

# **Table of Contents**

Basis of Presentation and Forward-Looking Statements	1
Quarterly Financial Highlights	3
Overview	8
Market, Economic and Investment Strategy Performance Review	10
Outlook	18
Financial Results	20
Results of Operations and Overall Performance - AUM and Revenues	22
Results of Operations and Overall Performance - Expenses	31
Results of Operations and Overall Performance - Net Earnings (Loss)	37
Non-IFRS Measures	39
Summary of Quarterly Results	45
Liquidity and Capital Resources	50
Subsequent Events Controls and Procedures	55



## **Basis of Presentation and Forward-Looking Statements**

#### BASIS OF PRESENTATION AND FORWARD-LOOKING STATEMENTS

#### **Basis of Presentation**

The following management's discussion and analysis ("MD&A") dated August 11, 2021, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital") as at and for the three and six-month periods ended June 30, 2021. The following MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements, including the notes thereto, for the three and six-month periods ended June 30, 2021, the audited annual consolidated financial statements and the accompanying notes for the years ended December 31, 2020 and December 31, 2019 and the related annual MD&A.

The Company prepares its interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and accordingly, do not include all disclosures required under International Financial Reporting Standards ("IFRS") for annual consolidated financial statements. The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2020. The interim condensed consolidated financial statements include the accounts of the Company and other entities that the Company controls, which can require significant judgement. Non-controlling interest in the earnings (loss) and equity of the subsidiaries are disclosed separately in the consolidated statement of financial position, earnings (loss), comprehensive income (loss), and change in equity. All financial figures are reported in Canadian dollars, unless otherwise noted. Certain comparative figures have been reclassified to conform with the current period's presentation.

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

### Forward-Looking Statements

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

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

 $<sup>\</sup>ensuremath{^{(1)}}$  Refer to the "Non-IFRS Measures" Section on page 39.

### **Basis of Presentation and Forward-Looking Statements**

such risk given the increased challenge in making predictions, forecasts, projections, expectations, or conclusions. As a result, the Company does not guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors, many of which are beyond Fiera Capital's control, could cause actual events or results to differ materially from the predictions, forecasts, projections, expectations, or conclusions expressed in such forward-looking statements which include, but are not limited to, risks relating to performance and investment of the assets under management ("AUM"), AUM concentration within limited number of strategies, reputational risk, regulatory compliance, information securities policies, procedures and capabilities, litigation risk, insurance coverage, third-party relationships, growth and integration of acquired businesses, AUM growth, key employees and other factors. For a description of risks and uncertainties related to the forward looking statements presented in this MD&A, and the Company, refer to the "Risk Factors" section of the Company's Annual Information Form for the year ended December 31, 2020, and other documents filed by the Company with applicable securities regulatory authorities from time to time, which are available on SEDAR at www.sedar.com.

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

#### COVID-19

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

### **QUARTERLY FINANCIAL HIGHLIGHTS**

(in \$ billions)	AUM an as at and t	ance			
	June 30, 2021	March 31, 2021		Quarter over Quarter Change	
AUM	179.5	172.9	172.3	6.6	7.2
Average quarterly AUM <sup>(1)</sup>	175.9	178.2	171.1	(2.3)	4.8

		mary Financial Res e three months er		Variance			
(in \$ millions unless otherwise indicated)	June 30, 2021	March 31, 2021	June 30, 2020	Quarter over Quarter Change	Year over Year Change		
Revenues	167.4	165.6	166.9	1.8	0.5		
Net earnings (loss) <sup>(2)</sup>	13.3	22.2	(14.7)	(8.9)	28.0		
Adjusted EBITDA <sup>(3)</sup>	52.7	47.5	51.9	5.2	0.8		
Adjusted EBITDA margin <sup>(3)</sup>	31.5 %	28.7 %	31.1 %	2.8 %	0.4 %		
Adjusted net earnings (2),(3)	41.3	37.5	38.7	3.8	2.6		
Basic per share							
Net earnings (loss) <sup>(2),(3)</sup>	0.13	0.21	(0.14)	(0.08)	0.27		
Adjusted EBITDA <sup>(3)</sup>	0.50	0.45	0.50	0.05	_		
Adjusted net earnings <sup>(3)</sup>	0.39	0.36	0.38	0.03	0.01		
Diluted per share							
Net earnings (loss) <sup>(2),(3)</sup>	0.12	0.20	(0.14)	(0.08)	0.26		
Adjusted EBITDA <sup>(3)</sup>	0.44	0.40	0.50	0.04	(0.06)		
Adjusted net earnings <sup>(3)</sup>	0.36	0.32	0.38	0.04	(0.02)		

<sup>(1)</sup> Average quarterly AUM for a given period is the average of the ending value of AUM for each month during the period

### **Strategic Transactions**

During the six months ended June 30, 2021, the Company entered into the following strategic transactions,

### i. Bel Air Investment Advisors

On January 4, 2021, the Company announced that it entered into an agreement to sell all its equity interest in Bel Air Investment Advisors ("Bel Air") to Hightower Advisors. The transaction closed on February 28, 2021 and a gain on sale of \$19.6 million, net of change of control expenses of \$5.5 million and transaction costs, was recognized during the three months ended March 31, 2021. This included the foreign currency translation gain of \$30.2 million previously recorded in Accumulated Other Comprehensive Income, which was reclassified to net earnings on disposition of Bel Air.

AUM from Bel Air was \$8.3 billion at February 28, 2021 and approximately \$2.0 billion will remain sub-advised by Fiera Capital.

<sup>(2)</sup> Attributable to the Company's Shareholders

<sup>(3)</sup> Refer to the "Non-IFRS Measures" Section and the related reconciliations on page 39

### ii. Fiera Capital Emerging Markets Fund

On March 2, 2021, the Company announced that Fiera Capital Inc. ("FCI"), its wholly-owned subsidiary, entered into an agreement in principle to sell the advisory business related to its Fiera Capital Emerging Markets Fund to Sunbridge Capital Partners LLC ("Sunbridge"). On March 30, 2021, FCI and Sunbridge signed an asset purchase agreement. As a result of this agreement and the termination of the revenue sharing arrangement with City National Rochdale ("CNR") connected to the Fiera Capital Emerging Markets Fund, the Company recorded amortization of the intangible assets of \$3.4 million, and reclassified the intangible asset management contract as "held for sale" at March 31, 2021. Assets held for sale must be revalued at the lower of its carrying amount and its fair value less cost to sell and accordingly, an impairment charge of \$3.6 million was recorded during the six months ended June 30, 2021 in gain on sale of a business and impairment of assets held for sale. Subsequent to June 30, 2021, the transaction closed on July 9, 2021.

As a result of the termination of the revenue sharing arrangement with CNR, AUM related to the Fiera Capital Emerging Markets Fund decreased \$2.1 billion during the first quarter of 2021 resulting in \$0.8 billion of total assets remaining in the Fiera Capital Emerging Markets Fund at June 30, 2021.

### iii. Acquisition of an Additional Global Equity Team

On March 8, 2021, the Company announced the acquisition of an additional Global Equity team ("Fiera Atlas") from AMP Capital. As part of the transaction, the Company acquired the team along with the related AUM of \$0.9 billion and as a result recorded an intangible asset of \$6.8 million (US \$5.4 million). The Company has also invested seed capital related to the team's funds of \$8.3 million (US \$6.7 million).

#### Q2 2021 compared to Q1 2021

AUM at June 30, 2021 was \$179.5 billion compared to \$172.9 billion as at March 31, 2021, an increase of \$6.6 billion or 3.8%. The increase in AUM was primarily due to market appreciation of \$7.9 billion and new mandates in the Institutional, Financial Intermediaries and Private Wealth distribution channels of \$1.3 billion, \$0.4 billion and \$0.4 billion, respectively. In addition, the acquisition of the new Fiera Atlas team contributed \$0.9 billion of AUM in the quarter. These increases were partly offset by lost mandates of \$2.6 billion primarily from financial intermediaries and institutional distribution channels, and \$1.0 billion of lower net contributions from the institutional distribution channel. Unfavourable foreign exchange from the weaker U.S. dollar versus the Canadian dollar reduced AUM by \$0.7 billion during the comparable period.

Excluding the \$0.8 billion in AUM related to the sale of the rights to manage the Fiera Capital Emerging Markets Fund, which occurred on July 9, 2021, AUM at June 30, 2021 would have been \$178.7 billion, compared to \$172.1 billion at March 31, 2021, representing an increase of \$6.6 billion, or 3.8%.

Average AUM in the second quarter of 2021 of \$175.9 billion was lower compared to AUM at June 30, 2021 of \$179.5 billion, primarily due to strong market appreciation in the month of June 2021. Average AUM in the first quarter of 2021 of \$178.2 billion was higher compared to AUM at June 30, 2021 of \$175.9 billion primarily due to the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund in the first quarter of 2021.

Revenues for the three months ended June 30, 2021 were \$167.4 million compared to \$165.6 million for the three months ended March 31, 2021, an increase of \$1.8 million, or 1.1%. The increase in revenues includes \$12.7 million of lower revenue related to the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund. Excluding this, revenues for the three months ended June 30, 2021 were \$164.6 million compared to \$150.1 million for the three months ended

March 31, 2021 an increase of \$14.5 million or 9.7%. The increase was due to higher base management fees of \$7.2 million primarily due to higher AUM and more favourable asset class mix, higher performance fees of \$3.9 million and an increase of \$2.7 million in other revenues.

Selling, general and administration expenses ("SG&A") were \$119.9 million for the three months ended June 30, 2021 compared to \$121.4 million for the three months ended March 31, 2021, a decrease of \$1.5 million, or 1.2%. This includes \$8.6 million of lower SG&A due to the effect of the disposition of Bel Air and the sale of the advisory business related to the termination of the revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund in the first quarter of 2021. SG&A excluding the impact from these dispositions during three months ended June 30, 2021 were \$118.9 million compared to \$111.9 million for the three months ended March 31, 2021, an increase of \$7.1 million, or 6.3%. The increase was due to higher employee compensation costs, additional professional fees and additional rent expense related to operating expenses for the leased office premises in Toronto, Ontario. This was partially offset by lower benefit payments due to timing.

For the three months ended June 30, 2021, the Company reported net earnings attributable to the Company's shareholders of \$13.3 million, or \$0.13 per share (basic) and \$0.12 per share (diluted), compared to net earnings of \$22.2 million, or \$0.21 per share (basic) and \$0.20 per share (diluted), for the three months ended March 31, 2021, an \$8.9 million decrease in net earnings attributable to the Company's shareholders, or 40.1%. This decrease includes a \$4.6 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, net earnings attributable to the Company's shareholders decreased \$4.4 million or 25.4% for the three months ended June 30, 2021 compared to \$17.2 million for the three months ended March 31, 2021. The decrease was due to the following:

- In the first quarter of 2021, a \$16.7 million gain on the sale of a business and impairment of assets held
  for sale was recognized due to a gain on the disposition of Bel Air, partly offset by an impairment charge
  to reduce the carrying value of the asset management contract connected to the Fiera Capital Emerging
  Markets Fund;
- Income tax expense increased \$3.8 million primarily due to a recovery related to the sale of Bel Air in the first quarter of 2021;
- Share-based compensation expense increased \$1.9 million primarily due to a higher share price resulting in a revaluation adjustment;
- An increase in revenue of \$14.5 million, partly offset by an increase in SG&A of \$7.1 million, excluding
  the impact from the sale of Bel Air and the advisory business related to the Fiera Capital Emerging
  Markets Fund;
- Amortization and depreciation expense decreased \$4.9 million due to an adjustment recognized in the
  first quarter of 2021 related to the intangible asset associated with the advisory business related to the
  Fiera Capital Emerging Markets Fund;
- Interest on long-term debt, lease liabilities and other financial charges decreased \$2.1 million primarily
  due to lower balance sheet revaluation foreign exchange of \$1.1 million and a \$0.4 million gain on
  foreign exchange forward contracts compared to a \$0.5 million loss in the first quarter of 2021;
- Gain on investments increased \$1.1 million primarily due to fair value adjustments.

Adjusted EBITDA for the three months ended June 30, 2021 was \$52.7 million, or \$0.50 per share (basic) and \$0.44 per share (diluted) compared to \$47.5 million, or \$0.45 per share (basic) and \$0.40 per share (diluted), for the three months ended March 31, 2021, an increase in Adjusted EBITDA of \$5.2 million, or 10.9%. This includes a \$4.1 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund in the first quarter of 2021. Excluding the impact of this, Adjusted EBITDA for the three months ended June 30, 2021 was \$50.8 million compared to \$41.5 million for the three months ended March 31, 2021, an increase in Adjusted EBITDA of \$9.3 million or 22.5%. The increase

was principally due to higher revenues of \$14.5 million due to an increase in base management fees. This was partially offset by an increase in SG&A, excluding share-based compensation, of \$5.2 million principally due to higher employee compensation costs.

Adjusted net earnings for the three months ended June 30, 2021 was \$41.3 million, or \$0.39 per share (basic) and \$0.36 per share (diluted), compared to \$37.5 million, or \$0.36 per share (basic) and \$0.32 per share (diluted), for the three months ended March 31, 2021, an increase of \$3.8 million, or 10.1%. This includes a \$4.9 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund in the first quarter of 2021. Excluding this, Adjusted net earnings for the three months ended June 30, 2021 was \$40.5 million compared to \$31.9 million for the three months ended March 31, 2021, an increase in Adjusted net earnings of \$8.6 million, or 27.0%. The increase was principally due to higher revenues of \$14.5 million and \$2.1 million of lower interest on long-term debt, lease liabilities and other financial charges. This was partly offset by an increase in SG&A, excluding share-based compensation, of \$5.2 million principally due to higher employee compensation costs and an increase of income taxes of \$3.8 million.

#### Q2 2021 compared to Q2 2020

AUM at June 30, 2021 was \$179.5 billion compared to \$172.3 billion as at June 30, 2020, an increase of \$7.2 billion or 4.2%. The increase was primarily due to market appreciation of \$25.9 billion and new mandates of \$9.6 billion from all distribution channels. In addition, AUM increased \$0.9 billion as a result of the acquisition of the new Fiera Atlas team. This was partly offset by lost mandates and lower net contributions of \$7.0 billion and \$0.4 billion, respectively, and an unfavourable foreign exchange impact of \$5.8 billion from the weaker U.S. dollar versus the Canadian dollar over the comparative period. AUM decreased \$16.0 billion due to the disposition of the rights to manage Fiera Investments' retail mutual funds, Wilkinson Global Asset Management ("WGAM"), Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund.

Excluding the impact from the dispositions listed above and the \$0.8 billion in AUM related to the sale of the rights to manage the Fiera Capital Emerging Markets Fund, which occurred on July 9, 2021, AUM at June 30, 2021 would have been \$178.7 billion, compared to \$157.1 billion at June 30, 2020, representing an increase \$21.6 billion, or 13.8%.

Revenues for the three months ended June 30, 2021, were \$167.4 million compared to \$166.9 million for the same period last year, an increase of \$0.5 million, or 0.3%. This includes \$27.0 million of lower revenues from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, revenues for the three months ended June 30, 2021 were \$164.6 million compared to \$137.0 million, an increase of \$27.6 million or 20.1%. The increase was primarily due to higher base management fees of \$21.6 million as a result of higher AUM and a more favourable asset class mix, higher performance fees of \$3.4 million and an increase of \$3.1 million in other revenues.

SG&A was \$119.9 million for the three months ended June 30, 2021 compared to \$122.5 million for the same period last year, a decrease of \$2.6 million, or 2.1%. This includes \$19.6 million of lower SG&A due to the effect of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, SG&A for the three months ended June 30, 2021 was \$118.9 million compared to \$101.9 million in the same period last year, an increase of \$17.0 million or 16.7%. The increase was primarily due to higher employee compensation costs and additional professional fees.

For the three months ended June 30, 2021, the Company reported net earnings attributable to the Company's shareholders of \$13.3 million, or \$0.13 per share (basic) and \$0.12 per share (diluted), compared to net loss of \$14.7 million, or \$0.14 per share (basic and diluted), for the same period last year, a \$28.0 million increase in net earnings attributable to the Company's shareholders. This includes \$5.4 million of lower net earnings from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, net earnings attributable to the Company's shareholders for the three months ended June 30, 2021 was \$12.8 million compared to a net loss of \$20.6 million for the same period last year, an increase in net earnings attributable to the Company's shareholders of \$33.4 million. The increase was primarily due to the following:

- Higher revenues of \$27.6 million partly offset by an increase in SG&A expense of \$17.0 million.
- Lower restructuring, acquisition related and other costs of \$19.2 million as Q2 2020 costs included approximately \$20.9 million of severance costs related to the global operating model;
- Lower accretion and change in fair value of purchase price obligations and other of \$5.8 million primarily
  due to the settlement of the revenue sharing arrangement with CNR connected to the Fiera Emerging
  Markets Fund in the first quarter of 2021;
- Amortization and depreciation were lower by \$4.4 million primarily due to the disposition of WGAM and Bel Air;
- A \$3.0 million reduction in interest on long-term debt, lease liabilities and other financial charges primarily due to fair value adjustments related to interest rate swaps, lower total debt and lease liability balances and a gain on foreign exchange forward contracts.

Adjusted EBITDA for the three months ended June 30, 2021 was \$52.7 million, or \$0.50 per share (basic) and \$0.44 per share (diluted) compared to \$51.9 million or \$0.50 per share (basic and diluted) in the same period last year, an increase in Adjusted EBITDA of \$0.8 million, or 1.5%. This includes \$7.5 million of lower Adjusted EBITDA from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, Adjusted EBITDA for the three months ended June 30, 2021 was \$50.8 million compared to \$42.6 million for the same period last year, an increase of \$8.3 million or 19.4%. The increase was principally due to higher revenues of \$27.6 million mainly related to an increase in base management fees, partly offset by an increase in SG&A, excluding share-based compensation, of \$19.3 million primarily due to higher employee compensation costs.

Adjusted net earnings for the three months ended June 30, 2021 was \$41.3 million or \$0.39 per share (basic) and \$0.36 per share (diluted), compared to \$38.7 million, or \$0.38 per share (basic and diluted) in the same period last year, an increase of \$2.6 million, or 6.7%. This includes \$8.5 million of lower Adjusted net earnings due to the impact from the dispositions of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, Adjusted net earnings for the three months ended June 30, 2021 was \$40.5 million compared to \$29.5 million for the same period last year, an increase of \$11.0 million or 37.4%. The increase was primarily due to higher revenues of \$27.6 million related to an increase in base management fees and a \$3.0 million reduction of interest on long-term debt, lease liabilities and other financial charges. This was partially offset by an increase in SG&A, excluding share-based compensation, of \$19.3 million due to higher employee compensation costs.

### **Overview**

#### **OVERVIEW**

#### **Company Overview**

Fiera Capital is a leading independent asset management firm with a growing global presence and approximately \$179.5 billion in AUM at June 30, 2021. The Company delivers customized and multi-asset solutions across **Public** and **Private Market** asset classes to institutional, financial intermediaries and private wealth clients across North America, Europe and key markets in Asia.

Fiera Capital's client servicing activities are organized on a global basis based on the following distribution channels:

- Institutional: The Company's diversified institutional client base includes the pension funds of several large corporations and financial institutions, endowments, foundations, religious and charitable organizations, and public sector funds of major municipalities and universities.
- **Financial Intermediaries**: The Company's Financial Intermediaries business consists of institutional, private wealth and retail investors that the Company accesses by way of strategic relationships.
- Private Wealth: The Company's Private Wealth group provides asset management services directly to and counsels high net worth individuals, family offices, family foundations and trusts, estates and endowments.

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

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

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

### **Company Evolution**

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



### MARKET, ECONOMIC AND INVESTMENT STRATEGY PERFORMANCE REVIEW

#### Overall

The global economic recovery is underway and is poised to accelerate further in the second half of 2021. The recovery is also broadening from a regional and market segment perspective, allowing for an all-encompassing economic expansion. Many of the major global economies have re-opened or are on the path to fully reopening following lockdowns from the most recent wave of COVID-19. Developed economies are likely going to outperform their emerging market peers in 2021 in large part due to a comparatively aggressive policy response and the relative success of vaccine campaigns in the developed world. While China led the initial growth recovery following the onset of COVID-19, the United States is now experiencing strong economic growth which will likely also be experienced by Europe, the United Kingdom and Canada this summer. Emerging economies recovery will trail later this year as their immunizations efforts become fully scaled and deployed.

The services sector is beginning to experience meaningful growth as restrictions ease adding to an already strengthened factory sector. While pricing pressures are heating up in response, policy makers have increased their tolerance for higher inflation as shown from the latest spike in prices which suggest that monetary policy will remain highly accommodative, which when combined with massive household savings will support economic recovery.

The growing risks to the continued economic recovery are the pricing pressures from the transition period becoming entrenched triggering a change in monetary policy and an earlier withdrawal of policy support. In addition, the effectiveness of the available vaccines against the highly transmissible COVID-19 variants remains uncertain, which could lead to a more protracted period of restrictions and hindering the recovery currently underway.

#### Regional Economic and Market Review

The Canadian outlook has brightened considerably as the positive effect of rising inoculation rates and receding case loads drive provincial governments to proceed with reopening setting the stage for a strong second half of 2021. Large fiscal stimulus, pent up demand and strong household savings are poised to fuel an imminent recovery, while the rally in commodity prices and effects of rapid growth in the United States add to positive tailwinds for the Canadian economy.

The US economy is leading the growth charge globally, with massive fiscal stimulus spending and accelerated vaccine rollout bringing forward the return to economic normality. Consumer spending remains the primary source of growth as high household savings are ready for redeployment as economies continue to fully reopen and normal spending behaviors resume on purchases that were delayed for over a year and on travel services as restrictions ease.

The Eurozone is gaining some ground as infection rates decline and restrictions are progressively eased, with the services sector set to accelerate and factory production remains strong. Policymakers have reinforced that stimulus must continue well into the recovery, further amplifying the rebound. The UK economy is also emerging from the health crisis, though the variant driven spike in new cases has delayed the full reopening. Japan's weaker vaccination rate has resulted in a recurring state of emergency which continues to hinder the economic recovery.

The Chinese economy has completed its V-shaped recovery and has stabilized at healthy levels, while there is evidence that the economy is rebalancing towards consumer-driven growth. Policymakers are gradually reigning-in the credit impulse to move back to a more balanced and sustainable growth trajectory and to avoid

asset bubbles. The economy has so far weathered this policy normalization. India and Brazil will be slower to recover as these regions grapple with the pandemic given reduced access to vaccines and sub-par health systems.

#### Global Equity Markets Review

Global equity markets continued its strength in the second quarter with ramped-up vaccine rollouts, re-opening momentum and strong economic and corporate earnings results underpinning risk appetite and driving stocks higher. The rapid and historic acceleration in earnings expectations has fueled this year's profound equity market rally and as a result we expect this trend to continue as the global economic recovery progresses at a rapid pace. The environment for healthy growth, accelerating inflation, rising bond yields and higher commodity prices continues to favor a rotation towards the cyclical value space which has further room to grow. Specifically, financials, resources and industrials should perform well in this reflationary environment further aided by their strong valuations and earnings growth potential. By contrast, outperformance in the growth oriented technology sector will see modest growth as their valuations already reflect robust earnings expectations, while bond yields and the potential for corporate tax increases could also inhibit these sectors of the market. Furthermore, rising bond yields drive outperformance in the value space given that higher yields are often a boon for the financial sector through steeper yield curves and a headwind for the valuation of longer duration growth stocks. Overall, we expect more modest, mid-to-high single digit returns, still enough to comfortably outperform bonds in the coming year. While earnings momentum favours the Canadian market given its concentration in sectors tied to the reflationary narrative, relative valuation also remains supportive.

#### Fixed Income Market Review

Fixed income markets posted positive returns in the second quarter. Yield curves flattened with short-term yields rising as investors brought forward their expectations for feds funds lift off while long term yields drifted lower as traders remained at ease about the inflation backdrop. The Federal Reserve appears to be taking a much less pre-emptive approach in responding to inflation by staying behind the curve rather than tightening policy prematurely as they place more emphasis on achieving broad and inclusive recovery. As long as policy makers continue to see the latest inflation burst as transitory, monetary policy should remain accommodative in the coming year.

With respect to inflation, prices have spiked in response to the reopening, supply bottlenecks, higher commodity prices, and some preliminary signs of rising wages. However, these forces are likely to prove transitory given that supply dislocations will not endure, and labour market constraints will eventually fade as participation recovers. As the health crisis dissipates and expanded unemployment benefits expire, more workers are likely to return to the workforce, taming any notable upside pressure on wages. On employment, policymakers are striving for a "full and complete" recovery before scaling-back stimulus.

#### Investment Strategy Performance - Public Markets

#### **Equity Strategies**

#### Large Cap Equity

Most of the Company's large-cap equity strategies generally outperformed their respective benchmark during the second quarter. Equity markets throughout the world continued to appreciate as expectations for an economic recovery persisted. YTD performance for Canadian equity strategies were negatively impacted by the massive outperformance of cyclical sectors. On a three and five-year basis, almost all the large cap strategies

generated positive value add compared to their benchmark and all are beating the median manager of their respective peer universe.

For Q2 2021, most of the outperformance in the international equity strategy came from security selection in the industrial and the financial sectors. For the three-years and since inception periods, Fiera Atlas beat its benchmark by 8.9% and 13.7% respectively while remaining in the first quartile for these periods.

For Q2 2021, the Canadian large cap equity strategy's underperformance was mostly linked to the security selection in the information technology and materials sectors. For the three and the five-year periods, the Canadian flagship strategy outperformed the S&P TSX by 2.8% and 1.6%, respectively, while remaining in the first quartile for these periods.

### Small Cap, Emerging and Frontier Equity Strategies

The Company's Canadian small-cap strategies slightly outperformed their benchmark in the second quarter of 2021 but are still lagging their index year to date. For both strategies, their under allocation to the energy sector was a value detractor. Security selection in the technology sector as well as allocation in the material sector were beneficial for the funds' performance. Over a three-year period, both funds managed to beat the S&P TSX small cap.

The SMID Cap Growth portfolio lagged its benchmark, generating 5.52% during the second quarter compared to the Russell 2500 Growth Index which returned 6.04%. Stock selection within the health care and Information Technology sectors were the most substantial detractors. Conversely, the sector overweight within the energy sector provided the largest contribution to the overall return.

The Emerging Markets Core Growth strategy generated a positive absolute performance over the second quarter of 2021, but underperformed its benchmark over the period. The strategy's underperformance can be linked to stock selection in the Chinese Utilities and Consumer Discretionary sectors, while the strategy's overweight allocation to the consumer staples sector was a positive contributor to relative performance over the period and helped to regain some performance.

The Frontier Markets strategy continued its strong run of performance, generating a 19.10% return in Q2 2021 and outperforming the MSCI Frontier Markets Index by 5.01%. Year to date, the strategy has generated an outperformance of 15.1% with strong security selection in Vietnam being the largest contributor to relative performance over this period. The strategy maintains its strong absolute and relative performance over the three and five-year periods returning (annualized) 13.54% and 15.64%, respectively, with positive value add of 4.66% and 6.25%, respectively, and ranking first quartile in both these periods.

#### **Fixed Income Strategies**

#### Canadian Fixed Income Strategies

#### Active Universe Strategies

Over the three, six and twelve month periods ended June 30, 2021, all of the Company's fixed income universe strategies generated positive value added compared to their respective benchmarks. The principal contributor to value added for these strategies was their overweight position in the corporate sector, as spreads have continued to narrow. The one year outperformance of 3.37% within Specialized Credit is mainly due to the strategy's allocation to credit and more specifically to securitized assets.

On the three year basis, all Active Universe strategies generated positive value added and most of them rank within first and second quartile.

#### Credit Oriented and Other Strategies

The Company's other fixed income strategies, which include Corporate Universe, Preferred Shares and Infrastructure Bonds, outperformed their benchmark on a one year basis. The Company's other fixed income strategies continue to outperform their respective benchmarks, following long term basis tendency.

#### US Fixed Income Strategies

The High Grade Core Intermediate portfolio underperformed slightly for the second quarter but continues to outperform on a year-to-date basis. The Tax-Efficient Core Plus portfolio outperformed its benchmark slightly. Its overweight in A-Rated bonds and Treasuries were additive while the more bulleted maturity detracted slightly.

### **Balanced Investment Strategies**

The balanced investment strategies continued to outperform on a long-term basis driven primarily by strong value-added from underlying strategies and our tactical asset class positioning.

### **Liquid Alternative Investment Strategies**

The majority of the Company's hedge fund strategies delivered positive returns over the last twelve months and over the long term. The OAKS Emerging and Frontiers Opportunities Fund maintained its strong run of performance over the second quarter of 2021, generating a 19.81%, return and, bringing year to date performance to 30.54%. In Q2 2021, strong performance was derived mainly from the Fund's Vietnamese portfolio, with other strong performances from the Fund's holdings in Greece and Kazakhstan. For the one year, three year and five year periods, the Fund has generated impressive annualized returns of 75.00%, 11.46% and 14.50%, respectively.

### Investment Strategy Performance - Private Markets

#### **Real Estate Strategies**

The Canadian and the UK real estate strategies continued to deliver strong performance in Q2 2021 after building momentum in the back half of 2020 and Q1 of 2021. The strategies, which span the core, value-add, and opportunistic risk spectrum, are capitalizing on their thoughtful and research-based portfolio construction. The strategies are heavily weighted to the industrial and logistics sector and increasingly allocated to the consistently outperforming multi-residential markets. These property types are experiencing strong tenant and investment demand and are expected to continue to demonstrate valuation growth. The strategies had anticipated weakness in the retail sector and hold primarily food, pharmacy, and home improvement-anchored centers that have outperformed throughout, and as the economy begins to emerge from, the pandemic. The office sector continues to see hesitancy as the long-term impacts of the pandemic are assessed. The strategies generally have less exposure to the office sector than their peers. The case for continued real estate valuation growth remains compelling driven by anticipated "low-for-long" interest rates, the attractiveness of real estate in an inflationary environment, and increased capital seeking real assets. Both the Canadian and UK strategies are well positioned to capture these tailwinds.

### **Infrastructure Strategy**

The Infrastructure strategy has remained operationally resilient to challenges posed by the COVID-19 pandemic given the construct of the portfolio. The assets within the strategy are essential in nature and in many instances, revenues are underpinned by long-term and fixed price contracts. As the global economy continues to reopen, the focus has shifted to the implications for inflation.

Infrastructure generally provides a level of inflation hedging to investors, the degree of which varies by asset. Many of the assets in the strategy have an explicit link to inflation through regulation, concession agreements or contracts. Those without a regulatory or contractual link can offer a certain level of protection through pricing power to effectively pass through the impacts of inflation. During an inflationary environment, we would expect to see a rise in interest rates, which could in turn impact discount rates. Given the competitiveness of the market, we do not believe that discount rates will react as quickly to increases in nominal interest rates.

Deal activity remains strong and the team has been focused on its platform approach. Existing platforms provide significant and attractive deployment opportunities that are often less competitive, accretive to the existing base case and leverage existing expertise. The team remains focused on developing new and existing platforms with an ESG overlay in core and core-plus infrastructure sub-sectors.

### **Private Debt Strategies**

The private debt strategies generated strong return for the quarter across the board, across all regions and collateral types backing the underlying loans. Activity picked up substantially during the second quarter. Material capital was raised in the strategies as there were multiple attractive opportunities to deploy capital across the global platform. The pipeline for new transactions is strong, with a substantial amount of deals lined up to close in the coming months. Multiple non-performing loans were paid off and the manager ended up recovering all of the principal, and in some cases, also a substantial amount of owed interest and fees. The strategies are positioned well for the current market environment.

#### **Global Agriculture Strategy**

The Global Agriculture strategy delivered another strong quarter of performance driven by our Australian row cropping assets and by our specialty tree fruit business in central California. Our cotton program in Australia achieved above-budget yields and pricing while our specialty tree fruit business in California marked strong pricing and a record-breaking packing season. The outlook for our dryland cropping operation in Australia is solid, thanks to the abundant rainfall through the last two quarters. The performance across the portfolio has been partially offset by our US maple syrup operation which has suffered from a shorter and warmer production season, affecting sap yields across the industry. The investment team remains active on the acquisitions front, having closed three bolt-ons in Australia in the second quarter and evaluating several other new platform and bolt-on opportunities. Investor interest continues to be strong, driven by the asset class's performance over the last year. The strategy continues to see strong interest from investors looking to make their first allocation to the asset class as well as existing investors seeking to increase their exposure.

#### **Private Equity Strategy**

The portfolio continues to post strong quarter-over-quarter performance, with one newly added platform investment. In April, the Fund committed to invest in the most recent fund of a world-class private equity manager that makes control investments in high-quality US middle market companies in the financial services, healthcare, software, and industrial technology sectors. We remain actively engaged in and maintain a robust

pipeline of potential transaction opportunities globally, with a continued focus on downside protection – a fundamental tenet of our investment thesis.

As COVID-19 vaccination rollouts approach critical mass in North America and Europe, the global economic outlook has continued to improve, though the public markets exhibit volatility due to the uncertainty of the rise of the highly transmissible Delta (and other) variants that have been found in countries around the globe. The private equity market continues to show positive results for managers and prospective target companies alike, with dry powder available to invest in companies trading at discounts to their public peers.

Table 1 – Public Markets Performance as at June 30, 2021

			Q2 2021			YTD			1 yr			3 yr			rs or since inception SI if inception < 5 yr	
Public Market strategies	Currency	Strategy return	Added value	Quartile	Strategy return	Added value	Quartile									
Equity Investment Strategies																
Large Cap Equity								•			•					
US Equity	CAD	8.44	1.50	2	12.19	0.17	4	27.96	(0.04)	4	20.07	3.77	2	19.56	3.03	2
International Equity	CAD	8.15	4.53	1	6.12	0.34	4	23.62	3.29	4	14.75	8.64	1	15.19	5.96	1
Global Equity	CAD	9.05	2.90	1	10.28	0.40	3	29.35	2.93	3	18.36	5.66	1	18.05	4.31	1
Atlas Global Companies	CAD	11.77	5.62	1	7.71	(2.17)	4	31.09	4.67	3	21.63	8.93	1	25.89	13.69	1
Sustainable Global Equities	CAD	7.80	1.65	2	3.00	(6.88)	4	23.11	(3.31)	4	19.38	6.68	1	16.19	2.45	2
Canadian Equity	CAD	5.63	(2.92)	4	13.56	(3.73)	4	29.5	(4.35)	4	13.19	2.39	1	12.74	1.97	1
Canadian Equity Core	CAD	7.83	(0.71)	3	16.29	(0.99)	3	32.10	(1.76)	3	10.62	(0.18)	2	11.10	0.33	2
Small Cap, Emerging and Frontier																
U.S. SMid Cap Growth	USD	5.52	(0.51)	3	12.35	3.68	2	58.23	8.60	1	22.83	2.70	2	22.03	1.36	2
Global Small Cap	CAD	8.55	5.13	1	5.98	(5.68)	4	33.69	(5.30)	4	N/A	N/A	N/A	29.29	11.93	1
Canadian Equity Small Cap Core	CAD	9.81	0.82	2	14.81	(4.83)	4	43.33	(14.21)	4	14.71	5.53	3	10.48	3.16	3
Canadian Equity Small Cap	CAD	9.15	0.16	2	15.20	(4.44)	3	43.20	(14.34)	4	10.59	1.40	4	7.09	(0.22)	4
Emerging Markets Core Growth	USD	3.96	(1.09)	3	3.58	(3.87)	4	40.63	(0.27)	3	7.96	(3.31)	4	11.07	(1.96)	4
Frontier Markets	USD	19.10	5.01	1	30.13	15.12	1	81.85	43.35	1	13.54	4.66	1	15.62	6.25	1
Canadian Fixed Income Strategies																
Active Universe Strategies								•			•					
Active Core	CAD	1.89	0.23		(3.39)	0.07	4	(1.71)	0.72	4	4.78	0.61	3	4.32	0.58	2
Strategic Core	CAD	1.83	0.17	1	(3.13)	0.33	3	(1.11)	1.32	2	5.19	1.03	1	4.66	0.93	1
Credit Oriented	CAD	1.81	0.15	2	(3.09)	0.38	2	(1.33)	1.10	2	4.79	0.63	2	3.40	0.77	1
Specialized Credit	CAD	1.85	0.19	2	(2.14)	1.32	1	0.95	3.37	1	6.05	1.89	1	4.31	1.68	1
Relative Value	CAD	2.92	1.13	1	(3.52)	-	4	(1.93)	2	4	5.30	1	1	4.58	1	1
Credit Oriented and Others								•			•					
Corporate Universe	CAD	1.44	0.16	3	(1.91)	0.35	3	1.66	0.84	3	5.24	0.39	3	4.19	0.53	3
Preferred Shares	CAD	6.50	1.48	1	18.91	4.61	1	46.92	10.28	1	5.38	0.67	4	8.88	1.20	1
Infrastructure Bonds	CAD	2.42	(0.89)	3	(6.25)	(0.27)	4	(4.81)	0.52	4	6.01	0.42	4	4.69	0.84	4
Multi-Strategy Income	CAD	1.68	N/A	N/A	2.18	N/A	N/A	9.56	N/A	N/A	2.91	N/A	N/A	4.09	N/A	N/A
US Fixed Income Strategies																
High Grade Core Intermediate	USD	0.65	(0.13)	N/A	(0.43)	0.41	N/A	0.73	0.68	N/A	4.75	0.34	N/A	2.73	0.21	N/A
Tax Efficient Core Intermediate	USD	0.48	(0.14)	N/A	(0.10)	(0.46)	N/A	1.52	(0.91)	N/A	2.81	(0.11)	N/A	2.29	(0.20)	N/A
Tax Efficient Core Plus	USD	0.05	(0.03)	N/A	0.24	(0.12)	N/A	2.65	0.22	N/A	4.47	0.56	N/A	2.80	0.32	N/A
Balanced Investment Strategies																
Balanced Core	CAD	6.09	1.07	1	7.68	0.88	2	18.22	1.76	3	10.49	1.41	1	9.98	1.38	2
Balanced EFT	CAD	5.38	0.88	2	8.31	0.62	2	18.59	1.16	3	10.11	1.35	2	9.81	1.34	2
Tactical Asset Allocation	CAD	4.28	0.72	N/A	7.98	2.87	N/A	18.38	4.96	N/A	8.49	0.69	N/A	8.67	1.03	N/A
Liquid Alternative Investment Strategies																
Global Market Neutral	CAD	4.12	N/A	N/A	3.75	N/A	N/A	0.98	N/A	N/A	6.02	N/A	N/A	N/A	N/A	N/A
Eastern European Market Neutral	USD	0.86	N/A	N/A	3.27	N/A	N/A	7.65	N/A	N/A	7.95	N/A	N/A	9.76	N/A	N/A
Emerging & Frontier Opportunities	USD	19.81	N/A	N/A	30.54	N/A	N/A	75.00	N/A	N/A	11.46	N/A	N/A	14.50	N/A	N/A

#### Important Discolsures:

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

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

The performance returns above assume reinvestment of all dividends.

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

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

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

Quartile rankings are calculated using eVestment.

GIPS Composites are available upon request.

Table 2 – Private Markets Performance as at June 30, 2021

					Performai Incej			Total Undrawn
Private Market strategies	Currency	Inception date	Open- ended	Closed- ended	Return <sup>(1)</sup>	Gross IRR <sup>(2)</sup>	NAV (in \$M)	Commitment (in \$M)
Real Estate								
Fiera Real Estate CORE Fund L.P.	CAD	Apr-13	✓		8.59%	_	2,374	238
Fiera Real Estate Small Cap Industrial Fund L.P.	CAD	Feb-14	<b>✓</b>		13.95%	_	374	11
UK CORE INCOME FUND	GBP	Aug-09	<b>✓</b>		6.98%	_	185	_
Infrastructure								
EagleCrest Infrastructure <sup>(3)</sup>	CAD	Jan-16	✓		_	9.09%	1,395	363
Private Debt								
Real Estate & Infrastructure								
Fiera Real Estate Core Mortgage Fund <sup>(4)</sup>	CAD	Dec-17	✓		5.12%	_	70	1
Fiera Real Estate Financing Fund	CAD	Dec-06	✓		12.86%	_	575	_
Fiera Infrastructure Debt Fund LP	CAD	Feb-17		✓	4.72%	_	340	_
Clearwater Capital Partners Direct Lending Opportunities Fund, L.P.	USD	Feb-17	<b>✓</b>		_	11.81%	284	_
Corporate Debt								
Fiera Private Debt Fund VI	CAD	Feb-19		✓	6.00%	_	330	477
Fiera Comox Private Credit Opportunities Open-End Fund L.P <sup>(5)</sup>	USD	Apr-20	<b>✓</b>		_	11.81%	58	75
Fiera Business Financing Fund	CAD	May-13	✓		13.40%	_	129	_
Clearwater Capital Yield Fund, L.P.	USD	Nov-18		✓	_	14.64%	109	_
Funds of Funds								
Global Diversified Lending Master Fund, L.P. <sup>(6)</sup>	USD	Jun-18	<b>✓</b>		8.16%	_	213	_
Fiera Diversified Lending Fund <sup>(4)(6)</sup>	CAD	Apr-08	✓		6.39%	_	1,360	_
Global Agriculture								
Global Agriculture Open-End Fund L.P. (5)	USD	Jul-17	✓		_	8.34%	578	115
Private Equity								
Glacier Global Private Equity Fund I L.P. (5)	USD	Sep-18	✓		_	20.22%	160	30

### Important Disclosures:

<sup>&</sup>lt;sup>(1)</sup> Annualized time weighted returns, presented gross of management and performance fees and expenses, unless otherwise stated.

 $<sup>^{(2)}</sup>$  Presented gross of management and performance fees and expenses, unless otherwise stated.

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

<sup>&</sup>lt;sup>(4)</sup> Returns presented net of management and performance fees and expenses.

<sup>(5)</sup> Gross IRR shown net of fund operating expenses.

 $<sup>^{(6)}</sup>$  Strategies with diversified allocation to various private debt LP, including some above mentioned.

### **Outlook**

#### **OUTLOOK**

Our outlook has improved as the economic recovery from the effects of COVID-19 accelerates in the second half of 2021. Significant progress with the rollout of vaccines and rising inoculation rates is resulting in many governments proceeding with lifting various forms of lockdown measures that were in place from the most recent wave of the virus. At Fiera Capital, we have started reopening our offices around the world under a flexible and hybrid work environment. The health and safety of our employees remains our highest priority and we are actively engaged with local health authorities to ensure a safe return of employees to our offices. The new flexible and hybrid work program aims to create a globally diversified organization with the aim of attracting and retaining top talent which is the key to success for Fiera Capital.

While there is optimism in the marketplace regarding the trajectory of growth as investors prepare for significant fiscal spending in the near-term, the Company continues to review the potential impact from COVID-19 and the market risk to its capital position and profitability should the duration, spread or intensity of the pandemic further develop.

Fiera Capital continues to demonstrate its financial strength through the depth and diversity of its investment strategies and prudent approach to capital allocation. We will continue to build on this positive momentum by maintaining our focus and executing against our key strategic priorities:

- Investment Excellence Our competitive suite of Public and Private Market investment strategies,
  developed through organic initiatives and strategic acquisitions offer our clients a wide range of
  solutions. The acquisition of a new Global Equities capability from AMP Capital with a top quartile
  investment performance track record, announced on March 8, 2021, strengthens the competitiveness
  and range of our investment platform on a global basis in markets where there are opportunities for
  future growth, while serving the investment needs of our clients.
- Continued Evolution of Our Client Interaction Model In order to fully deploy our global investment
  capabilities, we continue to transition towards a solutions-based relationship approach. Our new client
  interaction model results in an integrated distribution team focused on offering holistic investment
  solutions across various asset classes, in order to better service our existing clients on a global basis and
  better compete for new mandates going forward.
- Delivering Value to Shareholders Through Optimized Capital Allocation Delivering value to our shareholders remains a key priority. The Company has returned \$10.1 million of capital to our shareholders to-date through its normal course issuer bid ("NCIB") since it began in July 2020. Following the expiration of the NCIB on July 14, 2021, the Company announced on August 12, 2021 hat the Toronto Stock Exchange approved the renewal of its NCIB to purchase for cancellation up to 4.0 million of its class A subordinate voting shares over a twelve-month period commencing on August 16, 2021 and ending no later than August 15, 2022. We continue to invest in our investment management teams and distribution function to drive further revenue growth. Investments in our global technology and operating platforms will also continue in 2021, to drive future operating efficiencies and support our globally integrated operating model.
- New Global Operating Model Realigning the Company under the new global operating model, which
  was announced in 2020, continues to be a high priority for the organization. The new operating model
  will strengthen the alignment between the Company's Public Markets, Private Markets and Private
  Wealth operations, which were previously managed on a geographic basis, while improving operating
  efficiency between our investment and distribution teams.

## **Outlook**

As we look ahead, we are confident in our ability to execute on the priorities outlined above to support and drive future growth in the areas of Private Market Investment Strategies, Multi-Asset Solutions and Global Equity investment strategies, all of which are supported by our global footprint through the expansion of our distribution channels to worldwide markets.

### **FINANCIAL RESULTS**

Table 3 – Interim Condensed Consolidated Statements of Earnings (Loss) for the three months ended June 30, 2021 and 2020, and March 31, 2021

STATEMENTS OF EARNINGS (LOSS)	FOR T	HE THREE MONTHS E	NDED	VARIA	ANCE
(in \$ thousands except per share data)	June 30, 2021	March 31, 2021	June 30, 2020	QoQ Change FAV / (UNF) <sup>(2)</sup>	YoY Change FAV / (UNF) <sup>(2)</sup>
Revenues					
Base management fees	151,759	156,468	155,902	(4,709)	(4,143)
Performance fees - Public Markets	2,739	447	272	2,292	2,467
Performance fees - Private Markets	2,634	985	1,719	1,649	915
Share of earnings in joint ventures and associates	425	562	2,216	(137)	(1,791)
Other revenues	9,848	7,149	6,756	2,699	3,092
Total revenues	167,405	165,611	166,865	1,794	540
Expenses					
Selling, general and administrative expenses	119,888	121,400	122,471	1,512	2,583
Amortization and depreciation	16,489	21,402	20,848	4,913	4,359
Restructuring, acquisition related and other costs	6,008	6,196	25,239	188	19,231
Gain on investments, net	(1,447)	(343)	(966)	1,104	481
Interest on long-term debt, lease liabilities and other financial charges	6,237	8,326	9,281	2,089	3,044
Accretion and change in fair value of purchase price obligations and other	595	1,024	6,404	429	5,809
Loss (gain) on sale of a business and impairment of assets held for sale	733	(16,660)	675	(17,393)	(58)
Other losses (gains)	117	91	(37)	(26)	(154)
Total expenses	148,620	141,436	183,915	(7,184)	35,295
Earnings (loss) before income taxes	18,785	24,175	(17,050)	(5,390)	35,835
Income tax expense (recovery)	4,988	1,152	(2,736)	(3,836)	(7,724)
Net earnings (loss)	13,797	23,023	(14,314)	(9,226)	28,111
Attributable to:					
Company's shareholders	13,310	22,234	(14,703)	(8,924)	28,013
Non-controlling interest	487	789	389	(302)	98
Net earnings (loss)	13,797	23,023	(14,314)	(9,226)	28,111
BASIC PER SHARE					
Adjusted EBITDA <sup>(1)</sup>	0.50	0.45	0.50	0.05	_
Net earnings (loss)	0.13	0.21	(0.14)	(0.08)	0.27
Adjusted net earnings <sup>(1)</sup>	0.39	0.36	0.38	0.03	0.01
DILUTED PER SHARE					
Adjusted EBITDA <sup>(1)</sup>	0.44	0.40	0.50	0.04	(0.06)
Net earnings (loss)	0.12	0.20	(0.14)	(0.08)	0.26
Adjusted net earnings <sup>(1)</sup>	0.36	0.32	0.38	0.04	(0.02)

 $<sup>^{(1)}</sup>$  Refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 39  $^{(2)}$  FAV: Favourable - UNF: Unfavourable

Table 4 - Interim Condensed Consolidated Statements of Earnings (Loss) for the six months ended June 30, 2021 and 2020

STATEMENTS OF EARNINGS (LOSS)	FOR THE SIX-MONTH PE	RIODS ENDED	VARIANCE		
(in \$ thousands except per share data)	June 30, 2021	June 30, 2020	YoY Change FAV / (UNF) <sup>(2)</sup>		
Revenues					
Base management fees	308,227	310,726	(2,499)		
Performance fees - Public Markets	3,186	1,738	1,448		
Performance fees - Private Markets	3,619	3,504	115		
Share of earnings in joint ventures and associates	987	1,967	(980)		
Other revenues	16,997	10,587	6,410		
Total revenues	333,016	328,522	4,494		
Expenses					
Selling, general and administrative expenses	241,288	240,799	(489)		
Amortization and depreciation	37,891	41,169	3,278		
Restructuring, acquisition related and other costs	12,204	28,654	16,450		
Gain on investments, net	(1,790)	(832)	958		
Interest on long-term debt, lease liabilities and other financial charges	14,563	26,555	11,992		
Accretion and change in fair value of purchase price obligations and other	1,619	(6,057)	(7,676)		
(Gain) loss on sale of a business and impairment of assets held for sale	(15,927)	675	16,602		
Other losses (gains)	208	(1,037)	(1,245)		
Total expenses	290,056	329,926	39,870		
Earnings (loss) before income taxes	42,960	(1,404)	44,364		
Income tax expense	6,140	888	5,252		
Net earnings (loss)	36,820	(2,292)	39,112		
Attributable to:					
Company's shareholders	35,544	(7,122)	42,666		
Non-controlling interest	1,276	4,830	(3,554)		
Net earnings (loss)	36,820	(2,292)	39,112		
BASIC PER SHARE					
Adjusted EBITDA <sup>(1)</sup>	0.96	0.92	0.04		
Net earnings (loss)	0.34	(0.07)	0.41		
Adjusted net earnings <sup>(1)</sup>	0.75	0.57	0.18		
DILUTED PER SHARE					
Adjusted EBITDA <sup>(1)</sup>	0.84	0.92	(0.08)		
Net earnings (loss)	0.32	(0.07)	0.39		
Adjusted net earnings <sup>(1)</sup>	0.69	0.57	0.12		

 $<sup>^{(1)}</sup>$  Refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 39  $^{(2)}$  FAV: Favourable - UNF: Unfavourable

#### RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE – AUM AND REVENUES

#### **Assets under Management**

AUM is the main driver of Fiera Capital's revenues. Fiera Capital's revenues, for the most part, are calculated as a percentage of the Company's AUM. The change in the Company's AUM is determined by i) the amount of new mandates ("New"); ii) the amount of redemptions ("Lost"); iii) the amount of inflows and outflows from existing clients ("Net Contributions"); iv) the increase or decrease in the market value of the assets held in the portfolio of investments ("Market"); v) foreign exchange impact; and vi) business acquisitions ("Acquisitions") and dispositions ("Dispositions"). "Net Organic Growth" is the sum of New mandates, Net Contributions and Lost mandates.

AUM includes "Committed, Undeployed Capital" which represents capital committed by investors towards the Company's Private Market investment strategies that have not yet been deployed. Average assets under management ("Average AUM") for a given period is the average of the ending value of AUM of each of the months during the period.

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

#### Current Quarter versus Prior-Year Quarter

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

	June 30, 2020		NET CONTRIBUTIONS	LOST	NET ORGANIC GROWTH	MARKET	FOREIGN EXCHANGE IMPACT		June 30, 2021
Institutional	81,016	4,770	(1,091)	(1,644)	2,035	11,025	(1,744)	_	92,332
Financial									
Intermediaries	65,131	3,114	1,443	(4,974)	(417)	11,964	(2,818)	(1,136)	72,724
Private Wealth	26,145	1,674	(745)	(377)	552	2,898	(1,248)	(13,933)	14,414
AUM - end of period	172,292	9,558	(393)	(6,995)	2,170	25,887	(5,810)	(15,069)	179,470

AUM was \$179.5 billion as at June 30, 2021 compared to \$172.3 billion as at June 30, 2020, an increase of \$7.2 billion or 4.2%. The higher AUM was primarily due to market appreciation of \$25.9 billion, new mandates in the Institutional, Financial Intermediaries and Private Wealth distribution channels of \$4.8 billion, \$3.1 billion and \$1.7 billion, respectively. In addition, AUM increased \$0.9 billion as a result of the acquisition of the new Fiera Atlas team. This was partly offset by \$16.0 billion of dispositions in the period due to the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. AUM was further reduced by an unfavourable foreign exchange impact of \$5.8 billion from the weaker U.S. dollar versus Canadian dollar and lost mandates and negative net contributions of \$7.0 billion and \$0.4 billion, respectively.

AUM at June 30, 2021 included committed, undeployed capital related to the Company's Private Market Investment strategies of \$1.5 billion, compared to \$1.3 billion at June 30, 2020, an increase of \$0.2 billion.

Excluding the impact from the dispositions listed above and the \$0.8 billion in AUM related to the sale of the rights to manage the Fiera Capital Emerging Markets Fund, which occurred on July 9, 2021, AUM at June 30, 2021 would have been \$178.7 billion, compared to \$157.1 billion at June 30, 2020, representing an increase \$21.6 billion, or 13.8%.

#### Current Quarter versus Previous Quarter

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

	March 31, 2021		NET CONTRIBUTIONS	LOST	NET ORGANIC GROWTH	MARKET	FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSITION) / ADJUSTMENT	
Institutional	89,211	1,268	(1,110)	(463)	(305)	3,724	(298)	_	92,332
Financial									
Intermediaries	69,915	384	190	(2,029)	(1,455)	3,745	(402)	921	72,724
Private Wealth	13,769	381	(87)	(109)	185	454	6	_	14,414
AUM - end of period	172,895	2,033	(1,007)	(2,601)	(1,575)	7,923	(694)	921	179,470

AUM at June 30, 2021 was \$179.5 billion compared to \$172.9 billion as at March 31, 2021, an increase of \$6.6 billion or 3.8%. The increase in AUM was primarily due to market appreciation of \$7.9 billion and new mandates in Institutional, Financial Intermediaries and Private Wealth distribution channels of \$1.3 billion, \$0.4 billion and \$0.4 billion, respectively. In addition the acquisition of the new Fiera Atlas team contributed \$0.9 billion of AUM in the quarter. These increases were partly offset by lost mandates of \$2.6 billion primarily from financial intermediaries and institutional distribution channels, and \$1.0 billion of lower net contributions from the institutional distribution channel. Unfavourable foreign exchange from the weaker U.S. dollar versus Canadian dollar reduced AUM \$0.7 billion during the comparable period.

AUM at June 30, 2021 included committed, undeployed capital related to the Company's Private Market Investment strategies of \$1.5 billion, compared to \$1.7 billion at March 31, 2021, a decrease of \$0.2 billion.

Excluding the \$0.8 billion in AUM related to the sale of the rights to manage the Fiera Capital Emerging Markets Fund, which occurred on July 9, 2021, AUM at June 30, 2021 would have been \$178.7 billion, compared to \$172.1 billion at March 31, 2021, representing an increase of \$6.6 billion, or 3.8%.

#### *Year-to-Date Activity*

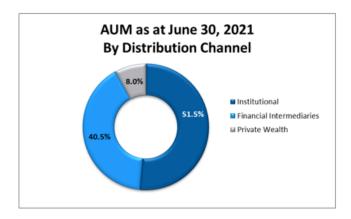
Table 7 – Assets under Management by Distribution Channel – Year-to-Date Activity Continuity Schedule (in \$ millions)

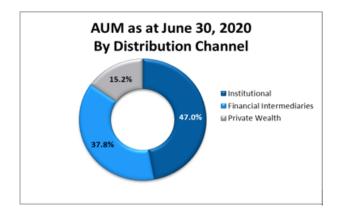
	December 31, 2020		NET CONTRIBUTIONS	LOST	NET ORGANIC GROWTH		FOREIGN EXCHANGE IMPACT	ACQUISITION (DISPOSITION) / ADJUSTMENT	June 30, 2021
Institutional	89,411	2,680	(1,081)	(939)	660	2,851	(590)	_	92,332
Financial									
Intermediaries	71,074	1,456	1,112	(2,499)	69	3,578	(861)	(1,136)	72,724
Private Wealth	21,368	1,094	(34)	(259)	801	678	(166)	(8,267)	14,414
AUM - end of period	181,853	5,230	(3)	(3,697)	1,530	7,107	(1,617)	(9,403)	179,470

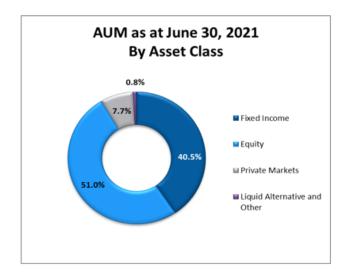
Total AUM was \$179.5 billion as at June 30, 2021, representing a decrease of \$2.4 billion, or 1.3%, compared to \$181.9 billion as at December 31, 2020. The decrease in AUM was primarily due to the disposition of Bel Air and the sale of the advisory business related to the Fiera Capital Emerging Markets Fund and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund, which together reduced AUM by \$9.4 billion. In addition, AUM was further reduced by lost mandates of \$3.7 billion. These were partly offset by market appreciation, net of unfavourable foreign exchange, of \$5.5 billion and new mandates across all distribution channels of \$5.2B.

Excluding the impact from the dispositions listed above and the \$0.8 billion in AUM related to the sale of the rights to manage the Fiera Capital Emerging Markets Fund, which occurred on July 9, 2021, AUM at June 30, 2021 would have been \$178.7 billion, compared to \$170.8 billion at December 31, 2020, representing an increase \$7.9 billion, or 4.6%.

The following graphs illustrate the breakdown of the Company's AUM by distribution channel and by asset class as at June 30, 2021, and June 30, 2020, respectively.









#### Revenues

The Company's revenues consist of (i) base management fees, (ii) performance fees, (iii) share of earnings in joint ventures and associates, and (iv) other revenues. Base management fees are AUM-driven and for each distribution channel, revenues are primarily earned on the AUM average closing value at the end of each day, month, or calendar quarter in accordance with contractual agreements. For certain mandates, the Company is also entitled to performance fees. The Company categorizes performance fees in two groups: those associated with Public Market and Private Market investment strategies. Revenues also comprise share of earnings in joint ventures and associates in which the Company has ownership interests. Other revenues are primarily comprised

of brokerage and consulting fees which are not AUM-driven, commitment and transaction fees from Private Market investment strategies, as well as realized gains or losses on foreign exchange forward contracts.

Table 8 – Revenues: Quarterly Activity (in \$ thousands)

	FOR TH	E THREE MONTHS	ENDED	VARIA	ANCE
	June 30, 2021	March 31, 2021	June 30, 2020	Quarter over Quarter Change	Year over Year Change
Institutional	79,155	77,763	66,649	1,392	12,506
Financial Intermediaries	50,465	54,138	57,525	(3,673)	(7,060)
Private Wealth	22,139	24,567	31,728	(2,428)	(9,589)
Total base management fees	151,759	156,468	155,902	(4,709)	(4,143)
Performance fees – Public Markets Performance fees – Private	2,739	447	272	2,292	2,467
Markets	2,634	985	1,719	1,649	915
Total performance fees	5,373	1,432	1,991	3,941	3,382
Share of earnings in joint ventures and associates	425	562	2,216	(137)	(1,791)
Other revenues	9,848	7,149	6,756	2,699	3,092
Total revenues	167,405	165,611	166,865	1,794	540

#### Current Quarter versus Previous Quarter

Revenues for the three months ended June 30, 2021 were \$167.4 million compared to \$165.6 million for the three months ended March 31, 2021, an increase of \$1.8 million, or 1.1%. This includes \$12.7 million of lower revenue from the impact of the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of this, revenues for the three months ended June 30, 2021 were \$164.6 million compared to \$150.1 million, an increase of \$14.5 million or 9.7%. The increase was due to the following:

#### Base Management Fees

Base management fees excluding the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund were \$149.7 million for the three months ended June 30, 2021 compared to \$142.5 million for the three months ended March 31, 2021, an increase of \$7.2 million, or 5.1%. The increase was due to the following:

- Institutional Base management fees in the current quarter increased \$1.4 million primarily due to higher AUM as a result of market appreciation and a more favourable asset class mix.
- Financial Intermediaries Base management fees decreased \$3.7 million from the quarter ended March 31, 2021 to the quarter ended June 30, 2021. Excluding the effect of the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund, base management fees increased \$2.9 million primarily due to higher AUM as a result of market appreciation and more favourable asset class mix.

Private Wealth - Base management fees decreased \$2.4 million from the quarter ended March 31, 2021 to the quarter ended June 30, 2021. Excluding the effect of the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund, base management fees increased \$3.0 million primarily due to higher AUM from market appreciation and positive net organic flows in Canada and Private Markets.

### Performance Fees

Performance fees for the three months ended June 30, 2021 were \$5.4 million compared to \$1.4 million for the three months ended March 31, 2021, an increase of \$3.9 million. The increase was due to higher performance fees from Public Markets and Private Markets of \$2.3 million and \$1.6 million respectively. The increase in performance fees in Public Markets was primarily due to the recognition of \$2.6 million of performance fees in Europe which crystallized during the current quarter following the liquidation of a fund. The increase in performance fees in Private Markets of \$1.7 million was primarily due to the recognition of performance fees which crystallized during the quarter as a result of an expected rollover of capital, currently held in a closed end fund, into an open end fund in the third quarter of 2021.

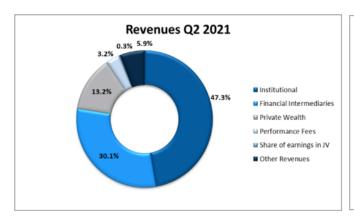
### Share of Earnings in Joint Ventures and Associates

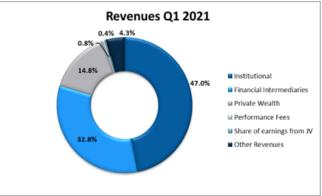
Share of earnings in joint ventures and associates was \$0.4 million for the three months ended June 30, 2021, compared to \$0.6 million for the three months ended March 31, 2021, a decrease of \$0.2 million or 33.3%. The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying joint venture projects within Fiera Real Estate UK.

#### Other Revenues

Other revenues were \$9.8 million for the three months ended June 30, 2021, compared to \$7.1 million for the three months ended March 31, 2021, an increase of \$2.7 million or 37%. The increase was primarily due to higher revenue from Private Market investment strategies and an increase in sub advisory fee revenue in the United States.

The following graphs illustrate the breakdown of the Company's revenues for the three months ended June 30, 2021 and March 31, 2021, respectively.





### Current Quarter versus Prior-Year Quarter

Revenues for the three months ended June 30, 2021, were \$167.4 million compared to \$166.9 million for the same period last year, an increase of \$0.5 million, or 0.3%. This includes \$27.0 million of lower revenues from the impact the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of this, revenues for the three months ended June 30, 2021 were \$164.6 million compared to \$137.0 million in the same period last year, an increase in revenues of \$27.6 million or 20.1%. The increase was due to the following:

### Base Management Fees

Base management fees excluding transactions were \$149.7 million for the three months ended June 30, 2021 compared to \$128.1 million for the same period last year, an increase of \$21.6 million, or 16.9%. The increase was due to the following:

- Institutional Base management fees in the current quarter increased \$12.5 million due to higher AUM
  primarily related a more favourable asset class mix and market appreciation related to Large Cap equity
  strategies in Canada and Europe.
- Financial Intermediaries Base management fees decreased \$7.1 million to \$50.5 million for the three months ended June 30, 2021 compared to the same period last year. This includes \$11.5 million of lower revenue from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding these events, base management fees increased \$4.4 million or 10%. The increase was primarily due to higher AUM due to market appreciation and a more favourable asset class mix.
- Private Wealth Base management fees decreased \$9.6 million to \$22.1 million for the three months ended June 30, 2021 compared to the same period last year. This includes \$14.3 million of lower base management fees from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these events, base management fees increased \$4.6 million primarily due to higher AUM from new mandates in Canada and the United States.

#### Performance Fees

Performance fees during the three months ended June 30, 2021 were \$5.4 million compared to \$2.0 million for the same period last year, an increase of \$3.4 million or 170.0%. The increase in performance fees was primarily due to a \$2.5 million increase in Public Markets and a \$0.9 million increase in Private Markets. The increase in Public Markets was primarily due to \$2.6 million of performance fees recognized in Europe which crystallized during the current quarter following the liquidation of a fund. The increase in performance fees in Private Markets of \$1.0 million was primarily due to the recognition of performance fees which crystallized during the quarter as a result of an expected rollover of capital, currently held in a closed end fund, into an open end fund in the third quarter of 2021.

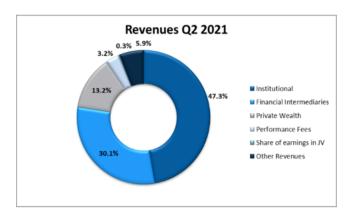
### Share of Earnings in Joint Ventures and Associates

Share of earnings in joint ventures and associates were \$0.4 million for the three months ended June 30, 2021 compared to \$2.2 million in the same period last year, a decrease of \$1.8 million. In the previous year, the Company recognized incremental revenue from a specific joint venture project within Fiera Real Estate UK which included the favourable impact of a reversal of a provision. The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying joint venture projects within Fiera Real Estate UK.

#### Other Revenues

Other revenues were \$9.8 million for three months ended June 30, 2021 compared to \$6.8 million for the same period last year, an increase of \$3.1 million or 45.8%. The increase in other revenues was primarily due to additional capital deployed in Private Market investment strategies and higher revenue from sub advisory fees in the United States.

The following graphs illustrate the breakdown of the Company's revenues for the three months ended June 30, 2021, and June 30, 2020, respectively.



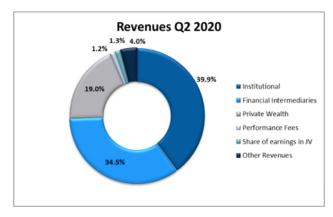


Table 9 – Revenues: Year-to-Date Activity (in \$ thousands)

	FOR THE SIX-MONT	H PERIODS ENDED	VARIANCE
	June 30, 2021	June 30, 2020	Year over Year Change
Institutional	156,918	129,823	27,095
Financial Intermediaries	104,603	118,536	(13,933)
Private Wealth	46,706	62,367	(15,661)
Total base management fees	308,227	310,726	(2,499)
Performance fees – Public Markets	3,186	1,738	1,448
Performance fees – Private Markets	3,619	3,504	115
Total performance fees	6,805	5,242	1,563
Share of earnings in joint ventures and associates	987	1,967	(980)
Other revenues	16,997	10,587	6,410
Total revenues	333,016	328,522	4,494

### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Revenues for the six-month period ended June 30, 2021, were \$333.0 million compared to \$328.5 million for the same period last year, an increase of \$4.5 million, or 1.4%. This includes \$43.7 million of lower revenue from the impact the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of this, revenues for the six-month period ended June 30, 2021 were \$314.7 million compared to \$266.5 million in the same period last year, an increase of \$48.2 million or 18.1%.

#### Base Management Fees

Base management fees were \$308.2 million compared to \$310.7 million, a decrease \$2.5 million or 1%. This includes a \$40.8 million of lower revenue from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, base management fees were \$292.2 million compared to \$253.9 million, an increase of \$38.3 million or 15.1%. The increase was due to the following:

- Institutional Base management fees for the six-month period ended June 30, 2021 increased \$27.1 million from \$129.8 million to \$156.9 million primarily due to higher AUM from market appreciation, asset class mix and net organic growth in Large Cap equity strategies in Canada.
- Financial Intermediaries Base management fees for the six-month period ended June 30, 2021 were \$104.6 million compared to \$118.5 million, a decrease of \$13.9 million or 11.8%. This includes \$19.3 million of lower revenue from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, management fees were \$94.0 million for the six month period ended June 30, 2021 compared to \$89.1 million for the same period year last, an increase of \$5.0 million or 5.6%. The increase was primarily due to higher AUM from market appreciation and favourable asset class mix.

• Private Wealth - Base management fees for the six-month period ended June 30, 2021 were \$46.7 million compared to \$62.4 million, a decrease of \$15.7 million or 25.1%. This includes \$21.9 million of lower revenue from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, base management fees were \$41.3 million for the six months ended June 30, 2021 compared to \$35.0 million in the same period last year, an increase of \$6.3 million or 17.8%. The increase was primarily due to higher AUM from net organic growth in the United States and Canada.

#### Performance Fees

Total performance fees for the six-month period ended June 30, 2021 were \$6.8 million compared to \$5.2 million for the same period last year, an increase of \$1.6 million or 29.8%. The increase is primarily due to higher performance fees in public markets of \$1.4 million during the comparative period which was due to performance fees recognized in Europe which crystallized during the current quarter following the liquidation of a fund, partly offset by lower performance fees in Canada and the United States.

### Share of Earnings in Joint Ventures and Associates

Share of earnings in joint ventures and associates were \$1.0 million for the six-month period ended June 30, 2021 compared to \$2.0 million in the same period last year, a decrease of \$1.0 million or 50.0%. In the previous year, the Company recognized incremental revenue from a specific joint venture project within Fiera Real Estate UK which included the favourable impact of a reversal of a provision. The Company has ownership interests in a number of individually insignificant joint ventures and associates that are accounted for using the equity method. Share of earnings in joint ventures and associates can vary significantly from quarter to quarter as a result of the long-term nature of the underlying joint venture projects within Fiera Real Estate UK.

#### Other Revenues

Other revenues for the six-month period ended June 30, 2021 were \$17.0 million compared to \$10.6 million in the same period last year, an increase of \$6.4 million or 60.5%. This includes \$2.9 million of lower revenue from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, other revenues increased \$9.3 million. The increase was primarily due to a \$5.1 million loss on foreign exchange forward contracts incurred during the six-month period ended June 30, 2020, compared to a \$0.3 million gain recorded in the six-month period ended June 30, 2021. In addition, the Company realized higher revenue from sub advisory fees in the United States and an increase in revenue from additional capital deployed in private market alternative investment strategies during the comparative period.

## **Results of Operations and Overall Performance - Expenses**

#### **RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE – EXPENSES**

### Selling, General and Administrative ("SG&A") Expense

#### Current Quarter versus Previous Quarter

SG&A expense was \$119.9 million for the three months ended June 30, 2021 compared to \$121.4 million for the three months ended March 31, 2021, a decrease of \$1.5 million, or 1.2%. This includes \$8.6 million of lower SG&A expense from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. SG&A expense excluding this was \$118.9 million for the three months ended June 30, 2021 compared to \$111.9 million for the three months ended March 31, 2021, an increase of \$7.1 million. The increase was primarily due to additional employee compensation related costs, additional professional fees and additional operating expenses for the leased office premises in Toronto, Ontario. This was partially offset by lower benefit payments due to timing.

SG&A expense includes share-based compensation expense which was \$5.2 million for the three months ended June 30, 2021 compared to \$3.3 million for the three months ended March 31, 2021, an increase of \$1.9 million or 58.6%. The increase during the period was primarily due to a higher share price which impacted the valuation of certain plans, new grants issued in the second quarter of 2021 and the reversal of expenses in the previous quarter related to forfeitures.

#### Current Quarter versus Prior-Year Quarter

SG&A expense was \$119.9 million for the three months ended June 30, 2021 compared to \$122.5 million for the same period last year, a decrease of \$2.6 million, or 2.1%. This includes \$19.6 million of lower SG&A due to the impact from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, SG&A expense was \$118.9 million compared to \$101.9 million in the same period last year, an increase of \$17.0 million or 16.7%. The increase was primarily due to higher employee compensation related costs and additional professional fees.

SG&A expense includes share-based compensation expense which was \$5.2 million for the three months ended June 30, 2021 compared to \$7.5 million in the same period last year, a decrease of \$2.3 million or 30.9%. The decrease was primarily due \$2.9 million of higher expense in the prior period associated with accelerated vesting from employee terminations as a result of the new global operating model announced in the second quarter of 2020. This was partly offset by lower expenses in the second quarter of 2021 due to the timing of grants.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

SG&A expense was \$241.3 million for the six-month period ended June 30, 2021 compared to \$240.8 million for the same period last year, an increase of \$0.5 million, or 0.2%. This includes \$31.8 million of lower SG&A due to the impact from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, SG&A expense was \$230.8 million compared to \$198.5 million in the same period last year, an increase in SG&A expense of \$32.3 million or 16.3%. The increase was primarily due to higher employee compensation related costs.

SG&A expense includes share-based compensation expense which was \$8.5 million for the six months ended June 30, 2021 compared to \$7.6 million for the same period last year, an increase of \$0.8 million or 11.1%. The increase was primarily due to higher expenses in the current year due to new grants, an appreciation in share

## **Results of Operations and Overall Performance - Expenses**

price which impacted the valuation of certain plans. This was partly offset by a higher expense in the prior period due to accelerated vesting from employee terminations as a result of the new global operating model announced in the second quarter of 2020 and plans which were fully vested in the prior year.

#### **Amortization and Depreciation**

Table 10 – Amortization and Depreciation: Quarterly Activity (in \$ thousands)

	FOR THE THREE MONTHS ENDED			VARIANCE	
	June 30, 2021	March 31, 2021	June 30, 2020	QoQ Change	YoY Change
Amortization of intangible assets	11,163	15,935	14,350	(4,772)	(3,187)
Depreciation of property and					
equipment	1,276	1,276	1,632	_	(356)
Depreciation of right-of-use assets	4,050	4,191	4,866	(141)	(816)
Total amortization and depreciation	16,489	21,402	20,848	(4,913)	(4,359)

#### Current Quarter versus Previous Quarter

Depreciation and amortization expense was \$16.5 million for the three months ended June 30, 2021, compared to \$21.4 million for the three months ended March 31, 2021, a decrease of \$4.9 million, or 22.9%. The decrease was primarily due to \$3.4 million of amortization expense recognized in the previous quarter related to the intangible asset in connection with asset management contract connected to CNR, which was previously treated as having an indefinite life.

#### Current Quarter versus Prior-Year Quarter

Depreciation and amortization expense was \$16.5 million for the three months ended June 30, 2021, compared to \$20.8 million for the same period last year, a decrease of \$4.4 million, or 20.7%. The decrease was primarily related to the dispositions of the rights to manage Fiera Investments' retail mutual funds, Bel Air and WGAM. In addition, lower amortization expense was recognized in the current quarter compared to the prior year due to certain intangible assets being fully amortized.

Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Table 11 – Amortization and Depreciation: Year-to-Date Activity (in \$ thousands)

	FOR THE SIX-MONTH PERIODS ENDED					
	June 30, 2021	June 30, 2020	YoY Change			
Amortization of intangible assets	27,098	28,067	(969)			
Depreciation of property and equipment	2,552	3,194	(642)			
Depreciation of right-of-use assets	8,241	9,908	(1,667)			
Total amortization and depreciation	37,891	41,169	(3,278)			

Depreciation and amortization expense was \$37.9 million for the six-month period ended June 30, 2021, compared to \$41.2 million for the same period last year, a decrease of \$3.3 million or 8.0%. The decrease was primarily due to lower amortization and depreciation expense of \$4.6 million related to the dispositions of the rights to manage Fiera Investments' retail mutual funds, Bel Air and WGAM, and favourable foreign exchange which reduced amortization and depreciation by \$1.4 million. These decreases were partly offset by a \$3.4

## **Results of Operations and Overall Performance - Expenses**

million increase in amortization related to the intangible asset in connection with the asset management contract related to CNR which was previously treated as having an indefinite life.

### Interest on Long-Term Debt, Lease Liabilities and Other Financial Charges

Table 12 – Interest on Long-Term Debt, Lease Liabilities and Other Financial Charges: Quarterly Activity (in \$ thousands)

	FOR THE THREE MONTHS ENDED			VARIANCE	
	June 30, 2021	March 31, 2021	June 30, 2020	QoQ Change	YoY Change
Interest on long-term debt	3,404	3,857	4,337	(453)	(933)
Interest on convertible debentures Interest on derivative financial	3,260	3,188	3,218	72	42
instruments	1,143	848	905	295	238
Interest on lease liabilities	967	1,062	1,474	(95)	(507)
Foreign exchange and change in fair value of derivative financial					
instruments	(2,886)	(799)	(978)	(2,087)	(1,908)
Other interest and financial charges	349	170	325	179	24
Total interest on long-term debt, lease liabilities and other financial charges	6,237	8,326	9,281	(2,089)	(3,044)

#### Current Quarter versus Previous Quarter

Interest on long-term debt, lease liabilities and other financial charges were \$6.2 million for the three months ended June 30, 2021 compared to \$8.3 million for the three months ended March 31, 2021, a decrease of \$2.1 million, or 25.3%. The decrease was primarily due to the favourable impact from the foreign exchange revaluation of monetary items denominated in a foreign currency of \$1.1 million, the favourable impact of \$0.9 million from the change in fair value of foreign exchange forward contracts and lower interest expense on long-term debt.

### Current Quarter versus Prior-Year Quarter

Interest on long-term debt, lease liabilities and other financial charges were \$6.2 million for the three months ended June 30, 2021 compared to \$9.3 million for the same period last year, a decrease of \$3.0 million, or 33.3%. The decrease was primarily due to a \$1.1 million favourable change in the fair value of interest rate swaps, lower interest expense on long-term debt of \$0.9 million, a \$0.4 million gain in the current quarter related to the change in fair value of foreign exchange forward contracts, and a \$0.3 million favourable impact from the foreign exchange revaluation of monetary items denominated in a foreign currency.

# **Results of Operations and Overall Performance - Expenses**

Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Table 13 – Interest on Long-Term Debt, Lease Liabilities and Other Financial Charges: Year-to-Date Activity (in \$ thousands)

	FOR THE SIX-MONT	VARIANCE	
	June 30, 2021	June 30, 2020	YoY Change
Interest on long-term debt	7,261	9,115	(1,854)
Interest on convertible debentures Interest on derivative financial	6,448	6,396	52
instruments	1,991	984	1,007
Interest on lease liabilities	2,029	2,926	(897)
Foreign exchange and change in fair value of derivative financial			
instruments	(3,686)	6,309	(9,995)
Other interest and financial charges	520	825	(305)
Total interest on long-term debt, lease liabilities and other financial charges	14,563	26,555	(11,992)

Interest on long-term debt, lease liabilities and other financial charges was \$14.6 million for the six-month period ended June 30, 2021 compared to \$26.6 million for the same period last year, a decrease of 12.0 million, or 45.1%. The decrease was primarily driven by a \$2.3 million favourable change in the fair value of interest rate swaps compared to a \$6.6 million loss in the same period last year, a \$1.1 million favourable impact from the foreign exchange revaluation of monetary items denominated in a foreign currency and lower interest on long-term debt and lease liabilities partly offset by an increase of \$1.2 million in interest on interest rate swaps.

## Accretion and Change in Fair Value of Purchase Price Obligations and Other

#### Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations and other was an expense of \$0.6 million for the three months ended June 30, 2021 compared to an expense of \$1.0 million for the three months ended March 31, 2021, a decrease of \$0.4 million. The decrease was primarily due to the settlement of the purchase price obligation related to the revenue sharing arrangement with CNR for the Fiera Capital Emerging Markets Fund settled during the current quarter. This decrease was partly offset by an increased revaluation adjustment in the previous quarter of \$1.2 million related to the purchase price obligations.

#### Current Quarter versus Prior-Year Quarter

The accretion and change in fair value of purchase price obligations and other was an expense of \$0.6 million for the three months ended June 30, 2021 compared to an expense of \$6.4 million for the same period last year, a decrease of \$5.8 million. The decrease was primarily due to lower accretion expense in the current quarter of \$4.9 million primarily due to the settlement of the purchase price obligation related to the revenue sharing arrangement with CNR for the Fiera Capital Emerging Markets Fund in the current quarter.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

The accretion and change in fair value of purchase price obligations was an expense of \$1.6 million for the six months ended ended June 30, 2021, compared to an unrealized gain of \$6.1 million for the same period last year, a change of \$7.7 million. The change was primarily due to the revaluation gains of \$17.7 million on

# **Results of Operations and Overall Performance - Expenses**

purchase price obligations and of \$2.1 million on the puttable financial instrument liability recorded in the prior year. These increases in expenses were partly offset by a \$0.6 million gain related to the promissory note accretion in the current period, lower accretion expenses of \$10.1 million mainly related to the purchase price obligation related to the revenue sharing arrangement with CNR for the Fiera Capital Emerging Markets Fund and \$0.4 million related to the puttable financial instrument liability.

#### Restructuring, Acquisition Related and Other Costs

#### Current Quarter versus Previous Quarter

Restructuring, acquisition related and other costs were \$6.0 million for the three months ended June 30, 2021, compared to \$6.2 million for the three months ended March 31, 2021, a decrease of \$0.2 million or 3.2%. The decrease was primarily due to lower severance costs and professional fees related to the agreement reached to sell the advisory business related to the Company's Fiera Capital Emerging Markets Fund announced on March 2, 2021. These were partly offset by an increase in severance costs related to the liquidation of a fund in Europe and acquisition costs related to the addition of the Fiera Atlas team from AMP announced on March 8, 2021.

#### Current Quarter versus Prior-Year Quarter

Restructuring, acquisition related and other costs were \$6.0 million for the three months ended June 30, 2021, compared to \$25.2 million for the same period last year, a decrease of \$19.2 million or 76.2%. The decrease was primarily due to a \$20.9 million restructuring charge recognized in the second quarter of 2020 as a result of the new global operating model announced in the second quarter of 2020.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Restructuring, acquisition related and other costs were \$12.2 million for the six-month period ended June 30, 2021, compared to \$28.7 million for the same period last year, a decrease of \$16.5 million. The decrease was primarily due to \$20.9 million of severance costs incurred as part of the transition to the new global operating model announced in June 2020. This was partly offset by higher severance costs, acquisition related costs and professional fees incurred as part of the disposition of the advisory business related to the Company's Fiera Capital Emerging Markets Fund, and the acquisition of the Fiera Atlas team from AMP, both of which were announced in the first quarter of 2021.

# **Results of Operations and Overall Performance - Expenses**

### Loss (gain) on Sale of a Business and Impairment of Assets Held for Sale

#### Current Quarter versus Previous Quarter

During the three months ended June 30, 2021 the Company incurred a \$0.7 million expense on the sale of a business and impairment of assets held for sale compared to a gain of \$16.7 million for the three months ended March 31, 2021, a decrease of \$17.4 million. The decrease was driven by the gain of \$19.6 million, net of \$5.5 million of change of control expenses and transaction costs, realized on the disposition of Bel Air which closed on February 28, 2021. This gain included approximately \$30.2 million of foreign exchange translation gain which was previously recognized in accumulated other comprehensive income prior to the close of the transaction. The decrease was partly offset by a \$2.9 million impairment charge in the previous quarter related to the asset management contract in connection with the Fiera Capital Emerging Markets Fund. This asset management contract was classified as held for sale in the previous quarter and as a result the impairment charge was recognized to reduce the carrying value to fair value less costs to sell. The \$0.7 million charge recognized in the current quarter related to an additional impairment charge on assets held for sale in connection with the Fiera Capital Emerging Markets Fund.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

During the six months ended June 30, 2021, the Company realized a \$15.9 million gain on sale of a business and impairment of assets held for sale compared to a loss of \$0.7 million in the six months ended June 30, 2020, an increase of \$16.6 million. The increase was driven by the gain of \$19.6 million, net of \$5.5 million of change of control expenses and transaction costs, realized on the disposition of Bel Air which closed on February 28, 2021. This gain included approximately \$30.2 million of foreign exchange translation gain which was previously recognized in accumulated other comprehensive income prior to the close of the transaction. The decrease was partly offset by a \$3.6 million impairment charge related to the asset management contract in connection with the Fiera Capital Emerging Markets Fund. This asset management contract was classified as held for sale during the first quarter of 2021 and as a result an impairment charge was recognized to reduce the carrying value to fair value less costs to sell.

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

#### Current Quarter versus Previous Quarter

For the three months ended June 30, 2021, the Company reported net earnings attributable to the Company's shareholders of \$13.3 million, or \$0.13 per share (basic) and \$0.12 per share (diluted), compared to net earnings of \$22.2 million, or \$0.21 per share (basic) and \$0.20 per share (diluted), for the three months ended March 31, 2021, a \$8.9 million decrease in net earnings attributable to the Company's shareholders or 40.1%. This decrease includes a \$4.6 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding this, net earnings attributable to the Company's shareholders for the three months ended June 30, 2021 were \$12.8 million compared to \$17.2 million for the three months ended March 31, 2021, a decrease of \$4.4 million or 25.4%. The decrease was due to the following:

- In the first quarter of 2021, a \$16.7 million gain on the sale of a business and impairment of assets held
  for sale was recognized due to a gain on the disposition of Bel Air, partly offset by an impairment charge
  related to the carrying value of the asset management contract connected to the Fiera Capital Emerging
  Markets Fund, which were classified as held for sale;
- Income tax expense increased \$3.8 million primarily due to a recovery recognized in the first quarter of 2021 which related to the sale of Bel Air;
- Share-based compensation expense increased \$1.9 million primarily due to a higher share price resulting
  in a revaluation adjustment, new grants in the second quarter of 2021 and the reversal of expenses in
  the previous quarter related to forfeitures;

### These decreases were partly offset by:

- An increase in revenue of \$14.5 million, partly offset by an increase in SG&A of \$7.1 million, excluding
  the impact from the sale of Bel Air and the termination of the revenue sharing arrangement with CNR
  connected to the Fiera Capital Emerging Markets Fund;
- Amortization and depreciation expense decreased \$4.9 million primarily due to an adjustment recognized in the first quarter of 2021 related to the intangible asset associated with the advisory business related to the Fiera Capital Emerging Markets Fund classified as held for sale;
- Interest on long-term debt, lease liabilities and other financial charges decreased \$2.1 million primarily
  due to \$1.1 million of lower revaluation foreign exchange related to monetary items denominated in a
  foreign currency and a \$0.4 million gain on foreign exchange forward contracts compared to a \$0.5
  million loss in the first quarter of 2021;
- Gain on investments increased \$1.1 million primarily due to favourable fair value adjustments in the current quarter.

## Current Quarter versus Prior-Year Quarter

For the three months ended June 30, 2021, the Company reported net earnings attributable to the Company's shareholders of \$13.3 million, or \$0.13 per share (basic) and \$0.12 per share (diluted) compared to net loss of \$14.7 million, or \$0.14 per share (basic and diluted), for the same period last year, a \$28.0 million increase in net earnings attributable to the Company's shareholders. This includes \$5.4 million of lower net earnings from the effect of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Net earnings attributable to the Company's shareholders excluding the impact of these dispositions for the three months ended June 30, 2021 was \$12.8 million compared to a net loss of \$20.6 million for the same period last year, an increase of \$33.4 million. The increase was primarily due to the following:

# **Results of Operations and Overall Performance - Net Earnings (Loss)**

- An increase in revenues of \$27.6 million partly offset by an increase in SG&A expense of \$17.0 million primarily due to higher employee related compensation costs;
- Lower restructuring, acquisition related and other costs of \$19.2 million primarily due to the recognition
  of \$20.9 million of restructuring costs in the second quarter of 2020 related to the new global operating
  model announced in prior year;
- Lower accretion and change in fair value of purchase price obligations and others of \$5.8 million
  primarily due to the settlement of a purchase price obligation in the current fiscal year related to the
  revenue sharing arrangement with CNR connected to the Fiera Emerging Markets Fund;
- Amortization and Depreciation were lower by \$4.4 million primarily due to the disposition of the rights
  to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue
  sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund;
- A \$3.0 million reduction in interest on long term debt, lease liabilities and other financial charges
  primarily due to favourable fair value adjustments related to interest rate swaps, lower total debt and
  lease liability balances and a gain on foreign exchange forward contracts recognized in the current
  quarter.

### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

For the six-month period ended June 30, 2021, the Company recorded a net earnings attributable to the Company's shareholders of \$35.5 million, or \$0.34 per share (basic) and \$0.32 per share (diluted), compared to a net loss of \$7.1 million, or \$(0.07) per share (basic and diluted) for the same period last year. This includes \$9.3 million impact from the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Net earnings attributable to the Company's shareholders excluding the impact of these dispositions for the six-month period ended June 30, 2021 was \$30.0 million compared to a net loss of \$22.0 million in the same period last year, an increase in net earnings attributable to the Company's shareholders of \$52.0 million or 235.9%. The increase was primarily due to higher revenues of \$48.2 million, the recognition of a \$15.9 million gain on the sale of a business and an impairment of assets held for sale and a reduction in interest on long-term debt, lease liabilities and other financial charges of \$12.0 million. These increases were partly offset by an increase in SG&A, excluding the impact of dispositions, of \$32.3 million, an increase in fair value of purchase price obligations of \$7.7 million due to a revaluation adjustment recognized in the prior year partly offset by lower accretion expense over the comparable period from the settlement of a purchase price obligation related to a revenue sharing agreement with CNR connected to the Fiera Capital Emerging Markets Fund in the current fiscal year.

## **Non-IFRS Measures**

#### **NON-IFRS MEASURES**

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

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

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

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

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

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

**Adjusted net earnings** is net earnings (loss) attributable to the Company's shareholders, adjusted for amortization and depreciation and share-based compensation, as well as after-tax restructuring, acquisition related and other costs, after-tax accretion and change in fair value of purchase price obligations and other,

## **Non-IFRS Measures**

after-tax (gain) loss on sale of a business and impairment of assets held for sale, after-tax impairment of intangible assets, and after-tax other (gains) losses.

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

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

Tables 14 and 15 provide a reconciliation of the non-IFRS measures to the most comparable IFRS earnings measures.

# Adjusted EBITDA

The following table presents the Company's adjusted EBITDA and adjusted EBITDA per share for the three months and years ended June 30, 2021, and 2020, and the three months ended March 31, 2021.

Table 14 - Adjusted EBITDA (in \$ thousands except per share data)

	FOR THE	THREE MONTHS	FOR THE SIX-MONTH PERIODS ENDED			
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
Net earnings (loss)	13,797	23,023	(14,314)	36,820	(2,292)	
Income tax expense (recovery)	4,988	1,152	(2,736)	6,140	888	
Amortization and depreciation	16,489	21,402	20,848	37,891	41,169	
Interest on long-term debt, lease liabilities and other financial	6 227	0.226	0.204	44.562	26 555	
charges	6,237	8,326	9,281	14,563	26,555	
EBITDA	41,511	53,903	13,079	95,414	66,320	
Restructuring, acquisition related and other costs	6,008	6,196	25,239	12,204	28,654	
Accretion and change in fair value of purchase price						
obligations and other	595	1,024	6,404	1,619	(6,057)	
Gain on investments, net	(1,447)	(343)	(966)	(1,790)	(832)	
Loss (gain) on sale of a business and impairment of assets held						
for sale	733	(16,660)	675	(15,927)	675	
Share-based compensation	5,179	3,289	7,499	8,468	7,621	
Other losses (gains)	117	91	(37)	208	(1,037)	
Adjusted EBITDA	52,696	47,500	51,893	100,196	95,344	
Per share basic	0.50	0.45	0.50	0.96	0.92	
Per share diluted	0.44	0.40	0.50	0.84	0.92	
Weighted average shares outstanding - basic (thousands)	104,455	104,425	103,004	104,482	103,447	
Weighted average shares outstanding - diluted (thousands)	118,631	118,968	103,004	118,658	103,447	

## **Non-IFRS Measures**

#### Current Quarter versus Previous Quarter

Adjusted EBITDA for the three months ended June 30, 2021 was \$52.7 million or \$0.50 per share (basic) and \$0.44 per share (diluted) compared to \$47.5 million or \$0.45 per share (basic) and \$0.40 per share (diluted) for the three months ended March 31, 2021, an increase in Adjusted EBITDA of \$5.2 million, or 10.9%. This includes a \$4.1 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Adjusted EBITDA excluding the impact of these dispositions for the three months ended June 30, 2021 was \$50.8 million compared to \$41.5 million for the three months ended March 31, 2021, an increase of \$9.3 million or 22.5%. The increase was principally due to higher revenues of \$14.5 million primarily from an increase in base management fees, partly offset by an increase in SG&A expense, excluding share-based compensation of \$5.2 million primarily due to higher employee related compensation costs.

#### Current Quarter versus Prior-Year Quarter

Adjusted EBITDA for the three months ended June 30, 2021 was \$52.7 million, or \$0.50 per share (basic) and \$0.44 per share (diluted) compared to \$51.9 million or \$0.50 per share (basic and diluted), in the same period last year, an increase in Adjusted EBITDA of \$0.8 million, or 1.5%. This includes \$7.5 million of lower Adjusted EBITDA from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, Adjusted EBITDA for the three months ended June 30, 2021 was \$50.8 million compared to \$42.6 million in the same period last year, an increase of \$8.3 million or 19.4%. The increase was principally due to higher revenues of \$27.6 million principally due to an increase in base management fees, partly offset by an increase in SG&A expense, excluding share-based compensation of \$19.3 million due to higher employee related compensation costs.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Adjusted EBITDA for the six-month period ended June 30, 2021 was \$100.2 million, or \$0.96 per share (basic) and \$0.84 per share (diluted) compared to \$95.3 million, or \$0.92 per share (basic and diluted), in the same period last year, an increase of \$4.9 million or 5.1%. This includes \$11.9 million of lower Adjusted EBITDA from the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of the dispositions, Adjusted EBITDA for the six-month period ended June 30, 2021 was \$92.3 million compared to \$75.6 million in the same period last year, an increase of \$16.7 million or 22.1%. The increase was principally due to higher revenues of \$48.2 million due to an increase in base management fees and other revenues. This was partially offset by an increase in SG&A expense of \$31.4 million primarily due to higher employee related compensation costs.

# **Adjusted Net Earnings**

The following table presents the Company's net earnings (loss) and adjusted net earnings for the three months and years ended June 30, 2021 and 2020, and the three months ended March 31, 2021.

Table 15 - Net Earnings (Loss) and Adjusted Net Earnings (in \$ thousands except per share data)

	FOR THE	THREE MONTHS	FOR THE SIX-MONTH PERIODS ENDED		
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net earnings (loss) attributable to					
the Company's shareholders	13,310	22,234	(14,703)	35,544	(7,122)
Amortization and depreciation	16,489	21,402	20,848	37,891	41,169
Restructuring, acquisition related and other costs	6,008	6,196	25,239	12,204	28,654
Accretion and change in fair value of purchase price obligations and					
other	1,238	1,593	7,003	2,831	(4,847)
Loss (gain) on sale of a business and					
impairment of assets held for sale	733	(16,660)	675	(15,927)	675
Share-based compensation	5,179	3,289	7,499	8,468	7,621
Other (gains) losses	117	91	(37)	208	(1,037)
Tax effect of above-mentioned					
items	(1,823)	(619)	(7,820)	(2,442)	(5,838)
Adjusted net earnings attributable					
to the Company's shareholders	41,251	37,526	38,704	78,777	59,275
Per share – basic					
Net earnings (loss)	0.13	0.21	(0.14)	0.34	(0.07)
Adjusted net earnings	0.39	0.36	0.38	0.75	0.57
Per share – diluted					
Net earnings (loss)	0.12	0.20	(0.14)	0.32	(0.07)
Adjusted net earnings	0.36	0.32	0.38	0.69	0.57
Weighted average shares					
outstanding - basic (thousands)	104,455	104,425	103,004	104,482	103,447
Weighted average shares					
outstanding - diluted (thousands)	118,631	118,968	103,004	118,658	103,447

## **Non-IFRS Measures**

#### Current Quarter versus Previous Quarter

Adjusted net earnings for the three months ended June 30, 2021 was \$41.3 million or \$0.39 per share (basic) and \$0.36 per share (diluted), compared to \$37.5 million, or \$0.36 per share (basic) and \$0.32 per share (diluted) for the three months ended March 31, 2021, an increase of 3.8 million, or 10.1%. This includes a \$4.9 million impact from the disposition of Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Adjusted net earnings excluding the impact of the dispositions for the three months ended June 30, 2021 was \$40.5 million compared to \$31.9 million for the three months ended March 31, 2021, an increase of \$8.6 million or 27.0%. The increase was principally due to higher revenues of \$14.5 million primarily due to an increase in base management fees, performance fees and other revenues. In addition, interest on long-term debt, lease liabilities and other financial charges was \$2.1 million lower compared to the previous quarter. This was partially offset by an increase in SG&A expense excluding share-based compensation expense, of \$5.2 million primarily due to higher employee related compensation costs and an increase of income taxes of \$3.8 million.

#### Current Quarter versus Prior-Year Quarter

Adjusted net earnings for the three months ended June 30, 2021 was \$41.3 million or \$0.39 per share (basic) and \$0.36 per share (diluted), compared to \$38.7 million, or \$0.38 per share (basic and diluted) in the same period last year, an increase of \$2.6 million, or 6.7%. This includes \$8.5 million of lower Adjusted net earnings due to the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, Adjusted net earnings for the three months ended June 30, 2021 were \$40.5 million compared to \$29.5 million for the same period last year, an increase of \$11.0 million or 37.4%. The increase was principally due to higher revenues of \$27.6 million primarily due to an increase in base management fees, other revenues, and a \$3.0 million reduction of interest on long-term debt, lease liabilities and other financial charges. This was partially offset by an increase in SG&A expense, excluding shared based compensation of \$19.3 million primarily due to higher employee related compensation costs.

#### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

Adjusted net earnings for the six-month period ended June 30, 2021 was \$78.8 million, or \$0.75 per share (basic) and \$0.69 per share (diluted), compared to Adjusted net earnings of \$59.3 million, or \$0.57 per share (basic and diluted) for the same period last year, an increase of \$19.5 million, or 32.9%. This includes \$13.1 million of lower Adjusted net earnings due to the impact of the disposition of the rights to manage Fiera Investments' retail mutual funds, WGAM, Bel Air and the termination of the revenue sharing arrangement with CNR connected to the Fiera Capital Emerging Markets Fund. Excluding the impact of these dispositions, Adjusted net earnings for the six-month period ended June 30, 2021 were \$72.4 million compared to \$39.8 million in the same period last year, an increase in adjusted net earnings \$32.6 million or 82.0%. The increase was principally due to higher revenues of \$48.2 million primarily due to an increase in base management fees and other revenues and a \$12.0 million reduction of interest on long-term debt, lease liabilities and other financial charges due to changes in the fair value of interest rate swaps. This was partially offset by an increase in SG&A expense of \$31.4 million due to higher employee related compensation costs.

## **SUMMARY OF QUARTERLY RESULTS**

The Company's AUM, total revenues, Adjusted EBITDA, Adjusted EBITDA margin, net earnings (loss) and Adjusted net earnings, on a consolidated basis, including per share amounts, for each of the Company's most recently completed eight quarterly periods, as well as for the last-twelve-month period ended June 30, 2021, are as follows:

Table 16 – Quarterly Results (in \$ thousands except AUM in \$ millions and per share data)

	Last	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	Twelve	Jun. 30,	Mar. 31,	Dec. 31,	Sept. 30,	Jun. 30,	Mar. 31,	Dec. 31,	Sept. 30,
	Months <sup>(1)</sup>	2021	2021	2020	2020	2020	2020	2019	2019
AUM	177,978	179,470	172,895	181,853	177,693	172,292	159,540	169,671	164,664
Total revenues	699,639	167,405	165,611	195,886	170,737	166,865	161,657	204,526	159,956
Adjusted EBITDA	214,574	52,696	47,500	60,954	53,424	51,893	43,451	61,752	46,578
Adjusted EBITDA margin	30.7 %	31.5 %	28.7 %	31.1 %	31.3 %	31.1 %	26.9 %	30.2 %	29.1 %
Net earnings (loss) attributable to the Company's shareholders	39,287	13,310	22,234	(983)	4,726	(14,703)	7,581	3,387	(4,740)
Adjusted net earnings attributable to the Company's shareholders	165,603	41,251	37,526	49,238	37,588	38,704	20,471	42,661	32,466
PER SHARE – BASIC									
Adjusted EBITDA	2.04	0.50	0.45	0.58	0.51	0.50	0.42	0.61	0.46
Net earnings (loss) attributable to the Company's shareholders	0.38	0.13	0.21	(0.01)	0.05	(0.14)	0.07	0.03	(0.05)
Adjusted net earnings attributable to the Company's shareholders	1.58	0.39	0.36	0.47	0.36	0.38	0.20	0.42	0.32
PER SHARE – DILUTED									
Adjusted EBITDA	1.91	0.44	0.40	0.58	0.49	0.50	0.41	0.60	0.46
Net earnings (loss) attributable to the Company's shareholders	0.35	0.12	0.20	(0.01)	0.04	(0.14)	0.07	0.03	(0.05)
Adjusted net earnings attributable to the Company's shareholders	1.50	0.36	0.32	0.47	0.35	0.38	0.19	0.41	0.32

<sup>(1)</sup> AUM Last Twelve Months ("LTM") represents an average of the ending AUM for the last four quarters.

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

Table 17 – EBITDA and Adjusted EBITDA Reconciliation (in \$ thousands except per share data)

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2021	2021	2020	2020	2020	2020	2019	2019
Net earnings (loss)	13,797	23,023	(709)	5,028	(14,314)	12,022	5,254	(4,593)
Income tax expense (recovery)	4,988	1,152	1,914	4,817	(2,736)	3,624	3,589	889
Amortization and depreciation	16,489	21,402	21,105	19,867	20,848	20,321	21,328	19,820
Interest on long-term debt, lease liabilities and other financial charges	6,237	8,326	9,092	10,232	9,281	17,274	10,295	10,258
EBITDA	41,511	53,903	31,402	39,944	13,079	53,241	40,466	26,374
Restructuring, acquisition related and other costs	6,008	6,196	9,112	3,099	25,239	3,415	6,421	5,883
Accretion and change in fair value of purchase price obligations and other	595	1,024	(44,159)	6,161	6,404	(12,461)	8,388	9,118
(Gain) loss on investments, net	(1,447)	(343)	(400)	(1,065)	(966)	134	(550)	140
Loss (gain) on sale of a business and impairment of assets held for sale	733	(16,660)	(7,001)	-	675	-	_	_
Impairment of intangible assets	_	-	66,911	-	_	-	_	_
Share-based compensation	5,179	3,289	5,304	5,255	7,499	122	6,906	5,376
Other losses (gains)	117	91	(215)	30	(37)	(1,000)	121	(313)
Adjusted EBITDA	52,696	47,500	60,954	53,424	51,893	43,451	61,752	46,578
REVENUES	167,405	165,611	195,886	170,737	166,865	161,657	204,526	159,956
Adjusted EBITDA Margin	31.5 %	28.7 %	31.1 %	31.3 %	31.1 %	26.9 %	30.2 %	29.1 %
Adjusted EBITDA Per Share								
Basic	0.50	0.45	0.58	0.51	0.50	0.42	0.61	0.46
Diluted	0.44	0.40	0.58	0.49	0.50	0.41	0.60	0.46

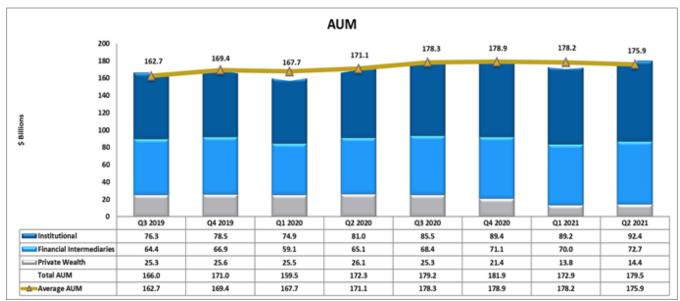
The following table provides a reconciliation between Adjusted net earnings and Adjusted net earnings per share to the most comparable IFRS earnings measures for each of the Company's last eight quarters:

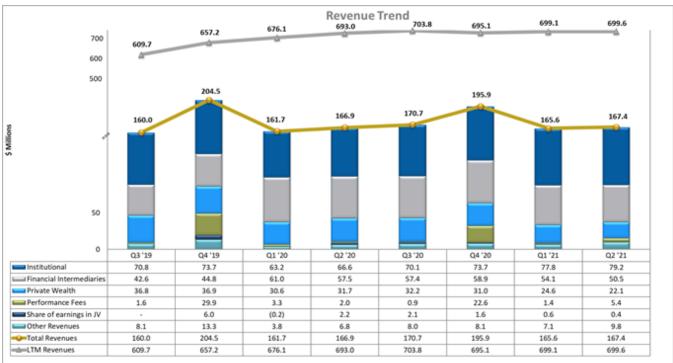
Table 18 – Adjusted Net Earnings Reconciliation (in \$ thousands except per share data)

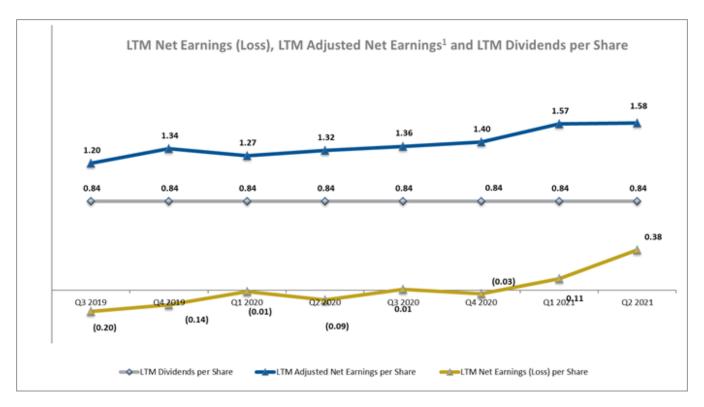
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2021	2021	2020	2020	2020	2020	2019	2019
Net earnings (loss) attributable to the Company's shareholders	13,310	22,234	(983)	4,726	(14,703)	7,581	3,387	(4,740)
Amortization and depreciation	16,489	21,402	21,105	19,867	20,848	20,321	21,328	19,820
Restructuring, acquisition related and other costs	6,008	6,196	9,112	3,099	25,239	3,415	6,421	5,883
Accretion and change in fair value of purchase price obligations and other	1,238	1,593	(43,503)	6,781	7,003	(11,850)	9,012	9,614
Loss (gain) on sale of a business and impairment of assets held for sale	733	(16,660)	(7,001)	_	675	_	_	_
Impairment of intangible assets	_	_	66,911	_	_	_	_	_
Share-based compensation	5,179	3,289	5,304	5,255	7,499	122	6,906	5,376
Other losses (gains)	117	91	(215)	30	(37)	(1,100)	121	(313)
Tax effect of above-mentioned items	(1,823)	(619)	(1,492)	(2,170)	(7,820)	1,982	(4,393)	(3,373)
Adjusted net earnings attributable to the Company's shareholders	41,251	37,526	49,238	37,588	38,704	20,471	42,782	32,267
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	0.13	0.21	(0.01)	0.05	(0.14)	0.07	0.03	(0.05)
Adjusted net earnings attributable to the Company's shareholders	0.39	0.36	0.47	0.36	0.38	0.20	0.42	0.32
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	0.12	0.20	(0.01)	0.04	(0.14)	0.07	0.03	(0.05)
Adjusted net earnings attributable to the Company's shareholders	0.36	0.32	0.47	0.35	0.38	0.19	0.41	0.32

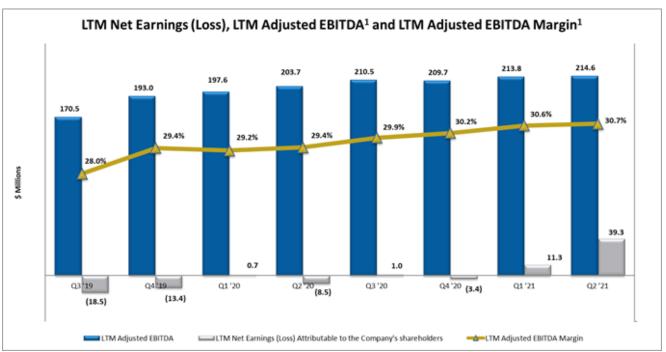
#### **AUM and Revenue Trend**

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









### LIQUIDITY AND CAPITAL RESOURCES

#### **Cash Flows**

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

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

Table 19 – Summary of Interim Condensed Consolidated Statements of Cash Flows (in \$ thousands)

	FOR THE THI PERIODS			FOR THE SIX-M ENI		
	June 30, 2021	June 30, 2020	VARIANCE	June 30, 2021	June 30, 2020	VARIANCE
Cash generated by						
operating activities	61,452	52,427	9,025	37,100	25,502	11,598
Cash generated by (used in)						
investing activities	(4,867)	11,160	(16,027)	21,060	(2,298)	23,358
Cash used in financing	<b>.</b>	<i>(</i>		,,	/×	
activities	(59,845)	(71,063)	11,218	(83,282)	(64,856)	(18,426)
Net decrease in cash and						
cash equivalents	(3,260)	(7,476)	4,216	(25,122)	(41,652)	16,530
Effect of exchange rate						
changes on cash						
denominated in foreign						
currencies	(241)	(1,448)	1,207	(997)	1,741	(2,738)
Cash and cash equivalents,						
beginning of period	46,240	65,232	(18,992)	68,858	96,219	(27,361)
Cash and cash equivalents,						
end of period	42,739	56,308	(13,569)	42,739	56,308	(13,569)

#### Current Quarter versus Prior-Year Quarter

## Cash generated by Operating Activities

Cash generated by operating activities was \$61.5 million for the three months ended June 30, 2021 compared to \$52.4 million in the same period last year, an increase of \$9.0 million or 17.4%. The increase was primarily due to higher cash generated from operating activities excluding working capital of \$23.6 million, which was partly offset by an \$14.6 million increase in cash used towards working capital.

## Cash generated by (used in) Investing Activities

Cash used in investing activities for the three months ended June 30, 2021 was \$4.9 million, compared to cash generated of \$11.2 million in the same period last year, a decrease of \$16.1 million. The decrease was primarily due to proceeds on disposition of \$19.0 million in relation to Fiera Investments' retail mutual funds, cash used in investments of \$11.7 million, and higher distributions received from joint ventures and associates of \$5.1 million in the comparative period. In addition, purchases of intangible assets, property, plant and equipment were \$2.1 million compared to prior year. This was partly offset by a \$15.7 million change in restricted cash and cash equivalents, \$4.6 million of lower cash used towards the settlement of purchase price obligations, and \$1.2

# **Liquidity and Capital Resources**

million of proceeds received on the promissory note related to the WGAM disposition in the current quarter compared to last year.

#### Cash used in Financing Activities

Cash used in financing activities for the three months ended June 30, 2021 was \$59.8 million compared to cash used of \$71.1 million in the same period last year, a decrease of \$11.3 million. The decrease was primarily due to lower cash used towards long-term debt of \$13.3 million, partly offset by a \$1.8 million increase in cash used for dividend payments.

### Effect of exchange rate changes on cash denominated in foreign currencies

Exchange rate fluctuations on cash denominated in foreign currencies had an unfavourable impact of \$0.2 million during the three months ended June 30, 2021, compared to an unfavourable impact of \$1.4 million for the same period last year. The effect of exchange rate changes on cash is primarily due to the revaluation of cash denominated in US dollars and the impact of currency fluctuations between the Canadian dollar and US dollar during the comparable period.

### Year-to-Date June 30, 2021, versus Year-to-Date June 30, 2020

### Cash generated by Operating Activities

Cash generated by operating activities for the six-month period ended June 30, 2021 was \$37.1 million compared to \$25.5 million in the same period last year, an increase of \$11.6 million or 45.5%. The increase was due to higher cash generated from operating activities excluding working capital of \$19.3 million partly offset by a \$7.7 million increase in cash used towards working capital.

### Cash generated by (used in) Investing Activities

Cash generated by investing activities for the six-month period ended June 30, 2021 was \$21.1 million compared to cash used of \$2.3 million in the same period last year, an increase of \$23.4 million. The increase was primarily due to higher cash received from proceeds on dispositions of \$32.8 million, lower cash used towards the settlement of purchase price adjustments and obligations of \$8.3 million and proceeds on the promissory note related to the WGAM disposition of \$2.3 million. These increases were partly offset by higher investments of \$11.3 million, the addition of the Fiera Atlas team from AMP Capital which resulted in the recognition of an intangible asset of \$6.8 million (US\$5.4 million), and lower distributions from joint ventures and associated of \$3.5 million.

#### Cash used in Financing Activities

Cash used in financing activities for the six-month period ended June 30, 2021 was \$83.3 million compared to \$64.9 million in the same period last year, an increase of \$18.4 million or 28.4%. The increase was primarily due to higher cash used towards long-term debt of \$29.5 million and cash used towards share repurchase and cancellation of \$7.1 million.

For the six months ended June 30, 2020, cash used in financing activities included cash used for the settlement of share-based compensation of \$16.4 million for the settlement of the performance share units applicable to a business unit ("PSU BU"). This was related to the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, whereby the Company granted PSU BUs on

# **Liquidity and Capital Resources**

November 17, 2017 to an executive of CCL in connection with their previous equity arrangement which existed prior to the acquisition by the Company.

#### Effect of exchange rate changes on cash denominated in foreign currencies

Exchange rate fluctuations on cash denominated in foreign currencies had an unfavourable impact of \$1.0 million during the six-month period ended June 30, 2021, compared to a favourable impact of \$1.7 million for the same period last year. The effect of exchange rate changes on cash is primarily due to the revaluation of cash denominated in US dollars and the impact of currency fluctuations between the Canadian dollar and US dollar.

## **Components of Total Debt**

#### **Credit Facility**

The Company has a \$600 million senior unsecured revolving facility ("Facility") which can be drawn in Canadian or U.S. dollars at the discretion of the Company. As at June 30, 2021, the total amount drawn on the Facility was \$12.0 million (December 31, 2020 - \$45.6 million) and US\$341.6 million (\$423.0 million) (December 31, 2020 - US\$315.0 million).

#### Convertible Debentures

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

## **Hybrid Debentures**

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

#### Lease Liabilities

The Company mainly leases offices. Rental contracts are typically entered into for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but right-of-use assets may not be used as security for borrowing purposes.

### **Share Capital**

Table 20 - The following table provides details of the issued, fully paid and outstanding common shares (in \$ thousands - except share information):

	Cla	ss A Shares	Cl	Total		
	Number	\$	Number	\$	Number	\$
As at December 31, 2020	84,299,775	798,697	19,412,401	30,891	103,712,176	829,588
Issuance of shares						
Performance and restricted share						
units settled	595,263	4,235	_	_	595,263	4,235
Stock options exercised	5,000	49	_	_	5,000	49
Share repurchase and cancellation	(620,263)	(5,878)	_	_	(620,263)	(5,878)
As at June 30, 2021 (1)	84,279,775	797,103	19,412,401	30,891	103,692,176	827,994
As at December 31, 2019	81,362,603	779,618	19,412,401	30,891	100,775,004	810,509
Issuance of shares						
Shares issued as settlement of						
purchase price obligations	1,620,924	11,741	_	_	1,620,924	11,741
Performance and restricted share						
units settled	934,237	3,659	_	_	934,237	3,659
Stock options exercised	40,000	384	_	_	40,000	384
Reinvested dividends	134,379	1,234	_	_	134,379	1,234
As at June 30, 2020	84,092,143	796,636	19,412,401	30,891	103,504,544	827,527

<sup>(1)</sup> Includes nil Class A Shares held in escrow in relation with the Apex acquisition (2,475,034 as at December 31, 2020) and nil Class A Shares held in escrow in relation with the Clearwater acquisition (356,884 as at December 31, 2020).

## **Capital Management**

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, convertible debentures and hybrid debentures, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt. The Company is required to maintain minimum working capital, calculated in accordance with National Instrument 31-103 Registration Requirements and Exemptions, on a non-consolidated basis. As at June 30, 2021 and December 31, 2020, it has complied with such requirements. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

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

# **Liquidity and Capital Resources**

## **Contractual Obligations**

As at June 30, 2021, the Company had no material contractual obligation other than those described in the Company's 2020 Annual MD&A in the section entitled "Contractual Obligations".

## **Contingent Liabilities**

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

# **Subsequent Events, Controls and Procedures**

### **SUBSEQUENT EVENTS**

#### **Dividends Declared**

On August 11, 2021, the Board declared a quarterly dividend of \$0.21 per Class A Share and Class B Special Voting Share, payable on September 21, 2021 to shareholders of record at the close of business on August 24, 2021.

#### Normal course issuer bid

On August 12, 2021, the Toronto Stock Exchange (the "TSX") approved the renewal of the Company's normal course issuer bid ("NCIB") to purchase for cancellation up to a maximum of 4,000,000 Class A Shares, representing approximately 4.7% of its 84,312,840 issued and outstanding Class A Shares as at August 2, 2021. The NCIB will begin on August 16, 2021 and will end at the latest on August 15, 2022.

#### Sub-advisory partnership

On August 11, 2021, the Company announced that it has agreed to establish a sub-advisory partnership with StonePine Asset Management Inc. ("StonePine"), a new firm to be controlled and led by Nadim Rizk, Head of the Company's Montreal-based Global Equity Team. The new firm will continue to provide investment management services to Fiera Capital for the benefit of Fiera Capital clients. The agreement is the outcome of a thorough strategic planning initiative by Fiera Capital to create a structure that enables Fiera Capital clients to continue to benefit from Nadim Rizk and his team's investment management services and Fiera Capital's top-tier institutional infrastructure. Supported by Fiera Capital's institutional infrastructure, Nadim Rizk's global equity team has grown from \$300 million in AUM in 2009 to approximately \$60 billion, as of June 30, 2021.

As a result of the sub-advisory arrangement, StonePine will not be entitled to receive share-based compensation for services rendered. Going forward, the value of this compensation will therefore be included in the sub-advisory fees paid by Fiera Capital to StonePine. This change in compensation structure will not impact the total value of compensation paid to the StonePine team or fees currently paid by Fiera Capital clients. Share-based compensation expense during the last twelve months ended June 30, 2021 attributable to the Company's Montreal-based Global Equity Team was approximately \$7.0 million. Upon the closing of the agreement, the vesting of Fiera Capital share-based awards earned by Nadim Rizk and his team will be accelerated. The Company expects to record the impact of this accelerated vesting on share-based compensation expense in subsequent periods.

Share-based compensation expense is included in the Company's calculation of net earnings (loss). As per the Company's definition of non-IFRS measures, share-based compensation expense is excluded from the calculation of Adjusted EBITDA and Adjusted net earnings, whereas sub-advisory costs are included. As such, the Company expects Adjusted EBITDA, Adjusted EBITDA margin and Adjusted net earnings to be impacted by the change in categorization of these costs.

Nadim Rizk, currently Senior Vice President and Lead Portfolio Manager, Global Equities of Fiera Capital, and the members of his team will remain employees of Fiera Capital until closing of the agreement, which is targeted for the end of fiscal year 2021. The agreement is subject to the completion of StonePine's registration process with relevant securities regulatory authorities and to obtaining the necessary client consents.

# **Subsequent Events, Controls and Procedures**

#### **CONTROLS AND PROCEDURES**

The Chairman of the Board and Chief Executive Officer and the Executive Vice President, Global Chief Financial Officer, together with Management, are responsible for establishing and maintaining adequate Disclosure Controls and Procedures and Internal Controls Over Financial Reporting, as defined in *National Instrument* 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

#### **Disclosure Controls and Procedures**

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

## **Internal Controls Over Financial Reporting**

Internal Controls over Financial Reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

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

### **Changes in Internal Control over Financial Reporting**

There have been no changes to the Company's internal controls over financial reporting that occurred during the three month period beginning on April 1, 2021 and ended on June 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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







fiera.com