("RSU") is determined at each reporting date and the expense is recorded over the remaining vesting period on a straight-line basis. When the Company's intention is to settle an award in shares, then the fair value is established at grant date and is not remeasured.

An RSU participant's account is credited with dividend equivalents in the form of additional RSUs at each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

Restricted share unit plan – cash

This plan is accounted for as a cash-settled share-based liability since the payments will be made in cash. The liability is remeasured at each reporting period based on the closing trading price of the Company's Class A Shares on the TSX and is remeasured until the settlement date. The expense is recorded over the remaining vesting period on a straight-line basis.

An RSU – cash participant's account is credited with dividend equivalents in the form of additional RSUs at each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

Performance Share Unit ("PSU") and Unit Appreciation Right ("UAR") Plan applicable to Business Units ("PSU and UAR plan applicable to BU")

Under the terms of this plan, the Company grants PSU and UAR at a value determined by reference to the value of a specific business unit rather than by reference to the trading price of the Company's Class A Shares.

At the time of grant of any PSU plan applicable to BU or UAR plan applicable to BU, the Company determines (i) the award value, (ii) the number of PSU or UAR granted, (iii) the value of each PSU or UAR granted, (iv) the formula used to determine the value of the applicable business unit, (v) the vesting terms and conditions, and (vi) the applicable vesting date(s).

The fair value of equity-settled instruments is measured at the grant date which is the date at which the Board approves the plan or when the Company and the participant agree to a share-based compensation arrangement and requires that the Company and the participant have a shared understanding of the terms and conditions of the arrangement. The Company recognizes compensation expense on a proportionate basis over the vesting period.

The method of settlement is determined for each grant. Such methods may include all or a portion of the value of the vested PSU and UAR payable in Class A Shares or in cash, at the sole discretion of the Company. The Company's intention on the settlement method determines if a plan is accounted for as cash-settled or as equity-settled. When the payment obligation is settled through the delivery of shares, the Company determines the total number of the Class A Shares to be issued based on the total settlement date value divided by a volume-weighted average price as defined in the plan.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

The compensation expense is recognized either based on a cliff vesting or a graded vesting schedule over the vesting period when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the units are reassessed at the end of each reporting period.

PSU Plan

Under the terms of the PSU plan, the Company grants PSUs at a value determined by reference to the trading price of the Class A Shares of the Company.

At the time of grant of any PSU plan, the Company determines (i) the award value, (ii) the number of PSUs granted, (iii) the value of each PSU granted, (iv) the vesting terms and conditions of the PSUs, and (v) the applicable vesting date(s).

The fair value of equity instruments is measured at the grant date which is the date at which the Company and the participant agree to a share-based compensation arrangement and requires that the Company and the participant have a shared understanding of the terms and conditions of the arrangement. For the PSU plans accounted for as cash-settled, the liability is measured at each reporting period based on the closing trading price of the Company's Class A Shares on the TSX and is remeasured until the settlement date.

The method of settlement is determined for each grant. Such methods may include all or a portion of the value of the vested PSUs payable in Class A Shares or in cash, at the sole discretion of the Company. The Company's intention on the settlement method determines if a plan is accounted for as cash-settled or as equity-settled. When the payment obligation is settled through the delivery of shares, the Company determines the total number of the Class A Shares to be issued based on the total settlement date value divided by a volume-weighted average price as defined in the plan.

The PSU compensation expense is recognized either based on a cliff vesting or a graded vesting schedule over the vesting period when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period.

A PSU participant's account is credited with dividend equivalents in the form of additional PSUs at each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

Acquisition costs

Acquisition costs include expenses, fees, commissions and other costs associated with the collection of information, negotiation of contracts, risk assessments related to business combinations that have closed or that are being contemplated. These expenses are mostly composed of legal, advisors and specialists' fees.

Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net earnings (loss) for the year attributable to equity owners of the Company by the weighted average number of shares and holdback shares outstanding during the year.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Diluted EPS is calculated by adjusting the weighted average number of shares that would have been outstanding assuming the conversion of all dilutive share-based awards. The number of shares included with respect to options and similar instruments is computed using the treasury stock method, with only the bonus element of the issue reflected in diluted EPS. The bonus element is the difference between the number of ordinary shares that would be issued at the exercise price and the number of ordinary shares that would have been issued at the average trading price per share. The Company's potentially dilutive shares include stock options, RSUs, PSU and UAR applicable to BU, PSU, contingent purchase price consideration payable in shares for which management expects the shares to be issued based on meeting target conditions specified in the acquisition agreement, shares issued from treasury through the dividend reinvestment plan and convertible debentures. In the event where basic EPS is negative, diluted EPS is calculated similarly to basic EPS.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Regular-way purchases and sales of financial assets are recognized on the trade date.

Classification

At initial recognition, all financial instruments are recorded at fair value on the consolidated statements of financial position. Financial assets must be classified as subsequently measured at fair value through other comprehensive income (loss), at amortized cost, or at fair value through profit or loss. The Company determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. At initial recognition, financial liabilities are classified as subsequently measured at amortized cost or at fair value through profit or loss.

Financial assets at amortized cost

A financial asset is measured at amortized cost if its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding, if it is held within a business model whose objective is to hold assets to collect contractual cash flows and is not designated at fair value through profit or loss.

Financial assets at fair value through profit or loss

The instruments held by the Company that are classified in this category are certain securities and obligations, classified under investments and derivative financial instruments in the consolidated statements of financial position.

Financial instruments in this category are measured initially and subsequently at fair value through profit and loss. Transaction costs are expensed as incurred in the consolidated statements of earnings (loss). Gains and losses arising from changes in fair value are presented in the consolidated statements of earnings (loss) in the period in which they arise. Dividends on financial assets through profit or loss are recognized in the consolidated statements of earnings (loss) when the Company's right to receive dividends is established.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Financial assets at fair value through profit or loss are classified as current except for the portion expected to be realized or received beyond twelve-months of the consolidated statement of financial position date, which is classified as non-current.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Amounts that may be payable under written put rights or as purchase price obligations are initially recorded at their fair value and subsequently remeasured to fair value at each reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and bank overdrafts.

Restricted cash and cash equivalents

Restricted cash and cash equivalents consists of client deposits received following the settlement of a class action in favour of certain clients for whom the Company acted as agent, cash held in a segregated account, in connection with lease arrangements and cash subject to regulatory restrictions and therefore not available for general use.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible assets, right-of-use assets and property and equipment are no longer amortized or depreciated.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Goodwill

Goodwill represents the excess of the consideration transferred in a business combination over the fair value of the Company's share of the net identifiable assets acquired at the date of acquisition. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Intangible assets

Intangible assets with an indefinite life such as the asset management contracts with investment funds are accounted for at historical cost. Transaction costs, such as professional fees, are capitalized when they are directly attributable to preparing the intangible asset for its intended use. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. Accordingly, the Company does not amortize these intangible assets, but reviews them for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired.

Intangible assets with a finite life are accounted for at historical cost, less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Other intangible assets are comprised of trade names, software and non-compete agreements.

The expected useful lives of finite-life customer relationships and asset management contracts are analyzed each year and determined based on the analysis of the historical and projected attrition rates of clients and other factors that may influence the expected future economic benefit that the Company will generate from the customer relationships or management contracts.

Development costs for internally-generated intangible assets are capitalized when all of the following conditions are met:

- technical feasibility can be demonstrated;
- management has the intention to complete the intangible asset and use it;
- management can demonstrate the ability to use the intangible asset;
- it is probable that the intangible asset will generate future economic benefits;
- the Company can demonstrate the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- costs attributable to the asset can be measured reliably.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditures are charged to the consolidated statements of earnings (loss) in the period in which they are incurred.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Amortization of finite-life intangible assets is based on their estimated useful lives using the straight-line method over the following periods:

Asset management contracts	6 to 10 years
Customer relationships	5 to 20 years
Other intangible assets	2 to 8 years

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. For office facilities for which the Company is a lessee, an election was made not to separate non-lease components and instead account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurement of the lease liability as described below. The right-of use asset is depreciated using the straight-line method over the lesser of the lease term and the useful life of the asset.

The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of leased asset.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

The lease liability is subsequently increased by the interest accretion expense and decreased by the lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use-assets and lease liabilities for low-value leases. The Company did not elect to use the exemption which permits it to exclude right-of-use assets and lease liabilities with a lease term of less than 12 months. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Property and equipment

Property and equipment are presented at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are expensed in the consolidated statements of earnings (loss) during the period in which they are incurred.

The major categories of property and equipment are depreciated over their estimated useful lives using the straight-line method over the following periods:

Office furniture and equipment	5 to 10 years
Computer equipment	3 years
Leasehold improvements	Shorter of lease term or useful life

Residual values, methods of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized in the consolidated statements of earnings (loss).

Impairment of non-financial assets

Property and equipment and finite-life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount is greater than its estimated recoverable amount. For the purpose of measuring recoverable amounts, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Value-in-use is determined by discounting estimated future cash flows, using a pre-tax discount rate that reflects current assessments of the market, of the time value of money and of the risks specific to the CGU.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Fair value less costs to sell can be determined using an EBITDA (earnings before interest, taxes, depreciation and amortization) multiple of comparable companies operating in similar industries for each CGU less cost to sell, or using discounted cash flows less cost to sell, as appropriate. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statements of earnings (loss).

Impairment losses recognized are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the operating segment on a pro rata basis. Previously impaired non-financial assets are reassessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there have been changes to the estimates used to determine the recoverable amount, and that these changes will be supported in the future. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

For goodwill impairment testing purposes, the operating segment represents the lowest level within the Company at which management monitors goodwill.

Restructuring provisions

The Company recognizes termination benefits when employment is terminated by the Company, or when an employee accepts an offer of voluntary redundancy in exchange for benefits and the Company can no longer withdraw the offer of those benefits or when the Company recognizes costs for a restructuring involving termination benefits. Benefits payable more than twelve months after the end of the reporting period are discounted to their present value.

Provisions, representing termination benefits, are measured at management's best estimate of the expenditures required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is significant.

Compound financial instruments

Convertible unsecured subordinated debentures ("convertible debentures") issued by the Company are accounted for as compound financial instruments. The liability component of a compound financial instrument is measured initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Income taxes

Income taxes are comprised of current and deferred tax. Income taxes are recognized in the consolidated statements of earnings (loss), except to the extent that they relate to items recognized directly in equity, in which case the income taxes are also recognized directly in equity.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income taxes are recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income taxes are determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income taxes are provided on temporary differences arising on investments in subsidiaries and joint ventures except in the cases of subsidiaries where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Share capital

Class A Shares and Class B special voting shares (“Class B Shares”) are classified as equity. Incremental costs directly attributable to the issuance of shares or options are recognized as a deduction from equity, net of tax, from the proceeds.

Dividends

Dividends on Class A and Class B shares are recognized when the dividends are declared and approved by the Company’s Board of Directors.

Contributed surplus

Contributed surplus is mostly comprised of a reserve for share-based payments recorded at fair value at the grant date, along with related deferred taxes and premiums paid upon share repurchases.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Significant accounting judgments and estimation uncertainties

In applying the Company's accounting policies, management is required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets, liabilities and disclosures made in the consolidated financial statements that are not readily apparent from other sources.

Estimates and judgments are significant when:

- the outcome is highly uncertain at the time the estimates and judgments are made; and
- if different estimates or judgments could reasonably have been used that would have had a material impact on the consolidated financial statements.

Management's best estimates regarding the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcomes as the basis for determining estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from the estimates used, and such differences could be material. Management's annual budget and long-term plan which covers a five-year period are key information for many significant estimates necessary to prepare these consolidated financial statements. Management prepares a budget on an annual basis and periodically updates its long-term plan. Cash flows and profitability included in the budget and long-term plan are based on existing and expected future assets under management, general market conditions and current and future cost structures. The Board approves the annual budget and long-term plan.

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

Share-based payments

The Company recognizes compensation expense for cash and equity-settled transactions with employees by reference to the fair value of the related instruments at the date at which they are granted and for cash settled transactions, at each subsequent reporting date. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. This also requires making assumptions and determining the most appropriate inputs to the valuation model and assessing whether it is likely that the applicable performance conditions will be met and estimating the number of units expected to vest.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

Impairment of non-financial assets and cash generating units

Management is required to use judgement in determining the groupings of CGUs for the level at which non-financial assets are tested for impairment.

Management has assessed that there is one operating segment, asset management services. For the purpose of goodwill impairment testing, goodwill has been allocated to the group of CGUs representing the operating segment as it is the lowest level within the Company at which goodwill is monitored. Goodwill is tested annually for impairment. The recoverable amount of the operating segment is determined based on the higher of value-in-use and fair value less cost of disposal calculation. This calculation requires assumptions and the use of estimates including growth rates for future cash flows, the number of years used in the cash flow model, the discount rate and other estimates.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired. Management also assess for indicators of impairment of finite-life intangible assets at each reporting period. If there is an indication that an asset may be impaired, an impairment test is performed by comparing the carrying amount of the intangible asset to its recoverable amount. The recoverable amounts of intangible assets are based on the higher of value in use or fair value less cost to sell, which involves making estimates about the future cash flows including projected attrition and growth rates which affect assets under management, discount rates and gross profit margin percentage.

Leases

The Company has applied judgement to determine the lease term for certain lease contracts in which it is a lessee when they include purchase, renewal or termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term. The Company has also applied judgment to determine the discount rate used to discount future lease payments. The lease terms and discount rates may significantly affect the carrying amount of lease liabilities and the right-of-use assets recognized.

Business combinations and other transactions

The purchase price allocation process resulting from a business combination or transaction accounted for as an acquisition of assets and assumed liabilities requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

Income taxes

The calculation of income tax expense requires significant judgment in interpreting tax rules and regulations in multiple jurisdictions, which are subject to change. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

3. Significant accounting policies, judgments and estimation uncertainty (continued)

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

4. Business disposition and assets held for sale

During the year ended December 31, 2020, the Company divested or reclassified a business as held for sale resulting in the recognition of a $6,326 gain.

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 $19,000.

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 (Note 13) issued by Wilkinson Global Asset Management LLC for a notional amount of $35,655 (US$27,987) and working capital of $3,583 (US$2,812) 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$1,750. 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 Advisors ("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 ($5,391), Property, equipment and right-of-use asset ($8,942), Intangible assets and goodwill ($43,696) and lease liability ($7,875).

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

5. Restructuring, integration and other costs

During the years ended December 31, 2020 and 2019, the Company recorded the following:

	2020	2019
	$	$
Restructuring costs related to severance	**27,350**	11,752
Other restructuring costs	**3,454**	399
Integration and other costs	**8,529**	2,388
	39,333	14,539

On June 17, 2020, the Company announced a change to its global management structure and as a result recognized a charge of $23,243 during the year ended December 31, 2020 within restructuring provisions related to severance.

The remaining restructuring charges are mainly composed of severance costs due to corporate reorganizations following business combinations and sales and other transactions.

Integration costs are mainly composed of professional fees, relocation and lease related costs and other expenses incurred as a result of the integration of businesses acquired during the year ended December 31, 2019.

The change in the restructuring provision for severance-related expenses during the years ended December 31, 2020 and 2019 is as follows:

	Severance
	$
Balance, December 31, 2019	**3,384**
Additions during the year	**27,350**
Paid during the year	**(19,428)**
Foreign exchange difference	**(717)**
Balance, December 31, 2020	**10,589**
Balance, December 31, 2018	3,004
Additions during the year	11,752
Paid during the year	(11,372)
Balance, December 31, 2019	3,384

Provision for severance	**As at December 31, 2020**	As at December 31, 2019
	$	$
Current portion	**10,589**	3,159
Non-current portion	**—**	225
Total	**10,589**	3,384

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

6. Investments

The consolidated financial statements include the accounts of the Company and all of its subsidiaries as at December 31, 2020 and 2019. The significant operating subsidiaries are set out in the table below. All principal activities of these subsidiaries are asset management. Unless otherwise stated, they have share capital solely in ordinary shares that are held directly or indirectly by the Company.

	Percentage of equity interest attributable to the Company			
	Direct		Indirect	
Name	2020	2019	2020	2019
	%	%	%	%
Fiera Capital (Asia) Hong Kong Limited (Formerly Clearwater Capital Partners Hong Kong Limited)	**—**	—	**100**	100
Fiera Real Estate Investments Limited	**—**	—	**100**	100
Fiera Capital (IOM) Limited	**—**	—	**100**	100
Fiera Capital (UK) Limited	**—**	—	**100**	100
Fiera Capital Inc.	**—**	—	**100**	100
Fiera Comox Partners Inc.	**60.4**	60.4	**—**	—
Fiera Infrastructure Inc.	**75**	75	**—**	—
Bel Air Investment Advisors LLC	**—**	—	**100**	100
Bel Air Securities LLC	**—**	—	**100**	100
Fiera Private Debt Inc.	**—**	—	**100**	100
Fiera Investments LP[(1)]	**—**	100	**—**	—
Fiera Real Estate UK Limited	**—**	—	**80**	80

[(1)] On April 9, 2020, the Company sold its interest in Fiera Investments LP. (Note 4)

7. Structured entities

Unconsolidated structured entities

The Company manages several investment funds which are unconsolidated structured entities. These investment funds are open-ended and closed-ended investment companies, mutual funds, limited partnerships, pooled funds or other investment entities which invest in a range of assets. Segregated mandates managed on behalf of clients and investment trusts are not considered structured entities. The structured entities are generally financed by the issue of units or shares to investors, although certain funds, mainly property, infrastructure and private equity funds, are also permitted to raise financing through loans from third parties. The Company does not provide a guarantee for the repayment of any borrowings held by these entities and did not provide financial support to unconsolidated structured entities during the years ended December 31, 2020 and 2019.

The Company generates revenues from management and other fees from providing investment management and related services to these investment funds. The fees from these investment funds are calculated based on assets under management or on committed capital. Investment funds are susceptible to market price risk arising from uncertainties about future value of the assets they hold. Market risks are discussed in Note 13 - *Financial Instruments*.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

7. Structured entities (continued)

The following table summarizes the carrying value of the Company's interests in unconsolidated structured entities recognized in the consolidated statement of financial position and the assets under management of unconsolidated structured entities as at December 31, 2020 and 2019. The Company's maximum exposure to loss is the carrying amount of the investment funds held and the loss of future fees.

	As at December 31, 2020	As at December 31, 2019
	$	$
Company's ownership interest in investment funds	**11,033**	8,400
Assets under management of unconsolidated structured entities	**46.2 billion**	43.0 billion

Investment in managed funds

In its capacity as fund manager, the Company has the ability to direct the activities of the funds that it manages through its involvement in the decision-making process. When the Company is also exposed to the variable returns as the principal unit holder and is deemed to control the fund, the fund is consolidated.

During the year ended December 31, 2019, the Company sold a direct holding in a fund that it previously controlled and therefore consolidated. Previous to the redemption of fund units, the Company had classified the net assets of the fund as assets held-for-sale in the consolidated statement of financial position.

During the period in which the Company controlled the funds, the redeemable units owned by other unit holders were presented as amounts due to holders of redeemable units in the Company's consolidated statement of financial position since the units are redeemable at the option of the holders.

During the year ended December 31, 2019, the Company revalued the underlying investment to fair value and recorded a gain of $699, recognized as revaluation of assets held for sale.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

8. Investments in joint ventures and associates

The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. The Company's risks are limited to the carrying value of its investments in joint ventures and associates. The following table presents the change in carrying values of the Company's investments in joint ventures and associates during the year:

	Associates	Joint ventures	Total
	$	$	$
2020			
Opening carrying amount	**531**	**10,504**	**11,035**
Share of earnings	**292**	**5,378**	**5,670**
Additions	**—**	**4,088**	**4,088**
Distributions received	**(206)**	**(11,858)**	**(12,064)**
Foreign exchange differences	**8**	**80**	**88**
Closing carrying amount	**625**	**8,192**	**8,817**
2019			
Opening carrying amount	—	—	—
Share of earnings	—	6,047	6,047
Additions	—	3,616	3,616
Business combination	542	10,237	10,779
Distributions received	—	(9,161)	(9,161)
Foreign exchange differences	(11)	(235)	(246)
Closing carrying amount	531	10,504	11,035

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

9. Trade and other receivables

	As at December 31, 2020	As at December 31, 2019
	$	$
Trade accounts	**134,406**	150,801
Trade accounts – related companies of shareholders	**1,719**	7,174
Trade accounts – related parties	**763**	1,226
Lease inducements receivable	**1,706**	1,043
Other	**7,418**	16,769
	146,012	177,013

The aging of accounts receivable is as follows:

	As at December 31, 2020	As at December 31, 2019
	$	$
Trade		
Current	**129,558**	139,956
Aged between 61 – 119 days	**2,625**	6,452
Aged greater than 120 days	**2,223**	4,393
Total trade	**134,406**	150,801
Related companies of shareholders and related parties		
Current	**1,719**	7,313
Aged between 61 – 119 days	**35**	8
Aged greater than 120 days	**728**	1,079
Total related companies of shareholders and related parties	**2,482**	8,400
Lease inducements receivable and Other	**9,124**	17,812
	146,012	177,013

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

10. Goodwill and intangible assets

		Indefinite life	Finite-life			
	Goodwill	Asset management contracts	Asset management contracts	Customer relationships	Other	Total
	$	$	$	$	$	$
For the year ended December 31, 2020						
Opening carrying amount	**687,899**	**87,118**	**74,516**	**339,872**	**15,374**	**516,880**
Additions	**—**	**—**	**289**	**—**	**149**	**438**
Additions – internally developed	**—**	**—**	**—**	**—**	**4,638**	**4,638**
Reclassification to assets held for sale (Note 4)	**(14,046)**	**(2,421)**	**—**	**(38,189)**	**(1,401)**	**(42,011)**
Impairment	**—**	**(66,357)**	**(554)**	**—**	**—**	**(66,911)**
Disposition (Note 4)	**(24,619)**	**(4,779)**	**—**	**(8,882)**	**—**	**(13,661)**
Amortization for the year	**—**	**—**	**(18,379)**	**(30,336)**	**(8,685)**	**(57,400)**
Foreign exchange difference	**(3,823)**	**(1,053)**	**(189)**	**(2,013)**	**(64)**	**(3,319)**
Closing carrying amount	**645,411**	**12,508**	**55,683**	**260,452**	**10,011**	**338,654**
Balance, December 31, 2020						
Cost	**635,318**	**79,392**	**153,593**	**400,076**	**39,028**	**672,089**
Accumulated amortization and impairment	**(1,918)**	**(66,357)**	**(97,480)**	**(137,247)**	**(28,597)**	**(329,681)**
Foreign exchange difference	**12,011**	**(527)**	**(430)**	**(2,377)**	**(420)**	**(3,754)**
Closing carrying amount	**645,411**	**12,508**	**55,683**	**260,452**	**10,011**	**338,654**
For the year ended December 31, 2019						
Opening carrying amount	631,699	86,143	61,268	363,093	18,558	529,062
Additions	—	—	—	15,709	230	15,939
Additions – internally developed	—	—	—	—	4,626	4,626
Reclassification to assets held for sale	(176)	—	—	—	—	—
Business combinations	70,073	5,190	31,170	—	351	36,711
Disposals	—	—	(397)	—	(828)	(1,225)
Amortization for the year	—	—	(15,823)	(30,143)	(7,009)	(52,975)
Foreign exchange difference	(13,697)	(4,215)	(1,702)	(8,787)	(554)	(15,258)
Closing carrying amount	687,899	87,118	74,516	339,872	15,374	516,880
Balance, December 31, 2019						
Cost	673,983	86,155	153,304	473,968	39,098	752,525
Accumulated amortization and impairment	(1,918)	—	(78,540)	(150,053)	(24,205)	(252,798)
Foreign exchange difference	15,834	963	(248)	15,957	481	17,153
Closing carrying amount	687,899	87,118	74,516	339,872	15,374	516,880

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

10. Goodwill and intangible assets (continued)

During the year ended December 31, 2020 and 2019, the Company incurred development costs related to new internally-developed software. The costs that have been capitalized are presented as additions – internally developed.

Goodwill is monitored by management based on the Company's only operating segment: asset management services. In assessing goodwill for impairment as at December 31, 2020 and 2019, the Company compared the aggregate recoverable amount of the operating segment to the carrying amount. The recoverable amount has been determined based on the higher of value-in-use and fair value less cost of disposal using five-year cash flow budgets and forecasts approved by management and the Board. These make use of observable market inputs when available. Cash flows beyond the five-year budget are determined using an expected long-term growth rate of 2.5%. Key assumptions included the following:

	2020	2019
	%	%
Weighted average revenue growth rate	**5.9**	10.5
Discount rate	**12.8**	14.0

Reasonable changes in key assumptions would not cause the recoverable amount of goodwill to fall below the carrying value.

Impairment tests of indefinite-life intangible assets

The Company was informed by City National Rochdale ("CNR") of its decision to remove 100% of their assets from an Emerging Markets Fund which Fiera managed that invested primarily in Asian emerging markets. The Company acquired the asset management contract of the Emerging Market Fund from CNR on December 1, 2017 and accordingly, had recognized US$60,292 of indefinite life intangible assets. This is expected to reduce AUM by US$1.7 billion in the first quarter of fiscal 2021.

Accordingly, management estimated the recoverable amount of the asset management contract based on the higher of its fair value less cost of disposal and its value in use, both reflecting the decrease in cash flows due to the expected withdrawal of assets from the fund by CNR. The fair value less cost of disposal was used to quantify the impairment charge recorded of $66,357 (US$51,792) during the year ended December 31, 2020.

The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used. The valuation technique used was a discounted cash flow. The key assumptions used in the estimation of the recoverable amount of $10,829 ($US8,500) are presented below.

	2020	2019
	%	%
Weighted average revenue growth rate	**8.6**	15.0
Net contributions rate	**2.5**	2.5
Discount rate	**26.5-30.5**	25.5-29.5
Terminal value growth rate	**—**	—

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

11. Property and equipment

	Office furniture & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$
For the year ended December 31, 2020				
Opening carrying amount	**4,627**	**3,515**	**21,201**	**29,343**
Additions	**2,123**	**1,514**	**4,043**	**7,680**
Reclassification to assets held-for-sale	**(518)**	**(37)**	**(2,481)**	**(3,036)**
Disposals	**(372)**	**(202)**	**(166)**	**(740)**
Depreciation	**(1,472)**	**(2,018)**	**(2,876)**	**(6,366)**
Foreign exchange difference	**(109)**	**32**	**(44)**	**(121)**
Closing carrying amount	**4,279**	**2,804**	**19,677**	**26,760**
Balance, December 31, 2020				
Cost	**11,189**	**9,938**	**27,229**	**48,356**
Accumulated depreciation	**(6,587)**	**(7,217)**	**(7,971)**	**(21,775)**
Foreign exchange difference	**(323)**	**83**	**419**	**179**
Closing carrying amount	**4,279**	**2,804**	**19,677**	**26,760**
For the year ended December 31, 2019				
Opening carrying amount	2,917	2,574	11,008	16,499
Additions	3,016	2,450	11,716	17,182
Business combinations	42	199	508	749
Disposals	(48)	(6)	—	(54)
Depreciation	(1,201)	(1,651)	(2,355)	(5,207)
Foreign exchange difference	(99)	(51)	324	174
Closing carrying amount	4,627	3,515	21,201	29,343
Balance, December 31, 2019				
Cost	10,791	9,411	29,231	49,433
Accumulated depreciation	(6,130)	(5,989)	(8,446)	(20,565)
Foreign exchange difference	(34)	93	416	475
Closing carrying amount	4,627	3,515	21,201	29,343

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

12. Leases

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.

Right-of-use assets

	Right-of-use assets
	$
For the year ended December 31, 2020	
Open carrying amount	**123,392**
Additions	**1,767**
Lease modifications and adjustments	**(719)**
Reclassification to assets held for sale	**(5,906)**
Depreciation	**(18,375)**
Derecognition	**(8,302)**
Foreign exchange difference	**(1,245)**
Closing carrying amount	**90,612**
Balance, December 31, 2020	
Cost	**127,270**
Accumulated depreciation	**(33,992)**
Foreign exchange difference	**(2,666)**
Closing carrying amount	**90,612**
For the year ended December 31, 2019	
Right-of-use assets recognized as at January 1, 2019	117,268
Additions	22,208
Lease modifications and adjustments	1,785
Business combinations	5,113
Depreciation	(19,923)
Derecognition	(431)
Foreign exchange difference	(2,628)
Closing carrying amount	123,392
Balance, December 31, 2019	
Cost	145,419
Accumulated depreciation	(19,405)
Foreign exchange difference	(2,622)
Closing carrying amount	123,392

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

12. Leases (continued)

Lease liabilities

The Company's lease agreements expire at different dates until 2035. Total lease payments for each of the next five years, and thereafter, are as follows:

	$
2021	**16,929**
2022	**16,528**
2023	**17,294**
2024	**14,487**
2025	**13,603**
Thereafter	**60,525**
	139,366
Less : interest	**(22,912)**
Total lease liabilities, net of lease inducements receivable	**116,454**

Extension options

Some leases contain extension options exercisable by the Company. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Potential future cash outflows of $39,621 from 2021 to 2044 have not been included in the lease liability because it is not reasonably certain that these extension options will be exercised.

13. 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 provides a measurement risk 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.

13. Financial instruments (continued)

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 $11,033 as at December 31, 2020 and $8,400 as at December 31, 2019. Investment funds are primarily 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 $1,103 and $840 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, 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

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

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

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to cash and cash equivalents, restricted cash, accounts receivable, investments, derivative financial instruments, accounts payable and accrued liabilities, puttable financial instrument liability, purchase price obligations and long-term debt. The Company manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Company matches the long-term debt in foreign currency with long-term assets in the same currency.

The consolidated statements of financial position as at December 31, 2020 and 2019 include the following amounts expressed in Canadian dollars with respect to the net financial assets (liabilities) for which cash flows are denominated in the following currencies:

	2020	2019
Currency	**$**	$
USD	**(419,317)**	(446,277)
GBP	**4,639**	(17,162)
EUR	**4,886**	1,464

Based on the balances outstanding (excluding long-term debt) as at December 31, 2020, a 5% strengthening or weakening of the US dollar versus the Canadian dollar would result in an increase or decrease in total net income of $900 (2019 – $1,364). A 5% strengthening or weakening of the GBP versus the Canadian dollar would result in an increase or decrease in total net income of $232 (2019 – $858). A 5% strengthening or weakening of the EUR versus the Canadian dollar would result in an increase or decrease in total net income of $244 (2019 – $73). The above calculation does not include the US dollar long-term debt, which is hedged by a long-term asset in the same currency and the cross-currency swap. The long-term asset is not included in the consolidated statements of financial position given that it is an intercompany balance and is eliminated on consolidation.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when they become due. The Company monitors its cash 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.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

The Company has the following financial instrument liabilities and contractual cash flow commitments as at December 31, 2020:

	Carrying amount	Contractual cash flow commitments						
		2021	2022	2023	2024	2025	Other	Total
	$	$	$	$	$	$	$	$
Accounts payable and accrued liabilities	**159,570**	**159,570**	—	—	—	—	—	**159,570**
Amount due to related parties	**2,558**	**2,558**	—	—	—	—	—	**2,558**
Long-term debt[(1)]	**446,880**	—	—	**446,880**	—	—	—	**446,880**
Convertible debt	**188,279**	—	—	**86,250**	**110,000**	—	—	**196,250**
Purchase price obligations	**45,874**	**4,248**	**4,367**	**21,008**	**22,675**	—	—	**52,298**
Puttable financial Instrument liability	**14,945**	—	**14,945**	—	—	—	—	**14,945**
Other non-current liabilities	**1,851**	—	—	**2,371**	**237**	—	—	**2,608**
	859,957	**166,376**	**19,312**	**556,509**	**132,912**	—	—	**875,109**

(1) Excluding deferred financing charges of $1,888 (Note 16).

Fair value investments

The cost and fair value of investments recorded at fair value through profit or loss is $8,661 and $11,033 respectively as at December 31, 2020 ($8,100 and $8,400 respectively as at December 31, 2019).

An unrealized gain of $2,372 and realized loss of $75 was recognized in realized and unrealized (gain) loss on investments during the year ended December 31, 2020 (unrealized gain of $488 and realized gain of $368 during the year ended December 31, 2019).

Convertible and hybrid debentures

The convertible and hybrid debentures are recorded at an amortized cost of $81,963 and $106,316, respectively, as at December 31, 2020 ($80,425 and $105,368 respectively, as at December 31, 2019). The fair value based on market quotes is $88,958 and $111,650, respectively, as at December 31, 2020 ($90,537 and $112,475 as at December 31, 2019).

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

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:

	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**	—

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

	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	—

Financial statement presentation:

	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 $5,091 during the year ended December 31, 2020 (gain of $2,216 for the year ended December 31, 2019) and paid $4,336 as settlement of contracts that matured during the year (paid $963 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 $755 as at December 31, 2019).

13. Financial instruments (continued)

b) Cross currency swaps – held for trading

Under the terms of the Company's revolving facility (Note 16), 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 $210,000 (CDOR plus 1.51% on $225,000 as at December 31, 2019) by borrowing against the US dollar revolving facility, the equivalent of $210,000 (US$164,000) ($225,000 (US$170,500) 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 (Note 16), and therefore is presented in interest on long-term debt and other financial charges.

The Company recorded a gain of $9,855 during the year ended December 31, 2020, with no net impact on earnings (loss) as described above (loss of $12,257 during the year ended December 31, 2019). A total of $7,378 was received during the year ended December 31, 2020 as settlement of these contracts ($7,633 was paid during the year ended December 31, 2019).

The fair value of the cross currency swap contracts was a liability of $1,064 at December 31, 2020 (a liability of $3,540 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 $4,832 during the year ended December 31, 2020 (loss of $710 during the year ended December 31, 2019).

The fair value of the interest rate swap contracts is a liability of $6,241 as at December 31, 2020 (an asset of $537 and a liability of $1,946 as at December 31, 2019).

13. Financial instruments (continued)

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 $2,473 (net of income taxes of $1,180) during the year ended December 31, 2020 (loss of $5,310 (net of income taxes of $811) 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 $5,267 as at December 31, 2020 (a liability of $1,615 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 (Note 16) are US$315,000 as at December 31, 2020 (US$323,660 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.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

Financial instruments by category:

			As at December 31, 2020
	Amortized cost	Fair value through profit or loss	Total
	$	$	$
Assets			
Cash and cash equivalents	**68,858**	**—**	**68,858**
Restricted cash and cash equivalents	**10,547**	**—**	**10,547**
Investments	**—**	**3,512**	**3,512**
Trade and other receivables	**146,012**	**—**	**146,012**
Long-term receivable(1)	**3,758**	**33,659**	**37,417**
Long-term investments	**—**	**7,521**	**7,521**
Other non-current assets(2)	**3,380**	**—**	**3,380**
Total	**232,555**	**44,692**	**277,247**
Liabilities			
Accounts payable and accrued liabilities	**159,570**	**—**	**159,570**
Purchase price obligations	**—**	**45,874**	**45,874**
Puttable financial instrument liability	**—**	**14,945**	**14,945**
Other non-current liabilities(3)	**—**	**1,851**	**1,851**
Derivative financial instruments	**—**	**12,572**	**12,572**
Amounts due to related parties	**2,558**	**—**	**2,558**
Client deposits(4)	**162**	**—**	**162**
Long-term debt	**444,992**	**—**	**444,992**
Convertible debt	**188,279**	**—**	**188,279**
Total	**795,561**	**75,242**	**870,803**

(1) Presented in other non-current assets on the consolidated statements of financial position. Represents the promissory note from the WGAM sale (Note 4).
(2) Represents the long-term portion of the Contingent Value Rights ("CVR") asset.
(3) Represents the long-term portion of the CVR liability and excludes $2,201 in other non-current liabilities not categorized as financial instruments.
(4) Presented in client deposits and deferred revenues on the consolidated statements of financial position.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

			As at December 31, 2019
	Amortized cost	Fair value through profit or loss	Total
	$	$	$
Assets			
Cash and cash equivalents	96,219	—	96,219
Restricted cash and cash equivalents	8,148	—	8,148
Investments	—	2,657	2,657
Trade and other receivables	175,970	—	175,970
Long-term receivable(1)	630	—	630
Long-term investments	—	5,743	5,743
Derivative financial instruments(2)	—	1,292	1,292
Other non-current assets(3)	6,654	—	6,654
Total	287,621	9,692	297,313
Liabilities			
Accounts payable and accrued liabilities	200,316	7,131	207,447
Purchase price obligations	—	127,374	127,374
Puttable financial instrument liability	—	13,997	13,997
Other non-current liabilities(4)	—	3,703	3,703
Derivative financial instruments	—	7,101	7,101
Amounts due to related parties	1,512	—	1,512
Client deposits(5)	155	—	155
Long-term debt	446,699	—	446,699
Convertible debt	185,793	—	185,793
Total	834,475	159,306	993,781

(1) Presented in other non-current assets on the consolidated statements of financial position.
(2) Includes $755 presented in prepaid expenses and other assets on the consolidated statements of financial position.
(3) Represents the long-term portion of the CVR asset.
(4) Represents the long-term portion of the CVR liability and excludes $4,325 in other non-current liabilities not categorized as financial instruments.
(5) Presented in client deposits and deferred revenues on the consolidated statements of financial position.

Fair value hierarchy

The financial assets and liabilities that are recognized on the consolidated statements of financial position at fair value are classified using a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

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

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

The following table presents the financial instruments recorded at fair value in the consolidated statements of financial position, classified using the fair value hierarchy:

				As at December 31, 2020
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments	—	3,512	—	3,512
Long-term receivable	—	—	33,659	33,659
Long-term investments	—	—	7,521	7,521
Total financial assets	—	3,512	41,180	44,692
Financial liabilities				
Accounts payable and accrued liabilities	—	—	—	—
Purchase price obligations	—	—	45,874	45,874
Puttable financial instrument liability	—	—	14,945	14,945
Other non-current liabilities	—	—	1,851	1,851
Derivative financial instruments	—	12,572	—	12,572
Total financial liabilities	—	12,572	62,670	75,242

				As at December 31, 2019
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments	—	2,653	4	2,657
Long-term investments	—	—	5,743	5,743
Derivative financial instruments	—	1,292	—	1,292
Total financial assets	—	3,945	5,747	9,692
Financial liabilities				
Accounts payable and accrued liabilities	—	—	7,131	7,131
Purchase price obligations	—	—	127,374	127,374
Puttable financial instrument liability	—	—	13,997	13,997
Other non-current liabilities	—	—	3,703	3,703
Derivative financial instruments	—	7,101	—	7,101
Total financial liabilities	—	7,101	152,205	159,306

13. **Financial instruments** (continued)

Level 3

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 $64,211 (US$49,152) during the year ended December 31, 2020 ($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 (Note 10) 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 $19,727 in cash ($18,473 during the year ended December 31, 2019). The fair value of the CNR purchase price obligation as at December 31, 2020 was $10,263 (US$8,058) and $74,054 (US$57,108) 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.

13. **Financial instruments** (continued)

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 $6,736 (US$4,960) during the year ended December 31, 2020 (expense of $1,359 (US$1,026) during the year ended December 31, 2019). The decrease was primarily due to lower future expected cash flows as a result of increased market volatility caused by the COVID-19 global pandemic. In connection with the share purchase agreement of Clearwater, the Company issued 1,620,924 Class A Shares for $11,757 during the year ended December 31, 2020 as settlement of the purchase price obligation. The fair value of the Clearwater purchase price obligation as at December 31, 2020 was $29,695 (US$23,306) and $43,753 (US$33,738) 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 $25,018 (US$19,637) and $31,092 (US$24,405) for its purchase price obligation as at December 31, 2020.

Puttable financial instrument liability and call option – Palmer Capital:

The Company has the right but not the obligation to acquire the 20% non-controlling interest in Palmer Capital. This call right can be exercised by the Company on April 30, 2022 or on April 30 of any year thereafter. The non-controlling interest shareholders of Palmer Capital have the right but not the obligation to exercise their put right on the 20% non-controlling interest of Palmer Capital on March 31, 2022 or on March 31 of any year thereafter. If exercised, both the put and the call right would require the Company to acquire the 20% non-controlling interest in Palmer Capital.

The exercise price is the same for both the put and the call rights. The exercise price is a prescribed price calculated based on a multiplier of EBIDTA as defined in the Sale and Purchase Agreement. During the year ended December 31, 2020, the Company amended the put liability agreement to make certain adjustments related to the definition of EBITDA for calculation purposes. This amendment did not have a significant impact on the liability at December 31, 2020.

The Company decreased the fair value of the puttable financial instrument liability and recorded an adjustment of $777 (GBP448) during the year ended December 31, 2020 ($1,003 (GBP598) during the year ended December 31, 2019). The fair value of the puttable financial instrument liability as at December 31, 2020 was $14,945 (GBP8,582) and $13,997 (GBP8,148) as at December 31, 2019.

13. **Financial instruments** (continued)

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. 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 $10,461 (GBP6,007) and $14,945 (GBP8,582) for its purchase price obligation as at December 31, 2020.

Promissory Note – WGAM:

As described in Note 4, 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 $35,655 (US$27,987). 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 each fiscal quarter with a minimum annual repayment of US$1,750. 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 $33,659 (US$26,420) 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 $32,207 (US$25,280) and $34,843 (US$27,349) as at December 31, 2020.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

The reconciliation of Level 3 fair value measurements is presented as follows:

	Investments	Other non-current assets	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Puttable financial Instrument liability	Other non-current liabilities	Total
	$		$	$	$	$	$	$
December 31, 2019	4	—	5,743	(7,131)	(127,374)	(13,997)	(3,703)	(146,458)
Additional investments	(4)	—	1,215	—	—	—	—	1,211
Disposition of investments	—	—	(1,461)	—	—	—	—	(1,461)
Sale of a business	—	33,659	—	—	—	—	—	33,659
Revaluation of puttable financial instrument liability	—	—	—	—	—	777	—	777
Accretion of puttable financial instrument liability	—	—	—	—	—	(1,524)	—	(1,524)
Total realized and unrealized gain on investments	—	—	2,112	—	—	—	—	2,112
Settlement of purchase price obligations	—	—	—	—	37,448	—	—	37,448
Accretion of purchase price obligations	—	—	—	—	(24,449)	—	—	(24,449)
Revaluation of purchase price obligations and CVR	—	—	—	7,131	69,251	—	1,852	78,234
Total realized and unrealized exchange differences recognized in net earnings (loss) and on foreign operations included in other comprehensive income	—	—	(88)	—	(750)	(201)	—	(1,039)
December 31, 2020	—	33,659	7,521	—	(45,874)	(14,945)	(1,851)	(21,490)

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

13. Financial instruments (continued)

	Investments	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Puttable financial Instrument liability	Other non-current liabilities	Total
	$	$	$	$	$	$	$
Fair value as at December 31, 2018	4	—	—	(130,708)	—	—	(130,704)
Additions from business combinations	—	9,653	(6,880)	(1,343)	(13,237)	(3,703)	(15,510)
Additions from asset acquisitions	—	—	—	(5,576)	—	—	(5,576)
Additional investments	—	2,345	—	—	—	—	2,345
Disposition of investments	—	(6,556)	—	—	—	—	(6,556)
Revaluation of puttable financial instrument liability	—	—	—	—	(1,003)	—	(1,003)
Settlement of purchase price obligations	—	—	—	34,386	—	—	34,386
Total realized and unrealized gain on investments	—	568	—	—	—	—	568
Other	—	(61)	—	—	—	—	(61)
Accretion of purchase price obligations	—	—	—	(28,589)	—	—	(28,589)
Revaluation of purchase price obligations and CVR	—	—	(251)	(1,391)	—	—	(1,642)
Total realized and unrealized exchange differences recognized in net earnings (loss) and on foreign operations included in other comprehensive income	—	(206)	—	5,847	243	—	5,884
Fair value as at December 31, 2019	4	5,743	(7,131)	(127,374)	(13,997)	(3,703)	(146,458)

There were no transfers between levels during the years ended December 31, 2020 and 2019.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

14. Accounts payable and accrued liabilities

	As at December 31, 2020	As at December 31, 2019
	$	$
Trade accounts payable and accrued liabilities	**32,679**	52,182
Wages and vacation payable	**7,122**	8,297
Bonuses and commissions payable	**109,645**	115,601
Cash settled share-based liabilities	**2,977**	24,228
Income taxes payable	**4,179**	4,503
Sales taxes payable	**2,968**	2,636
	159,570	207,447

15. Income taxes

Income tax expense for the years ended December 31, is as follows:

	2020	2019
	$	$
Current income taxes	**14,380**	15,650
Deferred income taxes (recovery)	**(6,761)**	(5,958)
	7,619	9,692

The Company's income tax expense differs from the amounts that would have been obtained using the combined Canadian federal and provincial statutory tax rates for the years ended December 31, as follows:

	2020	2019
	$	$
Earnings (loss) before income taxes	**9,646**	(1,014)
Combined federal and provincial statutory tax rates	**26.5 %**	26.6 %
Income tax expense (recovery) based on combined statutory tax rate	**2,551**	(271)
Difference between Canadian and foreign statutory rates	**(2,821)**	(2,465)
Non-deductible and non-taxable items(1)	**6,413**	11,539
Taxable capital gain on disposal of assets	**1,660**	1,411
Prior years' tax adjustments	**(184)**	(522)
	7,619	9,692

(1) Includes acquisition costs of $220 (2019 – $2,246), finance fees of $3,480 (2019 – $3,741), impairment of intangibles of $2,741 (2019 – nil), accretion and change in fair value of purchase price obligations of $141 (2019 – $2,010) and share-based compensation of $1,053 (2019 – $1,259).

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

15. Income taxes (continued)

The movement in deferred income tax assets and liabilities during the years, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	IFRS 16 Assets & Obligations	Joint venture investments & associates	Restructuring provisions	Carry forward losses	Intangible assets	Property and equipment	Other	Total
		$	$	$	$	$	$	$
Balance, December 31, 2019	**5,360**	**(752)**	**692**	**22,942**	**(20,311)**	**(4,801)**	**6,388**	**9,518**
Charged to earnings (loss)	**340**	**752**	**123**	**(16,520)**	**14,623**	**1,150**	**6,293**	**6,761**
Charged to other comprehensive income	**—**	**—**	**—**	**—**	**—**	**—**	**1,180**	**1,180**
Reclassification to income tax payable	**—**	**—**	**—**	**961**	**—**	**—**	**484**	**1,445**
Charged to contributed surplus	**—**	**—**	**—**	**—**	**—**	**—**	**5,660**	**5,660**
Foreign exchange difference	**(1)**	**—**	**—**	**(293)**	**(441)**	**—**	**148**	**(587)**
Balance, December 31, 2020	**5,699**	**—**	**815**	**7,090**	**(6,129)**	**(3,651)**	**20,153**	**23,977**
Balance, December 31, 2018	—	—	550	17,278	(19,936)	(903)	10,615	7,604
Charged to earnings (loss)	5,540	164	142	(1,281)	7,305	(3,722)	(2,190)	5,958
Business combinations	—	(1,227)	—	6,988	(7,880)	—	(3,859)	(5,978)
Charged to other comprehensive income	—	—	—	—	—	—	811	811
Disposal of assets held-for-sale	—	—	—	—	(704)	—	—	(704)
Charged to contributed surplus	—	—	—	—	—	—	2,048	2,048
Foreign exchange difference	(180)	311	—	(43)	904	(176)	(1,037)	(221)
Balance, December 31, 2019	5,360	(752)	692	22,942	(20,311)	(4,801)	6,388	9,518

Financial statement presentation as at December 31:

	2020	2019
	$	$
Non-current deferred income tax assets	**34,121**	23,559
Non-current deferred income tax liabilities	**(10,144)**	(14,041)
Total	**23,977**	9,518

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

16. Long-term debt

	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

On November 14, 2019, the Company entered into the Sixth Amended and Restated Credit Agreement (“Credit Agreement”) comprised of a $600,000 senior unsecured revolving facility (“Facility”) which can be drawn in Canadian or US dollars at the discretion of the Company.

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 (Note 17) 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 $200,000 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.

As at December 31, 2020, the total amount drawn on the Facility was $45,569 (December 31, 2019 – $29,784) and US$315,000 ($401,310) (December 31, 2019 – US$323,660 ($419,706)).

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.

Reconciliation of long-term debt arising from financing activities for the years ended December 31:

	2020	2019
	$	$
Balance, beginning of year	**446,699**	421,527
Cash flows		
(Reimbursement)/proceeds from borrowings	**(9,973)**	49,005
Capitalized borrowing costs	**(111)**	(1,320)
Non-cash changes		
Amortization of deferred financing charges	**1,015**	726
Foreign exchange difference	**7,362**	(23,239)
Balance, end of year	**444,992**	446,699

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

17. Convertible debt

The balance of the convertible debt consists of the following:

	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

a) Convertible debentures – 5.00% due June 23, 2023

	As at December 31, 2020	As at December 31, 2019
	$	$
Face value	**86,250**	86,250
Less:		
Issuance costs	**(4,031)**	(4,031)
Equity component (net of issuance costs of $224)	**(4,568)**	(4,568)
Cumulative accretion expense on liability component	**4,312**	2,774
Non-current portion	**81,963**	80,425

On December 21, 2017, the Company issued 86,250 unsecured convertible debentures at 5% maturing on June 23, 2023, with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of $86,250. The convertible debentures are convertible at the option of the holder at a conversion price of $18.85 per Class A Shares. The convertible debentures are not redeemable by the Company before June 30, 2021. The convertible debentures are redeemable by the Company at a price of $1 per convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of $18.85 per share). On or after June 30, 2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of $1 per convertible debenture, plus accrued and unpaid interest.

During the year ended December 31, 2020, $4,313 was paid as accrued interest ($4,313 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.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

17. Convertible debt (continued)

b) Hybrid debentures – 5.60% due July 31, 2024

	As at December 31, 2020	As at December 31, 2019
	$	$
Face value	**110,000**	110,000
Less:		
Issuance costs	**(5,007)**	(5,007)
Accretion expense on liability component	**1,323**	375
Non-current portion	**106,316**	105,368

On July 4, 2019, the Company issued $100,000 senior subordinated unsecured hybrid debentures due July 31, 2024 and on July 9, 2019 the Company issued $10,000 senior subordinated unsecured hybrid debentures related to the over allotment option, due July 31, 2024 (together, the “Hybrid debentures”). The Hybrid debentures bear interest at a rate of 5.60% per annum, payable semi-annually in arrears on January 31 and July 31 of each year, with the first interest payment on January 31, 2020. The Hybrid debentures will not be redeemable before July 31, 2022, except upon the satisfaction of certain conditions after a change of control of the Company. On and after July 31, 2022 and prior to July 31, 2023, the Hybrid debentures will be redeemable in whole or in part from time to time at the Company’s option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 102.80% of the principal amount redeemed plus accrued and unpaid interest. On and after July 31, 2023 and prior to the maturity date on July 31, 2024, the Hybrid debentures will be redeemable, in whole or in part, and from time to time, at the Company’s option, on not more than 60 days and not less than 30 days prior notice, at a price of $1 per Hybrid debenture plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the Hybrid debentures due at redemption or at maturity on July 31, 2024 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

During the year ended December 31, 2020, $6,622 was paid as accrued interest (nil during the year ended December 31, 2019). At December 31, 2020, an amount of $2,567 ($3,080 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.

18. Share capital and accumulated other comprehensive income

Authorized

The Company is authorized to issue an unlimited number of Class A Shares and an unlimited number of Class B Shares. The Class B Shares may only be issued to Fiera Capital L.P.

Except as described below, the Class A Shares and the Class B Shares have the same rights, are equal in all respects and are treated as if they were shares of one class only. The Class A Shares and Class B Shares rank equally with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Company.

The holders of outstanding Class A Shares and Class B Shares are entitled to receive dividends out of assets legally available at such times and in such amounts and form as the Board may, from time to time, determine without preference or distinction between Class A Shares and Class B Shares.

Class A Shares and Class B Shares each carry one vote per share for all matters other than the election of directors. With respect to the election of directors, holders of Class A Shares are entitled to elect, voting separately as a class, one-third of the members of the Board while holders of Class B Shares are entitled to elect, voting separately as a class, two-thirds of the members of the Board of the Company.

The Class A Shares are not convertible into any other class of shares. Class B Shares are convertible into Class A Shares on a one-for-one basis, at the option of the holder as long as Fiera Capital L.P. is controlled by current shareholders of Fiera Capital L.P. or holds at least 20% of the total number of issued and outstanding Class A Shares and Class B Shares.

The shares have no par value.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares. Preferred Shares are issuable in series and would rank, both in regard to dividends and return on capital, in priority to the holders of the Class A Shares, the holders of the Class B Shares and over any other shares ranking junior to the holders of the Preferred Shares. Other conditions could also be applicable to the holders of the Preferred Shares. The Company has not issued any Preferred Shares.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

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

The following table provides details of the issued, fully paid and outstanding common shares:

	Class A		Class B		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 cancellations	**(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 a 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 cancellations	(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).

2020

Issuance of shares

Shares issued as settlement of purchase price obligations

During the year ended December 31, 2020, in connection with the asset purchase agreement of Clearwater, the Company issued 1,620,924 Class A Shares for $11,741, net of issuance costs, as settlement of the purchase price obligation.

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

Stock option exercised

During the year ended December 31, 2020, 205,185 stock options were exercised and 205,185 Class A Shares were issued for $1,688.

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 $2,919 to purchase and cancel 274,800 Class A Shares through the facilities of the TSX which reduced share capital by $2,604 and the excess paid of $315 was charged to contributed surplus.

Dividends

During the year ended December 31, 2020, the Company declared dividends on Class A Shares and Class B Shares totaling $86,564 ($0.84 per share). During the year ended December 31, 2020, 134,380 Class A Shares were issued for $1,234 under the dividend reinvestment plan. These shares were issued from treasury at a discount of nil. During the year ended December 31, 2020, 12,616 Class A Shares were purchased on the open market for $1,273 to settle dividends under the dividend reinvestment plan.

2019

Issuance of shares

Shares issued as part of a business combinations

On April 3, 2019, as part of the acquisition of Palmer Capital, the Company issued 1,430,036 Class A Shares for $16,975.

On July3, 2019, as part of the acquisition of IAM, the Company issued 1,614,297 Class A Shares for $18,338.

Shares issued as settlement of purchase price obligations

On February 13, 2019, in connection with the asset purchase agreement of Fiera Private Debt (formerly Centria Commerce Inc. prior to the acquisition date, and subsequently renamed Fiera Private Lending, then Fiera Private Debt), the Company issued 458,157 Class A Shares for $5,532 as settlement of purchase price obligations, net of issuance costs.

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

Performance share units and restricted share units settled

During the year ended December 31, 2019, 2,194,706 Class A Shares were issued following the vesting of performance share units.

Stock option exercised

During the year ended December 31, 2019, 152,377 stock options were exercised and 152,377 Class A Shares were issued for $1,241.

Share repurchase and cancellation

On May 9, 2019, the Company entered into a share purchase agreement by which an affiliate of Natixis Investment Managers S.A. (“Natixis”), a global asset management firm, Natixis Investment Managers Canada Holdings Ltd. (“Natixis Canada Holdings”), acquired a total of 10,680,000 Class A Shares of the Company from Natcan Investment Management Inc. (“Natcan”), a wholly-owned subsidiary of National Bank of Canada, and DJM Capital for total consideration of $128,160. The Board approved the share purchase agreement for the purchase for cancellation of 2,450,000 of its Class A Shares from Natcan for total consideration of $29,400. The fair value of the shares cancelled was $23,661 and the premium paid by the Company of $5,739 was recorded in contributed surplus. The closing and settlement dates for this transaction was May 9, 2019.

Conversion of holdback shares

On July 11, 2019, in connection with the acquisition of CGOV Asset Management on May 31, 2018, the Company settled a purchase price obligation payable in contingently issuable Class A Shares.

As a result of the settlement, 384,292 of the 923,778 Class A Shares held in escrow as contingently issuable Class A Shares were released to the seller, and the remaining 539,486 Class A Shares were returned to treasury and cancelled.

Class A Shares held in escrow as reinvested dividends were also released as part of the settlement, with 6,090 Class A Shares released to the seller and 8,550 Class A Shares returned to treasury and cancelled. The Company recorded an increase of $421 in contributed surplus related to the cancellation of shares and previously paid dividends returned to the Company.

Dividends

During the year ended December 31, 2019, the Company declared dividends on Class A Shares and Class B shares totalling $83,732 ($0.84 per share).

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

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

Dividend Reinvestment Plan

The Board approved a Dividend Reinvestment Plan ("DRIP") dated May 30, 2019. The DRIP provides the Company's shareholders with the option to have cash dividends on their Class A Shares automatically reinvested into additional Class A Shares. At the Company's sole discretion, shares issued to settle the dividend payment under the DRIP may be either in the form of newly issued treasury shares, purchased on the open market or a combination of both. The company may also, from time to time, in its sole discretion, offer a discount of up to 5.00% of the average market price for shares purchased from treasury.

Accumulated other comprehensive income

The components of accumulated other comprehensive income include:

	As at December 31, 2020	As at December 31, 2019
	$	$
Cash flow hedges	**(3,856)**	(1,383)
Other	**—**	(61)
Unrealized exchange differences on translating financial statements of foreign operations	**6,292**	17,243
	2,436	15,799

19. Earnings (loss) per share

Basic and diluted earnings (loss) per share and the reconciliation of the number of shares used to calculate basic and diluted earnings (loss) per share are as follows:

	For the years ended December 31,	
	2020	2019
	$	$
Net earnings (loss) attributable to shareholders	**(3,379)**	(13,419)
Weighted average shares outstanding – basic	**104,080,396**	99,045,378
Weighted average shares outstanding – diluted	**104,080,396**	99,045,378
Basic earnings (loss) per share	**(0.03)**	(0.14)
Diluted earnings (loss) per share	**(0.03)**	(0.14)

For the year ended December 31, 2020, the share-based awards payable in 6,377,268 shares and contingent consideration payable in nil shares, as well as the convertible and hybrid debentures with a face value of respectively $86,250 and $110,000 were all anti-dilutive. For the year ended December 31, 2019, the share-based awards payable in 6,103,863 shares and contingent consideration payable in nil shares, as well as the convertible and hybrid debentures with a face value of respectively $86,250 and $110,000 were all anti-dilutive.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments

a) Stock option plan

Under the Company's stock option plan, the exercise price of each stock option is equal to the volume weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the date the stock option is granted. The Board may determine the maximum term for which options are granted and will become exercisable and whether the options will be exercisable in installments or pursuant to a vesting schedule.

A summary of the changes that occurred in the Company's stock option plans during the years ended December 31, 2020, and 2019, is presented below:

		2020		2019
	Number of Class A Share options	**Weighted-average exercise price**	Number of Class A Share options	Weighted-average exercise price
		$		$
Outstanding – beginning of year	**4,526,769**	**12.32**	3,977,191	12.21
Granted	**1,150,000**	**7.57**	1,100,000	12.25
Exercised	**(205,185)**	**6.89**	(152,377)	6.58
Forfeited	**(675,000)**	**11.09**	(398,045)	13.31
Expired	**(894,939)**	**13.03**	—	—
Outstanding – end of year	**3,901,645**	**11.25**	4,526,769	12.32
Options exercisable – end of year	**1,096,140**	**11.57**	1,176,510	11.60

The following table presents the weighted average assumptions used to determine the fair value of options granted using the Black-Scholes option pricing model during the years ended December 31, 2020, and 2019:

	2020	2019
Dividend yield (%)	**11.04**	6.90
Risk-free interest rate (%)	**0.63**	1.59
Expected life (years)	**7.48**	7.72
Expected volatility of the share price (%)	**29.94**	25.26
Weighted-average fair value ($)	**0.48**	1.04
Share-based compensation expense ($) (1)	**1,945**	518

(1) During the year ended December 31, 2020, the Company recorded an expense of $543 related to the accelerated vesting provisions, of which $514 relates to key management personnel.

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

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments (continued)

The following table summarizes the stock options outstanding and exercisable as at December 31, 2020:

	Options outstanding			Options exercisable	
Range of exercise price	Number of Class A Share options	Weighted-average remaining contractual life in years	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
			$		$
5.41 to 8.50	910,140	5.50	6.92	330,140	8.31
8.51 to 14.77	2,991,505	7.87	12.57	766,000	12.98

b) Deferred share unit ("DSU") plan

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. As at September 1, 2010, the Board cancelled the DSU plan; however, all existing rights and privileges were kept intact. All directors are now compensated in cash.

One DSU unit is equivalent to one Class A Share of the Company. The Company recorded a (recovery) expense of ($1) for this plan during the year ended December 31, 2020 (a (recovery) expense of $31 during the year ended December 31, 2019).

As at December 31, 2020, the Company had a liability for an amount of $105 for the 9,848 units outstanding under the DSU plan ($106 for 9,031 units as at December 31, 2019).

c) Restricted share unit ("RSU") plan

On April 12, 2018, the Board approved an amended and restated RSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the RSU awards in cash or in shares. The purpose of this plan is to provide eligible employees with the opportunity to acquire RSUs in order to retain key employees and to permit them to participate in the growth and development of the Company and to better align the interests of participants with the long-term interests of shareholders of the Company.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments (continued)

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2020, and 2019:

	2020	2019
Outstanding units – beginning of year	**242,738**	258,560
Vested	**(175,970)**	(136,234)
Reinvested in lieu of dividends	**39,507**	20,411
Granted	**418,994**	100,001
Forfeited	**(120,284)**	—
Outstanding units– end of year	**404,985**	242,738

One RSU is equivalent to one Class A Share of the Company. The Company recorded an expense of $1,379 and $1,880 for these grants during the years ended December 31, 2020, and 2019, respectively.

During the year ended December 31, 2020, nil Class A Shares were issued and $1,454 was paid in cash as settlement of vested RSUs (136,234 Class A Shares were issued and no cash paid as settlement of vested RSUs during the year ended December 31, 2019). As at December 31, 2020, the Company had a liability in the amount of $2,044 for the 404,985 units outstanding under the RSU Plan ($2,100 for 242,738 units as at December 31, 2019).

d) Restricted share unit plan — cash ("RSU cash")

On April 12, 2018, the Board approved an amended and restated RSU cash plan mainly to include various tax considerations. The purpose of this plan is to provide eligible employees with the opportunity to acquire restricted share units in order to retain key employees and to permit them to participate in the growth and development of the Company and to better align the interests of participants with the long-term interests of shareholders of the Company. All RSUs granted under this plan will be settled in cash.

The following table presents transactions that occurred in the Company's RSU cash Plan during the years ended December 31, 2020, and 2019.

	2020	2019
Outstanding units – beginning of year	**368,614**	528,308
Vested	**(211,862)**	(325,643)
Forfeited	**(1,735)**	—
Reinvested in lieu of dividends	**143,340**	38,560
Granted	**1,805,867**	127,389
Outstanding units – end of year	**2,104,224**	368,614

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of $5,318 and $2,658 for these grants during the years ended December 31, 2020, and 2019, respectively.

As part of the expense recorded during the year ended December 31, 2020, the Company recorded an expense of $365 related to accelerated vesting provisions related to employees that were impacted by the global management reorganization announced on June 17, 2020.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments (continued)

During the year ended December 31, 2020, 211,862 units vested (2019 – 325,643) and an amount of $1,297 was paid as settlement of these units (2019 – $1,945). In addition, a total of $1,798 was paid during the year ended December 31, 2020 as settlement of 172,057 units vested in 2019.

As at December 31, 2020, the Company had a liability in the amount of $5,711 for the 2,104,224 units outstanding under the RSU cash Plan ($3,486 for the 368,614 units as at December 31, 2019).

e) PSU and UAR Plan applicable to Business Units

On April 12, 2018, the Board approved an amended and restated PSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the PSU awards in cash or in shares. PSUs are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of PSUs awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date. One PSU unit is equivalent to one Class A Share of the Company.

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

Vested PSUs are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of PSUs vested and the value of the PSU on the applicable vesting date.

In June 2018, the Company amended its Performance Share Unit Plan applicable to Business Units (PSU applicable to BU) plan to include an ability to grant Unit Appreciation Rights applicable to Business Units (UAR applicable to BU).

PSU applicable to BU

The Company recorded the following expense relating to PSU plans applicable to BU during the years ended December 31, 2020 and 2019:

	2020	2019
	$	$
Equity-settled grants	**4,828**	6,343
Cash-settled grants	**2,019**	8,540
Total expense	**6,847**	14,883

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments (continued)

The total award value granted under the Company's PSU plans applicable to BU was $8,445 and $6,320 during the years ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2020, 859,453 Class A Shares were issued as settlement of vested PSU applicable to BU (1,828,747 Class A Shares were issued during the year ended December 31, 2019).

On January 16, 2020, the Company paid $16,396 for the settlement of performance share units applicable to a Business Unit ("PSU BU"). Following the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, the Company granted these PSU BUs 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.

UAR applicable to BU

Under the UAR plan applicable to BUs, eligible employees are entitled to receive Class A Shares of the Company for an amount equivalent to the difference between the business value per unit on the vesting date and the exercise price determined on the grant date. The total award value granted under the Company's UAR plan applicable to BU was $4,502 and nil during the years ended December 31, 2020 and 2019. The Company recorded an expense of $1,703 and $1,963 during the years ended December 31, 2020, and 2019, respectively.

f) PSU plan

On April 12, 2018, the Board approved an amended and restated PSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the PSU awards in cash or in shares. PSUs are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of PSUs awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date. One PSU unit is equivalent to one Class A Share of the Company.

One PSU unit is equivalent to one Class A Share of the Company. The Company recorded the following expense (recovery) relating to PSU plans during the years ended December 31, 2020 and 2019:

	2020	2019
	$	$
Equity-settled grants	**2,583**	1,419
Cash-settled grants	**208**	1,149
Total expense	**2,791**	2,568

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2020 and 2019 was $1,170 and $548, respectively. 355,919 Class A Shares were issued and $32 was paid in cash during the year ended December 31, 2020 as settlement of PSU vested (2019 — 217,882). During the year ended December 31, 2020, the Company recorded an expense of $2,300 related to accelerated vesting provision related to key management personnel.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

20. Share-based payments (continued)

g) Stock option plans in the Company's subsidiaries

One of the Company's subsidiaries has a stock option plan which is based on the shares of the respective subsidiary entity. This plan is accounted for as a cash-settled plan. The Company's subsidiaries stock option expense in the consolidated statements of earnings (loss) for the year ended December 31, 2020 was nil ($2,443 for the year ended December 31, 2019).

The cash settled share-based liability is nil in the consolidated statements of financial position as at December 31, 2020 ($5,280 as at December 31, 2019). An amount of $5,280 was paid in cash during the year ended December 31, 2020 as a settlement of the options (2019 – $1,119).

21. Post-employment benefit obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2020 amount to $5,539 ($4,566 for the year ended December 31, 2019).

Subsequent to a business combination in September 2010, the Company assumed the role of sponsor of six individual pension plans ("IPPs") which had been established by the Company for former employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies. These IPPs are valued on a triennial reporting cycle. The most recent actuarial valuation was performed as at January 1, 2019 for four plans. The next actuarial valuation date is January 1, 2021 for one plan, June 30, 2021 for one plan and January 1, 2022 for four plans. Each IPP plan will be individually wound up upon the death of the respective participant or if applicable, their surviving spouse.

22. Expenses by nature

The details of selling, general and administration expense are as follows:

	For the years ended December 31,	
	2020	2019
	$	$
Salaries, wages and employee benefits	**398,060**	377,364
Travelling and marketing	**6,892**	15,943
Reference fees	**13,776**	17,426
Rent	**1,348**	1,681
Technical services	**38,557**	36,150
Professional fees	**21,218**	20,151
Insurance, permits and taxes	**4,248**	3,813
Other	**14,132**	11,869
	498,231	484,397

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

22. Expenses by nature (continued)

The details of salaries, wages and employee benefits are as follows:

	For the years ended December 31,	
	2020	2019
	$	$
Salaries and wages	**349,361**	321,396
Pension costs	**5,539**	4,566
Payroll deductions	**21,530**	23,352
Share-based compensation	**11,059**	10,242
Change in fair value of cash-settled share-based compensation	**7,117**	14,023
Other	**3,454**	3,785
	398,060	377,364

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and include the Company's directors and key officers. Compensation awarded to key management is as follows:

	For the years ended December 31,	
	2020	2019
	$	$
Salaries and other short-term benefits	**27,986**	31,906
Share-based payments	**10,475**	5,535
Termination benefits	**4,402**	—

23. Interest on long-term debt and other financial charges

	For the years ended December 31,	
	2020	2019
	$	$
Interest on long-term debt	**17,105**	20,507
Interest on convertible debentures	**12,907**	9,185
Interest on derivative financial instruments	**3,187**	(422)
Amortization of deferred financing charges	**1,015**	726
Other interest	**424**	1,316
Foreign exchange	**11,580**	(12,437)
Change in fair value of derivative financial instruments	**(5,023)**	12,966
	41,195	31,841

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

24. Additional information relating to consolidated statements of cash flows

	For the years ended December 31,	
	2020	2019
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**15,723**	(3,888)
Prepaid expenses and other assets	**(3,236)**	(2,270)
Accounts payable and accrued liabilities	**(25,872)**	22,204
Restructuring provisions	**7,922**	380
Amounts due to related parties	**1,046**	(1,087)
Client deposits and deferred revenues	**1,511**	1,034
	(2,906)	16,373

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between current income tax expense of $14,380 for the year ended December 31, 2020 ($9,692 for the year ended December 31, 2019) and income taxes paid of $16,066 ($17,756 for the year ended December 31, 2019) for a net impact of ($1,686) for the year ended December 31, 2020 (($8,064) for the year ended December 31, 2019).

The following are non-cash items:

During the year ended December 31, 2020, the Company issued 3,006,787 Class A shares of $19,995 as settlement of purchase price obligations, performance and restricted share units settled and reinvested dividends. Additions to property and equipment included in accounts payable and accrued liabilities of $1,730 along with additions to intangible assets included in accounts payable and accrued liabilities of $121 are non-cash items.

The Company issued Class A Shares of $35,513 related to the acquisition of Fiera Private Debt and $5,532 related to the settlement of the purchase price obligation during the year ended December 31, 2019, as well as $13,237 related to the acquisition of Palmer Capital, $19,468 related to the acquisition of contingent value right asset, $10,453 related to contingent value right liability, and $10,710 as settlement for PSUs and RSUs.

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

25. Commitments and Contingent liabilities

Commitments

The Company signed contracts for license, software services and other expiring at different dates until 2027.

The total payments for each of the next five years, and thereafter for commitments are as follows:

	$
2021	**12,053**
2022	**7,009**
2023	**3,463**
2024	**3,381**
2025	**3,132**
Thereafter	**6,549**
	35,587

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.

26. 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 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 to the issuance or repayment of debt or redeem convertible debentures (as applicable under the terms of the respective final short-term prospectuses for these convertible debt).

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

27. 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 owns 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 owns 10.3% Class A Shares (10.6% as at December 31, 2019) and is entitled to propose one nominee for election to the Company's Board.

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

	For the years ended December 31,	
	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 (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**(9,855)**	8,276

(In thousands of Canadian dollars, unless noted otherwise - except per share and per share information)

28. Segment reporting

The Company has determined that there is one reportable segment, asset management services. Geographical information for the Company is provided in the following table:

Revenues:

	For the years ended December 31,	
	2020	2019
	$	$
Canada	**343,957**	327,380
United States of America	**242,384**	216,952
Europe and other	**108,804**	112,838
	695,145	657,170

Non-current assets:

	As at December 31, 2020	As at December 31, 2019
	$	$
Canada	**685,232**	742,228
United States of America	**278,117**	462,699
Europe and other	**148,379**	164,682
	1,111,728	1,369,609

Revenues are attributed to countries on the basis of the client's location. As at December 31, 2020, non-current assets presented above exclude long-term investments of $7,521, deferred income taxes of $34,121, derivative financial instruments of nil and other non-current assets of $40,797 ($5,743, $23,559, $537 and $6,654 respectively as at December 31, 2019).

29. 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.

During the year ended December 31, 2020, the Company was eligible for government wage subsidies offered as a relief for the impact of COVID-19 and recorded $2,934 within Selling, general and administrative expenses. The Company recognizes grants that compensates for expenses already incurred in profit or loss in the periods in which the grants become receivable. Such grants are presented against the same profit or loss expenses to which they pertain.

30. 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 assets under management.

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 Sunbdridge 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 $10,263 (US$8,058) of purchase price obligations and $10,829 (US8,500) 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.

30. Subsequent events (continued)

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 $2,919 during the year ended December 31, 2020. Subsequent to December 31, 2020, the Company repurchased 620,263 Class A shares for $7,133 for a total repurchase of 895,063 Class A shares for $10,052 since the NCIB began on July 15, 2020. The NCIB will end on July 14, 2021.

31. Comparative information

Certain comparative amounts in the consolidated financial statements have been reclassified in order to conform to the 2020 financial statement presentation.

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