Consolidated Financial Statements of

FIERA CAPITAL CORPORATION

December 31, 2015 and 2014

FIERA CAPITAL

Fiera Capital Corporation
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fiera Capital Corporation

We have audited the accompanying consolidated financial statements of Fiera Capital Corporation, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fiera Capital Corporation as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Deloitte LLP[1]

March 16, 2016

Montreal, Quebec

[1] CPA auditor, CA, public accountancy permit No. A116635

Fiera Capital Corporation

Consolidated Statements of Earnings

For the years ended December 31,

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

	2015	2014
	$	$
Revenues		
Base management fees	231,421	200,612
Performance fees	19,534	15,437
Other revenues	7,462	6,309
	258,417	222,358
Expenses		
Selling, general and administrative expenses (Note 18)	177,691	145,967
External managers	4,825	5,107
Depreciation of property and equipment (Note 9)	2,030	1,733
Amortization of intangible assets (Note 10)	27,119	25,700
Impairment of non-financial assets (Note 10)	-	8,016
Acquisition costs	4,748	2,079
Restructuring and other integration costs (Note 4)	2,361	3,127
	218,774	191,729
Earnings before realized gain on investments, interest on long-term debt and other financial charges, accretion and change in fair value of purchase price obligations, (gain) loss on dilution of investments in joint ventures, changes in fair value of derivative financial instruments and share of earnings of joint ventures	39,643	30,629
Realized gain on investments	(522)	(80)
Interest on long-term debt and other financial charges	8,852	7,977
Accretion and change in fair value of purchase price obligations	484	2,642
(Gain) loss on dilution of investments in joint ventures	(83)	23
Changes in fair value of derivative financial instruments (Note 6)	445	(7,419)
Share of earnings of joint ventures (Note 5)	(1,968)	(1,263)
Earnings before income taxes	32,435	28,749
Income taxes (Note 12)	6,771	5,158
Net earnings	25,664	23,591
Net earnings attributable to :		
Company's shareholders	27,631	27,492
Non-controlling interest	(1,967)	(3,901)
	25,664	23,591
Earnings per share (Note 15)		
Basic	0.40	0.40
Diluted	0.39	0.40

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

Fiera Capital Corporation

Consolidated Statements of Comprehensive Income

For the years ended December 31,
(In thousands of Canadian dollars)

	2015	2014
	$	$
Net earnings	25,664	23,591
Other comprehensive income:		
Items that may be reclassified subsequently to earnings:		
Unrealized gain on available-for-sale financial assets (net of income taxes of $105 in 2015 and $83 in 2014)	640	352
Reclassification of gain on disposal of investments (net of income tax recovery of $68 in 2015)	(414)	-
Share of other comprehensive income of joint ventures	155	111
Unrealized exchange differences on translating financial statements of foreign operations	18,382	7,472
Other comprehensive income	18,763	7,935
Comprehensive income	44,427	31,526
Comprehensive income attributable to:		
Company’s shareholders	46,394	35,427
Non-controlling-interest	(1,967)	(3,901)
	44,427	31,526

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

Fiera Capital Corporation

Consolidated Statements of Financial Position

As at December 31,

(In thousands of Canadian dollars)

	2015	2014
	$	$
Assets		
Current assets		
Cash	25,725	16,880
Restricted cash	2,890	579
Investments (Note 7)	4,707	7,986
Assets held-for-sale (Note 5)	5,496	-
Accounts receivable (Note 8)	65,435	59,960
Prepaid expenses and other assets	6,115	2,908
Subscription receipts receivable	1,755	1,746
	112,123	90,059
Non-current assets		
Deferred charges	3,284	1,831
Long-term receivable	433	449
Deferred income taxes (Note 12)	1,079	483
Subscription receipts receivable	-	1,607
Investment in joint ventures (Note 5)	6,460	9,635
Property and equipment (Note 9)	18,956	5,120
Intangible assets (Note 10)	322,975	292,835
Goodwill (Note 10)	391,347	370,161
	856,657	772,180
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	50,784	41,034
Dividend payable	334	311
Restructuring provisions (Note 4)	75	904
Amount due to related companies	1,259	931
Purchase price obligations	11,561	8,500
Client deposits	155	155
Deferred revenues	-	99
Subscription receipts obligation	1,755	1,746
	65,923	53,680
Non-current liabilities		
Deferred lease obligations	1,311	519
Lease inducements	5,284	636
Deferred income taxes (Note 12)	12,566	20,091
Long-term restructuring provisions (Note 4)	936	979
Other non-current liabilities	2,512	-
Cash settled share-based liabilities	1,807	1,263
Long-term debt (Note 13)	264,226	222,081
Purchase price obligations	30,674	36,168
Derivative financial instruments (Note 6 & 13)	1,390	945
Subscription receipts obligation	-	1,607
	386,629	337,969
Equity		
Share capital, restricted and hold back shares, contributed surplus, (deficit) retained earnings, and accumulated other comprehensive income	474,938	437,154
Non-controlling interest	2,388	4,355
Initial value of option granted to non-controlling interest	(7,298)	(7,298)
Total non-controlling interest	(4,910)	(2,943)
	470,028	434,211
	856,657	772,180

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

Approved by the Board

/s/ Jean-Guy Desjardins	*/s/ Sylvain Brosseau*
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Jean-Guy Desjardins, Director	Sylvain Brosseau, Director

Fiera Capital Corporation

Consolidated Statements of Changes in Equity

For the years ended December 31,
(In thousands of Canadian dollars)

	Share Capital	Restricted and Hold back shares	Contributed surplus	(Deficit) Retained earnings	Accumulated other comprehensive income	Total	Related to Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$	$
Balance, December 31, 2013	421,209	8,781	4,533	(20,356)	1,916	416,083	958	417,041
Net earnings	-	-	-	27,492	-	27,492	(3,901)	23,591
Other comprehensive income	-	-	-	-	7,935	7,935	-	7,935
Comprehensive income	-	-	-	27,492	7,935	35,427	(3,901)	31,526
Share-based compensation expense (Note 18)	-	-	5,255	-	-	5,255	-	5,255
Stock options exercised (Note 14)	2,245	-	(557)	-	-	1,688	-	1,688
Shares issued as settlement of purchase price obligations (Note 14)	8,500	-	-	-	-	8,500	-	8,500
Issuance of shares (Note 14)	1,830	-	-	-	-	1,830	-	1,830
Conversion of hold back shares (Note 14)	3,104	(3,104)	-	-	-	-	-	-
Dividends	-	-	-	(31,629)	-	(31,629)	-	(31,629)
Balance, December 31, 2014	436,888	5,677	9,231	(24,493)	9,851	437,154	(2,943)	434,211
Net earnings	-	-	-	27,631	-	27,631	(1,967)	25,664
Other comprehensive income	-	-	-	-	18,763	18,763	-	18,763
Comprehensive income	-	-	-	27,631	18,763	46,394	(1,967)	44,427
Share-based compensation expense (Note 18)	-	-	5,994	-	-	5,994	-	5,994
Performance share units settled			(3,450)	-	-	(3,450)	-	(3,450)
Stock options exercised (Note 14)	3,146	-	(719)	-	-	2,427	-	2,427
Shares issued as part of a business combination (Note 4)	11,998	3,566	-	-	-	15,564	-	15,564
Shares purchased for cancellation (Note 14)	(2,320)	-	-	(789)	-	(3,109)	-	(3,109)
Issuance of restricted shares (Note 14)	2,622	(2,622)	-	-	-	-	-	-
Shares issued as settlement of purchase price obligations (Note 14)	8,500	-	-	-	-	8,500	-	8,500
Issuance of shares (Note 14)	3,341	-	-	-	-	3,341	-	3,341
Conversion of hold back shares (Note 14)	2,959	(2,959)	-	-	-	-	-	-
Dividends	-	-	-	(37,877)	-	(37,877)	-	(37,877)
Balance, December 31, 2015	467,134	3,662	11,056	(35,528)	28,614	474,938	(4,910)	470,028

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

Fiera Capital Corporation

Consolidated Statements of Cash Flows

For the years ended December 31,

(In thousands of Canadian dollars)

	2015	2014
	$	$
Operating activities		
Net earnings	25,664	23,591
Adjustments for:		
Depreciation of property and equipment	2,030	1,733
Amortization of intangible assets	27,119	25,700
Impairment of non-financial assets	-	8,016
Amortization of deferred charges	507	373
Accretion and change in fair value of purchase price obligations	484	2,642
Lease inducements	(216)	(121)
Deferred lease obligations	764	(15)
Share-based compensation	5,994	5,255
Cash settled share-based compensation	2,886	1,683
Restructuring provisions	(872)	574
Interest on long-term debt and other financial charges	8,852	7,977
Changes in fair value of derivative financial instruments	445	(7,419)
Income tax expense	6,771	5,158
Income tax paid	(12,563)	(14,346)
Share of earnings of joint ventures	(1,968)	(1,263)
(Gain) loss on dilution of investments in joint ventures	(83)	23
Realized gain on investments	(522)	(80)
Other non-current liabilities	2,490	-
Changes in non-cash operating working capital items (Note 19)	(926)	4,254
Net cash generated from operating activities	66,856	63,735
Investing activities		
Business combinations (less cash acquired of $1,144 in 2015 ($107 in 2014)) (Note 4)	(23,975)	(9,914)
Payment of purchase price obligations	-	(9,484)
Investments, net	3,385	2,904
Investment in joint ventures	(96)	-
Purchase of property and equipment	(9,409)	(1,295)
Purchase of intangible assets	(1,655)	(2,343)
Repayment from a related shareholder	-	1,211
Long-term receivable	(218)	(449)
Deferred charges	(1,874)	(1,500)
Restricted cash and client deposits	(758)	158
Net cash used in investing activities	(34,600)	(20,712)
Financing activities		
Settlement of share-based compensation	(3,450)	-
Dividends	(37,854)	(31,318)
Issuance of share capital less issuance cost of $19 in 2015 (nil in 2014)	4,238	3,518
Shares purchased for cancellation	(3,109)	-
Long-term debt, net	23,030	(13,300)
Interest paid on long-term debt	(7,539)	(7,864)
Financing charges	(1,168)	(23)
Net 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 year	16,880	21,774
Cash – end of year	25,725	16,880

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

1. Description of business

Fiera Capital Corporation (“Fiera Capital” or the “Company”) was incorporated as Fry 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 U.S., investment advisory services are provided by the Company's U.S. affiliates, which are investment advisors registered with the U.S. 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”.

The Board of Directors (the “Board”) approved the consolidated financial statements for the years ended December 31, 2015 and 2014, on March 16, 2016.

2. Basis of presentation and adoption of new IFRS

Statement of compliance

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 these 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.

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

Revised IFRS, interpretations and amendments

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. The adoption of these standards had no impact on the amounts reported or disclosures made in these consolidated financial statements.

3. Significant accounting policies, judgments and estimation uncertainty

Significant accounting policies

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and liabilities held at fair value through profit or loss and available-for-sale investments, which have been measured at fair value as discussed under “Financial Instruments”.

Consolidation

The financial statements of the Company include the accounts of the Company and its subsidiaries, as well as its share of interests in joint ventures. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions with and amongst the subsidiaries are eliminated on consolidation.

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

The 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 membership in the Mutual Fund Dealer Association, Fiera US Holding Inc. (which owns Bel Air Investment Advisors LLC, Bel Air Management LLC, Bel Air Securities LLC, and Fiera Capital Inc., formerly Wilkinson O'Grady & Co. Inc.), Propel Capital Corporation, Fiera Quantum GP Inc. and 9276-5072 Quebec Inc. (which collectively owns a controlling 55% interest in Fiera Quantum Limited Partnership ("Fiera Quantum L.P.") which owns FQ ABCP GP Inc., and FQ GenPar LLC), and 8645230 Canada Inc. (which owns Gestion Fiera Capital S.a.r.l.).

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

Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Company.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company owns interests in the following joint ventures: Axium Infrastructure Inc. ("Axium"), formerly Fiera Axium Infrastructure Inc., an entity in Montreal, Quebec that specializes in infrastructure investment and Fiera Properties Limited ("Fiera Properties"), an entity in Halifax, Nova Scotia that specializes in real estate investments, over which the Company has joint control. The financial results of the Company's investments in its joint ventures are included in the Company's results using the equity method of accounting.

Subsequent to the acquisition date, the Company's share of earnings of the joint venture is recognized in the consolidated statement of earnings. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

The accounting policies of the joint ventures have been changed when necessary to ensure consistency with the policies adopted by the Company.

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

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

Business combinations

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

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

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

Foreign currency translation

The Company has prepared and presented these consolidated financial statements in Canadian dollars, its functional currency.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of earnings. Non-monetary assets and liabilities denominated in foreign currencies are reported in Canadian dollars based on the exchange rates in effect at the date of initial recognition.

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

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

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

Revenue recognition

Revenue from management fees is recognized as the related services are rendered and when the fees are determinable. Management fees are invoiced quarterly based on daily average assets under management ("AUM") while others are calculated and invoiced monthly or quarterly in arrears based on calendar quarter-end or month-end asset values under management or on an average of opening and closing AUM for the quarter.

Performance fees are recorded only at the performance measurement dates contained in the individual account agreements and are dependent upon performance of the account exceeding agreed-upon benchmarks over the relevant period.

Deferred revenues

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

Financial instruments

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

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

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

Classification

Cash and restricted cash	Loans and receivables
Investments	
Other securities and obligations	Fair value through profit or loss
Mutual fund and pooled fund investment	Available-for-sale
Accounts receivable	Loans and receivables
Long-term receivable	Loans and receivables
Subscription receipts receivable	Loans and receivables
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Dividend payable	Financial liabilities at amortized cost
Amount due to related companies	Financial liabilities at amortized cost
Client deposits	Financial liabilities at amortized cost
Value of option granted to non-controlling interest	Fair value through profit or loss
Cash settled share-based liabilities	Fair value through profit or loss
Long-term debt	Financial liabilities at amortized cost
Purchase price obligations	Financial liabilities at amortized cost
Derivative financial instruments	Fair value through profit or loss
Subscription receipts obligation	Financial liabilities at amortized cost

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. The instruments held by the Company that are classified in this category are certain securities and obligations, classified under investments in the consolidated statements of financial position and derivative financial instruments.

Financial instruments in this category are measured initially and subsequently at fair value. Transaction costs are expensed as incurred in the consolidated statement of earnings. Gains and losses arising from changes in fair value are presented in the consolidated statement of earnings in the period in which they arise. Financial assets at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the consolidated statement of financial position date, which is classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables consist of cash, restricted cash, accounts receivable, long-term receivable, and subscription receipts receivable. With the exception of the long-term receivable, these assets are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, if applicable, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, less a provision for impairment, if necessary.

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

Available-for-sale

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as non-current, unless the investment matures within twelve months or management expects to dispose of it within twelve months.

Dividends on available-for-sale equity instruments are recognized in the consolidated statement of earnings when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the consolidated statement of earnings.

Available-for-sale investments are assessed for indicators of impairment at the end of each reporting period. The investments are considered to be impaired when there is objective evidence that, as a result of one or more events that have occurred, the estimated future cash flows of the investment have been affected, such as a prolonged decline in the fair value of the investment below cost.

Financial liabilities at amortized cost

Financial liabilities at amortized cost include accounts payable and accrued liabilities, dividend payable, amount due to related companies, client deposits, long-term debt, purchase price obligations and subscription receipts obligation. Accounts payable and accrued liabilities, dividend payable, amount due to related companies and client deposits are initially recognized at the amount required to be paid less, if applicable, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest method. Long-term debt, purchase price obligations and subscription receipts obligation are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Restricted cash

Restricted cash consists of client deposits received following the settlement of a class action in favour of certain clients for whom the Company acted as agent and cash held in a segregated account, in connection with lease arrangements.

Investments

Investments in other securities and obligations are carried on the consolidated statements of financial position at fair value using bid prices at the end of the reporting period. Investments in mutual fund and pooled fund units are carried at the net asset value reported by the fund manager.

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

Property and equipment

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

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

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

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

Intangible assets

Intangible assets with an indefinite life such as the management contracts with mutual funds are accounted for at cost. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. These mutual funds have an indefinite life. Accordingly, the Company does not amortize these intangible assets, but reviews them for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired.

The finite-life intangible assets are accounted for at cost. Other intangible assets are comprised of trade name, software and non-compete agreements. The expected useful lives of finite-life customer relationships are analyzed each year and determined based on the analysis of the historical and projected attrition rates of clients and other factors that may influence the expected future economic benefit that the Company will generate from the customer relationships.

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

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

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

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

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

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

Goodwill

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

Impairment of non-financial assets

Property and equipment and finite-life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Indefinite-life intangible assets are tested at least annually for impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Value-in-use is determined by discounting estimated future cash flows, using a pre-tax discount rate that reflects current assessments of the market, of the time value of money and of the risks specific to the CGU. Fair value less costs to sell is determined using an EBITDA (earnings before interest, taxes, depreciation and amortization) multiple of comparable companies operating in similar industries for each CGU. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of earnings.

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

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

For goodwill impairment testing purposes, the CGU, which represents the lowest level within the Company at which management monitors goodwill, is Fiera Quantum L.P. and the remainder of the business.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any lease inducements received from the lessor) are charged to the consolidated statement of earnings on a straight-line basis over the term of the lease.

Deferred charges

Deferred charges consist of insurance, rent and other long-term prepaid expenses and are amortized on a straight-line basis over the term of the contract or lease.

Deferred lease obligations

The Company leases office space with a predetermined fixed escalation of the minimum rent. The Company recognizes the related rent expense on a straight-line basis and, consequently, records the difference between the recognized rental expense and the amounts payable under the lease as deferred lease obligations.

Lease inducements

Lease inducements consist of allocations received from lessors for leasehold improvements and are amortized over the lease term.

Income taxes

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

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

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

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

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

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

Employee benefits

Post-employment benefit obligations

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

Bonus plans

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

Share-based compensation

The Company grants stock options to certain employees which are approved by the Board. The Board may determine the vesting term of the option including when any option will become exercisable and if the option will be exercisable in instalments or pursuant to a vesting schedule.

Share-based compensation expense is recorded using the fair value method. Under this method, the compensation expense for each tranche is measured at fair value at the grant date using the Black-Scholes-option-pricing model and recognized as share-based compensation over the vesting period with an equal and offsetting amount recorded to contributed surplus. When stock options are exercised, any consideration paid by employees is credited to share capital and the recorded fair value of the options is removed from contributed surplus and credited to share capital.

Deferred share unit plan

The expense associated with granting deferred share units ("DSU") was recognized when the deferred shares were issued. Changes in the fair value of previously issued DSU that arise due to changes in the price of the Company's common shares are recognized on an ongoing basis in the consolidated statement of earnings. The number of DSU granted to directors was determined by dividing the dollar value of the portion of directors' fees to be paid in DSU by the closing price of the Company's shares on the TSX for the business day immediately preceding the date of the grant. In 2010, the Board discontinued the DSU plan; however, all existing rights and privileges were kept intact. All eligible directors are now compensated in cash. The liability related to this plan is recognized in accounts payable and accrued liabilities. The liability is derecognized when the DSUs are settled.

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

Restricted share unit plan

The Restricted Share Unit Plan ("RSU Plan") was established for the purpose of providing certain employees with the opportunity to acquire Class A subordinate voting 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. If a RSU participant's employment with the Company terminates for any reason other than upon death or disability, then all unvested RSUs will automatically be forfeited and cancelled. The maximum number of issuable 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. The restricted share unit ("RSU") expense is recorded at fair value and is amortized over the vesting period on a straight-line basis.

Performance share unit plan

PSU plan applicable to business units

On September 3, 2013, the Company adopted a PSU plan applicable to business units ("PSU plan applicable to BU") for the purposes of attracting persons to become employees of the Company or to retain key employees and officers by allowing them to participate in the growth and development of the Company and the unit in which they directly contribute. Under the terms of the PSU plan applicable to BU, the Company is allowed to grant PSUs at a value determined by reference to the value of a specific business unit rather than by reference to the price of the Class A Shares of the Company.

At the time of grant of any PSUs, the Company determines (i) the award value, (ii) the number of PSUs which are being granted, (iii) the value of each PSU granted, (iv) the formula used to determine the value of the applicable business unit, (v) the vesting terms and conditions of the PSUs, and (vi) the applicable vesting date(s). The method of settlement with respect to the vested PSUs shall be determined upon each particular granting of PSU. Such methods may include all or a portion of the value of the vested PSUs payable in Class A Shares or in cash. The choice of the method of settlement may be at the option of either the Company or the participant.

The PSU compensation expense is recognized on a straight-line basis over the vesting period only when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. When a participant commences rendering services before the grant date of an award, the Company recognizes a compensation expense from the service commencement date until the grant date based on the estimated grant date fair value of the PSUs.

PSU Plan

On May 23, 2013, the Company adopted a PSU plan ("PSU plan") for the purposes of retaining key employees and officers by allowing them to participate in the growth and development of the Company. Under the terms of the PSU plan, the Company is allowed to grant PSUs based on the price of the Class A Shares of the Company on the date of the award.

PSUs awarded to participants vest on the third anniversary of the date of the grant or as determined by the Board of Directors at the time of the grant, provided that the PSU participants have satisfied the performance conditions determined at the time of the grant. These performance conditions are expressed as performance criteria objectives and may be set at different aggregate levels: from individual to corporate level. PSU participants have the right to receive up to 50% of the vested PSUs in cash. A PSU participant's account will be credited with dividend equivalents in the form of additional PSUs as of each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

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

Termination benefits

The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing benefits as a result of an offer made to encourage voluntary termination. Benefits becoming due more than twelve months after the end of the reporting period are discounted to their present value.

Restructuring Provisions

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

Acquisition costs

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

Earnings per share

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

Diluted EPS is calculated by adjusting the weighted average number of shares outstanding for dilutive instruments. The number of shares included with respect to options and similar instruments is computed using the treasury stock method, with only the bonus element of the issue reflected in diluted EPS. The bonus element is the difference between the number of ordinary shares that would be issued at the exercise price and the number of ordinary shares that would have been issued at the average market price. The Company's potentially dilutive shares comprise stock options and performance share units granted to employees.

Share capital

Class A subordinated voting shares ("Class A Shares") and Class B special voting shares ("Class B Shares") are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Dividends

Dividends on shares are recognized in the Company's consolidated financial statements in the period in which the dividends are approved by the Company's Board of Directors.

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

Contributed surplus

Contributed surplus is defined as the share-based payment reserve recorded at fair value at grant date.

Significant accounting judgments and estimation uncertainties

The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the consolidated financial statements. Estimates and judgments are significant when:

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

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

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

Cash generating unit

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

Share-based payments

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

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

Impairment of non-financial assets

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

Business combinations

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

Income taxes

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

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

IFRS 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.

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

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 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.

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

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.

4. Business combinations

2015

Samson

On October 30, 2015, the Company completed the acquisition of all the outstanding shares of Samson Capital Advisors LLC (“Samson”), a prominent New York-based investment management firm which specializes in global fixed income and currency investment. The acquisition will enable the Company to create a full-fledged global asset manager in the United States, adding strong leadership and investment talent in order to further expand the Company’s presence in the market.

Under the terms of the agreement, the total purchase price for Samson includes US$19,200 (CA$25,119) paid in cash to the sellers, US$9,150 worth of Class A Shares, representing 1,028,086 Class A Shares, that were issued upon closing, which was accounted for at a fair value of US$9,170 (CA$11,998) and US$3,150 worth of hold back shares, representing approximately 353,928 Class A Shares, that will be issued eighteen months after the closing, which was accounted for at a fair value of US$2,725 (CA$3,566). In addition, the purchase price includes an amount of up to US$4,175 which was accounted for at a fair value of US$3,008 (CA$3,935) payable over three years if certain targets are achieved, as well as US$1,025 (CA$1,342) which represented the Company’s best estimate of the working capital adjustment. Other compensation mechanisms were agreed upon at the time the agreements were signed including retention bonuses, PSUs, and restricted shares. The transaction was accounted for as a business combination using the acquisition method and the assets and liabilities were recorded at their estimated fair value at the acquisition date as follows:

4. Business combinations (continued)

	$
Cash	1,144
Restricted cash	509
Other current assets	4,486
Non-current assets	15
Property and equipment	100
Intangible assets	38,122
Goodwill ($5,699 deductible for tax purposes)	4,791
Deferred income taxes	379
Accounts payable and accrued liabilities	(460)
Deferred revenues	(3,126)
	45,960

Purchase consideration	$
Cash consideration	25,119
Share capital	11,998
Hold back shares	3,566
Fair value of purchase price obligation	5,277
	45,960

The goodwill is attributable to synergies expected as a result of the consolidation of the Company's U.S. operations. Management of Fiera Capital has identified intangible assets acquired from Samson which have been accounted for separately from goodwill. These intangible assets were non-compete agreement valued at $471, customer relationships valued at $36,168 and tradename valued at $1,433. The fair value of the purchase price obligation was calculated using the estimated discounted cash flows. The Company incurred acquisition-related costs of $3,363 mainly composed of legal and compliance fees and due diligence costs. These costs were included under the caption acquisition costs in the consolidated statement of earnings. The Company financed the cash portion of the acquisition price with the revolving facility described in Note 13. The Company expects to finalize the accounting for this acquisition by the end of the first quarter of 2016.

Pro forma Impact

The impact of the acquisition for the year ended December 31, 2015 on the Company's base management fees, performance fees and net earnings was as follows:

	$
Base management fees	3,239
Performance fees	-
Net loss	(210)

If the business combination would have occurred on January 1, 2015, the Company's consolidated base management fees, performance fees and net earnings for the year ended December 31, 2015 would have been as follows:

	$
Base management fees	246,674
Performance fees	19,534
Net earnings	29,197

The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business over a twelve-month period and that they provide a baseline against which to compare the financial performance of future periods.

4. Business combinations (continued)

The above pro forma net earnings includes selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition costs, as well as related tax effects.

2014

Propel Capital Corporation

On September 2, 2014, the Company acquired all of the outstanding shares of Propel Capital Corporation ("Propel"), a prominent Toronto–based investment firm which develops, manages and distributes investment solutions to Canadians with a focus on closed-end funds. The acquisition enhanced the Company's expertise, offering and distribution capabilities in the Canadian retail investor space.

Under the terms of the agreement, the purchase price for Propel included $9,021 paid in cash to the sellers plus $1,000 paid to an escrow account which will be released in February 2016 provided there are no claims pursuant to the indemnification provisions of the share purchase agreement. In addition, the purchase price included an amount of $2,000 payable in February 2016 if a certain level of revenues generated from closed-end funds managed by the Company is reached. The transaction was accounted for as a business combination using the acquisition method and the assets and liabilities were recorded at their estimated fair value at the acquisition date as follows:

	$
Cash	107
Other current assets	1,073
Intangible assets	5,050
Goodwill	7,954
Accounts payable and accrued liabilities	(931)
Deferred income tax liability	(1,346)
	11,907

Purchase consideration	$
Cash consideration	10,021
Fair value of purchase price obligation	1,886
	11,907

The goodwill was attributable to the well-established network and trained work force of Propel and was not deductible for tax purposes. Management of Fiera Capital Corporation had identified intangible assets acquired from Propel which had been accounted for separately from goodwill. These intangible assets were customer relationships valued at $5,050. The fair value of the purchase price obligation was calculated using the estimated discounted cash flows. The Company incurred acquisition-related costs of $623 mainly composed of legal fees and due diligence costs. These costs were included under the caption acquisition costs in the consolidated statement of earnings. The Company financed the acquisition of Propel with cash on hand.

During the year ended December 31, 2015, the Company reviewed its estimate with regards to the performance conditions required to make the contingent payment of $2,000. As a result of this review and mostly due to the challenging conditions currently present within the closed-end fund market, the Company concluded that the required performance conditions would not be met by December 31, 2015, and that no payment would be made. As such, the purchase price obligation was revalued and the recovery was recorded in the consolidated statement of earnings under the caption: accretion and change in fair value of purchase price obligations. The contingent payment had a carrying value of $1,970 before the revaluation to nil.

4. Business combinations (continued)

Pro forma Impact

The impact of the acquisition for the year ended December 31, 2014 on the Company's base management fees, performance fees and net earnings was as follows:

	$
Base management fees	1,481
Performance fees	-
Net earnings	269

If the business combination would have occurred on January 1, 2014, the Company's consolidated base management fees, performance fees and net earnings for the year ended December 31, 2014 would have been as follows:

	$
Base management fees	204,366
Performance fees	15,437
Net earnings	23,707

The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business over a twelve-month period and that they provide a baseline against which to compare the financial performance of future periods.

The above pro forma net earnings includes selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition costs, as well as related tax effects.

Restructuring and other integration costs

During the year ended December 31, 2015, the Company recorded a restructuring provision of $1,267 ($1,210 for the year ended December 31, 2014) and integration costs related to the companies acquired of $1,094 for the year ended December 31, 2015 ($1,917 for the year ended December 31, 2014), for an aggregate amount of $2,361 ($3,127 for the year ended December 31, 2014). The restructuring charges are mostly composed of severance costs due to corporate reorganizations following business combinations or as a result of the normal evolution of the business. The integration costs are mostly composed of professional fees, relocation and lease related costs and other expenses incurred as a result of the integration of businesses recently acquired.

The change in the restructuring provisions during the years ended December 31 is as follows:

	Severance
	$
Balance, December 31, 2013	1,309
Addition during the year	1,210
Paid during the year	(636)
Balance, December 31, 2014	1,883
Addition during the year	1,267
Paid during the year	(2,139)
Balance, December 31, 2015	**1,011**

4. Business combinations (continued)

	December 31, 2015	December 31, 2014
	$	$
Current portion	75	904
Non-current portion	936	979
Total	1,011	1,883

The restructuring provision of $936 ($979 in 2014) is classified as a non-current liability as the Company does not expect to settle the provision within the next twelve months.

5. Investment in joint ventures

The Company has investments in two joint ventures (Axium and Fiera Properties) and the variation of its interests during the years ended December 31 are as follows:

	2015	2014
	$	$
Balance, December 31,	9,635	8,284
Share of earnings	1,968	1,263
Gain (loss) on dilution	83	(23)
Share of other comprehensive income	155	111
Business combination	15	-
Subscription to capital	96	-
Foreign exchange difference	4	-
Assets held-for-sale	(5,496)	-
Balance, December 31,	6,460	9,635

During the years ended December 31, 2015 and 2014, the Company's ownership in Axium changed slightly but remained stable at approximately 35%. A gain on dilution of $83 (loss of $23 in 2014) was recorded to reflect these minor changes. The Company's ownership in Fiera Properties remained stable at approximately 44%.

On December 21, 2015, the Company entered into a definitive agreement with Axium pursuant to which Axium will purchase for cancellation the Company's 35% equity ownership in Axium. As a result, the Company discontinued equity accounting for Axium and reclassified the investment as assets held-for-sale.

The summarized financial information of Fiera Properties is presented below. The summarized financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS. The comparative period includes the results of Axium.

	December 31, 2015	December 31, 2014
	$	$
Statements of financial position		
Current assets (including cash – 2015: $423 and 2014: $687)	5,167	3,698
Non-current assets	13,644	28,108
Current liabilities	(5,382)	(8,618)
Non-current liabilities	-	(58)
Net assets	13,429	23,130

5. Investment in joint ventures (continued)

	For the years ended, December 31, 2015	December 31, 2014
	$	$
Statements of earnings		
Revenues	8,232	18,525
Expenses	6,332	14,931
Depreciation and amortization	343	451
Interest income	55	48
Interest expense	96	147
Income taxes	913	647
Net earnings	1,900	3,594

The reconciliation of the summarized financial information to the carrying amount of the interests in the joint ventures recognized in the consolidated financial statements as at December 31 is as follows:

	2015	2014
	$	$
Net assets of the joint venture	13,429	23,130
Contributed surplus not attributable to the Company	(93)	(195)
	13,336	22,935
Ownership of the Company	5,860	9,049
Goodwill	600	586
Carrying amount of investment in joint ventures	6,460	9,635

6. Financial instruments

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: equity market fluctuation risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2015 and 2014.

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

The Company's 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 AUM, the following discussion relates only to the Company's own portfolio of investments.

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.

6. Financial instruments (continued)

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 pooled 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 pooled fund investments under its management with a fair value of $4,707 as at December 31, 2015 and $7,128 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 pooled 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 $471 and $713 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.

6. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to cash, 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.

The consolidated statements of financial position as at December 31, 2015 and 2014, include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in US dollars:

	2015	2014
	$	$
Cash	16,918	15,797
Restricted cash	1,530	579
Investments	946	1,084
Accounts receivable	16,602	12,643
Accounts payable and accrued liabilities	(13,009)	(7,543)
Purchase price obligations	(5,704)	-
Long-term debt	(137,012)	(93,501)

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 $864 (2014 - $1,128). 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.

6. Financial instruments (continued)

The Company has the following financial liabilities as at December 31, 2015:

			Contractual cash flow commitments			
	Carrying Amount	Total	2016	2017	2018	Other
	$	$	$	$	$	$
Accounts payable and accrued liabilities	50,784	50,784	50,784	-	-	-
Dividend payable	334	334	334	-	-	-
Amount due to related companies	1,259	1,259	1,259	-	-	-
Long-term debt	265,270	265,270	-	-	-	265,270
Purchase price obligations	42,235	48,697	11,845	10,426	10,426	16,000
	359,882	366,344	64,222	10,426	10,426	281,270

Fair value

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 pooled fund investments is $3,808 as at December 31, 2015 and $6,492 as at December 31, 2014, while the fair value is $4,707 as at December 31, 2015 and $7,128 as at December 31, 2014. The unrealized gain of $779 (net of income taxes of $120) as at December 31, 2015 and $553 (net of income taxes of $83) 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 $1,755 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, using level 3 inputs. 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.

6. Financial instruments (continued)

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 $445 and $301 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 ($7,720) for the years ended December 31, 2015 and 2014, respectively for a total of $445 and ($7,419) for the years ended December 31, 2015 and 2014, respectively.

Financial instruments by category:

As at December 31, 2015

	Loans and receivables	Available-for-sale	FVTPL[1]	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash	25,725	-	-	-	25,725
Restricted cash	2,890	-	-	-	2,890
Investments	-	4,707	-	-	4,707
Accounts receivable	65,435	-	-	-	65,435
Long-term receivable	433	-	-	-	433
Subscription receipts receivable	1,755	-	-	-	1,755
Total	96,238	4,707	-	-	100,945
Liabilities					
Accounts payable and accrued liabilities	-	-	-	50,784	50,784
Dividend payable	-	-	-	334	334
Amount due to related companies	-	-	-	1,259	1,259
Client deposits	-	-	-	155	155
Subscription receipts obligation	-	-	-	1,755	1,755
Cash settled share-based liabilities	-	-	1,807	-	1,807
Long-term debt	-	-	-	264,226	264,226
Purchase price obligations	-	-	-	42,235	42,235
Derivative financial instruments	-	-	1,390	-	1,390
Total	-	-	3,197	360,748	363,945

[1] Assets (Liabilities) at fair value through profit or loss. This category includes assets and financial instruments designated as financial liabilities at fair value through profit or loss.

6. Financial instruments (continued)

As at December 31, 2014

	Loans and receivables	Available-for-sale	FVTPL[1]	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash	16,880	-	-	-	16,880
Restricted cash	579	-	-	-	579
Investments	-	7,128	858	-	7,986
Accounts receivable	59,960	-	-	-	59,960
Long-term receivable	449	-	-	-	449
Subscription receipts receivable	3,353	-	-	-	3,353
Total	81,221	7,128	858	-	89,207
Liabilities					
Accounts payable and accrued liabilities	-	-	-	41,034	41,034
Dividend payable	-	-	-	311	311
Amount due to related companies	-	-	-	931	931
Client deposits	-	-	-	155	155
Subscription receipts obligation	-	-	-	3,353	3,353
Cash settled share-based liabilities	-	-	1,263	-	1,263
Long-term debt	-	-	-	222,081	222,081
Purchase price obligations	-	-	-	44,668	44,668
Derivative financial instruments	-	-	945	-	945
Total	-	-	2,208	312,533	314,741

[1] Assets (Liabilities) at fair value through profit or loss. This category includes assets and financial instruments designated as financial liabilities at fair value through profit or loss.

Fair value hierarchy

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

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

There was no transfer between levels during these years.

6. Financial instruments (continued)

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

				December 31, 2015
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Mutual fund and pooled fund investments under the Company's management	-	4,707	-	4,707
Total financial assets	-	4,707	-	4,707
Financial liabilities				
Cash settled share-based liabilities	1,807	-	-	1,807
Derivative financial instruments – interest rate swap agreement	-	1,390	-	1,390
Total financial liabilities	1,807	1,390	-	3,197

				December 31, 2014
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Mutual fund and pooled fund investments under the Company's management	-	7,128	-	7,128
Other securities and investments	858	-	-	858
Total financial assets	858	7,128	-	7,986
Financial liabilities				
Cash settled share-based liabilities	1,263	-	-	1,263
Derivative financial instruments – interest rate swap agreement	-	945	-	945
Total financial liabilities	1,263	945	-	2,208

7. Investments

	December 31, 2015	December 31, 2014
	$	$
Mutual fund and pooled fund investments under the Company's management	4,707	7,128
Other securities and investments	-	858
	4,707	7,986

8. Accounts receivable

	December 31, 2015	December 31, 2014
	$	$
Trade accounts	50,288	45,935
Trade accounts – related companies of shareholders	14,314	13,241
Trade accounts – Joint ventures	409	438
Other	424	346
	65,435	59,960

The aging of accounts receivable were as follows:

	December 31, 2015	December 31, 2014
	$	$
Trade		
Current	49,241	43,378
Aged between 61 – 119 days	520	1,446
Aged greater than 120 days	527	1,111
Total trade	50,288	45,935
Related companies and joint ventures		
Current	14,584	13,438
Aged between 61 – 119 days	109	165
Aged greater than 120 days	30	76
Total related companies and joint ventures	14,723	13,679
Other	424	346
	65,435	59,960

As at December 31, 2015, there was a provision for doubtful accounts of $37 (2014 - $68).

9. Property and equipment

	Office furniture & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$
For the year ended December 31, 2014				
Opening net book value	1,264	1,003	3,055	5,322
Additions	359	295	805	1,459
Foreign exchange difference	15	26	31	72
Depreciation	(402)	(560)	(771)	(1,733)
Closing net book value	1,236	764	3,120	5,120
Balance, December 31, 2014				
Cost	3,920	2,757	5,202	11,879
Accumulated depreciation	(2,701)	(2,026)	(2,121)	(6,848)
Foreign exchange difference	17	33	39	89
Net book value	1,236	764	3,120	5,120
For the year ended December 31, 2015				
Opening net book value	1,236	764	3,120	5,120
Additions	3,091	1,026	11,168	15,285
Business combination	52	9	39	100
Transfer to intangible assets	-	(135)	-	(135)
Reclassification	(113)	113	-	-
Write-off	(31)	(53)	-	(84)
Foreign exchange difference	161	80	375	616
Depreciation	(506)	(488)	(952)	(1,946)
Closing net book value	3,890	1,316	13,750	18,956
Balance, December 31, 2015				
Cost	6,209	2,763	16,289	25,261
Accumulated depreciation	(2,497)	(1,560)	(2,953)	(7,010)
Foreign exchange difference	178	113	414	705
Net book value	3,890	1,316	13,750	18,956

During the year ended December 31, 2015, computer equipment with a cost of $238 and accumulated amortization of $103 were transferred to other intangible assets and office furniture and equipment with a cost of $159 and accumulated amortization of $46 were transferred to computer equipment.

In addition, during the year ended December 31, 2015, the Company derecognized office furniture and equipment which had an accounting cost of $695 (nil for December 31, 2014) and accumulated amortization of $664 (nil for December 31, 2014), computer equipment which had an accounting cost of $950 (nil for December 31, 2014) and accumulated amortization of $897 (nil for December 31, 2014) and leasehold improvements which had an accounting cost of $120 (nil for December 31, 2014) and accumulated amortization of $120 (nil for December 31, 2014). The excess of the cost over the accumulated amortization of $84 was recognized in the statement of consolidated earnings under the caption: depreciation of property and equipment.

10. Goodwill and intangible assets

		Indefinite life	Finite-life			
	Goodwill	Asset management contracts	Asset management contracts	Customer relationships	Other	Total
	$	$	$	$	$	$
For the year ended December 31, 2014						
Opening net book value	357,773	8,191	69,960	224,494	7,506	310,151
Additions	-	-	-	-	1,799	1,799
Additions – internally developed	-	-	-	-	611	611
Business combinations	7,331	-	-	5,050	-	5,050
Impairment charge	(1,918)	-	-	(6,098)	-	(6,098)
Foreign exchange difference	6,975	184	-	6,487	351	7,022
Amortization for the year	-	-	(8,480)	(14,795)	(2,425)	(25,700)
Closing net book value	370,161	8,375	61,480	215,138	7,842	292,835
Balance, December 31, 2014						
Cost	363,713	8,154	84,800	245,798	13,297	352,049
Accumulated amortization and impairment	(1,918)	-	(23,320)	(38,498)	(5,894)	(67,712)
Foreign exchange difference	8,366	221	-	7,838	439	8,498
Net book value	370,161	8,375	61,480	215,138	7,842	292,835
For the year ended December 31, 2015						
Opening net book value	370,161	8,375	61,480	215,138	7,842	292,835
Additions	-	-	-	-	408	408
Additions – internally developed	-	-	-	-	1,250	1,250
Transfer from property and equipment	-	-	-	-	135	135
Business combination	4,791	-	-	36,168	1,954	38,122
Foreign exchange difference	16,395	425	-	16,201	718	17,344
Amortization for the year	-	-	(8,480)	(16,752)	(1,887)	(27,119)
Closing net book value	391,347	8,800	53,000	250,755	10,420	322,975
Balance, December 31, 2015						
Cost	368,504	8,154	84,800	281,966	14,396	389,316
Accumulated amortization and impairment	(1,918)	-	(31,800)	(55,250)	(5,133)	(92,183)
Foreign exchange difference	24,761	646	-	24,039	1,157	25,842
Net book value	391,347	8,800	53,000	250,755	10,420	322,975

During the year ended December 31, 2015, other intangible assets with a cost of $238 (nil for December 31, 2014) and accumulated amortization of $103 (nil for December 31, 2014) were transferred from property and equipment. In addition, during the year ended December 31, 2015, the Company derecognized other intangible assets which had an accounting cost of $2,751 ($805 for December 31, 2014) and accumulated amortization of $2,751 ($805 for December 31, 2014).

10. Goodwill and intangible assets (continued)

Impairment tests of goodwill

During the fourth quarters of 2015 and 2014, in the context of its annual impairment testing, the Company completed its impairment analysis and assessed the recoverability of its assets. The Company identified two CGUs (Fiera Quantum L.P. and the remainder of the business) as at December 31, 2014 and 2015, but Fiera Quantum L.P. had no amount of goodwill recorded as at December 31, 2015.

Fiera Quantum L.P.

2014

The recoverable amount of the assets within the Fiera Quantum L.P. CGU was determined based on the value-in-use approach using a discounted cash flow model. The significant key assumptions included forecasted cash flows based on updated financial plans prepared by management covering a five-year period.

The discounted cash flow models were established using a discount rate of 17%. The forecasted cash flows also incorporated forecasted AUM decline in 2015 and stable AUM in future years. Cash flows for the years beyond Fiera Quantum L.P.'s long-term plan were extrapolated using a terminal growth rate of 1%.

As a result of the impairment analysis, the Company determined that the carrying amounts of the assets of Fiera Quantum L.P. exceeded their recoverable amounts and accordingly, the Company recorded a goodwill impairment charge of $1,918 and an intangible assets impairment charge of $6,098 for a total impairment charge of $8,016. The charge is mostly attributable to lower AUM in Fiera Quantum L.P. coupled with expenses that are not decreasing at the same pace as revenues. The impairment charge did not affect Fiera Quantum L.P.'s operations, its liquidity, or its cash flows from operating activities.

Remainder of the business

The 2013 calculation of the recoverable amount of this CGU, which represents the most recent detailed calculation made in a preceding year, was used in the impairment test of that unit as of December 31, 2015 and 2014, given that all of the following criteria were met:

(a) the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;
(b) the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and
(c) based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

In assessing goodwill for impairment as at December 31, 2015 and 2014, the Company compared the aggregate recoverable amount of the CGU to the carrying amounts. The recoverable amounts have been determined based on the value-in-use using five-year cash flow forecasts approved by management that made maximum use of observable market inputs. For the periods beyond the five-year budget, the terminal value was determined using the expected long-term growth rate. Key assumptions included the following:

10. Goodwill and intangible assets (continued)

	2015[1]	2014[1]
	%	%
Weighted average growth rate	5.5%	5.5%
Discount rate	11%	11%

[1] Assumptions carried forward from 2013.

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

Impairment tests of indefinite-life intangible assets

In assessing indefinite-life intangible assets for impairment as at December 31, 2015 and 2014, the Company compared the aggregate recoverable amount of the assets to their respective carrying amounts. For 2015, the 2013 calculation of the recoverable amount for indefinite life intangible assets was used in the impairment test as of December 31, 2015 for the same reasons as discussed above. Key assumptions included the following:

	2015[1]	2014[1]
	%	%
Weighted average growth rate	2.5%	2.5%
Discount rate	11%	11%

[1] Assumptions carried forward from 2013.

The recoverable amount has been determined based on value-in-use using indefinite-life cash flow forecasts approved by management that made maximum use of observable markets inputs and outputs. For the periods beyond the budget period, the terminal value was determined using the expected long-term growth rate of 2.5%. The discount rate is applied to the pre-tax cash flow projections and is derived from the weighted average cost of capital.

Reasonable changes in key assumptions would not cause the recoverable amount of indefinite life intangible assets to fall below the carrying value.

As a result of the impairment analysis, the Company determined that the recoverable amount of its CGUs exceeded their carrying amounts and as a result, there was no impairment identified.

11. Accounts payable and accrued liabilities

	December 31, 2015	December 31, 2014
	$	$
Trade accounts payable and accrued liabilities	18,835	11,989
Wages and vacation payable	429	552
Bonuses and commissions payable	30,641	27,235
Sales taxes payable	879	1,258
	50,784	41,034

12. Income taxes

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

	2015	2014
	$	$
Current income taxes	15,077	10,818
Deferred income taxes (recovery)	(8,306)	(5,660)
	6,771	5,158

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

	2015	2014
	$	$
Earnings before income taxes	32,435	28,749
Combined federal and provincial statutory tax rates	26.7%	26.7%
Income tax expense based on combined statutory income tax rate	8,660	7,676
Share-based compensation	956	154
Non-deductible acquisition costs	755	357
Income tax allocated to non-controlling interest	539	1,022
Difference between Canadian and foreign statutory rates	(3,407)	(1,314)
Prior years' tax adjustments	(835)	(1,380)
Other non-deductible (non-taxable) amounts	103	(1,357)
	6,771	5,158

12. Income taxes (continued)

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

	Lease inducements & Deferred lease obligations	Restructuring provisions	Carry forward losses	Other	Total
	$	$	$	$	$
Balance, December 31, 2013	398	349	381	1,630	2,758
Charged to earnings	(45)	(89)	451	1,624	1,941
Business combinations	-	-	-	-	-
Charged to other comprehensive income	-	-	-	(83)	(83)
Foreign exchange difference	-	-	1	57	58
Balance, December 31, 2014	353	260	833	3,228	4,674
Charged to earnings	(48)	(10)	3,106	3,194	6,242
Other	-	-	276	-	276
Business combinations	-	-	-	-	-
Charged to other comprehensive income	-	-	-	(37)	(37)
Foreign exchange difference	-	-	158	493	651
Balance, December 31, 2015	305	250	4,373	6,878	11,806

	Total (from above)	Intangible assets	Property & equipment	Total
	$	$	$	$
Balance, December 31, 2013	2,758	(25,822)	(223)	(23,287)
Charged to earnings	1,941	3,339	380	5,660
Business combinations	-	(1,346)	-	(1,346)
Charged to other comprehensive income	(83)	-	-	(83)
Foreign exchange difference	58	(612)	2	(552)
Balance, December 31, 2014	4,674	(24,441)	159	(19,608)
Charged to earnings	6,242	1,723	341	8,306
Other	276	-	-	276
Business combinations	-	379	-	379
Charged to other comprehensive income	(37)	-	-	(37)
Foreign exchange difference	651	(1,502)	48	(803)
Balance, December 31, 2015	11,806	(23,841)	548	(11,487)

Financial statement presentation as at December 31:

	2015	2014
	$	$
Non-current deferred income tax assets	1,079	483
Non-current deferred income tax liabilities	(12,566)	(20,091)
Total	(11,487)	(19,608)

13. Long-term debt

	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 CA$75,000 senior unsecured revolving facility maturing in April 2017 and a CA$175,000 term facility maturing in April 2017 into a CA$300,000 senior unsecured revolving facility that can be drawn in Canadian or U.S. dollar equivalent at the discretion of the Company, and is 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-owned 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 $718 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 CA$128,258 and US$98,997 (CA$137,012) (CA$129,500 and US$80,597 (CA$93,500) 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 of a notional amount of $108,000, which consists of exchanging its variable rate for a fixed rate of 1.835% ending in March 2017, payable in monthly instalments (see Note 6).

14. Share capital and accumulated other comprehensive income

Authorized

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

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

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

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

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

The shares have no par value.

Preferred Shares

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

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

The following table provides details of the issued and outstanding shares:

	Class A voting shares		Class B voting shares		Total	
	Number	$	Number	$	Number	$
Balance, December 31, 2013	46,639,057	388,113	20,798,008	33,096	67,437,065	421,209
Issuance of shares	149,469	1,830	-	-	149,469	1,830
Conversion of hold back shares	277,578	3,104	-	-	277,578	3,104
Stock options exercised	249,236	2,245	-	-	249,236	2,245
Shares issued as settlement of purchase price obligations	642,275	8,500	-	-	642,275	8,500
Transfer from Class B Shares to Class A Shares	758,258	1,207	(758,258)	(1,207)	-	-
Balance, December 31, 2014	48,715,873	404,999	20,039,750	31,889	68,755,623	436,888
Shares issued as part of a business combination (Note 4)	1,028,086	11,998	-	-	1,028,086	11,998
Issuance of restricted shares	224,699	2,622	-	-	224,699	2,622
Conversion of hold back shares	277,578	2,959	-	-	277,578	2,959
Issuance of shares	288,339	3,341	-	-	288,339	3,341
Stock options exercised	356,173	3,146	-	-	356,173	3,146
Shares issued as settlement of purchase price obligations	729,157	8,500	-	-	729,157	8,500
Shares purchased for cancellation	(275,230)	(2,320)	-	-	(275,230)	(2,320)
Transfer from Class B Shares to Class A Shares	192,173	306	(192,173)	(306)	-	-
Balance, December 31, 2015	51,536,848	435,551	19,847,577	31,583	71,384,425	467,134

2015

Shares issued as part of a business combination

As part of the acquisition of Samson, the Company issued 1,028,086 Class A Shares worth US$9,150. The shares issued were recorded at the closing price at the acquisition date of CA$11,998. The Company also committed to issue approximately 353,928 Class A Shares eighteen months following the closing of the acquisition. The commitment was considered an equity component and was recorded at a discounted value of CA$3,566 under the caption: Restricted and Hold back shares.

Issuance of restricted shares

In addition, the Company issued 224,699 restricted shares (the “Restricted Shares”) to former employees of Samson. These shares will vest over a period of up to three years and the grant is accounted for as a share-based payment (Note 16). The Restricted Shares of CA$2,622 are included as an increase in share capital with a corresponding decrease under the caption: Restricted and Hold back shares.

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

Conversion of hold back shares

As part of the acquisition of Bel Air Investment Advisors LLC as well as its affiliate Bel Air Securities LLC (collectively "Bel Air"), the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares worth US$9,760. This commitment was considered an equity component and was recorded at a discounted value of US$8,419 (CA$8,781) under the caption: Restricted and Hold back shares. During the second quarter of 2015, the second tranche amounting to 277,578 of the hold back shares were issued and effectively converted into Class A Shares and a value of CA$2,959 was transferred from the caption Restricted and Hold back shares to share capital.

Issuance of shares

On the same day as the conversion of the second tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada ("National Bank") for cash proceeds of $1,830 less issuance-related costs of $19. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement.

In connection with the agreement described above, the Company also issued subscription receipts to National Bank providing for the issuance of 149,469 Class A Shares, at a pre-determined price of $12.24, to be exchanged into shares concurrently with the third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been transferred to an escrow account but the release from the escrow is conditional on the issuance of the hold back shares. As such, the amounts have been recorded as an asset and a liability for an amount of $1,755 which is presented as a current asset/liability.

The Company issued 138,870 Class A Shares from treasury at a cost of $1,530 for Restricted Share Units that vested during the year.

Shares issued as settlement of purchase price obligations

On October 15, 2015, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 729,157 Class A Shares for $8,500 as settlement of purchase price obligations.

Shares purchased for cancellation

On October 15, 2015, the Company announced its intention to make a normal course issuer bid for its shares through the facilities of the TSX from October 19, 2015 to no later than October 18, 2016 in accordance with applicable regulations of the TSX. Under its normal course issuer bid, the Company may purchase for cancellation up to but no more than 3,509,288 Class A Shares, representing approximately 10% of the public float of Class A Shares as at September 30, 2015. During the year, the Company purchased and cancelled 275,230 Class A Shares at a cost of $3,109. The excess paid of $789 over the recorded capital stock value of the shares repurchased for cancellation was charged to retained earnings.

Transfers

During the year ended December 31, 2015, 192,173 Class B Shares were converted into 192,173 Class A Shares (758,258 Class B Shares were converted into 758,258 Class A Shares for the year ended December 31, 2014) on a one-for-one basis.

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

2014

Conversion of hold back shares

As part of the acquisition of Bel Air, the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares worth US$9,760. This commitment was considered an equity component and was recorded at a discounted value of US$8,419 ($8,781) under the caption: Restricted and Hold back shares. During the second quarter of 2014, the first tranche amounting to 277,578 of the hold back shares were issued and effectively converted into Class A Shares and a value of $3,104 was transferred from the caption: Restricted and Hold back shares to share capital.

Issuance of shares

On the same day as the conversion of the first tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank for $1,830. The amount of $1,830 was received on July 2, 2014. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement.

In connection with the agreement described above, the Company also issued two subscription receipts to National Bank, each providing for the issuance of 149,469 Class A Shares, at a pre-determined price of $12.24, to be exchanged into shares concurrently with the second and third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been transferred to an escrow account but the release from the escrow is conditional on the issuance of the hold back shares. As such, the amounts have been recorded as an asset and a liability for an amount of $3,353 of which $1,746 is presented as a current asset/liability.

Shares issued as settlement of purchase price obligations

On November 3, 2014, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 642,275 Class A Shares for $8,500 as settlement of purchase price obligations.

Dividends

During the year ended December 31, 2015, the Company declared $37,605 of dividends ($0.54 per share) on Class A and Class B Shares ($31,229 for the year ended December 31, 2014 ($0.46 per share)) and $272 on hold back shares ($400 for the year ended December 31, 2014).

The components of accumulated other comprehensive income as at December 31 include:

	December 31, 2015	December 31, 2014
	$	$
Unrealized gain on available-for-sale financial assets	779	553
Share of other comprehensive income of joint ventures	509	354
Unrealized exchange differences on translating financial statements of foreign operations	27,326	8,944
	28,614	9,851

15. Earnings per share

Earnings per share as well as the reconciliation of the number of shares used to calculate basic and diluted earnings per share are as follows:

	For the years ended December 31,	
	2015	2014
	$	$
Net earnings attributable to shareholders	27,631	27,492
Weighted average shares outstanding – basic	69,956,100	68,578,274
Effect of dilutive share-based awards	808,523	987,478
Weighted average shares outstanding – diluted	70,764,623	69,565,752
Basic earnings per share	0.40	0.40
Diluted earnings per share	0.39	0.40

For the year ended December 31, 2015, the calculation of hypothetical conversions does not include 1,220,427 options (1,140,427 in 2014) with an anti-dilutive effect.

16. Share-based payments

a) Stock option plan

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

A summary of the changes that occurred during the years ended December 31, 2015, and 2014, in the Company's stock option plan is presented below:

	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 year	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 year	3,040,225	9.58	3,346,037	9.32
Options exercisable – end of year	1,225,485	7.04	1,230,298	6.55

16. Share-based payments (continued)

The following table presents the weighted average assumptions used during the years ended December 31, 2015 and 2014, to determine the share-based compensation expense using the Black-Scholes option-pricing-model:

	December 31, 2015	December 31, 2014
Dividend yield (%)	3.80 to 5.17	2.93 to 3.67
Risk-free interest rate (%)	1.09 to 1.37	1.72 to 2.09
Expected life (years)	7.5	7.5
Expected volatility of the share price (%)	41.1 to 42.5	43.2 to 43.8
Weighted-average fair values ($)	2.80	4.31
Share-based compensation expense ($)	1,132	1,292

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

The following table summarizes the stock options outstanding:

		Options outstanding		Options exercisable	
Range of exercise price	Number of Class A Share options	Weighted-average remaining contractual life in years	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
			$		$
3.67	359,006	4	3.67	359,006	3.67
5.41 to 8.50	1,460,792	6	8.09	846,479	8.31
8.51 to 13.89	1,220,427	9	13.10	20,000	13.89

b) Deferred share unit plan

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. 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 $162 for the 14,295 units ($174 for 13,681 units as at December 31, 2014), outstanding under the DSU Plan.

16. Share-based payments (continued)

c) Restricted share unit plan

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 years ended December 31, 2015 and 2014 in the Company's RSU plans.

	Number of RSUs outstanding	
	2015	2014
Outstanding – beginning of year	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 year	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 $2,905 for the 686,244 units ($2,231 for 540,508 units as at December 31, 2014), outstanding under the RSU Plan. An expense of $2,204 and $1,640 was recorded during the years ended December 31, 2015 and 2014, respectively for these grants.

d) Restricted share plan

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 recognized over the vesting period on a straight-line basis. An expense of $227 was recorded during the year ended December 31, 2015 for this grant.

16. Share-based payments (continued)

e) Performance share unit plan

PSU plan applicable to business units

The following table presents the transactions that occurred during the years ended December 31 in the Company's PSU plan applicable to BU:

	2015	2014
Outstanding – beginning of year	1,735,705	1,345,321
Granted	1,101,589	415,384
Settled	(234,583)	-
Forfeited	(60,000)	(25,000)
Outstanding – end of year	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 $3,450 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 $3,450 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 $4,393 and $4,006 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 $4,422 and ($29), respectively ($3,963 and $43, respectively for the year ended December 31, 2014).

PSU plan

An expense of $924 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 $213 and $711, respectively (nil for the year ended December 31, 2014).

17. Post-employment benefit obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2015 amount to $2,409 ($2,260 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.

18. Expenses by nature

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

	For the years ended December 31,	
	2015	2014
	$	$
Wages and employee benefits	132,034	108,289
Travelling and marketing	8,369	6,316
Reference fees	5,978	5,839
Rent	6,537	5,071
Technical Services	9,907	6,867
Professional fees	6,321	4,804
Insurance, permits and taxes	2,645	2,588
Other	5,900	6,193
	177,691	145,967

18. Expenses by nature (continued)

The details of wages and employee benefits are as follows:

	For the years ended December 31,	
	2015	2014
	$	$
Salaries and wages	110,630	91,446
Pension costs	2,409	2,260
State plans	2,814	2,490
Share-based compensation	5,994	5,255
Cash settled share-based compensation	2,886	1,683
Other	7,301	5,155
	132,034	108,289

Key management includes the Company's directors and key officers. Compensation awarded to key management is as follows:

Salaries and other short-term benefits	9,403	11,800
Share-based payments	2,577	1,257

19. Additional information relating to consolidated statements of cash flows

	For the years ended December 31,	
	2015	2014
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	1,990	(2,409)
Prepaid expenses and other assets	(2,484)	1,045
Accounts payable and accrued liabilities	2,565	6,039
Amount due to related companies	328	(25)
Deferred revenues	(3,325)	(396)
	(926)	4,254

The following are non-cash items: subscription receipts receivable of $1,755, subscription receipts obligation of $1,755, shares issued as settlement for purchase price obligations of $8,500 (2014 – $8,500), conversion of hold back shares of $2,959 (2014 - $3,104), issuance of Restricted Shares of $2,622, issuance of shares and hold back shares as part of a business combination of $11,998 and $3,566,respectively, issuance of shares relating to the vesting of RSUs of $1,530, conversion of amounts outstanding under the previous facility into the amended revolving facility of CA$129,500 and US$73,159, additions to property and equipment included in lease inducements of $4,844, additions to property and equipment included in accounts payable and accrued liabilities of $1,194 and additions to intangible assets included in accounts payable and accrued liabilities of $70.

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between income taxes paid of $12,563 (2014 – $14,346) and income tax expense of $15,077 (2014 – $10,818) for a net impact of $2,514 for the year ended December 31, 2015 (2014 – $(3,528)).

20. Commitments and contingent liabilities

Commitments

The Company leases office space and equipment under non-cancellable operating leases expiring at different dates until 2026. Future lease payments total $77,876 and include the following payments for each of the next five years as at December 31, 2015, and thereafter:

	$
2016	11,934
2017	10,416
2018	7,943
2019	7,198
2020	6,601
Thereafter	33,784

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.

21. 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 December 31, 2015 and 2014, all regulatory requirements and exemptions were met.

22. Related party transactions

The Company has carried out the following transactions with shareholders and their related companies, during the years ended December 31.

	2015	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 amounts due to a syndicate of lenders which includes two related parties of the Company. During the second quarter of 2015, the Company paid $1,034 to the syndicate of lenders for different transaction-related fees in relation to the amendment of the revolving facility. The amounts are recorded as deferred financing costs. 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 $400 for the year ended December 31, 2015 ($1,202 for the year ended December 31, 2014).

23. Segment reporting

The chief operating decision-maker of the Company has determined that the Company's reportable segment is investment management services in Canada and the United States of America.

Geographical information

	Revenues	Non-current assets
	For the year ended December 31, 2015	As at December 31, 2015
	$	$
Canada	180,178	492,841
United States of America	78,239	250,614

	Revenues	Non-current assets
	For the year ended December 31, 2014	As at December 31, 2014
	$	$
Canada	166,544	515,443
United States of America	55,814	166,195

23. Segment reporting (continued)

Revenues are attributed to countries on the basis of the customer's location. Non-current assets exclude deferred income taxes.

24. Subsequent event

Pending acquisition

On February 29, 2016, the Company announced that it had reached a definitive agreement to acquire all of the outstanding shares of Apex Capital Management ("Apex"), a prominent growth equity manager based in Dayton, Ohio. The acquisition is in line with the Company's North American growth strategy, and provides a meaningful complementary presence in the institutional and sub-advisory retail markets, small/mid cap, small cap and other growth strategies.

Under the terms of the agreement, the purchase price for Apex includes US$88,000 payable in cash to the sellers and US$57,000 worth of Fiera Capital Class A Shares that will be held in escrow and issued over 7 years starting on the first anniversary of the closing date. The Class A Shares will not have voting rights until their release from escrow. The purchase price is subject to post-closing price adjustments.

The Company will finance the cash portion of the acquisition with a new US$125,000 term loan which will mature three years from the date of closing. The Company plans to use the additional amounts available under the new loan to refinance existing borrowings under the revolving facility.

The transaction is expected to close in April 2016, and is subject to customary conditions, including regulatory approvals and approval of the TSX.

Disposal of joint venture

On January 15, 2016 the Company completed the sale of the Company's 35% equity ownership in Axium for cash proceeds of $20,000. As a result, the Company wrote off the assets held-for-sale of $5,496, reclassified $509 of accumulated other comprehensive income to net earnings and recorded a gain on disposal of $15,013.

Shares purchased for cancellation

During the month of January 2016, the Company purchased and cancelled 154,500 Class A Shares at a cost of $1,306. The excess paid of $353 over the recorded capital stock value of the shares repurchased for cancellation was charged to retained earnings.

Dividends declared

On March 16, 2016, the Board declared a quarterly dividend of $0.15 per share to shareholders of record as at March 29, 2016 and payable on April 26, 2016.

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