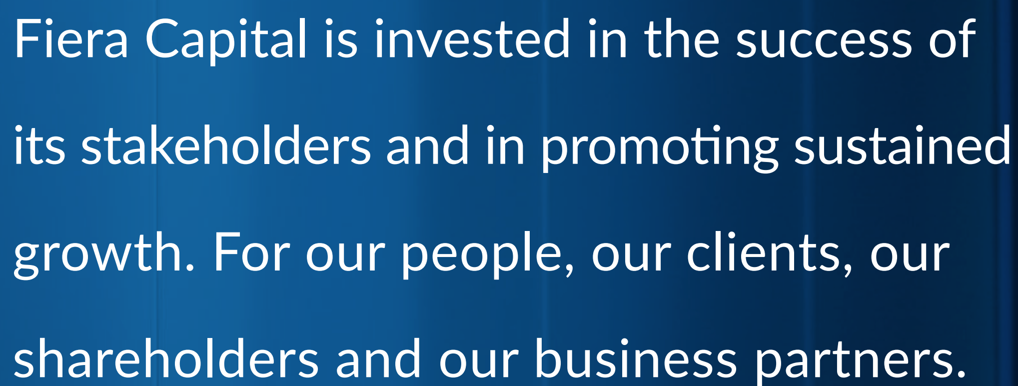
2014 Annual Report

Invested in Success

FIERA CAPITAL



Fiera Capital is invested in the success of its stakeholders and in promoting sustained growth. For our people, our clients, our shareholders and our business partners.

At Fiera Capital, this is what success looks like.

"Our proven ability to support our clients in reaching their investment objectives is what drives our success as trusted wealth advisors."

ANDREW D. PALMER, SENIOR MANAGING DIRECTOR, BEL AIR INVESTMENT ADVISORS, LOS ANGELES

Table of Contents

002 Message from the Chairman and CEO

005 Message from the President and COO

007 2014 Highlights

009 A Growing North American Presence

011 Recipe for Success

013 A Diversified Market Presence and Investment Expertise

017 Best-in-Class Investment Practices

018 The Success of Our Team Rewarded

020 Board of Directors

023 Management's Discussion and Analysis

067 Consolidated Financial Statements

106 Corporate Information

JEAN-GUY DESJARDINS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

MESSAGE FROM THE CHAIRMAN AND CEO

Fiera Capital: A Team Invested in Success

Dear shareholders,

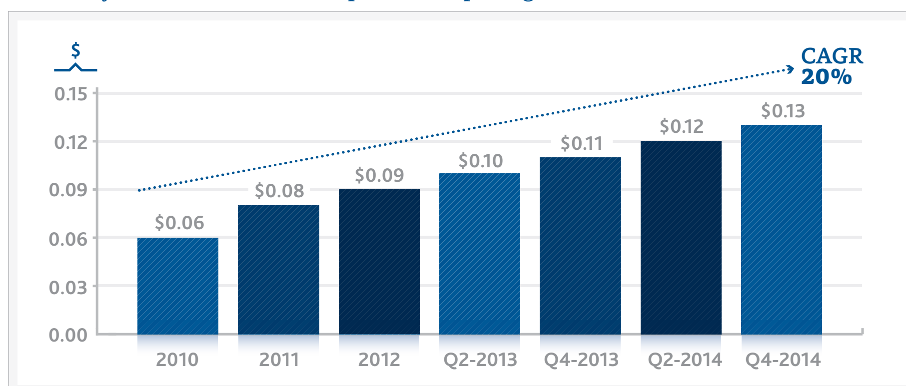
2014 was a busy and exciting year for all of us at Fiera Capital. From investment performance to financial performance, one thing remains clear: we are all as invested as ever in the success of our clients, the success of our firm and the success of our people.

While 2013 was more about acquisitions, our focus in 2014 was on organic growth and integration. Acquisitions are a key driver of our strategic plan, but we remain deeply committed to organic growth across all geographies and market segments. Last year, we successfully grew our client base and expanded existing relationships, an accomplishment I am particularly proud of in this competitive environment. We maintained our leadership position in Canada and made significant inroads in the US in both the institutional and private wealth sectors. This success resulted in $4.2 billion in new mandates combined with more than $4 billion of growth in assets under management (AUM), demonstrating that our North American expansion strategy is bearing fruit.

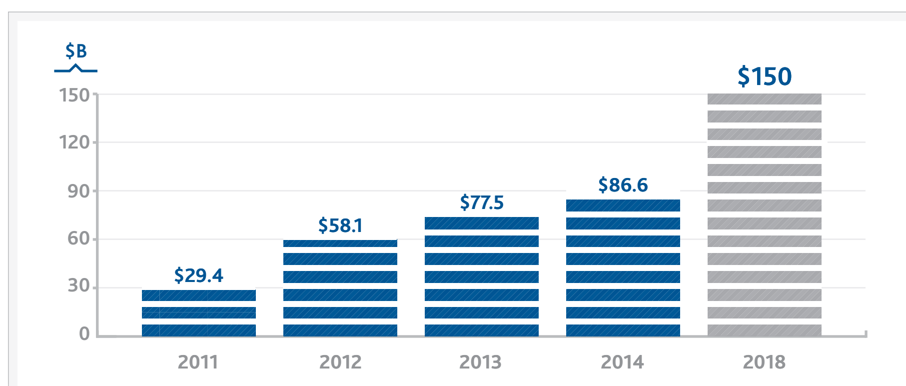
We also launched new investment strategies to meet and anticipate client needs and continued to reap the benefits of our sub-advisory partnerships. In addition, we expanded our expertise, offering and distribution capabilities in the Canadian retail investor space with the acquisition in September 2014 of Propel Capital Corporation, a boutique closed-end fund manager. With no major acquisitions in 2014, we nonetheless grew our AUM by 12%; they now stand at just under $87 billion.

Our 2014 financial performance was consistently strong, making it possible for us to increase our quarterly dividend twice in the last twelve months and reinvest capital in the business for future growth. Our earnings are not only solid, they are also sustainable as we continue to leverage our scale and focus on being a leading North American asset manager reaching the objective of $150 billion in AUM by the end of 2018. We are on track to achieve this milestone.

Quarterly Dividends Declared per Participating Share



AUM Growth and Goal



Driving our success is our unwavering commitment to performance. We live and breathe performance. In our field, there is no other metric that is more important or fundamental to measuring success. I am very pleased that once again in 2014, we demonstrated that Fiera Capital has best-in-class investment teams and top-tier client service professionals, well supported by dedicated professional experts across the various strategic support functions. It is thanks to the strength and talent of our people that we consistently deliver strong results for all of our stakeholders.

Whether working in the institutional, retail or private wealth sectors, in Canada or in the US, our specialized teams are able to focus on what they do best and consistently deliver for our clients. This is due to a combination of two factors. Firstly, we benefit from a depth of expertise in all

> "We are all as invested as ever in the success of our clients, the success of our firm and the success of our people."

market segments and across a wide spectrum of investment solutions. Secondly, we provide a work environment that combines the flexibility and efficiency of a boutique investment firm with the scale, support and available resources of a large, best-in-class leader. Our ability to support and invest in our people while creating an environment in which they can shine remains a key competitive advantage that is very important to us.

Looking at this year, which is now well underway, we have already accomplished much as we continue on our growth plan. In the first quarter of 2015, we announced the acquisition of Samson Capital Advisors LLC, a leading fixed income asset manager in the US. With this acquisition, we are further bolstering our presence in this sophisticated market and creating a full-fledged global asset manager, thus establishing a strong foundation for our proprietary strategies in this market. This is a significant step as we work towards raising our profile as a North American leader.

As the backbone of our US asset management operations, the objective is for Samson Capital Advisors to merge with Wilkinson O'Grady to create a wholly owned subsidiary operating under the banner Fiera Capital Global Asset Management. As for Bel Air Investment Advisors, it will continue to operate as a stand-alone entity and serve as Fiera Capital's base to develop the US wealth management market segment through an open-architecture platform.

We have all the building blocks in place to grow sustainably while exceeding client expectations and we have proven day in, day out, our ability to do so. We have an excellent team, strong values and guiding principles and a dynamic work environment and we dare to dream big. Fiera Capital is absolutely invested in the success of our clients as well as the success of our growing and dynamic firm. I wish to thank our shareholders for their continued support, our board and management for their continued wisdom and leadership and the growing Fiera Capital team for always aiming for excellence. As I look to the years ahead, I am excited about what we can achieve and confident that our North American leadership goals are well within our reach.

Jean-Guy Desjardins
Chairman of the Board and Chief Executive Officer

SYLVAIN BROSSEAU, PRESIDENT AND CHIEF OPERATING OFFICER

MESSAGE FROM THE PRESIDENT AND COO

Promoting Sustained Growth

Once again in 2014, Fiera Capital delivered solid results across the board.

Looking at our financial performance, we experienced solid growth across all of our key metrics. Our total AUM grew 12% to just under $87 billion. Our revenues, which include management and performance fees, increased by 45% to $222 million compared to the prior year. Adjusted earnings before income taxes, depreciation and amortization rose 32% to $78.2 million or $1.14 per share. Finally, adjusted net earnings rose 54% to $66.7 million or $0.97 per share. To the benefit of our shareholders, this supported a consistent quarterly dividend, which was most recently increased by 8% to $0.13 per share.

Our results were positively influenced by the sustained growth we have experienced over the last few years, including accelerated traction in the US. The US sector accounted for an important portion of our business in 2014, amounting to 25% in revenues and 13% in AUM.

Our ability to retain and grow existing mandates while also winning new mandates is a reflection of our strong distribution capabilities and our solid investment performance, both in traditional and alternative investments.

Year after year our teams innovate, develop and implement new strategies to the benefit of our broad range of clients. This is driven by the depth of expertise of our professionals as well as our rigorous and research-driven investment approach. Our emphasis on teamwork and excellence is also key to our ability to quickly adapt and seize opportunities in a fast-paced – and not always predictable – market environment.

In 2014, we continued to operate in a low-interest rate environment. We successfully leveraged this context to drive returns across most of our fixed income solutions. More specifically, both our Tactical Fixed Income Universe and Integrated Fixed Income Universe strategies benefited from lower rates. We also experienced strong traction with our Infrastructure Bonds strategy, which continued to perform well over the past year and to attract new flows.

"2014 was a solid year for Fiera Capital and 2015 is off to a strong start. Our brand is gaining increased recognition, our platform has been strengthened and our investment teams are relentlessly striving to deliver performance excellence."

As for our equity teams, they continued to deliver solid returns across most of our funds, despite the drop in oil prices that was felt across the markets. The performances of the Canadian Equity Growth and Canadian Equity Small Cap strategies were particularly noteworthy.

In general, stock markets continued to benefit from a favourable context, most notably in the US, which is fuelled by a more bullish macroeconomic sentiment. Given that the US is a pillar of our expansion strategy, we are pleased with the exceptional inroads we are making into this market. We are gaining US-originated mandates at an impressive pace and are witnessing a strong demand for our US and global strategies.

Our alternative strategies also delivered strong performance considering the elevated volatility that persisted during the year. The North American Market Neutral and Long/Short Equity strategies maintained their superior returns and our Infrastructure and Real Estate strategies continued to be very appealing in the context of low interest rates.

We witnessed a consistently strong appetite for alternative products. As such, we remain focused on integrating all alternative investment expertise under a single leadership and implementing a distribution strategy to specifically penetrate the institutional market in both Canada and the US.

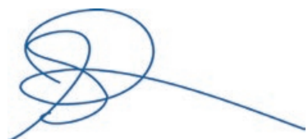
We continue to be active in bringing new innovative investment solutions to the market, as evidenced by the launch of several funds in 2014.

Overall, I am very proud of the exceptional year we experienced in terms of investment performance, earnings and growth. On the strength of such successes, we will continue to seize opportunities in the US in both the institutional and private wealth segments. This includes leveraging our growing number of favourable consultant ratings to win more institutional mandates. In Canada, we will focus on maintaining and strengthening our leadership position across all market sectors.

2014 was a solid year for Fiera Capital and 2015 is off to a strong start. Our brand is gaining increased recognition, our platform has been strengthened and our investment teams are relentlessly striving to deliver performance excellence.

We will continue to grow to the benefit of all stakeholders. This growth will be guided by the vision and strategic plan outlined by Jean-Guy Desjardins, our Chairman and CEO, and executed by our management team with the support of some 450 employees across North America. 2015 is already proving to be another productive year and promises to bring many more successes.

I would like to thank all of our stakeholders for their continued support.



Sylvain Brosseau
President and Chief Operating Officer

— 2014 HIGHLIGHTS

Fiscal 2014 was characterized by significant organic growth. The firm continued to innovate, diversify and strengthen its business platform by bringing new strategies to market in order to build a leading North American asset manager.

	AS AT DECEMBER 31, 2014	AS AT DECEMBER 31, 2013	GROWTH
ASSETS UNDER MANAGEMENT	$86.6B	$77.5B	12%
	FOR THE 12 MONTHS ENDED DECEMBER 31, 2014	FOR THE 12 MONTHS ENDED DECEMBER 31, 2013	
Revenues	$222.3M	$153.7M	45%
Adjusted EBITDA[1]	$78.2M	$59.2M	32%
Net Earnings[2]	$27.5M	$14.9M	84%
Adjusted Net Earnings Per Share[2] (basic)	$0.97	$0.74	31% (25% CAGR since Q4 2010)

1 Excludes non-cash compensation, acquisition and restructuring related costs
2 Attributable to the Company's shareholders

AT A GLANCE

9
consecutive quarters of growth in base management fees

Acquisition of Toronto-based closed-end fund manager Propel Capital Corporation

32%
growth in adjusted EBITDA in fiscal 2014

Dividend growth of an average of
20%
per year on a compounded basis since Q4 2010

$4.2B
in new mandates won during the year

+

$4.9B
of growth in assets under management

Announcement in February 2015 of acquisition of New York-based Samson Capital Advisors LLC, part of Fiera Capital's growth plans in the US

Total performance fees increase of
27%
year-over-year

A declared Q4 dividend of
$0.13
per share

"2014 marked a breakthrough for Fiera Capital's institutional business in the US. We successfully leveraged our growing number of favourable consultant ratings, our increasing North American presence and our best-in-class global equity investment capabilities, which resulted in significant new asset growth."

RICK NINO, EXECUTIVE VICE PRESIDENT, INSTITUTIONAL MARKETS, FIERA CAPITAL GLOBAL ASSET MANAGEMENT, NEW YORK CITY

— A GROWING NORTH AMERICAN PRESENCE

Fiera Capital Corporation (TSX: FSZ.TO) is a leading publicly traded independent investment firm, with more than $86 billion in assets under management. Fiera Capital numbers over 450 employees, including over 100 portfolio managers, analysts and traders based in major financial centres across North America.

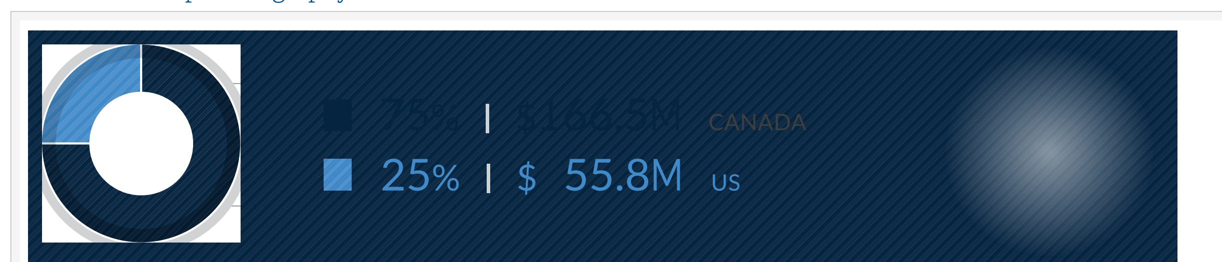
The firm is one of only a handful of full-service, multi-product investment firms offering clients a proven top-tier track record in Canadian and foreign equity and fixed income management, LDI solutions as well as depth and expertise in asset allocation and alternative investments.

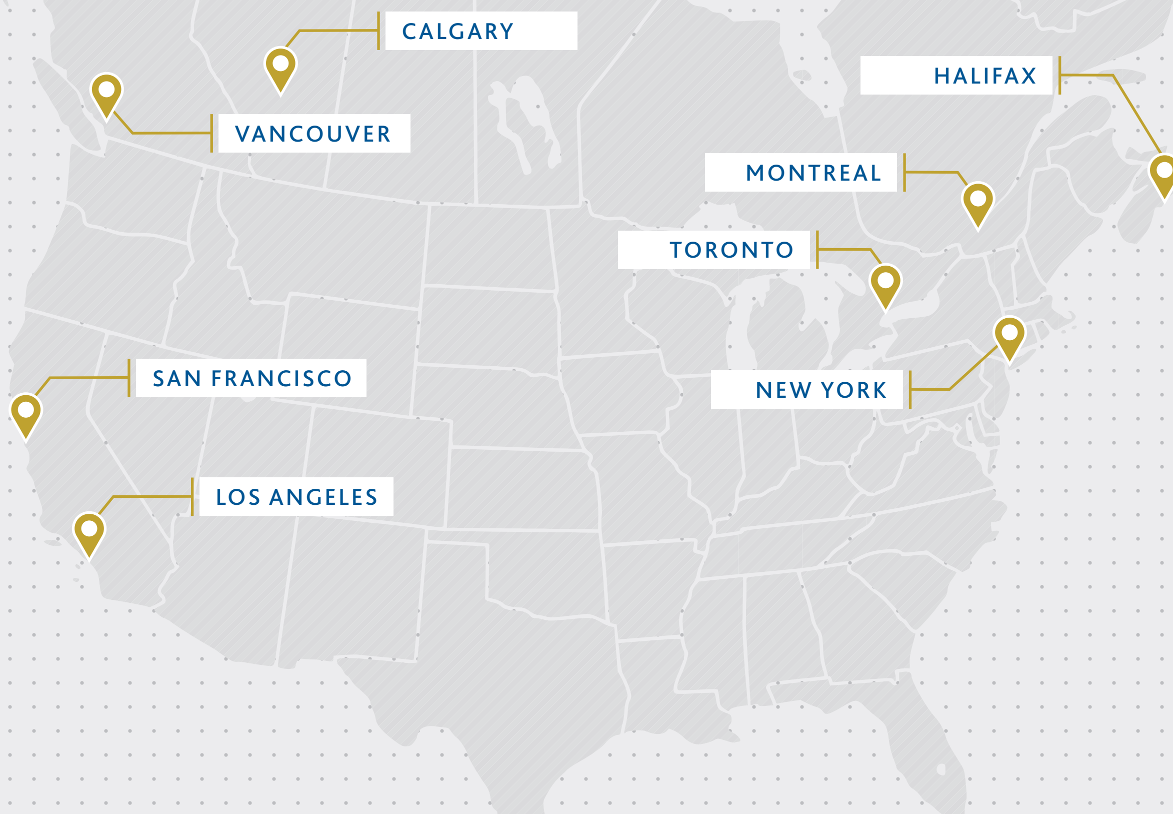
Fiera Capital is recognized for its excellence in portfolio management, innovative and personalized investment solutions and ability to exceed client expectations.

In the US, Fiera Capital's presence continues to grow. In the first quarter of 2015, we announced the acquisition of Samson Capital Advisors LLC, which we plan to merge with Wilkinson O'Grady & Co., Inc. later in 2015 to form Fiera Capital Global Asset Management. This new entity will serve as the backbone of our US asset management operations. Bel Air Investment Advisors will continue to operate as a stand-alone entity, serving as our base to develop the US wealth management market segment through an open-architecture platform.

AUM per Geography (as at December 31, 2014)

2014 Revenues per Geography





Over 450 employees including more than 100 portfolio managers, analysts and traders.

— RECIPE FOR SUCCESS

— PROMOTING EXCELLENCE —

Fiera Capital's structure promotes excellence within its specialized investment teams by combining the flexible and efficient environment of a boutique investment manager with the scale and resources of a leading investment firm. Integrated solutions diversified by asset class and investment style, and supported by a disciplined risk management framework, are key to achieving superior returns.

— EXCEEDING CLIENT EXPECTATIONS —

With a growing North American footprint, our client service professionals are dedicated to serving a highly diversified clientele comprised of pension funds, foundations, religious and charitable organizations, high-net-worth individuals, financial institutions as well as mutual funds and managed asset platforms. As a client-focused organization, we continually strive to provide the highest level of service in order to consistently exceed clients' expectations and to offer innovative solutions that evolve with their changing needs.

— GUIDED BY STRONG VALUES —

We are guided by strong values and we deliver performance excellence through innovation and accountability.

Client Focus

Respect & Integrity

Performance & Accountability

Teamwork

Innovation & Entrepreneurship

"Fiera Capital will maintain its leadership position in Canada through its unwavering commitment to excellence and its ability to provide tailored solutions and superior returns to a diverse client base."

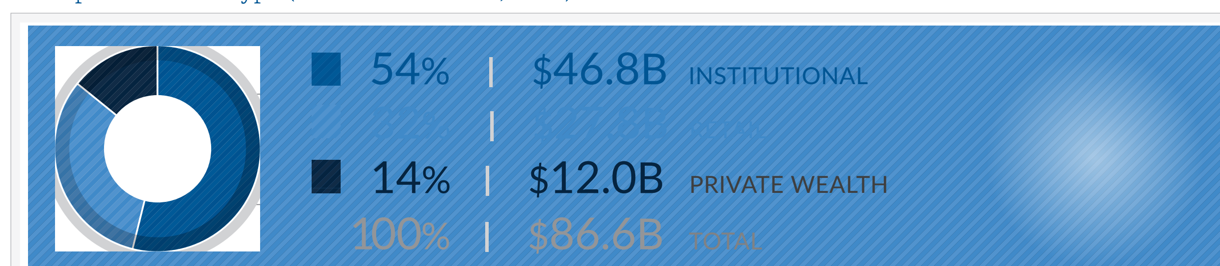
BOB MOFFATT, SENIOR VICE PRESIDENT, INSTITUTIONAL MARKETS, FIERA CAPITAL, TORONTO

— A DIVERSIFIED MARKET PRESENCE AND INVESTMENT EXPERTISE

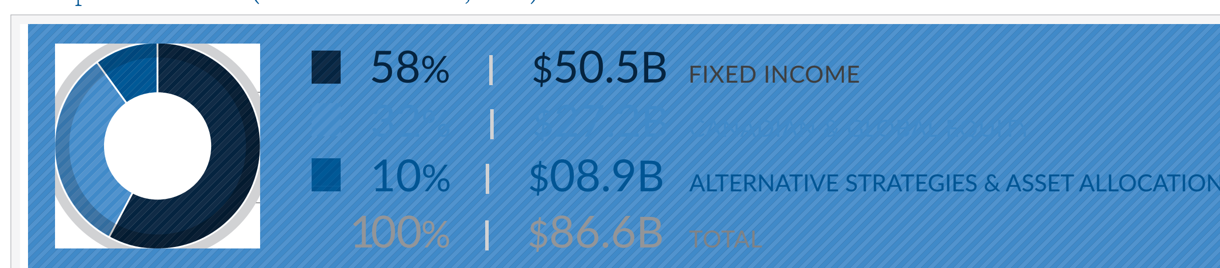
Fiera Capital offers a complete array of traditional and non-traditional investment solutions for institutional, private wealth and retail clients, as well as a proactive and tactical asset allocation process. Fiera Capital's teams provide clients with optimized and personalized investment solutions while delivering superior risk-adjusted returns.

Since its creation, Fiera Capital has positioned itself as a leader in non-traditional investment solutions. Today, the firm offers a full spectrum of alternative strategies with total assets under management of more than $4 billion. Fiera Capital has partnered with industry experts to add further depth to an already strong offering with strategies managed by Fiera Axium Infrastructure, Fiera Properties and Fiera Quantum. These partnerships allow Fiera Capital to provide clients with competitive investment strategies capable of adding value across market environments.

AUM per Clientele Type (as at December 31, 2014)



AUM per Asset Class (as at December 31, 2014)



Revenue[1] per Clientele Type (FY 2014)

1 Management Fees

Institutional Markets

The Fiera Capital Institutional Markets team is dedicated to providing the highest standards in client service and satisfaction.

The team offers a complete range of traditional and non-traditional investment strategies through specialized and balanced mandates. Its diverse clientele includes pension funds, endowments, foundations, religious and charitable organizations, and major municipality and university funds.

The philosophy embraced by the Institutional Markets team relies on a personalized approach, innovative investment solutions, as well as the highest standards of professionalism and integrity.

Private Wealth

Fiera Capital Private Wealth offers customized investment solutions to investors who have built significant wealth.

Given the unique needs of high net worth investors, the Private Wealth team is able to accommodate their specific requirements and customize portfolios to best suit their needs. Private Wealth is specifically structured to work with and counsel individuals, families, estates, trusts, endowments and foundations.

The Private Wealth team follows a disciplined investment approach that leverages optimized traditional and non-traditional investment management strategies and provides a customized service delivery to ensure that clients' wealth is prudently safeguarded.

Retail

The Fiera Capital Retail teams offer complete portfolio management solutions to help individual investors achieve their financial goals.

The teams' strategies meet a broad and diverse range of needs, whether in traditional or non-traditional products.

Fiera Capital's mutual funds are focused on the core asset classes needed to construct a well-balanced portfolio. These funds are available to all investors, some since 1985.

Non-traditional products are designed to generate returns that are not market dependent. Generally available to accredited investors, these funds may enhance portfolio returns and reduce portfolio risk.

Fiera Capital has recently added closed-end funds to its product offering. These funds are designed to generate yield and diversification through funds that provide exposure to asset classes or strategies that are typically more difficult for individual investors to access.

More specifically, the Strategic Investment Partnerships team works closely with distinctive distribution networks across Canada, serving more than two million clients. They communicate portfolio data information, share knowledge and provide a single access point for our portfolio management team – a rare feature in the financial services universe.

“In our business, the key to success is to meet the unique needs of our clients through the use of innovative investment solutions and to provide them with the peace of mind they deserve.”

LOUIS BOURASSA, SENIOR VICE PRESIDENT, INVESTMENT COUNSELLOR, PRIVATE WEALTH, FIERA CAPITAL, MONTREAL

> "The main role of the CIO office is to develop and offer a performing and comprehensive array of traditional and alternative investment strategies which follow the most rigorous standards. Our clients deserve no less than the best."

SYLVAIN ROY, CHIEF INVESTMENT OFFICER AND EXECUTIVE VICE PRESIDENT, ALTERNATIVE STRATEGIES, FIERA CAPITAL

— BEST-IN-CLASS INVESTMENT PRACTICES

Fiera Capital distinguishes itself within the industry through its use of a Chief Investment Officer (CIO) office. The CIO office oversees aspects of risk management, operations and governance across all of the firm's investment activities and supports investment teams who have full discretion over investment and portfolio construction decisions.

— PERFORMANCE MEASUREMENT AND RISK MANAGEMENT

Monitoring of a broad range of portfolio risk metrics is performed by Fiera Capital's Performance Measurement and Risk Management group, which operates independently from the investment function and ultimately reports to the firm's President and Chief Operating Officer.

— PORTFOLIO ADMINISTRATION

Fiera Capital's Portfolio Administration group is responsible for the reconciliation of all portfolios with trustees, custodians and brokers, for fund accounting as well as for ensuring seamless processing of transactions on behalf of clients. This team operates independently from the investment function and ultimately reports to the firm's President and Chief Operating Officer.

— LEGAL AND COMPLIANCE

Fiera Capital's Legal and Compliance groups ensure that the highest ethical standards are consistently upheld at all levels of the organization. These teams operate independently from our investment, client service, portfolio administration and performance measurement groups. It monitors compliance, legal and regulatory requirements. The firm has established supporting policies and procedures which are monitored rigorously to ensure that they are consistently applied.

— CONTINUOUS IMPROVEMENT

In its efforts to offer the highest level of transparency and strive for the greatest operational standards, Fiera Capital has implemented several key initiatives in recent years. Fiera Capital's composites are compliant with the Global Investment Performance Standards and the firm completes an Audit 5025, a report on key control procedures, on a regular basis. Fiera Capital is also a member of the Portfolio Management Association of Canada, which provides a forum to exchange on the industry's best practices.

— THE SUCCESS OF OUR TEAM REWARDED

In 2014, Fiera Capital's continued investment in success resulted in a number of industry accolades. The unwavering commitment to innovation, promoting excellence and surpassing client expectations continues to pay off.

FUNDATA FUNDGRADE® A+ RECOGNITION 2014

The Fiera Capital Global Equity Fund received Fundata FundGrade® A+ Recognition for the second consecutive year. Two funds sub-advised by Fiera Capital, the National Bank Quebec Growth Fund and the Horizons Active Corporate Bond ETF (HAB), also received an A+ rating from Fundata. The FundGrade A+ Rating identifies funds with not only the best risk-adjusted returns but also those demonstrating the highest level of consistency through an entire calendar year.

FOUR CANADIAN HEDGE FUND AWARDS GARNERED IN 2014

Jean-Philippe Choquette, Vice President and Senior Portfolio Manager, Equities and Alternative Strategies, and his team were presented with Canadian Hedge Fund Awards. This award celebrates excellence and achievement in the hedge fund industry, in the Market Neutral category. They ranked second and third for best 1-year return, best 5-year return and best 5-year Sharpe ratio, a strong endorsement of Fiera Capital's goal of becoming a North American leader in alternative investments.

TOP 5 TOPGUN INVESTMENT MIND AND CANADA'S BEST-IN-CLASS INVESTMENT FIRMS

Michael Chan, Vice President and Senior Portfolio Manager, Small Cap Equities, was recognized as among the country's top investment professionals, ranking in the top 5 TopGun Canadian Investment Minds of 2014. Mr. Chan was also named to the Canadian Society of TopGun Investment Minds Class of 2014 along with Ashish Chaturvedi, Vice President and Senior Portfolio Manager, Canadian Equities, and Jean-Philippe Choquette, Vice President and Senior Portfolio Manager, Equities and Alternative Strategies.

In the team category, Fiera Capital was voted in the Top 5 of the TopGun Investment Teams of the Year ranking. The firm was also in the Top 10 of the prestigious TopGun Investment Brands based on votes from the Canadian Society of TopGuns, Class of 2014. The TopGun designations are the brainchild of Brendan Wood International. Through their global intelligence network, they identify the best of the best in the capital markets.

JEAN-GUY DESJARDINS AND SYLVAIN BROSSEAU NAMED AMONG THE TOP 5 MOST INFLUENTIAL FINANCIAL PROFESSIONALS IN QUEBEC FOR 2014

Jean-Guy Desjardins, Chairman and Chief Executive Officer, and Sylvain Brosseau, President and Chief Operating Officer, were named among the Top 5 most influential people in Québec's finance industry in 2014 by *Finance et Investissement*, Canada's French-language publication for financial professionals. This is the third time in five years that Mr. Desjardins has been included in the Top 5, while Sylvain Brosseau was previously among the Top 25.

“Fiera Capital has a talented pool of investment experts with a high level of professional ethics. Independence and transparency, along with the careful measure of risks and returns, are all fundamental to the success of our firm and our clients.”

VIOLAINE DES ROCHES, SENIOR VICE PRESIDENT, LEGAL AFFAIRS AND COMPLIANCE, FIERA CAPITAL

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— BOARD OF DIRECTORS

Fiera Capital benefits from a strong board of directors comprised of 12 highly experienced individuals who bring a wealth of knowledge and know-how to the table. This strong team of senior leaders contributes to the success of our firm and ensures that Fiera Capital continues to reach even higher when it comes to good corporate governance and performance excellence.

01

Jean-Guy Desjardins is Chairman of the Board and CEO of Fiera Capital. Prior to founding Fiera Capital, Mr. Desjardins co-founded TAL Global Asset Management in 1972 and was its principal shareholder until it was purchased by CIBC. Mr. Desjardins subsequently created Fiera Holdings, which grew to become Fiera Capital, a leading Canadian independent asset management firm. In 2014, he was appointed to the Order of Canada.

02

Sylvain Brosseau is President and COO of Fiera Capital, and has over 23 years of experience in the investment management industry. Previously, Mr. Brosseau served as president and CEO of Fiera Holdings, as executive vice president, institutional markets at TAL Global Asset Management and executive vice president at TAL International where he oversaw worldwide distribution and operations.

03

Denis Berthiaume is Senior Vice President and General Manager, Wealth Management and Life and Health Insurance, Desjardins Group. He is responsible for Desjardins Financial Security, Desjardins Securities, Disnat and Desjardins Asset Management. Mr. Berthiaume has had a 30-year career occupying strategic functions in the fields of life insurance, health insurance and specialized savings.

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Brian A. Davis is Co-President and Co-CEO of National Bank Financial since April 2014. Previously, Mr. Davis served as executive vice-president, corporate development and governance. Prior to joining National Bank Financial in 2005, Mr. Davis was a partner with Torys LLP, where he practiced corporate and securities law for almost 20 years.

05

Raymond Laurin is a Corporate Director. During his 32-year career with Desjardins Group, he served namely as senior vice president, finance and treasury, and CFO. In addition, he was functional manager of the Desjardins Group Audit and Inspection Commission, the Fonds de sécurité Desjardins and the Desjardins Group Pension Plan. Mr. Laurin is a Fellow of the Ordre des comptables agréés du Québec.

06

Jean C. Monty is a Corporate Director. Mr. Monty had a distinguished 28-year career with BCE Inc., where he was chairman of the board and CEO until 2002. Prior to joining BCE Inc., he was president and CEO of Nortel Networks Corporation since 1993. Mr. Monty is a member of the Order of Canada. He currently sits on the board of several international companies.

07

Todd M. Morgan is a founding member of Bel Air Investment Advisors LLC and its Chairman and CEO. Previously, Mr. Morgan was a limited partner at Goldman, Sachs & Co. in Los Angeles, where he launched its private client services investment advisory business for high net worth individuals and families. Prior to that he was a general partner at Goldman, Sachs & Co. in New York. Mr. Morgan began his investment career in 1970.

08

David Pennycook is Vice Chairman and Executive Vice President, Institutional Markets with Fiera Capital, responsible namely for business development and client services. With over 35 years of industry experience, Mr. Pennycook has been with the firm since 1991. Prior experience includes marketing and servicing roles at major Canadian investment management firms and insurance companies.

09

Lise Pistono is Vice President and CFO of DJM Capital Inc. Previously, she was with KPMG supporting public companies in their disclosure requirements, served as senior finance officer for a Bell Canada subsidiary and for a private office furniture and supplies company. Ms. Pistono also has over 20 years of teaching experience at l'École des Hautes études commerciales in Applied Economics, Quantitative Methods and Accounting.

10

Arthur R.A. Scace is a Corporate Director. He is a former managing partner and chairman of McCarthy Tétrault LLP, Barristers and Solicitors and managing partner, in Toronto. He is also a former chairman of the Bank of Nova Scotia. He serves on the board of directors of a number of Canadian corporations.

11

David R. Shaw is Founder and CEO of Knightsbridge Human Capital Management Inc., a national human resources firm. Previously, he was president and chief executive officer of Pepsi Cola Canada Beverages from 1996 to 1999. He is a former chairman of the North York General Hospital Foundation and sits on several boards.

12

Louis Vachon has been President and CEO of National Bank since 2007. Prior experience includes senior management positions at BT Bank of Canada, Natcan Investment Management and National Bank Financial. He was named Financial Personality of the Year in 2014 by Quebec business publication *Finance et Investissement*, a recognition he also received in 2012. Mr. Vachon was also named 2014's CEO of the Year by *Canadian Business*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Twelve-Month Periods Ended December 31, 2014

The following management's discussion and analysis ("MD&A") dated March 18, 2015 presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation ("the Company" or "Fiera Capital" or "we" or "Firm") for the three and twelve-month periods ended December 31, 2014. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the year ended December 31, 2014.

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

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

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

24	Basis of Presentation	30	Highlights for the Three and Twelve-Month Periods Ended December 31, 2014	57	Capital Management
24	Forward-Looking Statements	32	Summary of Quarterly Results	57	Significant Accounting Judgments and Estimation Uncertainties
24	Company Overview	35	Results from Operations and Overall Performance	58	New Accounting Policies
25	Significant Events	46	Summary of Quarterly Results	60	Non-IFRS Measures
25	Market Outlook	49	Liquidity and Capital Resources	60	Risks of the Business
26	Summary of Portfolio Performance	55	Control and Procedures	65	Management's Report to the Shareholder
28	Trend Highlights	55	Financial Instruments	66	Audit Committee's Annual Report

BASIS OF PRESENTATION

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

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2014.

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

The following MD&A should be read in conjunction with the Company's 2014 annual audited consolidated financial statements, which contain a description of the accounting policies used in the preparation of these financial statements.

The Company presents adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), adjusted net earnings and cash earnings as key non-IFRS performance measures. These non-IFRS measures are defined on page 60.

FORWARD-LOOKING STATEMENTS

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

COMPANY OVERVIEW

Fiera Capital is an independent, full-service, multi-product investment firm, providing investment advisory and related services, with more than $86 billion in assets under management ("AUM"), including the joint ventures' AUM. The Company owns interests in the following joint ventures: Fiera Axium Infrastructure Inc., an entity specialized in infrastructure investments, and Fiera Properties Limited, an entity specialized in real estate investments, over which the Company has joint control. Fiera Capital's business model is based foremost on delivering excellence in investment management to its clients. Fiera Capital offers multi-style investment solutions through diversified investment strategies to institutional investors, private wealth clients and retail investors. In addition to managing its clients' accounts on a segregated basis ("Managed Accounts"), Fiera Capital uses pooled funds to manage specialized asset classes and to combine the assets of smaller clients to achieve greater investment efficiencies ("Pooled Funds"). To provide retail investors with access to its investment management services, Fiera Capital also manages and acts as investment manager to mutual funds, including certain commodity pool funds, the Fiera Capital QSSP II Investment Fund Inc. (the "Mutual Funds") and following the acquisition of Propel Capital Corporation, Fiera Capital is now investment manager of several closed end funds which are listed on the TSX ("Closed End Funds" and, collectively with the Pooled Funds and the Mutual Funds, the "Funds").

Units of some of the Mutual Funds are distributed through Fiera Capital Funds Inc. ("FCFI") (previously Fiera Sceptre Funds Inc.), a wholly owned subsidiary of Fiera Capital. FCFI is a member of the Mutual Fund Dealers Association of Canada and is registered in the category of mutual fund dealer in the Provinces of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Québec, Nova Scotia New Brunswick and the Yukon. Fiera Capital is registered in the categories of exempt market dealer and portfolio manager in all provinces and territories of Canada. Fiera Capital is also registered in the category of investment fund manager in the provinces of Ontario, Quebec and Newfoundland and Labrador. In addition, as Fiera Capital manages derivatives portfolios, it is registered as a commodity trading manager pursuant to the *Commodity Futures Act* (Ontario), as an adviser under the *Commodity Futures Act* (Manitoba) and, in Quebec, as a derivatives portfolio manager pursuant to the *Derivatives Act* (Quebec).

Following its acquisition of the Bel Air entities and Wilkinson O'Grady & Co. Inc. ("Wilkinson"), Fiera Capital terminated its registration as an investment advisor with the US Securities and Exchange Commission ("SEC") and generally is not permitted to provide investment advisory services directly to US clients.

Bel Air Investment Advisors LLC ("Bel Air"), Bel Air Securities LLC ("Bel Air Securities") and Wilkinson are now Fiera Capital's US operating subsidiaries and provide a variety of investment advisory

and brokerage services to US clients. Bel Air and Bel Air Securities operate under both the Bel Air and the Fiera Asset Management USA brands.

Fiera Capital shares investment advisory personnel and other resources with Bel Air and Bel Air Securities as a "participating affiliate" within the meaning of the guidance provided by the Staff of the SEC that allows US registered investment advisers to use the investment advisory resources of non-US affiliates that are not registered with the SEC.

Bel Air, its subsidiary, Bel Air Management, LLC and Wilkinson are registered investment advisers with the SEC. Bel Air Securities is a registered US broker-dealer.

— SIGNIFICANT EVENTS

Fiscal 2014 was characterized by significant organic growth, while the Firm continued to diversify and strengthen its business platform in order to build a leading North American asset manager.

Strong Traction in the United States

The Firm experienced strong momentum in the US during the year, winning significant new mandates in both the institutional and private wealth segments. The US sector now accounts for an important portion of the business, amounting to 28% in revenues and 13% in AUM.

The Firm also received favorable ratings from global consultants during the year, bringing the total number of consultant approvals to six.

Launch of New Funds

The Firm is committed to continuously innovate by bringing new strategies to market.

As such, four investment strategies were introduced during the year: The Fiera High Yield Bond Fund, the Fiera Private Infrastructure Fund, the Fiera Capital Defensive U.S. Equity Fund and the Fiera Capital Defensive Global Equity Fund.

As for structured products, a preliminary prospectus has been filed for the Investment Grade Infrastructure Bond Fund at the end of the year.

Industry Recognition

In 2014, Fiera Capital's continued success and strong performance resulted in a number of industry nods.

Jean-Guy Desjardins, Chairman and Chief Executive Officer, and Sylvain Brosseau, President and Chief Operating Officer, were named among the Top 5 in the Quebec's finance industry by *Finance et Investissement*, Canada's French-language publication for financial professionals.

Jean-Philippe Choquette, Vice President and Senior Portfolio Manager, received four Canadian Hedge Fund Awards for its superior performance in the Market Neutral category, a strong endorsement of the Firm's goal of becoming a North American leader in alternative investments.

Michael Chan, Vice President and Senior Portfolio Manager, Small Cap Equities, was named one of the top *Investment Minds of the Year* according to the 2014 TopGun rankings, published by Brendan Wood International, a leading independent intelligence-based advisor. Fiera Capital was also voted in the top 5 for best investment teams.

The Fiera Capital Global Equity Fund won the Fundata FundGrade® A+ Recognition for the second consecutive year. Two funds sub-advised by Fiera Capital, the National Bank Quebec Growth Fund and the Horizons Active Corporate Bond ETF (HAB), also received an A+ rating from Fundata.

Acquisitions

Propel Capital Corporation

On September 2, 2014, the Firm acquired Propel Capital Corporation for a total consideration of up to $12 million. Propel is a prominent Toronto-based investment firm which develops, manages and distributes investment solutions to Canadians with a focus on closed-end funds. The acquisition of Propel Capital Corporation notably added depth to the Firm's retail distribution capabilities.

Samson Capital Advisors LLC

Subsequent to year-end, on February 11, 2015, the Firm reached an agreement to acquire New York based Samson Capital Advisors LLC, a prominent U.S. fixed income investment management firm with US$7.6 billion in assets under management. Total consideration paid at closing for the transaction will be approximately US$33.5 million, subject to various adjustments. This acquisition will bring Fiera Capital's total assets under management to over CAD$96 billion while bolstering its U.S. presence in the global asset management space.

Dividend Increase

The Board of Directors has declared a dividend of $0.13 per Class A subordinate voting share and Class B special voting share of Fiera Capital, payable on April 28, 2015, to shareholders of record at the close of business on March 31, 2015.

This represents the second dividend increase in fiscal 2014.

— MARKET OUTLOOK

Global growth prospects and monetary policies abroad continue to decouple. While the robust growth outlook in the US means that the economy no longer requires ultra-accommodative monetary policies, liquidity is becoming more abundant elsewhere as sluggish growth overseas has resulted in coordinated actions from central banks in Europe, Japan, and China to tackle lingering disinflationary pressures. This combination of an impressive growth trajectory at home and ultra-stimulative monetary policies abroad has created a favourable environment for equities.

Bond yields continued their downward trajectory in December and fixed-income markets produced positive results, despite the impressive economic recovery in North America. Various geopolitical uncertainties and some growth concerns emanating from abroad fuelled investor anxiety, increasing the allure of North American bonds. Similarly, global equity markets declined across the board in local currency terms, with the theme of US equity outperformance

prevailing. Finally, the major theme in currency and commodity markets lies with recent USD strength stemming from the stronger growth landscape in the US versus the rest of the world. Recent USD strength has fuelled commodity price weakness amid some oversupply issues, which have been at the forefront of the oil price decline.

We continue to see substantial macroeconomic divergences between the US and the rest of the world. The US economy continues to be the bright spot in an otherwise uncertain global economic environment on the back of buoyant consumer demand stemming from an improving labour market and low gasoline prices. At the same time, inflation remains firmly under control amid the combination of lower energy prices and USD strength. Accordingly, the Federal Reserve has stressed a "patient" approach to interest-rate policy normalization. Meanwhile, growth has been firming in Canada and exceeded expectations in October. As the Bank of Canada predicted, high levels of inflation proved temporary and inflation declined closer to target in November, providing the bank with more leeway to remain flexible on interest-rate policy.

In contrast to North America, economic prospects abroad have been mediocre. Growth and inflation (deflation) in Europe have been underwhelming, Japan entered official recession territory in the third quarter as the economy continues to digest the increased consumption tax implemented in early 2014, and economic data in China continues to surprise on the downside. As a result, we have witnessed a major influx of liquidity from international central banks aimed at reigniting these faltering economies. While the European Central Bank is anticipated to announce a quantitative program later in January, the Japanese authorities have committed to reflating the economy by weakening the yen and delaying a planned increase in the consumption tax. Finally, the muted inflationary backdrop in China has allowed policymakers to implement targeted stimulative policies to ensure that China's growth targets are met.

Our central scenario for "Stronger Growth" remains intact. We are witnessing a global growth re-acceleration, led by the mighty US, which has also fuelled the Canadian economy. Meanwhile, more subdued economic recoveries abroad have resulted in coordinated stimulus policies to promote growth in these regions, where expectations for growth are likely too pessimistic, setting the stage for a potential upside surprise for global growth. The recent decline in energy prices is providing an additional stimulus to consumption-based economies, further supporting the global economic backdrop in 2015.

SUMMARY OF PORTFOLIO PERFORMANCE

Annualized Rates of Return

Strategies	AUM ($Billion)	
Fixed Income Investment Strategies	**50.5**	
Active Fixed Income Universe		
Tactical Fixed Income Universe		
Integrated Fixed Income Universe		
Active Fixed Income Long-Term		
High Yield Bonds		
Preferred Shares		
Infrastructure Bonds		
Balanced Investment Strategies	**4.7**	
Balanced Core		
Balanced Integrated		
Balanced Fund		
Equity Investment Strategies	**27.2**	
Canadian Equity Value		
Canadian Equity Growth		
Canadian Equity Core		
High Income Equity		
Canadian Equity Small Cap Core		
Canadian Equity Small Cap		
US Equity		
International Equity		
Global Equity		
Alternative Investment Strategies	**4.2**	
North American Market Neutral Fund		
Long / Short Equity Fund		
Absolute Bond Yield Fund		
Diversified Lending Fund		
Multi-Strategy Income Fund		
Infrastructure Fund		
Real Estate Fund		
Fixed Income and Currency Arbitrage Fund		
Total AUM	**86.6**	

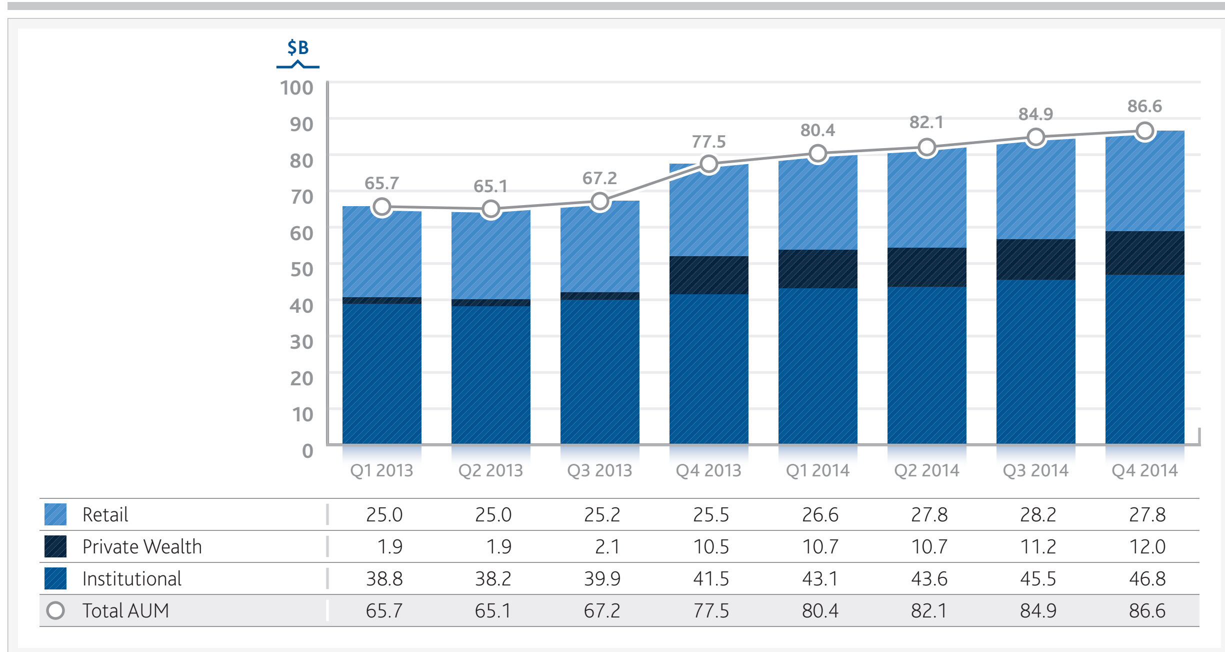
1 year			5 yrs or Since Inception (SI)* (SI if Inception < 5 yrs)			Inception Date	Benchmark Name	Notes
Strategy Return	Added Value	Quartile	Strategy Return	Added Value	Quartile			
8.48	-0.31	3	5.93	0.49	2	01/01/1997	FTSE TMX Universe	
9.34	0.55	1	6.44	0.99	1	01/01/2000	FTSE TMX Universe	
9.07	0.28	1	5.91	0.46	2	01/01/1993	FTSE TMX Universe	
16.69	-0.78	3	9.24	0.20	2	01/07/1998	FTSE TMX Long Term	
3.77	0.59	4	9.25	-0.06	1	01/02/2002	High Yield Blended	1
7.04	0.22	n/a	6.13	1.57	n/a	01/02/2004	S&P/TSX Preferred Share	
18.65	0.65	n/a	9.21*	1.7*	n/a	01/08/2011	FTSE TMX Provincials Long Term	
12.30	1.58	1	9.64	1.50	2	01/09/1984	Balanced Core Blended	2
12.48	1.77	1	13.19*	2.46*	2	01/04/2013	Balanced Integrated Blended	3
10.92	0.24	2	9.57	1.63	2	01/03/1973	Balanced Blended Benchmark	4
8.42	-2.14	3	7.89	0.36	4	01/01/2002	S&P/TSX Composite	
14.28	3.72	1	7.19	-0.33	4	01/01/2007	S&P/TSX Capped	
12.48	1.92	2	8.47	0.94	3	01/01/1992	S&P/TSX Composite	
4.02	-1.21	4	12.29	1.68	1	01/10/2009	S&P/TSX Composite High Dividend	
11.42	13.76	2	13.96	10.94	1	01/01/1989	S&P/TSX Small Cap	
15.87	18.21	1	11.04	8.03	2	01/01/1989	S&P/TSX Small Cap	
26.97	3.03	1	20.95	3.17	1	01/04/2009	S&P 500 CAD	
6.95	3.29	1	13.07	5.61	1	01/01/2010	MSCI EAFE Net CAD	
16.51	2.12	1	17.76	5.34	1	01/10/2009	MSCI World Net CAD	
11.29	10.39	n/a	1.92	1.03	n/a	01/10/2007	FTSE TMX T-Bill 91 day	
24.81	23.90	n/a	15.57*	14.60*	n/a	01/08/2010	FTSE TMX T-Bill 91 day	
-4.21	-5.12	n/a	-0.03*	-1.01*	n/a	01/12/2010	FTSE TMX T-Bill 91 day	
6.02	5.11	n/a	7.36	6.47	n/a	01/04/2008	FTSE TMX T-Bill 91 day	
7.12	4.06	n/a	6.18	3.18	n/a	01/11/2009	FTSE TMX Short Term	
8.13	n/a	n/a	5.09*	n/a	n/a	01/03/2010	No Benchmark	
5.83	n/a	n/a	4.25*	n/a	n/a	01/07/2013	No Benchmark	
-3.93	-4.83	n/a	1.38*	0.41*	n/a	01/04/2013	FTSE TMX T-Bill 91 day	

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

— TREND HIGHLIGHTS

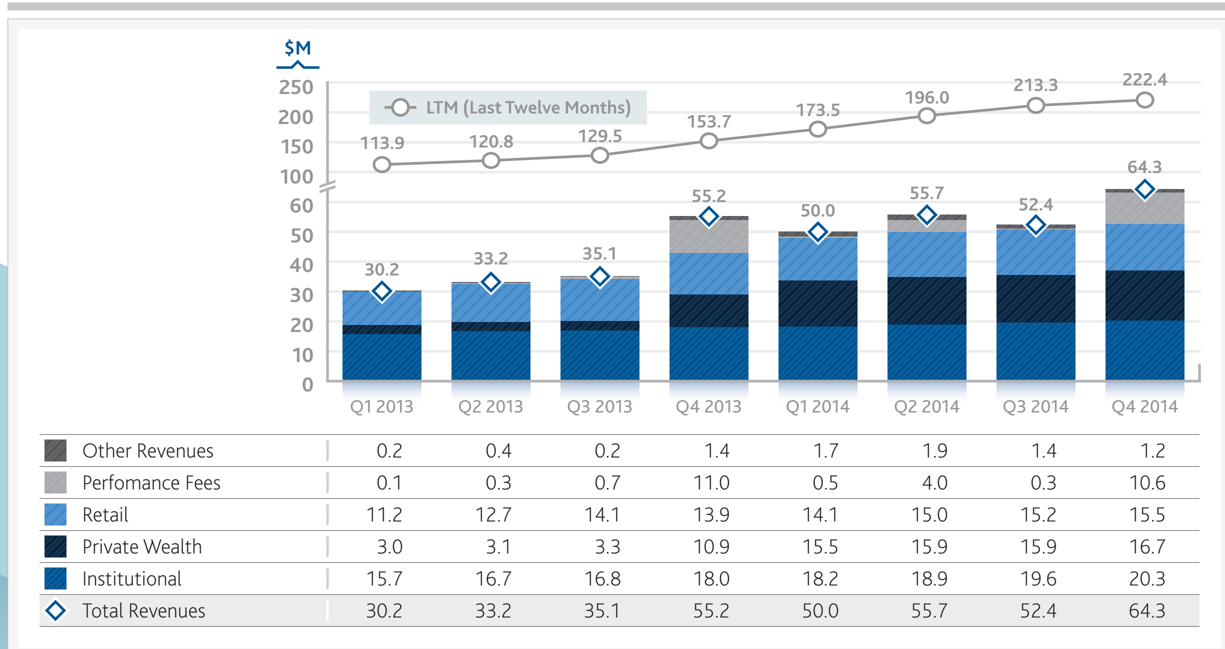
The following illustrates the Company's trends regarding AUM, revenues, Last Twelve Months ("LTM") Adjusted EBITDA, LTM Adjusted EBITDA Margin, LTM Adjusted Earnings per share, as well as the LTM dividend payout. The trend analysis is presented in the "Results and Trend Analysis" section on page 47.

AUM



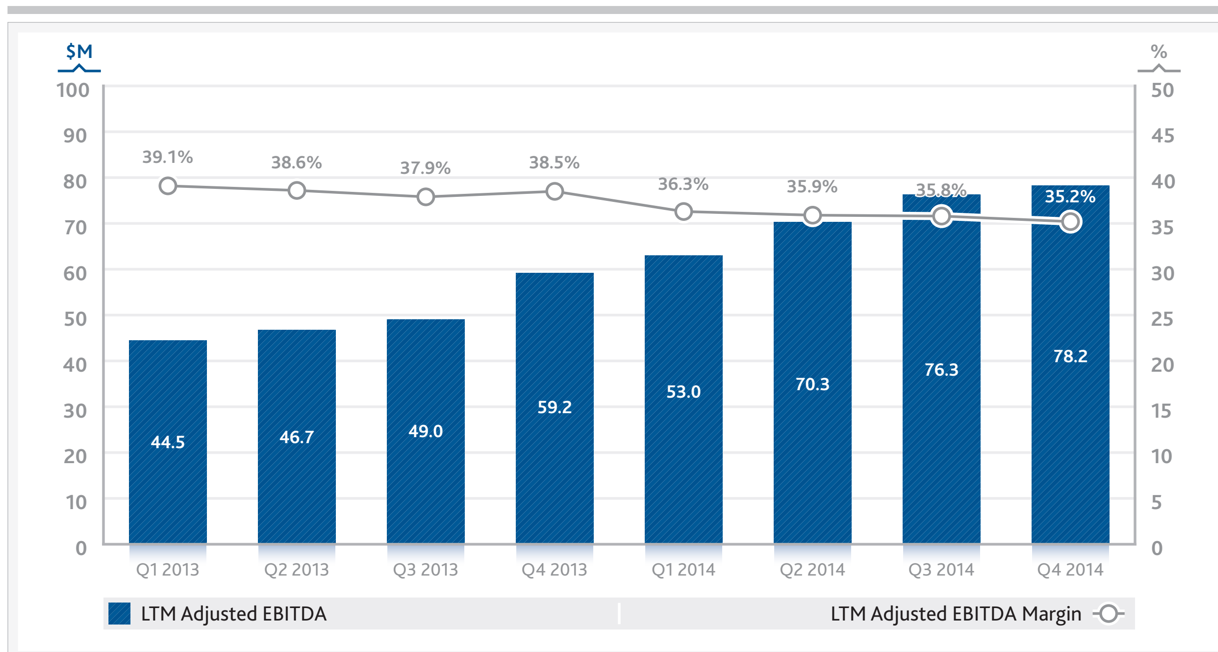
	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Retail	25.0	25.0	25.2	25.5	26.6	27.8	28.2	27.8
Private Wealth	1.9	1.9	2.1	10.5	10.7	10.7	11.2	12.0
Institutional	38.8	38.2	39.9	41.5	43.1	43.6	45.5	46.8
Total AUM	65.7	65.1	67.2	77.5	80.4	82.1	84.9	86.6

Revenues

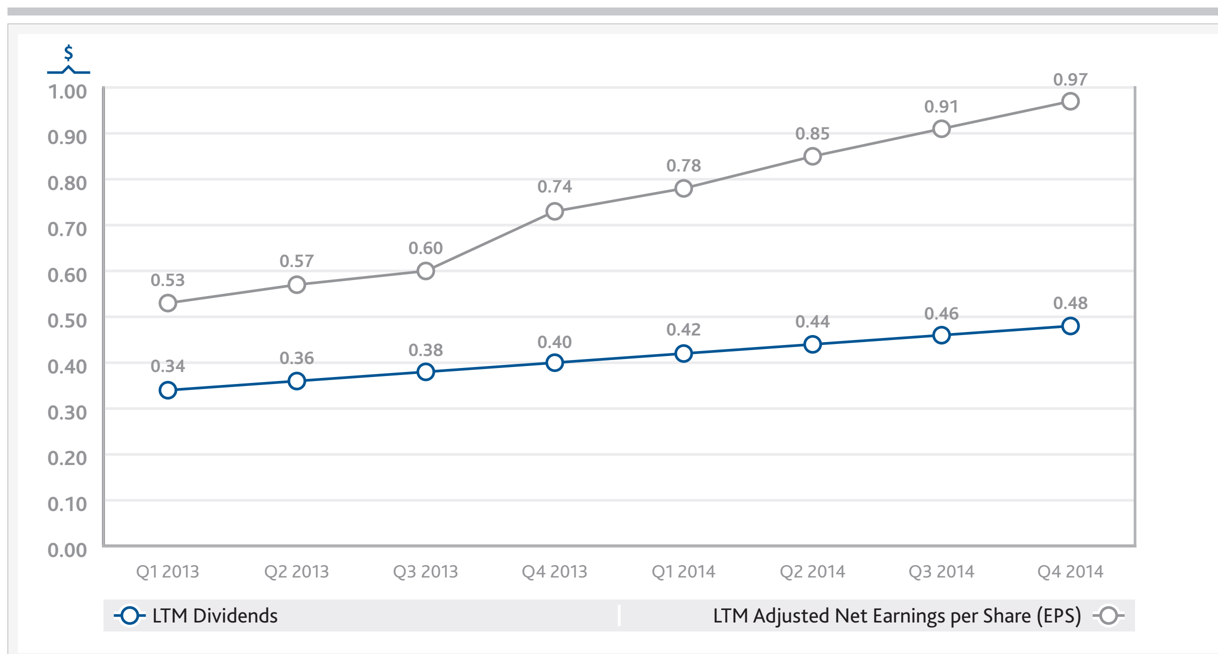


	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Other Revenues	0.2	0.4	0.2	1.4	1.7	1.9	1.4	1.2
Perfomance Fees	0.1	0.3	0.7	11.0	0.5	4.0	0.3	10.6
Retail	11.2	12.7	14.1	13.9	14.1	15.0	15.2	15.5
Private Wealth	3.0	3.1	3.3	10.9	15.5	15.9	15.9	16.7
Institutional	15.7	16.7	16.8	18.0	18.2	18.9	19.6	20.3
Total Revenues	30.2	33.2	35.1	55.2	50.0	55.7	52.4	64.3

Last Twelve Months Adjusted EBITDA and LTM Adjusted EBITDA Margin



LTM Adjusted Net Earnings per Share (EPS) and LTM Dividends



— HIGHLIGHTS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2014

Highlights for the three-month period ended December 31, 2014 were as follows:

December 31, 2014 compared to December 31, 2013

- Total AUM increased by $9.1 billion, or 12%, to $86.6 billion as at December 31, 2014, compared to AUM of $77.5 billion as at December 31, 2013.
- Base management fees and other revenues for the fourth quarter ended December 31, 2014, increased by $9.5 million, or 21%, to $53.7, million compared to $44.2 million for the same period last year.
- Performance fees were $10.6 million for the fourth quarter ended December 31, 2014, compared to $11.0 million for the same period last year.
- Selling, general and administrative ("SG&A") expenses and external managers' expenses increased by $8.0 million, or 24%, to $41.6 million for the fourth quarter ended December 31, 2014, compared to $33.6 million for the same period last year.
- Adjusted EBITDA increased by $1.9 million, or 8%, to $24.8 million for the fourth quarter ended December 31, 2014, compared to $22.9 million for the same period last year. Adjusted EBITDA per share remained unchanged at $0.36 per share (basic) and $0.35 (diluted) compared to those of the same period last year.
- For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), an increase of $3.6 million, or 43%, compared to the fourth quarter ended December 31, 2013, during which the Firm recorded net earnings attributable to the Company's shareholders of $8.5 million, or $0.13 per share (basic and diluted).
- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2014 amounted to $23.5 million, or $0.34 per share (basic and diluted), compared to $18.1 million, or $0.28 per share (basic) and $0.27 (diluted), for the fourth quarter ended December 31, 2013.

December 31, 2014 compared to September 30, 2014

- Total AUM increased by $1.7 billion, or 2%, to $86.6 billion during the fourth quarter ended December 31, 2014, compared to $84.9 billion as at September 30, 2014.
- Base management fees and other revenues for the fourth quarter ended December 31, 2014, increased by $1.6 million, or 3%, to $53.7 million compared to $52.1 million for the previous quarter ended September 30, 2014.
- Performance fees were $10.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.
- SG&A expenses and external managers' expenses increased by $5.4 million, or 15%, to $41.6 million for the fourth quarter ended December 31, 2014, compared to $36.2 million for the previous quarter ended September 30, 2014.
- Adjusted EBITDA increased by $6.7 million, or 37%, to $24.8 million for the fourth quarter ended December 31, 2014, compared to $18.1 million for the previous quarter ended September 30, 2014. Adjusted EBITDA per share were $0.36 (basic) and $0.35 (diluted) for the fourth quarter ended December 31, 2014, compared to $0.26 per share (basic and diluted) for the previous quarter ended September 30, 2014.
- For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), an increase of $7.0 million, or over 100%, compared to the previous quarter ended September 30, 2014, during which the Firm recorded net earnings attributable to the Company's shareholders of $5.1 million, or $0.07 per share (basic and diluted).
- Adjusted net earnings attributable to the Company's shareholders for the fourth quarter ended December 31, 2014 amounted to $23.5 million, or $0.34 per share (basic and diluted), compared to $14.6 million, or $0.21 per share (basic and diluted), for the previous quarter ended September 30, 2014.

Highlights for the twelve-month period ended December 31, 2014 were as follows:

- Base management fees and other revenues for the twelve-month period ended December 31, 2014, increased by $65.3 million, or 46%, to $206.9 million compared to $141.6 million for the same period last year.
- Performance fees were $15.4 million for the twelve-month period ended December 31, 2014, compared to $12.1 million for the same period last year.
- SG&A expenses and external managers' expenses rose by $53.9 million, or 55%, to $151.1 million for the twelve-month period ended December 31, 2014, compared to $97.2 million for the twelve-month period ended December 31, 2013.
- Adjusted EBITDA rose by $19.0 million, or 32%, to $78.2 million for the twelve-month period ended December 31, 2014, compared to $59.2 million for the same period last year. Adjusted EBITDA per share were $1.14 (basic) and $1.12 (diluted) for the twelve-month period ended December 31, 2014, compared to $1.01 per share (basic) and $1.00 (diluted) for the same period last year.
- For the twelve-month period ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), an increase of $12.6 million, or 84%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of $14.9 million, or $0.26 per share (basic) and $0.25 (diluted).
- Adjusted net earnings attributable to the Company's shareholders for the twelve-month period ended December 31, 2014 were $66.7 million, or $0.97 per share (basic) and $0.96 (diluted), compared to $43.4 million, or $0.74 per share (basic) and $0.73 (diluted), for the same period last year.

SUMMARY OF QUARTERLY RESULTS

Table 1 – Statements of Earnings and Assets under Management

Assets Under Management (In $ Millions)	As at			Variance	
	December 31, 2014	September 30, 2014	December 31, 2013	Quarter over Quarter FAV/(UNF)[2]	Year overYear FAV/(UNF)[2]
Assets under Management	**86,612**	**84,875**	**77,485**	1,737	9,127

Statements of Earnings (in $ thousands except per share data)	For the Three-Month Periods Ended			Variance	
	December 31, 2014	September 30, 2014	December 31, 2013	Quarter over Quarter FAV/(UNF)[2]	Year overYear FAV/(UNF)[2]
Revenues					
Base management fees	**52,502**	**50,647**	**42,802**	1,855	9,700
Performance fees - Traditional Assets	**5,567**	**97**	**6,529**	5,470	(962)
Performance fees - Alternative Assets	**5,022**	**180**	**4,450**	4,842	572
Other revenues	**1,213**	**1,447**	**1,441**	(234)	(228)
Total revenues	**64,304**	**52,371**	**55,222**	11,933	9,082
Expenses					
Selling, general and administrative expenses	**40,150**	**34,775**	**32,388**	(5,375)	(7,762)
External managers	**1,490**	**1,420**	**1,221**	(70)	(269)
Depreciation of property and equipment	**611**	**343**	**367**	(268)	(244)
Amortization of intangible assets	**6,655**	**6,411**	**6,164**	(244)	(491)
Interest on long-term debt and other financial charges	**2,283**	**2,164**	**2,029**	(119)	(254)
Accretion and change in fair value of purchase price obligations	**636**	**612**	**(1,302)**	(24)	(1,938)
Restructuring and other integration costs	**1,174**	**654**	**67**	(520)	(1,107)
Acquisition costs	**824**	**561**	**2,878**	(263)	2,054
Changes in fair value of derivative financial instruments	**(8,284)**	**50**	**(390)**	8,334	7,894
Impairment of non-financial assets	**8,016**	**-**	**-**	(8,016)	(8,016)
Other (income) expenses[3]	**(38)**	**(364)**	**(536)**	(326)	(498)
Total expenses	**53,517**	**46,626**	**42,886**	(6,891)	(10,631)
Earnings before income taxes	**10,787**	**5,745**	**12,336**	5,042	(1,549)
Income taxes	**1,322**	**1,226**	**3,924**	(96)	2,602
Net earnings	**9,465**	**4,519**	**8,412**	4,946	1,053
Attributable to:					
Company's shareholders	**12,090**	**5,053**	**8,481**	7,037	3,609
Non-controlling interest	**(2,625)**	**(534)**	**(69)**	(2,091)	2,556
Net earnings	**9,465**	**4,519**	**8,412**	4,946	1,053
BASIC PER SHARE					
Adjusted EBITDA[1]	**0.36**	**0.26**	**0.36**	0.10	-
Net earnings	**0.18**	**0.07**	**0.13**	0.11	0.05
Adjusted net earnings[1]	**0.34**	**0.21**	**0.28**	0.13	0.06
DILUTED PER SHARE					
Adjusted EBITDA[1]	**0.35**	**0.26**	**0.35**	0.09	-
Net earnings	**0.18**	**0.07**	**0.13**	0.11	0.05
Adjusted net earnings[1]	**0.34**	**0.21**	**0.27**	0.13	0.07

1. Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 60.
2. FAV: Favourable - UNF: Unfavourable
3. Other expenses (income) include "(Gain) Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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

Statements of Earnings (In $ Thousands Except Per Share Data)	For the Twelve-Month Periods Ended December 31, 2014	December 31, 2013	Variance Year overYear FAV/(UNF)[2]
Revenues			
Base management fees	200,612	139,397	61,215
Performance fees - Traditional Assets	6,434	7,181	(747)
Performance fees - Alternative Assets	9,003	4,936	4,067
Other revenues	6,309	2,213	4,096
Total revenues	222,358	153,727	68,631
Expenses			
Selling, general and administrative expenses	145,967	94,357	(51,610)
External managers	5,107	2,858	(2,249)
Depreciation of property and equipment	1,733	1,341	(392)
Amortization of intangible assets	25,700	19,083	(6,617)
Interest on long-term debt and other financial charges	7,977	6,931	(1,046)
Accretion and change in fair value ofpurchase price obligations	2,642	637	(2,005)
Restructuring and other integration costs	3,127	1,509	(1,618)
Acquisition costs	2,079	6,572	4,493
Changes in fair value of derivative financial instruments	(7,419)	(426)	6,993
Impairment of non-financial assets	8,016	-	(8,016)
Other (income) expenses[3]	(1,320)	(1,129)	191
Total expenses	193,609	131,733	(61,876)
Earnings before income taxes	28,749	21,994	6,755
Income taxes	5,158	7,389	2,231
Net earnings	23,591	14,605	8,986
Attributable to:			
Company's shareholders	27,492	14,939	12,553
Non-controlling interest	(3,901)	(334)	(3,567)
Net earnings	23,591	14,605	8,986
BASIC PER SHARE			
Adjusted EBITDA[1]	1.14	1.01	0.13
Net earnings	0.40	0.26	0.14
Adjusted net earnings[1]	0.97	0.74	0.23
DILUTED PER SHARE			
Adjusted EBITDA[1]	1.12	1.00	0.12
Net earnings	0.40	0.25	0.15
Adjusted net earnings[1]	0.96	0.73	0.23

1. Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 60.
2. FAV: Favourable - UNF: Unfavourable
3. Other expenses (income) include "(Gain) Loss on disposal of investments", "Share of (earnings) loss of joint ventures" and "(Gain) Loss on dilution of investments in joint ventures".

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

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

	December 31, 2014	December 31, 2013
Cash, restricted cash and investments	**25,445**	32,174
Accounts receivable	**59,960**	56,072
Other current assets	**4,654**	3,771
Intangible assets	**292,835**	310,151
Goodwill	**370,161**	357,773
Investment in joint ventures	**9,635**	8,284
Other long-term assets	**9,490**	8,342
Total assets	**772,180**	776,567
Current liabilities	**53,680**	56,329
Deferred income taxes	**20,091**	24,636
Long-term debt	**222,081**	228,262
Purchase price obligations	**36,168**	40,250
Derivative financial instruments	**945**	644
Value of option granted to non-controlling interest	**-**	7,720
Other long-term liabilities	**5,004**	1,685
Total liabilities	**337,969**	359,526
Equity		
Attributable to Company's shareholders	**437,154**	416,083
Attributable to Non-controlling interest	**(2,943)**	958
	434,211	417,041
Total liabilities and equity	**772,180**	776,567

— RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE

Assets under Management

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

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

Table 3 – Assets under Management (in $ millions)[1]

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
AUM - beginning of period	84,875	82,131	67,163	77,485	58,138
Net variance	1,737	2,519	2,067	8,902	4,334
Acquisitions	-	225	8,255	225	15,013
AUM - end of period	86,612	84,875	77,485	86,612	77,485

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

1. AUM include the foreign exchange impact.

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

	September 30, 2014	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisitions	December 31, 2014
Institutional	45,539	651	(233)	(477)	1,234	60	-	46,774
Private Wealth	11,186	443	(53)	31	68	323	-	11,998
Retail	28,150	9	(671)	393	(41)	-	-	27,840
AUM - end of period	84,875	1,103	(957)	(53)	1,261	383	-	86,612

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

Quarterly Activity

Total AUM increased by $1.7 billion, or 2%, to $86.6 billion during the fourth quarter ended December 31, 2014, compared to $84.9 billion as at September 30, 2014. The increase is due primarily to new mandates of $1.1 billion, namely $0.7 billion from the institutional clientele, combined with positive net contributions of $0.3 billion from existing clients and market appreciation of $1.3 billion, partially offset by lost mandates of $1.0 billion during the period. Lastly, the US dollars exchange rate variation positively impacted AUM during the fourth quarter by approximately $0.4 billion.

During the fourth quarter ended December 31, 2014, the institutional clientele generated approximately $650 million of new mandates to the Firm's AUM, fueled by a number of asset classes, most notably global equity, specialized fixed income mandates and real assets. The growth came from clients across North America, which is in line with the Firm's objective of becoming a leading North American asset management firm. On the other hand, lost mandates in the institutional sector over the quarter were primarily the result of internal repatriation of assets as well as consolidation of investment management providers.

The AUM in the private wealth clientele increased by $0.8 billion during the fourth quarter ended December 31, 2014, mainly attributable to new mandates from Bel Air, the positive impact of foreign exchange rate change and market appreciation during the period.

The AUM in the retail clientele decreased by $0.3 billion during the fourth quarter ended December 31, 2014 mainly due to the loss of one mandate which accounts for $0.6 billion from a large client for which the other mandates remained with the Firm. This loss was partially offset by new and net contributions of $0.4 billion as the retail clientele continued to increase net contributions during the fourth quarter of 2014 as a result of improved distribution channels.

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

	December 31, 2013	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisitions	December 31, 2014
Institutional	41,478	2,729	(1,228)	(974)	4,671	98	-	46,774
Private Wealth	10,534	772	(564)	(74)	558	772	-	11,998
Retail	25,473	686	(943)	694	1,705	-	225	27,840
AUM - end of period	77,485	4,187	(2,735)	(354)	6,934	870	225	86,612

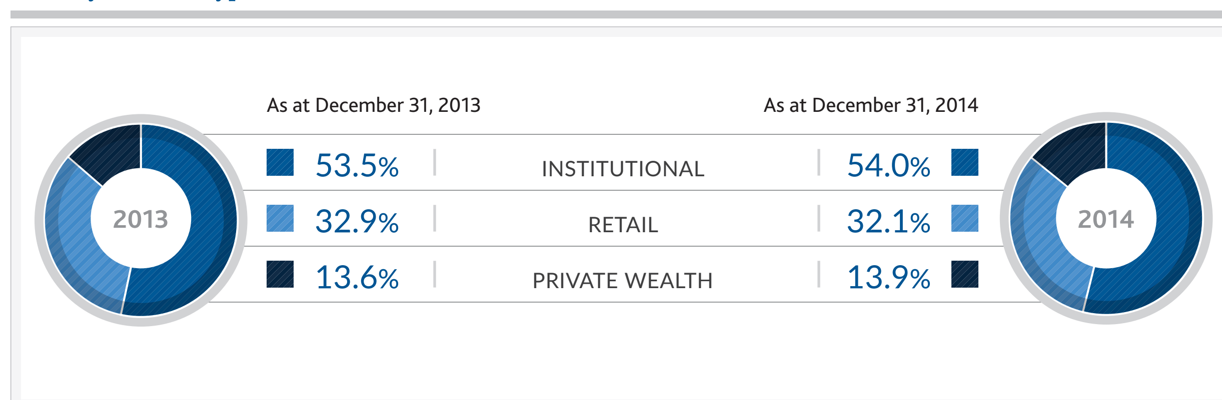
Certain totals, subtotals and percentages may not reconcile due to rounding.

Year-to-Date Activity

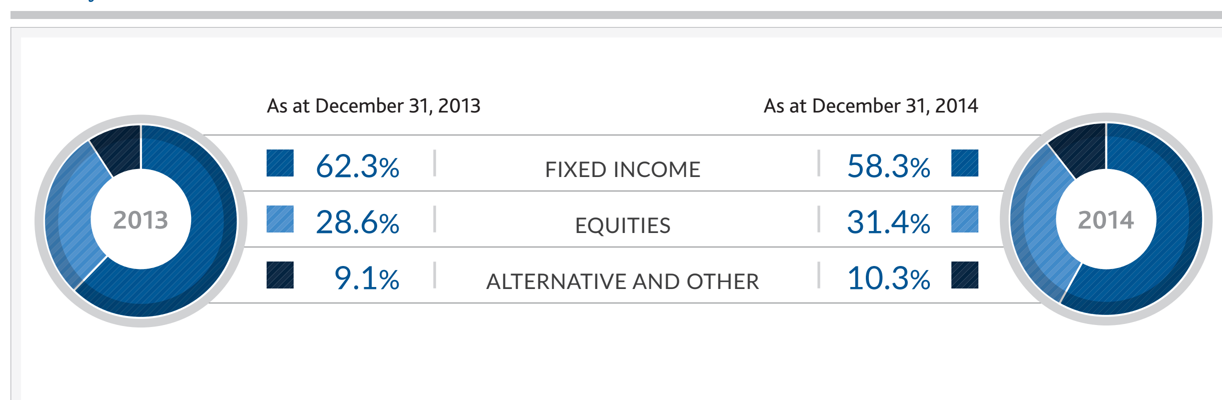
Total AUM increased by $9.1 billion, or 12%, to $86.6 billion during the twelve-month period ended December 31, 2014, compared to $77.5 billion as at December 31, 2013. The increase is due primarily to the market appreciation of $6.9 billion during the period, combined with new mandates of $4.2 billion. These were partially offset by lost mandates of $2.7 billion. Also, foreign exchange rate changes positively impacted AUM during fiscal 2014 by approximately $0.9 billion, as reflected in the above figures.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2013 and December 31, 2014, respectively.

AUM by clientele type



AUM by Asset Class



Revenues

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

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

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

	For the Three-Month Periods Ended			Variance	
	December 31, 2014	September 30, 2014	December 31, 2013	Quarter over Quarter	Year over Year
Institutional	**20,298**	**19,603**	**18,026**	695	2,272
Private Wealth	**16,662**	**15,876**	**10,918**	786	5,744
Retail	**15,542**	**15,168**	**13,858**	374	1,684
Total management fees*	**52,502**	**50,647**	**42,802**	1,855	9,700
Performance fees – Traditional asset class	**5,567**	**97**	**6,529**	5,470	(962)
Performance fees – Alternative asset class	**5,022**	**180**	**4,450**	4,842	572
Total performance fees	**10,589**	**277**	**10,979**	10,312	(390)
Other revenues*	**1,213**	**1,447**	**1,441**	(234)	(228)
Total Revenues	**64,304**	**52,371**	**55,222**	11,933	9,082

* Other revenues for the three-month period ended December 31, 2013, were reclassified to better reflect the business of the Company.
Certain totals, subtotals and percentages may not reconcile due to rounding.

Current Quarter Versus Prior-Year Quarter

Revenues for the fourth quarter ended December 31, 2014 increased by $9.1 million, or 16%, to $64.3 million compared to $55.2 million for the same period last year. The increase in revenues is due mainly to the higher AUM base driving a $9.7 million improvement in management fees, following the acquisition of assets from Bel Air and Wilkinson, and most recently Propel, partially offset by the decrease of $0.2 million in other revenues, particularly brokerage and consulting fees and lower performance fees of $0.4 million, mainly from the traditional asset class.

Management Fees

Management fees increased by $9.7 million, or 23%, to $52.5 million for the fourth quarter ended December 31, 2014, compared to $42.8 million for the same period last year. The overall increase in revenues and the increase by clientele type are as follows:

- Revenues from the Institutional clientele improved by $2.3 million, or 13%, to $20.3 million for the fourth quarter ended December 31, 2014, compared to $18.0 million for the same quarter last year. The improvement is primarily due to the increase in net AUM namely from the U.S. during the fourth quarter of 2014 compared to the same period last year.
- Revenues from the Private Wealth clientele increased by $5.7 million, or 53%, to $16.7 million for the fourth quarter ended December 31, 2014, compared to $10.9 million for the same period last year. The increase is due mainly to a full quarter of operation of Bel Air and Wilkinson O'Grady in the fourth quarter of 2014 compared to two months of operations in the same period of last year, combined with the positive impact of changes in foreign exchange rate.
- Revenues from the Retail clientele increased by $1.6 million, or 12%, to $15.5 million for the fourth quarter ended December 31, 2014, compared to $13.9 million for the same quarter last year. The increase results primarily from additional net AUM in the fourth quarter of 2014 compared to the same period last year and additional revenue from the acquisition of Propel during the fourth quarter of 2014.

Performance Fees

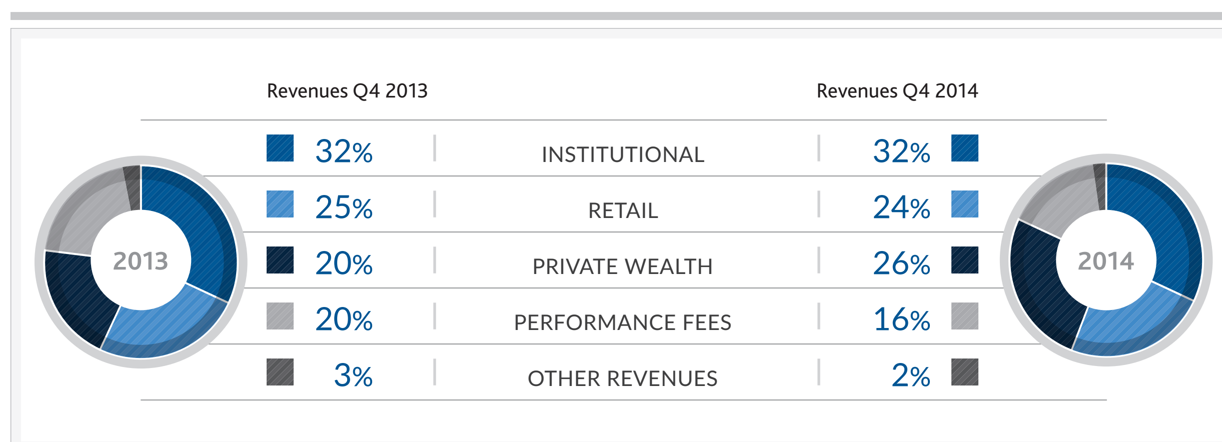
Total performance fees amounted to $10.6 million for the fourth quarter ended December 31, 2014, compared to $11.0 million for the same period last year. The mix of the level of the AUM subject to performance fees and the fund performance resulted in slightly lower performance fee revenues for the quarter ended December 31, 2014. The performance of the traditional asset class was slightly lower with a higher AUM base, combined with a strong performance from the alternative asset class for which the AUM base remained stable.

Other Revenues

Other revenues decreased by $0.2 million, or 16%, to $1.2 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the same period last year. The decrease is mainly attributable to lower revenue from interest and tax planning fees, partially offset by higher brokerage and consulting fees earned during the fourth quarter of 2014 following the acquisition of Bel Air.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended December 31, 2013 and December 31, 2014, respectively.

Revenues



Current Quarter Versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2014 increased by $11.9 million, or 23%, to $64.3 million compared to $52.4 million for the previous quarter ended September 30, 2014. The increase in revenues is mainly attributable to higher performance fees, which are generally recognized in December of each year, combined with higher base management fees resulting from net additional AUM in the fourth quarter of 2014, compared to the previous quarter.

Management Fees

Management fees increased by $1.9 million, or 4%, to $52.5 million for the fourth quarter ended December 31, 2014, compared to $50.6 million for the previous quarter ended September 30, 2014. The increase in management fees is attributable to the higher quarterly average AUM base and the following is the increase by clientele type:

- Revenues from the Institutional clientele increased by $0.7 million, or 3.5%, to $20.3 million for the fourth quarter ended December 31, 2014, compared to $19.6 million for the previous quarter ended September 30, 2014, mainly as a result of new mandates from the U.S. funded toward the end of the quarter, for which revenues will be fully recognized in the upcoming months.
- Revenues from the Private Wealth clientele increased by $0.8 million, or 5%, to $16.7 million for the fourth quarter ended December 31, 2014, compared to $15.9 million for the previous quarter ended September 30, 2014. This increase in revenue is mainly attributable to higher average AUM from Bel Air, combined with the positive impact of foreign exchange rate changes.
- Revenues from the Retail clientele increased by $0.3 million, or 2.5%, to $15.5 million for the fourth quarter ended December 31, 2014, compared to $15.2 million for the previous quarter ended September 30, 2014. The increase is mainly attributable to a full quarter of operation of Propel during the fourth quarter ended December 31, 2014, compared to one month of operation in the previous quarter ended September 30, 2014.

Performance Fees

Total performance fees, which are generally recorded in December of each year, were $10.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.

Revenues from performance fees resulted from the strong performance of the alternative asset class combined with a higher AUM base that are subject to performance fees in the traditional asset class.

Other Revenues

Other revenues decreased by $0.2 million, or 16%, to $1.2 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the previous quarter ended September 30, 2014. The decrease is mainly due to lower interest and tax planning fees.

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

	For The Twelve-Month Periods Ended		Variance
	December 31, 2014	December 31, 2013	Year over Year
Institutional	**76,921**	**67,161**	9,760
Private Wealth	**63,897**	**20,344**	43,553
Retail	**59,794**	**51,892**	7,902
Total management fees[1]	**200,612**	**139,397**	61,215
Performance fees – Traditional asset class	**6,434**	**7,181**	(747)
Performance fees – Alternative asset class	**9,003**	**4,936**	4,067
Total performance fees	**15,437**	**12,117**	3,320
Other revenues[1]	**6,309**	**2,213**	4,096
Total Revenues	**222,358**	**153,727**	68,631

1. Other revenues were reclassified to better reflect the business of the Company.
Certain totals, subtotals and percentages may not reconcile due to rounding.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Revenues for the twelve-month period ended December 31, 2014 increased by $68.6 million, or 45%, to $222.4 million, compared to $153.7 million for the same period last year. The increase in revenues is mainly due to the higher AUM base, driving a $61.2 million improvement in management fees, following the acquisition of assets from UBS Global Asset Management (Canada) Inc. ("UBS"), GMP Capital Inc. ("GMP"), Bel Air, Wilkinson O'Grady and Propel and the Firm's organic growth, combined with increases of $3.3 million in performance fees and $4.1 million in other revenues, particularly brokerage and consulting fees.

Management Fees

Management fees increased by $61.2 million, or 44%, to $200.6 million for the twelve-month period ended December 31, 2014, compared to $139.4 million for the same period last year. The overall increase in revenues and the increase by clientele type are as follows:

- Revenues from the Institutional clientele increased by $9.7 million, or 15%, to $76.9 million for the twelve-month period ended December 31, 2014, compared to $67.2 million for the same period last year. The improvement is mainly due to additional net AUM.
- Revenues from the Private Wealth clientele increased by $43.6 million, or over 100%, to $63.9 million for the twelve-month period ended December 31, 2014, compared to $20.3 million for the same period last year. The increase is mainly due to the inclusion of assets from Bel Air and Wilkinson O'Grady.
- Revenues from the Retail clientele increased by $7.9 million, or 15%, to $59.8 million for the twelve-month period ended December 31, 2014, compared to $51.9 million for the same period last year. The increase is mainly attributable to additional AUM from new mandates, combined with a higher AUM base resulting from market appreciation, and the inclusion of AUM from Propel since September 2014.

Performance Fees

Total performance fees amounted to $15.4 million for the twelve-month period ended December 31, 2014, compared to $12.1 million for the same period last year. This improvement is due to a $4.1 million increase in alternative asset class performance fees resulting from strong fund performance with a stable AUM level, partially offset by a $0.7 million decrease in traditional asset class performance fees revenues resulting from a slightly lower performance with higher AUM levels.

Other Revenues

Other revenues increased by $4.1 million, or over 100%, to $6.3 million for the twelve-month period ended December 31, 2014, compared to $2.2 million for the same period last year. The increase is mainly attributable to the brokerage and consulting fees earned during the full year of operation in 2014 following the Bel Air acquisition, compared to two months of operations during the same period last year.

Selling, General and Administrative Expenses

Current Quarter Versus Prior-Year Quarter

SG&A expenses rose by $7.8 million, or 24%, to $40.2 million for the three-month period ended December 31, 2014, compared to $32.4 million for the same period last year. The increase is mainly due to the inclusion of costs related to the Bel Air, Wilkinson O'Grady and Propel acquisitions, amounting to $6.8 million, $1.1 million, $0.6 million and $0.2 million increases in compensation costs, insurance and reference fees, marketing and servicing and information technology expenses, and rental costs, respectively. These increases are partially offset by a decrease of $0.9 million in professional fee expenses.

Current Quarter Versus Previous Quarter

SG&A expenses increased by $5.4 million, or 15.5%, to $40.2 million for the three-month period ended December 31, 2014, compared to $34.8 million for the previous quarter ended September 30, 2014. The increase is mainly attributable to the rise of $5.1 million in fixed and variable compensation related to incentive performance fees and the inclusion of Propel for a full quarter of operations in the fourth quarter ended December 31, 2014, compared to one month of operation in the previous quarter.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

SG&A expenses increased by $51.6 million, or 55%, to $146.0 million for the twelve-month period ended December 31, 2014, compared to $94.4 million for the same period last year. The increase is mainly due to the inclusion of costs related to GMP (a full year of operations in 2014 compared to eight months in the comparable period of 2013), Bel Air and Wilkinson O'Grady (twelve months of operation in 2014 compared to two months in 2013) and Propel (four months of operation in 2014 compared to nil in 2013), amounting to $39.9 million, $5.5 million, $2.5 million and $1.4 million in compensation costs, marketing and servicing and information technology expenses, insurance and reference fees and rental costs, respectively.

External Managers

Current Quarter Versus Prior-Year Quarter

External managers' expenses increased by $0.3 million, or 22%, to $1.5 million for the fourth quarter ended December 31, 2014, compared to $1.2 million for the same quarter last year. The increase is mainly due to the acquisitions of Bel Air and Propel.

Current Quarter Versus Previous Quarter

External managers' expenses increased by $0.1 million, or 5%, to $1.5 million for the fourth quarter ended December 31, 2014, compared to $1.4 million for the previous quarter ended September 30, 2014. The increase is mainly due to the acquisition of Propel.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

External managers' expenses rose by $2.3 million, or 79%, to $5.1 million for the twelve-month period ended December 31, 2014, compared to $2.9 million for the same period last year. The increase is mainly due to the Bel Air and Propel acquisitions.

Depreciation and Amortization

Current Quarter Versus Prior-Year Quarter

Depreciation of property and equipment increased by $0.2 million, or 67%, to $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.4 million from the corresponding quarter last year.

Amortization of intangible assets increased by $0.5 million, or 8%, to $6.7 million for the fourth quarter ended December 31, 2014, compared to $6.2 million for the same period last year, following the acquisition of intangible assets from Bel Air, Wilkinson O'Grady and Propel.

Current Quarter Versus Previous Quarter

Depreciation of property and equipment increased by $0.3 million, or 78%, to $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.3 million for the previous quarter ended September 30, 2014.

Amortization of intangible assets increased by $0.2 million, or 4%, to $6.6 million for the fourth quarter ended December 31, 2014, compared to $6.4 million for the previous quarter ended September 30, 2014, following the acquisition of Propel.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Depreciation of property and equipment increase by $0.4 million, or 29%, to $1.7 million for the twelve-month period ended December 31, 2014, compared to $1.3 million for the same period last year.

Amortization of intangible assets increased by $6.6 million, or 35%, to $25.7 million for the twelve-month period ended December 31, 2014, compared to $19.1 million for the same period last year, following the acquisition of intangible assets from GMP (twelve months of operations in 2014 compared to eight months in the comparable period of 2013), Bel Air, Wilkinson O'Grady and Propel.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter Versus Prior-Year Quarter

The interest on long-term debt and other financial charges increased by $0.3 million, or 13%, to $2.3 million for the fourth quarter ended December 31, 2014, compared to $2.0 million for the same quarter last year. The increase is mainly attributable to additional long-term debt related to the Bel Air and Wilkinson O'Grady acquisitions.

Current Quarter Versus Previous Quarter

The interest on long-term debt and other financial charges remained relatively stable at $2.3 million for the fourth quarter ended December 31, 2014, compared to $2.2 million for the previous quarter ended September 30, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

The interest on long-term debt and other financial charges increased by $1.1 million, or 15%, to $8.0 million for the twelve-month period ended December 31, 2014, compared to $6.9 million for the same period last year. The increase is mainly attributable to additional interest on long-term debt resulting from incremental borrowings related to the Bel Air and Wilkinson O'Grady acquisitions.

Accretion and Change in Fair Value of Purchase Price Obligations

Current Quarter Versus Prior-Year Quarter

The accretion and change in fair value of purchase price obligations represented a charge of $0.6 million for the fourth quarter ended December 31, 2014, compared to a gain of $1.3 million for the same quarter last year. The variance is mainly due to the reversal of $2 million of the purchase price obligation recorded in the fourth quarter of 2013 related to the acquisition of assets from Canadian Wealth Management Group Inc. ("CWM") since the Company reviewed the assets under management and concluded that the conditions required to trigger the contingent payment of $2 million were not met.

Current Quarter Versus Previous Quarter

The accretion and change in fair value of purchase price obligations remained stable at $0.6 million for the fourth quarter ended December 31, 2014, compared to $0.6 million for the previous quarter ended September 30, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

The accretion and change in fair value of purchase price obligations increased by $2.0 million, or over 100%, to $2.6 million for the twelve-month period ended December 31, 2014, compared to $0.6 million for the same period last year. The increase is due mainly to the reversal of $2 million of the purchase price obligation related to the acquisition of CWM assets recorded in the fourth quarter of 2013.

Acquisition and Restructuring and Other Integration Costs

Current Quarter Versus Prior-Year Quarter

Acquisition and restructuring and other integration costs decreased by $0.9 million, or 32%, to $2.0 million for the fourth quarter ended December 31, 2014, compared to $2.9 million for the same period last year. This decrease is mainly due to costs related to the acquisition of Bel Air and Wilkinson recorded during the fourth quarter ended December 31, 2013.

Current Quarter Versus Previous Quarter

Acquisition and restructuring and other integration costs increased by $0.8 million, or 64%, to $2.0 million for the fourth quarter ended December 31, 2014, compared to $1.2 million for the previous quarter ended September 30, 2014. This increase is mainly attributable to higher costs related to Propel and Samson acquisitions (as identified in the subsequent event section).

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

Acquisition and restructuring and other integration costs decreased by $2.9 million, or 36%, to $5.2 million for the twelve-month period ended December 31, 2014, compared to $8.1 million for the same period last year. This decrease is mainly attributable to the higher costs related to the acquisition of assets from UBS, GMP, Bel Air and Wilkinson in 2013.

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

The Company recorded $8.3 million of gain related to changes in the fair value of derivative financial instruments for the fourth quarter ended December 31, 2014, which include a gain of $8.4 million from the value of the option granted to non-controlling interest, net of that, the gain would have been an expense of $0.1 million for the quarter ended December 31, 2014, compared to a charge of $0.1 million for the previous quarter ended September 30, 2014, and compared to a gain of $0.4 million for the fourth quarter ended December 31, 2013.

During the fourth quarter ended December 31, 2014, an impairment of non-financial assets of $8.0 million was recorded.

The value of the option granted to non-controlling interest is based on a formula that was agreed upon by all parties during the acquisition of the selected alternative asset management funds of GMP. This formula uses the present value of the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees. The actual performance of the subsidiary will affect the value of the option. Forecasts are monitored and updated on a monthly basis, and the value of the option is recalculated at the end of each reporting period. During the fourth quarter of 2014, the Company completed the annual budget for fiscal 2015 and recalculated the option value using the most recent EBITDA attributable to Fiera Quantum L.P. As a result, as at December 31, 2014, the Company determined that the value of the option was nil. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

Adjusted EBITDA[1]

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

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

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenues					
Base management fees	52,502	50,647	42,802	200,612	139,397
Performance fees	10,589	277	10,979	15,437	12,117
Other revenues	1,213	1,447	1,441	6,309	2,213
Total revenues	64,304	52,371	55,222	222,358	153,727
Expenses					
Selling, general and administrative	40,150	34,775	32,388	145,967	94,357
External managers	1,490	1,420	1,221	5,107	2,858
Total expenses	41,640	36,195	33,609	151,074	97,215
EBITDA	22,664	16,176	21,613	71,284	56,512
Add back: Non-cash compensation	2,156	1,909	1,328	6,940	2,716
Adjusted EBITDA	24,820	18,085	22,941	78,224	59,228
Per share basic[2]	0.36	0.26	0.36	1.14	1.01
Per share diluted[2]	0.35	0.26	0.35	1.12	1.00

1. Adjusted EBITDA is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 60.
2. Adjusted EBITDA include EBITDA attributable to the Company's shareholders and non-controlling interest.

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

Current Quarter Versus Prior-Year Quarter

For the fourth quarter ended December 31, 2014, adjusted EBITDA increased by $1.9 million, or 8%, to $24.8 million, or $0.36 per share (basic) and $0.35 (diluted), compared to $22.9 million, or $0.36 per share (basic) and $0.35 (diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2014, was driven by an increase in base management fees compared to the same period last year, mainly due to the acquisition of the Bel Air, Wilkinson O'Grady and Propel assets. These items were partially offset by an overall increase in operating expenses, including SG&A and external managers' expenses due to the inclusion of the acquired GMP, Bel Air, Wilkinson O'Grady and Propel operations.

Current Quarter Versus Previous Quarter

For the fourth quarter ended December 31, 2014, adjusted EBITDA increased by $6.7 million, or 37%, to $24.8 million, or $0.36 per share (basic) and $0.35 (diluted), compared to $18.1 million, or $0.26 per share (basic and diluted), from the previous quarter ended September 30, 2014. The increase is mainly attributable to higher performance fees in both alternative and traditional asset class which are generally recorded in December of each year, combined with higher base management fees, partially offset by higher SG&A expenses as described in the SG&A section.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, adjusted EBITDA increased by $19.0 million, or 32%, to $78.2 million, or $1.14 per share (basic) and $1.12 (diluted), compared to $59.2 million, or $1.01 per share (basic) and $1.00 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2014, is mainly attributable to an increase in base management fees resulting from the acquisition of the GMP, Bel Air, Wilkinson O'Grady and Propel assets. These items were partially offset by an overall rise in operating expenses, including SG&A and external managers' expenses due to the inclusion of the acquired GMP, Bel Air, Wilkinson O'Grady and Propel operations.

Net Earnings

Table 9 - Net Earnings and Adjusted Net Earnings[1] (in $ thousands except per share data)

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net earnings attributable to the Company's shareholders	**12,090**	**5,053**	**8,481**	**27,492**	**14,939**
Depreciation of property and equipment	611	343	367	1,733	1,341
Amortization of intangible assets	6,655	6,411	6,164	25,700	19,083
Non-cash compensation items	2,156	1,909	1,328	6,940	2,716
Impairment of non-financial assets[2]	8,016	-	-	8,016	-
Changes in fair value of derivative financial instruments[2]	(8,284)	50	(390)	(7,419)	(426)
Non-cash items	**9,154**	**8,713**	**7,469**	**34,970**	**22,714**
Restructuring and other integration costs[2]	1,174	654	67	3,127	1,509
Acquisition costs[2]	824	561	2,878	2,079	6,572
Acquisition and restructuring and other integration costs	**1,998**	**1,215**	**2,945**	**5,206**	**8,081**
Adjusted net earnings before income taxes on above-mentioned items[2]	**23,242**	**14,981**	**18,895**	**67,668**	**45,734**
Income taxes on above-mentioned items[2]	(269)	380	767	953	2,297
Adjusted net earnings attributable to the Company's shareholders	**23,511**	**14,601**	**18,128**	**66,715**	**43,437**
Per share – basic					
Net earnings	**0.18**	**0.07**	**0.13**	**0.40**	**0.26**
Adjusted net earnings[1]	**0.34**	**0.21**	**0.28**	**0.97**	**0.74**
Per share – diluted					
Net earnings	**0.18**	**0.07**	**0.13**	**0.40**	**0.25**
Adjusted net earnings	**0.34**	**0.21**	**0.27**	**0.96**	**0.73**

1. Adjusted net earnings are a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 60.
2. Income tax on Changes in fair value of derivative financial instruments, acquisitions and restructuring and other integration costs is estimated by using a tax rate of 30%

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

Current Quarter Versus Prior-Year Quarter

The Firm's net earnings attributable to the Company's shareholders increased by $3.6 million to $12.1 million, or $0.18 per share (basic and diluted), during the fourth quarter ended December 31, 2014, compared to $8.5 million, or $0.13 per share (basic and diluted) for the same quarter last year. The increase in net earnings attributable to the Company's shareholders is mainly due to increases of $9.7 million in base management fees, combined with lower acquisition costs of $2.1 million. The increase in revenues was partly offset by increases of $8.0 million, $1.9 million and $1.1 million in SG&A and external managers' expenses, accretion and change in fair value of purchase price obligation and restructuring and other integration costs, respectively.

Current Quarter Versus Previous Quarter

For the fourth quarter ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), compared to $5.1 million, or $0.07 per share (basic and diluted), for the previous quarter ended September 30, 2014. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a $10.3 million increase in performance fees, which are generally recorded in December of each year, combined with a $1.9 million increase in base management fees. The increase in revenues was partly offset by higher corporate expenses, namely in SG&A and external managers' expenses and acquisition and restructuring and other integration costs.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, the Firm recorded net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), compared to $14.9 million, or $0.26 per share (basic) and $0.25 (diluted) for the same period last year. The increase in net earnings attributable to the Company's shareholders is mainly attributable to a $61.2 million increase in base management fees, a $3.3 million increase in performance fees and an increase of $4.1 million in other revenues, mainly in brokerage and consulting fees. These elements were partly offset by increases of $53.9 million, $7.0 million, $1.6 million in SG&A and external managers' expenses and depreciation and amortization costs and restructuring and other integration costs, respectively, combined with $2.0 million of unfavorable changes in accretion on purchase price obligations. Moreover, lower acquisition costs during the twelve-month period ended December 31, 2014, have also contributed to the increase in net earnings relative to the same period last year.

Adjusted Net Earnings

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

Current Quarter Versus Prior-Year Quarter

During the fourth quarter ended December 31, 2014, net earnings attributable to the Company's shareholders were negatively affected by $10.0 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments and impairment of non-financial assets ($9.2 million before taxes), or $0.14 per share (basic and diluted), and by $1.4 million, or $0.02 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($2.0 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $12.1 million, or $0.18 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $23.5 million, or $0.34 per share (basic and diluted) for the fourth quarter ended December 31, 2014.

During the fourth quarter ended December 31, 2013, net earnings attributable to the Company's shareholders were negatively affected by $7.6 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($7.5 million before taxes), or $0.12 per share (basic) and $0.11 (diluted), and by $2.1 million, or $0.03 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($2.9 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $8.5 million, or $0.13 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $18.1 million, or $0.28 per share (basic) and $0.27 (diluted) for the fourth quarter ended December 31, 2013.

Current Quarter Versus Previous Quarter

During the previous quarter ended September 30, 2014, net earnings attributable to the Company's shareholders were negatively affected by $8.7 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments ($8.7 million before taxes), or $0.13 per share (basic and diluted), and by $0.8 million, or $0.01 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes (or $1.2 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $5.1 million, or $0.07 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $14.6 million, or $0.21 per share (basic and diluted) for the third quarter ended September 30, 2014, compared to adjusted net earnings attributable to the Company's shareholders of $23.5 million or $0.34 per share (basic and diluted) for the fourth quarter ended December 31, 2014.

Year-to-Date December 31, 2014 Versus Year-to-Date December 31, 2013

For the twelve-month period ended December 31, 2014, net earnings attributable to the Company's shareholders were negatively affected by $35.6 million of non-cash items, net of income taxes on the changes in fair value of derivative financial instruments and impairment of non-financial assets ($35.0 million before taxes), or $0.52 per share (basic) and $0.51 (diluted), and by $3.6 million, or $0.05 per share (basic and diluted), of acquisition and restructuring and other integration costs, net of income taxes ($5.2 million before taxes). When added back to the Firm's net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), adjusted net earnings attributable to the Company's shareholders amounted to $66.7 million, or $0.97 per share (basic) and $0.96 (diluted) for the twelve-month period ended December 31, 2014, compared to $43.4 million or $0.74 per share (basic) and $0.73 (diluted) for the same period last year.

SUMMARY OF QUARTERLY RESULTS

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

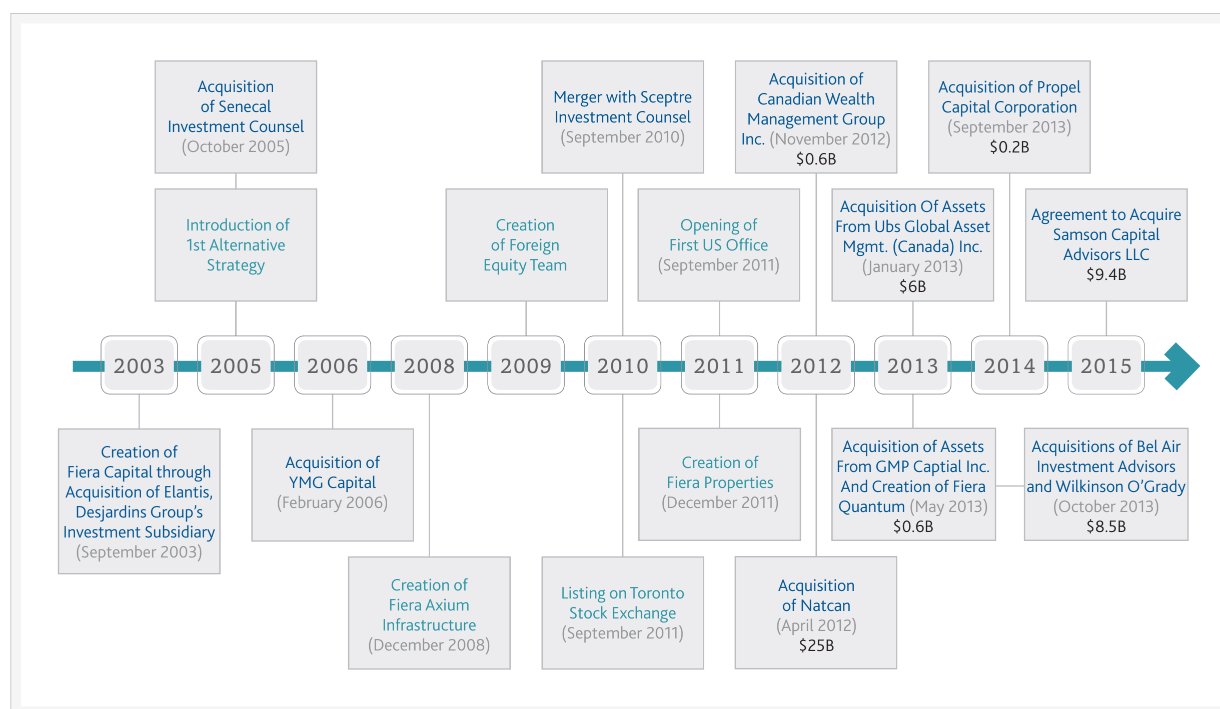
Table 10 – Quarterly Results (in $ thousands except AUM in $ millions and per share data)

	Last Twelve Months[4]	Q4 Dec. 31 2014	Q3 Sep. 30 2014	Q2 Jun. 30 2014	Q1 Mar. 31 2014	Q4 Dec. 31 2013	Q3 Sep. 30 2013	Q2 Jun. 30 2013	Q1 Mar. 31 2013
AUM[1]	83,508	86,612	84,875	82,131	80,412	77,485	67,163	65,092	65,702
Total revenues	222,358	64,304	52,371	55,720	49,963	55,222	35,111	33,178	30,216
Adjusted EBITDA[2]	78,223	24,280	18,085	20,191	15,127	22,941	12,085	12,858	11,344
Adjusted EBITDA margin	35.2%	38.6%	34.5%	36.2%	30.3%	41.5%	34.4%	38.8%	37.5%
Net earnings attributable to Company's shareholders	27,492	12,090	5,053	7,671	2,678	8,481	1,508	3,365	1,586
PER SHARE – BASIC									
Adjusted EBITDA[2]	1.14	0.36	0.26	0.30	0.22	0.36	0.22	0.23	0.20
Net earnings attributable to the Company's shareholders	0.40	0.18	0.07	0.11	0.04	0.13	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders[2]	0.97	0.34	0.21	0.23	0.18	0.28	0.16	0.16	0.13
PER SHARE – DILUTED									
Adjusted EBITDA[2]	1.12	0.35	0.26	0.29	0.22	0.35	0.22	0.23	0.20
Net earnings attributable to the Company's shareholders	0.40	0.18	0.07	0.11	0.04	0.13	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders[2]	0.96	0.34	0.21	0.23	0.18	0.27	0.16	0.16	0.13
PER SHARE – DILUTED									
(Including non-cash compensation and options granted)[3]									
Adjusted EBITDA[2]	1.05	0.33	0.24	0.28	0.20	0.33	0.20	0.22	0.19
Net earnings attributable to the Company's shareholders	0.37	0.16	0.07	0.10	0.04	0.12	0.03	0.06	0.03
Adjusted net earnings attributable to the Company's shareholders[2]	0.90	0.31	0.20	0.22	0.17	0.26	0.15	0.15	0.13

1. AUM as at March 31, 2013 and before were restated to include Fiera Axium and Fiera Properties AUM.
2. Adjusted EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 60.
3. This analysis assumes that all outstanding stock-based awards will vest and will be settled with shares of the Company (including 3,346,037 share options; 1,699,508 PSUs and 540,508 RSUs as at December 31, 2014. Per share measures as at September 30, 2013 and before were restated for calculation consistency.
4. Last Twelve Months ("LTM") represents the sum of the last four quarters, except for AUM, which are average of last four quarters.

Results and Trend Analysis

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



AUM

The current quarter continued to show an increase in AUM compared to the previous quarter mainly due to new mandates won in the institutional clientele notably in the U.S., combined with market appreciation and favourable impact of foreign exchange rates. The previous quarter ended September 30, 2014 showed a significant increase in AUM compared to the quarter ended June 30, 2014, mainly due to large mandates won in the institutional clientele namely in the U.S., combined with market appreciation and additional assets following the acquisition of Propel. The increase in AUM in the second quarter of 2014 compared to the first quarter of 2014 is mainly attributable to market appreciation and new mandates, partially offset by lost mandates and net negative contribution. The increase in AUM in the first quarter of 2014 compared to the fourth quarter of 2013 is mainly attributable to new mandates and market appreciation from one quarter to the next. The rise in AUM in the fourth quarter of 2013 compared to the quarter ended September 30, 2013, is primarily due to the Bel Air and Wilkinson O'Grady acquisitions, combined with additional AUM from new mandates. AUM increased in the third quarter of 2013 compared to the second quarter ended June 30, 2013, mainly due to additional AUM from new mandates in the institutional clientele combined with market appreciation during the period. AUM increased in the second quarter ended June 30, 2013 compared to previous quarters due to the acquisition of assets from GMP, combined with market appreciation as well as additional net AUM. The acquisition of UBS assets in January 2013 contributed to the increase in AUM in the quarter ended March 31, 2013 compared to the previous quarter ended December 31, 2012.

Revenues

Since the acquisition of Bel Air and Wilkinson in late 2013, the Firm's revenues stream is balanced between the institutional, retail and private wealth clientele and has been constantly progressing.

The current quarter showed a significant increase in revenues mainly due to the inclusion of performance fees from both traditional and alternative asset classes which are generally recorded in December of each year. Also, revenue from base management fees in the fourth quarter of 2014 were higher than those from the third quarter of 2014. For nine consecutive quarters since the quarter ended December 31, 2012, revenues have been on a continuous growth path.

The third quarter ended September 30, 2014, showed an increase in base management fees compared to the quarter ended June 30, 2014. Performance fees were lower in the third quarter of 2014 compared to the second quarter of 2014 due to the fact that they are generally recorded in June of each year. The increase in revenues in the second quarter of 2014 compared to the first quarter of 2014 is mainly attributable to the increase in base management and performance fees in the alternative asset class. The previous quarter ended March 31, 2014 was characterized by an increase in base management fees and other revenue resulting from a full quarter of Bel Air and Wilkinson O'Grady operations and net additional AUM, combined with market appreciation. During the quarter ended December 31, 2013, revenues increased due to the inclusion of Bel Air and Wilkinson O'Grady operations, combined with higher performance fees in both traditional and alternative asset classes, which are generally earned in the fourth quarter of each year. Revenues for the quarter ended September 30, 2013 increased

mainly due to positive net contributions and new mandates. The quarter ended June 30, 2013 also demonstrated an increase compared to the previous quarter as a result of the acquisition of assets from UBS and GMP. Revenues in the quarter ended March 31, 2013 decreased slightly compared to the quarter ended December 31, 2012, mainly due to timing of performance fees generally earned in the quarter ending in December of each year.

Adjusted EBITDA

Adjusted EBITDA has been on an increasing trend over the last eight quarters. Adjusted EBITDA increased in the fourth quarter of 2014 compared to those from the third quarter of 2014, mainly due to higher performance fees which are generally recorded in December of each year, combined with higher base management fee revenues. Adjusted EBITDA decreased in the third quarter of 2014 compared to the second quarter of 2014, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June of each year

Adjusted EBITDA increased in the second quarter of 2014 compared to the first quarter of 2014, mainly due to higher base management and performance fees, combined with lower SG&A expenses, particularly relating to variable compensation. The first quarter ended March 31, 2014 showed a decrease in adjusted EBITDA compared to the previous quarter, mainly due to lower performance fees and higher SG&A expenses. The increase in SG&A is mainly due to the inclusion of a full quarter of Bel Air and Wilkinson O'Grady operations, combined with higher performance-based investment manager compensation. The previous quarter ended December 31, 2013 was positively impacted by additional AUM base revenues resulting from the Bel Air and Wilkinson O'Grady acquisitions, as well as by higher performance fees which are generally recognized in the quarter ending in December of each year. The quarter ended September 30, 2013 benefited from positive net contributions, market appreciation and new mandates. The quarter ended June 30, 2013 also showed an increase compared to the previous quarter ended March 31, 2013 following the acquisition of assets from UBS and GMP.

Adjusted EBITDA Margin

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

Adjusted EBITDA margin has fluctuated from a low of 30.3% to a high of 41.5% during the most recent eight quarters. The quarters following the Natcan Investment Management Inc. ("Natcan") acquisition in 2012 have shown an adjusted EBITDA margin ranging from 36.8% to 41.1% due to higher revenues and cost savings from post-acquisition synergies. The quarters ended December 31, 2012 and 2013 had a high adjusted EBITDA margin, approximately 41%, due to high performance fees which are generally earned in the fourth quarter of each year. The quarter ended September 30, 2013 had an adjusted EBITDA margin of 34.4% due to the overall rise in SG&A expenses resulting mainly from higher performance-based compensation earned by the investment teams. The quarter ended June 30, 2014 had an adjusted EBITDA margin of 36.2% mainly due to higher base management fees, higher performance fees in the alternative asset class, combined with lower SG&A expenses, particularly related to variable compensation. The third quarter ended September 30, 2014 had an adjusted EBITDA margin of 34.5%, a lower level compared to the previous quarter, mainly due to lower performance fees in the alternative asset class, which are generally recorded in June of each year. The current quarter ended December 31, 2014 had an adjusted EBITDA margin of 38.6%, a higher level compared to the previous quarter, mainly attributable to higher performance fees which are generally recorded in December of each year, combined with higher base management fees as a result of higher base AUM.

On a twelve-month basis, the current LTM adjusted EBITDA margin was at 35.2%, which compares to the LTM adjusted EBITDA margin of 35.8 % and 35.9% reported as at September 30, 2014, and June 30, 2014, respectively. The LTM adjusted EBITDA margin neutralizes the impact of the timing of performance fees which are generally recorded in the fourth quarter of each year as well as the rise in SG&A expenses in recent quarters resulting from various acquisitions and provides a better measure of the Firm's overall performance.

Net Earnings Attributable to the Company's Shareholders

Net earnings attributable to the Company's shareholders have fluctuated from a low of $1.5 million to a high of $12.1 million. Net earnings attributable to the Company's shareholders were impacted by various initiatives resulting in higher SG&A expenses, acquisitions and restructuring and other integration costs. Also, performance fees generally recorded in the fourth quarter of each year contributed to the fluctuation of the net earnings attributable to the Company's shareholders.

The current quarter's net earnings attributable to the Company's shareholders were higher than those of the previous quarter ended September 30, 2014, mainly due to higher performance fees which are generally recorded in December of each year, combined with higher base management fees as a result of higher base AUM.

Adjusted Net Earnings Attributable to the Company's Shareholders

Adjusted net earnings attributable to the Company's shareholders per share are a good performance indicator of the Company's ability to generate cash flows. Adjusted net earnings attributable to the Company's shareholders have fluctuated from a low of $0.13 per share (basic and diluted) to a high of $0.34 per share (basic and diluted).

The quarter ended December 31, 2012, had adjusted net earnings attributable to the Company's shareholders of $0.16 per share (basic and diluted), mainly due to additional performance fees earned in this period. The quarter ended March 31, 2013, showed adjusted net earnings attributable to the Company's shareholders of $0.13 per share (basic and diluted), mainly due to lower performance fees recorded in that period. During the following quarter and the quarter ended September 30, 2013, the Company recorded adjusted net earnings attributable to the

Company's shareholders of $0.16 and $0.15 per share (basic and diluted), respectively. The quarter ended December 31, 2013, closed with high adjusted net earnings attributable to the Company's shareholders of $0.29 per share (basic) and $0.28 per share (diluted), mainly due to higher base management fees combined with higher performance fees in the traditional and alternative asset classes recorded in the fourth quarter of that year. During the first quarter of 2014 and the second quarter ended June 30, 2014, the Company recorded adjusted net earnings attributable to the Company's shareholders of $0.18 and $0.23 per share (basic and diluted), respectively.

For the current quarter ended December 31, 2014, adjusted net earnings attributable to the Company's shareholders were $0.34 per share (basic and diluted), representing an increase from the previous quarter mainly due to higher performance fees and higher base management fees.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

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

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

	For The Twelve-Month Periods Ended	
	December 31, 2014	December 31, 2013
Cash generated by operating activities	**63,735**	35,002
Cash used in investing activities	**(20,712)**	(201,368)
Cash (used in) generated by financing activities	**(48,987)**	181,918
Increase (Decrease) in cash	**(5,964)**	15,552
Effect of exchange rate changes on cash denominated in foreign currencies	**1,070**	206
Cash, beginning of period	**21,774**	6,016
Cash, end of period	**16,880**	21,774

Cash generated by operating activities amounted to $63.7 million for the twelve-month period ended December 31, 2014, compared to $35.0 million for the same period last year. The variation of $28.7 million is mainly attributable to a $19.0 million increase in adjusted EBITDA as describe in the "Adjusted EBITDA" section, combined with $13.1 million cash inflows from the changes in non-cash operating working capital items, partially offset by an increase of $8.4 million in income tax paid during the twelve-month period ended December 31, 2014, compared to the same period last year.

Cash used in investing activities amounted to $20.7 million for the twelve-month period ended December 31, 2014, compared to $201.4 million of cash used in the twelve-month period ended December 31, 2013. The year-over-year variation is mainly attributable to the acquisition of UBS, GMP, Bel Air and Wilkinson assets during the twelve-month period ended December 31, 2013.

Cash used in financing activities totaled $49 million for the twelve-month period ended December 31, 2014, compared to $181.9 million of cash generated by financing activities for the same period last year. The year-over-year variation is attributable mainly to additional borrowings related to the acquisition of UBS, GMP, Bel Air and Wilkinson assets during the twelve-month period ended December 31, 2013.

Finally, the positive impact of exchange rate changes on cash denominated in foreign currencies was $1.1 million during the twelve-month period ended December 31, 2014, compared to a positive impact of $0.2 million for the same period last year. The year-over-year variation is mainly due to a full year of operation of Bel Air and Wilkinson in 2014, compared to two months of operations of Bel Air and Wilkinson in 2013.

Cash Earnings[1]

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

The following table provides details of the Firm's cash earnings and cash earnings per share for the twelve-month periods ended December 31, 2014 and 2013, respectively.

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

	For The Twelve-Month Periods Ended	
	December 31, 2014	December 31, 2013
Net earnings attributable to the Company's shareholders	27,492	14,939
Adjusted for the following items:		
Depreciation of property and equipment	1,733	1,341
Amortization of intangible assets	25,700	19,083
Non-cash compensation	6,940	2,716
Impairment of non-financial assets	8,016	-
Changes in fair value of derivative financial instruments	(7,419)	(426)
Cash earnings attributable to the Company's shareholders	62,462	37,653
Cash earnings per share (basic)	0.91	0.64
Cash earnings per share (diluted)	0.90	0.63

1. Cash earnings and cash earnings per share are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 60.

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

For the twelve-month period ended December 31, 2014, earnings attributable to the Company's shareholders were negatively affected by $27.4 million of depreciation of property and equipment, and amortization of intangible assets, and by $7.5 million of non-cash compensation, impairment of non-financial assets and change in fair value of derivative financial instruments, compared to $20.4 million and $2.3 million for the same period last year, respectively. When added back to the Firm's net earnings attributable to the Company's shareholders of $27.5 million, or $0.40 per share (basic and diluted), cash earnings attributable to the Company's shareholders amounted to $62.5 million, or $0.91 per share (basic) and $0.90 (diluted) for the twelve-month period ended December 31, 2014, compared to $37.7 million or $0.64 per share (basic) and $0.63 (diluted) for the same period last year.

Long-Term Debt

Fiera Capital Corporation has in place a $250.0 million unsecured credit facility ("Credit Facility") consisting of:

a) $75.0 million revolving facility maturing in April 2017 and;

b) $175.0 million term facility maturing in April 2017.

On October 31, 2013, the Company amended its $118.0 million credit facility which consisted of a $10.0 million revolving facility and a $108.0 million term facility to a $250.0 million Credit Facility. The amended Credit Facility bears interest at prime rate plus a premium varying from 0% to 2.25% or at banker's acceptance rate plus a premium varying from 1.00% to 2.25% (2.25% as at December 31, 2014), matures on April 3, 2017, and is repayable in quarterly instalments of $3.375 million starting in June 2015 up to April 2017. The instalments that are due in June 2015 have been classified as non-current since the Company has the ability to refinance the term facility using the undrawn portion of the revolving facility. The revolving facility can also be used for general corporate purposes, to finance permitted acquisitions and was used to finance a portion of the Bel Air and Wilkinson O'Grady acquisitions.

During the year ended December 31, 2014, the Company converted $45.5 million from its term facility to US$41.597 million. In addition, the Company reduced the drawing under its revolving facility by US$12.3 million. As at December 31, 2014, the total amount of long-term debt included US$41.597 million outstanding on the term facility and US$39.0 million outstanding on the revolving facility (US$51.3 million was outstanding on the revolving facility as at December 31, 2013).

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions are composed of ratio of funded debt to EBITDA and interest coverage ratio. EBITDA, a non IFRS measure, is defined in the Credit Facility on a consolidated basis, as earnings of the Borrower before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items and shall include various items. As at December 31, 2014, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement of a notional amount of $108.0 million, which consists of exchanging its variable rate for a fixed rate of 1.835% ending in March 2017, payable in monthly instalments. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2014:

Table 13 – Contractual Obligations ($ in thousands)

	Carrying Amount	Total	2015	2016	2017	Thereafter
Long-Term Debt	223,000	223,000	10,125	13,500	199,375	-
Purchase Price Obligations	44,668	52,000	8,500	10,500	8,500	24,500
Operating Leases	n/a	21,422	8,231	4,505	4,281	4,405
Total Obligations	n/a	296,422	26,856	28,505	212,156	28,905

Contingent Liabilities

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

Off-Balance Sheet Arrangements

At December 31, 2014, Fiera Capital was not party to any off-balance sheet arrangements, including guarantees, derivatives, except for the above-mentioned floating-to-fixed interest rate swap agreement, and variable-interest entities. We do not expect to enter into such agreements.

Share Capital

As at December 31, 2014, the Company had 48,715,873 Class A subordinate voting shares and 20,039,750 Class B special voting shares for a total of 68,755,623 outstanding shares compared to 46,639,057 Class A subordinate voting shares and 20,798,008 Class B special voting shares for a total of 67,437,065 outstanding shares as at December 31, 2013.

Preferred Shares

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

Shares Issued

As part of the acquisition of Bel Air, the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares valued at US$9.8 million. This commitment represents an equity component that was recorded as hold back shares at a discounted value of US$8.4 million ($8.8 million). During the second quarter ended June 30, 2014, the first tranche amounting to 277,578 hold back shares were issued and effectively converted into Class A Shares and a value of $3.1 million was transferred from the caption hold back shares to share capital.

On the same day as the conversion of the first tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada ("National Bank") for $1.8 million. The amount of $1.8 million was received on July 2, 2014. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement. The National Bank anti-dilution rights allow National Bank to participate in future issuances of shares upon the occurrence of certain dilutive events in order for National Bank to maintain its ownership percentage.

In connection with the agreement described above, the Company also issued two subscription receipts to National Bank, each providing for the issuance of 149,469 Class A Shares, at a pre-determined price of $12.24, to be exchanged into shares concurrently with the second and third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been transferred to an escrow account but the release from the escrow is conditional on the issuance of the hold back shares. As such, the amounts have been recorded as an asset and a liability for an amount of $3.4 million, of which $1.7 million is presented as a current asset/liability.

Shares issued as settlement of purchase price obligations

On November 3, 2014, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 642,275 Class A Shares for $8.5 million as settlement of purchase price obligations.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the twelve-month period ended December 31, 2014, and 2013, under the terms of the Company's stock option plan:

Table 14 – Options Transactions

	December 31, 2014		December 31, 2013	
	Number of Class A Share Options	Weighted-Average Exercise Price ($)	Number of Class A Share Options	Weighted-Average Exercise Price ($)
Outstanding – beginning of year	2,942,522	8.12	2,290,393	6.92
Granted	692,427	13.43	823,000	10.77
Exercised	(249,236)	6.77	(170,871)	4.84
Forfeited	(32,176)	8.10	-	-
Expired	(7,500)	5.59	-	-
Outstanding – end of year	3,346,037	9.32	2,942,522	8.12
Options exercisable – end of year	1,230,298	6.55	999,690	6.48

Deferred share unit plan ("DSU")

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

As at December 31, 2014, management had recorded a liability for an amount of approximately $0.174 million for the 13,681 units ($0.186 million for 13,214 units as at December 31, 2013) outstanding under the DSU Plan.

Employee share purchase plan ("ESPP")

On October 6, 2011, the Board adopted an Employee Share Purchase Plan ("ESPP") for the purposes of attracting and retaining eligible employees, therefore allowing them to participate in the growth and development of the Company. The maximum number of issuable shares under this plan is 1.5 million shares of Class A Shares. The Board may determine the subscription date and the number of shares each eligible employee can subscribe to. The subscription price is determined by the volume-weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the date of the subscription.

Restricted Share Unit Plan ("RSU")

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

The following table presents transactions that occurred during the years ended December 31, 2014 and 2013 in the Company's RSU plans.

Table 15 – RSU Transactions

	Number of RSUs Outstanding	
	2014	2013
Outstanding – beginning of year	367,548	125,646
Granted	166,559	237,071
Reinvestments in lieu of dividends	15,573	4,831
Forfeited	(9,172)	-
Outstanding – end of year	540,508	367,548

As at December 31, 2014, management had recorded a liability for an amount of $2.2 million for the 540,508 units ($0.6 million for 367,548 units as at December 31, 2013) outstanding under the RSU Plan. An expense of $1.64 million and $0.567 million was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

Performance Share Unit Plan ("PSU")

On October 30, 2013, the Board adopted a PSU Plan for the purposes of retaining key employees and to permit them to participate in the growth and development of the Company. Under this PSU Plan, the Company has the option to settle the PSUs in cash or Class A Shares of the Company with the exception of the September 2, 2014 plan for which the option is at the discretion of the participant. The maximum number of issuable Class A Shares under all plans is 10% of the issued and outstanding shares of the Company calculated on a non-diluted basis.

The following table summarizes the outstanding PSU awards as at December 31, 2014:

Table 16 – PSU Awards

Date of Grant	Vesting Schedule	Vesting Date	Key vesting Performance Conditions	Payout Formula
October 30, 2013	20% per year for 5 years	December 31 of each year	Annualized revenue growth objective for private wealth revenues	Multiple of the private wealth revenues
January 1, 2014	6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5	December 31 of each year	Annualized revenue growth objective for alternative revenues	Multiple of the non-traditional investment solution revenues
September 2, 2014	100% in 2017	December 31, 2017	Annualized revenues of the last quarter of 2017 for closed-end funds	Variable percentage of annualized revenue for closed-end funds

All of the above awards are conditional on the continued employment of the participant with the Company.

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2014, and December 31, 2013, in the Company's PSU plans.

Table 17 – PSU Transactions

Date of Grant	October 30, 2013 Wilkinson	October 30, 2013 Bel Air	January 1, 2014	September 2, 2014
Outstanding – December 31, 2012		-	-	-
Granted	147,404	1,241,667	-	-
Forfeited	-	(43,750)	-	-
Outstanding – December 31, 2013	147,404	1,197,917	-	-
Granted	-	-	307,692	107,692
Forfeited	-	(25,000)	-	-
Outstanding – December 31, 2014	147,404	1,172,917	307,692	107,692

October 30, 2013

During the fourth quarter of 2013, the Company issued PSUs to employees of Bel Air and Wilkinson O'Grady that became employees of the Company as at October 31, 2013. The PSUs will vest in tranches equivalent to 20% of the total grant in each of the next five years. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

During the fourth quarter of 2014, the October 30, 2013 grant was modified to include revised performance conditions to all former Bel Air employees that participated in this grant. These conditions aim at better aligning the performance condition applicable to these employees with each participant's ability to impact the Company's results. After giving effect of this modification, the PSUs attributed to the former Bel Air employees are now subject to the attainment of an agreed upon annualized revenue growth objective solely on the Bel Air business unit as opposed to the Fiera Private Wealth North America business unit.

The value of each PSU granted to the former Wilkinson employees is derived from the value of the Fiera Private Wealth North America business unit while the value of each PSU granted to the former Bel Air employees is derived from the value of the Bel Air business unit. The value of the PSUs granted on October 30, 2014 was evaluated at US$13.7 million.

The attainment of the performance conditions for these two grants and the estimated vesting of the PSUs are reassessed at the end of each reporting period. The following table summarizes the Company's estimated vesting of the PSUs for the years ended December 31.

Vesting Schedule	Fiscal Year	October 30, 2013 Wilkinson	October 30, 2013 Bel Air
Year 1	2014	0%	100%
Year 2	2015	0%	100%[1]
Year 3	2016	0%	100%
Year 4	2017	0%	0%
Year 5	2018	0%	0%

1. Year 2 expected to vest in Year 3 along with Year 3 according to estimates.

An expense of $3.96 million and $0.76 million was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

January 1, 2014

During the first quarter of 2014, the Company issued PSUs to the responsible of the Alternative revenues business unit. The PSUs will vest in accordance with the following tranches: 6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the different payout targets. The value of the PSUs granted on January 1, 2014 was evaluated at $2.8 million. The compensation expense is based on the number of PSUs expected to vest based on the attainment of the performance conditions and is recorded over the vesting period.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company does not believe these PSU's will vest. As such, the Company did not record an expense for this PSU plan.

September 2, 2014

During the third quarter of 2014, the Company issued PSUs to employees of Propel that became employees of the Company as at September 2, 2014. The PSUs will vest on December 31, 2017. The vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon level of revenues during the last quarter of 2017 for closed-end funds and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the payout target. The value of the PSUs granted on September 2, 2014 was evaluated at $0.435 million.

The Company intends to settle this grant in cash. As such, the PSUs are recorded at fair value at the end of each reporting period. The liability for this grant is $0.043 million as at December 31, 2014.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company believes that all these PSUs will vest at December 31, 2017.

Post-Employment Benefit Obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2014, amount to $2.26 million ($1.56 million for the year ended December 31, 2013).

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

Related Party Transactions

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

Table 18 – Related Party Transactions (in $ thousands)

	For the Twelve-Month Periods Ended	
	December 31, 2014	December 31, 2013
Base management fees	45,057	39,132
Performance fees	4,233	6,114
Selling, general & administrative expenses		
Reference fees	1,583	1,503
Other	1,775	1,638
Interest on long-term debt	7,864	6,934
Changes in fair value of derivative financial instruments	301	(847)
Integration cost	-	183
Shares issued as settlement of the purchase price obligations	8,500	8,500

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Fees are at prevailing market prices and are settled on normal trade terms. The amounts due under the Company's credit facility, presented as long-term debt are due to syndicate of lenders which includes two related parties of the Company. The derivative financial instruments liability is due to a related company.

The Company has carried out the following transaction with joint ventures: other revenue of $1.2 million for the year ended December 31, 2014 ($0.9 million for the year ended December 31, 2013).

CONTROL AND PROCEDURES

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

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

The CEO and CFO, supported by Management, evaluated the design and operating effectiveness of the Company's DC&P and ICFR as at December 31, 2014, and have concluded that they were effective. Furthermore, no significant changes to the internal controls over financial reporting occurred during the quarter ended December 31, 2014.

FINANCIAL INSTRUMENTS

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

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

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

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

Market Risk

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

Equity Market Fluctuation Risk

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

The Company manages its investment portfolio with a medium risk mandate. Its particular expertise is investment management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at December 31, 2014 and 2013, is comprised of mutual fund and pool fund investments under its management with a fair value of $7.1 million as at December 31, 2014 and $6.1 million as at December 31, 2013. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds. Mutual fund and pool fund units have no specific maturities.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2014, and 2013 has an impact of increasing or decreasing other comprehensive income by $0.7 million and $0.6 million respectively.

Credit Risk

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

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

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

The Company's credit risk is attributable primarily to its trade receivables. The amounts disclosed in the consolidated statements of financial position are net of allowance for doubtful accounts, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. With the exception of National Bank of Canada and related companies which represent 20.1% as at December 31, 2014 (22% as at December 31, 2013), no customer represents more than 10% of the Company's accounts receivable as at December 31, 2014 and 2013.

Interest Rate Risk

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

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

Currency Risk

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

Based on the US dollar balances outstanding (excluding long-term debt) as at December 31, 2014, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $1.1 million (2013 - $0.5 million). The above calculation does not include the US dollar long-term debt, which is hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statement of financial position given that it is an intercompany balance.

Liquidity Risk

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

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

Determination of Fair Value of Financial Instruments

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

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

The cost of mutual fund investments and pool funds is $6.5 million as at December 31, 2014 and $5.9 million as at December 31, 2013, while the fair value is $7.1 million as at December 31, 2014 and $6.1 million as at December 31, 2013. The unrealized gain of $0.6 million (net of income taxes of $0.083 million) as at December 31, 2014 and $0.2 million as at December 31, 2013, (net of income taxes of nil) are reflected in other comprehensive income.

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

The Company measured the initial fair value of the subscription receipts receivable of $3.4 million and subscription receipts obligation of the same amount using level 2 inputs in the fair value hierarchy. The Company determined the fair value by using observable market inputs such as the discount rate.

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

For the year ended December 31, 2014, the Company recorded a recovery of $7.7 million (2013 – charge of $0.4 million) in changes in fair value of financial instruments in the consolidated statement of earnings to reflect the re-measurement of the value of the option to fair value.

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

Changes in fair value of derivative financial instruments presented in the consolidated statement of earnings include changes in the fair value of the interest rate swap contracts described above and the changes in the fair value of the option granted to non-controlling interest for a total of $0.3 million and $(7.7) million for the year ended December 31, 2014, respectively and $(0.8) million and $0.4 million for the year ended December 31, 2013, respectively. Refer to Note 6, *Financial Instruments*, of the audited consolidated financial statements for additional information.

CAPITAL MANAGEMENT

The Company's capital comprises share capital, (deficit) retained earnings and long-term debt, including the current portion thereof, less cash. The Company manages its capital to ensure adequate capital resources while maximizing return to shareholders through optimization of the debt and equity mix and to maintain compliance with regulatory requirements and certain restrictive debt covenants.

To maintain its capital structure, the Company may issue additional shares, incur additional debt, repay existing debt and acquire or sell assets to improve its financial performance and flexibility.

To comply with Canadian Securities Administrators' regulations, the Company is required to maintain minimum capital of $100,000 as defined in Regulation 31-103 respecting *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

As at December 31, 2014, all regulatory requirements and exemptions were met.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

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

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

Cash Generating Unit

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

Share- Based Payments

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

Impairment of Goodwill, Indefinite-Life Intangible Assets and Finite-Life intangible Assets

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

Business Combinations

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

Income Taxes

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

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

NEW ACCOUNTING POLICIES

Adoption of New IFRS

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities

The amendments to IFRS 10 define an investment entity and require that a reporting entity that meets the definition of an investment entity measures its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements, instead of consolidating them.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

IFRIC Interpretation 21 – Levies

IFRIC Interpretation 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37- *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation, other than income taxes within the scope of IAS 12 - *Income Taxes* and fines or other penalties imposed for breaches of the legislation. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 36 – Impairment of Assets

The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash generating units is required to be disclosed, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

IFRS Issued but Not Yet Adopted

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

IFRS 9 – Financial Instruments

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

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2017, and is to be applied retrospectively. Early adoption is permitted.

Amendments to IFRS 11 – Joint Arrangements

In May 2014, the IASB issued an amendment to this standard requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendment is effective for annual periods beginning on or after January 1, 2016.

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

In May 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

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

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

Amendments to IAS 1 – Presentation of Financial Statements

In December 2014, the IASB published amendments to this standard which aims to improve presentation and disclosure. The amendments relate to materiality, order of notes, subtotals, accounting policies and disaggregation and are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

The Company is still evaluating the impact of these standards on its consolidated financial statements.

NON-IFRS MEASURES

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

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

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

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

RISKS OF THE BUSINESS

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

Clients are not committed to a long-term relationship

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

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

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

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

Reliance on a major customer

As part of the Natcan Transaction, Fiera Capital entered into an Assets Under Management Agreement with Natcan and National Bank. Following the Natcan Transaction, National Bank became the largest client of Fiera Capital with $24.2 billion of AUM as of December 31, 2014, representing approximately 28% of Fiera Capital's $86.6 billion in AUM. Termination of the agreement or failure to renew the term of this agreement could result in a significant reduction of Fiera Capital's AUM which could have a material adverse effect on its business, prospect financial condition and results of operations.

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

Fiera Capital's business is dependent on the highly skilled and often highly specialized individuals it employs. The contribution of these individuals to Fiera Capital's Investment Management, Risk Management and Client Service teams plays an important role in attracting and retaining clients. Fiera Capital devotes considerable

resources to recruiting, training and compensating these individuals. However, given the growth in total AUM in the investment management industry, the number of new firms entering the industry and the reliance on performance results to sell financial products, demand has increased for high-quality investment and client service professionals. Compensation packages for these professionals have a tendency to increase at a rate well in excess of inflation and above the rates observed in other industries. Fiera Capital expects that these costs will continue to represent a significant portion of its expenses.

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

Integration of acquired businesses

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

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

Competitive pressures could reduce revenue

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

Conflicts of interest and reputational risk

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

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

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

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

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

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

Regulatory and litigation risk

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

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

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

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

Indebtedness

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

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

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

- create, incur, assume or suffer to exist certain liens; engage in certain mergers, acquisitions, asset sales or sale-leaseback transactions,
- dispose of assets;
- effect any change in the nature of its business activities;
- amend or modify in any way Fiera Capital's constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the material contracts (as described therein); and
- consolidate, merge or sell all or substantially all of the assets.

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

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

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

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

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

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

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

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

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

Valuation

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

Possible requirement to absorb operating expenses on behalf of mutual funds

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

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

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

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

Dependency on information systems and telecommunications

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

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

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

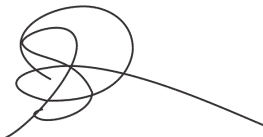
— MANAGEMENT'S REPORT TO THE SHAREHOLDER

Management of Fiera Capital Corporation is responsible for the integrity and objectivity of the consolidated financial statements and all other information contained in the Annual Report. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards and based on management's information and judgment.

In fulfilling its responsibilities, management has developed internal control systems as well as policies and procedures designed to provide reasonable assurance that the Corporation's assets are safeguarded, that transactions are executed in accordance with appropriate authorization, and that accounting records may be relied upon to accurately reflect the Corporation's business transactions.

Operating under the Board of Directors, the Audit Committee meets periodically with management and with auditors to discuss the Corporation's financial reporting and internal control. The Audit Committee reviews the financial information prepared by management and the results of the audit by the auditors prior to recommending the consolidated financial statements to the Board of Directors for approval. The independent auditors have unrestricted access to the Audit Committee. In addition, the Corporation's independent auditors, Deloitte LLP, are responsible for auditing the consolidated financial statements and for providing an opinion thereon. Their report is provided herein.

Management recognizes its responsibility to conduct the Corporation's affairs in the best interests of its shareholders.



Sylvain Brosseau
President and
Chief Operating Officer

Jean-Guy Desjardins
Chairman of the Board and
Chief Executive Officer

— AUDIT COMMITTEE'S ANNUAL REPORT

The Audit Committee (the "Committee") assists the Board of Directors of Fiera Capital Corporation ("Fiera Capital") in fulfilling certain key oversight responsibilities. Its mandate consists primarily in reviewing and discussing the financial statements, their presentation and the quality of the accounting principles adopted, in overseeing the maintenance of the internal control systems for their appropriateness and effectiveness, in monitoring the independent audit processes, the management of regulatory compliance and the enterprise risk management.

The Committee is governed by a charter detailed in the Company's Annual Information Form ("AIF") disclosed on Fiera Capital's website. The charter was last amended effective March 17, 2015. The Committee held 10 meetings during fiscal year 2014 and all three members of the Committee have attended the meetings except for one whereby a member was absent. Its membership comprises three directors of which two are independent and the third appointed under the section 3.3(2) exemption of NI 52-110 as disclosed in the Company's AIF. On an annual basis, the Committee evaluates the efficiency and effectiveness of its performance.

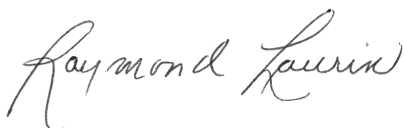
The Company's Management has the primary responsibility of preparing the financial statements and related documents including the Management's Discussion & Analysis report ("MD&A"), of maintaining and applying appropriate internal controls over financial reporting on a continuous basis as well as assessing their effectiveness. The Committee reviews Fiera Capital's interim and annual financial statements, associated MD&A's, AIF and prospectuses. In addition, it ensures that Management has designed and implemented an effective internal control system with respect to the organization's business processes, financial reporting, asset protection, fraud detection, and regulatory compliance.

The independent auditor is directly accountable to the Committee. As such, the Committee ensures the external auditor's independence by authorizing all of its non-audit and non-prohibited services, by recommending its appointment or the continuance of its engagement, by approving its compensation as well as conducting an annual evaluation of the independent auditor. In addition, the Committee oversees the work of the independent auditor and examines its audit plan, its mandates, its annual strategy, its reports, its letter to Management and associated Management's action plans.

With respect to the Autorité des marchés financiers ("AMF"), the Committee reviews its inspection reports and follows up on Management's action plans related to AMF's observations. The Committee also oversees Management's quarterly financial reporting to AMF process through compliance reports presented by Fiera Capital's Chief Compliance Officer.

The Committee meets privately with the independent auditor, Fiera Capital's Senior Management including the Executive Vice-President and Chief Financial Officer and the Chief Compliance Officer. It reports to the Board of Directors on a quarterly basis and, when required, makes recommendations.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved the audited consolidated financial statements and the associated MD&A.



Raymond Laurin, FCA, FCPA, ASC, Adm A.
Chair

Montreal, Quebec
March 18, 2015

CONSOLIDATED FINANCIAL STATEMENTS OF FIERA CAPITAL CORPORATION

December 31, 2014 and 2013

68	Independent Auditor's Report	71	Consolidated Statements of Financial Position	75	Notes to the Consolidated Financial Statements
69	Consolidated Statements of Earnings	72	Consolidated Statements of Changes in Equity		
70	Consolidated Statements of Comprehensive Income	74	Consolidated Statements of Cash Flows		

— INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fiera Capital Corporation

We have audited the accompanying consolidated financial statements of Fiera Capital Corporation, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fiera Capital Corporation as at December 31, 2014 and December 31, 2013, and its financial performance and cash flows for the years ended December 31, 2014 and December 31, 2013, in accordance with International Financial Reporting Standards.

Montreal (Canada)
March 18, 2015

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

CONSOLIDATED STATEMENTS OF EARNINGS

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

For the years ended December 31,	2014	2013
	$	$
Revenues		
Base management fees	**200,612**	139,397
Performance fees	**15,437**	12,117
Other revenues	**6,309**	2,213
	222,358	153,727
Expenses		
Selling, general and administrative expenses (Note 18)	**145,967**	94,357
External managers	**5,107**	2,858
Depreciation of property and equipment (Note 9)	**1,733**	1,341
Amortization of intangible assets (Note 10)	**25,700**	19,083
Impairment of non-financial assets (Note 10)	**8,016**	-
Acquisition costs	**2,079**	6,572
Restructuring and other integration costs (Note 4)	**3,127**	1,509
	191,729	125,720
Earnings before realized (gain) loss on investments, interest on long-term debt and other financial charges, accretion and change in fair value of purchase price obligations, loss on dilution of investments in joint ventures, changes in fair value of derivative financial instruments and share of earnings of joint ventures	**30,629**	28,007
Realized (gain) loss on investments	**(80)**	98
Interest on long-term debt and other financial charges	**7,977**	6,931
Accretion and change in fair value of purchase price obligations	**2,642**	637
Loss on dilution of investments in joint ventures	**23**	-
Changes in fair value of derivative financial instruments (Note 6)	**(7,419)**	(426)
Share of earnings of joint ventures (Note 5)	**(1,263)**	(1,227)
Earnings before income taxes	**28,749**	21,994
Income taxes (Note 12)	**5,158**	7,389
Net earnings	**23,591**	14,605
Net earnings attributable to :		
Company's shareholders	**27,492**	14,939
Non-controlling interest	**(3,901)**	(334)
	23,591	14,605
Earnings per share (Note 15)		
Basic	**0.40**	0.26
Diluted	**0.40**	0.25

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of Canadian dollars)

For the years ended December 31,	2014	2013
	$	$
Net earnings	**23,591**	14,605
Other comprehensive income:		
Items that may be reclassified subsequently to earnings:		
Unrealized gain on available-for-sale financial assets (net of income taxes of $83 in 2014 and nil in 2013)	**352**	152
Reclassification of loss on disposal of investments	**-**	97
Share of other comprehensive income of joint ventures	**111**	130
Unrealized exchange differences on translating financial statements of foreign operations	**7,472**	1,472
Other comprehensive income	**7,935**	1,851
Comprehensive income	**31,526**	16,456
Comprehensive income attributable to:		
Company's shareholders	**35,427**	16,790
Non-controlling-interest	**(3,901)**	(334)
	31,526	16,456

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

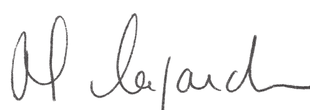
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

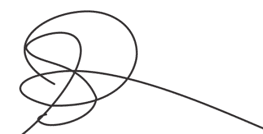
(In thousands of Canadian dollars)

As at December 31,	2014	2013
	$	$
Assets		
Current assets		
Cash	16,880	21,774
Restricted cash	579	689
Investments (Note 7)	7,986	9,711
Accounts receivable (Note 8)	59,960	56,072
Prepaid expenses	2,908	3,771
Subscription receipts receivable	1,746	-
	90,059	92,017
Non-current assets		
Deferred charges	1,831	460
Long-term receivable	449	-
Deferred income taxes (Note 12)	483	1,349
Subscription receipts receivable	1,607	-
Advance to a related shareholder	-	1,211
Investment in joint ventures (Note 5)	9,635	8,284
Property and equipment (Note 9)	5,120	5,322
Intangible assets (Note 10)	292,835	310,151
Goodwill (Note 10)	370,161	357,773
	772,180	776,567
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	41,034	35,000
Dividend payable	311	-
Restructuring provisions (Note 4)	904	1,116
Amount due to related companies	931	956
Purchase price obligations	8,500	18,073
Client deposits	155	689
Deferred revenues	99	495
Subscription receipts obligation	1,746	-
	53,680	56,329
Non-current liabilities		
Deferred lease obligations	519	588
Lease inducements	636	904
Deferred income taxes (Note 12)	20,091	24,636
Long-term restructuring provisions (Note 4)	979	193
Value of option granted to non-controlling interest (Note 6)	-	7,720
Cash settled share-based liabilities	1,263	-
Long-term debt (Note 13)	222,081	228,262
Purchase price obligations	36,168	40,250
Derivative financial instruments (Note 6 & 13)	945	644
Subscription receipts obligation	1,607	-
	337,969	359,526
Equity		
Share capital, hold back shares, contributed surplus, (deficit) retained earnings, and accumulated other comprehensive income	437,154	416,083
Non-controlling interest	4,355	8,256
Initial value of option granted to non-controlling interest	(7,298)	(7,298)
Total non-controlling interest	(2,943)	958
	434,211	417,041
	772,180	776,567

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

Approved by the Board





Jean-Guy Desjardins
Director

Sylvain Brosseau
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31,

(In thousands of Canadian dollars)

	Share Capital	Hold back shares	Contributed surplus	
	$	$	$	
Balance, December 31, 2012	307,759	-	2,668	
Net earnings	-	-	-	
Other comprehensive income	-	-	-	
Comprehensive income	-	-	-	
Share-based compensation expense	-	-	2,128	
Stock options exercised (Note 14)	1,090	-	(263)	
Shares issued as settlement of purchase price obligations (Note 14)	8,500	-	-	
Shares issued under a private placement (Note 14)	102,066	-	-	
Shares issued as part of a business combination (Note 4)	1,794	8,781	-	
Gain on dilution	-	-	-	
Dividends	-	-	-	
Non-controlling interest	-	-	-	
Initial value of option granted to non-controlling interest	-	-	-	
Balance, December 31, 2013	**421,209**	**8,781**	**4,533**	
Net earnings	**-**	**-**	**-**	
Other comprehensive income	**-**	**-**	**-**	
Comprehensive income	**-**	**-**	**-**	
Share-based compensation expense (Note 18)	**-**	**-**	**5,255**	
Stock options exercised (Note 14)	**2,245**	**-**	**(557)**	
Shares issued as settlement of purchase price obligations (Note 14)	**8,500**	**-**	**-**	
Issuance of shares (Note 14)	**1,830**	**-**	**-**	
Conversion of hold back shares (Note 14)	**3,104**	**(3,104)**	**-**	
Dividends	**-**	**-**	**-**	
Balance, December 31, 2014	**436,888**	**5,677**	**9,231**	

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

	(Deficit) Retained earnings	Accumulated other comprehensive income	Total	Related to Non-Controlling Interest	Total Equity
	$	$	$	$	$
	(12,753)	65	297,739	-	297,739
	14,939	-	14,939	(334)	14,605
	-	1,851	1,851	-	1,851
	14,939	1,851	16,790	(334)	16,456
	-	-	2,128	-	2,128
	-	-	827	-	827
	-	-	8,500	-	8,500
	-	-	102,066	-	102,066
	-	-	10,575	-	10,575
	48	-	48	-	48
	(22,590)	-	(22,590)	-	(22,590)
	-	-	-	8,590	8,590
	-	-	-	(7,298)	(7,298)
	(20,356)	**1,916**	**416,083**	**958**	**417,041**
	27,492	**-**	**27,492**	**(3,901)**	**23,591**
	-	**7,935**	**7,935**	**-**	**7,935**
	27,492	**7,935**	**35,427**	**(3,901)**	**31,526**
	-	**-**	**5,255**	**-**	**5,255**
	-	**-**	**1,688**	**-**	**1,688**
	-	**-**	**8,500**	**-**	**8,500**
	-	**-**	**1,830**	**-**	**1,830**
	-	**-**	**-**	**-**	**-**
	(31,629)	**-**	**(31,629)**	**-**	**(31,629)**
	(24,493)	**9,851**	**437,154**	**(2,943)**	**434,211**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

For the years ended December 31,	2014	2013
	$	$
Operating activities		
Net earnings	**23,591**	14,605
Adjustments for:		
Depreciation of property and equipment	**1,733**	1,341
Amortization of intangible assets	**25,700**	19,083
Impairment of non-financial assets	**8,016**	-
Amortization of deferred charges	**373**	321
Accretion and change in fair value of purchase price obligations	**2,642**	637
Lease inducements	**(121)**	(148)
Deferred lease obligations	**(15)**	(11)
Share-based compensation	**5,255**	2,128
Cash settled share-based compensation	**1,683**	567
Restructuring provisions	**574**	(767)
Interest on long-term debt and other financial charges	**7,977**	6,931
Changes in fair value of derivative financial instruments	**(7,419)**	(426)
Income tax expense	**5,158**	7,389
Income tax paid	**(14,346)**	(5,800)
Share of earnings of joint ventures	**(1,263)**	(1,227)
Loss on dilution of investments in joint ventures	**23**	-
Realized (gain) loss on investments	**(80)**	98
Other	**-**	(34)
Changes in non-cash operating working capital items (Note 19)	**4,254**	(9,685)
Net cash generated from operating activities	**63,735**	35,002
Investing activities		
Business combinations (less cash acquired of $107 in 2014 ($11,468 in 2013)) (Note 4)	**(9,914)**	(150,445)
Payment of purchase price obligations	**(9,484)**	-
Investments, net	**2,904**	(1,410)
Purchase of property and equipment	**(1,295)**	(572)
Purchase of intangible assets	**(2,343)**	(48,224)
Advance to a related shareholder, net	**1,211**	(1,211)
Long-term receivable	**(449)**	-
Advance to a joint venture	**-**	342
Deferred charges	**(1,500)**	(379)
Restricted cash and client deposits	**158**	531
Net cash used in from investing activities	**(20,712)**	(201,368)
Financing activities		
Repayment of bank loan	**-**	(9,800)
Dividends	**(31,318)**	(22,590)
Issuance of share capital, net of issuance costs of nil in 2014 ($4,201 for 2013)	**3,518**	101,772
Long-term debt, net	**(13,300)**	120,579
Interest paid on long-term debt	**(7,864)**	(6,934)
Financing charges	**(23)**	(1,109)
Net cash (used) generated from financing activities	**(48,987)**	181,918
Net (decrease) increase in cash	**(5,964)**	15,552
Effect of exchange rate changes on cash denominated in foreign currencies	**1,070**	206
Cash – beginning of year	**21,774**	6,016
Cash – end of year	**16,880**	21,774

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014 and 2013

76	Note 1 – Description of business	92	Note 9 – Property and equipment	102	Note 17 – Post-employment benefit obligations
76	Note 2 – Basis of presentation and adoption of new IFRS	93	Note 10 – Goodwill and intangible assets	103	Note 18 – Expenses by nature
77	Note 3 – Significant accounting policies, judgments and estimation uncertainty	94	Note 11 – Accounts payable and accrued liabilities	103	Note 19 – Additional information relating to consolidated statements of cash flows
84	Note 4 – Business combinations	95	Note 12 – Income taxes	104	Note 20 – Commitments and contingent liabilities
87	Note 5 – Investment in joint ventures	96	Note 13 – Long-term debt	104	Note 21 – Capital management
87	Note 6 – Financial instruments	97	Note 14 – Share capital and accumulated other comprehensive income	105	Note 22 – Related party transactions
91	Note 7 – Investments	99	Note 15 – Earnings per share	105	Note 23 – Segment reporting
92	Note 8 – Accounts receivable	99	Note 16 – Share-based payments	105	Note 24 – Subsequent event

NOTE 1 DESCRIPTION OF BUSINESS

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry Investment Management Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a full-service, multi-product investment firm, providing investment advisory and related services to institutional investors, private wealth clients and retail investors. Its head office is located at 1501 Avenue McGill College, office 800, Montreal, Quebec, Canada. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

The Company changed its registered company name to Fiera Capital Corporation as approved by the shareholders at Fiera Capital Corporation's annual and special meeting held on March 29, 2012.

Fiera Capital Corporation is registered in the categories of exempt market dealer and portfolio manager in all provinces and territories of Canada. Fiera Capital Corporation is also registered in the category of investment fund manager in the provinces of Ontario and Quebec. In addition, as Fiera Capital Corporation manages derivatives portfolios, it is registered as a commodity trading manager pursuant to the *Commodity Futures Act* (Ontario), as an adviser under the *Commodity Futures Act* (Manitoba) and, in Quebec, as derivatives portfolio manager pursuant to the *Derivatives Act* (Quebec). In addition to the above, Bel Air Investment Advisors LLC, a subsidiary of Fiera Capital Corporation, is registered as an investment adviser with the United States Securities and Exchange Commission.

The Board of Directors (the "Board") approved the consolidated financial statements for the years ended December 31, 2014 and 2013 on March 18, 2015.

NOTE 2 BASIS OF PRESENTATION AND ADOPTION OF NEW IFRS

STATEMENT OF COMPLIANCE

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

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2014.

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

REVISED IFRS, INTERPRETATIONS AND AMENDMENTS

Amendments to IFRS 10, IFRS 12 and IAS 27 – *Investment Entities*

The amendments to IFRS 10 define an investment entity and require that a reporting entity that meets the definition of an investment entity measures its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements, instead of consolidating them.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 32 – *Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

IFRIC Interpretation 21 – *Levies*

IFRIC Interpretation 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37- *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation, other than income taxes within the scope of IAS 12 - *Income Taxes* and fines or other penalties imposed for breaches of the legislation. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

Amendments to IAS 36 – *Impairment of Assets*

The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash generating units is required to be disclosed, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The adoption of this standard had no impact on the amounts reported or disclosures made in these consolidated financial statements.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATION UNCERTAINTY

SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

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

Consolidation

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

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

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

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

Investments in joint ventures

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

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

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

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

Business combinations

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

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

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

Foreign currency translation

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

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

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

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

Revenue recognition

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

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

Deferred revenues

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

Financial instruments

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

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

Classification

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

Available-for-sale

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

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

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

Financial liabilities at amortized cost

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

Restricted cash

Restricted cash consists of client deposits received following the settlement of a class action in favour of certain clients for whom the Company acted as agent and a letter of credit issued in conjunction with a lease agreement.

Investments

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

Property and equipment

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

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

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

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

Intangible assets

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

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

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

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

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

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

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

Goodwill

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

Impairment of non-financial assets

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

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

For goodwill impairment testing purposes, the CGU, which represents the lowest level within the Company at which management monitors goodwill is the operating segment (Note 23) excluding the selected alternative asset management funds managed under Fiera Quantum L.P. (see Note 4) which, since its acquisition on May 1, 2013, also represents a CGU.

Leases

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

Deferred charges

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

Deferred lease obligations

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

Lease inducements

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

Income taxes

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

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

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

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

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

Employee benefits

Post-employment benefit obligations

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

Bonus plans

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

Share-based compensation

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

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

Deferred share unit plan

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

Restricted share unit plan

The Restricted Share Unit Plan ("RSU Plan") was established for the purpose of providing certain employees with the opportunity to acquire Class A subordinate voting shares of the Company in order to induce such persons to become employees of the Company or one of its affiliates and to permit them to participate in the growth and development of the Company. The maximum number of issuable shares under all plans is 10% of the issued and outstanding shares of the Company calculated on a non-diluted basis. The subscription date is the third anniversary of the award date. The Board may determine the number of shares each eligible employee can receive. The restricted share unit ("RSU") expense is recorded at fair value and is amortized over the vesting period on a straight-line basis.

Performance share unit plan

The Company has two Performance Share Unit Plans (collectively the "PSU Plans"). One PSU Plan was established in 2012 and the other one was established in 2013. These PSU Plans were established for the purpose of retaining key employees and to permit them to participate in the growth and development of the Company. Grants of PSUs have been made under both of the PSU Plans.

Under both of the PSU Plans, the Company has the option to settle the PSUs in cash or Class A shares of the Company. The vesting of the PSUs awarded is subject to satisfying time and performance conditions determined by the Board when the PSUs are awarded. The grant date is the date at which the Company and the participant agree on the terms and conditions of the award, including the definition of the performance criteria. On this date, the Company and the participant have a shared understanding of the terms and conditions of the award.

The PSU expense for the PSU Plans that the Company intends to settle in shares is recorded using the fair value method. Under this method, the compensation expense is measured at fair value at the grant date using a discounted cash flow model and recognized over the vesting period. These awards are considered equity-settled share-based payment awards.

The PSU expense for the PSU Plans that the Company intends to settle in cash is recorded at fair value at the end of each reporting period and recognized over the vesting period. These awards are considered cash-settled share-based payment awards.

Termination benefits

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

Restructuring Provisions

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

Acquisition costs

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

Earnings per share

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

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

Share capital

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

Dividends

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

Contributed surplus

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

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

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

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

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

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

Cash generating unit

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

Share- based payments

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

Impairment of non-financial assets

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

Business combinations

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

Income taxes

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

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

IFRS NOT YET ADOPTED

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

IFRS 9 – *Financial Instruments*

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

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2017, and is to be applied retrospectively. Early adoption is permitted.

Amendments to IFRS 11 – *Joint Arrangements*

In May 2014, the IASB issued an amendment to this standard requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendment is effective for annual periods beginning on or after January 1, 2016.

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

In May 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

Annual improvements to IFRS (2010-2012) and (2011-2013) cycles

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

Amendments to IAS 1 – *Presentation of Financial Statements*

In December 2014, the IASB published amendments to this standard which aims to improve presentation and disclosure. The amendments relate to materiality, order of notes, subtotals, accounting policies and disaggregation and are designed to further encourage companies to apply professional judgement in determining what information to disclose in the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

The Company is still evaluating the impact of these standards on its consolidated financial statements.

NOTE 4 BUSINESS COMBINATIONS

2014

Propel Capital Corporation

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

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

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

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

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

Pro forma Impact

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

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

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

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

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

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

2013

GMP Capital Inc.

On May 1, 2013, the Company closed a transaction with GMP Capital Inc. ("GMP") whereby the Company acquired selected alternative asset management funds of GMP Investment Management including flagship funds pertaining to the GMP Diversified Alpha Fund and the Canadian ABCP Fund. The transaction enabled Fiera Capital to expand its alternative strategies, an investment area that has been experiencing significant momentum over the past few years in the North American marketplace and that will continue to grow in the future. The acquisition provided clients of the Company with enhanced product innovation and offerings, and with customized investment solutions that meet their objectives. Under the terms of the agreement, key members of GMP Investment Management's team joined a newly created Fiera Capital subsidiary, Fiera Quantum L.P. in which they now own a 45% interest. The purchase price included a $10,750 cash consideration paid at closing, plus an amount payable to an escrow account at the end of each of the next three years equal to 25 percent of the performance fees generated based on the acquired assets. The amount in escrow will be released to GMP only if certain minimum AUM thresholds are met. During the year ended December 31, 2014, the Company paid $631 to an escrow account.

As part of the GMP business combination, the key members of the GMP Investment Management's team have the option to sell all but not less than all of their interest in Fiera Quantum L.P. on the last business day of the 36th month following the closing of the purchase of the GMP assets by Fiera Quantum L.P. This option can be settled in cash or by the issuance of Fiera Capital Class A subordinate voting shares at the option of Fiera Capital. The option to acquire the non-controlling interest was accounted for as a liability and applied in reduction of the non-controlling interest.

In addition, the Company has the option to purchase the 45% interest owned by the key member of the GMP Investment Management team at any time following December 31, 2015. This option can be settled in cash or by the issuance of Fiera Capital Class A subordinate voting shares at the option of Fiera Capital. The formula to determine the purchase price of the remaining 45% is the same that is used to calculate the value of the option, which considers the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees.

The transaction was accounted for as a business combination using the acquisition method and accordingly the assets and liabilities were recorded at their estimated fair value at the date of acquisition. The Company completed the purchase price allocation based on management's best estimates as follows:

	$
Current assets	518
Intangible assets	18,570
Goodwill	1,918
Deferred income taxes	(1,555)
Value of option granted to non-controlling interest	(7,298)
	12,153
Non-controlling interest	(8,590)
Initial value of option granted to non-controlling interest	7,298
Non-controlling interest, net	(1,292)
	10,861

Purchase consideration	$
Cash consideration	10,750
Purchase price obligation	111
	10,861

Goodwill was attributable to synergies expected as a result of the consolidation of the alternative asset management teams. Goodwill was not deductible for tax purposes. Management of the Company had identified certain intangible assets acquired from GMP, which had been accounted for separately from goodwill. These intangible assets included customer relationships valued at $18,570.

During the fourth quarter of 2013, although the Company had completed the purchase price allocation in the third quarter, the Company recorded an adjustment to increase the current assets for an amount of $518 and to reduce the purchase price obligation for an amount of $1,239 for an aggregate reduction of goodwill of $1,757. The above adjustment led to an increase of non-controlling interest of $234, with a corresponding increase in goodwill.

Bel Air

On October 31, 2013, the Company closed a transaction to acquire Los Angeles, California based Bel Air Investment Advisors, LLC as well as its affiliate Bel Air Securities LLC, (collectively "Bel Air"), a prominent U.S. wealth management firm. The acquisition was part of the Company's strategy to expand into the U.S. market. The transaction provided the Company with a foothold in California and Texas and increased the growth potential in the U.S. private wealth market.

Under the terms of the agreement, the purchase price for Bel Air included US$115,240 (CA$120,371) paid in cash and US$9,760 worth of new Fiera Capital Class A Shares to be issued over a 32-month period following closing, which was accounted for at a value of US$8,419 (CA$8,781) as well as a purchase price obligation of US$9,000 (CA$9,400) which represented the Company's best estimate of the working capital adjustment that was finalized in 2014. During the year ended December 31, 2014, the Company reduced the purchase price obligation by US$561 (CA$623) after completing the calculation of the working capital adjustment and making the appropriate price adjustment payments of US$8,439 (CA$9,373). As a result, goodwill was reduced by US$561 (CA$623). An amount of US$14,640 (CA$15,292) of the cash consideration will be held in escrow for a period of up to three years.

The transaction was accounted for as a business combination using the acquisition method and the assets and liabilities were recorded at their estimated fair value at the date of acquisition as follows:

	$
Cash	9,629
Other current assets	5,503
Property and equipment	376
Intangible assets	66,112
Goodwill ($59,426 deductible for tax purposes)	59,426
Accounts payable and accrued liabilities	(3,117)
	137,929

Purchase consideration	$
Cash consideration	120,371
Purchase price obligation	8,777
Hold back shares	8,781
	137,929

The goodwill was attributable to the future growth potential of establishing a North American private wealth platform as well as an assembled and trained work force. Management of Fiera Capital Corporation had identified certain intangible assets acquired from Bel Air, which had been accounted for separately from goodwill. These intangible assets included trade name valued at $1,880, non-compete agreement valued at $2,298, asset management contract valued at $1,984 and customer relationships valued at $59,950.

Wilkinson O'Grady

On October 31, 2013, the Company closed a transaction to acquire New York based investment manager Wilkinson O'Grady & Co. Inc. ("Wilkinson O'Grady"), a global asset manager. The acquisition is part of the Company's strategy to expand into the U.S. private wealth market and will broaden its product expertise in U.S. and global equities.

The purchase price for Wilkinson O'Grady included US$29,529 (CA$30,844) paid in cash and US$1,720 (CA $1,794) worth of new Fiera Capital Class A subordinate voting shares (which reflects the roll-over of senior employee ownership in Wilkinson O'Grady into newly issued Fiera Capital Class A Shares).

The transaction was accounted for as a business combination using the acquisition method and the assets and liabilities were recorded at their estimated fair value at the date of acquisition. The Company completed the purchase price allocation based on management's best estimates as follows:

	$
Cash	1,839
Other current assets	7,674
Property and equipment	498
Deferred income tax asset	155
Intangible assets	14,622
Goodwill	15,717
Accounts payable and accrued liabilities	(1,251)
Deferred income tax liability	(6,616)
	32,638

Purchase consideration	$
Cash consideration	30,844
Share capital (Note 14)	1,794
	32,638

The goodwill was attributable to the future growth potential of establishing a North American private wealth platform as well as an assembled and trained work force. Goodwill was not deductible for tax purposes.

Management of Fiera Capital had identified certain intangible assets acquired from Wilkinson O'Grady, which had been accounted for separately from goodwill. These intangible assets included trade name valued at $679 and customer relationships valued at $13,943.

The Company financed the Bel Air and Wilkinson O'Grady transactions by extending its long-term debt and by the proceeds received from the issuance of share capital as disclosed in Note 14.

Pro forma impact of 2013 acquisitions

The impact of these acquisitions for the year ended December 31, 2013 on the base management and performance fees and the net loss are as follows:

Purchase consideration	$
Base management fees	12,622
Performance fees	3,172
Net earnings	770

If the business combinations had occurred on January 1, 2013, the Company's consolidated base management fees and performance fees and net earnings for the year ended December 31, 2013 would have been as follows:

	$
Base management fees	171,118
Performance fees	15,552
Net earnings	19,193

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

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

Restructuring and other integration costs

With respect to the current and past business combinations, the Company recorded restructuring provisions and costs related to the termination of certain employees as part of the integration of the different businesses.

During the year ended December 31, 2014, the Company recorded a restructuring provision of $1,210 (nil for the year ended December 31, 2013) and integration costs related to the companies acquired of $1,917 for the year ended December 31, 2014 ($1,509 for the year ended December 31, 2013), for an aggregate amount of $3,127 ($1,509 for the year ended December 31, 2013). These integration costs include an onerous lease provision for vacated premises, cost for the termination of certain employees, professional fees and other expenses.

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

	Severance
	$
Balance, December 31, 2012	2,076
Paid during the year	(767)
Balance, December 31, 2013	1,309
Addition during the year	1,210
Paid during the year	(636)
Balance, December 31, 2014	**1,883**

	December 31,2014	December 31, 2013
	$	$
Current portion	**904**	1,116
Non-current portion	**979**	193
Total	**1,883**	1,309

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

NOTE 5 INVESTMENT IN JOINT VENTURES

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

	2014	2013
	$	$
Balance, December 31,	**8,284**	6,879
Share of earnings	**1,263**	1,227
(Loss) gain on dilution	**(23)**	48
Share of other comprehensive income	**111**	130
Balance, December 31,	**9,635**	8,284

During the years ended December 31, 2014 and 2013, the Company's ownership in Fiera Axium changed slightly but remained stable at approximately 35%. In addition, during the year, the Company's ownership in Fiera Properties decreased slightly to 44% from 46% in 2013. A loss on dilution of $23 (gain of $48 in 2013) was recorded to reflect these minor changes.

The summarized financial information of the joint ventures are presented below. The summarized financial information represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRS:

	December 31, 2014	December 31, 2013
	$	$
Statements of financial position		
Current assets (including cash – 2014: $687 and 2013: $3,358)	**3,698**	6,647
Non-current assets	**28,108**	22,873
Current liabilities	**(8,618)**	(10,457)
Non-current liabilities	**(58)**	(145)
Net assets	**23,130**	18,918

	For the years ended,	
	December 31, 2014	December 31, 2013
	$	$
Statements of earnings		
Revenues	**18,525**	19,283
Expenses	**14,931**	15,300
Depreciation and amortization	**451**	429
Interest income	**48**	36
Interest expense	**147**	153
Income taxes	**647**	1,533
Net earnings	**3,594**	3,983

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

	2014	2013
	$	$
Net assets of the joint ventures	**23,130**	18,918
Contributed surplus not attributable to the Company	**(195)**	(322)
	22,935	18,596
Ownership of the Company	**9,049**	7,698
Goodwill	**586**	586
Carrying amount of investment in joint ventures	**9,635**	8,284

NOTE 6 FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: equity market fluctuation risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2014 and 2013.

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

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

MARKET RISK

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

EQUITY MARKET FLUCTUATION RISK

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

The Company manages its investment portfolio with a medium risk mandate. Its particular expertise is investment management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at December 31, 2014 and 2013, is comprised of mutual fund and pool fund investments under its management with a fair value of $7,128 as at December 31, 2014 and $6,096 as at December 31, 2013. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds. Mutual fund and pool fund units have no specific maturities.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2014, and 2013 has an impact of increasing or decreasing other comprehensive income by $713 and $610 respectively.

CREDIT RISK

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

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

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

The Company's credit risk is attributable primarily to its trade receivables. The amounts disclosed in the consolidated statements of financial position are net of allowance for doubtful accounts, estimated by the Company's management based on previous experience and its assessment of the current economic environment and financial condition of the counterparties. In order to reduce its risk, management has adopted credit policies that include regular review of client balances. With the exception of National Bank of Canada and related companies which represent 20% as at December 31, 2014 (22% as at December 31, 2013), no customer represents more than 10% of the Company's accounts receivable as at December 31, 2014 and 2013.

INTEREST RATE RISK

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

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

CURRENCY RISK

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

The consolidated statements of financial position as at December 31, 2014 and 2013, include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in US dollars:

	2014	2013
	$	$
US dollars		
Cash	**15,797**	8,481
Restricted cash	**579**	531
Investments	**1,084**	5,268
Accounts receivable	**12,643**	10,368
Accounts payable and accrued liabilities	**(7,543)**	(4,357)
Purchase price obligations	**-**	(9,572)
Long-term debt	**(93,501)**	(54,563)

Based on the US dollar balances outstanding (excluding long-term debt) as at December 31, 2014, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $1,128 (2013 - $536). The above calculation does not include the US dollar long-term debt, which is hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statement of financial position given that it is an intercompany balance.

— LIQUIDITY RISK

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

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

The Company has the following financial liabilities as at December 31, 2014:

	Carrying Amount	Contractual cash flow commitments				
		Total	2015	2016	2017	Other
	$	$	$	$	$	$
Accounts payable and accrued liabilities	41,034	41,034	41,034	-	-	-
Dividend payable	311	311	311	-	-	-
Amount due to related companies	931	931	931	-	-	-
Long-term debt	223,000	223,000	10,125	13,500	199,375	-
Purchase price obligations	44,668	52,000	8,500	10,500	8,500	24,500
	309,944	317,276	60,901	24,000	207,875	24,500

— FAIR VALUE

Determination of fair value of financial instruments

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

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

The cost of mutual fund investments and pool funds is $6,492 as at December 31, 2014 and $5,890 as at December 31, 2013, while the fair value is $7,128 as at December 31, 2014 and $6,096 as at December 31, 2013. The unrealized gain of $553 (net of income taxes of $83) as at December 31, 2014 and $206 (net of income taxes of nil) as at December 31, 2013, are reflected in other comprehensive income.

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

The Company measured the initial fair value of the subscription receipts receivable of $3,353 and subscription receipts obligation of the same amount using level 2 inputs in the fair value hierarchy. The Company determined the fair value by using observable market inputs such as the discount rate.

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

For the year ended December 31, 2014, the Company recorded a recovery of $7,720 (2013 – charge of $421) in changes in fair value of financial instruments in the consolidated statement of earnings to reflect the re-measurement of the value of the option to fair value.

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

Changes in fair value of derivative financial instruments presented in the consolidated statement of earnings include changes in the fair value of the interest rate swap contracts described above and the changes in the fair value of the option granted to non-controlling interest for a total of $301 and $(7,720) for the year ended December 31, 2014, respectively and ($847) and $421 for the year ended December 31, 2013, respectively.

FINANCIAL INSTRUMENTS BY CATEGORY

As at December 31, 2014

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

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

As at December 31, 2013

	Loans and receivables	Available-for-sale	FVTPL[1]	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash	21,774	-	-	-	21,774
Restricted cash	689	-	-	-	689
Investments	-	6,096	3,615	-	9,711
Accounts receivable	56,072	-	-	-	56,072
Advance to a related shareholder	1,211	-	-	-	1,211
Total	79,746	6,096	3,615	-	89,457
Liabilities					
Accounts payable and accrued liabilities	-	-	-	35,000	35,000
Amount due to related companies	-	-	-	956	956
Client deposits	-	-	-	689	689
Value of option granted to non-controlling interest	-	-	7,720	-	7,720
Long-term debt	-	-	-	228,262	228,262
Purchase price obligations	-	-	-	58,323	58,323
Derivative financial instruments	-	-	644	-	644
Total	-	-	8,364	323,230	331,594

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

FAIR VALUE HIERARCHY

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

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

There was no transfer between levels during these years.

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

December 31, 2014

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

December 31, 2013

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Mutual fund and pool fund investments under the Company's management	-	6,096	-	6,096
Other securities and investments	3,615	-	-	3,615
Total financial assets	3,615	6,096	-	9,711
Financial liabilities				
Value of option granted to non controlling interest	-	-	7,720	7,720
Derivative financial instruments – interest rate swap agreement	-	644	-	644
Total financial liabilities	-	644	7,720	8,364

NOTE 7 INVESTMENTS

	December 31, 2014	December 31, 2013
	$	$
Mutual fund and pool fund investments under the Company's management	**7,128**	6,096
Other securities and investments	**858**	3,615
	7,986	9,711

NOTE 8 ACCOUNTS RECEIVABLE

	December 31, 2014	December 31, 2013
	$	$
Trade accounts and other	**46,281**	41,127
Trade accounts – related companies of shareholders	**13,241**	13,894
Trade accounts – Joint ventures	**438**	1,051
	59,960	56,072

The aging of accounts receivable were as follows:

	December 31, 2014	December 31, 2013
	$	$
Trade		
Current	**43,378**	38,180
Aged between 61 – 119 days	**1,446**	1,441
Aged greater than 120 days	**1,111**	1,087
Total trade	**45,935**	40,708
Related companies and joint ventures		
Current	**13,438**	14,508
Aged between 61 – 119 days	**165**	412
Aged greater than 120 days	**76**	25
Total related companies and joint ventures	**13,679**	14,945
Other	**346**	419
	59,960	56,072

As at December 31, 2014, there was a provision for doubtful accounts of $68 (2013 - $76).

NOTE 9 PROPERTY AND EQUIPMENT

	Office furniture & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$
For the year ended December 31, 2013				
Opening net book value	1,429	887	2,884	5,200
Additions	69	238	265	572
Business combinations	124	354	396	874
Foreign exchange difference	2	7	8	17
Depreciation	(360)	(483)	(498)	(1,341)
Closing net book value	1,264	1,003	3,055	5,322
Balance, December 31, 2013				
Cost	3,561	2,462	4,397	10,420
Accumulated depreciation	(2,299)	(1,466)	(1,350)	(5,115)
Foreign exchange difference	2	7	8	17
Net book value	1,264	1,003	3,055	5,322
For the year ended December 31, 2014				
Opening net book value	**1,264**	**1,003**	**3,055**	**5,322**
Additions	**359**	**295**	**805**	**1,459**
Foreign exchange difference	**15**	**26**	**31**	**72**
Depreciation	**(402)**	**(560)**	**(771)**	**(1,733)**
Closing net book value	**1,236**	**764**	**3,120**	**5,120**
Balance, December 31, 2014				
Cost	**3,920**	**2,757**	**5,202**	**11,879**
Accumulated depreciation	**(2,701)**	**(2,026)**	**(2,121)**	**(6,848)**
Foreign exchange difference	**17**	**33**	**39**	**89**
Net book value	**1,236**	**764**	**3,120**	**5,120**

NOTE 10 GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Indefinite life	Finite-life			
		Asset management contracts	Asset management contracts	Customer relationships	Other	Total
	$	$	$	$	$	$
For the year ended December 31, 2013						
Opening net book value	278,750	6,170	78,440	91,857	3,763	180,230
Additions	-	-	-	-	124	124
Business combinations	77,632	1,984	-	92,463	4,857	99,304
Acquisitions	-	-	-	48,100	-	48,100
Foreign exchange difference	1,391	37	-	1,351	88	1,476
Amortization for the year	-	-	(8,480)	(9,277)	(1,326)	(19,083)
Closing net book value	357,773	8,191	69,960	224,494	7,506	310,151
Balance, December 31, 2013[1]						
Cost	356,382	8,154	84,800	240,748	11,692	345,394
Accumulated amortization	-	-	(14,840)	(17,605)	(4,274)	(36,719)
Foreign exchange difference	1,391	37	-	1,351	88	1,476
Net book value	357,773	8,191	69,960	224,494	7,506	310,151
For the year ended December 31, 2014						
Opening net book value	**357,773**	**8,191**	**69,960**	**224,494**	**7,506**	**310,151**
Additions	**-**	**-**	**-**	**-**	**1,799**	**1,799**
Additions – internally developed	**-**	**-**	**-**	**-**	**611**	**611**
Business combinations	**7,331**	**-**	**-**	**5,050**	**-**	**5,050**
Impairment charge	**(1,918)**	**-**	**-**	**(6,098)**	**-**	**(6,098)**
Foreign exchange difference	**6,975**	**184**	**-**	**6,487**	**351**	**7,022**
Amortization for the year	**-**	**-**	**(8,480)**	**(14,795)**	**(2,425)**	**(25,700)**
Closing net book value	**370,161**	**8,375**	**61,480**	**215,138**	**7,842**	**292,835**
Balance, December 31, 2014[1]						
Cost	**363,713**	**8,154**	**84,800**	**245,798**	**13,297**	**352,049**
Accumulated amortization and impairment	**(1,918)**	**-**	**(23,320)**	**(38,498)**	**(5,894)**	**(67,712)**
Foreign exchange difference	**8,366**	**221**	**-**	**7,838**	**439**	**8,498**
Net book value	**370,161**	**8,375**	**61,480**	**215,138**	**7,842**	**292,835**

1. During the years ended December 31, 2014 and December 31, 2013, the Company derecognized a non-compete agreement which had an accounting cost of $805 (nil for December 31, 2013) and accumulated amortization of $805 (nil for December 31, 2013).

ACQUISITIONS

In December 2012, the Company announced that it had reached an agreement with UBS Global Asset Management (Canada) Inc. ("UBS") to purchase the latter's Canadian Fixed Income, Canadian Equity and Domestic Balance account assets for a maximum cash consideration of $52,000. At closing, which occurred on January 31, 2013, an amount of $40,200 was paid to UBS and an amount of $11,800 was placed in escrow.

As certain AUM thresholds were not met, during the quarter ended September 30, 2013, the Company received from the escrow agent an amount of $3,900, which was applied as a reduction of the purchase price, for a net revised amount of $48,100. The remaining $7,900 under escrow was released and paid by the escrow agent on July 31, 2013, to UBS.

The Company financed the 2013 assets acquisition by extending its long-term debt.

IMPAIRMENT TESTS OF GOODWILL

During the fourth quarter of 2014, in the context of its annual impairment testing, the Company completed its impairment analysis and assessed the recoverability of its assets. The Company identified two CGUs as at December 31, 2013 and 2014: Fiera Quantum L.P. and the remainder of the business.

Fiera Quantum L.P.

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

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

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

Remainder of the business

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

a) the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;

b) the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and

c) based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

In assessing goodwill for impairment as at December 31, 2014 and 2013, the Company compared the aggregate recoverable amount of the CGU to the carrying amount. The recoverable amounts have been determined based on the value-in-use using five-year cash flow forecasts approved by management that made maximum use of observable market inputs. For the periods beyond the five-year budget, the terminal value was determined using the expected long-term growth rate. Key assumptions included the following:

	2014[1]	2013
	%	%
Budgeted gross margin	**38%**	38%
Weighted average growth rate	**5.5%**	5.5%
Discount rate	**11%**	11%

1. Assumptions carried forward from 2013.

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

IMPAIRMENT TESTS OF INDEFINITE-LIFE INTANGIBLE ASSETS

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

	2014[1]	2013
	%	%
Budgeted gross margin	**38%**	38%
Weighted average growth rate	**2.5%**	2.5%
Discount rate	**11%**	11%

1. Assumptions carried forward from 2013.

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

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

As a result of the impairment analysis, the Company determined that the recoverable amount of its CGUs exceeded their carrying amounts and as a result, there was no impairment identified, other than the impairment on Fiera Quantum L.P. assets described earlier.

NOTE 11 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
	$	$
Trade accounts payable and accrued liabilities	**11,989**	14,932
Wages and vacation payable	**552**	1,564
Bonuses and commissions payable	**27,235**	17,544
Sales taxes payable	**1,258**	960
	41,034	35,000

NOTE 12 INCOME TAXES

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

	2014	2013
	$	$
Current income taxes	**10,818**	10,017
Deferred income taxes (recovery)	**(5,660)**	(2,628)
	5,158	7,389

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

	2014	2013
	$	$
Earnings before income taxes	**28,749**	21,994
Combined federal and provincial statutory tax rates	**26.7%**	26.7%
Income tax expense based on combined statutory income tax rate	**7,676**	5,872
Share-based compensation	**154**	568
Non-deductible acquisition costs	**357**	1,266
Income tax allocated to non-controlling interest	**1,022**	89
Difference between Canadian and foreign statutory rates	**(1,314)**	(313)
Prior years' tax adjustments	**(1,380)**	414
Other non-deductible (non-taxable) amounts	**(1,357)**	(507)
	5,158	7,389

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

	Lease inducements & Deferred lease obligations	Restructuring provisions	Carry forward losses	Other	Total
	$	$	$	$	$
Balance, December 31, 2012	440	110	1,173	575	2,298
Charged to earnings	(42)	239	(792)	(66)	(661)
Business combinations	-	-	-	1,121	1,121
Balance, December 31, 2013	398	349	381	1,630	2,758
Charged to earnings	**(45)**	**(89)**	**451**	**1,624**	**1,941**
Business combinations	**-**	**-**	**-**	**-**	**-**
Charged to other comprehensive income	**-**	**-**	**-**	**(83)**	**(83)**
Foreign exchange difference	**-**	**-**	**1**	**57**	**58**
Balance, December 31, 2014	**353**	**260**	**833**	**3,228**	**4,674**

	Total (from above)	Intangible assets	Property & equipment	Total
	$	$	$	$
Balance, December 31, 2012	2,298	(20,822)	(376)	(18,900)
Charged to earnings	(661)	3,136	153	2,628
Business combinations	-	(8,016)	-	(8,016)
Charged to equity	1,121	-	-	1,121
Foreign exchange difference	-	(120)	-	(120)
Balance, December 31, 2013	2,758	(25,822)	(223)	(23,287)
Charged to earnings	**1,941**	**3,339**	**380**	**5,660**
Business combinations	**-**	**(1,346)**	**-**	**(1,346)**
Charged to other comprehensive income	**(83)**	**-**	**-**	**(83)**
Foreign exchange difference	**58**	**(612)**	**2**	**(552)**
Balance, December 31, 2014	**4,674**	**(24,441)**	**159**	**(19,608)**

Financial statement presentation as at December 31:

	2014	2013
	$	$
Non-current deferred income tax assets	**483**	1,349
Non-current deferred income tax liabilities	**(20,091)**	(24,636)
Total	**(19,608)**	(23,287)

NOTE 13 LONG-TERM DEBT

	December 31, 2014	December 31, 2013
	$	$
Term facility (2014 - $41,597 US dollars, 2013 - nil US dollars)	**177,756**	175,000
Revolving facility (2014 - $39,000 US dollars, 2013 - $51,300 US dollars)	**45,244**	54,563
Deferred financing charges	**(919)**	(1,301)
	222,081	228,262

CREDIT FACILITIES

Fiera Capital Corporation has in place a $250,000 unsecured credit facility (“Credit Facility”) consisting of:

a) $75,000 revolving facility maturing in April 2017 and;

b) $175,000 term facility maturing in April 2017.

On October 31, 2013, the Company amended its $118,000 credit facility which consisted of a $10,000 revolving facility and a $108,000 term facility to a $250,000 Credit Facility. The amended Credit Facility bears interest at prime rate plus a premium varying from 0% to 2.25% or at banker’s acceptance rate plus a premium varying from 1.00% to 2.25% (2.25% as at December 31, 2014), matures on April 3, 2017, and is repayable in quarterly instalments of $3,375 starting in June 2015 up to April 2017.

The instalments that are due in 2015 have been classified as non-current since the Company has the ability to refinance the term facility using the undrawn portion of the revolving facility. The revolving facility can also be used for general corporate purposes, to finance permitted acquisitions and was used to finance a portion of the Bel Air and Wilkinson O’Grady acquisitions.

During the year ended December 31, 2014, the Company converted $45,500 from its term facility to US$41,597. In addition, the Company reduced the drawings under its revolving facility by US$12,300. As at December 31, 2014, the total amount of long-term debt included US$41,597 outstanding on the term facility and US$39,000 outstanding on the revolving facility (US$51,300 was outstanding on the revolving facility as at December 31, 2013).

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions are composed of ratio of funded debt to EBITDA and interest coverage ratio. EBITDA, a non IFRS measure, is defined in the Credit Facility on a consolidated basis, as earnings of the Borrower before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items and shall include various items. As at December 31, 2014, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement of a notional amount of $108,000, which consists of exchanging its variable rate for a fixed rate of 1.835% ending in March 2017, payable in monthly instalments (see Note 6).

The principal repayments required over the next three years as at December 31, 2014, are as follows:

Years	
	$
2015	10,125
2016	13,500
2017	199,375
	223,000

NOTE 14 SHARE CAPITAL AND ACCUMULATED OTHER COMPREHENSIVE INCOME

AUTHORIZED

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

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

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

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

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

The shares have no par value.

PREFERRED SHARES

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

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

	Class A subordinate voting shares		Class B special voting shares		Total	
	Number	$	Number	$	Number	$
Balance, December 31, 2012	35,368,114	274,011	21,207,964	33,748	56,576,078	307,759
Stock options exercised	170,871	1,090	-	-	170,871	1,090
Shares issued as settlement of purchase price obligations	764,602	8,500	-	-	764,602	8,500
Transfer from Class B Shares to Class A Shares	409,956	652	(409,956)	(652)	-	-
Shares issued under a private placement	9,781,000	102,066	-	-	9,781,000	102,066
Shares issued as part of a business combination (Note 4)	144,514	1,794	-	-	144,514	1,794
Balance, December 31, 2013	46,639,057	388,113	20,798,008	33,096	67,437,065	421,209
Issuance of shares	**149,469**	**1,830**	**-**	**-**	**149,469**	**1,830**
Conversion of hold back shares	**277,578**	**3,104**	**-**	**-**	**277,578**	**3,104**
Stock options exercised	**249,236**	**2,245**	**-**	**-**	**249,236**	**2,245**
Shares issued as settlement of purchase price obligations	**642,275**	**8,500**	**-**	**-**	**642,275**	**8,500**
Transfer from Class B Shares to Class A Shares	**758,258**	**1,207**	**(758,258)**	**(1,207)**	**-**	**-**
Balance, December 31, 2014	**48,715,873**	**404,999**	**20,039,750**	**31,889**	**68,755,623**	**436,888**

— SHARES ISSUED

2014

Conversion of hold back shares

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

On the same day as the conversion of the first tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada ("National Bank") for $1,830. The amount of $1,830 was received on July 2, 2014. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement. The National Bank anti-dilution rights allow National Bank to participate in future issuances of shares upon the occurrence of certain dilutive events in order for National Bank to maintain its ownership percentage.

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

Shares issued as settlement of purchase price obligations

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

2013

On September 18, 2013, the Company issued, under a private placement, 9,781,000 subscription receipts at a price of $10.75 per receipt for an aggregate amount of $102,066, net of issuance costs of $4,201 and deferred income taxes recovery of $1,121. Proceeds were placed in escrow until the closing of the Bel Air and Wilkinson O'Grady business combinations. Upon the closing, the subscription receipts were automatically exchanged on a one-for-one basis for 9,781,000 Class A Shares.

On October 31, 2013, as part of the acquisition of Wilkinson O'Grady by Fiera USA Holding Inc., the Company issued 144,514 Class A shares with a value of $1,794 (Note 4).

Transfers

During the year ended December 31, 2014, 758,258 Class B Shares were converted into 758,258 Class A Shares (409,956 Class B Shares were converted into 409,956 Class A Shares for the year ended December 31, 2013) on a one-for-one basis.

Dividends

During the year ended December 31, 2014, the Company declared $31,229 of dividends ($0.46 per share) on Class A and Class B Shares ($22,590 for the year ended December 31, 2013 ($0.38 per share)) and $400 on hold back shares.

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

	December 31, 2014	December 31, 2013
	$	$
Unrealized gain on available-for-sale financial assets	**553**	201
Share of other comprehensive income of joint ventures	**354**	243
Unrealized exchange differences on translating financial statements of foreign operations	**8,944**	1,472
	9,851	1,916

NOTE 15 EARNINGS PER SHARE

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

	For the years ended December 31,	
	2014	2013
	$	$
Net earnings attributable to shareholders	**27,492**	14,939
Weighted average shares outstanding – basic	**68,578,274**	58,576,797
Effect of dilutive share-based awards	**987,478**	872,215
Weighted average shares outstanding – diluted	**69,565,752**	59,449,012
Basic earnings per share	**0.40**	0.26
Diluted earnings per share	**0.40**	0.25

For the year ended December 31, 2014, the calculation of hypothetical conversions does not include 1,140,427 options (448,000 in 2013) with an anti-dilutive effect.

NOTE 16 SHARE-BASED PAYMENTS

A) STOCK OPTION PLAN

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

A summary of the changes that occurred during the years ended December 31, 2014, and 2013, in the Company's stock option plan is presented below:

	December 31, 2014		December 31, 2013	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
		$		$
Outstanding – beginning of year	**2,942,522**	**8.12**	2,290,393	6.92
Granted	**692,427**	**13.43**	823,000	10.77
Exercised	**(249,236)**	**6.77**	(170,871)	4.84
Forfeited	**(32,176)**	**8.10**	-	-
Expired	**(7,500)**	**5.59**	-	-
Outstanding – end of year	**3,346,037**	**9.32**	2,942,522	8.12
Options exercisable – end of year	**1,230,298**	**6.55**	999,690	6.48

The following table presents the weighted average assumptions used during the years ended December 31, 2014 and 2013, to determine the share-based compensation expense using the Black-Scholes option-pricing-model:

	December 31, 2014	December 31, 2013
Dividend yield (%)	**2.93 to 3.67**	2.93 to 4.22
Risk-free interest rate (%)	**1.72 to 2.09**	1.70 to 2.20
Expected life (years)	**7.5**	7.5
Expected volatility of the share price (%)	**43.2 to 43.8**	43.8 to 44.5
Weighted-average fair values ($)	**4.31**	3.59
Share-based compensation expense ($)	**1,292**	1,372

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

The following table summarizes the stock options outstanding:

	Options outstanding			Options exercisable	
Range of exercise price	Number of Class A Share options	Weighted-average remaining contractual life in (years)	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
			$		$
3.67	463,768	5	3.67	463,768	3.67
6.38 to 8.50	1,741,842	7	8.10	766,530	8.29
8.51 to 13.89	1,140,427	9	13.49	-	-

B) DEFERRED SHARE UNIT PLAN

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

As at December 31, 2014, management had recorded a liability for an amount of approximately $174 for the 13,681 units ($186 for 13,214 units as at December 31, 2013), outstanding under the DSU Plan.

C) EMPLOYEE SHARE PURCHASE PLAN

On October 6, 2011, the Board adopted an Employee Share Purchase Plan ("ESPP") for the purposes of attracting and retaining eligible employees, therefore allowing them to participate in the growth and development of the Company. The maximum number of issuable shares under this plan is 1.5 million shares of Class A Shares. The Board may determine the subscription date and the number of shares each eligible employee can subscribe to. The subscription price is determined by the volume-weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the date of the subscription.

D) RESTRICTED SHARE UNIT PLAN

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

The following table presents transactions that occurred during the years ended December 31, 2014 and 2013 in the Company's RSU plans.

	Number of RSUs outstanding	
	2014	2013
Outstanding – beginning of year	**367,548**	125,646
Granted	**166,559**	237,071
Reinvestments in lieu of dividends	**15,573**	4,831
Forfeited	**(9,172)**	-
Outstanding – end of year	**540,508**	367,548

As at December 31, 2014, management had recorded a liability for an amount of $2,231 for the 540,508 units ($591 for 367,548 units as at December 31, 2013), outstanding under the RSU Plan. An expense of $1,640 and $567 was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

— E) PERFORMANCE SHARE UNIT PLAN

On October 30, 2013, the Board adopted a PSU Plan for the purposes of retaining key employees and to permit them to participate in the growth and development of the Company. Under this PSU Plan, the Company has the option to settle the PSUs in cash or Class A Shares of the Company with the exception of the September 2, 2014 plan for which the option is at the discretion of the participant. The maximum number of issuable Class A Shares under all plans is 10% of the issued and outstanding shares of the Company calculated on a non-diluted basis.

The following table summarizes the outstanding PSU awards as at December 31, 2014:

Date of grant	Vesting schedule	Vesting Date	Key vesting performance conditions	Payout formula
October 30, 2013	20% per year for 5 years	December 31 of each year	Annualized revenue growth objective for private wealth revenues	Multiple of the private wealth revenues
January 1, 2014	6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5	December 31 of each year	Annualized revenue growth objective for alternative revenues	Multiple of the non-traditional investment solution revenues
September 2, 2014	100% in 2017	December 31, 2017	Annualized revenues of the last quarter of 2017 for closed-end funds	Variable percentage of annualized revenue for closed-end funds

All of the above awards are conditional on the continued employment of the participant with the Company.

The following table presents transactions that occurred during the years ended December 31, 2014 and 2013 in the Company's PSU plans.

Date of grant	October 30, 2013 Wilkinson O'Grady	October 30, 2013 Bel Air	January 1, 2014	September 2, 2014
Outstanding – December 31, 2012	-	-	-	-
Granted	147,404	1,241,667	-	-
Forfeited	-	(43,750)	-	-
Outstanding – December 31, 2013	147,404	1,197,917	-	-
Granted	**-**	**-**	**307,692**	**107,692**
Forfeited	**-**	**(25,000)**	**-**	**-**
Outstanding – December 31, 2014	**147,404**	**1,172,917**	**307,692**	**107,692**

October 30, 2013

During the fourth quarter of 2013, the Company issued PSUs to employees of Bel Air and Wilkinson O'Grady that became employees of the Company as at October 31, 2013. The PSUs will vest in tranches equivalent to 20% of the total grant in each of the next five years. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

During the fourth quarter of 2014, the October 30, 2013 grant was modified to include revised performance conditions to all former Bel Air employees that participated in this grant. These conditions aim at better aligning the performance condition applicable to these employees with each participant's ability to impact the Company's results. After giving effect of this modification, the PSUs attributed to the former Bel Air employees are now subject to the attainment of an agreed upon annualized revenue growth objective solely on the Bel Air business unit as opposed to the Fiera Private Wealth North America business unit.

The value of each PSU granted to the former Wilkinson O'Grady employees is derived from the value of the Fiera Private Wealth North America business unit while the value of each PSU granted to the former Bel Air employees is derived from the value of the Bel Air business unit. The value of the PSUs granted on October 30, 2014 was evaluated at US$13,744.

The attainment of the performance conditions for these two grants and the estimated vesting of the PSUs are reassessed at the end of each reporting period. The following table summarizes the Company's estimated vesting of the PSUs for the years ended December 31.

Vesting schedule	Fiscal year	October 30, 2013 Wilkinson O'Grady	October 30, 2013 Bel Air
Year 1	2014	0%	100%
Year 2	2015	0%	100%[1]
Year 3	2016	0%	100%
Year 4	2017	0%	0%
Year 5	2018	0%	0%

1. Year 2 expected to vest in Year 3 along with Year 3 according to estimates.

An expense of $3,963 and $756 was recorded during the years ended December 31, 2014 and 2013, respectively for these grants.

January 1, 2014

During the first quarter of 2014, the Company issued PSUs to the responsible of the Alternative revenues business unit. The PSUs will vest in accordance with the following tranches: 6.5% on year 1 and 7, 13.5% on year 2 and 6 and 20% on year 3, 4 and 5. The annual vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon annualized revenue growth objective and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the different payout targets. The value of the PSUs granted on January 1, 2014 was evaluated at $2,811. The compensation expense is based on the number of PSUs expected to vest based on the attainment of the performance conditions and is recorded over the vesting period.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company does not believe these PSU's will vest. As such, the Company did not record an expense for this PSU plan.

September 2, 2014

During the third quarter of 2014, the Company issued PSUs to employees of Propel that became employees of the Company as at September 2, 2014. The PSUs will vest on December 31, 2017. The vesting of the PSUs is subject to different conditions, including the attainment of an agreed upon level of revenues during the last quarter of 2017 for closed-end funds and the continuance of employment of the participant.

The value of the PSUs granted was determined at inception using forecasted revenues of the payout target. The value of the PSUs granted on September 2, 2014 was evaluated at $435.

The Company intends to settle this grant in cash. As such, the PSUs are recorded at fair value at the end of each reporting period. The liability for this grant is $43 as at December 31, 2014.

The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. As at December 31, 2014, the Company believes that all these PSUs will vest at December 31, 2017.

NOTE 17 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2014 amount to $2,260 ($1,559 for the year ended December 31, 2013).

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

NOTE 18 EXPENSES BY NATURE

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

	For the years ended December 31,	
	2014	2013
	$	$
Wages and employee benefits	**108,289**	68,408
Travelling and marketing	**6,316**	4,460
Reference fees	**5,839**	4,772
Rent	**5,071**	3,706
Technical Services	**6,867**	3,747
Professional fees	**4,804**	4,971
Insurance, permits and taxes	**2,588**	1,422
Other	**6,193**	2,871
	145,967	94,357

The details of wages and employee benefits are as follows:

	For the years ended December 31,	
	2014	2013
	$	$
Salaries and wages	**91,446**	58,470
Pension costs	**2,260**	1,559
State plans	**2,490**	2,230
Share-based compensation	**5,255**	2,128
Cash settled share-based compensation	**1,683**	567
Other	**5,155**	3,454
	108,289	68,408

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

Salaries and other short-term benefits	**11,800**	6,915
Share-based payments	**1,257**	510

NOTE 19 ADDITIONAL INFORMATION RELATING TO CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	2014	2013
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**(2,409)**	(16,739)
Prepaid expenses	**1,045**	(486)
Accounts payable and accrued liabilities	**6,039**	9,035
Amount due to related companies	**(25)**	(1,047)
Deferred revenues	**(396)**	(448)
	4,254	(9,685)

The following are non-cash items: subscription receipts receivable of $3,353 (current and non-current), subscription receipts obligation of $3,353 (current and non-current), shares issued as settlement for purchase price obligations of $8,500 (2013 – $8,500), additions to property and equipment included in accounts payable and accrued liabilities of $164 and additions to intangible assets included in accounts payable and accrued liabilities of $67.

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between income taxes paid of $14,346 (2013 – $5,800) and income tax expense of $10,818 (2013 – $10,017) for a net impact of ($3,528) for the year ended December 31, 2014 (2013 – $4,217).

NOTE 20 COMMITMENTS AND CONTINGENT LIABILITIES

— COMMITMENTS

The Company leases office space and equipment under non-cancellable operating leases expiring at different dates until 2021. Future lease payments total $21,422 and include the following payments for each of the next five years as at December 31, 2014, and thereafter:

	$
2015	8,231
2016	4,505
2017	4,281
2018	2,000
2019	1,233
Thereafter	1,172

— CONTINGENT LIABILITIES

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

NOTE 21 CAPITAL MANAGEMENT

The Company's capital comprises share capital, (deficit) retained earnings and long-term debt, including the current portion less cash. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt.

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

To comply with Canadian securities administration regulations, the Company is required to maintain a minimum working capital of $100 as defined in Regulation 31-103, *Respecting Registration Requirements, Exemptions, and Ongoing Registrants Obligations*.

As at December 31, 2014, all regulatory requirements and exemptions were met.

NOTE 22 RELATED PARTY TRANSACTIONS

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

	2014	2013
	$	$
Base management fees	**45,057**	39,132
Performance fees	**4,233**	6,114
Selling, general & administrative expenses		
Reference fees	**1,583**	1,503
Other	**1,775**	1,638
Interest on long-term debt	**7,864**	6,934
Changes in fair value of derivative financial instruments	**301**	(847)
Integration cost	**-**	183
Shares issued as settlement of the purchase price obligations	**8,500**	8,500

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Fees are at prevailing market prices and are settled on normal trade terms. The amounts due under the Company's Credit Facility presented as long-term debt are amounts due to a syndicate of lenders which includes two related parties of the Company. The derivative financial instruments liability is due to a related company.

The Company has carried out the following transaction with joint ventures: other revenue of $1,202 for the year ended December 31, 2014 ($871 for the year ended December 31, 2013).

NOTE 23 SEGMENT REPORTING

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

GEOGRAPHICAL INFORMATION

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

	Revenues	Non-current assets
	For the year ended December 31, 2013	As at December 31, 2013
	$	$
Canada	145,698	524,067
United States of America	8,029	159,134

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

NOTE 24 SUBSEQUENT EVENT

On February 11, 2015, the Company announced that it had reached an agreement to acquire all of the outstanding shares of Samson Capital Advisors LLC ("Samson"), a prominent New York–based investment management firm which specializes in global fixed income and currency investment. The acquisition will enable the Company to create a full-fledged global asset manager in the United States, adding strong leadership and investment talent in order to further expand the Company's presence in the market.

Under the terms of the agreement, the purchase price for Samson includes US$19,200 payable in cash to the sellers and US$14,300 worth of Fiera Capital Class A Shares. In addition, the purchase price includes an amount of up to US$15,000 payable over five years if certain targets are achieved.

The transaction is expected to close during the second quarter of 2015 and is subject to customary conditions, including regulatory approvals and approval of the TSX.

On March 18, 2015, the Board declared a quarterly dividend of $0.13 per share to shareholders of record as at March 31, 2015 and payable on April 28, 2015.

CORPORATE INFORMATION

Executive Officers

Pierre Blanchette
Sylvain Brosseau
Jean-Guy Desjardins
Violaine Des Roches
Raj Lala
Marcel Larochelle
David Pennycook
Sylvain Roy
Alain St-Hilaire
Robert Trépanier
Paul Vaillancourt
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Auditor

Deloitte LLP

Stock Exchange Listing

Stock markets: Class-A subordinate voting shares are listed on the TSX under the symbol FSZ

Annual and Special Meeting

Centre Mont-Royal
2200 Mansfield Street
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Tuesday, June 2, 2015, 9:30 a.m.

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The acquisition of Samson Capital Advisors LLC by Fiera Capital Corporation remains subject to customary conditions including certain regulatory approvals.

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