Management's Discussion and Analysis

FIERA CAPITAL CORPORATION

For the Three and Twelve-month Periods Ended December 31, 2015

FIERA CAPITAL

Table of Contents

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The following management's discussion and analysis ("MD&A") dated March 16, 2016 presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation ("the Company" or "Fiera Capital" or "Firm") for the three and twelve-month periods ended December 31, 2015. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the twelve-month period ended December 31, 2015.

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

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

Unless otherwise stated, figures are presented in Canadian dollars. Certain totals, subtotals and percentages may not reconcile due to rounding. Certain comparative figures have been reclassified to conform with the current period's presentation.

BASIS OF PRESENTATION

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2015.

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

The following MD&A should be read in conjunction with the Company's 2015 annual audited consolidated financial statements, which contain a description of the accounting policies used in the preparation of these financial statements.

The Company presents adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), adjusted net earnings and cash earnings as key non-IFRS performance measures. These non-IFRS measures are defined on page 52.

FORWARD-LOOKING STATEMENTS

Forward-looking statements, by their very nature, involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will prove to be inaccurate. As a result, the Company does not guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors, many of which are beyond Fiera Capital's control, could cause actual events or results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: Fiera Capital's ability to retain its existing clients and to attract new clients, Fiera Capital's investment performance, Fiera Capital's reliance on major customers, Fiera Capital's ability to attract and retain key employees, Fiera Capital's ability to successfully integrate the businesses it acquires, industry competition, Fiera Capital's ability to manage conflicts of interest, adverse economic conditions in Canada or globally, including among other things, declines in financial markets, fluctuations in interest rates and currency values, regulatory sanctions or reputational harm due to employee errors or misconduct, regulatory and litigation risks, Fiera Capital's ability to manage risks, the failure of third parties to comply with their obligations to Fiera Capital and its affiliates, the impact of acts of God or other force majeure events; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws, the impact and consequences of Fiera Capital's indebtedness, potential share ownership dilution and other factors described under "Risk Factors" in this MD&A or discussed in other documents filed by the Company with applicable securities regulatory authorities from time to time. These forward-looking statements are made as at the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required pursuant to securities laws.

COMPANY OVERVIEW

Fiera Capital Corporation was incorporated as Fry Investment Management Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a North American asset management firm which offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation. The Company provides investment advisory and related services to institutional investors, private wealth clients and retail investors. In the US, investment advisory services are provided by the Company's US affiliates, which are investment advisors registered with the US Securities and Exchange Commission. Its head office is located at 1501 Avenue McGill College, office 800, Montreal, Quebec, Canada. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

SIGNIFICANT EVENTS

Fiscal 2015 was characterized by strong organic growth especially in the US institutional sector, while the Firm continues to diversify and strengthen its business platform in order to build a leading North American asset manager.

Acquisition of Samson in the US

On October 30, 2015, the Firm completed its previously announced acquisition of New York based Samson Capital Advisors LLC, a prominent US fixed income investment management firm. With this acquisition, the Firm's total Assets under Management amounts to $101.4 billion as at December 31, 2015.

The combination of Samson, Wilkinson O'Grady and the US institutional business operations form the backbone of the Firm's asset management platform in the US. This wholly-owned subsidiary serves as the foundation for the Firm's proprietary strategies in both the institutional and private wealth sectors.

Structured Products

- During the first quarter of 2015, the Firm successfully closed the initial public offering of the Investment Grade Infrastructure Bond Fund listed on the Toronto Stock Exchange ("TSX"), which is comprised primarily of investment grade fixed income securities of issuers that own, operate or develop infrastructure assets in the United States. The Fund issued 6.5 million units at a price of $10 per unit for gross proceeds of $65 million.

- During the second quarter of 2015, the Firm successfully closed the initial public offering of its Real Asset Income and Growth Fund, listed on the TSX. The Fund, which has been created to invest on an actively managed basis across the capital structure of global real asset-related issuers, raised over $53 million in aggregate gross proceeds.

- On June 23, 2015, the Firm filed a final prospectus for an initial public offering of its Canadian Preferred Share Trust, listed on the TSX. The Trust, which has been created to invest in an actively managed portfolio comprised primarily of Canadian preferred shares, closed subsequent to quarter-end, on July 2, 2015, and raised over $90 million in aggregate gross proceeds.

New Mandates and Sub-Advisory Partnerships

On November 9, 2015, Fiera Capital and Nissay Asset Management, the investment arm of global insurance company Nippon Life, announced a sub-advisory partnership, thereby expanding Fiera Capital's distribution capabilities into the Japanese pension market, and more broadly, in the Asia Pacific region. The partnership commenced with the launch of a long-only global equity ex-Japan strategy offshore vehicle.

The Firm was awarded a new sub-advisory mandate with a prominent European asset manager expected to fund beginning of 2016. This will serve as a springboard for future growth in Europe. During the fourth quarter of 2015, the Firm also won a new US$770 million global equity mandate with one of the world's largest financial services companies.

Finally, with the addition of two new favourable ratings from leading global consultants, the Firm's total number of consultant approvals now stands at eight.

Normal Course Issuer Bid

On October 15, 2015, Fiera Capital announced that it received TSX approval to commence a normal course issuer bid ("NCIB") for a 12-month period. Under the terms of the NCIB, the Firm may purchase up to a maximum of 3,509,288 Class A subordinate voting shares, representing approximately 10% of the public float of Class A subordinate shares as at December 31, 2015. The NCIB will provide the Firm with the flexibility to purchase shares from time to time as it considers advisable.

Industry Recognition

In 2015, Fiera Capital's continued success and strong performance resulted in a number of industry recognitions.

Jean-Guy Desjardins, Chairman of the Board and Chief Executive Officer, received the Award for Professional Excellence, the highest and most prestigious distinction bestowed by the CFA Institute. He joins past winners Warren Buffett, John Bogle, Sir John Marks Templeton, Peter Bernstein and only nine others to win the award in the past 24 years.

Jean-Guy Desjardins, Chairman and Chief Executive Officer, and Sylvain Brosseau, President and Chief Operating Officer, were named once again among the Top 25 in the Quebec's finance industry by *Finance et Investissement*, Canada's French-language publication for financial professionals.

The Firm was named Global Equity Manager of the Year as part of the 2015 Professional Pensions Investment Awards, sponsored by Aon Hewitt, in the United Kingdom. Fiera Capital's global equities team stood out for its one and three-year performance as well as the growth of its assets under management for the year ending June 30, 2015.

The Fiera Capital Global Equity Fund received Fundata's FundGrade A+ annual rating for 2015. The FundGrade A+ Rating is an objective rating system based on risk-adjusted performance, taking into account recognized standards of the Canadian mutual fund industry. This is the third consecutive year the Fiera Capital Global Equity Fund has received Fundata's FundGrade A+ rating.

Dividend Increase

The Board of Directors declared a dividend of $0.15 per Class A subordinate voting share and Class B special voting share of Fiera Capital, payable on April 26, 2016, to shareholders of record at the close of business on March 29, 2016.

This represents a 7% increase and the second dividend increase in the last twelve months.

Subsequent Event

On January 15, 2016, the Firm completed the sale of its equity ownership stake in Axium to Axium. To continue providing clients with exposure to this asset class, Fiera Capital is in the process of establishing a new proprietary infrastructure platform.

On February 29, 2016, the Firm announced an agreement to acquire, via its wholly-owned subsidiary Fiera US Holding Inc., Apex Capital Management, a prominent U.S. growth equity manager with approximately $9.7 billion in assets under management as at December 31, 2015. This transaction will more than double Fiera Capital's presence in the U.S. institutional and sub-advisory retail markets and increase total AUM to over $111 billion. The transaction also creates attractive financial benefits and is expected to be immediately accretive, adding 10% to 15% accretion to adjusted earnings per share within the first full year post closing.

MARKET AND ECONOMIC OVERVIEW

North American fixed income markets saw some mixed results in the fourth quarter, as the disinflationary impulse stemming from the ongoing commodity rout came up against stronger growth prospects in the US and accordingly, fed funds lift-off after several years at rock-bottom levels. Against this divergent backdrop, Canadian fixed income markets posted positive results, with bond yields declining across the entire curve alongside the precipitous collapse in oil prices. In contrast, and in an unusual deviation, US fixed income markets posted negative results, with bond yields rising across the curve alongside the increasingly entrenched US recovery and the prospect for higher interest rates in the US.

Global equity markets regained some momentum late in the quarter and posted positive results in the three months ending December 31, 2015. Regionally speaking, performance was fairly mixed. Once again, US equity markets led the charge, surging forward on the back of resilient economic results and as investor's became increasingly comfortable with the potential for higher interest rates in the US. International equity markets also posted some respectable results, as ongoing reflationary policies from central banks abroad revealed encouraging signs of reigniting growth prospects in both Europe and Japan. Meanwhile, emerging market equities experienced some heightened levels of volatility as investor's grappled between the prospect for higher US interest rates and corresponding US dollar strength, which was at odds with fresh evidence of a growth stabilization emanating from stimulative monetary and fiscal policies from the People's Bank of China. Finally, the resource-levered Canadian equity market was the laggard and posted a quarterly decline, a result of the precipitous slide in commodity prices during the fourth quarter.

The theme of US dollar strength prevailed in the fourth quarter, a result of ongoing economic outperformance in the US and as investors braced for fed funds lift-off, which is in stark contrast to other major central banks, which have been pursuing easing policies (European Central Bank / Bank of Japan) or are firmly on hold (Bank of China). Meanwhile, commodity markets receded across the board during the fourth quarter, compounded by recent US dollar strength. Oil prices led the decline amid few signs to an end to the global supply glut, which pushed prices below the $40-mark. Gold prices also pulled back amid persistent US dollar strength which was bolstered by the prospect for higher interest rates in the US, reducing the appeal for gold bullion. Finally, copper prices retreated on the back of ongoing weakness in China, a key buyer of industrial metals such as copper, bringing into question the potential impact on demand for the red metal.

The US continues to enjoy a self-fulfilling expansion, however, one that is not immune to the global headwinds at bay. On the one hand, the consumer remains in remarkable shape, as solid job creation, improving wages, and savings on gasoline prices have bolstered retail sales and housing. However, trade and manufacturing continue to suffer in the environment of a stronger US dollar and weaker foreign demand. Fortunately, exports make up a comparatively small (13%) portion of the US economy and any near-term weakness should be buffered by ongoing resilience in US domestic demand (70%). As widely expected, the Federal Reserve delivered a quarter-point rate hike at its December 2015 meeting, endorsing their confidence in the sustainability and durability of the US recovery, while also emphasizing the familiar theme of gradualism and caution in normalizing interest rates, so as not to derail the economic progress made in the US.

After rebounding in the third quarter, the Canadian economy hit a soft patch in the fourth quarter in the wake of the relentless downward pressure on energy prices and some disappointing economic results. However, while the low oil price environment will prove challenging for Canada, the impact is expected to fade in intensity going forward, while the economy becomes increasingly reliant on a weaker Canadian dollar and a resurgent US economy to foster growth. Despite recent softness, the Bank of Canada appears comfortable to remain on hold, patiently awaiting the effects of past interest rate cuts, a weaker Canadian dollar, and stronger US demand to reignite the economy, enabling the much-needed rotation towards export-oriented growth.

Meanwhile, international economies continue to thrive on the abundance of liquidity provided from central banks abroad. In Europe, the economic recovery is well underway amid the trifecta of low interest rates, a weaker euro, and cheaper gasoline prices. Meanwhile, the environment of persistently weak inflation prompted the European Central Bank to ease monetary policy even further at its December 2015 meeting, providing an additional boon to growth. Meanwhile, the Japanese economy dodged a technical recession in the third quarter and continues to exceed expectations on the economic front. As a result, the Bank of Japan has been fairly reluctant to expand its quantitative easing program, but has reiterated its willingness to act "if needed", essentially pledging to backstop the Japanese economy.

Finally, in China, we are seeing some tentative signs that recent interest rate cuts and stepped-up government spending are helping to stabilize growth. The latest round of economic results are showing fresh evidence of finding a bottom, with both industrial output and fixed-asset investment exceeding expectations, while retail sales posted their strongest reading in 2015. While the manufacturing sector remains in contractionary territory, service-oriented sectors are faring much better, consistent with policymakers desire to engineer a soft landing for the Chinese economy as it undergoes the transition towards more sustainable, consumption-based growth and away from exports and capital spending. As such, fears of a hard landing in China have receded, in our view.

Summary of Portfolio Performance

Annualized Rates of Return

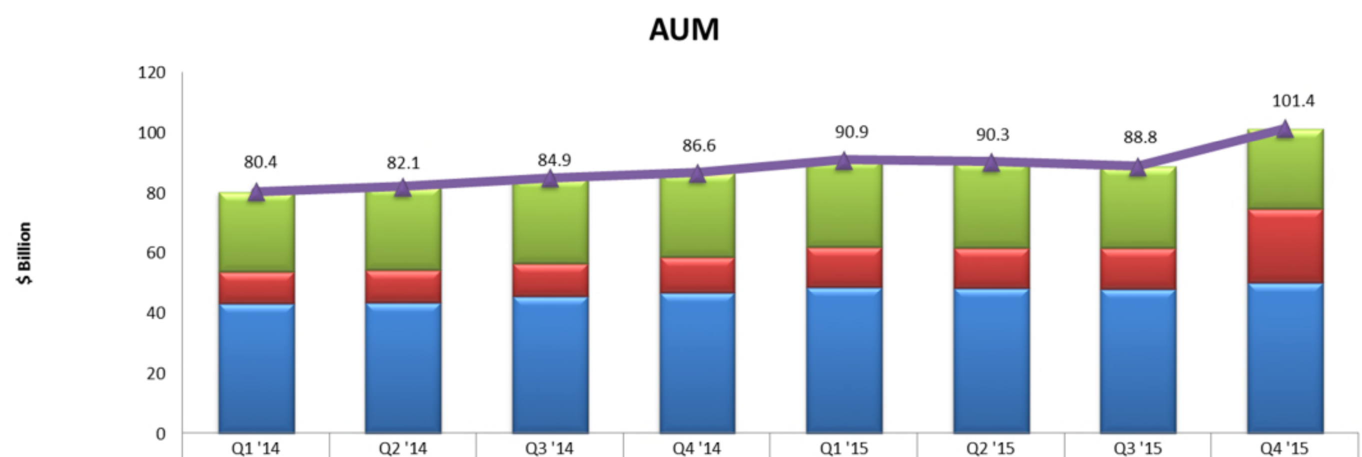
Strategies	AUM ($Billion)	1 yr Strategy return	1 yr Added value	1 yr Quartile	5 yrs or Since Inception (SI)* (SI if inception < 5 yrs) Strategy return	5 yrs or SI Added value	5 yrs or SI Quartile	Inception date	Benchmark name	Notes
Fixed Income Investment Strategies	**61.5**									
Active Fixed Income Universe		3.22	-0.30	3	5.03	0.23	2	01/01/1997	FTSE TMX Universe	
Tactical Fixed Income Universe		2.74	-0.78	4	5.20	0.39	1	01/01/2000	FTSE TMX Universe	
Integrated Fixed Income Universe		3.59	0.07	2	5.07	0.27	2	01/01/1993	FTSE TMX Universe	
Active Fixed Income Long-Term		3.55	-0.25	3	7.48	0.18	2	01/07/1998	FTSE TMX Long Term	
High Yield Bonds		-4.50	0.26	4	5.31	0.07	3	01/02/2002	High Yield Blended	1
Preferred Shares Relative Value		-12.35	2.59	N/A	1.28	1.54	N/A	01/02/2004	S&P/TSX Preferred Share	
Infrastructure Bonds		3.84	-0.32	N/A	7.97*	1.23*	N/A	01/08/2011	FTSE TMX Provincials Long Term	
Balanced Investment Strategies	**4.0**									
Balanced Core		6.33	2.46	2	9.04	2.08	1	01/09/1984	Balanced Core Blended	2
Balanced Integrated		6.25	3.39	2	10.61*	2.82*	1	01/04/2013	Balanced Integrated Blended	3
Balanced Fund		5.01	1.43	2	8.50	1.69	2	01/03/1973	Balanced Blended Benchmark	4
Equity Investment Strategies	**30.9**									
Canadian Equity Value		-6.38	1.94	2	3.54	1.24	3	01/01/2002	S&P/TSX Composite	
Canadian Equity Growth		-3.09	5.23	2	3.00	0.70	3	01/01/2007	S&P/TSX Composite Capped	
Canadian Equity Core		-2.81	5.51	2	4.40	2.10	3	01/01/1992	S&P/TSX Composite	
High Income Equity		-11.28	3.27	4	5.50	2.12	3	01/10/2009	S&P/TSX Composite High Dividend	
Canadian Equity Small Cap Core		1.75	15.06	2	7.7	13.43	2	01/01/1989	S&P/TSX Small Cap	
Canadian Equity Small Cap		-0.52	12.80	2	6.31	12.05	2	01/01/1989	S&P/TSX Small Cap	
US Equity		22.52	0.93	2	23.22	2.85	1	01/04/2009	S&P 500 CAD	
International Equity		22.05	3.09	2	14.93	4.14	1	01/01/2010	MSCI EAFE Net CAD	
Global Equity		22.62	3.74	2	19.62	4.57	1	01/10/2009	MSCI World Net CAD	
Alternative Investment Strategies	**5.0**									
North American Market Neutral Fund		9.96	9.33	N/A	2.81	1.90	N/A	01/10/2007	FTSE TMX T-Bill 91 day	
Long / Short Equity Fund		17.61	16.98	N/A	12.11	11.20	N/A	01/08/2010	FTSE TMX T-Bill 91 day	
Diversified Lending Fund		5.93	5.30	N/A	7.29	6.37	N/A	01/04/2008	FTSE TMX T-Bill 91 day	
Multi-Strategy Income Fund		1.09	-1.52	N/A	4.25	1.44	N/A	01/11/2009	FTSE TMX Short Term	
Infrastructure Fund		6.82	N/A	N/A	6.14	N/A	N/A	01/03/2010	No Benchmark	
Real Estate Fund		5.00	N/A	N/A	4.55*	N/A	N/A	01/07/2013	No Benchmark	
Total	**101.4**									

Notes:

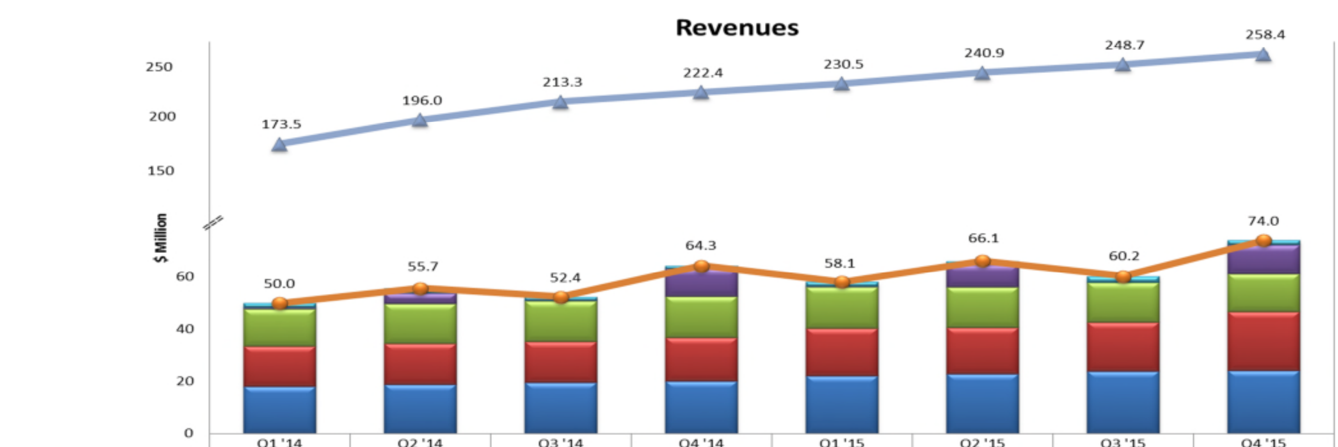
1. *The High Yield Blended Index is composed of 85% Merrill Lynch US High Yield Cash Pay BB-B Hedged in CAD, 15% Merrill Lynch US High Yield Cash Pay C Hedged in CAD.*
2. *Balanced Core Blended Benchmark is composed of 5% FTSE TMX T-Bill 91 Day / 35% FTSE TMX Universe / 32.5% S&P TSX Composite / 27.5% MSCI World Ex-Canada Net.*
3. *Balanced Integrated Blended Benchmark is composed of 2% FTSE TMX T-Bill 91 Day / 36% FTSE TMX Universe / 35% S&P/TSX Composite / 27% MSCI ACWI Net.*
4. *Balanced Blended Benchmark is composed of 5% FTSE TMX T-Bill 91 Day / 35% FTSE TMX Universe / 32.5% S&P TSX Composite / 27.5% MSCI World NET CAD.*
5. *All returns, including those of the High Yield Bonds, US Equities, International Equities, and Global Equities, are expressed in Canadian dollars.*
6. *All performance returns presented above are annualized.*
7. *All returns, except alternative strategies and Balanced Fund are presented gross of management and custodial fees and without taxes but net of all trading expenses.*
8. *Alternative Investment Strategies and Balanced Fund are presented net of management fees, custodial fees, performance fees and withholding taxes.*
9. *The performance returns above assume reinvestment of all dividends.*
10. *Besides for the alternative strategies, the returns presented for any one line above represent the returns of a composite of discretionary portfolios.*
11. *Each strategy listed above represents a single discretionary portfolio or group of discretionary portfolios that collectively represent a unique investment strategy or composite.*
12. *The since inception date represents the earliest date at which a discretionary portfolio was in operation within the strategy.*
13. *The above composites and pooled funds were selected from the Firm's major investment strategies while the AUM represent the total amounts managed by asset class.*
14. *Quartile rankings are provided by eVestment.*

TREND HIGHLIGHTS

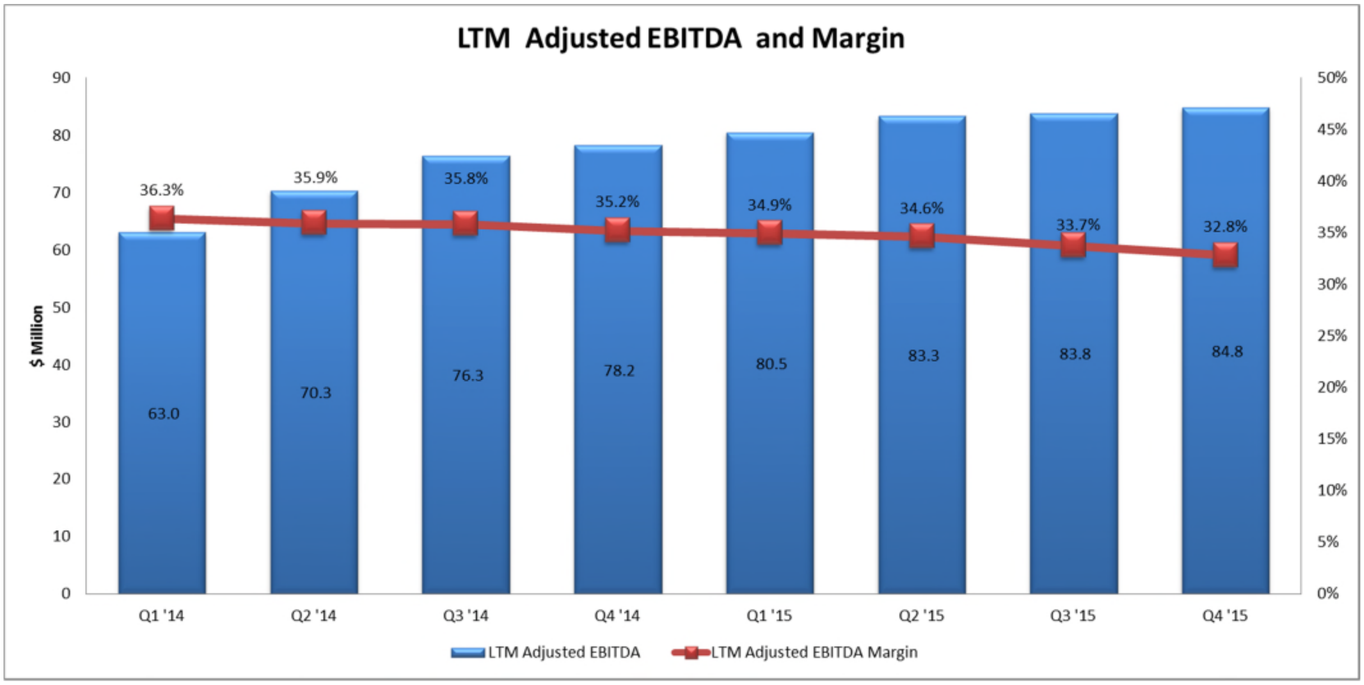
The following illustrates the Company's trends regarding Assets under Management ("AUM"), quarterly and Last Twelve Months ("LTM") revenues, LTM Adjusted EBITDA, LTM Adjusted EBITDA Margin, LTM Adjusted Earnings per share, as well as the LTM dividend payout. The trend analysis is presented in the *"Results and Trend Analysis"* section on page 32.

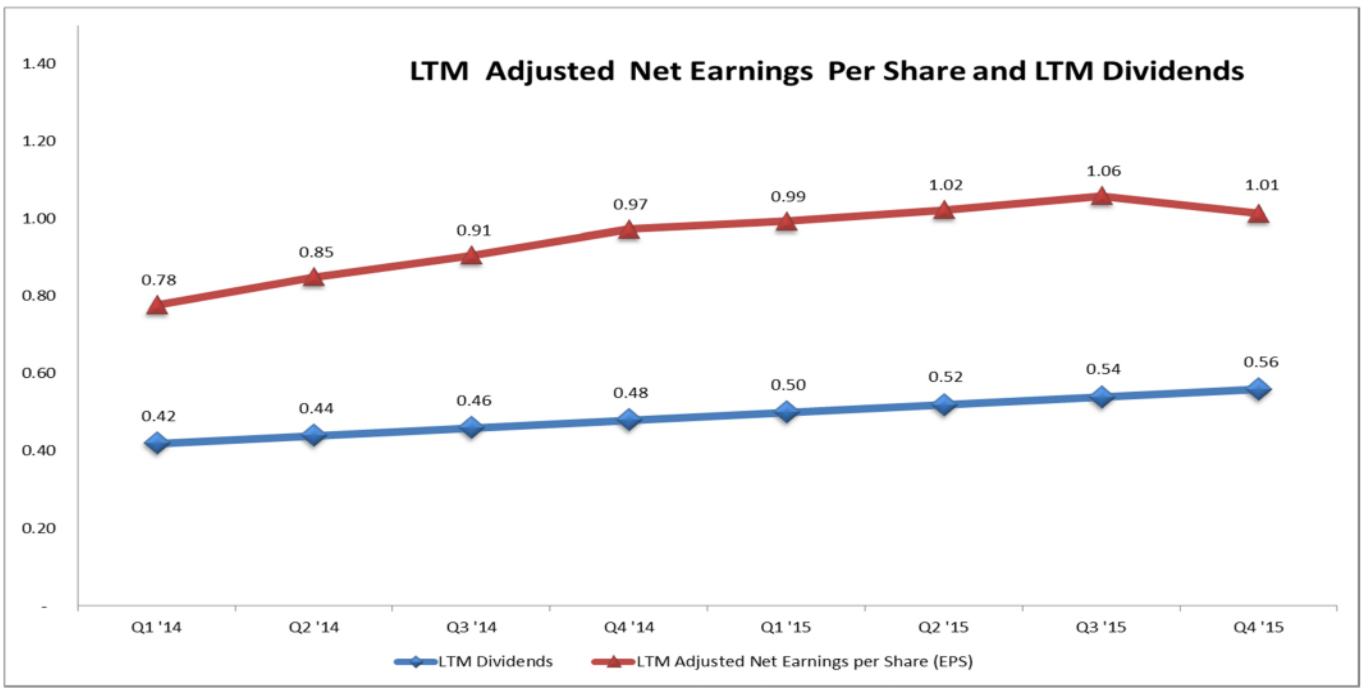


	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15
Retail	26.6	27.8	28.2	27.8	28.8	28.4	27.0	26.7
Private Wealth	10.7	10.7	11.2	12.0	13.4	13.4	13.6	24.5
Institutional	43.1	43.6	45.5	46.8	48.7	48.5	48.2	50.2
Total AUM	80.4	82.1	84.9	86.6	90.9	90.3	88.8	101.4



	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15
Other Revenues	1.7	1.9	1.4	1.2	1.8	1.3	2.5	1.8
Performance Fees	0.5	4.0	0.3	10.6	0.1	8.6	(0.1)	10.9
Retail	14.1	15.0	15.2	15.5	15.8	15.4	15.0	14.5
Private Wealth	15.5	15.9	15.9	16.7	18.3	17.9	18.9	22.5
Institutional	18.2	18.9	19.6	20.3	22.1	22.9	23.9	24.3
Total Revenues	50.0	55.7	52.4	64.3	58.1	66.1	60.2	74.0
LTM Revenues	173.5	196.0	213.3	222.4	230.5	240.9	248.7	258.4


LTM Adjusted EBITDA and Margin
$ Million
90
80
70
60
50
40
30
20
10
0
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
36.3%
35.9%
35.8%
35.2%
34.9%
34.6%
33.7%
32.8%
63.0
70.3
76.3
78.2
80.5
83.3
83.8
84.8
Q1 '14
Q2 '14
Q3 '14
Q4 '14
Q1 '15
Q2 '15
Q3 '15
Q4 '15
LTM Adjusted EBITDA
LTM Adjusted EBITDA Margin


LTM Adjusted Net Earnings Per Share and LTM Dividends
1.40
1.20
1.00
0.80
0.60
0.40
0.20
-
0.78
0.85
0.91
0.97
0.99
1.02
1.06
1.01
0.42
0.44
0.46
0.48
0.50
0.52
0.54
0.56
Q1 '14
Q2 '14
Q3 '14
Q4 '14
Q1 '15
Q2 '15
Q3 '15
Q4 '15
LTM Dividends
LTM Adjusted Net Earnings per Share (EPS)

Highlights for the Three-month Period Ended December 31, 2015

December 31, 2015, compared to December 31, 2014

- Total AUM increased by $14.8 billion, or 17%, to $101.4 billion as at December 31, 2015, compared to AUM of $86.6 billion as at December 31, 2014.

- Base management fees and other revenues for the fourth quarter ended December 31, 2015, increased by $9.4 million, or 18%, to $63.1, million compared to $53.7 million for the same period last year.

- Performance fees were $10.9 million for the fourth quarter ended December 31, 2015, compared to $10.6 million for the same period last year.

- Selling, general and administrative ("SG&A") expenses and external managers' expenses increased by $8.3 million, or 20%, to $49.9 million for the fourth quarter ended December 31, 2015, compared to $41.6 million for the same period last year.

- Adjusted EBITDA increased by $0.9 million, or 4%, to $25.7 million for the fourth quarter ended December 31, 2015, compared to $24.8 million for the same period last year. Adjusted EBITDA per share was $0.36 (basic and diluted) for the fourth quarter of 2015, compared to $0.36 per share (basic) and $0.35 (diluted) for the same period last year.

- For the fourth quarter ended December 31, 2015, the Firm recorded net earnings attributable to the Company's shareholders of $9.7 million, or $0.14 per share (basic) and $0.13 (diluted), a decrease of $2.4 million, or 20%, compared to the fourth quarter ended December 31, 2014, during which the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted).

- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2015, amounted to $21.1 million, or $0.30 per share (basic) and $0.29 (diluted), compared to $23.5 million, or $0.34 per share (basic and diluted), for the fourth quarter ended December 31, 2014.

December 31, 2015, compared to September 30, 2015

- Total AUM increased by $12.6 billion, or 14%, to $101.4 billion during the fourth quarter ended December 31, 2015, compared to $88.8 billion as at September 30, 2015.

- Base management fees and other revenues for the fourth quarter ended December 31, 2015, increased by $2.8 million, or 5%, to $63.1 million compared to $60.3 million for the previous quarter ended September 30, 2015.

- Performance fees were $10.9 million for the fourth quarter ended December 31, 2015, compared to ($0.1) million for the previous quarter ended September 30, 2015, and are generally recognized in June and December of each year.

- SG&A expenses and external managers' expenses increased by $5.9 million, or 14%, to $49.9 million for the fourth quarter ended December 31, 2015, compared to $44.0 million for the previous quarter ended September 30, 2015.

- Adjusted EBITDA increased by $7.1 million, or 38%, to $25.7 million for the fourth quarter ended December 31, 2015, compared to $18.6 million for the previous quarter ended September 30, 2015. Adjusted EBITDA per share was $0.36 (basic and diluted) for the fourth quarter ended December 31, 2015, compared to $0.27 per share (basic and diluted) for the previous quarter ended September 30, 2015.

- For the fourth quarter ended December 31, 2015, the Firm recorded net earnings attributable to the Company's shareholders of $9.7 million, or $0.14 per share (basic) and $0.13 (diluted), an increase of $3.0 million, or 45%, compared to the previous quarter ended September 30, 2015, during which the Firm recorded net earnings attributable to the Company's shareholders of $6.7 million, or $0.10 per share (basic and diluted).

- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2015, amounted to $21.1 million, or $0.30 per share (basic) and $0.29 (diluted), compared to $17.3 million, or $0.25 per share (basic and diluted), for the previous quarter ended September 30, 2015.

Highlights for the twelve-month period ended December 31, 2015, were as follows:

- Base management fees and other revenues for the twelve-month period ended December 31, 2015, increased by $32.0 million, or 15%, to $238.9 million compared to $206.9 million for the same period last year.

- Performance fees were $19.5 million for the twelve-month period ended December 31, 2015, compared to $15.4 million for the same period last year.

- SG&A expenses and external managers' expenses rose by $31.4 million, or 21%, to $182.5 million for the twelve-month period ended December 31, 2015, compared to $151.1 million for the twelve-month period ended December 31, 2014.

- Adjusted EBITDA rose by $6.6 million, or 8%, to $84.8 million for the twelve-month period ended December 31, 2015, compared to $78.2 million for the same period last year. Adjusted EBITDA per share was $1.21 (basic) and $1.20 (diluted) for the twelve-month period ended December 31, 2015, compared to $1.14 per share (basic) and $1.12 (diluted) for the same period last year.

- For the twelve-month period ended December 31, 2015, the Firm recorded net earnings attributable to the Company's shareholders of $27.6 million, or $0.40 per share (basic) and $0.39 (diluted), compared to $27.5 million, or $0.40 per share (basic and diluted) for the same period last year.

- Adjusted net earnings attributable to the Company's shareholders for the twelve-month period ended December 31, 2015, were $70.9 million, or $1.01 per share (basic) and $1.00 (diluted), compared to $66.7 million, or $0.97 per share (basic) and $0.96 (diluted), for the same period last year.

SUMMARY OF QUARTERLY RESULTS

Table 1 – Statements of Earnings and Assets under Management

ASSETS UNDER MANAGEMENT (in $ millions)	AS AT			VARIANCE	
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	QUARTER OVER QUARTER FAV/(UNF) [2]	YEAR OVER YEAR FAV/(UNF) [2]
Assets under Management	101,431	88,759	86,612	12,672	14,819

STATEMENTS OF EARNINGS (in $ thousands except per share data)	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	QUARTER OVER QUARTER FAV/(UNF) [2]	YEAR OVER YEAR FAV/(UNF) [2]
Revenues					
Base management fees	61,319	57,786	52,502	3,533	8,817
Performance fees - Traditional Assets	5,930	(181)	5,567	6,111	363
Performance fees - Alternative Assets	4,981	53	5,022	4,928	(41)
Other revenues	1,769	2,556	1,213	(787)	556
Total revenues	73,999	60,214	64,304	13,785	9,695
Expenses					
Selling, general and administrative expenses	49,013	42,749	40,150	(6,264)	(8,863)
External managers	897	1,205	1,490	308	593
Depreciation of property and equipment	646	487	611	(159)	(35)
Amortization of intangible assets	7,169	6,709	6,655	(460)	(514)
Interest on long-term debt and other financial charges	2,208	1,905	2,283	(303)	75
Accretion and change in fair value of purchase price obligations	644	(1,431)	636	(2,075)	(8)
Restructuring and other integration costs	774	468	1,174	(306)	400
Acquisition costs	2,311	1,189	824	(1,122)	(1,487)
Changes in fair value of derivative financial instruments	(342)	(89)	(8,284)	253	(7,942)
Impairment of non-financial assets	-	-	8,016	-	8,016
Other (income) expenses [3]	(974)	(864)	(38)	110	936
Total expenses	62,346	52,328	53,517	(10,018)	(8,829)
Earnings before income taxes	11,653	7,886	10,787	3,767	866
Income taxes	2,180	1,667	1,322	(513)	(858)
Net earnings	9,473	6,219	9,465	3,254	8
Attributable to:					
Company's shareholders	9,678	6,700	12,090	2,978	(2,412)
Non-controlling interest	(205)	(481)	(2,625)	276	2,420
Net earnings	9,473	6,219	9,465	3,254	8
BASIC PER SHARE					
Adjusted EBITDA [1]	0.36	0.27	0.36	0.09	-
Net earnings	0.14	0.10	0.18	0.04	(0.04)
Adjusted net earnings [1]	0.30	0.25	0.34	0.05	(0.04)
DILUTED PER SHARE					
Adjusted EBITDA (1)	0.36	0.27	0.35	0.09	0.01
Net earnings	0.13	0.10	0.18	0.03	(0.05)
Adjusted net earnings [1]	0.29	0.25	0.34	0.04	(0.05)

(1) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 52.
(2) FAV: Favourable - UNF: Unfavourable
(3) Other expenses (income) include "Realized gain on investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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

STATEMENTS OF EARNINGS (in $ thousands except per share data)	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2015	DECEMBER 31, 2014	YEAR OVER YEAR FAV/(UNF) (2)
Revenues			
Base management fees	231,421	200,612	30,809
Performance fees - Traditional Assets	6,228	6,434	(206)
Performance fees - Alternative Assets	13,306	9,003	4,303
Other revenues	7,462	6,309	1,153
Total revenues	258,417	222,358	36,059
Expenses			
Selling, general and administrative expenses	177,691	145,967	(31,724)
External managers	4,825	5,107	282
Depreciation of property and equipment	2,030	1,733	(297)
Amortization of intangible assets	27,119	25,700	(1,419)
Interest on long-term debt and other financial charges	8,852	7,977	(875)
Accretion and change in fair value of purchase price obligations	484	2,642	2,158
Restructuring and other integration costs	2,361	3,127	766
Acquisition costs	4,748	2,079	(2,669)
Changes in fair value of derivative financial instruments	445	(7,419)	(7,864)
Impairment of non-financial assets	-	8,016	8,016
Other (income) expenses (3)	(2,573)	(1,320)	1,253
Total expenses	225,982	193,609	(32,373)
Earnings before income taxes	32,435	28,749	3,686
Income taxes	6,771	5,158	(1,613)
Net earnings	25,664	23,591	2,073
Attributable to:			
Company's shareholders	27,631	27,492	139
Non-controlling interest	(1,967)	(3,901)	1,934
Net earnings	25,664	23,591	2,073
BASIC PER SHARE			
Adjusted EBITDA (1)	1.21	1.14	0.07
Net earnings	0.40	0.40	-
Adjusted net earnings (1)	1.01	0.97	0.04
DILUTED PER SHARE			
Adjusted EBITDA (1)	1.20	1.12	0.08
Net earnings	0.39	0.40	(0.01)
Adjusted net earnings (1)	1.00	0.96	0.04

(1) Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 52.
(2) FAV: Favourable - UNF: Unfavourable
(3) Other expenses (income) include "Realized gain on investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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

	DECEMBER 31, 2015	DECEMBER 31, 2014
Cash, restricted cash, investments	33,322	25,445
Accounts receivable	65,435	59,960
Other current assets	13,366	4,654
Total current assets	112,123	90,059
Intangible assets	322,975	292,835
Goodwill	391,347	370,161
Investment in joint ventures	6,460	9,635
Other non-current assets	23,752	9,490
Total assets	856,657	772,180
Accounts payable and accrued liabilities	50,784	41,034
Other current liabilities	15,139	12,646
Total current liabilities	65,923	53,680
Deferred income taxes	12,566	20,091
Long-term debt	264,226	222,081
Purchase price obligations	30,674	36,168
Derivative financial instruments	1,390	945
Other non-current liabilities	11,850	5,004
Total liabilities	386,629	337,969
Equity		
Attributable to Company's shareholders	474,938	437,154
Attributable to Non-controlling interest	(4,910)	(2,943)
	470,028	434,211
Total liabilities and equity	856,657	772,180

Results from Operations and Overall Performance

Assets under Management

Assets under management levels are critical to Fiera Capital's business. The change in the Firm's AUM is determined by i) the level of new mandates ("New"); ii) the level of redemption ("Lost"); iii) the level of inflows and outflows from existing customers ("Net Contributions"); iv) the increase or decrease in the market value of the assets held in the portfolio of investments ("Market") and v) business acquisitions ("Acquisitions"). For simplicity, the "Net variance" is the sum of the New mandates, Lost mandates and Net Contributions, the change in Market value and the impact of foreign exchange rate changes. In this MD&A, the Firm analyzes its results based on its clientele type.

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

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

	FOR THE THREE-MONTH PERIODS ENDED		
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014
AUM - beginning of period	88,759	90,291	84,875
Net variance	3,424	(1,532)	1,737
Acquisitions/Adjustment	9,248	-	-
AUM - end of period	101,431	88,759	86,612

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

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

	SEPTEMBER 30, 2015	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION /ADJUSTMENT	DECEMBER 31, 2015
Institutional	48,188	1,471	(153)	(638)	1,121	188	-	50,177
Private Wealth	13,590	299	(143)	111	210	998	9,473[1]	24,538
Retail	26,981	40	(122)	(195)	237	-	(225)[2]	26,716
AUM - end of period	88,759	1,810	(418)	(722)	1,568	1,186	9,248	101,431

1) Acquisition of Samson
2) $0.2 billion to adjust the valuation of a specific mandate

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

Quarterly Activities

Total AUM increased by $12.6 billion, or 14%, to $101.4 billion during the fourth quarter ended December 31, 2015, compared to $88.8 billion as at September 30, 2015. The increase is due primarily to the acquisition of Samson, bringing $9.5 billion in AUM, combined with new mandates of $1.8 billion and market appreciation of $1.6 billion during the quarter. These increases in AUM were partially offset by lost mandates of $0.4 billion and negative net contribution of $0.7 billion during the quarter. Lastly, the US dollar exchange rate fluctuations positively impacted AUM during the fourth quarter by approximately $1.2 billion.

The Institutional AUM increased by $2.0 billion or 4%, to $50.2 billion during the fourth quarter ended December 31, 2015, compared to $48.2 billion from the previous quarter ended September 30, 2015. The increase was primarily driven by new mandates of $1.5 billion, mostly in Global Equity, Liability Driven Investments, Balanced and Alternative strategies, combined with market appreciation of $1.1 billion during the period. These increases were partially offset by negative net contributions of $0.6 billion from clients that remain invested with the firm but that redeemed a portion of their investments as a result of liquidity needs or that rebalanced their allocation across asset classes, combined with $0.2 billion in client losses which were driven primarily by clients that either ceased their own respective activities or clients with liquidity needs. Lastly, the US dollar exchange rate fluctuations positively impacted AUM during the fourth quarter by approximately $0.2 billion.

The AUM related to the Private Wealth clientele increased by $10.9 billion, or 80%, to $24.5 billion during the fourth quarter ended December 31, 2015, compared to $13.6 billion from the previous quarter ended September 30, 2015. The increase is mainly due to the inclusion of $9.5 billion in AUM from the acquisition of Samson, combined with the positive impact of the US dollar exchange rate fluctuations of $1.0 billion, new mandates of $0.3 billion, namely from Wilkinson and Bel Air, and market appreciation of $0.2 billion.

The AUM related to the Retail clientele decreased by $0.3 billion, or 1%, to $26.7 billion during the fourth quarter ended December 31, 2015, compared to $27.0 billion from the previous quarter ended September 30, 2015. The decrease is mainly due to negative net contribution and lost mandates (mostly from one major mandate resulting from repatriation of assets) of $0.2 billion and $0.1 million, respectively. These decreases in AUM were partially offset by market appreciation of $0.2 billion during the period. Lastly, the Firm had made an adjustment of ($0.2) billion during the fourth quarter due to funds of funds presentation requirement.

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

	DECEMBER 31, 2014	NEW	LOST	NET CONTRIBUTIONS	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION / ADJUSTMENT	DECEMBER 31, 2015
Institutional	46,774	2,996	(1,125)	(163)	1,594	576	(475)[1]	50,177
Private Wealth	11,998	865	(355)	329	(299)	2,527	9,473[2]	24,538
Retail	27,840	335	(1,035)	172	(371)	-	(225)[3]	26,716
AUM - end of period	86,612	4,196	(2,515)	338	924	3,103	8,773	101,431

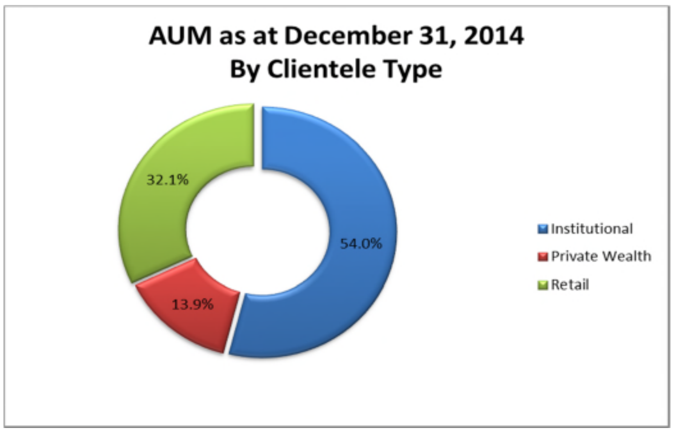
1) $0.5 billion to adjust the valuation of a specific mandate to its unlevered value
2) Acquisition of Samson
3) $0.2 billion to adjust the valuation of a specific mandate

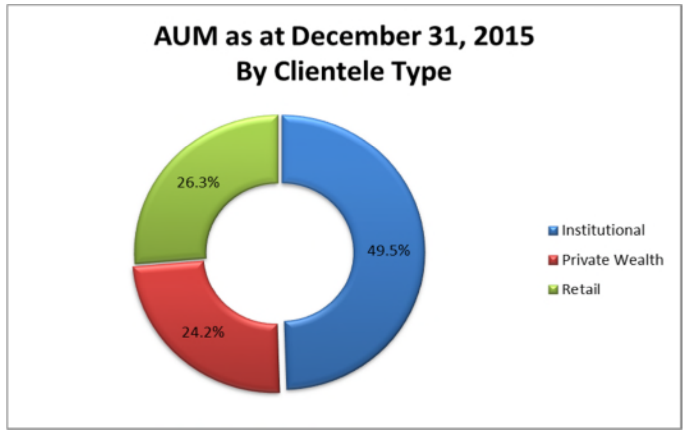
Certain totals, subtotals and percentages may not reconcile due to rounding.

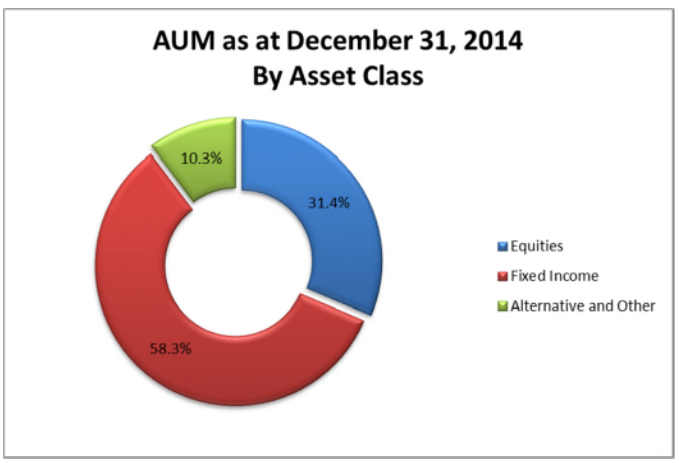
Year-to-Date Activity

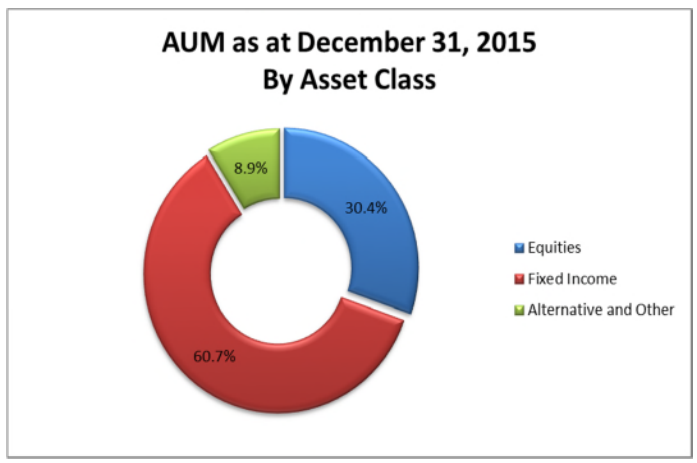
Total AUM increased by $14.8 billion, or 17%, to $101.4 billion during the twelve-month period ended December 31, 2015, compared to $86.6 billion as at December 31, 2014. The increase is due primarily to the acquisition of Samson, bringing $9.5 billion in AUM, combined with new mandates of $4.2 billion, mostly from the Institutional and Private Wealth clientele, and market appreciation of $0.9 billion, partially offset by lost mandates of $2.5 billion. Finally, the US dollar exchange rate fluctuation positively impacted the Firm's AUM during the twelve-month period ended December 31, 2015, by approximately $3.1 billion.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2014, and December 31, 2015, respectively.









Revenues

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

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

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

	FOR THE THREE-MONTH PERIODS ENDED			VARIANCE	
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	QUARTER OVER QUARTER	YEAR OVER YEAR
Institutional	24,307	23,876	20,298	431	4,009
Private Wealth	22,478	18,857	16,662	3,621	5,816
Retail	14,534	15,053	15,542	(519)	(1,008)
Total management fees	61,319	57,786	52,502	3,533	8,817
Performance fees – Traditional asset class	5,930	(181)	5,567	6,111	363
Performance fees – Alternative asset class	4,981	53	5,022	4,928	(41)
Total performance fees	10,911	(128)	10,589	11,039	322
Other revenues	1,769	2,556	1,213	(787)	556
Total revenues	73,999	60,214	64,304	13,785	9,695

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

Current Quarter versus Prior-Year Quarter

Revenues for the fourth quarter ended December 31, 2015, increased by $9.7 million, or 15%, to $74.0 million compared to $64.3 million for the same period last year. The increase in revenues is due mainly to the higher AUM base driving an $8.8 million improvement in management fees, combined with higher other revenues and higher performance fees, namely from the traditional asset class.

Management Fees

Management fees increased by $8.8 million, or 17%, to $61.3 million for the fourth quarter ended December 31, 2015, compared to $52.5 million for the same period last year. The overall increase in revenues and the increase by clientele type are as follows:

- Revenues from the Institutional clientele improved by $4.0 million, or 20%, to $24.3 million for the fourth quarter ended December 31, 2015, compared to $20.3 million for the same quarter last year. The improvement is primarily due to the increase in net AUM, resulting from new mandates namely from the US, market appreciation and the positive impact of the US dollar exchange rate fluctuations, compared to the same period last year.

- Revenues from the Private Wealth clientele increased by $5.8 million, or 35%, to $22.5 million for the fourth quarter ended December 31, 2015, compared to $16.7 million for the same period last year. The increase is primarily due to the inclusion of two months of revenues from Samson, higher revenue resulting from new mandates, combined with the positive impact of changes in the US dollar exchange rates.

- Revenues from the Retail clientele decreased by $1.0 million, or 6%, to $14.5 million for the fourth quarter ended December 31, 2015, compared to $15.5 million for the same quarter last year. The decrease is mainly due to lower base AUM as at December 31, 2015 compared to those from the comparable period of last year.

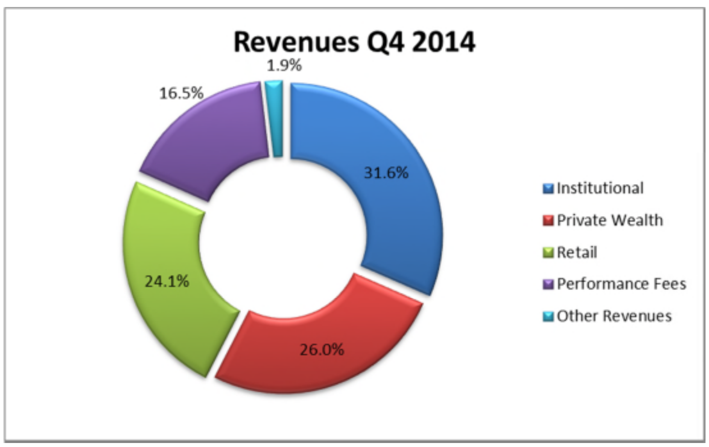
Performance Fees

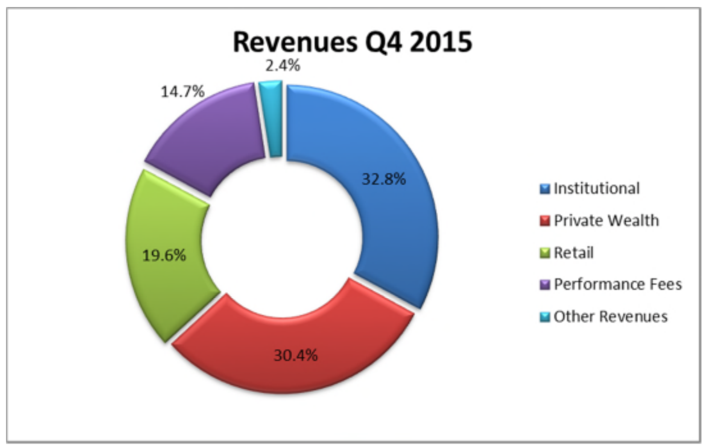
Performance fees were $10.9 million for the fourth quarter ended December 31, 2015, compared to $10.6 million for the same period last year. The increase resulted from higher performance fees from the traditional asset class due to strong fund performance recorded during the fourth quarter of 2015, compared to the same period last year, partially offset by lower performance fees from the alternative asset classes.

Other Revenues

Other revenues increased by $0.6 million, or 46%, to $1.8 million for the fourth quarter ended December 31, 2015, compared to $1.2 million for the same period last year. The increase is mainly due to higher consulting and brokerage fees and other non-recurring revenues.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended December 31, 2014, and December 31, 2015, respectively.





Current Quarter versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2015, increased by $13.8 million, or 23%, to $74.0 million compared to $60.2 million for the previous quarter ended September 30, 2015. The increase in revenues is mainly attributable to higher performance fees from the traditional and alternative asset classes, which are generally recognized in June and December of each year, combined with higher base revenue resulting from the inclusion of two months of revenue from Samson.

Management Fees

Management fees increased by $3.5 million, or 6%, to $61.3 million for the fourth quarter ended December 31, 2015, compared to $57.8 million for the previous quarter ended September 30, 2015. The following is the breakdown of the management fees by clientele type:

- Revenues from the Institutional clientele increased by $0.4 million, or 2%, to $24.3 million for the fourth quarter ended December 31, 2015, compared to $23.9 million for the previous quarter ended September 30, 2015, mainly as a result of new mandates from the US Significant mandates were funded toward the end of the current quarter of 2015, and the revenue will be recognized in the coming months.

- Revenues from the Private Wealth clientele increased by $3.6 million, or 19%, to $22.5 million for the fourth quarter ended December 31, 2015, compared to $18.9 million for the previous quarter ended September 30, 2015. This increase in revenue is mainly attributable to the inclusion of two months of revenue from Samson.

- Revenues from the Retail clientele decreased by $0.6 million, or 4%, to $14.5 million for the fourth quarter ended December 31, 2015, compared to $15.1 million for the previous quarter ended September 30, 2015, mainly due to a lower AUM base.

Performance Fees

Total performance fees, which are generally recorded in June and December of each year, were $10.9 million for the fourth quarter ended December 31, 2015, resulting from strong fund performance from the traditional and alternative asset classes, compared to ($0.1) million due to a non-recurring credit for the previous quarter ended September 30, 2015.

Other Revenues

Other revenues decreased by $0.8 million, or 31%, to $1.8 million for the fourth quarter ended December 31, 2015, compared to $2.6 million for the previous quarter ended September 30, 2015. The decrease in other revenues is mainly due to a one-time non-recurring revenue recorded in the previous quarter ended September 30, 2015.

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

	FOR THE TWELVE-MONTH PERIODS ENDED		VARIANCE
	DECEMBER 31, 2015	DECEMBER 31, 2014	YEAR OVER YEAR
Institutional	93,153	76,921	16,232
Private Wealth	77,541	63,897	13,644
Retail	60,727	59,794	933
Total management fees	231,421	200,612	30,809
Performance fees – Traditional asset class	6,228	6,434	(206)
Performance fees – Alternative asset class	13,306	9,003	4,303
Total performance fees	19,534	15,437	4,097
Other revenues	7,462	6,309	1,153
Total revenues	258,417	222,358	36,059

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

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

Revenues for the twelve-month period ended December 31, 2015, increased by $36.0 million, or 16%, to $258.4 million, compared to $222.4 million for the same period last year. The increase in revenues is mainly due to the higher AUM base, driving a $30.8 million improvement in management fees, resulting from the acquisition of Samson, new mandates, market appreciation, and the positive impact of the US dollar exchange rate fluctuations, combined with an increase of $4.1 million in performance fees and $1.2 million of other revenues, mostly from consulting and brokerage fees.

Management Fees

Management fees increased by $30.8 million, or 15%, to $231.4 million for the twelve-month period ended December 31, 2015, compared to $200.6 million for the same period last year. The overall increase in management fees and the increase by clientele type are as follows:

- Revenues from the Institutional clientele increased by $16.2 million, or 21%, to $93.1 million for the twelve-month period ended December 31, 2015, compared to $76.9 million for the same period last year. The improvement is mainly due to additional net AUM, mostly from new mandates in the US, combined with the positive impact of the US dollar exchange rate fluctuations, as well as market appreciation during the period.

- Revenues from the Private Wealth clientele increased by $13.6 million, or 21%, to $77.5 million for the twelve-month period ended December 31, 2015, compared to $63.9 million for the same period last year. This increase in revenue is mainly attributable to higher average AUM, due to the positive impact of the US dollar exchange rate fluctuations, combined with two months of revenue from Samson during the twelve-month period ended December 31, 2015.

- Revenues from the Retail clientele increased by $0.9 million, or 2%, to $60.7 million for the twelve-month period ended December 31, 2015, compared to $59.8 million for the same period last year. The increase is mainly attributable to four full quarters of revenues from Propel during the twelve-month period ended December 31, 2015 compared to four months of revenues from Propel in 2014, partially offset by a shortfall in revenue due to lower average AUM for the twelve-month period ended December 31, 2015.

Performance Fees

Total performance fees amounted to $19.5 million for the twelve-month period ended December 31, 2015, compared to $15.4 million for the same period last year. This improvement is due to a $4.3 million increase in alternative asset class performance fees resulting from strong fund performance whereas the level of AUM remained fairly stable, partially offset by a $0.2 million decrease in traditional asset class performance fees due to non-recurring credits recorded in the twelve-month period ended December 31, 2015.

Other Revenues

Other revenues increased by $1.2 million, or 18%, to $7.5 million for the twelve-month period ended December 31, 2015, compared to $6.3 million for the same period last year. The increase in other revenues is mainly due to higher consulting and brokerage fees during the twelve-month period ended December 31, 2015.

Selling, General and Administrative Expenses

Current Quarter versus Prior-Year Quarter

SG&A expenses rose by $8.9 million, or 22%, to $49.0 million for the three-month period ended December 31, 2015, compared to $40.1 million for the same period last year. The increase is mainly due to higher compensation costs and the negative impact of the US dollar exchange rate fluctuations on US operations, combined with the inclusion of costs related to the Samson acquisition.

Current Quarter versus Previous Quarter

SG&A expenses increased by $6.3 million, or 15%, to $49.0 million for the three-month period ended December 31, 2015, compared to $42.7 million for the previous quarter ended September 30, 2015. The increase is mainly attributable to higher compensation which is related to higher revenue from performance fees of the traditional and alternative asset class, combined with the inclusion of two months of operation from the Samson acquisition.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

SG&A expenses increased by $31.7 million, or 22%, to $177.7 million for the twelve-month period ended December 31, 2015, compared to $146.0 million for the same period last year. The increase is mainly due to higher fixed and variable compensation to support the business growth, higher performance fees incentive expenses, combined with the inclusion of costs related to the Samson acquisition and the impact of the US dollar exchange rate changes on the US operations.

External Managers

Current Quarter versus Prior-Year Quarter

External managers' expenses decreased by $0.6 million, or 40%, to $0.9 million for the fourth quarter ended December 31, 2015, compared to $1.5 million for the same quarter last year. The decrease in external managers' expenses is mainly due to lower external managers' expenses from Bel Air resulting from the change in revenue presentation.

Current Quarter versus Previous Quarter

External managers' expenses decreased by $0.3 million, or 25%, to $0.9 million for the fourth quarter ended December 31, 2015, compared to $1.2 million for the previous quarter ended September 30, 2015.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

External managers' expenses decreased by $0.3 million, or 6%, to $4.8 million for the twelve-month period ended December 31, 2015, compared to $5.1 million for the same period last year. The decrease is mainly due to lower external managers' expenses from Bel Air as a result of the change in revenue presentation.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment remained stable at $0.6 million for the fourth quarter ended December 31, 2015, compared to the corresponding quarter last year.

Amortization of intangible assets increased by $0.5 million, or 8%, to $7.2 million for the fourth quarter ended December 31, 2015, compared to $6.7 million for the same period last year, following the acquisition of intangible assets from Samson.

Current Quarter versus Previous Quarter

Depreciation of property and equipment increased by $0.1 million, or 32%, to $0.6 million for the fourth quarter ended December 31, 2015, compared to $0.5 million for the previous quarter ended September 30, 2015.

Amortization of intangible assets increased by $0.5 million, or 7%, to $7.2 million for the fourth quarter ended December 31, 2015, compared to $6.7 million from the previous quarter ended September 30, 2015, mainly due to the acquisition of intangible assets from Samson.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

Depreciation of property and equipment increased by $0.3 million, or 17%, to $2.0 million for the twelve-month period ended December 31, 2015, compared to $1.7 million for the same period last year.

Amortization of intangible assets increased by $1.4 million, or 6%, to $27.1 million for the twelve-month period ended December 31, 2015, compared to $25.7 million for the same period last year, following the acquisition of intangible assets from Samson.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter versus Prior-Year Quarter

The interest on long-term debt and other financial charges remained stable at $2.2 million for the fourth quarter ended December 31, 2015, compared to $2.3 million for the same quarter last year.

Current Quarter versus Previous Quarter

The interest on long-term debt and other financial charges increased by $0.3 million, or 16%, to $2.2 million for the fourth quarter ended December 31, 2015, compared to $1.9 million for the previous quarter ended September 30, 2015, following the acquisition of Samson.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

The interest on long-term debt and other financial charges increased by $0.9 million, or 11%, to $8.9 million for the twelve-month period ended December 31, 2015, compared to $8.0 million for the same period last year, mainly due to the recognition of one-time financing costs during the twelve-month period ended December 31, 2015.

Accretion and Change in Fair Value of Purchase Price Obligations

Current Quarter versus Prior-Year Quarter

The accretion and change in fair value of purchase price obligations remained stable at $0.6 million for the fourth quarter ended December 31, 2015, compared to the same quarter last year.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented a charge of $0.6 million for the fourth quarter ended December 31, 2015, compared to a gain of $1.4 million for the third quarter ended September 30, 2015. This is due to a write-off of purchase price obligations of $2 million recorded in September 2015 related to the closed-end funds from Propel.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

The accretion and change in fair value of purchase price obligations represented a charge of $0.5 million for the twelve-month period ended December 31, 2015, compared to a charge of $2.6 million for the same period last year. This is due to a write-off of purchase price obligation of $2 million recorded in September 2015 related to the closed-end funds from Propel.

Acquisition and Restructuring and Other Integration Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring and other integration costs increased by $1.1 million, or 54%, to $3.1 million for the fourth quarter ended December 31, 2015, compared to $2.0 million for the same period last year. The increase in acquisition and restructuring costs is mainly due to the acquisition of Samson, combined with numerous activities in setting up the US platform during the fourth quarter ended December 31, 2015, compared to the same period last year.

Current Quarter versus Previous Quarter

Acquisition and restructuring and other integration costs increased by $1.4 million, or 86%, to $3.1 million for the fourth quarter ended December 31, 2015, compared to $1.7 million for the previous quarter ended September 30, 2015. The increase is mainly due to the acquisition of Samson, combined with the costs related to various new initiatives during the fourth quarter of 2015.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

Acquisition and restructuring and other integration costs increased by $1.9 million, or 37%, to $7.1 million for the twelve-month period ended December 31, 2015, compared to $5.2 million for the same period last year. The increase is mainly attributable to higher acquisitions costs resulting from the acquisition of Samson and various initiatives during the twelve-month period ended December 31, 2015, compared to the same period last year, partially offset by lower restructuring and other integration costs.

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

The Company recorded a gain of $0.3 million related to changes in the fair value of derivative financial instruments for the fourth quarter ended December 31, 2015, compared to a gain of $0.1 million for the previous quarter ended September 30, 2015, and compared to a gain of $8.3 million for the fourth quarter ended December 31, 2014, which includes a gain of $8.4 million from the value of the option granted to a non-controlling interest. Excluding this factor, the gain would have been an expense of $0.1 million for the quarter ended December 31, 2014.

During the quarters ended December 31, 2015, and September 30, 2015, the impairment of non-financial assets was nil compared to an impairment of non-financial assets of $8.0 million recorded during the fourth quarter ended December

31, 2014. The value of the option granted to non-controlling interest is based on a formula that was agreed upon by all parties during the acquisition of the selected alternative asset management funds of GMP. This formula uses the present value of the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees. The actual performance of the subsidiary will affect the value of the option. Forecasts are monitored and updated on a monthly basis, and the value of the option is recalculated at the end of each reporting period. During the fourth quarter of 2014, the Company completed the annual budget for fiscal 2015 and recalculated the option value using the most recent EBITDA attributable to Fiera Quantum L.P. As a result, as at December 31, 2014, the Company determined that the value of the option was nil.

Adjusted EBITDA

Adjusted EBITDA is calculated as the difference between total revenues and SG&A expenses (excluding non-cash compensation) and external managers' expenses. We believe that adjusted EBITDA is a meaningful measure as it allows for the evaluation of our operating performance before the impact of non-operating items.

Table 8 - Adjusted EBITDA* (in $ thousands except per share data)

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	DECEMBER 31, 2015	DECEMBER 31, 2014
Revenues					
Base management fees	61,319	57,786	52,502	231,421	200,612
Performance fees	10,911	(128)	10,589	19,534	15,437
Other revenues	1,769	2,556	1,213	7,462	6,309
Total revenues	73,999	60,214	64,304	258,417	222,358
Expenses					
Selling, general and administrative	49,013	42,749	40,150	177,691	145,967
External managers	897	1,205	1,490	4,825	5,107
Total expenses	49,910	43,954	41,640	182,516	151,074
EBITDA	24,089	16,260	22,664	75,901	71,284
Add back: Non-cash compensation	1,668	2,348	2,156	8,880	6,940
Adjusted EBITDA	25,757	18,608	24,820	84,781	78,224
Per share basic (**)	0.36	0.27	0.36	1.21	1.14
Per share diluted (**)	0.36	0.27	0.35	1.20	1.12

* Adjusted EBITDA is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 52.
** Adjusted EBITDA include EBITDA attributable to the Company's shareholders and non-controlling interest.

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

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2015, adjusted EBITDA increased by $0.9 million, or 4%, to $25.7 million, or $0.36 per share (basic and diluted), compared to $24.8 million, or $0.36 per share (basic) and $0.35 (diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2015, was driven by an increase in base management fees compared to the same period last year, mainly due to additional base management fees, positive impact of the US dollar exchange fluctuations in the US, market appreciation as well as the acquisition of Samson, combined with higher other revenues and performance fees from the traditional asset class. These items were partially offset by an increase in overall operating expenses, including SG&A expenses and the inclusion of the acquired Samson.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2015, adjusted EBITDA increased by $7.1 million, or 38%, to $25.7 million, or $0.36 per share (basic and diluted), compared to $18.6 million, or $0.27 per share (basic and diluted), from the previous quarter ended September 30, 2015. The increase is mainly due to higher performance fees in both traditional and alternative asset classes which are generally recorded in June and December of each year, combined with higher base management fees as a result of a higher AUM base as discussed in the AUM section. The rise in revenue was partially offset by an increase in overall operating expenses, including SG&A expenses to support business growth and due to the inclusion of the acquired Samson operations.

Year-to-Date December 31, 2015 versus Year-to-Date December 31, 2014

For the twelve-month period ended December 31, 2015, adjusted EBITDA increased by $6.6 million, or 8%, to $84.8 million, or $1.21 per share (basic) and $1.20 (diluted), compared to $78.2 million, or $1.14 per share (basic) and $1.12 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2015, is mainly attributable to an increase in base management fees resulting from higher average AUM mainly due to new mandates won, the acquisition of Samson, the market appreciation and positive change in the US dollar exchange rates, combined with higher performance fees during the period. These items were partially offset by an overall rise in operating expenses, including SG&A expenses, and the inclusion of the acquired Samson operations.

Net Earnings

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	DECEMBER 31, 2015	DECEMBER 31, 2014
Net earnings attributable to the Company's shareholders	9,678	6,700	12,090	27,631	27,492
Depreciation of property and equipment	646	487	611	2,030	1,733
Amortization of intangible assets	7,169	6,709	6,655	27,119	25,700
Non-cash compensation items	1,668	2,348	2,156	8,880	6,940
Impairment of non-financial assets(1)	-	-	8,016	-	8,016
Changes in fair value of derivative financial instruments(1)	(342)	(89)	(8,284)	445	(7,419)
Non-cash items	9,140	9,455	9,154	38,474	34,970
Restructuring and other integration costs(1)	774	468	1,174	2,361	3,127
Acquisition costs(1)	2,311	1,189	824	4,748	2,079
Acquisition and restructuring and other integration costs	3,085	1,657	1,998	7,109	5,206
Adjusted net earnings before income taxes on above-mentioned items (1)	21,904	17,812	23,242	73,214	67,668
Income taxes on above-mentioned items (1)	823	470	(269)	2,266	953
Adjusted net earnings attributable to the Company's shareholders	21,081	17,342	23,511	70,948	66,715
Per share – basic					
Net earnings	0.14	0.10	0.18	0.40	0.40
Adjusted net earnings*	0.30	0.25	0.34	1.01	0.97
Per share – diluted					
Net earnings	0.13	0.10	0.18	0.39	0.40
Adjusted net earnings	0.29	0.25	0.34	1.00	0.96

*Adjusted net earnings are a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 52.
[1] Income tax on changes in fair value of derivative financial instruments, acquisitions and restructuring and other integration costs is estimated by using a tax rate of 30%

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

Current Quarter versus Prior-Year Quarter

The Firm's net earnings attributable to the Company's shareholders decreased by $2.4 million to $9.7 million, or $0.14 per share (basic) and $0.13 (diluted), during the fourth quarter ended December 31, 2015, compared to $12.1 million, or $0.18 per share (basic and diluted) for the same quarter last year. The decrease in net earnings attributable to the Company's shareholders is mainly due to higher overall operating expenses to support business growth and the acquisition of Samson, namely higher SG&A of $8.9 million, higher acquisition costs of $1.5 million and higher amortization of intangible assets of $0.5 million. These increases in operating expenses were partially offset by the increase in revenues, namely higher base management fees of $8.8 million, higher performance fees of $0.3 million and higher other revenues of $0.6 million.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2015, the Firm recorded net earnings attributable to the Company's shareholders of $9.7 million, or $0.14 per share (basic) and $0.13 (diluted), compared to $6.7 million, or $0.10 per share (basic and diluted), for the previous quarter ended September 30, 2015. The increase in net earnings attributable to the Company's shareholders is mainly due to higher revenue resulting from higher performance fees from both traditional and alternative asset classes of $11 million, which are generally recorded in June and December of each year, combined with higher base management fees of $3.5 million, as a result of higher average AUM and the inclusion of two months of operation of Samson. The increase in revenues was partially offset by higher overall operating expenses, namely higher SG&A of $6.3 million; higher acquisition costs of $1.1 million, higher accretion and the inclusion of a write-off of purchase price obligations of $2.1 million in the previous quarter compared to nil in the fourth quarter of 2015.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

For the twelve-month period ended December 31, 2015, the Firm recorded net earnings attributable to the Company's shareholders of $27.6 million, or $0.40 per share (basic) and $0.39 (diluted), compared to $27.5 million, or $0.40 per share (basic and diluted) for the same period last year. The increase in net earnings attributable to the Company's shareholders is mainly due to a $30.8 million increase in base management fees, a $4.1 million increase in performance fees and a $1.2 million increase in other revenue, combined with a $2.2 million decrease in accretion and change in fair value of purchase price obligations. These elements were partially offset by increases of $31.7 million, $1.7 million, $1.9 million and $0.9 million in SG&A expenses, depreciation and amortization costs, acquisition and restructuring and other integration costs, and interest on long-term debt, respectively. Also, the needed costs related to the set-up of the US platform will generate benefits in the upcoming quarters.

Adjusted Net Earnings

The Firm selects adjusted net earnings as one of the key non-IFRS performance measures as it is a good indicator of the Firm's ability to generate cash flows. Adjusted net earnings are calculated as the sum of net earnings (loss) attributable to the Company's shareholders, non-cash items, including depreciation of property and equipment, amortization of intangible assets, after-tax changes in fair value of derivative financial instruments, after-tax impairment of non-financial assets, after-tax acquisition and restructuring and other integration costs and non-cash compensation items.

Current Quarter versus Prior-Year Quarter

During the fourth quarter ended December 31, 2015, $9.2 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($9.1 million before taxes), or $0.13 per share (basic and diluted), as well as $2.2 million, or $0.03 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($3.1 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to $21.1 million, or $0.30 per share (basic) and $0.29 (diluted) for the fourth quarter ended December 31, 2015.

During the fourth quarter ended December 31, 2014, $10.0 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($9.2 million before taxes), or $0.14 per share (basic and diluted), as well as $1.4 million, or $0.02 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($2.0 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to $23.5 million, or $0.34 per share (basic and diluted) for the fourth quarter ended December 31, 2014.

Current Quarter versus Previous Quarter

During the previous quarter ended September 30, 2015, $9.5 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($9.5 million before taxes), or $0.13 per share (basic and diluted), as well as $1.2 million, or $0.02 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($1.7 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to $17.3 million, or $0.25 per share (basic and diluted) for the third quarter ended September 30, 2015, compared to adjusted net earnings attributable to the Company's shareholders of $21.1 million or $0.30 per share (basic) and $0.29 (diluted) for the fourth quarter ended December 31, 2015.

Year-to-Date December 31, 2015, versus Year-to-Date December 31, 2014

For the twelve-month period ended December 31, 2015, $38.3 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments and impairment of non-financial assets ($38.5 million before taxes), or $0.54 per share (basic and diluted), as well as $5.0 million, or $0.07 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($7.1 million before taxes) had an unfavourable impact on the net earnings attributable to the Company's shareholders. Excluding these items, adjusted net earnings attributable to the Company's shareholders amounted to $70.9 million, or $1.01 per share (basic) and $1.00 (diluted) for the twelve-month period ended December 31, 2015, compared to $66.7 million or $0.97 per share (basic) and $0.96 (diluted) for the same period last year.

SUMMARY OF QUARTERLY RESULTS

The Firm's AUM, total revenues, adjusted EBITDA and net earnings, on a consolidated basis and including per share amounts, for each of the Firm's most recently completed eight quarterly periods and the last twelve months are as follows:

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

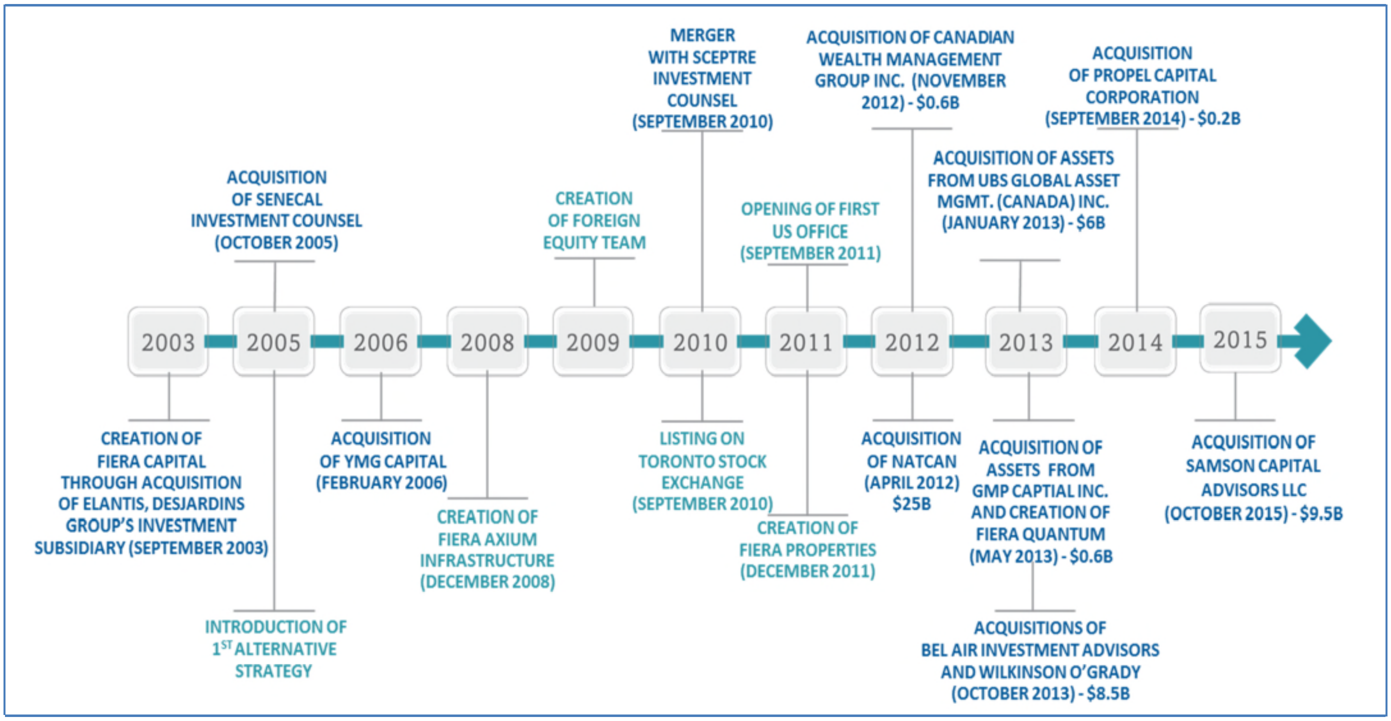
	Last Twelve Months [3]	Q4 Dec. 31 2015	Q3 Sep. 30 2015	Q2 Jun. 30 2015	Q1 Mar. 31 2015	Q4 Dec. 31 2014	Q3 Sep. 30 2014	Q2 Jun. 30 2014	Q1 Mar. 31 2014
AUM	92,852	101,431	88,759	90,291	90,927	86,612	84,875	82,131	80,412
Total revenues	258,417	73,999	60,214	66,143	58,061	64,304	52,371	55,720	49,963
Adjusted EBITDA [1]	84,781	25,757	18,608	23,050	17,366	24,820	18,085	20,191	15,127
Adjusted EBITDA margin	32.8%	34.8%	30.9%	34.8%	29.9%	38.6%	34.5%	36.2%	30.3%
Net earnings attributable to Company's shareholders	27,631	9,678	6,700	7,541	3,712	12,090	5,053	7,671	2,678
PER SHARE – BASIC									
Adjusted EBITDA [1]	1.21	0.36	0.27	0.33	0.25	0.36	0.26	0.30	0.22
Net earnings attributable to the Company's shareholders	0.40	0.14	0.10	0.11	0.05	0.18	0.07	0.11	0.04
Adjusted net earnings attributable to the Company's shareholders [1]	1.01	0.30	0.25	0.26	0.21	0.34	0.21	0.23	0.18
PER SHARE – DILUTED									
Adjusted EBITDA [1]	1.20	0.36	0.27	0.33	0.25	0.35	0.26	0.29	0.22
Net earnings attributable to the Company's shareholders	0.39	0.13	0.10	0.11	0.05	0.18	0.07	0.11	0.04
Adjusted net earnings attributable to the Company's shareholders [1]	1.00	0.29	0.25	0.26	0.21	0.34	0.21	0.23	0.18
PER SHARE – DILUTED (Including non-cash compensation and options granted) [2]									
Adjusted EBITDA [1]	1.11	0.33	0.25	0.30	0.23	0.33	0.24	0.28	0.20
Net earnings attributable to the Company's shareholders	0.36	0.12	0.09	0.10	0.05	0.16	0.07	0.10	0.04
Adjusted net earnings attributable to the Company's shareholders [1]	0.93	0.27	0.23	0.24	0.19	0.31	0.20	0.22	0.17

[1] Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 52.
[2] This analysis assumes that all outstanding stock-based awards will vest and will be settled with shares of the Company (including 3,040,225 share options; 2,542,711 PSUs and 686,244 RSUs as at December 31, 2015.
[3] Last Twelve Months ("LTM'') represents the sum of the last four quarters, except for AUM, which are an average of the last four quarters.

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

Results and Trend Analysis

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



AUM

The current quarter showed an increase in AUM compared to the previous quarter, mainly due to the acquisition of Samson and new mandates won during the quarter, namely in the US institutional sector, combined with market appreciation and the positive impact of the US dollar exchange rates, partially offset by lost mandates and negative net contribution during the period.

The previous quarter ended September 30, 2015, showed a decrease in AUM compared to the quarter ended June 30, 2015, mainly due to market depreciation and lost mandates, despite an increase in net inflows during the period, and favourable US dollar exchange rates impact. The quarter ended June 30, 2015, showed a decrease in AUM compared to the quarter ended March 31, 2015, mainly due to market depreciation combined with lost mandates, partially offset by new mandates won during the quarter. The quarter ended March 31, 2015, showed an increase in AUM compared to the quarter ended December 31, 2014, mainly due to market appreciation and to the favourable impact of the US dollar exchange rates. The quarter ended December 31, 2014, showed an increase in AUM mainly due to new mandates obtained in the institutional clientele, notably in the US, combined with market appreciation and the positive impact of the US dollar exchange rates. The quarter ended September 30, 2014, showed a significant increase in AUM compared to the quarter ended June 30, 2014, mainly due to important mandates won in the institutional clientele namely in the US, combined with market appreciation and additional assets obtained following the acquisition of Propel. The increase in AUM in the second quarter of 2014 compared to the first quarter of 2014, is mainly attributable to market appreciation and new mandates, partially offset by lost mandates and net negative contributions. Finally, the increase in AUM in the first quarter of 2014, compared to the fourth quarter of 2013, is mainly attributable to new mandates and market appreciation from one quarter to the next.

Revenues

Since the acquisition of Bel Air and Wilkinson O'Grady in late 2013, the Firm's revenue stream is balanced between the institutional, retail and private wealth clientele and has been constantly progressing. Also, revenue from the US Institutional segment is positively increasing, fueled by new mandates.

The current quarter showed an increase in revenues mainly due to higher performance fees recorded at the end of the year, combined with the inclusion of two months of revenue from the Samson acquisition. It is worth noting that performance fees are generally recorded in June and December of each year.

The previous quarter ended September 30, 2015, showed an increase in base management fees compared to the quarter ended June 30, 2015, mainly as a result of new mandates from the US funded toward the end of the second quarter of 2015, for which revenues are recognized during the third quarter of 2015, while performance fees were lower due to the fact that they are generally recorded in June and December of each year.

The quarter ended June 30, 2015, showed an increase in performance fees from the alternative asset class, which are generally recorded in June and December of each year. The quarter ended March 31, 2015, showed an increase in base management fees compared to the fourth quarter of 2014 as a result of a higher AUM base. The previous quarter ended December 31, 2014, showed a significant increase in revenues mainly due to the inclusion of performance fees from both traditional and alternative asset classes. Also, revenue from base management fees in the fourth quarter of 2014 were higher than those in the third quarter of 2014. This was mainly attributable to a higher AUM base resulting from new mandates won during the period.

The third quarter ended September 30, 2014, showed an increase in base management fees compared to the quarter ended June 30, 2014. Also, performance fees were lower in the third quarter of 2014 compared to the second quarter of 2014. The increase in revenues in the second quarter of 2014, compared to the first quarter of 2014 is mainly attributable to the increase in base management and performance fees in the alternative asset class. Finally, the quarter ended March 31, 2014, was characterized by an increase in base management fees and other revenue resulting from a full quarter of Bel Air and Wilkinson O'Grady operations and net additional AUM, combined with market appreciation.

Adjusted EBITDA

Adjusted EBITDA has been on an increasing trend over the last eight quarters. Adjusted EBITDA increased in the current quarter ended December 31, 2015, compared to the previous quarter mainly due to higher performance fees and base management fees, partially offset by higher overall operating expenses. Adjusted EBITDA decreased in the third quarter of 2015 compared to the second quarter of 2015, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June and December of each year.

Adjusted EBITDA increased in the second quarter of 2015, compared to the first quarter of 2015, mainly due to higher performance fees from the alternative asset class, which are generally recorded in June and December of each year, partially offset by higher SG&A expenses namely related to variable compensation. Adjusted EBITDA decreased in the first quarter of 2015, compared to the fourth quarter of 2014, mainly due to lower performance fees which are generally recorded in June and December of each year, despite the fact that base management fees were higher and SG&A stayed at the same level compared to those from the fourth quarter of 2014. Adjusted EBITDA increased in the fourth quarter of 2014, compared to those in the third quarter of 2014, mainly due to higher performance fees which are generally recorded in December of each year, combined with higher base management fee revenues, partially offset by higher SG&A expenses. Adjusted EBITDA decreased in the third quarter of 2014, compared to the second quarter of 2014, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June and December of each year.

Adjusted EBITDA increased in the second quarter of 2014, compared to the first quarter of 2014, mainly due to higher base management and performance fees, combined with lower SG&A expenses, particularly relating to variable compensation. Finally, the first quarter ended March 31, 2014, showed a decrease in adjusted EBITDA compared to the previous quarter, mainly due to lower performance fees and higher SG&A expenses. The increase in SG&A is mainly due to the inclusion of a full quarter of Bel Air and Wilkinson O'Grady operations, combined with higher performance-based investment manager compensation.

Adjusted EBITDA Margin

Adjusted EBITDA margin relates adjusted EBITDA to revenues. It is an important measure of overall operating performance because it measures Company profitability from operations.

Adjusted EBITDA margin has fluctuated from a low of 29.9% to a high of 38.6% during the most recent eight quarters. The quarter ended March 31, 2014, had an adjusted EBITDA margin of 30.3%, which is lower than the previous quarter, mainly due to lower performance fees that are generally recorded in June and December of each year. The following quarter ended June 30, 2014, had an adjusted EBITDA margin of 36.2% mainly due to higher base management fees, higher performance fees in the alternative asset class, combined with lower SG&A expenses, particularly related to variable compensation, compared to those from the quarter ended March 31, 2014. The third quarter ended September 30, 2014, had an adjusted EBITDA margin of 34.5%, a lower level compared to the previous quarter, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June and December of each year. The quarter ended December 31, 2014, had an adjusted EBITDA margin of 38.6%, a higher level compared to the previous quarter, mainly attributable to higher performance fees which are generally recorded in December of each year, combined with higher base management fees as a result of higher base AUM. The quarter ended March 31, 2015, showed an adjusted EBITDA margin of 29.9% mainly due to lower performance fees compared to the fourth quarter ended December 31, 2014. The previous quarter ended June 30, 2015, showed an adjusted EBITDA margin of 34.8% mainly due to higher performance fees from the alternative asset class compared to the first quarter of 2015. The following quarter ended September 30, 2015, showed an adjusted EBITDA margin of 30.9% mainly due to lower performance fees compared to the previous quarter ended June 30, 2015.

The current quarter ended December 31, 2015, showed an adjusted EBITDA margin of 34.8%, which is higher than the previous quarter, mainly due to higher performance fees and higher base management fees. Also, the upfront set-up costs of the US platform initiative and other costs associated with building scale will generate benefits in the upcoming quarters.

On a twelve-month basis, the current LTM adjusted EBITDA margin was at 32.8%, which compares to the LTM adjusted EBITDA margin of 33.7% and 34.6% reported as at September 30, 2015, and June 30, 2015, respectively. The LTM adjusted EBITDA margin neutralizes the impact of the timing of performance fees which are generally recorded in the second and the fourth quarter of each year, as well as the rise in SG&A expenses in recent quarters resulting from various acquisitions and provides a better measure of the Firm's overall performance.

Net Earnings Attributable to the Company's Shareholders

Net earnings attributable to the Company's shareholders have fluctuated from a low of \$2.7 million to a high of \$12.1 million over the last eight quarters. Net earnings attributable to the Company's shareholders were impacted by various initiatives resulting in higher SG&A expenses, acquisitions and restructuring and other integration costs. Also, performance fees generally recorded in the second quarter and the fourth quarter of each year contributed to the fluctuation of the net earnings attributable to the Company's shareholders.

The current quarter's net earnings attributable to the Company's shareholders were higher than those of the previous quarter ended September 30, 2015, mainly due to higher performance fees from the traditional and alternative asset class, combined with higher base management revenues.

Adjusted Net Earnings per Share Attributable to the Company's Shareholders

Adjusted net earnings attributable to the Company's shareholders per share are a good performance indicator of the Company's ability to generate cash flows. Adjusted net earnings attributable to the Company's shareholders have fluctuated from a low of $0.18 per share (basic and diluted) to a high of $0.34 per share (basic and diluted) over the last eight quarters.

The quarter ended March 31, 2013, closed with adjusted net earnings attributable to the Company's shareholders of $0.18 per share (basic and diluted), mainly due to lower performance fees in the traditional and alternative asset classes recorded in the fourth quarter of 2013. The second quarter ended June 30, 2014, showed adjusted net earnings attributable to the Company's shareholders of $0.23 per share (basic and diluted), mainly due to higher performance fees from the alternative asset class recorded in the second quarter of 2014. The following quarter ended September 30, 2014, closed with adjusted net earnings attributable to the Company's shareholders of $0.21 per share (basic and diluted), as a result of higher base management fees, partially offset by lower performance fees compared to the previous quarter. The fourth quarter of 2014 showed a high level of adjusted net earnings attributable to the Company's shareholders of $0.34 per share (basic and diluted), mainly due to higher performance fees recorded during the quarter.

For the first quarter of 2015, the Firm recorded net earnings attributable to the Company's shareholders of $0.21 per share (basic and diluted), a level lower than that of the fourth quarter of 2014, mainly due to lower performance fees, partially offset by higher base management fees recorded during the quarter. For the following quarter ended September 30, 2015, adjusted net earnings attributable to the Company's shareholders were $0.25 per share (basic and diluted), representing a slight decrease from the previous quarter resulting mainly from lower performance fees from the alternative asset class, compared to $0.26 per share (basic and diluted) recorded for the second quarter ended June 30, 2015. Finally, the current quarter ended December 31, 2015, closed with adjusted net earnings attributable to the Company's shareholders of $0.30 per share (basic) and $0.29 (diluted), mainly due to higher performance fees from both traditional and alternative asset class, combined with higher base management fees as a results of higher average AUM and the inclusion of Samson.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The ability to consistently generate free cash flows from operations in excess of dividend payments, share repurchases, capital expenditures, and ongoing operating expenses remains one of the Company's fundamental financial goals. The Firm's principal uses of cash, other than for operating expenses, include (but are not limited to) dividend payments, debt repayments, capital expenditures, business acquisitions and stock buy-backs.

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

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

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2015	DECEMBER 31, 2014
Cash generated by operating activities	66,856	63,735
Cash used in investing activities	(34,600)	(20,712)
Cash used in financing activities	(25,852)	(48,987)
Net increase (decrease) in cash	6,404	(5,964)
Effect of exchange rate changes on cash denominated in foreign currencies	2,441	1,070
Cash, beginning of period	16,880	21,774
Cash, end of period	25,725	16,880

Year-to-Date Activities

Cash generated by operating activities amounted to $66.8 million for the twelve-month period ended December 31, 2015. This amount resulted from $80.4 million of cash generated from net earnings adjusted for depreciation and amortization, non-cash compensation, accretion of purchase price obligations, interest on long-term debt and other financial charges, income tax expenses, as well as changes in fair value of derivative financial instruments, which was offset by $12.6 million of cash used for income tax paid and $1 million of negative change in non-cash operating working capital.

Cash used in investing activities was $34.6 million for the twelve-month period ended December 31, 2015, resulting from $24.0 million of cash used related to the Samson acquisition, combined with $9.4 million cash used for the purchase of property and equipment and $1.7 million and $1.9 million of cash used for the purchase of intangible assets and deferred charges, respectively. These uses of cash were partially offset by $3.4 million of cash generated from the sale of the short- term investments.

Cash used in financing activities was $25.9 million for the twelve-month period ended December 31, 2015, resulting from a $37.9 million dividend payment, $3.5 million of cash used for the settlement of share-based compensation, $8.7 million for long-term debt interest payments and financing charges, and $3.1 million of cash used to purchase shares for cancellation. These uses of cash in financing activities were partially offset by $23.0 million of additional net long-term debt, and by $4.2 million from the issuance of share capital during the period.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was $2.4 million during the twelve-month period ended December 31, 2015.

Year-to-Date December 31, 2015 versus Year-to-Date December 31, 2014

Cash generated in operating activities amounted to $66.8 million for the twelve-month period ended December 31, 2015, compared to $63.7 million for the same period last year. The variation of $3.1 million is mainly attributable to an increase of $6.5 million in adjusted EBITDA as described in the *"Adjusted EBITDA"* section, combined with a decrease of $3.4 million in income tax paid and income tax expenses, partially offset by a negative change in non-cash operating working capital of $5.2 million, and a negative change in shares of earnings and gain on dilution of investment in joint ventures of $1.3 million in the twelve-month period ended December 31, 2015, compared to the same period last year.

Cash used in investing activities amounted to $34.6 million for the twelve-month period ended December 31, 2015, compared to $20.7 million of cash used for the same period last year. The variation in cash used in investing activities is mainly attributable to higher cash used for the Samson acquisition in 2015 compared to the Propel acquisition in 2014 ($24.0 million and $9.9 million respectively in business combinations), combined with higher cash used for the purchase of property and equipment in 2015 compared to 2014 ($9.4 million and $1.3 million respectively). These increases in cash used in investing activities in 2015 compared to those in 2014 were partially offset by a one-time payment of $9.5 million for purchase price obligations during the twelve-month period ended December 31, 2014, compared to nil in the same period of 2015.

Cash used in financing activities was $25.9 million for the twelve-month period ended December 31, 2015, compared to $49.0 million of cash used in financing activities for the same period last year. The year-over-year variation is mainly attributable to higher net long-term debt of $36 million (additional long-term debt of $23 million in 2015, compared to $13.3 million of long-term debt repayment in 2014), partially offset by higher cash used for the settlement of share-based compensation of $3.5 million, higher dividends paid of $6.5 million, higher financing charges of $1.1 million, and higher cash used to purchase shares for cancellation of $3.1 million.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was $2.4 million during the twelve-month period ended December 31, 2015, compared to $1.1 million for the same period last year.

Cash Earnings (*)

The Company defines cash earnings as net earnings attributable to the Company's shareholders, adjusted for depreciation and amortization, changes in fair value of derivative financial instruments and non-cash compensation items. Cash earnings are an indicator of our ability to pay out dividends, to continue operations, and to invest in new businesses. We believe that cash earnings are an important measure used to assess our core operating performance.

The following table provides details of the Firm's cash earnings and cash earnings per share for the twelve-month periods ended December 31, 2015 and 2014, respectively.

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

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2015	DECEMBER 31, 2014
Net earnings attributable to the Company's shareholders	27,631	27,492
Adjusted for the following items:		
Depreciation of property and equipment	2,030	1,733
Amortization of intangible assets	27,119	25,700
Non-cash compensation	8,880	6,940
Impairment of non-financial assets	-	8,016
Changes in fair value of derivative financial instruments	445	(7,419)
Cash earnings attributable to the Company's shareholders	66,105	62,462
Cash earnings per share (basic)	0.94	0.91
Cash earnings per share (diluted)	0.93	0.90

(*) Cash earnings and cash earnings per share are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 52.

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

For the twelve-month period ended December 31, 2015, $29.1 million of depreciation of property and equipment, and amortization of intangible assets, as well as $9.3 million of non-cash compensation, impairment of non-financial assets and change in fair value of derivative financial instruments had an unfavourable impact on the net earnings attributable to the Company, compared to $27.4 million and $7.5 million for the same period last year, respectively. When added back to the Firm's net earnings attributable to the Company's shareholders of $27.6 million, or $0.40 per share (basic) and $0.39 (diluted), cash earnings attributable to the Company's shareholders amounted to $66.1 million, or $0.94 per share (basic) and $0.93 (diluted) for the twelve-month period ended December 31, 2015, compared to $62.5 million or $0.91 per share (basic) and $0.90 (diluted) for the same period last year.

Long-Term Debt

Table 13 – Revolving Facility (in $ thousands)

	DECEMBER 31, 2015	DECEMBER 31, 2014
Term facility	-	177,756
Revolving facility	265,270	45,244
Deferred financing charges	(1,044)	(919)
	264,226	222,081

Revolving Facility

On June 26, 2015, the Company amended the terms of its credit agreement to include, amongst others, the following changes:

- Conversion of the previous facility consisting of a $75 million senior unsecured revolving facility maturing in April 2017 and a $175 million term facility maturing in April 2017 into a $300 million senior unsecured revolving facility, that can be drawn in Canadian or US dollar equivalent at the discretion of the Company, and repayable in full in March 2020.
- Revised financial covenants applicable for the different test periods including in periods after certain acquisitions.
- Inclusion of Fiera US Holding Inc., a wholly-own subsidiary, as a borrower.

The Company evaluated the amendments and concluded that the revised terms were substantial and constituted an extinguishment of the previous facility. As a result, unamortized deferred financing charges of $0.7 million relating to the previous facility were written off in the consolidated financial statements on the date of the amendment.

The Company plans to use the additional amounts available under the amended revolving facility to finance future acquisitions and for general corporate purposes, if needed.

As at December 31, 2015, the total amount of long-term debt was comprised of $128.3 million and US$99.0 million ($137 million) ($129.5 million and US$80.6 million ($93.5 million) was outstanding as at December 31, 2014).

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

As at December 31, 2015, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement for a notional amount of $108 million, to exchange its monthly variable interest rate payments for fixed interest payments at the rate of 1.835% until March 2017. The amendments to the credit facility had no impact on the interest rate swap agreements.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2015:

Table 14 – Contractual Obligations ($ in thousands)

	Carrying Amount	Total	2016	2017	2018	Thereafter
Long-Term Debt	265,270	265,270	-	-	-	265,270
Purchase Price Obligations	42,235	48,697	11,845	10,426	10,426	16,000
Operating Leases	n/a	77,876	11,934	10,416	7,943	47,583
Total Obligations	n/a	391,843	23,779	20,842	18,369	328,853

Contingent Liabilities

In the normal course of business, the Company is party to business and employee-related claims. The potential outcomes related to existing matters faced by the Company are not determinable at this time. The Company intends to defend these actions, and management believes that the resolution of these matters will not have a material adverse effect on the Company's financial condition.

Off-Balance Sheet Arrangements

At December 31, 2015, Fiera Capital was not party to any off-balance sheet arrangements, including guarantees, derivatives, except for the above-mentioned floating-to-fixed interest rate swap agreement, and variable-interest entities. We do not expect to enter into such agreements.

Share Capital

As at December 31, 2015, the Company had 51,536,848 Class A subordinate voting shares and 19,847,577 Class B special voting shares for a total of 71,384,425 outstanding shares compared to 48,715,873 Class A subordinate voting shares and 20,039,750 Class B special voting shares for a total of 68,755,623 outstanding shares as at December 31, 2014.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2015, and 2014, under the terms of the Company's stock option plan:

Table 15 – Options Transactions

	DECEMBER 31, 2015		DECEMBER 31, 2014	
	Number of Class A Share Options	Weighted-Average Exercise Price ($)	Number of Class A Share Options	Weighted-Average Exercise price ($)
Outstanding – beginning of period	3,346,037	9.32	2,942,522	8.12
Granted	255,000	11.64	692,427	13.43
Exercised	(356,173)	6.82	(249,236)	6.77
Forfeited	(204,639)	12.74	(32,176)	8.10
Expired	-	-	(7,500)	5.59
Outstanding – end of period	3,040,225	9.58	3,346,037	9.32
Options exercisable – end of period	1,225,485	7.04	1,230,298	6.55

Deferred share unit plan ("DSU")

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. Under the DSU Plan, each director received, on the date in each quarter which is three business days following the publication by the Company of its earnings results for the previous quarter, that number of DSU having a value equal to up to 100% of such director's base retainer for the current quarter, provided that a minimum of 50% of the base retainer must be in the form of DSU. The number of DSU granted to a director was determined by dividing the dollar value of the portion of the director's fees to be paid in DSUs by the closing price of the Class A Shares of the TSX for the business day immediately preceding the date of the grant. At such time as a director ceased to be a director, the Company would make a cash payment to the director equal to the closing price of the Class A Shares on the date of departure, multiplied by the number of DSU held by the director on that date. As at September 1, 2010, the Board cancelled the DSU plan; however, all existing rights and privileges were kept intact. All directors are now compensated in cash.

As at December 31, 2015, management had recorded a liability for an amount of approximately $0.162 million for the 14,295 units ($0.174 million for 13,681 units as at December 31, 2014), outstanding under the DSU Plan.

Restricted share unit plan ("RSU")

On December 11, 2012, the Board adopted a RSU Plan for the purposes of providing certain employees with the opportunity to acquire Class A Shares of the Company in order to induce such persons to become employees of the Company, or one of its affiliates and to permit them to participate in the growth and development of the Company. The maximum number of issuable Class A Shares under all plans is 10% of the issued and outstanding shares of the Company calculated on a non-diluted basis. The vesting date is the third anniversary of the award date. The Board may determine the number of shares each eligible employee can receive. RSU expense is recorded at fair value and is amortized over the vesting period on a straight-line basis.

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2015 and 2014 in the Company's RSU plans.

Table 16 – RSU Transactions

	Number of RSUs outstanding	
	2015	2014
Outstanding – beginning of period	540,508	367,548
Granted	273,964	166,559
Reinvestments in lieu of dividends	30,872	15,573
Vested[1]	(140,630)	-
Forfeited	(18,470)	(9,172)
Outstanding – end of period	686,244	540,508

1) 1,760 Restricted share units representing the last dividend were paid in cash.

As at December 31, 2015, management had recorded a liability for an amount of $2.9 million for the 686,244 units ($2.2 million for 540,508 units as at December 31, 2014), outstanding under the RSU Plan. An expense of $2.2 million and $1.6 million was recorded during the years ended December 31, 2015 and 2014, respectively for these grants.

Restricted Share Plan ("RSP")

On October 30, 2015, in relation with the acquisition of Samson, the Board adopted a Restricted Share Plan for the purposes of retaining certain employees and providing them with the opportunity to participate in the growth and development of the Company. The maximum number of issuable Class A Shares under the plan is 224,699 of the issued and outstanding shares of the Company. The Board may determine the number of restricted shares each eligible employee can receive. The Restricted Shares vest over a three-year period with one third vesting each year. Accelerated vesting occurs in certain circumstances, including death or disability. The Restricted Shares are entitled to dividends, and have voting rights. The plan administrator will reinvest the proceeds of the dividends received into additional shares of the Company.

On October 30, 2015, the Company issued 224,699 Restricted Shares. In conjunction with the Restricted Share issuance, the Company issued 224,699 Class A Shares which are held by the plan administrator. During the year, the plan administrator purchased an additional 2,346 Class A Shares with the proceeds of the dividends received.

The share-based payment expense is measured based on the fair value of the Restricted Shares on the grant date and is recognised over the vesting period on a straight-line basis. An expense of $0.227 million was recorded during the year ended December 31, 2015 for this grant.

Performance Share Unit Plan ("PSU")

PSU plan applicable to business units

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2015 and 2014 in the Company's PSU plans applicable to BU.

Table 17 – PSU Transactions

	2015	2014
Outstanding – beginning of period	1,735,705	1,345,321
Granted	1,101,589	415,384
Settled	(234,583)	-
Forfeited	(60,000)	(25,000)
Outstanding – end of period	2,542,711	1,735,705

During the year ended December 31, 2015, the Company granted 1,092,273 PSUs which will vest in equal tranches in either the next 4 or 5 years and 9,316 PSUs which are cliff vesting on December 31, 2018. The formula to determine the value of the PSUs upon vesting is based on a multiple of the revenues applicable to the business unit while the performance condition is based on a revenue growth objective. The PSUs granted are anticipated to be equity-settled.

The weighted-average grant date fair value of the PSUs awarded is $14.24 per share. The fair value of the PSUs granted was determined at inception using a discounted cash flow model which values the underlying PSUs using different long-term projections such as the expected revenue growth rate, client retention rate and discount rate. The Company determined that it is currently probable that only the first two years of the awards granted during the period will vest. During the year ended December 31, 2015, 234,583 PSUs vested and were settled. The Company settled the vested PSUs by paying $3.5 million in cash in lieu of issuing Class A Shares. The Company treated the transaction as a repurchase of an equity interest and recorded a deduction in the amount of $3.5 million in contributed surplus. The settling of these PSUs in cash was due to unique circumstances. The Company still has the intention to settle the remaining tranches by issuing shares.

An expense of $4.4 million and $4.0 million was recorded during the years ended December 31, 2015 and 2014, respectively for the PSU plan applicable to BU. For the year ended December 31, 2015, the expense is attributable to equity-settled grants and cash-settled grants for an amount of $4.4 million and ($0.029 million), respectively ($3.96 million and $0.043 million, respectively for the year ended December 31, 2014).

PSU plan

An expense of $0.9 million and nil was recorded during the years ended December 31, 2015 and 2014, respectively for this PSU plan. For the year ended December 31, 2015, the expense is attributable to equity-settled grants and to cash-settled grants for an amount of $0.2 million and $0.7 million, respectively (nil for the year ended December 31, 2014).

Post-Employment Benefit Obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2015, amount to $2.4 million ($2.26 million for the year ended December 31, 2014).

Subsequent to a business combination realized in September 2010, the Company assumed the role of sponsor of an individual pension plan ("IPP") which had been established by the Company for former employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies. These IPPs are valued on a triennial reporting cycle. The most recent actuarial valuation was performed as at January 1, 2013, and the next actuarial valuation date is January 1, 2016.

Related Party Transactions

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

Table 18 – Related Party Transactions (in $ thousands)

	FOR THE TWELVE-MONTH PERIODS ENDED	
	DECEMBER 31, 2015	DECEMBER 31, 2014
Base management, performance and other revenues	52,326	49,290
Selling, general & administrative expenses		
Reference fees	1,592	1,583
Other	2,320	1,775
Interest on long-term debt	7,782	7,864
Changes in fair value of derivative financial instruments	445	301
Acquisition costs	120	-
Shares issued as settlement of the purchase price obligations	8,500	8,500

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Fees are at prevailing market prices and are settled on normal trade terms. The amounts due under the Company's revolving facility, presented as long-term debt are due to syndicate of lenders which includes two related parties of the Company. During the second quarter of 2015, the Company paid $1.0 million to the syndicate of lenders for different transaction-related fees in relation to the amendment of the revolving facility. The derivative financial instruments liability is due to a related company.

The Company has carried out the following transaction with joint ventures: other revenue of $0.4 million for the year ended December 31, 2015 ($1.2 million for the year ended December 31, 2014).

Control and Procedures

The Chairman of the Board & Chief Executive Officer ("CEO") and the Executive Vice President & Chief Financial Officer ("CFO"), together with Management, are responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109.

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

The CEO and CFO, supported by Management, evaluated the design of the Corporation's DC&P and ICFR as at December 31, 2015, and have concluded that they were effective. Furthermore, no significant changes to the internal controls over financial reporting occurred during the quarter ended December 31, 2015, except as described below:

On October 30, 2015, the Corporation acquired 100% of the issued and outstanding shares of Samson Capital Advisors LLC ("Samson"). Management is in the process of completing its review of the design and operating effectiveness of ICFR for this acquisition. At December 31, 2015, risks were however mitigated as management was fully apprised of any material events affecting these acquisitions. In addition, all the assets and liabilities acquired were valued and recorded in the consolidated financial statements as part of the purchase price allocation process and Samson results of operations were also included in the Corporation's consolidated results. Samson constitutes 1.3% of revenue, (1.6%) of the net earnings of the year, 5.7% of the total assets, 3% of the current assets, 6% of the non-current assets, 1%of the current liabilities and none of the non-current liabilities of the consolidated financial statements for the year ended December 31, 2015. In the coming fiscal year, management will complete its review of the design of ICFR for Samson, and assess its effectiveness.

Following the above mentioned acquisition, Management had to adjust the consolidation process to incorporate the new US subsidiary.

Financial Instruments

The Company, through its financial assets and financial liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement of risks as at December 31, 2015.

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

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

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

Market Risk

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

Equity Market Fluctuation Risk

Fluctuations in the value of equity securities affect the level and timing of recognition of gains and losses on equity and mutual fund and pool fund securities in the Company's portfolio and causes changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock and bond markets and, consequently, the value of the equity, mutual fund and fixed income available-for-sale financial assets held.

The Company manages its investment portfolio with a medium risk mandate. Its particular expertise is investment management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at December 31, 2015 and 2014, is comprised of mutual fund and pool fund investments under its management with a fair value of $4.7 million as at December 31, 2015 and $7.1 million as at December 31, 2014. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds. Mutual fund and pool fund units have no specific maturities.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2015, and 2014 has an impact of increasing or decreasing other comprehensive income by $0.47 million and $0.71 million respectively.

Credit Risk

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

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

The credit risk on cash, restricted cash and investments is limited because the counterparties are chartered and commercial banks with high-credit ratings assigned by national credit-rating agencies.

The Company's credit risk is attributable primarily to its trade receivables. The amounts disclosed in the consolidated statements of financial position are net of allowance for doubtful accounts, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. With the exception of National Bank of Canada and related companies which represent 21% as at December 31, 2015 (20% as at December 31, 2014), no customer represents more than 10% of the Company's accounts receivable as at December 31, 2015 and 2014.

Interest Rate Risk

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

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

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to cash, accounts receivable, accounts payable and accrued liabilities and long-term debt denominated in US dollars and the operations of its US businesses which are predominantly in US dollars. The Company manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Company matches the long-term debt in foreign currency with long-term assets in the same currency.

Based on the balances outstanding (excluding long-term debt) as at December 31, 2015, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $0.9 million (2014 - $1.1 million). The above calculation does not include the US dollar long-term debt, which is hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statement of financial position given that it is an intercompany balance.

Liquidity Risk

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

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

Determination of Fair Value of Financial Instruments

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The cost of mutual fund investments and pool funds is $3.8 million as at December 31, 2015 and $6.5 million as at December 31, 2014, while the fair value is $4.7 million as at December 31, 2015 and $7.1 million as at December 31, 2014. The unrealized gain of $0.8 million (net of income taxes of $0.12 million) as at December 31, 2015 and $0.6

million (net of income taxes of $0.083 million) as at December 31, 2014, are reflected in accumulated other comprehensive income.

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

The Company measured the fair value of the subscription receipts receivable of $1.8 million and subscription receipts obligation of the same amount using level 2 inputs in the fair value hierarchy. The Company determined the fair value by using observable market inputs such as the discount rate.

The fair value of the option granted to non-controlling interest is based on a formula that was agreed upon by all parties during the acquisition of the selected alternative asset management funds of GMP. The fair value of the option is determined using the present value of the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees. The actual performance of the subsidiary directly impacts the value of the option. Forecasts are monitored and updated on a monthly basis, and the value of the option is recalculated at the end of each reporting period. During 2014, the Company completed the annual budget of the subsidiary for fiscal year 2015 and recalculated the option value using the most recent forecasted EBITDA attributable to Fiera Quantum L.P. As a result, the Company determined that the value of the option was nil as at December 31, 2014. The fair value remained unchanged as at December 31, 2015.

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

Derivative financial instruments consist only of interest rate swap contracts, The Company determines the fair value of its interest rate swap contracts by applying valuation techniques, using observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where appropriate. The Company ensures, to the extent practicable, that its valuation technique incorporates all factors that market participants would consider in setting a price and it is consistent with accepted economic methods for pricing financial instruments.

Changes in fair value of derivative financial instruments presented in the consolidated statement of earnings include changes in the fair value of the interest rate swap contracts described above of $0.4 million and $0.3 million for the years ended December 31, 2015 and 2014, respectively and the changes in the fair value of the option granted to non-controlling interest of nil and ($7.7) million for the years ended December 31, 2015 and 2014, respectively for a total of $0.4 million and ($7.4) million for the years ended December 31, 2015 and 2014, respectively. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

Capital Management

The Company's capital comprises share capital, (deficit) retained earnings and long-term debt, less cash. 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.

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

During the years ended at December 31, 2015 and 2014, all regulatory requirements and exemptions were met.

Significant Accounting Judgments and Estimation Uncertainties

This MD&A is prepared with reference to the audited consolidated financial statements for the three and twelve-month periods ended December 31, 2015. A summary of the Company's significant accounting judgements and estimation uncertainties are presented in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2015. Some of the Company's accounting policies, as required under IFRS, require the Management to make subjective, complex judgements and estimates to matters that are inherent to uncertainties. Accounting policies that require Management's judgement and estimates are described in the *"Significant Accounting Judgement and Estimation Uncertainties"* section of the Company's annual MD&A for the year ended December 31, 2015.

New Accounting Policies

Adoption of New IFRS

The following revised standards are effective for annual periods beginning on January 1, 2015 and their adoption has not had any impact on the amounts reported or disclosures made in these financial statements but may affect the accounting for future transactions, arrangements, or disclosures in the Company's 2015 annual financial statements.

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

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

IFRS Issued but Not Yet Adopted

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

IFRS 9 – Financial Instruments

In July 2014, the IASB finalized IFRS 9, bringing together the financial asset and financial liability classification and measurement, impairment of financial assets and hedge accounting phases of the IASB project. IFRS 9 provides a single model for financial asset classification and measurement that is based on contractual cash flow characteristics and on the business model for holding financial assets. IFRS 9 also introduces a new impairment model for financial assets not measured at fair value through profit or loss. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets and liabilities. IFRS 9 replaces IAS 39 – *Financial Instruments: Recognition and Measurement* and is mandatorily effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption permitted. The Company is still evaluating the impact of this standard on its consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. In July 2015, the IASB affirmed its proposal to defer the effective date by one year. Application of IFRS 15 is currently mandatory for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The Company is still evaluating the impact of this standard on its consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 — *Leases*. It supersedes the IASB's current lease standard, IAS 17, which required lessees and lessors to classify their leases as either finance leases or operating leases and to account for those two types of leases differently. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months and for which the underlying asset is not of low value. This new standard will come into effect for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company is still evaluating the impact of this standard on its consolidated financial statements.

Amendments to IFRS 11 – Joint Arrangements

In May 2014, the IASB issued an amendment to this standard requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendment is effective for annual periods beginning on or after January 1, 2016, and is not expected to have a significant impact on the consolidated financial statements.

Amendments to IAS 38 - Intangible Assets and IAS 16 - Property, Plant and Equipment

In May 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted and is not expected to have a significant impact on the consolidated financial statements.

Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures

In September 2014, the IASB issued amendments to these standards to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. The extent of gains and losses arising on the sale or contribution of assets depends on whether the assets sold or contributed constitute a business. In August 2015, the IASB published an exposure draft proposing an indefinite deferral of the effective date for these amendments. Application of the amendments to IFRS 10 and IAS 28 are currently mandatory for annual periods beginning on or after

January 1, 2016 and is to be applied prospectively. Early adoption is permitted and is not expected to have a significant impact on the consolidated financial statements.

Annual Improvements to IFRS (2012-2014) Cycle

In September 2014, the IASB published annual improvements on the 2012-2014 cycle which included narrow-scope amendments to a total of four standards. Modifications of standards that may be relevant to the Company include amendments made to provide: (1) specific guidance for cases when an entity reclassifies an asset from held-for-sale to held-for-distribution and vice versa in IFRS 5 – *Non-current assets held-for-sale*, (2) additional guidance on whether a servicing contract is continuing involvement in a transferred asset and clarification on offsetting disclosures in condensed interim financial statements in IFRS 7 – *Financial Instruments: Disclosures*, (3) clarification that the high quality bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits paid under IAS 9 – *Employee Benefits*, (4) clarification of the term “elsewhere in the interim report” in IAS 34 – *Interim Financial Reporting*. Most of the amendments are effective for annual periods beginning on or after July 1, 2016. Early adoption is permitted. The Company is still evaluating the impact of these standards on its consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements

In December 2014, the IASB published amendments to this standard to clarify materiality, aggregation and disaggregation of items presented on the statement of financial position, statement of earnings, and statement of comprehensive income as well as the order of notes to the financial statements. The amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Company is still evaluating the impact of this standard on its consolidated financial statements.

NON-IFRS MEASURES

Adjusted EBITDA is calculated as the difference between total revenues and SG&A expenses (excluding non-cash compensation) and external managers' expenses.

Adjusted net earnings are calculated as the sum of net earnings (loss) attributable to the Company's shareholders, non-cash items, including depreciation of property and equipment, amortization of intangible assets, after-tax changes in fair value of derivative financial instruments, after-tax impairment of non-financial assets, after-tax acquisition and restructuring and other integration costs and non-cash compensation items.

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

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

RISKS OF THE BUSINESS

Fiera Capital's business is subject to a number of risk factors, including but not limited to the following:

Clients are not committed to a long-term relationship

The agreements pursuant to which Fiera Capital manages its clients' assets, in accordance with industry practice, may be terminated upon short notice. Clients who are invested in units of the Funds may have their units redeemed upon short notice as well. Consequently, there is no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM, which may have a material negative impact on Fiera Capital's ability to attract and retain clients and on its management fees, its potential performance fees and its overall profitability.

The loss of any major clients or of a significant number of existing clients could have a material adverse effect upon Fiera Capital's results of operations and financial condition.

Poor investment performance could lead to the loss of existing clients, an inability to attract new clients, lower AUM and a decline in revenue

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of funds by existing clients in favour of better-performing products and would have an adverse impact upon Fiera Capital's ability to attract funds from new and existing clients, any of which could have an adverse impact on Fiera Capital's AUM, management fees, profitability and growth prospects. In addition, Fiera Capital's ability to earn performance fees is directly related to its investment performance, and therefore poor investment performance may cause Fiera Capital to earn less or no performance fees. Fiera Capital cannot guarantee that it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Reliance on a major customer

As part of the Natcan Transaction, Fiera Capital entered into an Assets Under Management Agreement with Natcan and National Bank. Following the Natcan Transaction, National Bank became the largest client of Fiera Capital with $23.6 billion of AUM as of December 31, 2015, representing approximately 23% of Fiera Capital's $101.4 billion in AUM. Termination of the agreement or failure to renew the term of this agreement could result in a significant reduction of Fiera Capital's AUM which could have a material adverse effect on its business, prospect financial condition and results of operations.

Loss of key employees as a result of competitive pressures could lead to a loss of clients and a decline in revenue

Fiera Capital's business is dependent on the highly skilled and often highly specialized individuals it employs. The contribution of these individuals to Fiera Capital's Investment Management, Risk Management and Client Service teams plays an important role in attracting and retaining clients. Fiera Capital devotes considerable resources to recruiting, training and compensating these individuals. However, given the growth in total AUM in the investment management industry, the number of new firms entering the industry and the reliance on performance results to sell financial products, demand has increased for high-quality investment and client service professionals. Compensation packages for these professionals have a tendency to increase at a rate well in excess of inflation and above the rates observed in other industries. Fiera Capital expects that these costs will continue to represent a significant portion of its expenses.

Fiera Capital has taken, and will continue to take, steps to encourage its key employees to remain with the Company. These steps include providing a stock option plan, a short-term incentive plan and the Employee Share Purchase Plan, as well as a working environment that fosters employee satisfaction. We are confident that these measures, aimed to ensure we are an employer of choice, will be effective in retaining these individuals, even if we face increasing competition for experienced professionals in the industry, and that Fiera Capital will be able to recruit high-quality new employees with the desired qualifications in a timely manner when required.

Integration of acquired businesses

The success of the expected benefits from any acquisition completed or that may be completed by Fiera Capital will depend, in part, on the ability of management of Fiera Capital to realize the expected benefits and cost savings from integration of the businesses of Fiera Capital and those acquired. The integration of the businesses may result in significant challenges, and management of Fiera Capital may be unable to accomplish the integration smoothly or successfully or without spending significant amounts of money. It is possible that the integration process could result in the loss of key employees, the disruption of their respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management of Fiera Capital to maintain relationships with customers, suppliers or employees or to achieve the expected benefits of any acquisition.

The integration of Fiera Capital and any acquired business requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. There can be no assurance that management of Fiera Capital will be able to integrate the operations of each acquired business successfully or achieve any of the synergies or other benefits expected as a result of an acquisition. Any inability of management to successfully integrate the operations of Fiera Capital and those contemplated by an acquisition, including information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Competitive pressures could reduce revenue

The investment management industry is competitive. Certain of Fiera Capital's competitors have, and potential future competitors could have, substantially greater technical, financial, marketing, distribution and other resources than Fiera Capital. There can be no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM or revenue in this competitive environment. Competition could have a material adverse effect on Fiera Capital's profitability, and there can be no assurance that Fiera Capital will be able to compete effectively. In addition, Fiera Capital's ability to maintain its management fee and performance fee structure is dependent on its ability to provide clients with products and services that are competitive. There can be no assurance that Fiera Capital will not come under competitive pressures to lower the fees it charges or that it will be able to retain its fee structure or, with such a fee structure, retain clients in the future. A significant reduction in Fiera Capital's management fees or performance fees could have an adverse effect on revenues.

Conflicts of interest and reputational risk

The failure by Fiera Capital to appropriately manage and address conflicts of interest could damage Fiera Capital's reputation and materially adversely affect its business, financial condition or profitability. Certain of the Funds and Managed Accounts have overlapping investment objectives and potential conflicts may arise with respect to a decision regarding how to allocate investment opportunities among them. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. Claims in connection with conflicts of interest could have a material adverse effect on Fiera Capital's reputation, which could materially adversely affect Fiera Capital's business in a number of ways, including as a result of any related client losses.

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in Fiera Capital's earnings or client base because of its impact on Fiera Capital's corporate image. Reputational risk is inherent in virtually all Fiera Capital's business transactions, even when the transaction is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent in Fiera Capital's business. For this reason, Fiera Capital's framework for reputation risk management is integrated into all other areas of risk management and is a key part of the code of ethics and conduct that all Fiera Capital's employees are required to observe.

Change(s) in the investment management industry could result in a decline in revenue

Fiera Capital's ability to generate revenue has been significantly influenced by the growth experienced in the investment management industry and by Fiera Capital's relative performance within the investment management industry. The historical growth of the investment management industry may not continue, and adverse economic conditions and other factors, including any significant decline in the financial markets, could affect the popularity of Fiera Capital's services or result in clients' withdrawing from the markets or decreasing their level and/or rate of investment. A decline in the growth of the investment management industry or other changes to the industry that discourage investors from using Fiera Capital's services could affect Fiera Capital's ability to attract clients and result in a decline in revenues.

Employee errors or misconduct could result in regulatory sanctions or reputational harm, which could materially adversely affect Fiera Capital's business, financial condition or profitability

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Capital takes to deter and prevent such activity (including by instituting its code of ethics and conduct), Fiera Capital runs the risk that employee misconduct could occur. Misconduct by employees could include binding Fiera Capital to transactions that exceed authorized limits or present unacceptable risks, or concealing from Fiera Capital unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. Fiera Capital is also susceptible to loss as a result of employee error. It is not always possible to deter employee misconduct or prevent employee error, and the precautions Fiera Capital takes to prevent and detect these activities may not be effective in all cases, which could materially adversely affect Fiera Capital's business, financial condition or profitability.

Regulatory and litigation risk

Fiera Capital's ability to carry on business is dependent upon Fiera Capital's compliance with, and continued registration under, securities legislation in the jurisdictions where it carries on business. Any change in the securities regulatory framework or failure to comply with any of these laws, rules or regulations could have an adverse effect on Fiera Capital's business. There is also the potential that the laws or regulations governing Fiera Capital's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to Fiera Capital. The rapidly changing securities regulatory environment and the rise of investment management industry standards for operational efficiencies, as well as competitive pressures to implement innovative products and services, may require additional human resources. The implementation of additional reporting obligations and other procedures for investment funds may require additional expenditures. Failure to comply with these regulations could result in fines, temporary or permanent prohibitions on Fiera Capital's activities or the activities of some of Fiera Capital's personnel or reputational harm, which could materially adversely affect Fiera Capital's business, financial condition or profitability.

Regardless of Fiera Capital's effectiveness in monitoring and administering established compliance policies and procedures, Fiera Capital, and any of its directors, officers, employees and agents, may be subject to liability or fines that may limit its ability to conduct business. Fiera Capital maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage. In recent years, the cost of obtaining insurance has increased while the number of insurance providers has decreased. As a result of the introduction of the civil liability regime for secondary market disclosure, the ability to obtain insurance on reasonable economic terms may be even more difficult in the future.

Litigation risk is inherent in the investment management industry in which Fiera Capital operates. Litigation risk cannot be eliminated, even if there is no legal cause of action. The legal risks facing Fiera Capital, its directors, officers, employees and agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. In addition, with the existence of the civil liability regime for secondary market disclosure in certain jurisdictions, dissatisfied shareholders may more easily make claims against Fiera Capital, its directors and its officers.

Certain of Fiera Capital's US subsidiaries, namely Bel Air Advisors (and its subsidiary, Bel Air Management) and Fiera Capital Inc. (formerly, Wilkinson O'Grady), are registered investment advisers with the SEC. Fiera Capital's other US subsidiary, Bel Air Securities, is a registered US broker-dealer. Many aspects of these entities' asset management and/or broker-dealer activities are subject to US federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict Bel Air, Bel Air Management or Fiera Capital Inc. from carrying on their asset management or broker-dealer activities (including, but not limited to, by suspending individual employees, revoking registrations or imposing other censures and significant fines) in the event that they, their employees or their affiliates fail to comply with such laws and regulations. The regulatory environment in which Bel Air, Bel Air Management and Fiera Capital Inc. operate in the United States is in a period of transition. In the United States, there has been active debate over the appropriate extent of regulation and oversight of investment advisers and broker-dealers. New or revised legislation or regulations imposed by the SEC or other US governmental regulatory authorities or self-regulatory organizations, or changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations, may impose additional costs or other adverse effects on Bel Air, Bel Air Management, Fiera Capital Inc., Fiera Capital or any of its affiliates.

Indebtedness

The Third Amended and Restated Credit Agreement contains various covenants that limit the ability of Fiera Capital and certain of its subsidiaries (collectively, the "Borrower Parties") to engage in specified types of transactions and imposes significant operating restrictions, which may prevent the Borrower Parties from pursuing certain business opportunities and taking certain actions that may be in their interest.

These covenants limit Fiera Capital's ability to, among other things:

- incur, create, assume, or suffer to exist additional Debt for Borrowed Money (as defined therein);
- create, assume, or otherwise become or remain obligated in respect of, or permit to be outstanding guarantees;
- pay dividends on, redeem or repurchase Fiera Capital's capital stock;
- make investments and loans;

- make acquisitions;
- incur capital expenditures;
- create, incur, assume or suffer to exist certain liens; engage in certain mergers, acquisitions, asset sales or sale-leaseback transactions,
- dispose of assets;
- effect any change in the nature of their business activities;
- amend or modify in any way the Borrower Parties' constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the Material Contracts (as described therein); and
- consolidate, merge, wind-up, liquidate or sell all or substantially all of their respective assets.

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

In addition, the Third Amended and Restated Credit Agreement requires Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of a change of control of Fiera Capital will cause an event of default.

Although at present these covenants do not restrict Fiera Capital's ability to conduct its business as presently conducted, there are no assurances that in the future, Fiera Capital will not be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. Furthermore, a failure to comply with these covenants, including a failure to meet the financial tests or ratios, could result in an event of default under the Third Amended and Restated Credit Agreement.

Furthermore, a portion of Fiera Capital's indebtedness, including the borrowings under the Third Amended and Restated Credit Agreement, is at variable rates of interest and exposes Fiera Capital to interest rate risk. If interest rates increase, Fiera Capital's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed would remain the same, and the net income and cash flows would decrease.

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

Fiera Capital monitors, evaluates and manages the principal risks associated with the conduct of its business. These risks include external market risks to which all investors are subject, as well as internal risks resulting from the nature of Fiera Capital's business. Certain of Fiera Capital's methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which may be significantly greater than the historical measures indicated.

Other risk management methods depend upon evaluation of information regarding markets, clients or other matters that is publicly available or otherwise accessible by Fiera Capital. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions, and events and these policies and procedures may not be fully effective. A failure by Fiera Capital to manage risks in its portfolio models could materially adversely affect Fiera Capital's business, financial condition or profitability.

Rapid growth in Fiera Capital's AUM could adversely affect Fiera Capital's investment performance or its ability to continue to grow

An important component of investment performance is the availability of appropriate investment opportunities for new client assets. If Fiera Capital is not able to identify sufficient investment opportunities for new client assets in a timely manner, its investment performance could be adversely affected, or Fiera Capital may elect to limit its growth and reduce the rate at which it receives new client assets. If Fiera Capital's AUM increases rapidly, it may not be able to exploit the investment opportunities that have historically been available to it or find sufficient investment opportunities for producing the absolute returns it targets.

Valuation

Valuation of the Funds is subject to uncertainty. While the Funds are audited by independent auditors, within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*, in order to assess whether the Funds' financial statements are fairly stated in accordance with Canadian GAAP or IFRS, valuation of certain of the Funds' securities and other investments may involve uncertainties and judgment determinations and, if such valuations should prove to be incorrect, the net asset value of a Fund could be misstated. Independent pricing information may not always be available regarding certain of the Funds' securities and other investments. Additionally, the Funds may hold investments which by their very nature may be extremely difficult to value accurately, particularly the venture investments held by Fiera Capital in private portfolio companies. Fiera Capital may incur substantial costs in rectifying pricing errors caused by the misstatement of investment values.

Possible requirement to absorb operating expenses on behalf of mutual funds

If the assets under management in the Funds decline to the point that charging the full fund operating expenses to the Funds causes management expense ratios or the Funds to become uncompetitive, Fiera Capital may choose to absorb some of these expenses. This will result in an increase in expenses for Fiera Capital and a decrease in profitability.

Failure to implement effective information security policies, procedures and capabilities could disrupt operations and cause financial losses that could materially adversely affect Fiera Capital's business, financial condition or profitability

Fiera Capital is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that reside on or is transmitted through them. An externally caused information security incident, such as a hacker attack, a virus or a worm, or an internally caused issue, such as failure to control access to sensitive systems, could materially interrupt Fiera Capital's business operations or cause disclosure or modification of sensitive or confidential information and could result in material financial loss, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could materially adversely affect Fiera Capital's business, financial condition or profitability.

The administrative services provided by Fiera Capital depend on software supplied by third parties. Failure of a key supplier, the loss of suppliers' products or problems or errors related to such products would most likely have a material adverse effect on the ability of Fiera Capital to provide these administrative services. Changes to the pricing arrangement with such third-party suppliers because of upgrades or other circumstances could also have an adverse effect upon the profitability of Fiera Capital.

Dependency on information systems and telecommunications

Fiera Capital is dependent on the availability of its personnel, its office facilities and the proper functioning of its computer and telecommunications systems. A disaster such as water damage, an explosion or a prolonged loss of electrical power could materially interrupt Fiera Capital's business operations and cause material financial loss, loss of human capital, regulatory actions, and breach of client contracts, reputational harm or legal liability, which in turn could materially adversely affect Fiera Capital's business, financial condition or profitability.

Obtaining sufficient insurance coverage on favourable economic terms may not be possible

Fiera Capital holds various types of insurance, including errors and omissions insurance, general commercial liability insurance and a financial institution bond. The adequacy of its insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits. However, there can be no assurance that claims will not exceed the limits of available insurance coverage or that any claim or claims will ultimately be satisfied by an insurer. A judgment against Fiera Capital in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on its business, financial condition or profitability. There can be no assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms.

Major shareholders

Jean-Guy Desjardins indirectly owns approximately 35.9% of the outstanding voting interest of Fiera L.P., a controlling shareholder of Fiera Capital holding 28.15% of the outstanding voting shares of Fiera Capital. DFH, an indirect wholly-owned subsidiary of FCD, owns 36.2% of the outstanding voting interest of Fiera L.P. As a result, Mr. Desjardins is in a position to exercise significant control over matters of Fiera Capital requiring shareholder approval, including the election of directors and the determination of significant corporate actions. Although DFH's minority interest in Fiera L.P. does not constitute a controlling interest in Fiera Capital, DFH is entitled to appoint two of the eight directors of Fiera Capital that the holders of Class B Special Voting Shares are entitled to appoint.

As of the date hereof, National Bank holds approximately 22.7% of the outstanding voting shares of Fiera Capital, by way of its wholly-owned subsidiary Natcan. Pursuant to the *Investor Rights Agreement*, National Bank is entitled to appoint two of the four directors of Fiera Capital that the holders of Class A Subordinate Voting Shares are entitled to appoint.

Potential dilution

Fiera Capital is authorized to issue an unlimited number of Class A Subordinate Voting Shares, Class B Special Voting Shares and Preferred Shares and may decide to issue additional Shares or Preferred Shares in order to finance investment projects or raise liquidity, which could dilute the share ownership.

Further, under the *Investor Rights Agreement*, National Bank benefits from the *National Bank Anti-Dilution Rights* and Fiera L.P. benefits from the Fiera L.P. Anti-Dilution Rights, which are described in the Company's Annual Information Form ("AIF") under the sections *"Description of Material Contracts - Investor Rights Agreement"* and *"Sceptre Investor Agreement",* respectively. However, as of the March 12, 2015 closing of the Secondary Offering, National Bank no longer benefits from the *National Bank Anti-Dilution Rights* as it reduced its position in Fiera Capital to an ownership percentage less than one-third of the issued and outstanding Shares.

As a result of an issuance pursuant to the *Fiera L.P. Anti-Dilution Rights* described under the section *"Description of Material Contracts – Sceptre Investor Agreement"* of the Company's AIF, the share ownership of the Corporation would be diluted.

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