FIERA CAPITAL

2017 ANNUAL REPORT

Solutions for any client, anywhere

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INVESTING GLOBALLY...

Solutions for any client, anywhere

New strategies, new geographies, new platforms and enhanced distribution channels offer Fiera Capital clients across North America, Europe and key markets in Asia access to customized multi-asset solutions. It's all about investing globally and striving relentlessly to deliver any strategy to any client, anywhere.

With its fast-growing global reach and a reputation to match, our firm has already taken some significant first steps in that direction. Whatever a client's risk-return profile – and wherever they are situated – Fiera Capital's world-class teams can help craft strategies that draw on one of the global industry's most innovative and diverse offerings. Myriad fixed income solutions, North American and global equity-based strategies, innovative non-traditional market neutral and long/short equity solutions, high-performing emerging and frontier-focused equity strategies, not to mention an expanding suite of private markets and real-assets strategies, which can help reduce portfolio volatility, protect against inflation and generate a steady stream of returns.

MISSION, VISION AND VALUES

Fiera Capital Corporation is a leading independent asset management firm with approximately C$128.9 billion in assets under management as at December 31, 2017. The firm provides institutional, retail and private wealth clients with access to full-service integrated money management solutions across traditional and alternative asset classes. Clients and their portfolios derive benefit from Fiera Capital's depth of expertise, diversified offerings and outstanding service. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Mission

We are at the forefront of investment-management science and passionate about creating sustainable wealth for our clients.

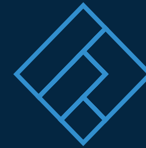
Vision

Recognized for our talented people and for providing the best solutions to our clients globally, Fiera Capital aims to be one of the top 100 asset managers in the world.

Supporting this vision are Fiera Capital's four strategic pillars:

People
Process
Performance
Partners/Clients

AT FIERA CAPITAL, WE VALUE:



Integrity

Ambition

Collaboration

Innovation

Excellence

EXTENDING OUR GLOBAL REACH

Commensurate with its growing global reputation, Fiera Capital continues to extend its reach, fielding new teams and forging new relationships in established and emerging investment markets worldwide.

Headquartered in Montreal, Fiera Capital's network of offices spans North America and encompasses a steadily expanding presence in key financial centres in Europe and, soon, Asia. New York serves as home base for the U.S. division, Los Angeles is home to Bel Air Investment Advisors and London is the nerve centre of the European division. With the pending acquisition of a private markets manager with offices in Hong Kong and Singapore, Fiera Capital will have a beachhead in Asia as well.

Headquartered in
Montreal

Fiera Capital has offices in
- Toronto
- Calgary
- Halifax
- Vancouver
- New York
- Boston
- Los Angeles
- Dayton
- London
- Isle of Man
- Frankfurt

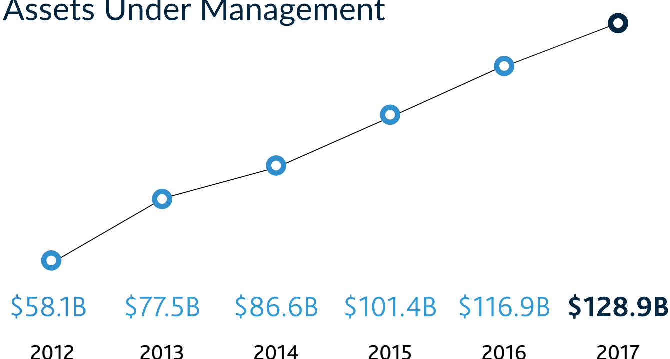
TSX: FSZ

700+
EMPLOYEES

160
INCLUDING INVESTMENT PROFESSIONALS

FINANCIAL HIGHLIGHTS

Assets Under Management

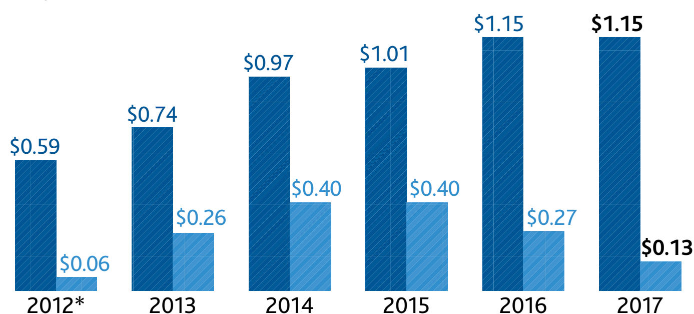


	$128.9B	$116.9B
	As at December 31, 2017	As at December 31, 2016
Revenues	**$459.1M**	$344.1M
EBITDA[1]	**$71.3M**	$81.2M
Adjusted EBITDA[1]	**$116.8M**	$107.2M
Net Earnings[2]	**$10.7M**	$20.8M
Adjusted Net Earnings[2]	**$94.2M**	$87.30M
	For the 12 months ended December 31, 2017	For the 12 months ended December 31, 2016

1 EBITDA, Adjusted EBITDA, adjusted net earnings and adjusted net earnings per share are not standardized measures prescribed by IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other companies.

2 Attributable to the Company's shareholders.

Adjusted EPS and EPS[1] (Basic)



Adjusted Net Earnings Per Share (Basic)

Net Earnings Per Share (Basic)

1 Attributable to the Company's shareholders.
*15 months in Fiscal 2012 due to fiscal year-end change.

$128.9B

IN ASSETS ENTRUSTED TO FIERA CAPITAL ON BEHALF OF CLIENTS

10%

YEAR-OVER-YEAR AUM INCREASE

33%

INCREASE IN TOTAL REVENUES

9%

YEAR-OVER-YEAR INCREASE IN ADJUSTED EBITDA[1]

$11.2B

IN NEW MANDATES WON

ANOTHER SOLID PERFORMANCE IN 2017

Fiera Capital turned in another year of significant accomplishments in 2017. Thanks to the outstanding performance of its strategies and the added strength provided by Charlemagne Capital – which now forms the backbone of the European division – as well as the growth of new private alternative solutions, we continued to move forward in our quest to position the firm among the leading global asset managers, ultimately capable of providing solutions for any client, anywhere.

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

Solid Financial Results

The firm remained on its strong growth path, with total assets under management increasing by a further 10% year-over-year to reach $128.9 billion, while revenues grew 33% to $459.1 million, reflecting gains achieved across all our divisions in 2017. Adjusted net earnings amounted to $94.2 million, up from $87.3 million the previous year.

The Board of Directors maintained the dividend policy with two dividend increases in 2017 – reflecting continued confidence in the firm's growth potential. Since 2010, the compounded annual growth rate of our quarterly dividends has appreciated by 17.2%.

That confidence in Fiera Capital's future prospects is evidently shared by the markets, judging from the response to a public offering completed in December 2017, which was significantly oversubscribed with total gross proceeds of $169 million.

Outstanding Investment Performance

Our ability to adapt the firm's fixed income offering to changing market dynamics and to more effectively address the investment needs of clients also contributed to this landmark year. Indeed, 2017 saw Fiera Capital outperforming across most of its fixed income strategies despite a greater level of volatility within the asset class.

The firm's Canadian equity strategies produced solid returns on both an absolute and relative basis. Likewise, the Global Equity Team's high-quality bias continued to generate compelling results over the short, medium and long term, both in absolute terms and relative to their respective indices and industry peers.

Fiera Capital's alternatives offering, which includes a growing number of real-asset solutions, generated strong absolute returns in 2017. These strategies represent highly attractive solutions that provide clients with the means to generate positive returns in all market environments. Faced with periods of volatility and potentially negative returns in traditional asset classes, our alternative strategies offer the possibility of preserving capital in down markets while maintaining a potentially attractive level of yield. This enables clients to achieve their investment objectives while generating strong revenues for our firm.

Operational Highlights

Pressing ahead with our global growth strategy in order to deliver value to clients and shareholders over the long term was a top priority in 2017. Over the course of a very eventful year, we transitioned the UK-based Charlemagne team to the Fiera Capital European division and completed the integration of our U.S. operations onto Fiera Capital's platform. In the private alternatives space, we acquired the remaining interest in our ownership of Fiera Properties, further strengthened Fiera Infrastructure's stature as a leading international investor, successfully launched the Fiera Comox agriculture strategy and witnessed Fiera Private Lending's emergence as a leading Canadian non-bank lender.

Although the focus was on organic growth, late in the year we made a strategically interesting acquisition of a fast-growing, U.S.-based mutual fund that invests primarily in Asian emerging markets.

Then, subsequent to the year's end, we further expanded our presence in Asia with the acquisition of Clearwater Capital Partners, a leading Asia-focused credit and special-situations investment firm headquartered in Hong Kong. We also reached an agreement to acquire the business of CGOV Asset Management, an Ontario-based investment management firm focused on high-net-worth and institutional investors with approximately $5.3 billion in assets under management.

Global Leadership Team

There were a number of changes to our global leadership team in 2017. In November 2017, Vincent Duhamel, who previously headed prominent investment-management organizations in Canada and Asia, joined Fiera Capital as Global President and Chief Operating Officer. Vincent is also a member of the firm's Global Executive Management Committee and the Strategic Development Committee and sits on the internal boards of Fiera Capital's Canadian, U.S., European and Bel Air Investment Advisors divisions. Earlier in 2017, we welcomed Monique F. Leroux, President and CEO of the Desjardins Group from 2008 until 2016, who joined Fiera Capital as Strategic Advisor to the senior leadership team and a member of the Strategic Development Committee; Jean-Philippe Lemay, formerly the Canadian division's Chief Investment Officer (CIO), was appointed President and Chief Operating Officer of the Canadian division; David Sadkin succeeded Todd M. Morgan as President of Bel Air Investment Advisors; and François Bourdon assumed the role of Global Chief Investment Officer, while retaining responsibility for managing a number of investment strategies for the Canadian division. During that same time period,

John Valentini assumed additional responsibilities with his appointment as Executive Vice President and Global Chief Financial Officer of Fiera Capital and President of the Private Alternative Investments division.

The fact that these senior-level appointments involved both the promotion of top-flight Fiera Capital talent and the on-boarding of highly regarded executives from outside reflects positively on the firm's succession planning, as well as its reputation in the investment community.

During 2017, the firm concluded long-term compensation agreements with a number of key investment professionals, designed to help ensure alignment of interests and secure continued growth in revenues and the development of new strategies.

We believe these investments in attracting, developing and retaining world-class talent have made the organization stronger and will contribute to accelerated organic growth in revenues, which will in turn help us achieve our objective of $200 billion in AUM by the end of 2020 and deliver value to shareholders.

Seven-Year Global Financial Forecast

In keeping with our focus on the longer term, I am proud to note that Fiera Capital published its first Global Financial Forecast in 2017. This comprehensive report is a tangible example of our ability to generate high-calibre market intelligence that helps drive innovative and attractive portfolio solutions for our clients. The Global Financial Forecast outlines trends that are likely to influence and characterize the global investment environment over the next seven years (2017–2024), along with factors we believe will affect financial markets going forward.

2022 Strategic Plan

As 2017 unfolded, we also initiated an ambitious strategic-planning exercise designed to help us determine the best path forward for the next five years and thus ensure Fiera Capital's continued growth and success. To that end, our 2022 Strategic Plan will aim not only to develop a consensus regarding market trends, potential disruptors, challenges and opportunities, but will also enable us to identify key strategic objectives and develop action plans focused on the most attractive opportunities. This is another example of investing in our future. The 2022 Strategic Plan is on track to be finalized during the third quarter of 2018.

Responsible Investing and Corporate Social Responsibility

As a responsible steward of capital with global aspirations, Fiera Capital acts diligently and in the best interests of investors and stakeholders with a view to mitigating risks and creating sustainable, long-term value. Our firm has long been committed to good governance and responsible investing. In fact, back in 2009 we were one of the early signatories to the United Nations Principles for Responsible Investment (UN PRI). However, the rapid growth and diversification of Fiera Capital in recent years demonstrated the need for a comprehensive responsible investment policy that would enable us to coordinate practices across the organization. In 2017, we formed a multidisciplinary committee and tasked it with carrying out a sweeping review of related environmental, social and governance policies and procedures.

Elsewhere in this report you can read about the successful outcome of the committee's efforts, which yielded Fiera Capital's new Global Responsible Investment Policy along with an updated Proxy Voting Policy and numerous other initiatives designed to embed corporate social responsibility throughout the firm.

Acknowledgements

I would like to take this opportunity to express my gratitude to fellow Board members for their wise counsel and support over the course of a highly successful year, and to formally welcome Nitin Kumbhani, Vice Chairman and Chief of Growth Equity Securities at Fiera Capital, U.S. division, who joined the Board in June 2017. Mr. Kumbhani replaced David Pennycook, who has been with the organization for more than 26 years and who made valuable contributions to the firm's success as a member of the boards of both Fiera Capital and its predecessor, Sceptre Investment Counsel Limited.

Last but not least, I wish to thank the managers, investment teams and employees across the organization for the passion and hard work that helps us drive the firm forward.

As Fiera Capital approaches its 15th anniversary later this year, we remain committed to providing clients with the innovative strategies and true-alpha portfolio management that have differentiated us from other asset managers from the very start and, of course, to continuing to reward our shareholders.

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

NEW MEMBERS OF THE GLOBAL LEADERSHIP TEAM

Monique F. Leroux
Strategic Advisor and Member of the Strategic Development Committee

Monique F. Leroux previously served as President and CEO of the Desjardins Group. She is currently Chair of the Board of Investment Quebec and sits on numerous other non-profit and corporate boards, including Bell, Couche-Tard, Michelin and S&P Global. Ms. Leroux is a Member of the Order of Canada, an Officer of the Order of Quebec and a Knight of France's Légion d'honneur.

Vincent Duhamel
Global President and Chief Operating Officer

Vincent Duhamel has led several prominent investment-management organizations in Asia and Canada. Prior to joining Fiera Capital, he held the role of Capital Partner and Chief Executive Asia at private bank Lombard Odier & Co. He previously served as CEO of hedge-fund sponsor SAIL Advisors Ltd., and as Managing Director of Goldman Sachs in Hong Kong.

François Bourdon
Global Chief Investment Officer

François Bourdon has more than 20 years' experience in the investment industry and has been with Fiera Capital since its inception. In addition to his duties as Global Chief Investment Officer, he continues to manage a number of investment strategies for the Canadian division, and frequently serves as the firm's spokesperson on economic and investment strategy matters.

Jean-Philippe Lemay
President and Chief Operating Officer, Canadian Division

Prior to assuming his current position, Jean-Philippe Lemay served as Chief Investment Officer of Fiera Capital's Canadian division and as Vice President and Senior Portfolio Manager of Liability Driven Investments. An actuary by training, he joined the firm in 2010 after stints as Specialist - Quantitative Research and Risk Management, and Index Manager at other Canadian investment-management firms.

David Sadkin
President, Bel Air Investment Advisors LLC

In addition to his role as President, Bel Air Investment Advisors LLC (a U.S. subsidiary of the firm), David Sadkin is responsible for advising individuals, families, endowments and foundations. A graduate of Harvard Law School, he began his career in Washington, DC, serving as counsel to the House of Representatives Committee on Government Reform and, subsequently, as senior counsel to Rep. Henry A. Waxman. David joined Bel Air in 2006.

SOLUTIONS TAILORED TO THE NEEDS OF A DIVERSE GLOBAL CLIENTELE

Fiera Capital is committed to forging meaningful partnerships with clients in all three key segments – Institutional, Private Wealth and Retail – collaborating to provide bespoke, best-in-class solutions suited to their particular needs.

Institutional Markets

Institutional clients benefit from Fiera Capital's broad range of traditional and alternative investment strategies through innovative and customized investment solutions designed to achieve superior risk-adjusted returns. The firm's diverse institutional client base includes pension funds, endowments, foundations and charitable organizations, as well as large municipal and university funds.

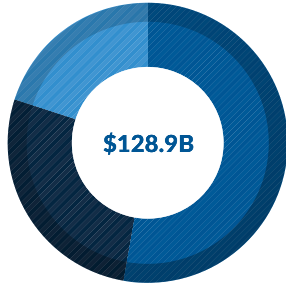
Private Wealth

High-net-worth individuals and their families, along with endowments and foundations, look to Fiera Capital and Bel Air Investment Advisors for highly professional management services and bespoke investment strategies. Access to both traditional and alternative solutions as well as a pro-active, tactical asset-allocation process represent a compelling value proposition for the discerning investor.

Retail Markets

Fiera Capital works closely with two major Canadian Financial Institutions, while also partnering with other fund and ETF manufacturers and acting as a sub-advisor. In addition, Fiera Capital offers an array of portfolio-management solutions – traditional funds, non-traditional funds and structured-product strategies – to assist financial advisors in achieving their clients' goals. The firm's mutual fund unit, Fiera Capital Funds, provides individual investors with direct access to some of Canada's award-winning mutual funds and a dedicated client-services team.

AUM per Client Type
(As at December 31, 2017)

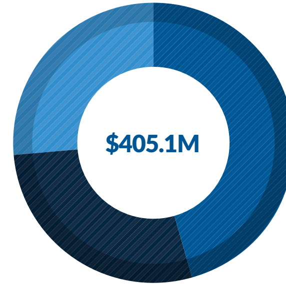


53% | $68.0B
INSTITUTIONAL

27% | $34.6B
RETAIL

20% | $26.3B
PRIVATE WEALTH

Revenues[1] per Client Type
(FY 2017)



46% | $185.5M
INSTITUTIONAL

28% | $113.0M
RETAIL

26% | $106.6M
PRIVATE WEALTH

1 Base Management Fees.

TOKYO, JAPAN

LEADING JAPANESE ASSET MANAGER CITES EXCELLENT STRATEGIES AND HIGHLY TALENTED TEAMS AS GOOD REASONS FOR CHOOSING TO WORK WITH FIERA CAPITAL

"As well as delivering outstanding investment performance, Fiera Capital's client-focused culture brings added value to the management of our portfolio and, in turn, helps enhance our services to Nissay Asset Management's Japanese clients."

Yuko Katashima
Senior Portfolio Manager,
Nissay Asset Management

Ms. Katashima lauded Fiera Capital's strategies, in particular the Fiera Global Equity solution. "We believe that this product clearly fits with Japanese pension clients' preference for receiving sustainable superior returns." To which she added: "We believe that, with its highly talented and passionate teams unified by a common purpose, Fiera Capital is certain to succeed on the world stage."

With more than 10 trillion yen (approximately C$112 billion) in assets under management as at December 31, 2017, Nissay Asset Management is the strategic asset-management arm of Nippon Life Insurance Company, a leading life insurer in Japan. Nissay Asset Management provides high-quality asset management services that span a broad array of traditional and alternative asset classes for both institutional and individual clients.

OLDENBURG, GERMANY

INDEPENDENT FINANCIAL ADVISOR IN GERMANY PRAISES FIERA CAPITAL'S EUROPEAN TEAM FOR ITS SUPERIOR MARKET KNOWLEDGE COMBINED WITH OUTSTANDING CLIENT SERVICE AND SUPPORT

"No one is closer to what's happening in frontier and emerging markets than the investment professionals on Fiera Capital's European team."

Ingo Asalla
Principal and Owner,
Ingo Asalla GmbH

Ingo Asalla GmbH is a respected independent financial advisory firm situated in Oldenburg, in northwestern Germany. It focuses primarily on serving high-net-worth clients, particularly with respect to mutual funds.

Ingo Asalla and its clients are currently invested in three Fiera Capital Emerging Markets funds, primarily the OAKS Emerging and Frontiers Opportunities, but also the Magna MENA and Magna New Frontiers strategies. It regards these strategies as excellent opportunities to boost performance and further diversify its portfolios.

"We are not necessarily looking to achieve the absolute highest returns," Mr. Asalla explains. "In our view, it is more important to achieve strong returns through manageable and, above all, calculable risk-taking. Taking those parameters into account, we believe there is no competitor within the peer group that has as deep an understanding of frontier and emerging markets, or delivers better results than Fiera Capital. And we get great support from the client-relationship team in Frankfurt."

PORTLAND, OREGON

U.S.-BASED FOUNDATION LOOKS TO FIERA CAPITAL'S HIGH-PERFORMING INTERNATIONAL EQUITY STRATEGY TO HELP FUND ITS EFFORTS TO ASSIST IMPOVERISHED COMMUNITIES AROUND THE GLOBE

"Given the foundation's desire to limit the number of relationships with investment managers, those we do enter into have to be high-conviction and long-term in nature. With its strong investment culture and intense client focus, Fiera Capital has proven worthy of our confidence."

Taekyung Han
Chief Investment Officer,
Vibrant Village Foundation

The Vibrant Village Foundation (VVF) provides long-term support to small communities facing extreme poverty. From the Sahel region in Northern Senegal to remote villages in Tanzania, from indigenous communities in the highlands of Peru to the poorest villages in Haiti, VVF works to improve peoples' lives through enhanced food security, health, education and financial well-being.

Mr. Han says Fiera Capital's International Equity strategy fits nicely with the endowment's investment policy and approach. "We believe in investing in a concentrated group of managers that focus on quality businesses – not just on macro trends, momentum, or sentiment. We talk a lot about the Fiera Capital investment team with our board – the strength of their process, the alignment of interests."

He adds that, "while generating exceptional returns, the Fiera Capital team also has demonstrated a willingness to keep us updated with vital market intelligence and ancillary research that has proved very useful with respect to the management of our overall portfolio."

CALGARY, CANADA

AS A TRUSTED ADVISOR ON FINANCIAL AND INVESTMENT MATTERS, FIERA CAPITAL'S PRIVATE WEALTH TEAM HELPS SIMPLIFY THE LIFE OF PROMINENT CALGARY BUSINESSMAN

"Ultimately, my choice of advisors came down to the people and their reputations. Fiera Capital has a great team here in Calgary – and I appreciate that they are backed by the substantial resources and expertise of a large organization."

Kevin Rome
Director, Clarity Benefits Group Inc.

When Kevin Rome's successful Calgary-based employee-benefits insurance brokerage and consulting firm was acquired by a U.S. multinational back in 2012, he found himself in need of a top-notch advisor to help him manage and invest the proceeds. After carefully considering the available options, Mr. Rome settled on the Private Wealth team at Fiera Capital's Calgary office.

"In addition to investing my capital wisely, I wanted to simplify my life," he explains. "At the time, I was working with three different advisors. So I was looking for a firm that offered a breadth of services, which could manage all aspects of my investments and my finances. Fiera Capital filled the bill," he says. From an investment perspective, Mr. Rome was impressed with the wide range of investment strategies available, particularly in non-traditional asset classes, along with the firm's sophisticated asset-allocation capabilities.

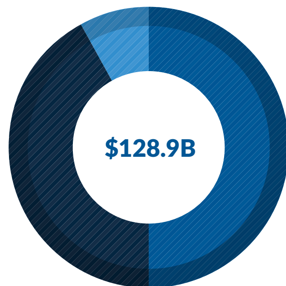
"I continue to rely on them not only for managing my money but for providing accounting and other related services, and they have performed very well on all counts," says Mr. Rome, who is busy launching a new consulting and advisory firm, Clarity Benefits Group Inc.

INNOVATIVE INVESTMENT STRATEGIES ATTUNED TO CHANGING TIMES

Fiera Capital has an enviable track record for the timely introduction of innovative strategies attuned to the prevailing economic and investment environment. Anticipating a return to higher inflation and interest rates, Fiera Capital stayed ahead of the curve in 2017 with an expanding suite of attractive private alternative strategies focused on 'real return' assets like agriculture and real estate. Scheduled for launch in 2018 is a highly anticipated new private equity strategy. Fiera Private Lending, a fast-growing non-bank lender, offers clients yet another unique option to further diversify their holdings.

AUM per Asset Class

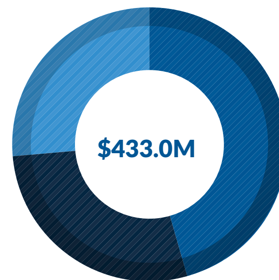
(As at December 31, 2017)



50%	$64.3B
FIXED INCOME	
42%	$53.9B
CANADIAN & GLOBAL EQUITY	
8%	$10.7B
ALTERNATIVE STRATEGIES & ASSET ALLOCATION	

Revenues[1] per Asset Class

(FY 2017)



25%	$107.6M
FIXED INCOME	
63%	$271.8M
CANADIAN & GLOBAL EQUITY	
12%	$53.6M
ALTERNATIVE STRATEGIES & ASSET ALLOCATION	

1 Estimated Annualized Revenues (Base Management Fees only).

"My colleagues and I at Fiera Capital understand we must continue to innovate and deliver customized strategies that add real value to our clients' portfolios."

François Bourdon
Global Chief Investment Officer

As 2017 disappears from the rear-view mirror, we find ourselves entering an investment environment likely to be defined by faster growth, renewed inflation and higher interest rates.

Changing times call for changing tactics. As responsible stewards of capital, my colleagues and I at Fiera Capital understand we must continue to innovate and deliver customized strategies that add real value to our clients' portfolios.

It's about shunning conventional wisdom, daring to be different, focusing on adding value and devising new, well-thought-through solutions designed to deliver the optimal risk-reward equation. That is what Fiera Capital's performance-driven culture is all about.

In 2017, we further demonstrated our ability to deliver value in traditional and non-traditional asset classes, as well as active asset allocation and continuously improved our offer with long-term total portfolio solutions incorporating the full range of available strategies including liability-driven concepts, currency hedging and systematic solutions.

Whether in Canada, the United States, Europe or Asia, our Fiera Capital investment professionals and partners pride themselves on working with clients to craft made-to-measure portfolios right for the times.

FIXED INCOME STRATEGIES

Our Teams Have North America Covered

Fiera Capital's active-management approach to fixed income strategies aims to optimize the risk-return trade-off and enhance overall portfolio returns in virtually any interest-rate or economic environment. Whether investors' key objectives are revenue generation, protection against inflation or the risk of recession, Fiera Capital offers an array of fixed income solutions that provide opportunities to add value within a disciplined, risk-controlled framework.

Solutions on offer range from money-market strategies to short-, mid- and long-term bonds, corporate and infrastructure bonds and high-yield bonds, as well as tax-efficient fixed income strategies (municipal bonds are available in the U.S. and preferred shares are mainly available in Canada). Other options include term loans, which are less subject to interest rate variations, and global fixed income products that provide currency diversification as well as interest-rate exposure.

The Canadian Integrated Fixed Income Team and the U.S. Tax Efficient Core Plus strategies delivered outstanding performances over the last few years. To add further depth to the accomplished Canadian Fixed Income Team, the Canadian division welcomed three proven specialists, Charles Lefebvre, Luc Bergeron and Tan Vu Nguyen, to the firm.

From left to right:
Tan Vu Nguyen, Vice President and Portfolio Manager, Fixed Income, **Charles Lefebvre,** Vice President and Senior Portfolio Manager, Fixed Income, **Luc Bergeron,** Vice President and Portfolio Manager, Fixed Income, all from the Canadian Division

"Our new team members have together demonstrated long-term, top-quartile performance for their clients. We are confident they will add a new dimension to our Fiera Capital fixed income platform."

Jean-Philippe Lemay
President and Chief Operating Officer, Canadian Division

FIXED INCOME STRATEGIES

- Money Market/ Active Cash
- Short-Term
- Long-Term
- Aggregate Universe
- Infrastructure
- Tax-Efficient
- Preferred Shares
- High Yield
- Global
- Term Loans
- Inflation Protection
- Corporate
- Closed-End Funds

EQUITY STRATEGIES

Opening Up New Investment Frontiers

Regardless of the geography involved, fundamental research remains the cornerstone of Fiera Capital's approach to equity strategies. This entails having local and foreign equity teams conduct hundreds of company visits and management interviews each year. Strategies include U.S. small- and mid-cap, global, international and European equities, as well as sectoral offerings. In every instance, meticulous research methods are utilized to identify companies for inclusion in the respective portfolios.

The benefits of Fiera Capital's extended global reach already are evident to investors in North America, who have shown considerable interest in high-performing emerging and frontier markets equity strategies. In 2017, Fiera Capital's emerging markets strategies proved to be exceptionally rewarding for clients, who benefitted both from the firm's outstanding strategies and the fact that the asset class came back into favour with investors. As a result, the Global Emerging Markets Equity Team managed to significantly outperform its benchmark in what was already an exceptional year for the asset class. The Global Equity Team also continued to outperform its benchmarks and added $3.3 billion in new inflows. In December 2017, the firm complemented its emerging markets offering by acquiring City National Rochdale's Emerging Markets Fund, a U.S. mutual fund that invests primarily in Asia.

Anindya Chatterjee
Senior Vice President and Lead Portfolio Manager, Emerging Markets Equity, U.S. Division

"We are proud to work with the world-class investment team managing City National Rochdale's Emerging Markets Fund, our newly acquired Morningstar 5-star-rated fund, which further enhances our ability to offer solutions tailored to clients' needs. This acquisition also broadens our macro regional and fundamental research capabilities, and complements our offer for equity strategies."

Benjamin S. Thompson
President and Chief Executive Officer, U.S. Division

EQUITY STRATEGIES

- International
- Global
- Global Concentrated
- All Country World
- U.S.
- U.S. Small and Mid
- Canadian
- Canadian High Income
- Canadian Small Cap
- Micro Cap
- Emerging Markets
- Frontier Markets
- Emerging Markets Regional Focus
- Low Volatility

ALTERNATIVE STRATEGIES

A World of Opportunities

In today's shape-shifting economic and investment environment, it is clear that the traditional portfolio of stocks and bonds, which served investors well in years past, is no longer sufficient. For investors seeking to further diversify their portfolios – particularly institutional and private-wealth clients – Fiera Capital's steadily expanding suite of alternative strategies provides a choice of innovative solutions that offer the potential for higher growth, higher yields, stronger absolute returns and less volatility. The firm's alternative strategies include private markets investments and hedge funds.

In 2018, subject to customary conditions, including applicable regulatory approvals and approval of the Toronto Stock Exchange, the firm is expected to add an Asia credit and special situations strategy to its existing private alternative investments business and provide an established platform for the growth and distribution of an enhanced suite of private markets strategies.

ALTERNATIVE STRATEGIES

- Real Estate Core
- Real Estate Value-Add
- Commercial Real Estate Debt
- Residential Development Loans
- Corporate Loans
- Private Lending
- Infrastructure
- Agriculture
- Private Equity
- Long/Short Equity
- Income Opportunities
- Active Trading
- Multi-Strategy Income
- Market Neutral Equity
- Focused Market Neutral Equity
- Emerging Market Neutral Equity
- Multi-Currency
- Fund of Hedge Funds

"Investments in alternative strategies have been growing at twice the rate of traditional investments – and with good reason. Investors disillusioned with traditional asset classes are now investing in alternatives as a complement to reduce portfolio volatility and generate a steady stream of returns. The evolution of state-of-the-art portfolio construction complements the use of 'low beta' strategies with the 'diversified alpha' offered by alternatives. It's all about seeking new sources of returns and adding value."

John Valentini
Executive Vice President, Global Chief Financial Officer and President, Private Alternative Investments Division

Fiera Capital has assembled teams of investment professionals with specialized knowhow and experience in each of its private alternative strategies, and aims to leverage their expertise to generate superior returns that are less correlated to market cycles than traditional fixed income and equity strategies. Another important characteristic of less-liquid 'real return' assets like real estate, infrastructure and agriculture is that they offer protection against inflation.

RESPONSIBLE INVESTING

As a responsible steward of capital with global aspirations, we believe that Fiera Capital should always strive to conduct its business in an appropriate manner and invest responsibly. This is not simply a case of 'doing the right thing' and being a good corporate citizen, although that's part of it. The fact is that integrating the assessment of material environmental, social and governance (ESG) risk factors into how we manage assets on behalf of our clients is crucially important in today's environment – especially for firms that operate in the financial and investment sectors. Shareholders, clients, employees and other stakeholders all stand to benefit.

Bryan Laing
Vice President, Credit Research,
U.S. Division

ESG Governance

Oversight and accountability for Fiera Capital's responsible-investing activities primarily fall under the auspices of the Office of the Global Chief Investment Officer (Global CIO) and the Chief Investment Officers and management teams of our subsidiaries. However, integrating the assessment of material environmental, social and governance (ESG) risk factors rests with each investment team, as they decide how to integrate ESG in a manner that best suits their particular investment style or asset class. We believe this flexible approach facilitates a more meaningful discussion that enhances engagement and reinforces a culture of continuous learning throughout the firm.

Embedded in our investment processes, nonetheless, is a rigorous approach to risk management, whereby we strive to achieve optimal performance within an appropriate level of risk. Furthermore, the firm's Legal and Compliance departments also play a key role in risk management as they are involved in monitoring the ESG ratings of certain funds, on behalf of and in collaboration with the Global CIO.

ESG Committee

During 2017, Fiera Capital formed an ESG Committee, which included representation from internal stakeholders across functions and divisions, to support the integration of ESG throughout the organization.

Responsible Investment Policy

Over the years, the growth and diversification of Fiera Capital's operations created the need for a global policy that would govern the firm's initiatives with respect to responsible investing and enable the organization to coordinate the practices of all our divisions and subsidiaries in this area.

In December 2017, Fiera Capital rolled out its new Responsible Investment Policy. It outlines Fiera Capital's approach to integrating ESG assessments into investment processes and highlights the many benefits of increasing our knowledge of companies in which we invest, better controlling the risk of our portfolios, and helping companies improve over the long term. The policy also provides a blueprint for 'active ownership', which includes the tactical use of proxy voting rights and engagement with the management of companies in which the firm invests in order to address ESG issues and effect positive change.

The development and implementation of this comprehensive new Responsible Investment Policy represents yet another milestone in Fiera Capital's sustainability journey. The Policy is available on our website.

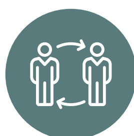
Proxy Voting Policy

Proxy voting is a key tool for Fiera Capital's integration of ESG risk factors in its investment processes. The firm exercises its voting rights in order to maintain the highest standard of corporate governance and the sustainability of the business and practices of the companies whose shares are held. High standards are necessary for maximizing shareholder value as well as protecting the economic interest of all stakeholders. The Global CIO Office and the Chief Investment Officers and management teams of our subsidiaries are responsible for overseeing and periodically reviewing each affiliate's Proxy Voting Policy. In Canada such a policy has been in effect since 2002. Both the U.S. and European divisions have "local" proxy voting policies.

The Canadian policy was amended in November 2017 to incorporate a number of new guidelines addressing ESG-related issues. Among the changes were guidelines regarding additional disclosure with respect to climate-change risk mitigation and a statement – in keeping with the firm's support for women's roles – that Fiera Capital will vote in favour of any motions addressing the gender pay gap.

Direct Engagement

In terms of addressing potential issues and asserting a positive influence on the entities in which Fiera Capital invests, the firm believes that the most effective form of engagement is direct dialogue with the companies, or with the service providers we utilize. When meeting with companies in which they hold an interest, portfolio managers may address ESG issues either on a proactive basis, to raise awareness of such concerns, or on a reactive basis, to revisit past issues and to learn how management has addressed them.



Collaborative Engagement

As an active member of both the Montreal and Toronto chapters of the Responsible Investment Association of Canada (RIAC), Fiera Capital aims to promote the responsible-investment principles within the investment industry. Fiera Capital personnel were very involved in 2017 with RIAC's rollout of Responsible Investment Week, and supplied guest speakers at events in Toronto and Montreal.

In the U.S., Judy Wesalo Temel, Senior Vice President, Director of Credit Research, Fixed Income Investments, made a presentation titled *Municipal Impact & ESG* to the Institute for Private Investors' Winter Forum, and also addressed the Fixed Income Trading and Investment Conference on the topic of *Investing with a clear conscious*: *Best practice and tangible benefits of ESG investment.*

During 2017, Fiera Capital was also one of 30 Canadian financial and investment firms that were signatories to a Declaration of Institutional Investors on Climate-Related Financial Risks, which called for further disclosure by publicly traded companies in Canada with respect to climate-change risks and the measures taken to mitigate such risks.

Fiera Capital engages with other key stakeholders as well, including reaching out to governments on crucial economic, fiscal and regulatory matters that the firm and its clients wish to address.

Principles for Responsible Investment

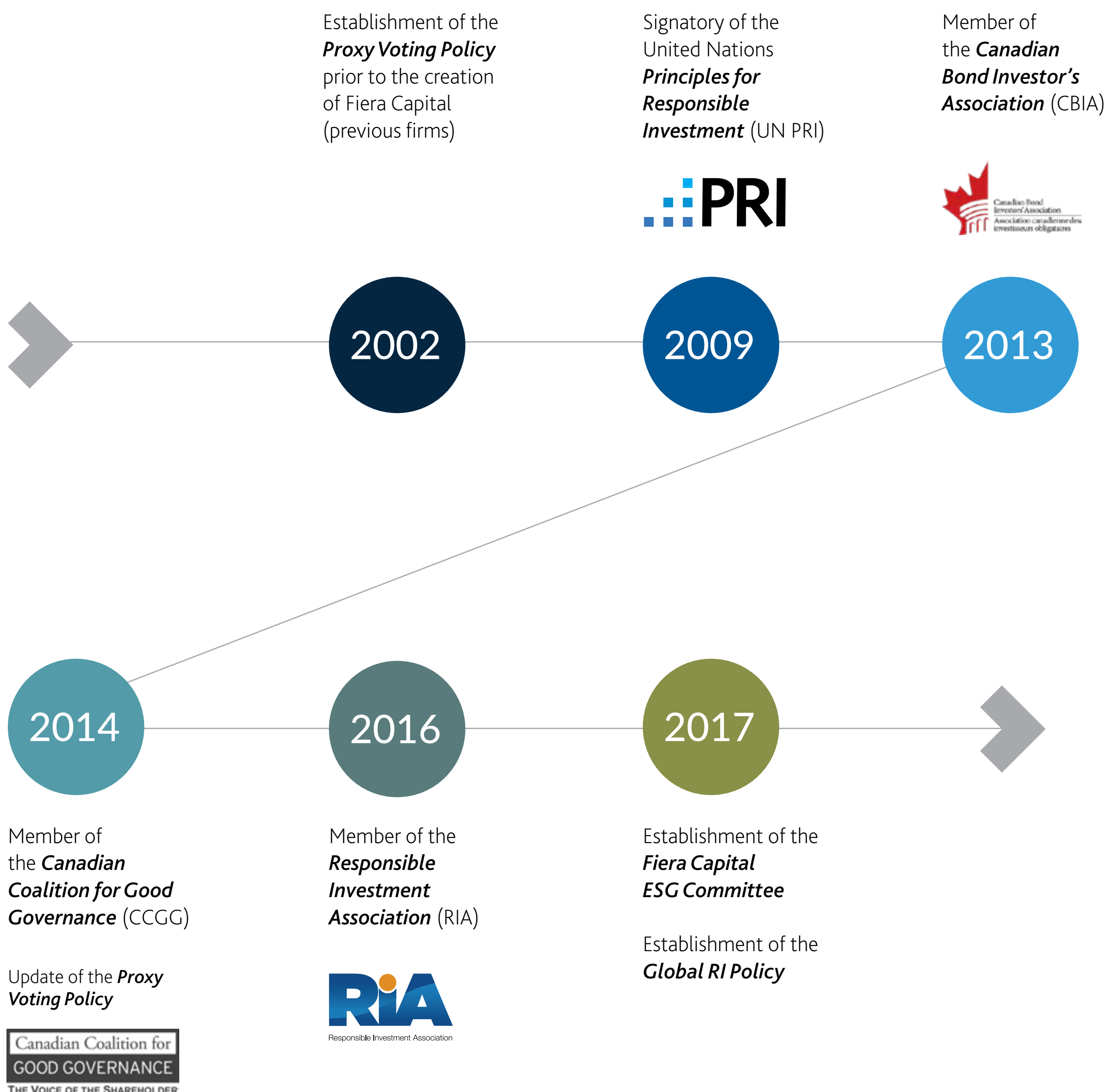
Fiera Capital prides itself on having been an early signatory to the United Nations Principles for Responsible Investment (UN PRI). Today, UN PRI boasts more than 1,900 signatories in more than 50 countries, including many of the largest asset owners and asset managers in the world, with a combined US$68-trillion dollars of assets. The organization believes that an economically efficient, sustainable global financial system is a necessity for long-term value creation.

As a signatory, Fiera Capital is guided by UN PRI's Six Principles for Responsible Investing:

1. We will incorporate ESG issues into our investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

Fiera Capital's Responsible Investment Journey

Our commitment to responsible investing is not focused on a particular destination or finite timeline. Rather it entails an ongoing journey that began with the establishment of the firm's first Proxy Voting Policy more than 15 years ago and continues apace – as is evident from the timeline above.



VETERAN PORTFOLIO MANAGER

Credits Thorough Research, a Sound Investment Philosophy – and Passion – for the Superior Performance of his Global Emerging Markets Equity Team

"Emerging markets are our focus, our passion and our history."

Mark Bickford-Smith
Senior Vice President and Lead Portfolio Manager, Global Emerging Markets Equity, European Division

On Mark Bickford-Smith's watch, the Fiera Capital Emerging Markets Core Growth Strategy has consistently outperformed its peers and its benchmark[1] – by 5.5% for the latest year and, on an annualized basis, by 3.5% and 3.2% over three years and five years, respectively, continually ranking in the 1st quartile.

"We invest in good businesses – not stocks – seeking out quality companies with sustainable growth and effective management," Mr. Bickford-Smith explains. "Research is at the heart of our process."

A graduate of Cambridge University, Mr. Bickford-Smith began his investment career in London in 1984 and subsequently spent a number of years in Asia. He returned to London in 1995, serving in a senior capacity with a leading U.S.-based asset management firm. He joined Fiera Capital's European division in 2012 as Co-Head of the Portfolio Advisory Team.

1 MSCI Emerging Markets EUR Index.

AWARD-WINNING PERFORMANCE

Once again in 2017, a number of Fiera Capital investment teams captured prestigious national and international awards in recognition of their performances.

FUNDATA FUNDGRADE A+ AWARDS (Canada)

FundGrade A+ Awards recognize investment funds and managers who have shown consistent, outstanding, risk-adjusted performance.

- **Fiera Capital is the sub-advisor of the Horizons Active Corporate Bond ETF and the Horizons Active Preferred Share ETF, each honoured in 2017.**
- **Fiera Capital is the portfolio manager of the NBI Quebec Growth Fund and the NBI U.S. Index Fund, also honoured this year.**

TOPGUN INVESTMENT MINDS (Canada)

Each year, the sell-side community of the investment industry takes its measure of the buy-side, nominating those portfolio managers and buy-side analysts who they see as the leading minds in the business.

- **The following Fiera Capital investment professionals were named TopGun Investment Minds for the Class of 2017: Michael Chan (Platinum Class), Frank Zwarts, Claude Boulos and Ashish Chaturvedi.**

THOMSON REUTERS LIPPER FUND AWARDS (Canada)

The Thomson Reuters Lipper Fund Awards honour funds and fund-management firms that have excelled in providing consistently strong risk-adjusted performance relative to their peers.

- **Fiera Capital Income Opportunities Fund** was named in the **High Yield Fixed Income 3-year category.**
- **NBI Quebec Growth Fund,** managed by Fiera Capital, was named in the **Canadian Small/Mid Cap Equity 3- and 5-year category.**

€URO FUNDAWARDS 2017 (Germany)

The EuroHedge Awards celebrate excellence in the European hedge fund industry.

- **Charlemagne Capital Magna New Frontiers Fund was named Best Fund over 1, 3 and 5 years in the Emerging Markets category.**
- **Charlemagne Capital Magna MENA Fund was named Best Fund over 3 and 5 years in the Middle East and Africa category.**

MENA FUND MANAGER PERFORMANCE AWARDS (United Arab Emirates)

These awards recognize funds that have outperformed their peers. The honours are determined by a rigorous process with an evaluating panel carefully selected from the industry's leading independent market experts.

- **Charlemagne Capital Magna MENA Fund was chosen the MENA Equity Fund of the Year (3-year performance over US $75 million).**

FTADVISER 100 CLUB AWARDS (United Kingdom)

The annual FTAdviser 100 Club Awards recognize the best open-ended funds, investment trusts and asset managers in 20 categories, based on 1-year and 5-year performance.

- **Charlemagne Capital Magna New Frontiers Fund was the winner of the Specialist Sectors and Assets category.**

UCITS HEDGE AWARDS 2017 (United Kingdom)

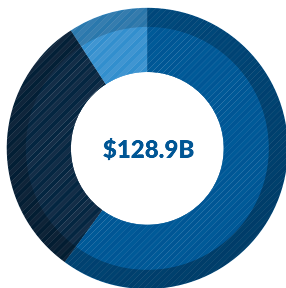
Sponsored by the *HedgeFund Journal,* these awards honour companies that stand apart for the excellent services they offer the hedge fund industry.

- **Charlemagne Capital OAKS Emerging and Frontier Opportunities Fund was the Best Performing Fund over a 2-Year Period and Best Performing Fund Over a 3-Year Period.**

THE EVOLUTION OF A GLOBAL ASSET MANAGER

The year 2017 proved to be a pivotal period in the evolution of Fiera Capital into a bonafide global asset manager. Recent strategic acquisitions in Europe and the United States were successfully integrated under the Fiera Capital banner, while teams throughout the organization worked to leverage potential synergies across a growing number of platforms and distribution channels, providing clients far and wide with access to innovative new strategies.

AUM per Geography
(As at December 31, 2017)

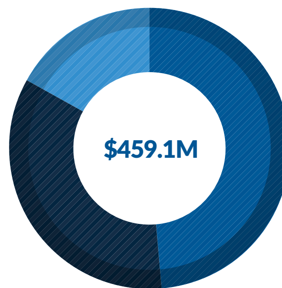


60% | $77.2B
CANADA

31% | $40.4B
UNITED STATES

9% | $11.3B
INTERNATIONAL

Revenues per Geography
(FY 2017)



49% | $223.8M
CANADA

34% | $157.8M
UNITED STATES

17% | $77.5M
INTERNATIONAL

Fiera Capital – Canadian Division

The Canadian division continued its dominance within Canada where it is recognized as the fifth largest investment manager of pension assets as well as the leading manager of endowment and foundation assets. 2017 was a landmark year during which much effort was put towards best positioning ourselves for the future. Jean-Philippe Lemay, who previously served as the division's Chief Investment Officer, was appointed President and Chief Operating Officer in June and continues to drive the evolution of the Canadian platform's solutions-oriented offering. The division continued to expand its client base throughout the year in a variety of specialized and all-encompassing investment solutions across our distribution units, including with key sub-advisory partners. Particularly noteworthy is the development of a multi-asset offering, which experienced tremendous growth with more than $1 billion in new mandates within a segment of the market that is rapidly expanding. It is also worth highlighting the continued expansion of real asset solutions, most notably with the launch of the agriculture fund and significant new mandates across its real estate and infrastructure solutions. Finally, the addition of a seasoned team of fixed income professionals has added considerable depth to the fixed income platform available to investors. Throughout the year, more than 80% of the strategies offered in Canada outperformed their respective 1- and 5-year benchmarks.

Fiera Capital – U.S. Division

In the wake of a series of strategic acquisitions, a top 2017 priority for the New-York-based U.S. division involved completing the integration of the various investment and distribution platforms and putting in place a scalable organizational and support structure. June 2017 saw completion of the rebranding of the legacy U.S. assets, when Dayton, Ohio-based Apex Capital Management began operating under the Fiera Capital name. Initiatives on the investment side included establishment of a Fiera Capital mutual fund platform, and the subsequent successful launch of a new Global Equity Focused Fund. In keeping with the firm's long-term objective of being able to provide innovative solutions to any client, anywhere, the U.S. division collaborated with the European division to introduce its emerging and frontier markets strategies to North America. Although the primary focus remains on organic growth, the U.S. division announced in December that it was further augmenting its offering by acquiring management of City National Rochdale's Emerging Markets Fund, a fast-growing mutual fund that invests primarily in Asian emerging markets.

Fiera Capital – European Division

In December 2017, one year after being acquired by Fiera Capital, Charlemagne Capital completed the integration process and was officially rebranded as the firm's European division. Headquartered in London, with operations in the Isle of Man and a branch office in Frankfurt, the division specializes in emerging and frontier markets. All three of its investment teams performed strongly in 2017, outperforming their respective benchmarks and winning industry accolades. Since the acquisition, assets under management for the European division have increased by 32% to $3.7 billion. As well as bringing complementary strategies, the U.K.-based team gives Fiera Capital a firm foothold in the European market and further advances its global agenda. During 2017, preparations were being made to launch the flagship Emerging Markets strategy in North America and, subsequent to the year's end, it was announced that the Fiera Capital Global Equity Fund and the Fiera Capital U.S. Equity Fund are being made available to European investors through the firm's Irish-domiciled Magna Umbrella Funds plc.

Bel Air Investment Advisors

While justifiably proud of its past, Bel Air, a highly regarded U.S. wealth-management firm, is also keenly attuned to the future and the need to position the firm to serve the next generation of clients. Accordingly, Bel Air marked its 20th anniversary by implementing a significant reorganization, shifting more day-to-day responsibilities to a new generation of senior managers. Among the changes, David Sadkin, a Harvard-educated lawyer who joined the firm in 2006, was appointed President. Founding partner Todd M. Morgan remains Chairman and CEO of Bel Air, and continues to sit on Fiera Capital's Board of Directors. One thing that will not change is the firm's culture of putting the client's interest first.

During 2017, Bel Air increased its AUM by over 7% to $9.4 billion through a combination of net contributions and market gains. Worth noting, the team dedicated to the San Francisco market brought in close to $100 million in new assets in 2017.

Fiera Capital – Private Alternative Investments Division

Fiera Capital's fast-expanding suite of private alternative investments has further entrenched the firm's leadership in the non-traditional investments space. The ability to provide investors with coveted access to opportunities for increased diversity and reduced volatility represents a significant competitive advantage that helps draw in new clients and significant new inflows, while facilitating the expansion of Fiera Capital's global footprint. Since inception, the private alternatives have progressed from generating zero revenues in 2015 to $10.8 million in 2016 and $35.8 million at the end of 2017, with a target of more than $50 million for 2018. The private alternative subsidiaries saw notable developments and achievements in 2017.

Fiera Properties – The firm acquired the remaining minority interest in Fiera Properties and reconfigured its real-estate strategies on a single platform. Including committed capital in hand, Fiera Properties had assets under management just shy of $2 billion at year's end. In November 2017, Peter Cuthbert, who previously filled the dual role of Chief Operating Officer and Manager of the flagship Real Estate Core strategy – a consistent 1st quartile performer – was appointed as President. The GTA Opportunity Fund completed its investment program a full year ahead of schedule, and a new Core Mortgage strategy was launched during the fourth quarter of 2017.

Fiera Private Lending – Led by President and Chief Operating Officer Jean Gamache, Fiera Private Lending is a leading Canadian non-bank lender. The subsidiary's role essentially involves deploying the capital of investors who are looking for higher yields and lower volatility. Its focus is lending to real estate developers and mid-market businesses across Canada. Having successfully established its financing teams in Toronto in 2017, its reach has now extended beyond its original Quebec base. With more than $2.3 billion in loans completed since inception, assets under management surpassed the $500-million mark by year's end, while maintaining a high profit margin.

Fiera Infrastructure – With more than $1 billion in assets under management, Fiera Infrastructure is a leading investor across all subsectors of the infrastructure asset class, with a strategically diverse portfolio that includes renewable energy, utilities, transportation and public-private partnerships. Headquartered in Toronto, it opened an office in London in early 2018 with a mandate to grow its already significant U.K. holdings and build platforms in Western European countries, and recently finalized its first commitment of capital from the Asian marketplace.

Fiera Comox – Formed in October 2016 to pursue two new alternative investment strategies – agriculture and private equity – Fiera Comox launched its open-end Agriculture Fund in June 2017. The Fiera Comox team has one of the world's leading track records in the agriculture investment industry. The Agriculture Fund continues to raise capital and is actively investing in Australia, New Zealand, the United States and Canada. Fiera Comox grew its team significantly in 2017 to support ongoing growth, including the addition of two senior executives. Bob Saul, an agriculture industry veteran, joined the Agriculture team as Partner in November. In December 2017, Patrick Lynch, a tenured private equity executive, joined the team as Partner, Private Equity, with the strategy slated to launch in 2018.

GLOBAL NATURE OF THE INFRASTRUCTURE ASSET CLASS

Well-Aligned with Fiera Capital's Growth Strategy

"Infrastructure is a sought-after global asset class. Fiera Infrastructure's OECD[1] mandate enables us to pursue investment opportunities in jurisdictions far and wide that offer the most compelling opportunities and the highest risk-adjusted returns. We are very much in step with Fiera Capital's strategic thrust to expand its global footprint."

Alina Osorio
President, Fiera Infrastructure

With more than two decades of involvement in the sector including leading one of North America's first unlisted infrastructure funds, Ms. Osorio *knows* infrastructure – and she is bullish about future prospects. "There is a strong global need for investment in infrastructure and, at the same time, investors are looking for investments that generate predictable cash flows," she says. "No question, we have wind in our sails. The infrastructure sector's importance to the overall investment community cannot be overstated."

1 The Organisation for Economic Co-operation and Development. Today, their 35 Member countries span the globe, from North and South America to Europe and Asia-Pacific.

2022 STRATEGIC PLAN THE PATH FORWARD

2022 Strategic off-site meeting – Montreal, Canada

2022 Investing in our future

In early 2018, we brought together 40 leaders from across the organization to help us plot the best path forward and keep our firm on a trajectory that has seen it rapidly evolve from a Canadian and then North American market leader into a bonafide global asset manager.

Held in Montreal in January 2018, the off-site meeting marked one of the first steps in a comprehensive strategic-planning exercise that will provide Fiera Capital with a road map for the next five years, during which time we can expect to see significant changes in global markets and in the investment-management business.

In keeping with our faith in the 'Power of Thinking', we challenged the participants and the executives attending the meeting to bring their collective wisdom to bear on some crucial determinations regarding the firm's future, including its mission, vision and core values. Meeting participants, including invitees from leading global consulting firms, were also asked to weigh in on key considerations that will be factored into the 2022 Strategic Plan, including how markets are expected to perform in the future – and how a changing market environment is likely to impact the needs of Fiera Capital's clients; what shareholders will expect from us going forward; what we anticipate from our competitors; where the most attractive growth opportunities lie; how we can maximize the contributions of our people; and, last but not least, how we can best leverage technology and data.

A project team overseen by Vincent Duhamel, Global President and COO, and co-led by Monique F. Leroux, Strategic Advisor, and John Valentini, Executive Vice President, Global Chief Financial Officer and President of the Private Alternative Investments Division, is responsible for delivering the 2022 Strategic Plan, which is on track to be finalized during the third quarter of 2018.

The Power of Thinking

At Fiera Capital, we believe it is the power of our thinking that sets us apart. Our firm seeks to assemble top talent and empower its teams to devise innovative investment solutions that are in tune with market trends and tailored to meet the varying needs of our diverse clientele.

CORPORATE SOCIAL RESPONSIBILITY

Interest in responsible investment practices has been steadily growing over the past few years. Clients want to do business with firms that demonstrate a real concern for sustainability and heightened stewardship of their assets.

At Fiera Capital, we are committed to ensuring that environmental, social and governance (ESG) considerations are integrated not only into the firm's investment processes, but into how we do business in general.

CORPORATE RESPONSIBILITY

As a leading publicly traded asset-management company, Fiera Capital strives to achieve excellence through strong management practices, sound business principles and adherence to the highest level of ethical conduct, with respect for each individual.

The firm's approach to corporate social responsibility (CSR) is closely aligned with its key values of integrity, collaboration and innovation, and with its mission to create sustainable wealth for clients.

Corporate Governance

Strong corporate governance is both a key element of CSR and a prerequisite for integrating corporate responsibility across Fiera Capital. Responsibility for the development, implementation and oversight of the appropriate policies and practices ultimately rests with the Board of Directors and the global leadership team.

An added advantage of Fiera Capital's expanding global presence from a governance aspect is that it provides a first-hand perspective on numerous jurisdictions, enabling the firm to gain valuable insights into the changing business landscape and stay abreast of new regulations. In 2017, for example, the European division successfully implemented a wide range of internal measures to conform to changes to the regulatory framework for financial markets in Europe (labelled MiFID II) that came into effect January 3, 2018, and is designed to ensure that investment-management firms provide high standards of investor protection and greater market transparency.

Throughout Fiera Capital, stringent processes, tools and mechanisms are available to clients to address concerns or submit complaints. Furthermore, all Fiera Capital employees are required to abide by a Code of Conduct that focuses on the high level of professional ethics required of them.

Enterprise Risk Management

Enterprise Risk Management is primarily the responsibility of the firm's Senior Vice President and Chief Risk Officer, working in collaboration with the Global Chief Investment Officer (Global CIO) and the Chief Investment Officers of each division, along with Legal and Compliance teams.

In 2017, following a review of relevant policies and procedures, the Board approved several new policies that together provide a robust risk-management framework: an umbrella Enterprise Risk Management Policy, an Investment Risk Management Policy and an Operations Risk Management Policy.

The firm also adopted a new Information Risk Policy that addresses key elements of 'cyber security', an issue which is material to Fiera Capital given the volume and sensitive nature of client data in the firm's possession. The comprehensive new policy addresses protection of data, the detection of potential threats and the appropriate response in the event of a breach.

Human Capital

Human capital is arguably Fiera Capital's single greatest asset. Our firm's success is rooted in its strong teams unified by a common purpose and shared passion. Accordingly, we place great importance on recruiting and retaining the best talent, and investing in the training and tools that enable employees to grow. To that end, the firm recently rolled out a new career website, and, in 2017, carried out a company-wide employee engagement survey to hear what employees had to say and then foster employee retention by acting on results.

Fiera Capital is committed to providing a stimulating and equitable work environment that enables employees to achieve their true potential and where their accomplishments are recognized and appropriately rewarded. The results of our global employee engagement survey indicated generally high levels of engagement and satisfaction.

Nevertheless, we are working to further enhance Fiera Capital's performance in areas where we have identified opportunities for improvement. For example, a diversity working group has been tasked with reviewing and updating the firm's policies with respect to diversity. As well, new job posting language was drafted to underscore the fact that Fiera Capital is an equal-opportunity employer. Training and information sessions are being conducted to ensure that employees throughout the organization are kept abreast of developments.

Given the nature of the asset management business, the retention of top-flight talent is a critical success factor. In 2017, the firm concluded long-term compensation agreements with a number of key investment professionals in order to mitigate such risks and ensure alignment of interests.

Building Ties with Communities
Fiera Capital's commitment to communities manifests itself in many forms, ranging from financial contributions to non-profit and community groups, the provision of scholarships and internships for young people who wish to pursue careers in financial services, and a charitable return for foundations and not-for-profit organizations, just to name a few examples.

During 2017, Fiera Capital was also involved in sponsoring and organizing several events aimed at encouraging the advancement of women in leadership roles. They included the U.S. division's second annual "Spotlight on Women" event, which was staged in San Francisco, and a "Women in Leadership" event in Calgary.

Women in Leadership Event in November – Calgary, Canada
Candice Bangsund, Vice President and Portfolio Manager, Global Asset Allocation

Spotlight on Women Event in October – San Francisco, U.S.
From left to right: Amy Peterson, Executive Vice President, Operations, Technology and Control & Client Engagement, **Josefa Palma,** Senior Associate, Direct Client Investments, **Lacey Greenwalt,** Assistant Vice President and Portfolio Manager, Fixed Income Investments, **Radiance S. Chapman**, Senior Vice President, Strategic Marketing and Communications, **Carolyn N. Dolan,** Executive Vice President, Head of Direct Client Investments, **Colleen Nichols,** Vice President, Head of Client Engagement, **Nelly C. Xavier,** Senior Vice President, Head of Advisors and Family Offices

EXPANDING THE GLOBAL REACH OF FIERA CAPITAL

Providing direction to a fast-expanding network of corporate and division teams, developing scalable and efficient operating platforms, attracting and retaining top-flight talent, driving true-alpha portfolio management and consistently striving to deliver a level of performance that meets or exceeds the expectations of shareholders and clients everywhere will define Fiera Capital's global brand.

To meet the multitude of challenges associated with building a leading global investment-management firm, Fiera Capital can count on its exceptional bench strength – a dynamic group of men and women who are not only proven managers but also share the passion and entrepreneurial spirit that have been the firm's hallmark from day one.

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

02. Vincent Duhamel
Global President and Chief Operating Officer

03. John Valentini
Executive Vice President, Global Chief Financial Officer and President, Private Alternative Investments Division

04. Monique F. Leroux
Strategic Advisor and Member of the Strategic Development Committee

05. François Bourdon
Global Chief Investment Officer

06. Jean-Philippe Lemay
President and Chief Operating Officer, Canadian Division

07. Benjamin S. Thompson
President and Chief Executive Officer, U.S. Division

08. David Sadkin
President, Bel Air Investment Advisors LLC

09. Jayne Sutcliffe[1]
President and Chief Executive Officer, European Division

10. Richard Nino
Executive Vice President Business Development, U.S. Division, and Chairman, European Division

11. Peter Stock
Senior Vice President, Strategic Development

12. Violaine Des Roches
Senior Vice President, Chief Legal and Chief Compliance Officer and Corporate Secretary

13. Dino Rambidis
Senior Vice President, Corporate Finance

14. Daniel Richard
Senior Vice President, Corporate Communications and Investor Relations

15. David Stréliski
Senior Vice President and Chief Risk Officer

1 Retirement to commence July 1, 2018.

BOARD OF DIRECTORS

Fiera Capital Corporation's Board of Directors is composed of experienced, highly qualified executives and corporate directors committed to ensuring that the firm strives for the highest standards of corporate governance and ethical behaviour as well as performance excellence.

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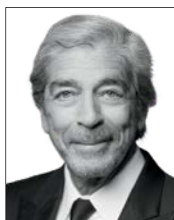
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01. Jean-Guy Desjardins
Director since 2010
Chairman of the Board, President and Chief Executive Officer, Fiera Capital Corporation

02. Réal Bellemare[3]
Director since 2016
Executive Vice President, Finance, Treasury, Administration and Chief Financial Officer, Desjardins Group

03. Sylvain Brosseau
Director since 2010
Former Global President and Chief Operating Officer, Fiera Capital Corporation

04. Brian A. Davis[1, 3]
Director since 2014
Co-President and Co-Chief Executive Officer of National Bank Financial Inc.

05. Martin Gagnon
Director since 2017
Executive Vice President, Wealth Management, Co-President and Co-Chief Executive Officer, National Bank Financial

06. Nitin N. Kumbhani
Director since 2017
Vice Chairman and Chief of Growth Equity Strategies, Fiera Capital, Inc.

07. Raymond Laurin[5, 6]
Director since 2013
Corporate Director, Former Senior Vice President, Finance and Treasury, and CFO, Desjardins Group

08. Jean C. Monty[1, 3, 4, 5]
Director since 2010
Director, DJM Capital Inc., Corporate Director, former Chairman and Chief Executive Officer, BCE Inc.

09. Todd M. Morgan
Director since 2014
Chairman and Chief Executive Officer, Bel Air Investment Advisors LLC

10. Lise Pistono[5]
Director since 2013
Vice President and Chief Financial Officer, DJM Capital Inc.

11. Arthur R. A. Scace[1]
Director since 1989
Corporate Director, former Chair and Managing Partner, McCarthy Tétrault LLP, former Chairman, Scotiabank

12. David R. Shaw[1, 2, 3]
Lead Director - Director since 2006
Non-executive Chairman of human resources firm LHH Knightsbridge, former President and CEO of PepsiCo Canada Beverages

1 Member of the Governance Committee.
2 Chair of the Governance Committee.
3 Member of the Human Resources Committee.
4 Chair of the Human Resources Committee.
5 Member of the Audit and Risk Management Committee.
6 Chair of the Audit and Risk Management Committee.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Twelve-Month Periods Ended December 31, 2017

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The following management's discussion and analysis ("MD&A") dated March 23, 2018, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital" or "Firm") for the three and twelve-month periods ended December 31, 2017, and December 31, 2016. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the years ended December 31, 2017 and 2016.

The consolidated financial statements include the accounts of Fiera Capital Corporation and its subsidiaries. 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 consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions and balances with and amongst the subsidiaries are eliminated on consolidation.

Non-controlling interest in the earnings and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings, comprehensive income (loss), and changes in equity.

Where applicable, the subsidiaries' accounting policies are changed prior to the business acquisition by the Company to ensure consistency with the policies adopted by the Company.

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

Where applicable, the joint venture's accounting policies are changed prior to the acquisition by the Company, to ensure consistency with the policies adopted by the Company.

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

BASIS OF PRESENTATION

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

The policies applied in the Company's consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2017.

The following MD&A should also be read in conjunction with the Company's 2017 annual audited consolidated financial statements, which contain a description of the accounting policies used in the preparation of these financial statements.

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

FORWARD-LOOKING STATEMENTS

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

COMPANY OVERVIEW

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation. The Company provides investment advisory and related services to institutional investors, private wealth clients and retail investors. In the U.S., investment advisory services are provided by two of the Company's U.S. affiliates, Fiera Capital Inc. and Bel Air Management, LLC, that are registered as investment advisors with the U.S. Securities and Exchange Commission ("SEC"). The Company's affiliate Fiera Capital (UK) Limited (formerly Charlemagne Capital (UK) Limited) is registered with the Financial Conduct Authority in the United Kingdom and as an investment advisor with the SEC and Fiera Capital (IOM) Limited (formerly Charlemagne Capital (IOM)) is registered with the Isle of Man Financial Services Authority and is also registered as an investment advisor with the SEC. The Company's head office is located at 1501 McGill College Avenue, Suite 800, Montréal, Quebec, Canada. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

SIGNIFICANT EVENTS

Vincent Duhamel appointed Global President and Chief Operating Officer

November 14, 2017. Vincent Duhamel is now a member of the Global Executive Management Committee and oversees distribution operations and global corporate functional units such as Legal and Compliance, Risk, Technology, Corporate Communications and Investor Relations as well as Human Resources. He is also a Member of the Strategic Development Committee.

Fiera Capital to Acquire Fast-Growing Emerging Markets Fund from Management of City National Rochdale ("CNR")

December 1, 2017. Through its U.S. Division, Fiera Capital has entered into a definitive agreement to acquire the management of City National Rochdale Emerging Markets Fund, a mutual fund that currently invests primarily in Asian Emerging Markets. The Fund has approximately US$1.7 billion in assets under management and the transaction is expected to close in the second quarter of 2018.

Fiera Capital Launched the Fiera Properties CORE Mortgage

November 23, 2017. Fiera Capital launched and will act as investment fund manager and portfolio manager of its new Fiera Properties CORE Mortgage Fund. The open-ended Fund was available to accredited individual and institutional investors starting in December 2017, and invests in mortgages secured by high quality commercial real estate.

1. The definition of adjusted net earnings was amended and certain comparative figures have been restated to conform with the current presentation. Refer to the "Non-IFRS Measures" Section on page 80.

Completion of public offerings of $169 million

December 21, 2017. The Firm completed its bought deal public offerings of approximately $169 million in total gross proceeds, including the exercise in full of the underwriters' over-allotment options. The net proceeds of the offerings were used to fund acquisitions and reduce indebtedness.

Fiera Capital Consolidates Ownership in Fiera Properties and Appoints Peter Cuthbert President of Fiera Properties

December 27, 2017. The Firm acquired the remaining 45% interest in Fiera Properties Limited it did not already own from the minority shareholders. Peter Cuthbert, a 5-year veteran of Fiera Properties and the lead fund manager of the Fiera Properties CORE Fund, was appointed President of Fiera Properties earlier in November.

SUBSEQUENT EVENTS

Launch of Two New Strategies in Europe and Charlemagne Capital Rebranded to Fiera Capital

January 15, 2018. The fund range in Europe is expanded with two new strategies, Fiera Capital Global Equity Fund and Fiera Capital US Equity Fund, launching on the Firm's UCITS platform. Charlemagne Capital now officially operates under the Fiera Capital brand name and now forms the basis of Fiera Capital's European division. The name change was the final step to the integration within Fiera Capital.

Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners

March 1, 2018. Fiera Capital announced the acquisition of Clearwater Capital Partners, LLC, a leading Asia focused credit and special situations investment firm headquartered in Hong Kong with US$1.4 billion in assets under management. The acquisition, expected to close over the coming months, is subject to customary regulatory approvals.

Fiera Capital Acquires Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management

March 23, 2018. Fiera Capital and CGOV Asset Management today announced that they have reached an agreement whereby Fiera Capital will acquire CGOV Asset Management, an Ontario-based high-net-worth and institutional investment firm with approximately C$5.3 billion in assets under management as at December 31, 2017. The transaction, expected to close early in the second quarter, is subject to customary regulatory approvals.

MARKET AND ECONOMIC OVERVIEW

Market Overview

Global equity markets ended 2017 on an impressive note and posted broad based gains during the fourth quarter. Regionally speaking, US equity markets marched steadily higher and breached record levels as investors cheered the robust economic and corporate earnings backdrop, which was bolstered even further after US President Trump signed the highly-anticipated tax bill at year-end - paving the way for corporate tax reform in 2018. Meanwhile, Canadian equity markets also joined the quarterly advance, buoyed by a widespread rally in the commodity space during the fourth quarter. Stellar equity results also spread to overseas markets, with both European and Japanese stocks rallying on the back of healthy economic and corporate fundamentals abroad. Finally, upward momentum in the Emerging market space also prevailed, with the trifecta of stronger global growth, rising commodity prices, and a softer greenback lending support during the quarter.

Meanwhile, fixed income markets posted positive results during the final quarter of 2017. Yield curves flattened relentlessly throughout most of the quarter on the heels of some stubbornly subdued inflationary pressures that have weighed on longer-maturity bond yields, while expectations for central bank policy normalization in 2018 has lifted the front end of the curve. Indeed, while several central banks upgraded their growth forecasts for 2018 and have reinforced the notion that ultra-stimulative monetary policies are no longer a necessity, they have left unchanged their inflation forecasts all at once. Meanwhile, the strengthening global economic backdrop stoked demand for corporate bonds in the final quarter of 2017, with the spread on investment-grade debt falling to levels not seen since before the global financial crisis.

Economic Overview

Global economic momentum remains robust heading into 2018, with both developed and emerging market economies contributing positively to the advance, while the measured and well-telegraphed approach to monetary normalization should allow the recovery to continue uninterrupted in the coming year.

The Canadian economy has moderated towards more sustainable, albeit still above-trend levels. While the consumer has been surprisingly buoyant, higher interest rates and more onerous mortgage regulations could dampen confidence in 2018. Meanwhile, we expect the growth drivers to rotate towards exports on the back of solid demand south of the border, though lingering NAFTA uncertainties could restrain investment in the near-term.

The US economy is firing on all cylinders, while leading economic indicators are suggesting ongoing resilience in 2018. The consumer continues to be the stalwart of the economy, while businesses are also ramping up investment. As such, the combination of above-trend growth, tighter labour markets, and new fiscal stimulus could see the Federal Reserve raise interest rates faster than what the market is expecting in 2018.

The Eurozone has gained some considerable momentum, occluding the uncertain political backdrop and allowing the European Central Bank to scale back its stimulus. Meanwhile, the UK economy remains vulnerable amid a stalemate in Brexit negotiations, while Japan has finally escaped its deflationary spiral and is experiencing some of the strongest growth trends in decades, though depressed inflation suggests that significant tightening remains a distant prospect.

Finally, emerging economies are expanding at their fastest pace in several years. The Chinese economy continues to defy expectations for a hard landing and has stabilized even as policymakers balance reforms with growth. Furthermore, the backdrop of stronger and more synchronous global growth has pulled Russia and Brazil out of recession, while India should continue to grow at a healthy pace as economic reforms take effect.

SUMMARY OF PORTFOLIO PERFORMANCE

ANNUALIZED RATES OF RETURN

Strategies	AUM ($Billion)	1 yr			5 yrs or Since Inception (SI)* (SI if inception < 5 yrs)		
		Strategy Return	Added Value	Quartile	Strategy Return	Added Value	Quartile
Fixed Income Investment Strategies	**64.3**						
Active Fixed Income Universe		2.53	0.02	Q3	2.86	-0.15	Q4
Integrated Fixed Income Universe		3.52	1.01	Q1	3.56	0.55	Q1
Tactical Fixed Income Universe		3.90	1.38	Q1	2.9	-0.11	Q4
Active Fixed Income Long-Term		6.82	-0.22	Q4	4.48	-0.17	Q4
High Yield Bonds		6.74	-0.24	Q1	5.9	-0.02	Q3
Preferred Shares Relative Value		16.15	2.53	N/A	3.5	2.04	N/A
Infrastructure Bonds		9.13	1.13	N/A	5.78	0.78	N/A
Tax Efficient Core Intermediate (Primary Benchmark)		3.15	-0.34	N/A	1.82	-0.20	N/A
Tax Efficient Core Intermediate (Secondary Benchmark)		3.15	0.50	N/A	1.82	0.28	N/A
Tax Efficient Core Plus		4.44	0.95	N/A	2.53	0.51	N/A
High Grade Core Intermediate (Primary Benchmark)		2.39	0.11	N/A	1.75	0.05	N/A
High Grade Core Intermediate (Secondary Benchmark)		2.39	0.45	N/A	1.75	0.21	N/A
Balanced Investment Strategies	**4.2**						
Balanced Core		10.54	2.66	Q1	10.28	1.55	Q2
Balanced Integrated		11.17	2.80	Q1	9.99	1.80	Q1
Equity Investment Strategies	**53.9**						
Canadian Equity		10.18	1.09	Q2	12.42	3.79	Q1
Canadian Equity Core		9.68	0.58	Q2	10.06	1.43	Q3
Canadian Equity Opportunities		11.78	2.68	Q1	11.82	3.19	Q2
High Income Equity		7.59	-0.03	Q2	9.33	1.73	Q3
Canadian Equity Small Cap Core		0.15	-2.60	Q4	11.77	6.44	Q2
Canadian Equity Small Cap		-1.80	-4.55	Q4	11.99	6.67	Q2
US Equity		19.36	5.53	Q1	23.8	2.56	Q1
International Equity		24.05	7.23	Q1	14.81	1.83	Q1
Global Equity		23.20	8.84	Q1	19.91	3.03	Q1
Apex Large Cap Growth		26.32	-3.89	Q3	16.30	-1.03	Q3
Apex Mid Cap Growth		36.20	10.93	Q1	16.92	1.62	Q1
Apex Smid Growth		27.82	3.36	Q2	14.85	-0.61	Q3
Apex Small Cap Growth		11.52	-10.65	Q4	11.79	-3.42	Q4
City National Rochdale Emerg Mkts		43.29	6.01	Q1	11.63	7.28	Q1
Emerging Markets Core Growth		43.49	16.70	Q1	8.04	4.05	Q1
Emerging Markets Growth & Income		32.96	6.17	Q3	4.72	0.73	Q3
Frontier Markets		35.12	3.26	Q1	17.20	7.93	Q1
Alternative Investment Strategies	**6.5**						
North American Market Neutral Fund		-3.94	-	N/A	5.89	-	N/A
Long / Short Equity Fund		-10.38	-	N/A	14.32	-	N/A
Diversified Lending Fund		5.82	-	N/A	6.23	-	N/A
Multi-Strategy Income Fund		5.80	-	N/A	4.66	-	N/A
Infrastructure Fund		6.56	-	N/A	6.26	-	N/A
Real Estate Fund		6.61	-	N/A	5.64	-	N/A
Fiera Private Lending Construction Financing Fund		3.64	-	N/A	5.35	-	N/A
Fiera Private Lending Mezzanine Financing Fund		11.03	-	N/A	10.91	-	N/A
Fiera Private Lending Business Financing Fund		8.06	-	N/A	8.71	-	N/A
Charlemagne OCCO Eastern European Fund		11.23	-	N/A	6.77	-	N/A
Total AUM	**128.9**						

	Inception Date	Benchmark Name	Notes
	1997-01-01	FTSE TMX Universe	
	1993-01-01	FTSE TMX Universe	
	2000-01-01	FTSE TMX Universe	
	1998-07-01	FTSE TMX Long Term	
	2002-02-01	High Yield Blended	1
	2004-02-01	S&P/TSX Preferred Share	
	2011-08-01	FTSE TMX Provincial Long Term	
	2007-03-31	Bloomberg Barclays 1-10 Year Municipal Index	4
	2007-03-31	Bloomberg Barclays 1-10 Year AA+ Municipal Index	4
	2012-12-31	Bloomberg Barclays 1-10 Year Municipal Index	4
	2004-12-31	Bloomberg Barclays Intermediate Aggregate Index	4
	2005-01-01	Bloomberg Barclays Intermediate Aggregate Ex CMBS/ABS/BBB Index	4
	1984-09-01	Balanced Core Blended	2
	2013-04-01	Balanced Integrated Blended	3
	2013-01-01	S&P/TSX Composite	
	1992-01-01	S&P/TSX Composite	
	2002-11-01	S&P/TSX Composite	
	2009-10-01	S&P/TSX Composite High Dividend	
	1989-01-01	S&P/TSX Small Cap	
	1989-01-01	S&P/TSX Small Cap	
	2009-04-01	S&P 500 CAD	
	2010-01-01	MSCI EAFE Net CAD	
	2009-10-01	MSCI World Net CAD	
	2007-04-01	Russell 1000 Growth	4
	2008-05-01	Russell MidCap Growth	4
	1990-01-01	Russell 2500 Growth	4
	2006-01-01	Russell 2000 Growth	4
	2011-12-14	MSCI Emerging Markets NR USD	4
	2003-07-01	MSCI Emerging Markets Index	4
	2010-07-01	MSCI Emerging Markets Index	4
	2010-07-01	MSCI Frontier Markets Index	4
	2007-10-01	Absolute Return	
	2010-08-01	Absolute Return	
	2008-04-01	Absolute Return	
	2009-11-01	Absolute Return	
	2010-03-01	Absolute Return	
	2013-07-01	Absolute Return	
	2006-11-22	Absolute Return	
	2015-07-21	Absolute Return	
	2013-11-06	Absolute Return	
	2002-01-01	Absolute Return	4

Notes:

1. The High Yield Blended Index is composed of 85% Merrill Lynch US High Yield Cash Pay BB-B Hedged in CAD, 15% Merrill Lynch US High Yield Cash Pay C Hedged in CAD.
2. Balanced Core Blended Benchmark is composed of 5% FTSE TMX T-Bill 91 Day / 35% FTSE TMX Universe / 32.5% S&P TSX Composite / 27.5% MSCI World Ex-Canada Net.
3. Balanced Integrated Blended Benchmark is composed of 2% FTSE TMX T-Bill 91 Day / 36% FTSE TMX Universe / 35% S&P/TSX Composite / 27% MSCI ACWI Net.
4. US Dollar returns.

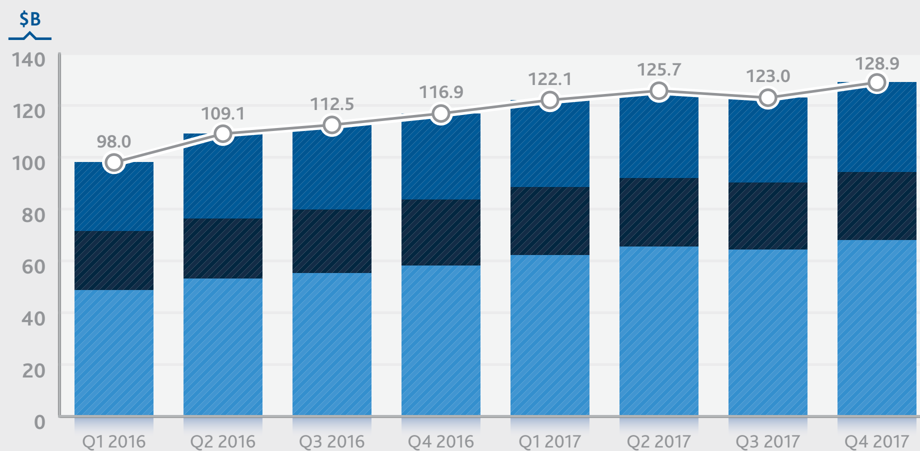
Important Disclosures:

- All returns are expressed in Canadian dollars, unless indicated otherwise.
- All performance returns presented above are annualized.
- All returns, except alternative strategies and Balanced Fund are presented gross of management and custodial fees and withholding taxes but net of all trading expenses.
- Alternative Investment Strategies and Balanced Fund are presented net of management fees, custodial fees, performance fees and withholding taxes.
- The performance returns above assume reinvestment of all dividends.
- Besides for the alternative strategies, the returns presented for any one line above represent the returns of a composite of discretionary portfolios.
- Each strategy listed above represents a single discretionary portfolio or group of discretionary portfolios that collectively represent a unique investment strategy or composite.
- The since inception date represents the earliest date at which a discretionary portfolio was in operation within the strategy.
- The above composites and pooled funds were selected from the Firm's major investment strategies while the AUM represent the total amounts managed by asset class.
- Quartile rankings are provided by eVestment.

AUM AND REVENUE TREND HIGHLIGHTS

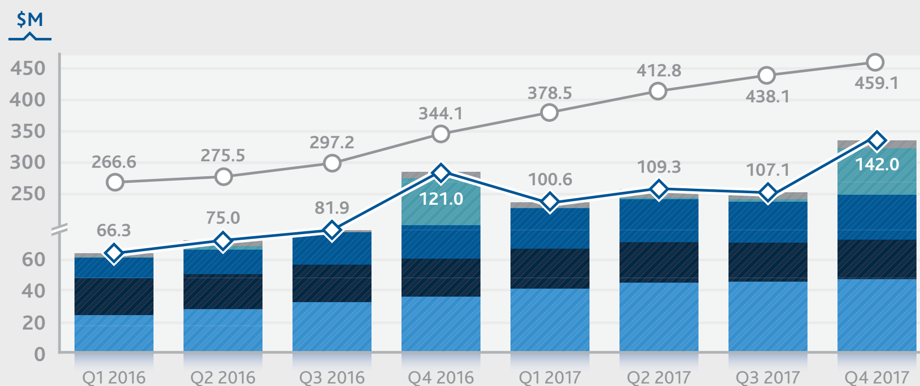
The following illustrates the Company's trends regarding AUM, quarterly and last twelve months ("LTM") revenues, LTM Adjusted EBITDA[1], LTM Adjusted EBITDA Margin[1], LTM Net Earnings per share, LTM Adjusted Earnings per share[1], as well as the LTM dividend payout.

AUM



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Retail	26.5	32.8	32.8	33.3	33.7	33.8	32.9	34.6
Private Wealth	22.8	23.2	24.5	25.4	26.3	26.4	25.7	26.3
Institutional	48.7	53.1	55.2	58.2	62.1	65.5	64.4	68.0
Total AUM	98.0	109.1	112.5	116.9	122.1	125.7	123.0	128.9

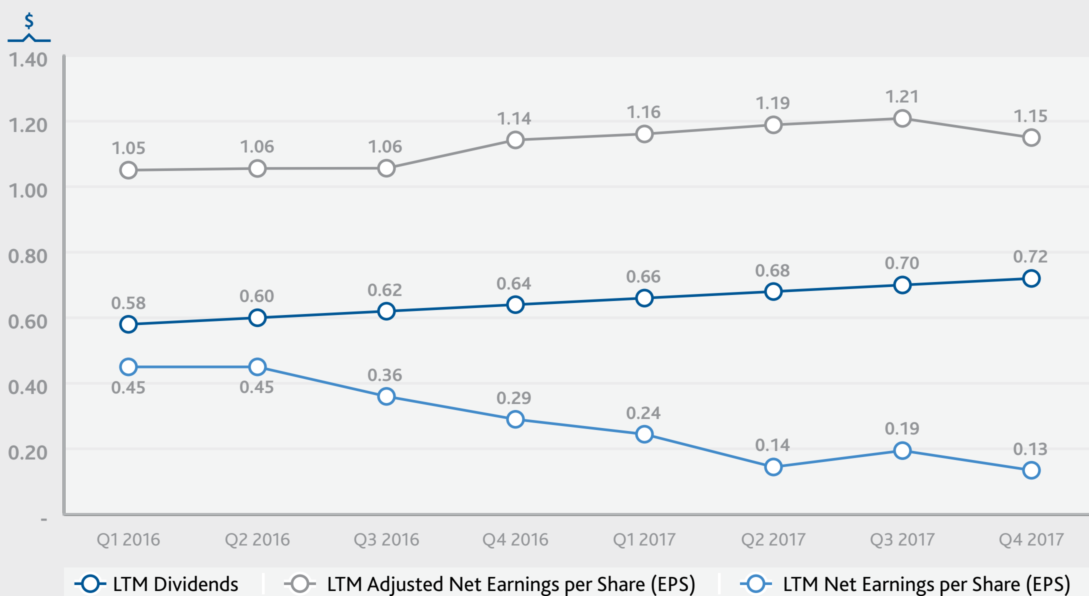
REVENUES



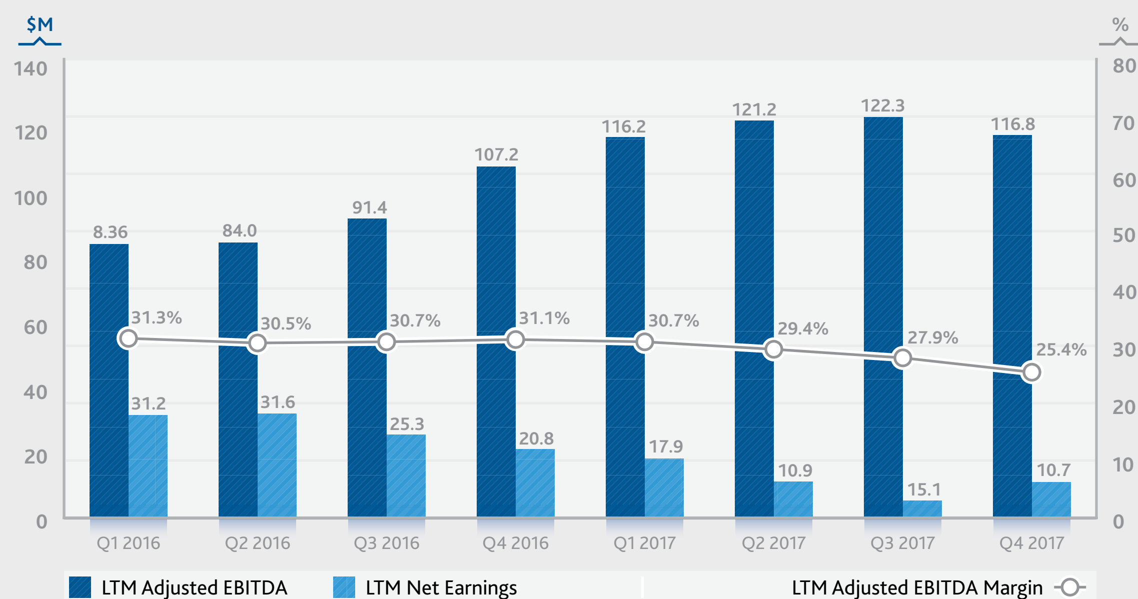
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Other Revenues	2.5	3.9	1.5	4.3	3.7	5.7	4.5	5.5
Perfomance Fees	0.4	2.3	0.0	31.6	0.5	1.2	1.6	31.2
Retail	13.8	16.5	21.8	22.3	27.0	28.6	27.5	29.9
Private Wealth	24.6	23.4	25.2	25.5	26.8	27.2	26.2	26.5
Institutional	25.0	28.9	33.4	37.3	42.6	46.6	47.3	49.0
Total Revenues	66.3	75.0	81.9	121.0	100.6	109.3	107.1	142.0
LTM Revenues	266.6	275.5	297.2	344.1	378.5	412.8	438.1	459.1

1. Please refer to the "Non-IFRS Measures" Section on page 80.

LTM NET EARNINGS, LTM ADJUSTED NET EARNINGS PER SHARE[1] AND LTM DIVIDENDS



LTM NET EARNINGS, LTM ADJUSTED EBITDA[1] AND LTM ADJUSTED EBITDA MARGIN[1]



1. Please refer to the "Non-IFRS Measures" Section on page 80.

HIGHLIGHTS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2017

Current Quarter Compared to Prior-Year Quarter

> Total AUM were $128.9 billion as at December 31, 2017, representing an increase of $12.0 billion, or 10.2%, compared to AUM of $116.9 billion as at December 31, 2016.

> Base management fees and other revenues for the fourth quarter ended December 31, 2017, were $110.8 million, representing an increase of $21.4 million, or 24%, compared to $89.4 million for the same period last year.

> Performance fees were $31.2 million for the fourth quarter ended December 31, 2017, compared to $31.6 million for the same period last year.

> Selling, general and administrative ("SG&A") expenses and external managers' expenses were $109.9 million for the fourth quarter ended December 31, 2017, representing an increase of $24.3 million, or 28%, compared to $85.6 million for the same period last year.

> Adjusted EBITDA[1] was $36.1 million for the fourth quarter ended December 31, 2017, representing a decrease of $5.5 million, or 13%, compared to $41.6 million for the same period last year. Adjusted EBITDA per share was $0.43 (basic and diluted)[1] for the fourth quarter of 2017, compared to $0.52 per share (basic) and $0.51 (diluted) for the same period last year.

> For the fourth quarter ended December 31, 2017, the Firm recorded net earnings attributable to the Company's shareholders of $0.8 million, or $0.01 per share (basic and diluted), a decrease of $4.4 million, or over 100%, compared to the fourth quarter ended December 31, 2016, during which the Firm recorded net earnings attributable to the Company's shareholders of $5.2 million, or $0.07 per share (basic) and $0.06 (diluted).

> Adjusted net earnings[1] attributable to the Company's shareholders for the fourth quarter ended December 31, 2017, amounted to $26.8 million, or $0.32 per share (basic and diluted)[1], compared to $30.7 million, or $0.38 per share (basic) and $0.37 (diluted), for the fourth quarter ended December 31, 2016.

Current Quarter Compared to Previous Quarter

> Total AUM were $128.9 billion as at December 31, 2017, representing an increase of $5.9 billion, or 4.8%, compared to $123.0 billion as at September 30, 2017.

> Base management fees and other revenues for the fourth quarter ended December 31, 2017, were $110.8 million, representing an increase of $5.3 million, or 5%, compared to $105.5 million for the previous quarter ended September 30, 2017.

> Performance fees were $31.2 million for the fourth quarter ended December 31, 2017, compared to $1.6 million for the previous quarter ended September 30, 2017.

> SG&A expenses and external managers' expenses were $109.9 million for the fourth quarter ended December 31, 2017, representing an increase of $24.9 million, or 29%, compared to $84.9 million for the previous quarter ended September 30, 2017.

> Adjusted EBITDA[1] was $36.1 million for the fourth quarter ended December 31, 2017, representing an increase of $9.1 million, or 33%, compared to $27.0 million for the previous quarter ended September 30, 2017. Adjusted EBITDA per share[1] was $0.43 (basic and diluted) for the fourth quarter ended December 31, 2017, compared to $0.33 (basic) and $0.32 (diluted) for the previous quarter ended September 30, 2017.

> For the fourth quarter ended December 31, 2017, the Firm recorded net earnings attributable to the Company's shareholders of $0.8 million, or $0.01 per share (basic and diluted), a decrease of $3.8 million, or over 100%, compared to the previous quarter ended September 30, 2017, during which the Firm recorded net earnings attributable to the Company's shareholders of $4.6 million, or $0.06 per share (basic and diluted).

> Adjusted net earnings[1] attributable to the Company's shareholders for the fourth quarter ended December 31, 2017, amounted to $26.8 million, or $0.32 per share (basic and diluted), compared to $22.2 million, or $0.27 per share (basic) and $0.26 (diluted), for the previous quarter ended September 30, 2017.

1. Please refer to the "Non-IFRS Measures" Section on page 80.

Year-to-Date December 31, 2017, Compared to Year-to-Date December 31, 2016

- Base management fees and other revenues for the twelve-month period ended December 31, 2017, were $424.5 million, representing an increase of $114.6 million, or 37%, compared to $309.9 million for the same period last year.
- Performance fees were $34.6 million for the twelve-month period ended December 31, 2017, compared to $34.3 million for the same period last year.
- SG&A expenses and external managers' expenses were $360.6 million for the twelve-month period ended December 31, 2017, representing an increase of $108.6 million, or 43%, compared to $252.0 million for the twelve-month period ended December 31, 2016.
- Adjusted EBITDA was $116.8 million for the twelve-month period ended December 31, 2017, representing an increase of $9.6 million, or 9%, compared to $107.2 million for the same period last year. Adjusted EBITDA per share was $1.42 (basic) and $1.33 (diluted) for the twelve-month period ended December 31, 2017, compared to $1.41 per share (basic) and $1.37 (diluted) for the same period last year.
- For the twelve-month period ended December 31, 2017, the Firm recorded net earnings attributable to the Company's shareholders of $10.7 million, or $0.13 per share (basic) and $0.12 (diluted), a decrease of $10.1 million, or 57%, compared to the same period last year, during which the Firm recorded net earnings attributable to the Company's shareholders of $20.8 million, or $0.27 per share (basic and diluted).
- Adjusted net earnings attributable to the Company's shareholders for the twelve-month period ended December 31, 2017, were $94.2 million, or $1.15 per share (basic) and $1.07 (diluted), compared to $87.3 million, or $1.15 per share (basic) and $1.08 (diluted), for the same period last year.

FINANCIAL RESULTS

TABLE 1 – CONSOLIDATED STATEMENTS OF EARNINGS AND ASSETS UNDER MANAGEMENT

Assets Under Management (In $ millions)	As at			Variance	
	December 31, 2017	September 30, 2017	December 31, 2016	Quarter over Quarter FAV/(UNF)[2]	Year over Year FAV/(UNF)[2]
Assets under Management	**128,901**	**123,003**	**116,925**	5,898	11,976

Statements of Earnings (in $ thousands except per share data)	For the Three-Month Periods Ended			Variance	
	December 31, 2017	September 30, 2017	December 31, 2016	Quarter over Quarter FAV/(UNF)[2]	Year over Year FAV/(UNF)[2]
Revenues					
Base management fees	**105,350**	**100,997**	**85,085**	4,353	20,265
Performance fees – Traditional Assets	**10,039**	**1,603**	**5,246**	8,436	4,793
Performance fees – Alternative Assets	**21,195**	**1**	**26,341**	1,194	(5,146)
Other revenues	**5,462**	**4,526**	**4,296**	936	1,166
	142,046	**107,127**	**120,968**	34,919	21,078
Expenses					
Selling, general and administrative expenses	**109,457**	**84,498**	**84,407**	(24,959)	(25,050)
External managers	**404**	**425**	**1,172**	21	768
Depreciation of property and equipment	**964**	**966**	**894**	(8)	(80)
Amortization of intangible assets	**8,778**	**10,497**	**16,366**	1,709	7,588
Interest on long-term debt and other financial charges	**4,835**	**2,641**	**5,253**	(2,194)	418
Accretion and change in fair value of purchase price obligations	**2,880**	**375**	**1,072**	(2,505)	(1,808)
Restructuring, integration and other costs	**6,866**	**2,357**	**805**	(4,509)	(6,061)
Acquisition costs	**1,679**	**378**	**3,160**	(1,301)	1,481
Loss on disposal of intangible assets and property and equipment	**42**	**480**	**-**	438	(42)
Other (income) expenses[3]	**(128)**	**2**	**(548)**	130	(420)
Total expenses	**135,777**	**102,619**	**112,581**	(33,158)	(23,196)
Earnings before income taxes	**6,269**	**4,508**	**8,387**	1,761	(2,118)
Income taxes	**5,185**	**(263)**	**3,142**	(5,448)	(2,043)
Net earnings	**1,084**	**4,771**	**5,245**	(3,687)	(4,161)
Attributable to:					
Company's shareholders	**763**	**4,603**	**5,203**	(3,840)	(4,440)
Non-controlling interest	**321**	**168**	**42**	153	279
Net earnings	**1,084**	**4,771**	**5,245**	(3,687)	(4,161)
BASIC PER SHARE					
Adjusted EBITDA[1]	**0.43**	**0.33**	**0.52**	0.10	(0.09)
Net earnings	**0.01**	**0.06**	**0.07**	(0.05)	(0.06)
Adjusted net earnings[1]	**0.32**	**0.27**	**0.38**	0.05	(0.06)
DILUTED PER SHARE					
Adjusted EBITDA[1]	**0.43**	**0.32**	**0.51**	0.11	(0.08)
Net earnings	**0.01**	**0.05**	**0.06**	(0.04)	(0.05)
Adjusted net earnings[1]	**0.32**	**0.26**	**0.37**	0.06	(0.05)

1. Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 80.
2. FAV: Favourable - UNF: Unfavourable.
3. Other expenses (income) include "Realized loss (gain) on investments".

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

TABLE 1 – CONSOLIDATED STATEMENTS OF EARNINGS AND ASSETS UNDER MANAGEMENT (CONTINUED)

Statements of Earnings (in $ thousands except per share data)	For the Twelve-Month Periods Ended		Variance
	December 31, 2017	December 31, 2016	Year over Year FAV/(UNF)[2]
Revenues			
Base management fees	405,056	297,717	107,339
Performance fees – Traditional Assets	13,379	5,840	7,539
Performance fees – Alternative Assets	21,193	28,441	(7,248)
Other revenues	19,468	12,146	7,322
	459,096	344,144	114,952
Expenses			
Selling, general and administrative expenses	358,454	248,469	(109,985)
External managers	2,176	3,586	1,410
Depreciation of property and equipment	3,817	3,401	(416)
Amortization of intangible assets	41,110	42,723	1,613
Interest on long-term debt and other financial charges	11,479	12,897	1,418
Accretion and change in fair value of purchase price obligations	5,852	(3,337)	(9,189)
Restructuring, integration and other costs	15,150	7,956	(7,194)
Acquisition costs	5,434	11,691	6,257
Gain on disposal of investment in joint ventures	-	(15,013)	(15,013)
Gain on acquisition of control of investment in joint venture	-	(5,827)	(5,827)
Loss on disposal of subsidiaries	-	8,315	8,315
Revaluation of assets held-for-sale	-	7,921	7,921
Loss on disposal of intangible assets and property and equipment	893	-	(893)
Other (income) expenses[3]	(137)	(843)	(706)
Total expenses	444,227	321,939	(122,288)
Earnings before income taxes	14,868	22,205	(7,337)
Income taxes	4,156	4,124	(32)
Net earnings	10,712	18,081	(7,369)
Attributable to:			
Company's shareholders	10,671	20,777	(10,106)
Non-controlling interest	41	(2,696)	2,737
Net earnings	10,712	18,081	(7,369)
BASIC PER SHARE			
Adjusted EBITDA[1]	1.42	1.41	0.01
Net earnings	0.13	0.27	(0.14)
Adjusted net earnings[1]	1.15	1.15	-
DILUTED PER SHARE			
Adjusted EBITDA[1]	1.33	1.37	(0.04)
Net earnings	0.12	0.27	(0.15)
Adjusted net earnings[1]	1.07	1.12	(0.05)

1. Please refer to the “Non-IFRS Measures” Section and the related reconciliation table on page 80.
2. FAV: Favourable - UNF: Unfavourable.
3. Other expenses (income) include “Realized loss (gain) on investments” and “Share of earnings of joint ventures”.

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

TABLE 2 – SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INFORMATION (IN $ THOUSANDS)

	December 31, 2017	December 31, 2016
Cash and cash equivalents, restricted cash, investments	**47,417**	49,742
Accounts receivable	**128,398**	116,401
Other current assets	**10,082**	6,547
Total current assets	**185,897**	172,690
Goodwill	**523,885**	541,030
Intangible assets	**462,281**	458,760
Other non-current assets	**32,852**	28,207
Total assets	**1,204,915**	1,200,687
Accounts payable and accrued liabilities	**114,008**	89,160
Other current liabilities	**39,419**	25,575
Total current liabilities	**153,427**	114,735
Long-term debt	**292,417**	429,140
Convertible debentures	**77,461**	-
Purchase price obligations	**58,086**	21,498
Deferred income taxes	**16,014**	22,926
Other non-current liabilities	**15,499**	15,743
Total liabilities	**612,904**	604,042
Equity		
Attributable to Company's shareholders	**592,545**	566,236
Attributable to non-controlling interest	**(534)**	30,409
	592,011	596,645
Total liabilities and equity	**1,204,915**	1,200,687

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

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE

Assets under Management

Assets under management ("AUM") are the main driver of Fiera Capital's revenues. Fiera Capital's revenues, for the most part, are calculated as a percentage of the Firm's AUM. The change in the Firm's AUM is determined by i) the amount of new mandates ("New"); ii) the amount of redemptions ("Lost"); iii) the amount of inflows and outflows from existing 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") and/or business disposal ("Disposal"). 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. Also, the average assets under management ("Average AUM") for a given period is the average of the ending value of AUM of the months for this period.

As a complement of information, Note 4 of the audited consolidated financial statements for the year ended December 2016 and year ended 2017 presents the details and history of the Firm's business combinations of the prior year, and is to be read in conjunction with the following discussions. Also, refer to the Company's evolution diagram on page 65 for the details and timing of the acquisitions and creations.

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

TABLE 3 – ASSETS UNDER MANAGEMENT[1] (IN $ MILLIONS)

	For the Three-Month Periods Ended		
	December 31, 2017	September 30, 2017	December 31, 2016
AUM – beginning of period	123,003	125,658	112,465
Net variance	3,811	(2,655)	1,248
Acquisitions (Disposal)/Adjustment	2,087	-	3,212
AUM – end of period	128,901	123,003	116,925
Average AUM	127,830	123,886	114,064

1. AUM include foreign exchange impact.

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

TABLE 4 – ASSETS UNDER MANAGEMENT BY CLIENTELE TYPE – QUARTERLY ACTIVITY CONTINUITY SCHEDULE (IN $ MILLIONS)

	September 30, 2017	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisition (Disposal)/ Adjustment	December 31, 2017
Institutional	64,358	2,884	(838)	(689)	2,315	8	-	68,038
Private Wealth	25,720	408	(275)	3	430	33	-	26,319
Retail	32,925	317	(1,127)	(546)	854	34	2,087	34,544
AUM – end of period	123,003	3,609	(2,240)	(1,232)	3,599	75	2,087	128,901

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

Quarterly Activities

Total AUM were $128.9 billion as at December 31, 2017, representing an increase of $5.9 billion, or 4.8%, compared to $123.0 billion as at September 30, 2017. The increase is due primarily to $3.6 billion in new mandates and a market appreciation of $3.6 billion, combined with $2.1 billion following the agreement with City National Rochdale ("CNR") to acquire the management of the Emerging Markets Fund. These increases in AUM were partially offset by lost mandates of $2.2 billion and negative net contributions of $1.2 billion during the fourth quarter of 2017.

The Institutional AUM were $68.0 billion as at December 31, 2017, representing an increase of $3.7 billion or 5.7%, compared to $64.4 billion from the previous quarter ended September 30, 2017. The increase was primarily driven by new mandates won during the quarter mostly in Global and International Equity as well as Liability-Driven Investments and Fixed Income mandates, totalling $2.9 billion, combined with a market appreciation of $2.3 million during the fourth quarter of 2017. These increases were partially offset by negative net contribution of $0.7 billion and $0.8 billion in client losses which were driven primarily by clients that either merged their activities with another pension plan or platforms and who experienced redemptions from their own clients.

The AUM related to the Private Wealth clientele were $26.3 billion as at December 31, 2017, representing an increase of $0.6 billion, or 2.3%, compared to $25.7 billion from the previous quarter ended September 30, 2017. The increase is primarily driven by net new mandates in the US, combined with market appreciation during the fourth quarter of 2017.

The AUM related to the Retail clientele were at $34.5 billion as at December 31, 2017, representing an increase of $1.6 billion, or 4.9%, compared to $32.9 billion from the previous quarter ended September 30, 2017. The increase is primarily due to additional AUM of $2.1 billion following the agreement with CNR to acquire the management of the Emerging Markets Fund, combined with a market appreciation of $0.8 billion during the period and new inflows of $0.3 billion. These increases were partially offset by net outflows of $1.4 billion mainly from a strategic partner with low billing basis point revenues during the fourth quarter of 2017.

TABLE 5 – ASSETS UNDER MANAGEMENT BY CLIENTELE TYPE – YEAR-TO-DATE ACTIVITY CONTINUITY SCHEDULE (IN $ MILLIONS)

	December 31, 2016	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisition (Disposal)/ Adjustment	December 31, 2017
Institutional	58,264	7,659	(3,801)	731	6,373	(1,188)	-	68,038
Private Wealth	25,383	2,029	(674)	(1,013)	2,099	(1,505)	-	26,319
Retail	33,278	1,509	(3,788)	(1,153)	3,115	(504)	2,087	34,544
AUM – end of period	116,925	11,197	(8,263)	(1,435)	11,587	(3,197)	2,087	128,901

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

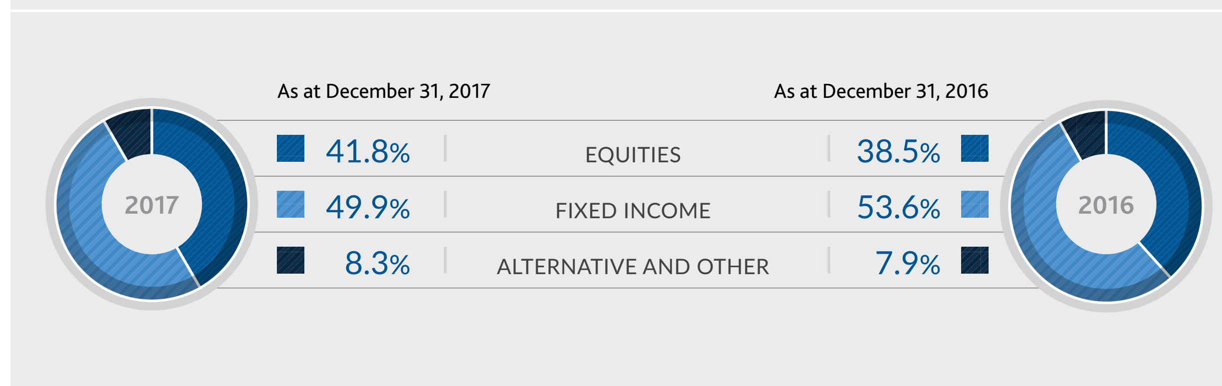
Year-to-Date Activity

Total AUM were $128.9 billion as at December 31, 2017, representing an increase of $12.0 billion, or 10.2%, compared to $116.9 billion as at December 31, 2016. The increase is due primarily to new mandates of $11.2 billion, mostly from the Institutional and Private Wealth clientele, combined with a market appreciation of $11.6 billion and an additional AUM of $2.1 billion following the agreement with CNR to acquire the management of the Emerging Markets Fund, partially offset by lost mandates of $8.3 billion and negative net contributions of $1.4 billion. Finally, the US dollar exchange rate fluctuation negatively impacted AUM during the twelve-month period ended December 31, 2017, by approximately $3.2 billion.

The following graphs illustrate the breakdown of the Firm's AUM by clientele type and by asset class as at December 31, 2017, and December 31, 2016, 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 comprised mainly of brokerage and consulting fees which are not AUM-driven.

TABLE 6 – REVENUES: QUARTERLY ACTIVITY (IN $ THOUSANDS)

	For the Three-Month Periods Ended			Variance	
	December 31, 2017	September 30, 2017	December 31, 2016	Quarter over Quarter	Year over Year
Institutional	**49,023**	**47,285**	**37,347**	1,738	11,676
Private Wealth	**26,461**	**26,174**	**25,463**	287	998
Retail	**29,866**	**27,538**	**22,275**	2,328	7,591
Total management fees	**105,350**	**100,997**	**85,085**	4,353	20,265
Performance fees – Traditional asset class	**10,039**	**1,603**	**5,245**	8,436	4,794
Performance fees – Alternative asset class	**21,195**	**1**	**26,342**	21,194	(5,147)
Total performance fees	**31,234**	**1,604**	**31,587**	29,630	(353)
Other revenues	**5,462**	**4,526**	**4,296**	936	1,166
Total revenues	**142,046**	**107,127**	**120,968**	34,919	21,078

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, 2017, were $142.0 million, representing an increase of $21.0 million, or 17%, compared to $121.0 million for the same period last year. The year-over-year increase in revenues is due mainly to a complete quarter of the European activities following the acquisition of Fiera Capital (Europe) (formerly Charlemagne Capital Limited) ("Fiera Capital (Europe)"), combined with organic growth, mostly from the institutional and private wealth sectors as well as growth in Private Alternative Investment strategies. The agreement with CNR to acquire the management of the Emerging Markets Fund in December 2017 was also a contributor to revenue growth.

Management Fees

Management fees were $105.4 million for the fourth quarter ended December 31, 2017, representing an increase of $20.3 million, or 24%, compared to $85.1 million for the same period last year. The overall increase in management fees and by clientele type are as follows:

> Management fees from the Institutional clientele were $49.0 million for the fourth quarter ended December 31, 2017, representing an increase of $11.7 million, or 31%, compared to $37.3 million for the same quarter last year. The increase in base management fees is primarily due to additional revenues resulting from the higher net AUM from new mandates namely from the US and Canada in Global Equity, as well as a market appreciation during the last twelve months, combined with the inclusion of Fiera Capital (Europe) in late 2016 and the growth in the Private Alternative Investment strategies.

> Management fees from the Private Wealth clientele were $26.5 million for the fourth quarter ended December 31, 2017, representing an increase of $1.0 million, or 4%, compared to $25.5 million for the same period last year. The increase is primarily the results of a higher AUM base from new mandates in the US.

> Management fees from the Retail clientele were $29.9 million for the fourth quarter ended December 31, 2017, representing an increase of $7.6 million, or 34%, compared to $22.3 million for the same quarter last year. The increase is mainly attributable to the inclusion of revenues from the European activities following the acquisition of Fiera Capital (Europe), as well as from the agreement with CNR to acquire the management of the Emerging Markets Fund in December 2017.

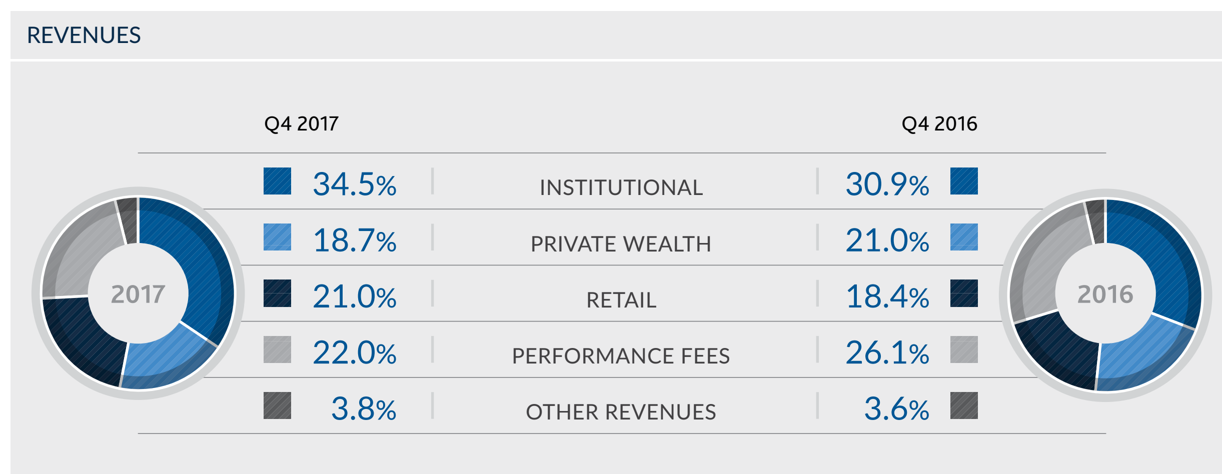
Performance Fees

Performance fees were at $31.2 million for the fourth quarter ended December 31, 2017, compared to $31.6 million for the same period last year. The decrease in performance fees from the alternative asset class due to lower hedge fund performance was partially offset by higher performance fees from the traditional asset class.

Other Revenues

Other revenues were $5.5 million for the fourth quarter ended December 31, 2017, representing an increase of $1.2 million, or 27%, compared to $4.3 million for the same period last year. The increase is mainly due to additional revenue from the Private Alternative Investment strategies.

The following graphs illustrate the breakdown of the Firm's revenues for the three-month periods ended December 31, 2017, and December 31, 2016, respectively.



Current Quarter versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2017, were $142.0 million, representing an increase of $34.9 million, or 33%, compared to $107.1 million for the previous quarter ended September 30, 2017. The increase in revenues is mainly due to performance fees recorded in the fourth quarter, combined with higher base management fees.

Management Fees

Management fees were $105.4 million for the fourth quarter ended December 31, 2017, representing an increase of $4.4 million, or 4%, compared to $101.0 million for the previous quarter ended September 30, 2017. The following is the breakdown of the management fees by clientele type:

- Management fees from the Institutional clientele were $49.0 million for the fourth quarter ended December 31, 2017, representing an increase of $1.7 million, or 4%, compared to $47.3 million for the previous quarter ended September 30, 2017. The sequential increase is primarily due to new mandates in the US.

- Management fees from the Private Wealth clientele were $26.5 million for the fourth quarter ended December 31, 2017, representing an increase of $0.3 million, or 1%, compared to $26.2 million for the previous quarter ended September 30, 2017. The increase is mainly due to organic growth in the US and market appreciation.

- Management fees from the Retail clientele were $29.9 million for the fourth quarter ended December 31, 2017, representing an increase of $2.4 million, or 9%, compared to $27.5 million for the previous quarter ended September 30, 2017. The increase is mainly due to the inclusion of revenues from the agreement with CNR to acquire the management of the Emerging Markets Fund.

Performance Fees

Performance fees, which are generally recorded in June and December of each year, were $31.2 million for the fourth quarter ended December 31, 2017, compared to $1.6 million for the previous quarter ended September 30, 2017.

Other Revenues

Other revenues were $5.5 million for the fourth quarter ended December 31, 2017, representing an increase of $0.9 million, or 21%, compared to $4.5 million for the previous quarter ended September 30, 2017. The increase is mainly due to additional revenue from the Private Alternative Investment strategies.

TABLE 7 – REVENUES: YEAR-TO-DATE ACTIVITY (IN $ THOUSANDS)

	For The Twelve-Month Periods Ended		Variance
	December 31, 2017	December 31, 2016	Year over Year
Institutional	**185,452**	**124,525**	60,927
Private Wealth	**106,599**	**98,694**	7,905
Retail	**113,005**	**74,498**	38,507
Total management fees	**405,056**	**297,717**	107,339
Performance fees – Traditional asset class	**13,379**	**5,840**	7,539
Performance fees – Alternative asset class	**21,193**	**28,441**	(7,248)
Total performance fees	**34,572**	**34,281**	291
Other revenues	**19,468**	**12,146**	7,322
Total revenues	**459,096**	**344,144**	114,952

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

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

Revenues for the twelve-month period ended December 31, 2017, were $459.1 million, representing an increase of $114.6 million, or 33%, compared to $344.1 million for the same period last year. The increase in revenues is due mainly to a full year of operations following the acquisition of Apex and Fiera Capital (Europe), as well as the growth of the Private Alternative Investment strategies, combined with organic growth, mostly from the institutional and private wealth clientele.

Management Fees

Management fees for the twelve-month period ended December 31, 2017, were $405.1 million, representing an increase of $107.4 million, or 36%, compared to $297.7 million for the same period last year. The overall increase in management fees and the increase by clientele type are as follows:

- Revenues from the Institutional clientele for the twelve-month period ended December 31, 2017, were $185.5 million, representing an increase of $60.9 million, or 49%, compared to $124.5 million for the same period last year. The increase in base management fees was as a result of higher net AUM from new mandates in Global Equity strategies and Private Alternative Investment strategies. Also, a full year of activities of Apex Capital Management Inc. ("Apex") and Fiera Capital (Europe) contributed to the increase in revenues.

- Revenues from the Private Wealth clientele for the twelve-month period ended December 31, 2017, were $106.6 million, representing an increase of $7.9 million, or 8%, compared to $98.7 million for the same period last year. The increase was primarily due to new mandates and strong market appreciation in the last twelve months.

- Revenues from the Retail clientele for the twelve-month period ended December 31, 2017, were $113.0 million, representing an increase of $38.5 million, or 52%, compared to $74.5 million for the same period last year. The increase is mainly attributable to the inclusion of revenues from a full year of operation of Fiera Capital (Europe) and Apex, and more recently the agreement with CNR to acquire the management of the Emerging Markets Fund in the US.

Performance Fees

Total performance fees were at $34.6 million for the twelve-month period ended December 31, 2017, compared to $34.3 million for the same period last year. The increase in performance fees from the traditional asset class was partially offset by lower performance fees from the alternative asset class due to lower hedge fund performance.

Other Revenues

Other revenues were $19.5 million for the twelve-month period ended December 31, 2017, representing an increase of $7.3 million, or 60%, compared to $12.2 million for the same period last year mostly in Private Alternative Investment strategies.

Selling, General and Administrative Expenses

Current Quarter versus Prior-Year Quarter

SG&A expenses were $109.5 million for the three-month period ended December 31, 2017, representing an increase of $25.1 million, or 30%, compared to $84.4 million for the same period last year. The increase in costs is mainly due to higher volume resulting from a full year of operations of the acquired companies, combined with an increase in variable compensation related to long-term cash and share-based compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies.

Current Quarter versus Previous Quarter

SG&A expenses were $109.5 million for the three-month period ended December 31, 2017, representing an increase of $25.0 million, or 30%, compared to $84.5 million for the previous quarter ended September 30, 2017. The increase is mainly attributable to compensation related to higher performance fees recorded during the quarter ended December 31, 2017, combined with continued costs to support the Firm's growth and expansion.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

SG&A expenses were $358.5 million for the twelve-month period ended December 31, 2017, representing an increase of $110.0 million, or 44%, compared to $248.5 million for the same period last year. The increase in costs is attributable to higher volume of operations following the Firm's global growth and expansion, and increases in variable compensation related to long term cash and share-based compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies.

External Managers

Current Quarter versus Prior-Year Quarter

External managers' expenses were $0.4 million for the fourth quarter ended December 31, 2017, representing a decrease of $0.8 million, or 66%, compared to $1.2 million for the same quarter last year.

Current Quarter versus Previous Quarter

External managers' expenses for the fourth quarter ended December 31, 2017, remained stable at $0.4 million, compared to $0.4 million from the previous quarter ended September 30, 2017.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

External managers' expenses were $2.2 million for the twelve-month period ended December 31, 2017, representing a decrease of $1.4 million, or 39%, compared to $3.6 million for the same period last year.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was $1.0 million for the fourth quarter ended December 31, 2017, compared to $0.9 million for the corresponding quarter last year.

Amortization of intangible assets was $8.8 million for the fourth quarter ended December 31, 2017, representing a decrease of $7.6 million, or 46%, compared to $16.4 million for the same period last year. The decrease is mainly attributable to the amortization of intangible assets related to Fiera Capital (Europe) acquisition accounting which was finalized during the quarter ended December 31, 2016.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained stable at $1.0 million for the fourth quarter ended December 31, 2017, when compared to the previous quarter ended September 30, 2017.

Amortization of intangible assets was $8.8 million for the fourth quarter ended December 31, 2017, representing a decrease of $1.7 million, or 16%, compared to $10.5 million for the previous quarter ended September 30, 2017. The decrease is mainly attributable to the finalization of the acquisition accounting of the intangible assets related to the Fiera Capital (Europe) acquisition.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

Depreciation of property and equipment was $3.8 million for the twelve-month period ended December 31, 2017, representing an increase of $0.4 million, or 12%, compared to $3.4 million for the same period last year.

Amortization of intangible assets was $41.1 million for the twelve-month period ended December 31, 2017, representing a decrease of $1.6 million, or 4%, compared to $42.7 million for the same period last year. The decrease is mainly attributable to the finalization of the accounting of the intangible assets related to the Fiera Capital (Europe) acquisition.

As a complement of information, Note 4 of the audited consolidated financial statements for the year ended December 31, 2017, presents the details on the acquisition of intangible assets from business acquisitions.

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 was $4.8 million for the fourth quarter ended December 31, 2017, representing a decrease of $0.4 million, or 8%, compared to $5.2 million for the same quarter last year. The decrease is mainly due to a negative variance related to the Company's strategy of swapping the variable interest rate on a portion of its debt to a fixed interest rate.

Current Quarter versus Previous Quarter

The interest on long-term debt and other financial charges was $4.8 million for the fourth quarter ended December 31, 2017, representing an increase of $2.2 million, or 83%, compared to $2.6 million for the previous quarter ended September 30, 2017. The increase is mainly due to a positive variance related to the Company's strategy of swapping the variable interest rate on a portion of its debt to a fixed interest rate.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

The interest on long-term debt and other financial charges was $11.5 million for the twelve-month period ended December 31, 2017, representing a decrease of $1.4 million, or 11%, compared to $12.9 million for the same period last year. The decrease is mainly due to the net impact of the cross currency and interest rate swaps for the year ended December 31, 2017.

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 $2.9 million for the fourth quarter ended December 31, 2017, compared to a charge of $1.1 million for the same quarter last year. The increase is mainly due to additional charge related to the agreement with CNR to acquire the management of the Emerging Markets Fund during the fourth quarter of 2017.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented a charge of $2.9 million for the fourth quarter ended December 31, 2017, compared to a charge of $0.4 million (including a $0.8 million gain on the revaluation of a purchase price obligation) for the previous quarter ended September 30, 2017. The increase is mainly due to additional charge related to the agreement with CNR to acquire the management of the Emerging Markets Fund during the fourth quarter of 2017.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

The accretion and change in fair value of purchase price obligations represented a charge of $5.9 million for the twelve-month period ended December 31, 2017, compared to a gain of $3.3 million (including a recovery of $6.4 million related to Natcan Investment Management Inc.) for the same period last year.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were $8.5 million for the fourth quarter ended December 31, 2017, representing an increase of $4.5 million, or over 100%, compared to $4.0 million for the same period last year. The increase in acquisition and restructuring, integration and other costs is mainly due to higher restructuring costs in the fourth quarter of 2017 compared to the fourth quarter of 2016.

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were $8.5 million for the fourth quarter ended December 31, 2017, representing an increase of $5.8 million, or over 100%, compared to $2.7 million for the previous quarter ended September 30, 2017. The increase is mainly due to higher restructuring costs and higher expenses related to the agreement with CNR to acquire the management of the Emerging Markets Fund during the fourth quarter ended December 31, 2017.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

Acquisition and restructuring, integration and other costs were $20.6 million for the twelve-month period ended December 31, 2017, representing an increase of $1.0 million, or 5%, compared to $19.6 million for the same period last year. The increase in acquisition and restructuring, integration and other costs is mainly due to higher restructuring and integration costs, partially offset by lower acquisition related costs in 2017.

Adjusted EBITDA

The following table presents the Firm's adjusted EBITDA[1] and adjusted EBITDA per share[1] for the three and twelve-month periods ended December 31, 2017, and 2016, respectively.

TABLE 8 – ADJUSTED EBITDA[1] (IN $ THOUSANDS EXCEPT PER SHARE DATA)

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net earnings	1,084	4,771	5,245	10,712	18,081
EBITDA[1]	20,846	18,612	30,899	71,274	81,226
Adjusted EBITDA[1]	36,056	27,020	41,599	116,753	107,196
Per share basic[1]	0.43	0.33	0.52	1.42	1.41
Per share diluted[1]	0.43	0.32	0.51	1.33	1.37

1. Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 80.

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

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2017, adjusted EBITDA was $36.1 million or $0.43 per share (basic and diluted), representing a decrease of $5.5 million, or 13%, compared to $41.6 million, or $0.52 per share (basic) and $0.51 (diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2017, was lower due to an increase in overall operating expenses to support the Firm's growth and expansion and higher performance fees compensation related expenses. This was partially offset by higher base management fees driven by market and organic growth, the deployment of Private Alternative Investment strategies, a full quarter of operation of Fiera Capital (Europe) and the agreement with CNR to acquire the management of the Emerging Markets Fund in December 2017.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2017, adjusted EBITDA was $36.1 million or $0.43 per share (basic and diluted), representing an increase of $9.1 million, or 33%, compared to $27.0 million or $0.33 per share (basic) and $0.32 (diluted), from the previous quarter ended September 30, 2017. The increase is mainly due to higher revenues resulting from the performance fees generally recorded in June and December of each year, partially offset by an increase in overall operating expenses to support the Firm's growth and expansion.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

For the twelve-month period ended December 31, 2017, adjusted EBITDA was $116.8 million, or $1.42 per share (basic) and $1.33 (diluted), representing an increase of $9.6 million, or 9%, compared to $107.2 million, or $1.41 per share (basic) and $1.37 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2017, is mainly attributable to an AUM driven increase in revenues resulting from organic and market growth as well as various acquisitions compared to the same period last year. This was partially offset by increases in variable compensation related to long term cash and share-based compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies, higher performance fee compensation related expenses and higher operating expenses to support the Firm's growth and expansion.

Net Earnings

The following table presents the Firm's net earnings and adjusted net earnings for the three and twelve-month periods ended December 31, 2017, and 2016, respectively.

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, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net earnings attributable to the Company's shareholders	**763**	**4,603**	**5,203**	**10,671**	**20,777**
Depreciation of property and equipment	964	966	894	3,817	3,401
Amortization of intangible assets	8,778	10,497	16,366	41,110	42,723
Share-based compensation *	3,871	4,816	6,210	18,287	15,107
Restructuring, integration and other costs *	6,866	2,357	805	15,150	7,956
Acquisition costs *	1,679	378	3,160	5,434	11,691
Gain on disposal of investment in joint venture *	-	-	-	-	(15,013)
Revaluation of assets held-for-sale *	-	-	-	-	7,921
Loss on disposal of investment in subsidiaries *	-	-	-	-	8,307
Gain on revaluation of a purchase price obligation[2]	-	(800)	-	(800)	(6,408)
Gain on acquisition of control of investment in joint venture *	-	-	-	-	(5,827)
Impact of US Tax Cuts and Job Act on future income taxes	6,017			6,017	
Income taxes on above-mentioned items *	2,097	581	1,910	5,469	3,308
Adjusted net earnings attributable to the Company's shareholders	**26,841**	**22,236**	**30,728**	**94,217**	**87,327**
Per share – basic					
Net earnings	**0.01**	**0.06**	**0.07**	**0.13**	**0.27**
Adjusted net earnings[1]	**0.32**	**0.27**	**0.38**	**1.15**	**1.15**
Per share – diluted					
Net earnings	**0.01**	**0.05**	**0.06**	**0.12**	**0.27**
Adjusted net earnings[1]	**0.32**	**0.26**	**0.37**	**1.07**	**1.12**

1. Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 80.
2. Recorded under the caption "Accretion and change in fair value of purchase price obligations" of the consolidated statement of earnings.

Adjusted net earnings for the year-ended December 31, 2016, were restated to exclude Gain on disposal of investment in joint venture, Revaluation of asset held-for-sale, Loss on disposal of investment in subsidiaries, Gain on revaluation of a purchase price obligation and Gain on acquisition of control of investment in joint venture.

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

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2017, the Firm reported net earnings attributable to the Company's shareholders of $0.8 million, or $0.01 per share (basic and diluted), compared to $5.2 million, or $0.07 per share (basic) and $0.06 (diluted), for the same quarter last year. The decrease in net earnings is mainly attributable to a charge of $6.0 million, or $0.07 per share (basic and diluted) recorded in the fourth quarter of 2017 following the US Tax Cuts and Jobs Act on December 22, 2017.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2017, the Firm reported net earnings attributable to the Company's shareholders of $0.8 million, or $0.01 per share (basic and diluted), compared to $4.6 million, or $0.06 per share (basic) and $0.05 (diluted), for the previous quarter ended September 30, 2017. The decrease in net earnings is mainly attributable to a charge of $6.0 million recorded in the fourth quarter of 2017 following the US Tax Cuts and Jobs Act, partially offset by higher income before taxes resulting from higher performance fees and base management fees.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

For the twelve-month period ended December 31, 2017, the Firm recorded net earnings attributable to the Company's shareholders of $10.7 million, or $0.13 per share (basic) and $0.12 (diluted), compared to $20.8 million, or $0.27 per share (basic and diluted) for the same period last year. The decrease in net earnings is mainly attributable to the fact that net earnings for the twelve-month period ended December 31, 2016, included a gain of $5.8 million related to the acquisition of control of an investment in a joint venture related to Fiera Properties, a gain of $15.0 million on the disposal of Axium and the revaluation of a purchase price obligation of $6.4 million related to Natcan, partially offset by the revaluation of assets-held-for-sale related to Fiera Quantum of $16.2 million, combined with a charge of $6.0 million recorded in 2017 following the US Tax Cuts and Jobs Act.

Adjusted Net Earnings[1]

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. Please refer to the "Non-IFRS Measures" Section for the definition of adjusted net earnings.

Current Quarter versus Prior-Year Quarter

Adjusted net earnings attributable to the Company's shareholders amounted to $26.8 million, or $0.32 per share (basic and diluted) for the fourth quarter ended December 31, 2017, compared to $30.7 million, or $0.38 per share (basic) and $0.37 (diluted) for the fourth quarter ended December 31, 2016. Adjusted net earnings for the quarter ended December 31, 2017, reflected net earnings, excluding $13.6 million, or $0.16 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as $12.5 million, or $0.15 per share (basic and diluted), of acquisition and restructuring, integration and other costs, net of income taxes, as well as a charge related to US Tax Cuts and Jobs Act.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2017, the Firm recorded adjusted net earnings of $26.8 million, or $0.32 per share (basic and diluted), representing an increase of $4.6 million compared to $22.2 million, or $0.27 (basic) and $0.26 (diluted) from the previous quarter ended September 30, 2017. The increase in adjusted net earnings is mainly attributable to higher revenues resulting from performance fees and higher base management fees, partially offset by higher operating expenses to support the Firm's growth.

Year-to-Date December 31, 2017, versus Year-to-Date December 31, 2016

For the twelve-month period ended December 31, 2017, adjusted net earnings attributable to the Company's shareholders amounted to $94.2 million, or $1.15 per share (basic) and $1.07 (diluted), compared to $87.3 million or $1.15 per share (basic) and $1.12 (diluted) for the same period last year. Adjusted net earnings for the year ended December 31, 2017, reflected net earnings, excluding $63.2 million, or $0.78 per share (basic) and $0.72 (diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as $20.3 million, or $0.24 per share (basic) and $0.23 (diluted), of acquisition and restructuring, integration and other costs, a gain on the revaluation of the purchase price obligation, net of income taxes, as well as a charge related to US Tax Cuts and Jobs.

1. Please refer to the "Non-IFRS Measures" Section on page 80.

SUMMARY OF QUARTERLY RESULTS

The Firm's AUM, total revenues, adjusted EBITDA[1], adjusted EBITDA margin[1] and net earnings, on a consolidated basis 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)

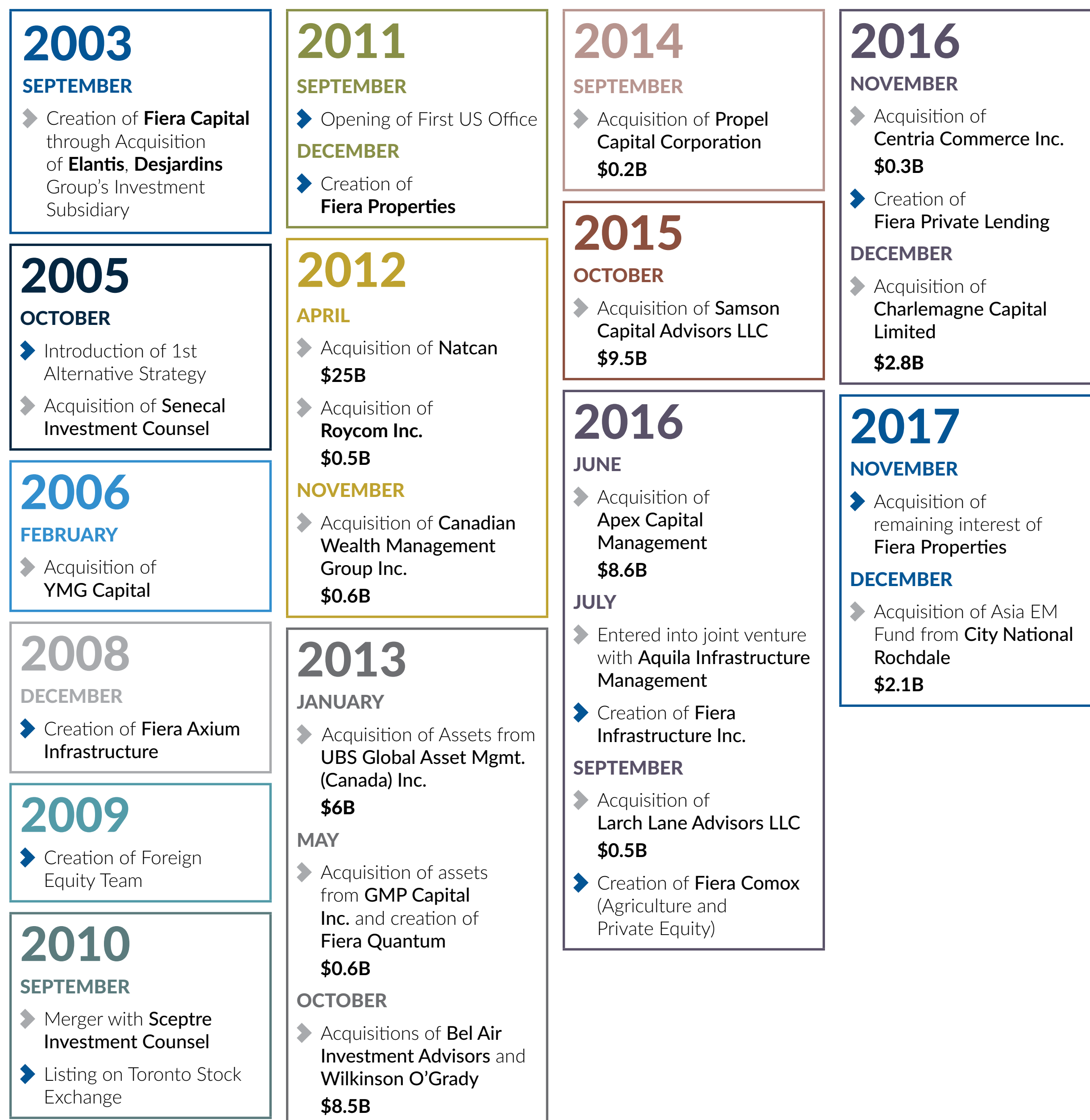
	Last Twelve Months[2]	Q4 Dec. 31 2017	Q3 Sep. 30 2017	Q2 Jun. 30 2017	Q1 Mar. 31 2017	Q4 Dec. 31 2016	Q3 Sep. 30 2016	Q2 Jun. 30 2016	Q1 Mar. 31 2016
AUM	124,906	128,901	123,003	125,658	122,063	116,925	112,465	109,136	97,988
Total revenues	459,096	142,046	107,127	109,349	100,574	120,968	81,909	74,983	66,284
Adjusted EBITDA[1]	116,753	36,056	27,020	28,480	25,199	41,599	25,931	23,510	16,157
Adjusted EBITDA margin[1]	25.4%	25.4%	25.2%	26.0%	25.1%	34.4%	31.7%	31.4%	24.4%
Net earnings attributable to the Company's shareholders	10,671	763	4,603	877	4,428	5,203	393	7,901	7,280
PER SHARE – BASIC									
Adjusted EBITDA[1]	1.42	0.43	0.33	0.35	0.31	0.52	0.33	0.32	0.22
Net earnings attributable to the Company's shareholders	0.13	0.01	0.06	0.01	0.05	0.07	0.01	0.11	0.10
Adjusted net earnings attributable to the Company's shareholders[1]	1.15	0.32	0.27	0.30	0.26	0.38	0.25	0.27	0.24
PER SHARE – DILUTED									
Adjusted EBITDA[1]	1.33	0.43	0.32	0.34	0.30	0.51	0.33	0.32	0.22
Net earnings attributable to the Company's shareholders	0.12	0.01	0.05	0.01	0.05	0.06	0.01	0.11	0.10
Adjusted net earnings attributable to the Company's shareholders[1]	1.07	0.32	0.26	0.29	0.25	0.37	0.25	0.27	0.24

1. Please refer to the "Non-IFRS Measures" Section on page 80.
2. AUM Last Twelve Months ("LTM") represents the average of the last four quarters.

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

Company Evolution

The following diagram shows key initiatives, including organic growth and business acquisitions in terms of AUM in the evolution of the Company since its creation.



Organic

Strategic

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

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

TABLE 11 – SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS (IN $ THOUSANDS)

	For The Twelve-Month Periods Ended	
	December 31, 2017	December 31, 2016
Cash generated by operating activities	**92,524**	57,514
Cash (used in) investing activities	**(24,062)**	(144,378)
Cash generated by (used in) financing activities	**(65,887)**	101,494
Net increase in cash	**2,575**	14,630
Effect of exchange rate changes on cash denominated in foreign currencies	**(1,606)**	(245)
Cash and cash equivalents, beginning of period	**40,110**	25,725
Cash and cash equivalents, end of period	**41,079**	40,110

Year-to-Date Activities

Cash generated by operating activities amounted to $92.5 million for the twelve-month period ended December 31, 2017. This amount resulted from $86.0 million cash generated from net earnings adjusted for depreciation and amortization, share-based compensation, accretion of purchase price obligations, interest on long-term debt and other financial charges, income tax expenses and income tax paid, as well as positive change in non-cash operating working capital of $6.3 million and positive changes in other non-current liabilities of $2.1 million during the period. These elements were partially offset by $1.7 million in negative change in realized and unrealized gain on financial instruments during the period.

Cash used in investing activities was $24.1 million for the twelve-month period ended December 31, 2017, resulting mainly from $21.5 million cash used for purchase of intangible assets, $3.4 million cash used for payment of purchase price adjustments and obligations, $2.8 million cash used for the settlement of a put option, $3.2 million cash used for purchase of property and equipment during the period, partially offset by $5.0 million of cash generated from investments.

Cash used in financing activities was $65.9 million for the twelve-month period ended December 31, 2017, resulting mainly from $118.0 million cash used for debt repayment and settlement of derivative financial instruments, $58.3 million of dividend payments, $36.3 million cash used for the purchase of a non-controlling interest, $16.1 million cash used in long-term debt interest payments and financing charges and, partially offset by $82.5 million of convertible debentures issuance and $82.1 million of share issuance during the period.

Finally, the negative impact of exchange rate changes on cash denominated in foreign currencies was $1.6 million during the twelve-month period ended December 31, 2017.

Year-to-Date December 31, 2017 versus Year-to-Date December 31, 2016

Cash generated by operating activities amounted to $92.5 million for the twelve-month period ended December 31, 2017, compared to $57.5 million cash generated by operating activities for the same period last year. The positive variation in cash generated by operating activities is mainly attributable to higher adjusted EBITDA of $9.6 million as described in the *"Adjusted EBITDA"* section, combined with a positive impact in non-cash operating working capital of $22.8 million and a positive change in other non-current liabilities of $1.8 million during the twelve-month period ended December 31, 2017, compared to the same period last year.

Cash used in investing activities amounted to $24.1 million for the twelve-month period ended December 31, 2017, compared to $144.4 million cash used in investing activities for the same period last year. The variation in cash used in investing activities is mainly attributable to $162.9 million of cash used in the Apex, Fiera Capital (Europe), Centria and Larch Lane acquisition in 2016, partially offset by $20 million in proceeds from the disposal of an investment in a joint venture recorded during the twelve-month period ended December 31, 2016 and $21.5 million of cash used for purchase of intangible assets during the twelve-month period ended December 31, 2017 ($2.9 million for 2016).

Cash used in financing activities was $65.9 million for the twelve-month period ended December 31, 2017, compared to $101.5 million cash generated by financing activities for the same period last year. The year-over-year variation is mainly attributable to $53.6 million net cash generated resulting from shares issuance, convertible debentures issuance and long-term debt repayment in 2017, compared to $166.5 million long-term debt increase in 2016 to finance various acquisitions. Also, $36.3 million of cash used for purchase of non-

controlling interest in 2017 vs nil in 2016, combined with higher dividend payments of $9.1 million, higher interest paid on long-term debt of $5.1 million contributed to the increase in cash used in financing activities during the twelve-month period ended December 31, 2017, compared to the same period of 2016.

Finally, the exchange rate changes on cash denominated in foreign currencies negatively impacted the cash flow of the Firm by $1.6 million during the twelve-month period ended December 31, 2017, compared to a $0.2 million negative impact for the same period last year.

Long-Term Debt

TABLE 12 – CREDIT FACILITY (IN $ THOUSANDS)

	As at December 31, 2017	As at December 31, 2016
Credit Facility		
Term facility	**156,813**	167,838
Revolving facility	**136,725**	262,323
Other facility	**1,585**	2,039
Deferred financing charges	**(1,352)**	(1,777)
	293,771	430,423
Less current portion	**1,354**	(1,283)
Non-current portion	**292,417**	429,140

Credit Facility

On May 31, 2016, the Company entered into the Fourth Amended and Restated Credit Agreement ("Credit Agreement") which includes a term facility and a revolving facility (together, the "Credit Facility"). On December 5, 2017, the Credit Agreement was amended to modify the definitions of Funded Debt and EBITDA and unsecured debt.

Term Facility

The Credit Agreement includes a new US$125.0 million term (non-revolving) facility for which there are no minimum repayments until May 31, 2019, the date at which the full amount drawn on the term facility is repayable.

The total amount drawn on the term facility as at December 31, 2017 is US$125.0 million (CA$156.813 million) (US$125.0 million (CA$167.838 million) as at December 31, 2016).

Revolving Facility

During the year ended December 31, 2017, an increase in the revolving facility of CA$50.0 million to CA$350.0 million was approved by the board of directors of the Company, Fiera Capital Inc. and Fiera US Holding Inc. and the syndicate of lenders. The increase will be used to finance the general corporate purposes of the Company. The Credit Facility includes a CA$350.0 million senior unsecured revolving facility that can be drawn on in Canadian or US dollars at the discretion of the Company. Under the terms of the Credit Agreement, there are no minimum repayments on the revolving facility, until March 25, 2020, the date at which the full amount drawn on the revolving facility is repayable in full.

As at December 31, 2017, the total amount drawn on the revolving facility was comprised of CA$74.0 million and US$50.0 million (CA$62.725 million) (CA$174.0 million and US$65.781 million (CA$88.323 million) at December 31, 2016).

Terms of the Credit Facility

The Credit Facility bears interest based on the currency in which an amount is drawn and includes a credit spread based on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. On the revolving facility, the interest rate is based on the Canadian prime rate plus a spread which varies from 0.0% to 1.5% or, at the discretion of the Company, based either on the US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR rate plus a spread varying from 1.0% to 2.5%. The interest rate on the term facility is based on the US base rate plus a spread varying from 0.0% to 1.5% or LIBOR rate plus a spread varying from 1.0% to 2.5%. The Company decides whether amounts drawn in US dollars on the term and revolving facilities will be based on US base rate or the LIBOR rate.

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants on the Credit Facility including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum interest coverage ratio. EBITDA, a non IFRS financial measure, is defined in the Credit Agreement as consolidated earnings before interest, income taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at December 31, 2017 and 2016, all restrictive covenants under the Credit Agreement were met.

The Credit Agreement includes covenants that limit the ability of the Company and certain of its subsidiaries that are specifically included in the Credit Agreement as borrowing parties and therefore are guarantors to the Credit Facility, to engage in specified types of transactions and thus imposes operating certain restrictions on these entities.

Other Facilities

As at December 31, 2017, one of the Company's subsidiaries has an outstanding bank loan in the amount of $0.756 million of which quarterly payments of CA$0.131 million are required (respectively $1.281 million and CA$0.131 million as at December 31, 2016). The loan bears interest at prime plus 0.25% to 0.50% which is based on the ratio of senior debt to EBITDA (a non-IFRS financial measure defined in the loan agreement), and matures on June 30, 2019. All debt covenant requirements were met as at December 31, 2017 and 2016.

In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at December 31, 2017, an amount of CA$0.829 million was drawn on a lease-back loan with the bank. As at December 31, 2017, the lease-back loan is classified as current as it is due on demand until the finalization of the terms of the loan. The loan agreement was finalized in January 2018.

This subsidiary also has a line of credit with a dollar limit of CA$0.750 million. It bears interest at prime plus up to 0.25% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at December 31, 2017, the amount drawn by the subsidiary on the line of credit is nil (nil as at December 31, 2016).

Another subsidiary of the Company has a line of credit with a dollar limit of CA$0.800 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at December 31, 2017, the amount drawn by the subsidiary on the line of credit is nil ($0.758 million as at December 31, 2016).

Convertible Debentures

TABLE 13 – CONVERTIBLE DEBENTURES (IN $ THOUSANDS)

	2017
	$
Face value	86,250
Less:	
Issuance costs	(4,269)
Equity component (net of issuance costs of $237)	(4,555)
Accretion expense on equity component	35
Balance, end of year	77,461

On December 21, 2017, the Company issued 86,250 convertible debentures at 5% maturing on June 23, 2023, with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of CA$86.25 million. The convertible debentures are convertible at the option of the holder at a conversion price of $18.85 per Class A share. The convertible debentures are not redeemable by the Company before June 30, 2021. The convertible debentures are redeemable by the Company at a price of $1,000 per convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of $18.85 per share). On or after June 30,2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of $1,000 per convertible debenture, plus accrued and unpaid interest.

The liability component was recorded at the fair value on the date of issuance in the amount of $81.458 million. The Company allocated $4.555 million to an equity component (net of issuance costs of $0.237 million). A separate deferred income tax liability of $1.225 million was recognized.

The Company incurred total underwriting fees and issuance costs of $4.269 million which are netted against the convertible debenture liability.

In 2017, the proceeds of the convertible debentures were used to finance the cash portion of the repurchase of Fiera Properties' remaining 45.0% non-controlling interest, to reduce indebtedness under the Credit Facility and for general corporate purposes.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2017:

TABLE 14 – CONTRACTUAL OBLIGATIONS ($ IN THOUSANDS)

	Carrying Amount	Total	2018	2019	2020	Thereafter
Long-Term Debt	295,123	295,123	1,354	157,044	136,725	-
Purchase Price Obligations	89,136	266,125	35,147	38,091	28,968	163,919
Convertible Debentures	77,461	86,250	-	-	-	86,250
Operating Leases	n/a	133,056	17,800	16,662	15,300	83,294
Total Obligations	n/a	780,554	54,301	211,797	180,993	333,463

Contingent Liabilities

In the normal course of business, the Company and its subsidiaries may be 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, 2017, Fiera Capital was not party to any off-balance sheet arrangements, including guarantees, derivatives, except variable-interest entities. We do not expect to enter into such agreements.

Share Capital

As at December 31, 2017, the Company had 70,249,199 Class A shares and 19,444,490 Class B special voting shares for a total of 89,693,689 outstanding shares compared to 60,800,655 Class A subordinate voting shares and 19,810,903 Class B special voting shares for a total of 80,611,558 outstanding shares as at December 31, 2016.

Share-Based Payments

Stock Option Plan

The following table presents transactions that occurred during the twelve-month periods ended December 31, 2017, and 2016, under the terms of the Company's stock option plans:

TABLE 15 – OPTIONS TRANSACTIONS

	2017		2016	
	Number of Class A Share Options	Weighted-Average Exercise Price ($)	Number of Class A Share Options	Weighted-Average Exercise Price ($)
Outstanding – beginning of period	2,799,345	10.25	3,040,225	9.58
Granted	1,892,000	13.41	254,379	12.33
Exercised	(397,100)	7.34	(401,642)	5.86
Forfeited	(110,393)	13.64	(93,617)	13.11
Outstanding – end of period	4,183,852	11.86	2,799,345	10.25
Options exercisable – end of year	859,473	8.17	1,049,685	7.82

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.

The Company recorded an expense of $0.013 million and $0.030 million for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability for an amount of $0.205 million for the 15,767 units outstanding under the DSU Plan ($0.192 million for 14,998 units as at December 31, 2016).

Restricted Share Unit ("RSU") Plan

On April 13, 2017, the Board approved an amended and restated RSU Plan. The purposes of this plan is to provide eligible employees with the opportunity to acquire RSU in order to retain key employees and to permit them to participate in the growth and development of the Company and, through the acquisition of shares in the Company under the plan, to better align the interests of participants with the long-term interests of shareholders of the Company.

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2017 and 2016.

TABLE 16 – RSU TRANSACTIONS

	2017	2016
Outstanding – beginning of year	**456,303**	686,244
Granted	**566,686**	-
Reinvestments in lieu of dividends	**19,124**	31,985
Vested [1]	**(420,407)**	(259,934)
Forfeited	**(13,071)**	(1,992)
Outstanding – end of year	**608,635**	456,303

1. 65,867 restricted share units were settled in cash (2016 – 114,812).

The Company recorded an expense of $5.715 million and $3.466 million for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability in the amount of $3.075 million for the 608,635 units outstanding under the RSU Plan ($3.081 million for 456,303 units as at December 31, 2016).

Restricted Share Unit Plan – Cash ("RSU Cash")

During the year ended December 31, 2016, the Board approved a RSU cash plan. The purpose of this plan is to provide eligible employees with the opportunity to acquire restricted share units in order to retain key employees and to permit them to participate in the growth and development of the Company and to better align the interests of participants with the long-term interests of shareholders of the Company. All RSU granted under this plan will be payable in cash. The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2017 and 2016.

TABLE 17 – RSU CASH TRANSACTIONS

	2017	2016
Outstanding – beginning of year	**316,133**	-
Granted	**185,256**	308,768
Reinvestments in lieu of dividends	**21,963**	7,365
Forfeited	**(18,972)**	-
Outstanding – end of year	**504,380**	316,133

The Company recorded an expense of $1.886 million and $0.549 million for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability totalling $2.435 million for the 504,380 units outstanding ($0.549 million for 316,133 units as at December 31, 2016).

Restricted Share Plan ("RSP")

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

On October 30, 2015, the Company issued 224,699 restricted shares. In conjunction with the restricted share issuance, the Company issued 224,699 Class A Shares which are held in escrow. During the year ended December 31, 2017, 79,022 Class A Shares (2016 - 76,326) that vested were released from escrow and 431 restricted shares were forfeited and cancelled. In addition, 6,838 (2016 - 7,540) Class A Shares were purchased with the proceeds of the dividends received and credited to the escrow account.

The share-based payment expense is measured based on the fair value of the restricted shares on the grant date and is recognized over the vesting period on a straight-line basis. An expense of $0.672 million and $1.379 million was recorded for the years ended December 31, 2017 and 2016, respectively for this grant.

Performance Share Unit Plan ("PSU")

PSU plan applicable to business units ("PSU plan applicable to BU")

On April 13, 2017, the Board approved an amended and restated PSU plan applicable to BU. Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value by the value of the performance share unit applicable to the business unit which is determined by the Board at each award date.

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

Vested performance share units are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of performance share units vested and the value of the performance share unit as calculated by the Board on the applicable vesting date.

The Company recorded the following expense relating to PSU plans applicable to BU during the years ended December 31, 2017 and 2016:

TABLE 18 – PSU PLAN APPLICABLE TO BU TRANSACTIONS (IN $ THOUSANDS)

	2017	2016
	$	$
Equity-settled grants	**7,493**	6,523
Cash-settled grants	**886**	(15)
Total expense	**8,379**	6,508

During the year ended December 31, 2017, the total award value granted under the Company's PSU plans applicable to BU was $10.752 million. Certain PSU applicable to BU representing a total value of $5.211 million vested. 206,197 Class A Shares were issued during the year ended December 31, 2017 and 322,386 Class A Shares will be issued subsequent to December 31, 2017 as settlement of PSU applicable to BU vested during the year ended December 31, 2017.

During the year ended December 31, 2016, the total award value granted to eligible employees under the Company's PSU plans applicable to BU was nil. Certain PSU applicable to BU representing a total value $9.441 million vested and 730,285 Class A Shares were issued in the beginning of 2017 as settlement of PSU applicable to BU vested during the year ended December 31, 2016.

During the year ended December 31, 2016, the Company settled certain vested PSU applicable to BU by paying $4.237 million in cash in lieu of issuing Class A Shares. The Company treated the transaction as a repurchase of an equity interest and recorded a deduction in the amount of $4.237 million in contributed surplus. The settling of these PSUs in cash was due to unique circumstances. The Company's management has the intention to settle the remaining tranches by issuing shares.

PSU Plan

On April 13, 2017, the Board approved an amended and restated PSU plan. Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date.

The Company recorded the following expense relating to PSU plans during the years ended December 31, 2017 and 2016:

TABLE 19 – PSU TRANSACTIONS (IN $ THOUSANDS)

	2017	2016
	$	$
Equity-settled grants	**140**	365
Cash-settled grants	**1,110**	1,789
Total expense	**1,250**	2,154

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2017 and 2016 was $1.2 million and $1.333 million respectively. Certain PSU representing a total value of $0.191 million vested during the year ended December 31, 2017 and 19,819 Class A Shares will be issued subsequent to December 31, 2017.

During the year ended December 31, 2016, certain PSU representing a total value $1.341 million vested and were settled in the beginning of 2017. 73,030 Class A Shares were issued in 2017 relating to PSU vested in 2016 and $0.476 million was paid in cash.

Stock Option Plans in the Company's Subsidiaries

One of the Company's subsidiaries has a stock option plan which is based on the shares of the respective subsidiary entity. This plan is accounted for as a cash-settled plan. During the year ended December 31, 2017, another subsidiary's stock option plan was discontinued. The Company's subsidiaries stock option expense in the statements of consolidated net earnings for the year ended December 31, 2017 was $0.855 million ($0.091 million for the year ended December 31, 2016). The cash settled share-based liability is $2.039 million in the statements of financial position as at December 31, 2017 ($1.297 million as at December 31, 2016).

Related Party Transactions

In the normal course of business, the Company carries out transactions with related parties which include two related shareholders or with entities under the same common control as these related shareholders.

One of the related shareholders has significant influence over the Company. Under an agreement, this related shareholder is entitled to appoint two of the four directors of the Company that the holders of Class A Shares are entitled to elect, as long as it holds, directly or indirectly, at least 20% of the outstanding Class A Shares and Class B Shares, together, on a non-diluted basis. Following the closing of the Company's bought deal financing comprised of unsecured convertible debentures (Note 16) and of a Class A Share issuance on December 21, 2017, the related party's beneficial ownership is 19.6% of the Company's issued and outstanding shares (21.1 % as at December 31, 2016) and as a result, the related party no longer has the right to designate two appointees to the Company's Board. This related shareholder is the lead arranger to the Company's Credit Facility and is the counterparty to the derivative financial instruments presented as being with a related entity in the table below.

At December 31, 2017, the other related shareholder has significant influence over the Company since it indirectly owns Class B Special Voting Shares representing approximately 8.1% of the Company's issued and outstanding shares (9.0 % as at December 31, 2016) and pursuant to the terms of a shareholders' agreement between this related shareholder and an entity related to the Company, the related shareholder is entitled to appoint two of the eight directors of the Company that the holders of Class B Shares are entitled to elect. In order to maintain the rights described above, the related shareholder is required to maintain a minimum ownership level in the Company and a specified minimum level of assets under management.

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

TABLE 20 – RELATED PARTY TRANSACTIONS (IN $ THOUSANDS)

	For the Twelve-Month Periods Ended	
	December 31, 2017	December 31, 2016
Base management, performance and other revenues	**51,924**	50,180
Selling, general & administrative expenses		
Reference fees	**1,639**	1,574
Other	**785**	2,147
Interest on long-term debt	**15,859**	11,095
Net loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**4,487**	211
Acquisition costs	**252**	-
Shares issued as settlement of the purchase price obligations	**8,500**	8,500

The 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.

CONTROL AND PROCEDURES

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

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

The CEO and CFO, supported by Management, evaluated the design and the operating effectiveness of the Corporation's DC&P and ICFR as at December 31, 2017, 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, 2017.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: market risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2017 and 2016.

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

The Company's consolidated statements of financial position include a portfolio of investments. The value of these investments is subject to a number of risk factors.

Market Risk

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

Appreciation or depreciation in the fair value of equity securities affect the amount and timing of recognition of gains and losses on equity securities and mutual fund and pooled fund investments in the Company's portfolio resulting in changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock and bond markets and, consequently, the fair value of the equity, mutual fund and fixed income financial assets held.

The Company's portfolio managers monitor the risks of the portfolio as part of its daily operations. The Company's portfolio of equity and equity-related securities as at December 31, 2017 and 2016 is comprised of mutual fund and pooled fund investments and other securities with a fair value of $5.408 million as at December 31, 2017 and $8.972 million as at December 31, 2016. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2017 and 2016 would have an impact of increasing or decreasing comprehensive income by $0.541 million and $0.897 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 and cash equivalents, restricted cash, investments and accounts receivable. The carrying amounts of financial assets on the consolidated statements of financial position, other than derivative financial instruments represent the Company's maximum exposure to credit risk at the consolidated statements of financial position dates.

The credit risk on cash and cash equivalents and restricted cash is limited because the counterparties are commercial banks or financial institutions with high credit ratings assigned by independent credit-rating agencies.

The Company's credit risk is attributable primarily to its trade receivables. 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. No customer represents more than 10% of the Company's accounts receivable as at December 31, 2017. National Bank of Canada and related companies represented 11% of accounts receivable as at December 31, 2016.

Interest Rate Risk

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

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. The Company obtained its long-term debt at a floating rate and swapped a portion of it into fixed rates that were lower than those available if the Company borrowed at fixed rates directly. Under the interest rate swap, 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 and cash equivalents, accounts receivable, derivative financial instruments, accounts payable and accrued liabilities, purchase price obligations and long-term debt denominated in US dollars and the operations of its US businesses and Fiera Capital (Europe) which are predominantly in US dollars. The Company manages a portion of its exposure to foreign currency by matching asset and liability positions. More specifically, the Company matches the long-term debt in foreign currency with long-term assets in the same currency.

Based on the balances outstanding (excluding long-term debt) as at December 31, 2017, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $1.846 million (2016 - $1.849 million). The above calculation does not include the US dollar long-term debt, which is partially hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statements of financial position given that it is an intercompany balance and is eliminated on consolidation.

Liquidity Risk

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

Fair Value

Investments

The cost of investments recorded as available-for-sale is $2.296 million as at December 31, 2017 ($1.027 million as at December 31, 2016) and the fair value is $2.475 million as at December 31, 2017 ($1.060 million as at December 31, 2016).

The unrealized gain on investments of $0.161 million (net of income taxes of $0.018 million) as at December 31, 2017 ($0.029 million (net of income taxes of $0.004 million) as at December 31, 2016), is reflected in accumulated other comprehensive income (loss).

The cost of investments recorded at fair value through profit or loss is $2.848 million as at December 31, 2017 ($7.946 million as at December 31, 2016) and the fair value is $2.933 million as at December 31, 2017 ($7.912 million as at December 31, 2016). The unrealized gain of $1.237 million was recognized in other revenues during the year ended December 31, 2017 (loss of $0.034 million for the year ended December 31, 2016).

Puttable Financial Instrument Liabilities

The puttable financial liabilities are recorded at their estimated fair value of $5.500 million as at December 31, 2016. These were classified as current on the December 31, 2016 consolidated statements of financial position since they gave the holder the right to put the shares that they hold in one of the Company's subsidiaries, to that subsidiary, upon ceasing employment. On March 7, 2017, an amount of $2.753 million was paid to a management shareholder of one of the Company's subsidiaries and an amount of $2.747 million was extinguished with an offset to contributed surplus.

Convertible debentures

The convertible debentures are recorded at an amortized cost of $77.461 million as at December 31, 2017. The fair value as at December 31, 2017, is $88.018 million based on market quotes.

Long-term debt

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

Derivative Financial Instruments

The Company's derivative financial instruments consist of interest rate and cross currency swap contracts and foreign exchange forward contracts which are presented at fair value on the statements of financial position.

The fair value of derivative that are not traded on an active market is determined using valuation techniques which maximize the use of observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where appropriate. To the extent practicable, valuation techniques incorporate all factors that market participants would consider in setting a price and they are consistent with accepted economic methods for valuing financial instruments.

The Company determines the fair value of its foreign exchange forward contracts by calculating the difference between the forward exchange rates at the measurement date and the contractual forward price for the residual maturity of the contract. The Company determines the fair value of its interest rate swap contracts by applying valuation techniques.

a) Forward Foreign Exchange Contracts

Forward foreign exchange contracts – held for trading

The Company enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars. The gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings in accordance with the nature of the hedged item and therefore, as other revenues.

Company

On December 23, 2016, the Company entered into a series of average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with estimated revenues, for the year ending December 31, 2017, denominated in US dollars. In August 2017, the Company converted a series of average rate forward foreign exchange contracts which matured one-by-one on a monthly basis until December 29, 2017, to month-end spot rate forward exchange contracts. The Company also entered into month-end spot rate forward exchange contracts which mature on a monthly basis until August 31, 2018. Forward foreign exchange contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to fair value through profit or loss at the end of each reporting period.

The Company recorded a gain of $2.148 million during the year ended December 31, 2017 ($1.427 million for the year ended December 31, 2016) and received $1.974 million as settlement of contracts that matured during the year.

As at December 31, 2017, the fair value of the derivative financial asset related to these contracts is $0.497 million ($0.323 million as at December 31, 2016).

Subsidiaries

One of the Company's subsidiaries enters into foreign exchange contracts to manage its exposure to foreign exchange rates. As at December 31, 2017, these contracts have all matured or been exited by the subsidiary, therefore none were outstanding at year end.

The subsidiary recorded a gain of $0.260 million and $0.012 million during the years ended December 31, 2017 and 2016, respectively.

As at December 31, 2016, the fair value of these contracts was a liability of $0.260 million.

Forward foreign exchange contracts – cash flow hedges

On September 30, 2016, the Company entered into a foreign exchange forward contract to manage the currency fluctuation risk associated with the consideration for the acquisition of Fiera Capital (Europe) which was denominated in GBP. The foreign exchange forward contract with a total initial notional amount of GBP 15.0 million matured on October 27, 2016. In early October 2016, the Company entered into three additional foreign exchange forward contracts with a total initial notional amount of GBP 15,000. At their maturity dates, each of these four contracts was rolled into a new contract, for a total notional amount of GBP 30.0 million, until they were all closed out on December 14, 2016, the closing date of the acquisition.

These contracts were designated as cash flows hedges and satisfied the requirements for hedge accounting. The effective portion of changes in the fair value of these contracts was recognized in other comprehensive income and accumulated in a hedging reserve until the contracts were closed at which time the net realized loss of $1,072 including the ineffective portion of changes in fair value was included in the purchase consideration and was recorded as goodwill.

b) Cross Currency Swaps – Held for Trading

Under the terms of the Company's revolving facility (Note 15), the Company can borrow either in US dollars based on US base or LIBOR rates plus 2.25% or in Canadian dollars based on CDOR plus 2.25% (the same credit spread). To benefit from interest cost savings, the Company had effectively created, until December 2017, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus a spread on CA$ notional (CA$100.0 million as at December 31, 2016) by borrowing against the US dollar revolving facility, the equivalent of the same CA$ notional (denominated in US$) (CA$100.0 million (US$73.5 million) as at December 31, 2016) at LIBOR plus a spread, and swapping it into CDOR plus a spread with a one-month cross currency swap. In December 2017, the Company reimbursed CA$100.0 million of the amount drawn on the revolving facility following the issuance of the convertible debentures. The last cross currency swap contract matured on December 29, 2017 and was not renewed.

The objective of this strategy was to provide cost savings without currency risk since the terms of the US LIBOR financing and the cross currency swap are exactly matched (US dollar notional amount, LIBOR rate, trade and maturity dates). Losses (gains) on cross currency swaps are offset by equivalent gains (losses) on the translation of the US denominated economically hedged portion of the revolving facility since the financing terms are exactly matched.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings in accordance with the nature of the economically hedged item, the revolving facility, and therefore is presented in interest on long-term debt and other financial charges. The Company recorded a loss of $7.95 million during the year ended December 31, 2017, with no net impact on earnings as described above (loss of $1.322 million during the year ended December 31, 2016). A total of $9.272 million was paid during the year ended December 31, 2017 as settlement of these contracts.

The fair value of the cross currency swap contracts was a liability of $1.322 million as at December 31, 2016. This fair value was offset by the equivalent changes in fair value in Canadian dollars on the amount drawn on the US dollar revolving facility specifically for this transaction of US$73.5 million as at December 31, 2016.

c) Interest Rate Swap Contract – Held for Trading

On May 1, 2012, the Company entered into an interest rate swap contract to manage the interest rate fluctuations on its revolving facility denominated in Canadian dollars. The contract consisted of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.835%. Interest was settled on a monthly basis. The interest swap matured on April 3, 2017 and an amount of $0.074 million was paid as settlement of this contract.

On May 31, 2017, the Company entered into an interest rate swap contract to manage the interest rate fluctuations on its revolving facility denominated in Canadian dollars. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.335%. Interest is settled on a monthly basis. The interest rate swap contract had an original amortizing notional amount of CA$100.0 million at inception and matures on May 31, 2022. As at December 31, 2017, the notional amount was CA$30.0 million. The Company received an amount of $2.188 million as a crystallized gain, in December 2017, when the notional amount of the contract decreased from CA$100.0 million to CA$30.0 million.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings with interest on long-term debt and other financial charges. The Company recorded a gain of $3.463 million during the year ended December 31, 2017 (gain of $1.111 million during the year ended December 31, 2016).

The fair value of the interest rate swap contract is an asset of $1.070 million as at December 31, 2017 (liability of $0.279 million as at December 31, 2016). The gain or loss on interest rate swap contracts is recorded in net change in fair value of derivative financial instruments in the consolidated statements of earnings.

d) Interest Rate Swap Contracts – Cash Flow Hedges

On May 31, 2017, the Company entered into two US dollar interest rate swap contracts to manage the interest rate fluctuations on the Company's term and revolving facilities (Note 14) denominated in US dollars. The interest rate swap contracts have an original notional amount of US$125.0 million and US$44.0 million respectively at inception and mature on May 31, 2022. The contracts consist of exchanging the variable interest rate based on a one-month LIBOR rate for a fixed rate of 1.84%. Interest is settled on a monthly basis.

These contracts are designated as cash flows hedges and satisfy the requirements for hedge accounting. The effective portion of changes in the fair value of these contracts are recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded a gain of $2.094 million (net of income taxes of $0.32 million) in other comprehensive income during the year ended December 31, 2017.

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the consolidated statement of earnings. There is no ineffective portion on these contracts for the year ended December 31, 2017.

The fair value of the interest rate swap contracts designated as cash flow hedges is a liability of $2.414 million as at December 31, 2017.

The Company remains exposed to fluctuations in the US base or LIBOR rates on the difference between the US dollar revolving facility and the notional amount of the US dollar interest rate swap contract. The drawings in US dollars on the term and revolving facilities are US$125.0 million and US$50.0 million respectively as at December 31, 2017 (US$125.0 million and US$65.781 million respectively as at December 31, 2016).

CAPITAL MANAGEMENT

The Company's capital comprises share capital, (deficit) retained earnings, long-term debt and convertible debentures, less cash and cash equivalents. The Company manages its capital to ensure adequate capital resources while maximizing return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive debt covenants required by the lender of the debt. As at December 31, 2017 and 2016, the Company and one of its subsidiaries have complied with their respective calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions,* which is calculated on a non-consolidated basis. The Company and its subsidiaries complied with their restrictive debt covenants under the various credit facilities.

In order to maintain or adjust its capital structure, the Company may issue shares, proceed to the issuance or repayment of debt or redeem convertible debentures.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

This MD&A is prepared with reference to the audited consolidated financial statements for the years ended December 31, 2017, and December 31, 2016. A summary of the Company's significant accounting judgments and estimation uncertainties are presented in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2017. Some of the Company's accounting policies, as required under IFRS, require the Management to make subjective, complex judgments and estimates to matters that are inherent to uncertainties.

NEW ACCOUNTING POLICIES

Adoption of New IFRS

The following revised standards are effective for annual periods beginning on January 1, 2017, and their adoption has not had any significant impact on the amounts reported or disclosures made in these financial statements.

Amendments to IAS 7 – *Statement of cash flows*

In January 2016, the IASB published amendments to IAS 7 – *Statement of cash flows*. The amendments are intended to improve information provided to users of financial statements about an entity's financing activities. The adoption of these amendments will result in additional disclosures in the annual consolidated financial statements.

Amendments to IAS 12 – *Income taxes*

In January 2016, the IASB published amendments to IAS 12 – *Income taxes*. The amendments are intended to clarify the recognition of deferred tax assets where an asset is measured at fair value and that fair value is below the asset's tax base.

Annual Improvements to IFRS (2014-2016) Cycle

In December 2016, the IASB published annual improvements on the 2014-2016 cycle. The pronouncement contained amendments to clarify the scope of IFRS 12 – *Disclosure on interests in other entities*.

IFRS Issued but Not Yet Adopted

The Company has not applied the following new and revised IFRS and interpretations that have been issued but are not mandatory for annual reporting periods ending December 31, 2017:

Effective date January 1, 2018:

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 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. The first consolidated financial statements of the Company presented in accordance with IFRS 9 will be its unaudited interim condensed consolidated financial statements for the quarter ending March 31, 2018. As permitted by IFRS 9, the Company will not restate the comparative period consolidated financial statements. The retrospective impact of applying IFRS 9 will be accounted for through adjustments to the opening balance of retained earnings as at January 1, 2018.

Classification and measurement

IFRS 9 provides a single model for financial asset classification and measurement that is based on both the business model for managing financial assets and the contractual cash flow characteristics of the financial assets. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

Under IFRS 9, all equity instrument financial assets must be classified as at fair value through profit or loss. However, the Company may, at initial recognition of a non-trading equity instrument, irrevocably elect to designate the instrument as at fair value through other comprehensive income with no subsequent reclassification of gains and losses to net income. Dividends will continue to be recognized in net income. This designation is also available for existing non trading equity instruments at the date of IFRS 9 adoption. Derivative financial instruments will continue to be measured at fair value through profit or loss.

As a result of the application of the classification and measurement requirements of IFRS 9, the Company will reclassify its equity securities classified as AFS available-for-sale under IAS 39 to fair value through profit or loss and therefore will reclassify a unrealized gain of $161 million from accumulated other comprehensive income to retained earnings.

Impairment

The new impairment guidance sets out an expected credit loss model applicable to all debt instrument financial assets classified as amortized cost or at fair value through other comprehensive income (loss). The new guidance will not have a significant impact on the Company's profit loss.

Hedge accounting

IFRS 9 introduces a new general hedge accounting model that better aligns hedge accounting with risk management activities. However, the current hedge accounting requirements under IAS 39 may continue to be applied until the IASB finalizes its macro hedge accounting project. As permitted, the Company elected not to adopt the IFRS 9 hedge accounting requirements and instead will continue applying the IAS 39 hedge accounting requirements. The Company will, however, comply with the revised hedge accounting disclosures required by the consequential amendments made to IFRS 7.

IFRS 15 – *Revenue from Contracts with Customers*

The IASB issued IFRS 15 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The model requires an entity to recognize revenue as the goods or services are transferred to the customer in an amount that reflects the expected consideration. This standard is effective for annual reporting periods beginning on or after January 1, 2018 and can be applied on a retrospective basis or using a modified retrospective approach. The Company will adopt IFRS 15 using the modified retrospective approach by recognizing the cumulative effect of initial application in opening retained earnings as of the effective date.

The new guidance includes a five-step, principles-based recognition and measurement approach, as well as requirements for accounting for contract costs, and enhanced quantitative and qualitative disclosure requirements.

Significant judgment is required in determining whether fulfillment costs should be expensed or capitalized. IFRS 15 could therefore result in changes to the timing of recognition of certain commission related expenses.

A detailed impact assessment was completed in 2017 for all major revenue streams, reviewing contracts and analyzing the revenue recognized by the Company. No significant impacts on net earnings were identified.

Due to recent developments in the interpretation of the guidance on fulfillment costs, the Company continues to assess the impact to certain commission payments and related expenses.

The adoption of IFRS 15 is not expected to have a significant impact on the Company's revenues.

Amendments to IFRS 2 – *Share-based payments*

In June 2016, the IASB published amendments to IFRS 2 – *Share-based payments*. The amendments clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

Amendments to IAS 40 – *Investment Property*

In December 2016, the IASB published amendments to IAS 40 – *Investment Property* to clarify the accounting for transfers of property to, or from, investment property. The amendments will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

IFRIC 22 – *Foreign Currency Transactions and Advance Consideration*

In December 2016, the IASB published IFRIC 22 – *Foreign Currency Transactions and Advance Consideration* to clarify the exchange rate that should be used for transactions that include the receipt or payment of advance consideration in a foreign currency. This new standard will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

Effective date January 1, 2019:

IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17, which required lessees and lessors to classify their leases as either finance leases or operating leases and to account for those two types of leases differently. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months and for which the underlying asset is not of low value. This new standard will come into effect for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted only for entities also applying IFRS 15 – *Revenue from Contracts with Customers*. The Company is evaluating the impact of this standard on its consolidated financial statements.

IFRIC 23 – *Uncertainty over Tax Treatments*

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over Tax Treatments*. The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatment under IAS 12. It specifically considers whether tax treatments should be considered collectively, assumptions for taxation authorities' examinations, the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and the effect of changes in facts and circumstances. This new interpretation is applicable to annual reporting periods beginning on or after January 1, 2019. The Company is evaluating the impact of this standard on its consolidated financial statements.

Annual Improvements to IFRS (2015-2017) Cycle

In December 2017, the IASB issued Annual Improvements to IFRS Standards 2015–2017 Cycle. The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as result of the IASB's annual improvements project. The amendments to IFRS 3 – *Business combinations* clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 – *Joint arrangements* clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The amendments to IAS 12 – *Income taxes* clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 – *Borrowing costs* clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are effective for annual periods beginning on or after January 1, 2019. The Company is evaluating the impact of these amendments on its consolidated financial statements.

NON-IFRS MEASURES

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

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

We define *EBITDA* as net earnings before interest, income taxes, depreciation and amortization (EBITDA). *Adjusted EBITDA* is calculated as EBITDA, adjusted for acquisitions, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, realized loss (gain) on investments, loss on disposal of investment in subsidiaries, gain on disposal of investment in joint venture, revaluation of assets held-for-sale, share of (earnings) loss of joint ventures and share-based compensation expenses.

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

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

The following table provides a reconciliation between EBITDA, adjusted EBITDA and adjusted EBITDA margin to the most comparable IFRS measures earnings.

TABLE 21 – EBITDA AND ADJUSTED EBITDA RECONCILIATION (IN $ THOUSANDS)

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net earnings	**1,084**	**4,771**	**5,245**	**10,712**	**18,081**
Income taxes	5,185	(263)	3,142	4,156	4,124
Depreciation of property and equipment	964	966	894	3,817	3,401
Amortization of intangible assets	8,778	10,497	16,366	41,110	42,723
Interest on long-term debt and other financial charges	4,835	2,641	5,253	11,479	12,897
EBITDA	**20,846**	**18,612**	**30,900**	**71,274**	**81,226**
Restructuring, integration and other costs	6,866	2,357	805	15,150	7,956
Acquisition costs	1,679	378	3,160	5,434	11,691
Accretion and change in fair value of purchase price obligation	2,880	375	1,072	5,852	(3,337)
Realized loss (gain) on investments	(128)	2	(556)	(137)	(766)
Loss on disposal of intangible assets and property and equipment	42	480	-	893	-
Loss on disposal of investment in subsidiaries	-	-	8	-	8,315
Gain on disposition of investment in joint ventures	-	-	-	-	(15,013)
Gain on acquisition of control of investment in joint venture	-	-	-	-	(5,827)
Revaluation of assets held-for-sale	-	-	-	-	7,921
Share of (earnings) loss of joint ventures	-	-	-	-	(77)
Share-based compensation	3,871	4,816	6,210	18,287	15,107
Adjusted EBITDA	**36,056**	**27,020**	**41,599**	**116,753**	**107,196**
REVENUES	**142,046**	**107,127**	**120,968**	**459,096**	**344,144**
Adjusted EBITDA margin	25.4%	25.2%	34.4%	25.4%	31.1%

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

We define *Adjusted net earnings* as net earnings attributable to the Company's shareholders, adjusted for depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as after-tax acquisition, restructuring, integration and other costs, after-tax gain on disposal of investment in joint venture and after-tax revaluation of assets held-for-sale, after-tax loss on disposal of investment in subsidiaries, after-tax gain on revaluation of a purchase price obligation and after-tax gain on acquisition of control of investment in joint venture, as well as impact of US Tax Cuts and Job Act.

Effective September 30, 2017, the Company amended the definition of adjusted net earnings to no longer adjust for after-tax changes in fair value of derivative financial instruments that are used to hedge the Company's interest rate or foreign currency exposure. The gain or loss from these derivative financial instruments is recognized in net earnings in accordance with the nature of the hedged item. Comparative figures for adjusted net earnings and adjusted net earnings per share (basic and diluted) have been restated to conform with the current presentation.

We believe that adjusted net earnings is a meaningful measure as it allows for the evaluation of the Firm's overall performance from one period to the next without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results among periods and could potentially distort the analysis of trends in its business performance. Excluding these items does not imply they are necessarily non-recurring. The reconciliation of adjusted net earnings to the most comparable IFRS measures is included in Table 21.

RISK FACTORS

Risks Related to 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.

Reliance on a major customer and the AUM Agreement

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 $22.6 billion of AUM as of December 31, 2017, representing approximately 17.5% of Fiera Capital's $128.9 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.

There is no guarantee that the AUM Agreement will be renewed beyond its initial term ending on June 30, 2019. Natcan may, in its discretion, elect to extend the AUM Agreement for an additional three years, with such election to be made in early 2018. During the renewal term, the level of AUM may be substantially reduced by Natcan from the level of AUM during the initial term in accordance with the terms of the AUM Agreement. The renewal of the AUM Agreement is not conditional upon Fiera Capital meeting performance conditions. However, if Natcan elects not to renew and Fiera Capital has met certain performance conditions based on specified benchmarks determined as at December 31, 2017, Natcan will be required to make a payment of $50 million to Fiera Capital. If the performance conditions are met as at December 31, 2017 and Natcan elects to renew the AUM Agreement, Natcan will be required to make a payment of $50 million to Fiera Capital if a specified minimum AUM ratio is not maintained during the renewal term. Otherwise, if these performance conditions are not met, Natcan may elect not to renew without penalty or may elect to renew without being subject to provide to Fiera Capital any minimum level of AUM. A non-renewal of the AUM Agreement, especially in circumstances where Fiera Capital has not met the minimum performance conditions based on specified benchmarks determined as at December 31, 2017, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Loss of key employees due to competitive pressures could lead to a loss of clients and a decline in revenues and increased compensation expenses could negatively impact profitability

Fiera Capital's business is dependent on the highly-skilled and often highly-specialized individuals it employs. The contributions of these individuals to Fiera Capital's Investment Management, Risk Management and Client Service teams are important to 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, and it is always a risk that management personnel or other key employees may decide to leave Fiera Capital. 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. As a result, such increased expenses could adversely affect the business, financial condition or profitability of Fiera Capital.

Fiera Capital has taken, and will continue to take, steps to encourage its key employees to remain with Fiera Capital. These steps include providing a stock option plan, a restricted share unit plan, a performance share unit plan, a performance share unit plan applicable to business units, and short-term incentive plan, as well as a working environment that fosters employee satisfaction. We are confident that these measures, aimed at being an employer of choice, will be efficient at 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. However, despite measures taken by Fiera Capital, competition for qualified personnel is intense and Fiera Capital may be unable to retain key personnel or identify and recruit key personnel if and when needed on short notice. The loss of the services of management personnel or other key employees could materially adversely affect the business, financial condition or profitability of Fiera Capital.

Management of growth and integration of acquired businesses

Future growth will depend on, among other things, the ability to maintain an operating platform and management systems sufficient to address growth and realize the anticipated benefits and cost savings from integration of any businesses acquired by Fiera Capital. The maintenance of these systems and integration of any acquired businesses may result in significant challenges, and management of Fiera Capital may face difficulties to accomplish them smoothly or successfully or without expending significant amounts of managerial, operational or financial resources.

It is possible that the entering into of any new businesses, the making of any future strategic investments or acquisitions or entering into of any joint ventures 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, employees or to achieve the anticipated benefits.

There can be no assurance that management of Fiera Capital will be able to maintain the systems necessary to address growth or to integrate the operations of each acquired business successfully or achieve any of the synergies or other benefits that were anticipated. Any inability of management to successfully manage the systems required to sustain the growth of Fiera Capital or integrate the operations of Fiera Capital and those contemplated by an acquisition, including, information technology, operational processes, team organization 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 revenues

The investment management industry (including the non-traditional investment 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. They may also propose or develop ranges of products and service offerings that are more attractive to existing or potential clients of Fiera Capital. There can be no assurance that Fiera Capital will be able to achieve or maintain any particular level of AUM or revenues 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 fee structure, retain clients in the future. A significant reduction in Fiera Capital's management fees or performance fees could have an adverse effect on revenues and profitability.

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 due to its impact on Fiera Capital's corporate image. Reputational risk is inherent in virtually all of 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, reputational risk is part of Fiera Capital's risk management framework and is a key part of the code of ethics and conduct which all of Fiera Capital's employees are required to observe.

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

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

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

There have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Capital takes to deter and prevent such activity (including by instituting its Code of 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, both in Canada and abroad, and the rise of investment management industry standards for operational efficiencies, as well as competitive pressures towards the implementation of 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 secondary market civil liability regime, 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 secondary market civil liability regime in certain jurisdictions, dissatisfied shareholders may more easily make claims against Fiera Capital, its directors and its officers.

Certain of Fiera Capital's indirect subsidiaries, namely Bel Air Advisors (and its subsidiary, Bel Air Management), FCI, Fiera UK and Fiera IOM are registered investment advisers with the SEC. Fiera Capital's indirect US subsidiary Bel Air Securities is a registered US broker-dealer. Many aspects of these entities' asset management and/or broker-dealer activities are subject to US federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict Bel Air, Bel Air Management, Fiera UK, Fiera IOM or FCI 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 these entities 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, FCI, Fiera UK, Fiera IOM, Fiera Capital or any of its affiliates.

Risk Management

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 portfolios and activities could materially adversely affect Fiera Capital's business, financial condition or profitability.

In order to reduce this risk, Fiera Capital adopted risk management practices that are under the oversight of Fiera Capital's Audit and Risk Management Committee.

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 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, as well as investments in real estate, infrastructure, private lending, emerging market investments, as well as other types of hedge funds. Fiera Capital may incur substantial costs in rectifying pricing errors caused by the misstatement of investment values. The Funds are audited by external auditors in order to assess whether the Funds' financial statements are fairly stated in accordance with applicable financial reporting standards.

Possible requirement to absorb operating expenses on behalf of the Funds

If the AUM in the Funds decline to the point that charging the full fund operating expenses to the Funds results in management expense ratios or the Funds becoming uncompetitive, then 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 resides on or is transmitted through them. An externally caused information security incident, such as a hacker attack or a virus or 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-party suppliers. Failure of a key supplier, the loss of these suppliers' products, or problems or errors related to such products would 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. Finally, any information security issue experienced by one of its key third-

party providers 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.

Fiera Capital has established information security controls, defined by a governance framework and processes that are intended to protect information and computer systems including information security risk assessments and privacy impact assessments. Notwithstanding these measures, the cyber security threats are rapidly and constantly changing, and there remains a possibility that processes and controls in place could be unsuccessful in preventing a security breach. Fiera Capital may be vulnerable, and work with third parties who may also be vulnerable to computer viruses and other types of malicious software, cyber-attacks and hacking attempts from unauthorized persons, the physical theft of computer systems, internal programming or human errors, fraud, or other disruptive problems or events. There is also a risk that certain internal controls fail, which could also exacerbate any consequences from such events.

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, 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 favorable economic terms may not be possible

Fiera Capital holds various types of insurance, including errors and omissions insurance, general commercial liability insurance, a financial institution bond, and cyber insurance. The adequacy of 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 be ultimately 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 the business, financial condition or profitability. There can be no assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms in the future.

Risks Related to Performance and Investing the AUM

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

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of funds by existing clients in favor 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 or maintain any particular level of AUM which may have a material negative impact on its ability to attract and retain clients. Fiera Capital cannot guarantee that it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Investment of the AUM is subject to risks

The assets, investment strategies, vehicles and Funds (the "Investments") into which the AUM is invested are subject to risks which could have a negative effect on the value and / or performance of such Investments, including but not limited to some or all of the following risks: external market and economic conditions beyond the Corporation's control such as regulatory environments and changes thereto, global and national political situations and economic uncertainty, interest rates, inflation rates and availability of credit; currency risk and foreign investment risk; the Investments may trade in bonds, preferred shares and / or money market securities that will be affected by changes in the general level of interest rates; some of the special investment techniques which may be employed by the Investments, such as short selling, leveraging, hedging, using derivatives or options and concentration of investment holdings, carry their own particular risks; the competitive environment for investments means there may be uncertainty in identifying and completing investment transactions which may result in less favorable investment terms than would otherwise be the case; the due diligence undertaken in connection with a particular Investment may not reveal all facts relevant to whether such Investment will be favorable; and Investments may be made in entities that the Corporation does not control and may therefore be subject to business, financial or management decisions which the Corporation does not agree with or do not serve the Corporation's interests.

Risks Related to Structure and Shares

Major shareholders

Jean-Guy Desjardins indirectly owns approximately 36.09% of the outstanding voting interest of Fiera L.P., a controlling shareholder of Fiera Capital holding 22.23% of the outstanding voting shares of Fiera Capital. Desjardins Financial Holding Inc. ("DFH"), a direct wholly-owned subsidiary of FCD, owns 36.4% of the outstanding voting interest of Fiera L.P. As a result, Mr. Desjardins is in a position to exercise significant control over matters of Fiera Capital requiring shareholder approval, including the election of directors and the determination of significant corporate actions. Although DFH's minority interest in Fiera L.P. does not constitute a controlling interest in Fiera Capital, DFH is entitled to appoint two of the eight directors of Fiera Capital that the holders of Class B Special Voting Shares are entitled to appoint.

As of the date hereof, National Bank holds approximately 19.6% of the outstanding voting shares of Fiera Capital, by way of its wholly-owned subsidiary Natcan.

Potential dilution

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

Further, under the Sceptre Investor Agreement, Fiera L.P. benefits from the Fiera L.P. Anti-Dilution Rights (as defined below), which is described in this AIF under the sections "Description of Material Contracts - Sceptre Investor Agreement". As a result of an issuance pursuant to the Fiera L.P. Anti-Dilution Rights, the share ownership of the Corporation would be diluted.

Additionally, Fiera Capital may determine to redeem outstanding Debentures (as defined below) for Class A Subordinate Voting Shares or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Class A Subordinate Voting Shares. The issuance of additional Class A Subordinate Voting Shares may have a dilutive effect on Fiera Capital's shareholders and an adverse impact on the price of Class A Subordinate Voting Shares.

Risks Related to the Corporation's Liquidity and Financial Position

Indebtedness

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

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

- incur, create, assume, or suffer to exist additional Debt for Borrowed Money (as defined therein);
- create, assume, or otherwise become or remain obligated in respect of, or permit to be outstanding guarantees;
- pay dividends on, redeem or repurchase Fiera Capital's capital stock;
- make investments and loans;
- make acquisitions;
- incur capital expenditures;
- create, incur, assume or suffer to exist certain liens; engage in certain mergers, acquisitions, asset sales or sale-leaseback transactions;
- dispose of assets;
- effect any change in the nature of their business activities;
- amend or modify in any way the Borrower Parties' constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the Material Contracts (as described therein); and
- consolidate, merge, wind-up, liquidate or sell all or substantially all of their respective assets.

These restrictions may prevent the Corporation from taking actions that it believes would profit its business, and may make it difficult for Fiera Capital to successfully execute its business strategy or effectively compete with companies that are not similarly restricted. In addition, the Fourth Amended and Restated Credit Agreement requires Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of a change of control of Fiera Capital will cause an event of default.

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

Furthermore, a portion of Fiera Capital's indebtedness, including the borrowings under the Fourth Amended and Restated Credit Agreement, is at variable rates of interest and exposes Fiera Capital to interest rate risk. If interest rates increase, Fiera Capital's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed would remain the same, and the net income and cash flows would decrease. Failure to manage risks in portfolio models could materially adversely affect Fiera Capital's business, financial condition or profitability.

To hedge some of the interest rate risk it is exposed to via its borrowing under the Fourth Amended and Restated Credit Agreement, Fiera Capital has contracted interest rate swaps that fix a portion of interest rate payments. Given that changes in the fair values of derivatives must be reported in the Corporation's financial statements, interest rate fluctuations may have an impact on the reported profits and loss of Fiera Capital on a quarterly basis, thus creating some volatility in reported earnings.

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. A significant portion of the Corporation's earnings and net assets is denominated in multiple foreign currencies, including the US dollar, the pound Sterling and the Euro. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Corporation's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

The Corporation's main exposure relates to cash, purchase price obligations and long-term debt denominated in US dollars and the operations of its US subsidiaries and Fiera Europe which are predominantly in US dollars. The Corporation manages the currency risk related to its earnings before interest, taxes, depreciation and amortization (EBITDA) denominated in US dollars by entering into currency hedging contracts for the value of the budgeted EBITDA.

Based on the US dollar balances outstanding (excluding long-term debt) as at December 31, 2017, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income (loss) of $1.8 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.

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 and Risk Management Committee meets periodically with management and with auditors to discuss the Corporation's financial reporting and internal control. The Audit and Risk Management 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 and Risk Management 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.

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

/s/ Vincent Duhamel
Global President and
Chief Operating Officer

ANNUAL REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

To Our Shareholders

Fiera Capital Corporation ("Fiera Capital" or "Fiera" or the "Company") is committed to providing high-quality, reliable and relevant financial reporting. Accordingly, Fiera Capital ensures it maintains appropriate accounting practices, effective internal controls and strong risk management practices.

Fiera Capital's Audit and Risk Management Committee ("Committee") actively assists the Board of Directors ("Board") in fulfilling its oversight responsibilities in the following areas:

i) the integrity of Fiera's interim and annual consolidated financial statements, as well as related information, including their respective Management's Discussion and Analysis and the Annual Information Form ("AIF");

ii) the adequacy of the design and the effectiveness of the application of Fiera's system of disclosure controls and procedures, as well as of its system of internal controls with respect to Fiera's financial reporting, asset protection and fraud detection;

iii) the evaluation of Fiera's external auditor including its qualifications, independence and appointment;

iv) the appropriateness of Fiera's risk management program and practices;

v) Fiera's compliance with legal and regulatory requirements, as well as with its ethical standards; and

vi) any assignments or functions as delegated to it by the Board.

The Committee examines the information resulting from this governance process every quarter.

In connection with fulfilling its duties, the Committee met four times in 2017. Senior members of Fiera Capital's management team attended these meetings. The agenda of the meetings included systematic private sessions, respectively with Fiera Capital's Chief Financial Officer, Chief Compliance Officer and Chief Risk Officer. In these private sessions, the Committee and the aforementioned senior management Officers had discussions regarding Fiera Capital's financial disclosures, financial and non-financial risk management, as well as legal, accounting, auditing and internal control matters. Such meetings support direct communication between the Committee and the senior management maintaining their independence.

Audit and Risk Management Committee Charter

The Committee is governed by the Audit and Risk Management Committee Charter (the "Charter"). The Charter is contained in the Company's AIF, which is available on Fiera Capital's website (www.fieracapital.com). The Charter is examined at least annually to review the Committee's responsibilities and ensure its compliance with the most current regulatory requirements.

The Charter was reviewed and approved by the Board on March 22, 2018.

In accordance with sound corporate governance practices, the Committee annually reviews its efficiency and effectiveness in executing its mandate as set out in its Charter. In 2017, the self-assessment of the Committee was effected through a formal questionnaire distributed and reviewed by the Governance Committee of the Board.

TThe Committee report to Fiera's Board on a quarterly basis and, when necessary, makes recommendations.

Independent auditor

Fiera Capital's independent auditor, Deloitte LLP ("Deloitte"), reports directly to the Committee, which has sole authority over its appointment or discharge if required, its oversight, its compensation, and its annual evaluation.

The Committee supervises the work of Deloitte and examines its audit proposal, its mandate, its annual audit strategy, its interim and annual reports, its communications to management, and associated management's comments and action plans. At each meeting, the Committee holds discussions with Deloitte within an in-camera private session. The audit results, the internal control over financial reporting review as well as the overall quality of financial reporting are reviewed and discussed with Deloitte.

The Committee contributes to ensuring the independence of the auditor by approving all audit and non-audit services to be conducted by Deloitte in accordance with Fiera's Pre-Approval of the External Audit and Non-Audit Services Policy.

The Chair of the Committee meets with Deloitte at least on a quarterly basis to foster open dialogue.

In 2017, the Committee reviewed and discussed with management its assessment of the independent auditor. The Committee concluded to recommend the reappointment of Deloitte as independent auditor of Fiera Capital.

Audit and Risk Management Committee Activities for Fiscal Year 2017

In 2017, in addition to its statutory responsibilities, the following activities were conducted by the Committee:

- Monitored the internal control over the financial reporting program based on the criteria of the 2013 COSO framework for ensuring the requirements of NI 52-109 are met;
- Oversaw implementation of the information security program including reviewing latest trends in cyber security pertaining to the financial sector;
- Oversaw the development of a "top risks" dashboard based on key risk indicators;
- Oversaw the implementation of Audit Quality Indicators which help measure and evaluate the quality of the external audit;
- Reviewed the most recent report summarizing the audit quality results of external and internal inspections of Deloitte;
- Reviewed Fiera Capital's use of non-IFRS financial measures disclosed in public documents to ensure compliance with regulatory guidance;
- Oversaw impact and implementation of new IFRS standards;
- Reviewed the corporate insurance coverage program;
- Held in-camera discussions with the Chief Operating Officer and the Chairman of the Human Resources Committee of the Board; and
- Reviewed and approved the Committee's 2017 annual work plan and priorities.

Audit and Risk Management Committee Training Sessions

In 2017, the Committee attended the following training sessions: i) a review of the latest trends in cyber security and also a review on cyber insurance; ii) an update on upcoming IFRS standards; iii) new tax regulations and emerging tax trends pertinent to the asset management industry; and iv) an audit quality indicators pilot project.

Audit and Risk Management Committee Membership

The Committee's membership comprises three directors of which two are independent (Mr. Raymond Laurin and Mr. Jean C. Monty) and the third (Mrs. Lise Pistono) appointed under the section 3.3(2) exemption in NI 52-110 as disclosed in the Company's AIF.

Education and Experience of Audit and Risk Management Committee Members

The following is a brief description of the qualifications, education and experience of each current member of the Committee that are relevant to the execution of their responsibilities as members of the Committee.

Mr. Laurin, FCPA, FCA, Adm.A, ASC, is a Corporate Director. During his 32-year career with Desjardins Group, he served namely as Senior Vice President, Finance and Treasury, and Chief Financial Officer. 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 professionnels agréés du Québec*.

Mr. Monty is a Corporate Director. Mr. Monty had a 28-year career with BCE Inc., where he was Chairman of the Board and Chief Executive Officer from 1997 to 2002. He was previously President and Chief Executive Officer of Nortel Networks Corporation from 1993 to 1997. Mr. Monty is a member of the *Order of Canada*. He currently sits on the board of several international companies.

Mrs. Pistono, CPA, CA, is Vice President and Chief Financial Officer of DJM Capital Inc. Previously, she was with KPMG supporting public companies in their financial disclosure requirements, and served as a senior finance officer for a Bell Canada subsidiary as well as a private office furniture and supplies company. Mrs. Pistono also has over 20 years of teaching experience at *HEC Montréal* in Applied Economics, Quantitative Methods and Accounting.

The members of the Audit and Risk Management Committee

Raymond Laurin, Chair
Jean C. Monty
Lise Pistono

March 22, 2018
Montréal

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fiera Capital Corporation

We have audited the accompanying consolidated financial statements of Fiera Capital Corporation, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fiera Capital Corporation as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

/s/ Deloitte LLP [1]

March 22, 2018
Montreal, Quebec

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

CONSOLIDATED STATEMENTS OF EARNINGS

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

For the years ended December 31,	2017	2016
	$	$
Revenues		
Base management fees	**405,056**	297,717
Performance fees	**34,572**	34,281
Other revenues (Note 12)	**19,468**	12,146
	459,096	344,144
Expenses		
Selling, general and administrative expenses (Note 21)	**358,454**	248,469
External managers	**2,176**	3,586
Amortization of intangible assets (Note 10)	**41,110**	42,723
Depreciation of property and equipment (Note 11)	**3,817**	3,401
Restructuring, integration and other costs (Note 5)	**15,150**	7,956
Acquisition costs	**5,434**	11,691
	426,141	317,826
Earnings before under-noted items	**32,955**	26,318
Realized gain on investments	**(137)**	(766)
Loss on disposal of intangible assets (Note 10)	**371**	-
Loss on disposal of property and equipment (Note 11)	**522**	-
Interest on long-term debt and other financial charges (Note 22)	**11,479**	12,897
Accretion and change in fair value of purchase price obligations	**5,852**	(3,337)
Gain on acquisition of control of investment in joint ventures (Note 4)	**-**	(5,827)
Gain on disposal of investment in joint ventures	**-**	(15,013)
Revaluation of assets held-for-sale (Note 6)	**-**	7,921
Loss on disposal of subsidiaries (Note 6)	**-**	8,315
Share of earnings of joint ventures	**-**	(77)
Earnings before income taxes	**14,868**	22,205
Income taxes (Note 14)	**4,156**	4,124
Net earnings	**10,712**	18,081
Net earnings (loss) attributable to :		
Company's shareholders	**10,671**	20,777
Non-controlling interest	**41**	(2,696)
	10,712	18,081
Earnings per share (Note 18)		
Basic	**0.13**	0.27
Diluted	**0.12**	0.27

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands of Canadian dollars)

For the years ended December 31,	2017	2016
	$	$
Net earnings	**10,712**	18,081
Other comprehensive income (loss):		
Items that may be reclassified subsequently to earnings:		
Unrealized gain on available-for-sale financial assets (net of income taxes of $17 in 2017 and $5 in 2016)	**156**	30
Reclassification of gain on disposal of investments (net of income tax recovery of $3 in 2017 and $121 in 2016)	**(24)**	(780)
Reclassification of share of other comprehensive income of joint ventures	**-**	(509)
Cash flow hedges (net of income taxes of $320 in 2017) (Note 12)	**2,094**	-
Unrealized exchange differences on translating financial statements of foreign operations	**(17,300)**	743
Other comprehensive income (loss)	**(15,074)**	(516)
Comprehensive income (loss)	**(4,362)**	17,565
Comprehensive income (loss) attributable to:		
Company's shareholders	**(4,403)**	20,261
Non-controlling-interest	**41**	(2,696)
	(4,362)	17,565

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,	2017	2016
	$	$
Assets		
Current assets		
Cash and cash equivalents	**41,079**	40,110
Restricted cash	**930**	660
Accounts receivable (Note 9)	**128,398**	116,401
Investments (Note 12)	**5,408**	8,972
Prepaid expenses and other assets	**10,082**	6,547
	185,897	172,690
Non-current assets		
Goodwill (Note 10)	**523,885**	541,030
Intangible assets (Note 10)	**462,281**	458,760
Property and equipment (Note 11)	**16,572**	18,398
Derivative financial instruments (Note 12)	**3,484**	-
Deferred income taxes (Note 14)	**11,665**	8,094
Deferred charges and other	**1,131**	1,715
	1,204,915	1,200,687
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 13)	**114,008**	89,160
Dividends payable	**-**	249
Purchase price obligations (Note 12)	**31,050**	13,470
Puttable financial instrument liabilities (Notes 4 and 12)	**-**	5,500
Restructuring provisions (Note 5)	**5,273**	1,879
Derivative financial instruments (Note 12)	**-**	1,861
Current portion of long-term debt (Note 15)	**1,354**	1,283
Amounts due to related parties	**1,241**	1,058
Client deposits and deferred revenues	**501**	275
	153,427	114,735
Non-current liabilities		
Long-term debt (Note 15)	**292,417**	429,140
Convertible debentures (Note 16)	**77,461**	-
Purchase price obligations (Note 12)	**58,086**	21,498
Long-term restructuring provisions (Note 5)	**715**	715
Cash settled share-based liabilities	**3,087**	4,243
Other non-current liabilities	**3,338**	2,694
Deferred lease obligations	**3,939**	3,479
Lease inducements	**4,420**	4,612
Deferred income taxes (Note 14)	**16,014**	22,926
	612,904	604,042
Equity attributable to:		
Company's shareholders	**592,545**	566,236
Non-controlling interest	**(534)**	30,409
	592,011	596,645
	1,204,915	1,200,687

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

Approved by the Board of Directors

/s/ Jean-Guy Desjardins
Director

/s/ Raymond Laurin
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31,

(In thousands of Canadian dollars)

	Share Capital	Restricted and Hold back shares	Contributed surplus
	$	$	$
Balance, December 31, 2015	467,134	3,662	11,056
Net earnings	-	-	-
Other comprehensive income (loss)	-	-	-
Comprehensive income (loss)	-	-	-
Share-based compensation expense (Note 19)	-	-	9,636
Performance share units settled	-	-	(4,237)
Restricted shares vested	-	859	(859)
Stock options exercised (Note 17)	2,983	-	(630)
Shares issued as part of a business combination (Note 4)	98,504	-	-
Shares purchased for cancellation (Note 17)	(1,342)	45	-
Net change in non-controlling interest (Note 4)	-	-	-
De-recognition of non-controlling interest	-	-	-
Call option (Note 4)	-	-	1,419
Shares issued as settlement of purchase price obligations (Note 17)	8,500	-	-
Issuance of shares (Note 17)	3,637	-	-
Contribution to non-controlling interest	-	-	(100)
Conversion of hold back shares (Note 17)	2,718	(2,718)	-
Dividends (Note 17)	-	-	-
Balance, December 31, 2016	**582,134**	**1,848**	**16,285**
Net earnings	**-**	**-**	**-**
Other comprehensive income (loss)	**-**	**-**	**-**
Comprehensive income (loss)	**-**	**-**	**-**
Share-based compensation expense (Note 19)	**-**	**-**	**9,707**
Performance share and restricted share units vested (Note 17)	**13,612**	**-**	**(8,323)**
Restricted shares vested	**-**	**854**	**(854)**
Stock options exercised (Note 17)	**3,816**	**-**	**(902)**
Shares issued as part of a business combination (Note 4)	**500**	**-**	**-**
Issuance of convertible debentures, net of tax (Note 16)	**-**	**-**	**-**
Extinguishment of puttable financial instrument liabilities (Note 12)	**-**	**-**	**2,747**
Net change in non-controlling interest	**-**	**-**	**-**
Loss on dilution of non-controlling interest (Note 4)	**-**	**-**	**-**
Shares issued as settlement of purchase price obligations (Note 17)	**8,478**	**-**	**-**
Issuance of shares (Note 17)	**79,484**	**-**	**-**
Cancellation of shares	**(4)**	**4**	
Conversion of hold back shares (Note 17)	**3,566**	**(3,566)**	**-**
Dividends (Note 17)	**-**	**-**	**-**
Balance, December 31, 2017	**691,586**	**(860)**	**18,660**

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

	Convertible debentures equity component	(Deficit) Retained earnings	Accumulated other comprehensive income	Equity attributable to Company's shareholders	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$
	-	(35,528)	28,614	474,938	(4,910)	470,028
	-	20,777	-	20,777	(2,696)	18,081
	-	-	(516)	(516)	-	(516)
	-	20,777	(516)	20,261	(2,696)	17,565
	-	-	-	9,636	26	9,662
	-	-	-	(4,237)	-	(4,237)
	-	-	-	-	-	-
	-	-	-	2,353	(223)	2,130
	-	-	-	98,504	-	98,504
	-	(362)	-	(1,659)	-	(1,659)
	-	-	-	-	31,711	31,711
	-	-	-	-	8,278	8,278
	-	-	-	1,419	-	1,419
	-	-	-	8,500	-	8,500
	-	-	-	3,637	-	3,637
	-	-	-	(100)	350	250
	-	-	-	-	-	-
	-	(47,016)	-	(47,016)	(2,127)	(49,143)
	-	**(62,129)**	**28,098**	**566,236**	**30,409**	**596,645**
	-	10,671	-	10,671	41	10,712
	-	-	(15,074)	(15,074)	-	(15,074)
	-	10,671	(15,074)	(4,403)	41	(4,362)
	-	-	-	9,707	113	9,820
	-	-	-	5,289	-	5,289
	-	-	-	-	-	-
	-	-	-	2,914	-	2,914
	-	-	-	500	-	500
	3,330	-	-	3,330	-	3,330
	-	-	-	2,747	-	2,747
	-	-	-	-	(54,771)	(54,771)
	-	(24,174)	-	(24,174)	24,174	-
	-	-	-	8,478	-	8,478
	-	-	-	79,484	-	79,484
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	(57,563)	-	(57,563)	(500)	(58,063)
	3,330	(133,195)	13,024	592,545	(534)	592,011

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

For the years ended December 31,	2017	2016
	$	$
Operating activities		
Net earnings	**10,712**	18,081
Adjustments for:		
Amortization of intangible assets and depreciation of property and equipment	**44,927**	46,124
Amortization of deferred charges	**572**	768
Loss on disposal of intangible assets and property and equipment	**893**	-
Accretion and change in fair value of purchase price obligations	**5,852**	(3,337)
Lease inducements	**(588)**	(601)
Deferred lease obligations	**(284)**	1,957
Share-based compensation expense	**9,820**	9,662
Cash settled share-based compensation expense	**8,466**	5,361
Restructuring, integration and other costs	**3,374**	3,492
Interest on long-term debt and other financial charges	**11,479**	12,897
Income tax expense	**4,156**	4,124
Income tax paid	**(13,417)**	(19,306)
Share of earnings of joint ventures	**-**	(77)
Gain on disposal of investment in joint venture	**-**	(15,013)
Revaluation of assets held-for-sale	**-**	7,921
Gain on acquisition of control of investment in joint venture	**-**	(5,827)
Loss on disposal of subsidiaries	**-**	8,315
Realized gain on investments	**(137)**	(766)
Realized and unrealized gain on financial instruments	**(1,717)**	-
Other non-current liabilities	**2,100**	252
Changes in non-cash operating working capital items (Note 23)	**6,316**	(16,513)
Net cash generated from operating activities	**92,524**	57,514
Investing activities		
Business combinations (2016 - less cash acquired of $16,739) (Note 4)	**-**	(162,867)
Proceeds from disposal of investment in joint venture	**-**	20,000
Settlement of purchase price adjustments and obligations	**(3,431)**	(1,321)
Investments, net	**5,029**	3,973
Contribution to non-controlling interest	**-**	250
Purchase of property and equipment	**(3,238)**	(3,993)
Purchase of intangible assets	**(21,543)**	(2,942)
Proceeds from disposal of intangible assets and property and equipment	**1,052**	-
Settlement of puttable financial instrument liabilities	**(2,753)**	-
Deferred lease obligations and lease inducements	**1,338**	331
Deferred charges and other	**(191)**	(35)
Restricted cash	**(325)**	2,226
Net cash used in investing activities	**(24,062)**	(144,378)
Financing activities		
Settlement of share-based compensation	**(1,382)**	(5,813)
Dividends paid	**(58,312)**	(49,228)
Issuance of share capital less issuance costs of $4,141 ($138 in 2016)	**82,067**	3,822
Shares purchased for cancellation	**-**	(1,659)
Net purchase of non-controlling interest	**(36,324)**	-
Long-term debt, net	**(110,888)**	166,520
Settlement of derivative financial instruments	**(7,158)**	-
Issuance of convertible debentures less issuance costs of $4,269	**82,465**	-
Interest paid on long-term debt	**(16,145)**	(11,015)
Financing charges	**(210)**	(1,133)
Net cash (used in) generated from financing activities	**(65,887)**	101,494
Net increase in cash and cash equivalents	**2,575**	14,630
Effect of exchange rate changes on cash denominated in foreign currencies	**(1,606)**	(245)
Cash and cash equivalents – beginning of year	**40,110**	25,725
Cash and cash equivalents – end of year	**41,079**	40,110

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017 and 2016

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1. Description of business

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation. The Company provides investment advisory and related services to institutional investors, private wealth clients and retail investors. In the U.S., investment advisory services are provided by two of the Company's U.S. affiliates, Fiera Capital Inc. and Bel Air Management, LLC, that are registered as investment advisors with the U.S. Securities and Exchange Commission ("SEC"). The Company's affiliate Fiera Capital (UK) Limited (formerly Charlemagne Capital (UK) Limited) is registered with the Financial Conduct Authority in the United Kingdom and as an investment advisor with the SEC and Fiera Capital (IOM) Limited (formerly Charlemagne Capital (IOM)) is registered with the Isle of Man Financial Services Authority and is also registered as an investment advisor with the SEC. The Company's head office is located at 1501 McGill College Avenue, Suite 800, Montréal, Quebec, Canada. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

The Company's Board of Directors (the "Board") approved the consolidated financial statements for the years ended December 31, 2017 and 2016, on March 22, 2018.

2. Basis of presentation and adoption of new IFRS

COMPLIANCE WITH IFRS

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

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at December 31, 2017.

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

The following revised standards are effective for annual periods beginning on January 1, 2017 and their adoption did not have a significant impact on the amounts reported in these financial statements.

Amendments to IAS 7 – *Statement of cash flows*

In January 2016, the IASB published amendments to IAS 7 – *Statement of cash flows*. The amendments improved the information provided to users of financial statements about an entity's financing activities. The adoption of these amendments resulted in additional disclosures in the annual consolidated financial statements.

Amendments to IAS 12 – *Income taxes*

In January 2016, the IASB published amendments to IAS 12 – *Income taxes*. The amendments clarified the recognition of deferred tax assets where an asset is measured at fair value and that fair value is below the asset's tax base.

Annual improvements to IFRS (2014-2016) cycle

In December 2016, the IASB published annual improvements on the 2014-2016 cycle. The pronouncement contained amendments to clarify the scope of IFRS 12 – *Disclosure on interests in other entities*.

3. Significant accounting policies, judgments and estimation uncertainty

SIGNIFICANT ACCOUNTING POLICIES

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

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held at fair value through profit or loss (including derivatives) and assets available-for-sale, which have been measured at fair value as discussed in the note "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 and balances with subsidiaries are eliminated on consolidation.

The consolidated financial statements include the accounts of Fiera Capital Corporation and its subsidiaries. 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 consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

Non-controlling interests in the earnings and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings, comprehensive income (loss), and changes in equity.

Where applicable, the subsidiaries' accounting policies are changed prior to the business acquisition by the Company to ensure consistency with the policies adopted by the Company.

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company's interests in joint ventures are accounted for using the equity method of accounting.

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

Where applicable, the joint venture's accounting policies are changed prior to the acquisition by the Company, 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 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 statements of earnings. In accordance with IAS 36 – *Impairment of assets*, impairment losses are reversed in subsequent years if the recoverable amount of the investment subsequently increases and the increase can be related objectively to an event occurring after the impairment was recognized.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related costs are expensed when incurred in the consolidated statements 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 statements of earnings. The determination of fair value involves making estimates relating to assets acquired and liabilities assumed including amoung others, intangible assets, property and equipment and contingent consideration. Contingent consideration that is classified as a liability is remeasured at each subsequent reporting date with the corresponding gain or loss being recognized in the statements of earnings.

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

Foreign currency translation

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

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

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

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

Derivative financial instruments

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

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

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

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

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

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

Transaction costs incurred for trading and hedging derivative financial instruments are recognized in profit or loss as incurred.

Revenue recognition

Revenue from management fees is recognized as the related services are rendered, when the fees are reliably measurable and it is probable that future economic benefits will flow to the entity. Management fees are either invoiced quarterly based on daily average assets under management ("AUM") or are calculated and invoiced monthly or quarterly in arrears based on the calendar quarter-end or month-end asset values under management or on an average of opening and closing AUM for the quarter.

Performance fees are recorded 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.

Other revenues

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

Deferred revenues

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

Financial instruments

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

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 cash equivalents and restricted cash	Loans and receivables
Investments	Available-for-sale / Fair value through profit or loss
Accounts receivable	Loans and receivables
Long-term receivable	Loans and receivables
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Amounts due to related parties	Financial liabilities at amortized cost
Client deposits	Financial liabilities at amortized cost
Long-term debt	Financial liabilities at amortized cost
Convertible debentures – liability component	Financial liabilities at amortized cost
Puttable financial instrument liabilities	Fair value through profit or loss
Purchase price obligations	Fair value through profit or loss
Derivative financial instruments – held for trading	Fair value through profit or loss
Derivative financial instruments – cash flow hedges	Fair value through other comprehensive income (loss)

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 and derivative financial instruments in the consolidated statements of financial position.

Financial instruments in this category are measured initially and subsequently at fair value. Transaction costs are expensed as incurred in the consolidated statements of earnings. Gains and losses arising from changes in fair value are presented in the consolidated statements of earnings in the period in which they arise. Dividends on financial assets through profit or loss are recognized in the consolidated statements of earnings when the Company's right to receive dividends is established. 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. With the exception of the long-term receivable, these assets are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, if applicable, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, less a provision for impairment, if applicable.

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 statements 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 transferred from accumulated other comprehensive income (loss) to the consolidated statements 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 significant or prolonged decline in the fair value of the investment below cost.

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

Compound financial instruments

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

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

Cash and cash equivalents

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

Restricted cash

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 of cash held in a segregated account, in connection with lease arrangements.

Investments

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

Property and equipment

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

Intangible assets other than goodwill

Intangible assets with an indefinite life such as the asset management contracts with mutual funds are accounted for at historical cost. Transaction costs, such as professional fees, are capitalized when they are directly attributable to preparing the intangible asset for its intended use. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. 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.

Separately acquired finite-life intangible assets are accounted for at historical cost, less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Other intangible assets are comprised of trade names, software and non-compete agreements. The expected useful lives of finite life customer relationships and management contracts are analyzed each year and determined based on the analysis of the historical and projected attrition rates of clients and other factors that may influence the expected future economic benefit that the Company will generate from the customer relationships.

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

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

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

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

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

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 estimated recoverable amount. Impairment losses are recognized in the consolidated statements of earnings.

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

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

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 statements 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 on a straight-line basis over the lease term.

Income taxes

Income taxes are comprised of current and deferred tax. Income taxes are recognized in the consolidated statements 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.

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

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

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

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 fair value of share-based payments is measured in accordance with IFRS 2. Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value determined at grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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

Stock options

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

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

Deferred share unit plan

The expense associated with granting deferred share units ("DSU") was recognized when the deferred shares were issued. Changes in the fair value of previously issued DSU that arise due to changes in the price of the Company's Class A Shares are recognized in the consolidated statements of earnings.

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 maintained for outstanding units. Eligible directors will be compensated in cash. The liability related to this plan is classified as current and is recognized in accounts payable and accrued liabilities. The liability is derecognized when the DSUs are settled.

Restricted share unit plan

The Restricted Share Unit Plan ("RSU Plan") is recorded as a share-based liability as participants may elect to receive up to 50% of the vested value in cash. The liability is measured at each reporting period based on the trading price of the Company's Class A Shares on the TSX, and is remeasured until the settlement date. The fair value of the restricted share unit ("RSU") is determined at each reporting date and the expense is recorded over the vesting period on a straight-line basis.

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

Restricted share unit plan – cash

RSUs granted under this plan, unless specified otherwise in the participant's award notice, will be paid in cash on the vesting date. The plan is recorded as a cash settled share-based liability. The liability is measured at each reporting period based on the trading price of the Company's Class A Shares on the TSX, and is remeasured until the settlement date. The expense is amortized over the vesting period on a straight-line basis.

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

Performance share unit plan

Performance share unit plan applicable to business units ("PSU plan applicable to BU")

Under the terms of the PSU plan applicable to BU, the Company grants PSUs at a value determined by reference to the value of a specific business unit rather than by reference to the price of the Class A Shares of the Company.

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

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

The PSU applicable to BU compensation expense is recognized on a straight-line basis over the vesting period when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period.

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

PSU Plan

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

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

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

The PSU compensation expense is recognized on a straight-line basis over the vesting period when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period.

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

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

Restructuring provisions

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

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

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 that would have been outstanding assuming the conversion of all dilutive shares-based awards. The number of shares included with respect to options and similar instruments is computed using the treasury stock method, with only the bonus element of the issue reflected in diluted EPS. The bonus element is the difference between the number of ordinary shares that would be issued at the exercise price and the number of ordinary shares that would have been issued at the average market price. The Company's potentially dilutive shares comprise stock options, RSUs, PSU applicable to BUs, PSUs granted to employees and contingent purchase price consideration payable in shares for which management expects the shares to be issued based on meeting target conditions specified in the acquisition agreement and convertible debentures.

Share capital

Class A 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 or options are recognized as a deduction from equity, net of tax, from the proceeds.

Dividends

Dividends on shares are recognized when the dividends are declared and approved by the Company's Board of Directors.

Contributed surplus

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

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES

The application of the Company's accounting policies requires management to make estimates and use judgment 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 expected future assets under management, general market conditions and current and future cost structures. 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.

Share-based payments

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

Impairment of non-financial assets

Goodwill is tested annually for impairment. The recoverable amount of the operating segment is determined based on a value-in-use calculation. This calculation requires assumptions and the use of estimates including growth rates for future cash flows, the number of years used in the cash flow model, the discount rate and other estimates. 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, 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 identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

Income taxes

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

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

IFRS NOT YET ADOPTED

The Company has not applied the following new and revised IFRS and interpretations that have been issued but are not mandatory for annual reporting periods ending December 31, 2017:

Effective date January 1, 2018:

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 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. The first consolidated financial statements of the Company presented in accordance with IFRS 9 will be its unaudited interim condensed consolidated financial statements for the quarter ending March 31, 2018. As permitted by IFRS 9, the Company will not restate the comparative period consolidated financial statements. The retrospective impact of applying IFRS 9 will be accounted for through adjustments to the opening balance of retained earnings as at January 1, 2018.

Classification and measurement

IFRS 9 provides a single model for financial asset classification and measurement that is based on both the business model for managing financial assets and the contractual cash flow characteristics of the financial assets. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

Under IFRS 9, all equity instrument financial assets must be classified as at fair value through profit or loss. However, the Company may, at initial recognition of a non-trading equity instrument, irrevocably elect to designate the instrument as at fair value through other comprehensive income with no subsequent reclassification of gains and losses to net income. Dividends will continue to be recognized in net income. This designation is also available for existing non trading equity instruments at the date of IFRS 9 adoption. Derivative financial instruments will continue to be measured at fair value through profit or loss.

As a result of the application of the classification and measurement requirements of IFRS 9, the Company will reclassify its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and therefore will reclassify a unrealized gain of $161 from accumulated other comprehensive income to retained earnings.

Impairment

The new impairment guidance sets out an expected credit loss model applicable to all debt instrument financial assets classified as amortized cost or at fair value through other comprehensive income (loss). The new guidance will not have a significant impact on the Company's profit or loss.

Hedge accounting

IFRS 9 introduces a new general hedge accounting model that better aligns hedge accounting with risk management activities. However, the current hedge accounting requirements under IAS 39 may continue to be applied until the IASB finalizes its macro hedge accounting project. As permitted, the Company elected not to adopt the IFRS 9 hedge accounting requirements and instead will continue applying the IAS 39 hedge accounting requirements. The Company will, however, comply with the revised hedge accounting disclosures required by the consequential amendments made to IFRS 7.

IFRS 15 – *Revenue from Contracts with Customers*

The IASB issued IFRS 15 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The model requires an entity to recognize revenue as the goods or services are transferred to the customer in an amount that reflects the expected consideration. This standard is effective for annual reporting periods beginning on or after January 1, 2018 and can be applied on a retrospective basis or using a modified retrospective approach. The Company will adopt IFRS 15 using the modified retrospective approach by recognizing the cumulative effect of initial application in opening retained earnings as of the effective date.

The new guidance includes a five-step, principles-based recognition and measurement approach, as well as requirements for accounting for contract costs, and enhanced quantitative and qualitative disclosure requirements.

Significant judgment is required in determining whether fulfillment costs should be expensed or capitalized. IFRS 15 could therefore result in changes to the timing of recognition of certain commission related expenses.

A detailed impact assessment was completed in 2017 for all major revenue streams, reviewing contracts and analyzing the revenue recognized by the Company. No significant impacts on net earnings were identified.

Due to recent developments in the interpretation of the guidance on fulfillment costs, the Company continues to assess the impact to certain commission payments and related expenses.

The adoption of IFRS 15 is not expected to have a significant impact on the Company's revenues.

Amendments to IFRS 2 – *Share-based payments*

In June 2016, the IASB published amendments to IFRS 2 – *Share-based payments*. The amendments clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

Amendments to IAS 40 – *Investment Property*

In December 2016, the IASB published amendments to IAS 40 – *Investment Property* to clarify the accounting for transfers of property to, or from, investment property. The amendments will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

IFRIC 22 – *Foreign Currency Transactions and Advance Consideration*

In December 2016, the IASB published IFRIC 22 – *Foreign Currency Transactions and Advance Consideration* to clarify the exchange rate that should be used for transactions that include the receipt or payment of advance consideration in a foreign currency. This new standard will come into effect for annual periods beginning on or after January 1, 2018. The adoption of this standard will not have a significant impact on the Company's consolidated financial statements.

Effective date January 1, 2019:

IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17, which required lessees and lessors to classify their leases as either finance leases or operating leases and to account for those two types of leases differently. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months and for which the underlying asset is not of low value. This new standard will come into effect for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted only for entities also applying IFRS 15 – *Revenue from Contracts with Customers*. The Company is evaluating the impact of this standard on its consolidated financial statements.

IFRIC 23 – *Uncertainty over Tax Treatments*

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over Tax Treatments*. The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatment under IAS 12. It specifically considers whether tax treatments should be considered collectively, assumptions for taxation authorities' examinations, the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and the effect of changes in facts and circumstances. This new interpretation is applicable to annual reporting periods beginning on or after January 1, 2019. The Company is evaluating the impact of this standard on its consolidated financial statements.

Annual improvements to IFRS (2015-2017) cycle

In December 2017, the IASB issued Annual Improvements to IFRS Standards 2015–2017 Cycle. The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as result of the IASB's annual improvements project. The amendments to IFRS 3 – *Business combinations* clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 – *Joint arrangements* clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The amendments to IAS 12 – *Income taxes* clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 – *Borrowing costs* clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are effective for annual periods beginning on or after January 1, 2019. The Company is evaluating the impact of these amendments on its consolidated financial statements.

4. Business combinations

CITY NATIONAL ROCHDALE ("CNR")

On December 1, 2017, the Company entered into an agreement to acquire a management contract in connection with the City National Rochdale Emerging Markets Fund (the "CNR Fund"), a mutual fund that invests primarily in Asian emerging and developed markets. The transaction was in line with the Company's global asset management growth strategy, and provided a complementary presence in the emerging markets strategy.

The CNR Fund transaction is subject to CNR Fund shareholder and U.S. regulatory approval at which time the CNR Fund will be reorganized and all of its net assets will be transferred to a new Fiera fund. The Fiera fund will have similar investment objectives and strategies and will be managed by the Company's portfolio management team.

On December 1, 2017, the Company paid an initial purchase consideration of CA$15,466 (US$12,000) in cash. This amount was recorded as an indefinite life intangible asset management contract. Additional contingent consideration is linked to realized fund revenue and includes an amount up to CA$15,466 (US$12,000) payable over five years and additional contingent payments payable over the ten-year term of the agreement.

Contingent payments by the Company to CNR are recorded as purchase price obligations and represent a financing arrangement whereby the Company pays management and service fees to the seller relating to certain qualified client accounts over five-year and ten-year periods. Contingent payments will be made to the seller depending on the amount of seller-sourced assets in the CNR Fund and based on the Morningstar® rating of the CNR Fund.

The present value of forecasted contingent consideration payments to be made to the seller were estimated at CA$60,574 (US$47,000) at December 1, 2017 and CA$60,597 (US$48,304) at December 31, 2017. This amount was recorded as an indefinite life intangible asset management contract with a corresponding financial instrument liability recorded in purchase price obligations.

For the period from December 1, 2017 to December 31, 2017, the Company recorded an expense of CA$1,665 (US$1,304) in accretion and changes in fair value of purchase price obligations.

The Company incurred acquisition-related costs of CA$1,144 (US$896), mainly composed of legal, financial advisor fees and due diligence costs. These costs are capitalized to intangible assets.

SAMSON CAPITAL ADVISORS LLC ("SAMSON")

The purchase price consideration for the 2015 acquisition of Samson included an initial amount of up to US$4,175 payable over three years if certain targets are achieved. The first target was met and the Company paid US$1,391 (CA$1,863) on March 13, 2017.

APEX CAPITAL MANAGEMENT INC. ("APEX")

On June 1, 2016, the Company completed the acquisition of all of the outstanding shares of Apex, a growth equity investment manager based in Dayton, Ohio. The acquisition was in line with the Company's global asset management growth strategy, and provided a complementary presence in the institutional and sub-advisory retail markets, small and cap, and other growth strategies.

Under the terms of the agreement, the purchase consideration for Apex included US$88,000 (CA$115,201) paid in cash to the sellers, financed through a US$125,000 term loan as provided under the Company's credit facility and US$57,000 (CA$74,619) worth of Fiera Capital Class A Shares, representing 5,775,075 Class A Shares, that were issued upon closing of the transaction, which was accounted for at a fair value of US$57,349 (CA$75,076) at the acquisition date. The Class A Shares are held in escrow and one seventh will be released each year over a seven year period commencing on the first anniversary of the closing date (Note 17). The Class A Shares do not have voting rights until their release from escrow but are entitled to dividends. In addition, the purchase price included an amount of US$1,171 (CA$1,568) which represented the working capital and post-closing price adjustments, which was paid on March 7, 2017.

The transaction was accounted for as a business combination using the acquisition method and the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair value at the acquisition date as follows:

	$
Cash	678
Other current assets	5,025
Property and equipment	65
Intangible assets	115,548
Goodwill ($72,002 deductible for tax purposes)	72,460
Accounts payable and accrued liabilities	(820)
Deferred revenues	(1,147)
	191,809

Purchase consideration	$
Cash consideration	115,201
Share capital	75,076
Purchase price adjustment	1,532
	191,809

Goodwill was attributable to synergies expected as a result of the consolidation of the Company's U.S. operations. Management of Fiera Capital identified intangible assets acquired from Apex which had been accounted for separately from goodwill. These intangible assets included non-compete agreement valued at $3,927, customer relationships valued at $104,728 and tradename valued at $6,893. Subsequent to the closing date, the Company revised certain valuation assumptions, including the discount rate used in the determination of the acquisition date fair value of customer relationships. This resulted in a decrease in the fair value of customer relationships of $40,778 with a corresponding increase in goodwill.

The Company incurred acquisition-related costs of $1,796 mainly composed of legal, financial advisor fees and due diligence costs. These costs were included in acquisition costs in the consolidated statements of earnings. The Company financed the cash portion of the acquisition price with the credit facility (Note 15).

Pro forma Impact

The impact of the acquisition for the year ended December 31, 2016 on the Company's consolidated base management fees and net earnings was as follows:

	$
Base management fees	22,044
Net earnings	10,247

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the year ended December 31, 2016 would have been as follows:

	$
Base management fees	314,002
Performance fees	34,281
Net earnings	27,721

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.

FIERA PROPERTIES LIMITED ("FIERA PROPERTIES")

On April 4, 2016, the Company reorganized the capital of Fiera Properties, a joint venture created in 2011 by the Company and Axia Investments Inc. ("Axia"), to offer national real estate fund vehicles and segregated account management services to investors. The Company and Axia were the controlling shareholders. As a result of the reorganization and related amendment to the shareholders' agreement, the Company obtained effective control of Fiera Properties.

The Company's economic ownership in Fiera Properties was 38.46% of class B shares and 50% of class A shares. The amended shareholders' agreement included as consideration transferred, an option to acquire an additional 10 class A shares of Fiera Properties. Exercising the call option to acquire additional class A shares would result in the Company holding a majority of class A shares. This change in control of the previously held equity interest was an economic event that triggered the remeasurement of the investment to fair value. The transaction was accounted for as a business combination achieved in stages using the acquisition method of accounting.

The purchase price was allocated to assets and liabilities based on their estimated fair value at the acquisition date as follows:

	$
Cash	2,170
Other current assets	3,302
Property and equipment	123
Intangible assets	18,950
Goodwill (nil deductible for tax purposes)	12,805
Deferred income taxes liability	(5,385)
Accounts payable and accrued liabilities	(935)
Puttable financial instrument liabilities	(5,500)
Long-term debt	(1,675)
	23,855

Purchase consideration	$
Call option	1,419
Non-controlling interest	10,186
Fair value of Fiera Capital's previously held equity interest	12,250
	23,855

Prior to the amended shareholders' agreement, the Company accounted for the investment in the joint venture using the equity method of accounting. At the acquisition date, the carrying amount of the investment in the joint venture was $6,423. The fair value of the previously held equity interest amounted to $12,250. The remeasurement of Fiera Capital's investment to fair value resulted in a gain of $5,827. The gain is recorded in in gain on acquisition of control of investment in joint venture on the consolidated statements of earnings for the year ended December 31, 2016.

Goodwill was attributable to the benefits from combining the assets and activities of Fiera Properties with those of the Company. Management of the Company had identified intangible assets acquired from Fiera Properties which had been accounted for separately from goodwill. These intangible assets were customer relationships valued at $18,950.

Pro forma Impact

The impact of the acquisition for the year ended December 31, 2016 on the Company's consolidated base management fees and net earnings was as follows:

	$
Base management fees	6,442
Net earnings	1,054

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the year ended December 31, 2016 would have been as follows:

	$
Base management fees	299,632
Performance fees	34,281
Net earnings	18,118

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.

Under the terms of the amended shareholders' agreement, if certain management shareholders of Fiera Properties ceased to be employed by Fiera Properties, it will be required to purchase all of the shares owned by the departing management shareholder within 30 days of the termination date. As a result of this put option, Fiera Properties' contingent obligation to purchase these shares was recorded by the Company as puttable financial instrument liabilities at the opening balance sheet date at their fair value of $5,500 with a corresponding increase in goodwill.

On March 7, 2017, the Company purchased 1,500,000 Fiera Properties' class B shares held by a departing minority management shareholder which increased the Company's ownership interest in Fiera Properties to 50.93%. Concurrently with the transaction, the Company granted Axia Investment Inc. ("Axia"), another shareholder of Fiera Properties, a call right which gave Axia the right to acquire up to 50% of the purchased class B shares from the Company within six months from the date of the transaction based on the same valuation. On September 19, 2017, Axia exercised the call option and acquired 750,000 class B shares.

On May 5, 2017, the Company purchased 1,500,000 Fiera Properties' class B shares held by the sole remaining minority management shareholder at that time, which increased the Company's ownership interest in Fiera Properties from 50.93% to 62.24%. Concurrently with the transaction, the Company granted Axia a call right which gave it the right to acquire up to 50% of the purchased class B shares from the Company within six months from the date of the transaction based on the same valuation. On September 19, 2017, Axia exercised the call option and acquired 137,500 class B shares.

The exercise of call options on September 19, 2017, required the Company to sell 7.24% of its class B shares of Fiera Properties. The Company's ownership interest in Fiera Properties decreased from 62.24% to 55.00%. The transaction was accounted for as an equity transaction and therefore had no impact on profit or loss in the consolidated statement of earnings.

On December 27, 2017, the Company completed the purchase of the remaining 45.00% non-controlling interest in Fiera Properties for $32,000, $31,500 paid in cash and $500 worth of Fiera Capital Class A Shares representing 38,880 Class A Shares that were issued upon closing of the transaction. The transaction was accounted for as an equity transaction and therefore had no impact on profit or loss in the consolidated statement of earnings.

NATCAN INVESTMENT MANAGEMENT INC.

In connection with the 2012 acquisition of Natcan Investment Management Inc., the Company had recorded a purchase price obligation. During the year ended December 31, 2016, the Company reviewed its estimate of the minimum assets under management threshold required to be obligated to make the contingent payment of $7,500. The Company concluded that the minimum threshold would not be met and the purchase price obligation was revalued with the recovery recorded in the consolidated statements of earnings in accretion and change in fair value purchase price obligations. The contingent payment had a carrying value of $6,408 before the revaluation to nil.

FIERA PRIVATE LENDING INC. (FORMERLY CENTRIA COMMERCE INC.)

On November 10, 2016, the Company's completed the acquisition of all the issued and outstanding shares of Centria Commerce Inc. (now Fiera Private Lending Inc. ("Fiera Private Lending")) and six general partnerships (Note 7) from DJM Capital Inc. ("DJM"). Fiera Private Lending is a Quebec-based private investment manager that establishes and manages funds providing construction financing, real estate investment and short-term business financing. The acquisition allowed the Company to integrate Fiera Private Lending as its own private lending platform, bringing a major alternative investment portfolio in-house and allowed the Company to offer its own diversified investment solutions directly to clients.

Under the terms of the share purchase agreement, the total purchase consideration paid at closing for Fiera Private Lending and six general partnerships was $10,000 in cash and the balance was by the issuance of 1,944,211 Class A Shares. The Class A Shares issued at the closing date were accounted for at a fair value of $23,428 representing the closing share price on the closing date. Of the 1,944,211 Class A Shares issued, 338,124 were held in escrow for general representations and warranties and were released fifteen months following the closing date. The escrow shares are voting and entitled to dividends. Additional purchase consideration up to $12,000, which was accounted for at initial fair value of $5,306, may be paid in Class A Shares at over a period of three calendar years following the closing date, if certain assets under management, revenue and earnings before interest, taxes, depreciation and amortization (as defined in the share purchase agreement) are met. The purchase consideration included a net amount of $222 which represented the Company's best estimate of the net working capital and other adjustments. The net working capital adjustment was finalized during the year ended December 31, 2017 and as a result, the Company increased the purchase price consideration by $44.

The transaction constituted a related party transaction as DJM is indirectly owned by Fiera Capital's Chairman and CEO and another member of Fiera Capital's Board. DJM also indirectly owns or has influence through related companies, over the issued and outstanding units of Class B Shares of Fiera Capital where holders of Class B Shares are entitled, voting separately as a class, to elect two-thirds of the members of the Board.

The transaction was accounted for as a business combination using the acquisition method and the purchase price was allocated to the assets and liabilities based on their estimated fair value at the acquisition date. The revised purchase price allocation is as follows:

	$
Cash	2,282
Other current assets	704
Deferred charges	31
Property and equipment	262
Intangible assets	1,652
Goodwill (nil deductible for tax purposes)	38,772
Deferred income taxes liability	(104)
Accounts payable and accrued liabilities	(4,510)
Deferred lease obligations	(79)
Deferred revenues	(10)
	39,000

Purchase consideration	$
Cash consideration	10,266
Share capital	23,428
Fair value of purchase price obligation	5,306
	39,000

Goodwill was attributable to an experienced team knowledgeable in construction, financing, real estate investment and short-term business financing. Management of Fiera Capital had identified intangible assets acquired from Fiera Private Lending which had been accounted for separately from goodwill. These intangible assets included customer relationships valued at $1,600 and software valued at $52. The Company incurred acquisition-related costs of $991 mainly composed of legal, financial advisor fees and due diligence costs. These costs were included in acquisition costs in the consolidated statements of earnings.

Pro forma Impact

The impact of the acquisition for the twelve-month period ended December 31, 2016 on the Company's consolidated base management fees, performance fees and net earnings was as follows:

	$
Base management fees	1,139
Performance fees	170
Net earnings	531

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the twelve-month period ended December 31, 2016 would have been as follows:

	$
Base management fees	304,493
Performance fees	35,274
Net earnings	20,394

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.

FIERA CAPITAL (EUROPE) (FORMERLY CHARLEMAGNE CAPITAL LIMITED)

On December 14, 2016, the Company acquired all of the issued and outstanding shares of Fiera Capital (Europe). Fiera Capital (Europe) is a London-based emerging markets equity investment manager whose principal activity is providing emerging markets asset management products and services. The acquisition provided the Company with an entry into the emerging and frontier markets asset class and creates a European platform to enhance the growth and distribution of its existing investment strategies. The acquisition was also an important step in advancing the Company's growing global presence.

Under the terms of the acquisition agreement, Fiera Capital (Europe) shareholders received 14 pence in cash in aggregate for each Fiera Capital (Europe) share. The 14 pence was composed of 11 pence of cash for Fiera Capital (Europe) share and a special dividend of 3 pence paid by Fiera Capital (Europe). The total consideration was 11 pence per share paid by Fiera Capital together with the special dividend of 3 pence per share paid by Fiera Capital (Europe).

The total purchase consideration for Fiera Capital (Europe) included an amount paid in cash of Great Britain pounds ("GBP") 32,000 (CA$52,983) and a realized loss of $1,072 on GBP forward contracts entered into to hedge the CAD to GBP exchange rate fluctuations during the period from the announcement of the transaction to the closing date (Note 12).

During the year ended December 31, 2017, the Company revised certain valuation assumptions, and adjusted the purchase price allocation by increasing the accounts payable and accrued liabilities by US$275 (CA$361) with a corresponding increase to goodwill. In addition, the Company reduced intangible assets by US$13,200 (CA$17,322) and reduced deferred income tax liability by US$3,117 (CA$4,090), with a corresponding net increase to goodwill of US$10,083 (CA$13,232).

The transaction was accounted for as a business combination using the acquisition method and the purchase price was allocated to the assets and liabilities based on their estimated fair value at the acquisition date. The revised purchase price allocation is as follows:

	$
Cash	11,605
Short-term investments	6,880
Other current assets	7,423
Property and equipment	94
Goodwill (nil deductible for tax purposes) [1]	22,116
Intangible assets	28,214
Accounts payable and accrued liabilities	(15,018)
Deferred income tax liability	(3,547)
Non-controlling interest	(3,712)
	54,055

1. During the year ended December 31, 2017, the Company adjusted the purchase price allocation by decreasing the non-controlling interest by CA$17,813 and recorded a corresponding decrease to goodwill.

Purchase consideration	$
Cash consideration	52,983
Forward foreign exchange contracts	1,072
	54,055

Goodwill was attributable to a well-established network and the complementary expertise and knowledge of emerging markets. The Company's management has identified intangible assets acquired from Fiera Capital (Europe) which have been accounted for separately from goodwill. These intangible assets included asset management contracts valued at $20,865. The Company incurred acquisition-related costs of $3,172 mainly composed of legal, financial advisor fees and due diligence costs. These costs were included in acquisition costs in the consolidated statements of earnings.

The net assets acquired included an intangible asset of $7,349 representing the fair value of the performance fee revenue (net of related commissions and income taxes) estimated to be collectible on December 31, 2016. This other asset was fully amortized over the period from the acquisition date to December 31, 2016 (Note 10).

The total consideration of $54,055 was paid in cash, financed in part by the credit facility (Note 15).

The entities consolidated by Fiera Capital (Europe) are disclosed in Note 7.

Pro forma Impact

The impact of the acquisition for the twelve-month period ended December 31, 2016 on the Company's consolidated base management fees, performance fees and net earnings was as follows:

	$
Base management fees	1,290
Performance fees	17,406 [1]
Net earnings	539

1. Performance fees were recognized at the performance measurement date of December 31, 2016.

If the business combination would have occurred on January 1, 2016, the Company's consolidated base management fees, performance fees and net earnings for the twelve-month period ended December 31, 2016 would have been as follows:

	$
Base management fees	323,738
Performance fees	35,432
Net earnings	19,841

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.

OTHER ACQUISITIONS

Aquila Infrastructure Management ("Aquila")

On July 22, 2016, the Company entered into a transaction with Toronto-based Aquila, a manager of infrastructure investments therefore creating Fiera Infrastructure Inc. The Company owns 75% of the issued and outstanding shares of this entity.

On July 22, 2016, Fiera Infrastructure Inc. acquired all of the issued and outstanding shares of 9562834 Canada Inc., a company that indirectly held investments in infrastructure assets for cash consideration of $128.

This transaction was accounted for as business combination using the acquisition method. The purchase price was allocated to intangible assets of customer relationships and indefinite life asset management contracts.

5. Restructuring, integration and other costs

During the years ended December 31, 2017 and 2016 the Company recorded the following:

	2017	2016
	$	$
Restructuring provisions related to severance	**6,893**	3,099
Other restructuring costs	**444**	3,257
Integration and other costs	**7,813**	1,600
	15,150	7,956

Restructuring charges are mainly composed of severance costs due to corporate reorganizations following business combinations or as a result of the normal evolution of the business.

The change in the restructuring provisions for severance-related expenses during the years ended December 31, 2017 and 2016 is as follows:

	Severance
	$
Balance, December 31, 2015	1,011
Additions during the year	3,099
Paid during the year	(1,516)
Balance, December 31, 2016	**2,594**
Additions during the year	**6,893**
Paid during the year	**(3,499)**
Balance, December 31, 2017	**5,988**

Provision for severance	As at December 31, 2017	As at December 31, 2016
	$	$
Current portion	**5,273**	1,879
Non-current portion	**715**	715
Total	**5,988**	2,594

INTEGRATION

Integration costs are mainly composed of professional fees, relocation and lease related costs and other expenses incurred as a result of the integration of businesses recently acquired.

OTHER COSTS

During the year ended December 31, 2017, one of the Company's subsidiaries recorded an expense of $3,464 resulting from a trading error.

6. Disposal of subsidiaries

On July 18, 2016, the Company completed the sale of its ownership interest in the following companies: Fiera Quantum GP Inc., 9276-5072 Quebec Inc. and Fiera Quantum Limited Partnership ("Fiera Quantum L.P."). During the first quarter of 2016, the Company revalued the non-current assets to the lower of their carrying amount and their fair value less costs to sell, and a revaluation of $7,921 was recognized and recorded in Revaluation of assets held-for sale. The intangible assets and property and equipment were no longer amortized or depreciated from the date that the assets were classified as held-for-sale. On July 18, 2016, the date of disposal, the Company de-recognized the non-controlling interest in Fiera Quantum L.P. and an additional charge of $8,315 was recorded in the statements of earnings in loss on disposal of subsidiaries.

7. Investments

The consolidated financial statements include the accounts of the Company and all of its subsidiaries as at December 31, 2017 and 2016. The operating subsidiaries and their principal activities are set out in the table below. Unless otherwise stated, they have share capital solely in ordinary shares that are held directly or indirectly by the Company.

Name	Percentage of equity interest attributable to the Company [1]				Principal activities
	Direct		Indirect		
	2017	2016	2017	2016	
Fiera Capital Funds Inc.	**100%**	100%	**-**	-	Asset management
The Fiera Capital QSSP II Investment Fund Inc. [2]	**-**	100%	**-**	-	Investment fund
Gestion Fiera Capital S.a.r.l.	**-**	-	**100%**	100%	Other
Fiera US Holding Inc.	**100%**	100%	**-**	-	Holding company
Bel Air Investment Advisors LLC	**-**	-	**100%**	100%	Asset management
Bel Air Management LLC	**-**	-	**100%**	100%	Asset management
Bel Air Securities LLC	**-**	-	**100%**	100%	Asset management
Fiera Capital Inc.	**-**	-	**100%**	100%	Asset management
Apex Capital Management Inc. [3]	**-**	-	**-**	100%	Asset management
Fiera Capital Management Company LLC [4]	**-**	-	**-**	100%	Asset management
City National Rochdale Asia Limited	**100%**	-	**-**	-	Other
Fiera Comox Partners Inc.	**65%**	65%	**-**	-	Asset management
Fiera Private Lending Inc. (formerly Centria Commerce Inc.)	**100%**	100%	**-**	-	Asset management
General Partner Centria Capital Start-Up Fund Inc. [5]	**-**	100%	**100%**	-	Asset management
General Partner Fiera FP Real Estate Investment Fund I Inc. (formerly General Partner Centria Capital Real Estate Investment Fund I Inc.) [5]	**-**	100%	**100%**	-	Asset management
General Partner Fiera FP Real Estate Investment Fund II Inc. [5]	**-**	100%	**100%**	-	Asset management
General Partner Fiera FP Mezzanine Financing Fund Inc. (formerly General Partner Centria Capital Mezzanine Financing Fund Inc.) [5]	**-**	100%	**100%**	-	Asset management
General Partner Fiera FP Business Financing Fund Inc. (formerly General Partner Centria Capital Business Evolution Fund Inc.) [5]	**-**	100%	**100%**	-	Asset management
General Partner Fiera FP Real Estate Financing Fund Inc. (formerly General Partner Centria Capital Construction Financing Fund Inc.) [5]	**-**	100%	**100%**	-	Asset management
General Partner Centria Capital Fund Inc. [5]	**-**	100%	**100%**	-	Asset management
Fiera Capital (Europe) Limited (formerly Charlemagne Capital Limited)	**100%**	100%	**-**	-	
Charlemagne Capital (OCCO EE) Limited [6]	**-**	-	**-**	50.1%	Asset management
Fiera Capital (UK) Limited (formerly Charlemagne Capital (UK) Limited)	**-**	-	**100%**	100%	Asset management
Fiera Capital (IOM) Limited (formerly Charlemagne Capital (IOM) Limited)	**-**	-	**100%**	100%	Asset management
Charlemagne Capital (Services) Limited	**-**	-	**100%**	100%	Other
Charlemagne Capital (Investments) Limited	**-**	-	**100%**	100%	Asset management
OCCO Global Financials GP, LLC [7]	**-**	-	**-**	100%	Other
Fiera Infrastructure Inc.	**75%**	75%	**-**	-	Asset management
Fiera Infra GP Inc.	**-**	-	**100%**	100%	Asset management
Aquila GP Inc.	**-**	-	**100%**	100%	Asset management
Fiera Properties Limited	**100%**	38.46%	**-**	-	Asset management
Fiera Properties Debt Strategies Limited	**-**	-	**100%**	-	Asset management
Roycom Inc.	**-**	-	**100%**	100%	Asset management

1. Business combinations in 2017 and 2016 are described in Note 4.
2. In August 2017, the Company's wholly-owned subsidiary, The Fiera Capital QSSP II investment Fund Inc. was dissolved.
3. In April 2017, the Company's wholly-owned subsidiary, Apex Capital Management Inc. was dissolved.
4. In April 2017, the Company's wholly-owned subsidiary, Fiera Capital Management Company LLC was dissolved.
5. As of December 2017, the Company indirectly-owns Fiera Private Lending's general partners.
6. In January 2017, the Company's indirectly-owned subsidiary, Charlemagne Capital (OCCO EE) Limited was dissolved.
7. In April 2017, the Company indirectly-owned subsidiary, OCCO Global Financials GP, LLC was dissolved.

8. Structured entities

The Company manages several investment funds which are unconsolidated structured entities. These investment funds are open-ended and closed-ended investment companies, mutual funds, limited partnerships or other pooled funds which invest in a range of assets. Segregated mandates managed on behalf of clients and investment trusts are not considered structured entities. The structured entities are generally financed by the issue of units or shares to investors, although certain funds, mainly property, infrastructure and private equity funds, are also permitted to raise financing through loans from third parties. The Company does not provide a guarantee for the repayment of any borrowings held by these entities and did not provide financial support to unconsolidated structured entities during the years ended December 31, 2017 and 2016.

The Company generates revenues from management and other fees from providing investment management and related services to these investments funds. The fees from these investment funds are calculated based on assets under management. Investment funds are susceptible to market price risk arising from uncertainties about future value of the assets they hold. Market risks are discussed in Note 12 – Financial instruments.

The following table summarizes the carrying value of the Company's interests in unconsolidated structured entities recognized in the consolidated statement of financial position and the assets under management of unconsolidated structured entities as at December 31, 2017 and 2016. The Company's maximum exposure to loss is the carrying amount of the investment funds held and the loss of future fees.

	December 31, 2017	December 31, 2016
	$	$
Company's interest in investment funds	**5,101**	8,574
Assets under management of unconsolidated structured entities	**30.0 billion**	23.0 billion

The Company did not hold any interests in consolidated structured entities as at December 31, 2017 and 2016.

9. Accounts receivable

	December 31, 2017	December 31, 2016
	$	$
Trade accounts	**107,839**	94,463
Trade accounts – related companies of shareholders	**12,720**	14,300
Trade accounts – related parties	**2,909**	2,342
Other	**4,930**	5,296
	128,398	116,401

The aging of accounts receivable was as follows:

	December 31, 2017	December 31, 2016
	$	$
Trade		
Current	**104,322**	87,052
Aged between 61 – 119 days	**2,192**	6,228
Aged greater than 120 days	**1,325**	1,183
Total trade	**107,839**	94,463
Related companies of shareholders and related parties		
Current	**14,144**	15,672
Aged between 61 – 119 days	**4**	-
Aged greater than 120 days	**1,481**	970
Total related companies of shareholders and related parties	**15,629**	16,642
Other	**4,930**	5,296
	128,398	116,401

As at December 31, 2017, there was a provision for doubtful accounts of $19 (2016 - $32).

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, 2016						
Opening carrying amount	391,347	8,800	53,000	250,755	10,420	322,975
Additions	-	-	-	-	670	670
Additions – internally developed	-	-	-	-	210	210
Business combinations	150,338	-	45,537	125,747	10,872	182,156
Acquisitions	-	394	-	3,003	-	3,397
Revaluation	-	-	-	(7,031)	-	(7,031)
Write-off	-	-	-	-	(779)	(779)
Amortization for the year	-	-	(15,945)	(22,680)	(4,098)	(42,723)
Foreign exchange difference	(655)	(69)	1,001	(1,117)	70	(115)
Closing carrying amount	541,030	9,125	83,593	348,677	17,365	458,760
Balance, December 31, 2016						
Cost	518,842	8,548	122,988	392,146	25,304	548,986
Accumulated amortization and impairment	(1,918)	-	(40,280)	(66,391)	(9,166)	(115,837)
Foreign exchange difference	24,106	577	885	22,922	1,227	25,611
Closing carrying amount	541,030	9,125	83,593	348,677	17,365	458,760
For the year ended December 31, 2017						
Opening carrying amount	**541,030**	**9,125**	**83,593**	**348,677**	**17,365**	**458,760**
Additions	**-**	**-**	**-**	**2,211**	**2,203**	**4,414**
Additions – internally developed	**-**	**-**	**-**	**-**	**1**	**1**
Business combinations	**(3,995)**	**77,184**	**(17,322)**	**-**	**-**	**59,862**
Disposals	**-**	**-**	**-**	**-**	**(1,371)**	**(1,371)**
Amortization for the year	**-**	**-**	**(10,659)**	**(25,498)**	**(4,953)**	**(41,110)**
Foreign exchange difference	**(13,150)**	**(2,240)**	**(1,703)**	**(13,558)**	**(774)**	**(18,275)**
Closing carrying amount	**523,885**	**84,069**	**53,909**	**311,832**	**12,471**	**462,281**
Balance, December 31, 2017						
Cost	**514,847**	**85,732**	**105,666**	**394,357**	**25,611**	**611,366**
Accumulated amortization and impairment	**(1,918)**	**-**	**(50,939)**	**(91,889)**	**(13,593)**	**(156,421)**
Foreign exchange difference	**10,956**	**(1,663)**	**(818)**	**9,364**	**453**	**7,336**
Closing carrying amount	**523,885**	**84,069**	**53,909**	**311,832**	**12,471**	**462,281**

DERECOGNITION

During the year ended December 31, 2017, the Company derecognized an other intangible asset with a cost of $1,897 and accumulated amortization of $526 for proceeds of $1,000. The Company recognized a loss on disposal of intangible assets of $371 in the consolidated statements of earnings presented in loss on disposal of intangible assets.

ACQUISITIONS

Larch Lane Advisors LLC

On September 1, 2016, the Company completed the purchase agreement with Larch Lane Advisors LLC ("Larch Lane") and announced that the Larch Lane team joined its U.S. division, Fiera Capital Inc. The total purchase price for the net assets acquired was US$1,750 (CA$2,297) of which US$1,146 (CA$1,504) was paid at closing and the remaining amount was paid on January 15, 2017. The intangible assets resulting from this acquisition were recorded as asset management contracts of US$300 (CA$394) and customer relationships of US$1,450 (CA$1,903). The addition of the team enabled Fiera Capital's U.S. division to offer clients a range of alternative investment solutions, including alternative mutual funds, hedge funds and hedge fund seeding.

HRS Capital ("HRS")

On November 1, 2016, the Company completed the purchase agreement with HRS, for a maximum purchase price of $1,100 of which $300 was paid at closing. The remaining amount of up to $800 was payable over a three year period ending December 31, 2019, if certain minimum thresholds based on revenues were satisfied. Intangible assets resulting from this acquisition were recorded as customer relationships of $1,100. During the year ended December 31, 2017, the Company reviewed its estimate of the minimum threshold required to be obligated to make the contingent payment of $800. The Company concluded that the minimum threshold would not be met and the purchase price obligation was revalued with the recovery recorded in the consolidated statements of earnings in accretion and change in fair value purchase price obligations. The contingent payment had a carrying value of $800 before the revaluation to nil.

OTHER REVALUATIONS AND TRANSFERS

During the year ended December 31, 2016, customer relationships with a cost of $18,570 and accumulated amortization of $11,539 and other intangibles assets with a cost of $65 and accumulated amortization of $65 were revalued at their fair value of nil and reclassified as held-for-sale. The Company derecognized asset management contracts with a cost of $7,349 and accumulated amortization of $7,465 as well as foreign exchange difference of $116. In addition, the Company wrote-off software development costs in the amount of $779.

There were no transfers of intangible assets in 2017 and 2016.

GOODWILL IMPAIRMENT TEST

During the fourth quarters of 2017 and 2016, in the context of its annual impairment testing, the Company completed its impairment analysis and assessed the recoverability of its assets. In 2017 and 2016, for goodwill impairment testing purposes, the operating segment represents the lowest level within the Company at which management monitors goodwill.

Goodwill is monitored by management based on the Company's operating segment: asset management. In assessing goodwill for impairment as at December 31, 2017 and 2016, the Company compared the aggregate recoverable amount of the operating segment to the carrying amount. The recoverable amount has been determined based on the value-in-use using five-year cash flow budgets and forecasts approved by management and the Board. These make use of observable market inputs when available. Cash flows beyond the five-year budget are determined using the expected long-term growth rate. Key assumptions included the following:

	2017	2016
	%	%
Weighted average growth rate	**11.0**	11.0
Discount rate	**11.0**	11.0

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

IMPAIRMENT TESTS OF INDEFINITE-LIFE INTANGIBLE ASSETS

In assessing indefinite-life intangible assets for impairment as at December 31, 2017 and 2016, the Company compared the aggregate recoverable amount of the assets to their respective carrying amounts. Key assumptions included the following:

	2017	2016
	%	%
Weighted average growth rate	**2.5**	2.5
Discount rate	**11.0**	11.0

The recoverable amount has been determined based on value-in-use using indefinite-life five-year cash flow budgets and forecasts approved by management and the Board. These make use of observable market inputs when available. Cash flows beyond the five-year budget are determined using the expected long-term growth rate of 2.5%. The discount rate is applied to the pre-tax cash flow projections and is derived from the weighted average cost of capital.

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

As a result of the impairment analysis, the Company determined that the recoverable amounts exceeded the carrying amounts and therefore, there was no impairment.

11. Property and equipment

	Office furniture & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$
For the year ended December 31, 2016				
Opening carrying amount	3,890	1,316	13,750	18,956
Additions	715	1,213	871	2,799
Business combinations	259	148	148	555
Reclassification	5	(5)	-	-
Disposal of assets held for sale	(2)	(6)	-	(8)
Foreign exchange difference	(106)	(22)	(375)	(503)
Depreciation	(902)	(634)	(1,865)	(3,401)
Closing net book value	3,859	2,010	12,529	18,398
Balance, December 31, 2016				
Cost	7,183	4,077	17,308	28,568
Accumulated depreciation	(3,396)	(2,158)	(4,818)	(10,372)
Foreign exchange difference	72	91	39	202
Closing carrying amount	3,859	2,010	12,529	18,398
For the year ended December 31, 2017				
Opening carrying amount	**3,859**	**2,010**	**12,529**	**18,398**
Additions	**731**	**1,565**	**1,198**	**3,494**
Disposal of assets	**(295)**	**(25)**	**(269)**	**(589)**
Foreign exchange difference	**(198)**	**(55)**	**(661)**	**(914)**
Depreciation	**(914)**	**(966)**	**(1,937)**	**(3,817)**
Closing carrying amount	**3,183**	**2,529**	**10,860**	**16,572**
Balance, December 31, 2017				
Cost	**7,479**	**5,580**	**17,994**	**31,053**
Accumulated depreciation	**(4,170)**	**(3,087)**	**(6,512)**	**(13,769)**
Foreign exchange difference	**(126)**	**36**	**(622)**	**(712)**
Closing carrying amount	**3,183**	**2,529**	**10,860**	**16,572**

During the year ended December 31, 2017, the Company derecognized office furniture and equipment with a cost of $435 (2016 – $5) and accumulated amortization of $140 (2016 – $3), computer equipment with a cost of $62 (2016 – $42) and accumulated amortization of $37 (2016 – $36) and leasehold improvements with a cost of $512 (2016 – nil) and accumulated amortization of $243 (2016 – nil), for total proceeds of $67 of which $15 was recorded in accounts receivable. During the year ended December 31, 2017, the Company recognized a loss on disposal of property and equipment of $522 in the statements of consolidated earnings (2016 – $8 recognized in revaluation of assets held for sale).

12. Financial instruments

The Company, through its financial assets and liabilities, has exposure to the following risks from its financial instruments: market risk, credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2017 and 2016.

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

The Company's consolidated statements of financial position include a portfolio of investments. The value of these investments is subject to a number of risk factors.

MARKET RISK

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

Appreciation or depreciation in the fair value of equity securities affect the amount and timing of recognition of gains and losses on equity securities and mutual fund and pooled fund investments in the Company's portfolio resulting in changes in realized and unrealized gains and losses. General economic conditions, political conditions and many other factors can also adversely affect the stock and bond markets and, consequently, the fair value of the equity, mutual fund and fixed income financial assets held.

The Company's portfolio managers monitor the risks of the portfolio as part of its daily operations. The Company's portfolio of equity and equity-related securities as at December 31, 2017 and 2016 is comprised of mutual fund and pooled fund investments and other securities with a fair value of $5,408 as at December 31, 2017 and $8,972 as at December 31, 2016. Mutual fund and pooled fund investments are comprised of a well-diversified portfolio of investments in equities and bonds.

A 10% change in the fair value of the Company's equity and equity-related holdings as at December 31, 2017 and 2016 would have an impact of increasing or decreasing comprehensive income by $541 and $897 respectively.

CREDIT RISK

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

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

The credit risk on cash and cash equivalents and restricted cash is limited because the counterparties are commercial banks or financial institutions with high credit ratings assigned by independent credit-rating agencies.

The Company's credit risk is attributable primarily to its trade receivables. 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. No customer represents more than 10% of the Company's accounts receivable as at December 31, 2017. National Bank of Canada and related companies represented 11% of accounts receivable as at December 31, 2016.

INTEREST RATE RISK

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

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. The Company obtained its long-term debt at a floating rate and swapped a portion of it into fixed rates that were lower than those available if the Company borrowed at fixed rates directly. Under the interest rate swap, 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 and cash equivalents, accounts receivable, derivative financial instruments, accounts payable and accrued liabilities, purchase price obligations and long-term debt denominated in US dollars and the operations of its US businesses and Fiera Capital (Europe) 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, 2017 and 2016 include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in US dollars:

	2017	2016
	$	$
Cash and cash equivalents	**17,721**	28,255
Restricted cash	**793**	523
Investments	**4,116**	7,306
Accounts receivable	**66,184**	51,900
Derivative financial instruments	**2,911**	(1,258)
Accounts payable and accrued liabilities	**(64,800)**	(44,882)
Purchase price obligations	**(63,848)**	(4,869)
Long-term debt	**(219,538)**	(256,161)

Based on the balances outstanding (excluding long-term debt) as at December 31, 2017, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $1,846 (2016 - $1,849). The above calculation does not include the US dollar long-term debt, which is partially hedged by a long-term asset in the same currency. This long-term asset is not included in the consolidated statements of financial position given that it is an intercompany balance and is eliminated on consolidation.

LIQUIDITY RISK

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

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

The Company has the following financial liabilities as at December 31, 2017:

	Carrying amount	Contractual cash flow commitments				
		2018	2019	2020	Other	Total
	$	$	$	$	$	$
Accounts payable and accrued liabilities	114,008	114,008	-	-	-	114,008
Amount due to related parties	1,241	1,241	-	-	-	1,241
Long-term debt [1]	295,123	1,354	157,044	136,725	-	295,123
Convertible debentures	77,461	-	-	-	86,250	86,250
Purchase price obligations	89,136	35,147	38,091	28,968	163,919	266,125
	576,969	151,750	195,135	165,693	250,169	762,747

1. Excluding deferred financing charges of $1,352 (Note 15).

FAIR VALUE

Investments

The cost of investments recorded as available-for-sale is $2,296 as at December 31, 2017 ($1,027 as at December 31, 2016) and the fair value is $2,475 as at December 31, 2017 ($1,060 as at December 31, 2016).

The unrealized gain on investments of $161 (net of income taxes of $18) as at December 31, 2017 ($29 (net of income taxes of $4) as at December 31, 2016), is reflected in accumulated other comprehensive income (loss).

The cost of investments recorded at fair value through profit or loss is $2,848 as at December 31, 2017 ($7,946 as at December 31, 2016) and the fair value is $2,933 as at December 31, 2017 ($7,912 as at December 31, 2016). The unrealized gain of $1,237 was recognized in other revenues during the year ended December 31, 2017 (loss of $34 for the year ended December 31, 2016).

Puttable financial instrument liabilities

The puttable financial liabilities are recorded at their estimated fair value of $5,500 as at December 31, 2016. These were classified as current on the December 31, 2016 consolidated statements of financial position since they gave the holder the right to put the shares that they hold in one of the Company's subsidiaries, to that subsidiary, upon ceasing employment. On March 7, 2017, an amount of $2,753 was paid to a management shareholder of one of the Company's subsidiaries and an amount of $2,747 was extinguished with an offset to contributed surplus.

Convertible debentures

The convertible debentures are recorded at an amortized cost of $77,461 as at December 31, 2017. The fair value as at December 31, 2017 is $88,018 based on market quotes .

Long-term debt

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

Derivative financial instruments

The Company's derivative financial instruments consist of cross currency swap, interest rate swap and foreign exchange forward contracts which are presented at fair value on the statements of financial position.

The fair value of derivatives that are not traded on an active market is determined using valuation techniques which maximize the use of observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where appropriate. To the extent practicable, valuation techniques incorporate all factors that market participants would consider in setting a price and they are consistent with accepted economic methods for valuing financial instruments.

The Company determines the fair value of its foreign exchange forward contracts by calculating the difference between the forward exchange rates at the measurement date and the contractual forward price for the residual maturity of the contract. The Company determines the fair value of its interest rate swap and cross currency swap contracts by applying valuation techniques.

Net gains (losses), fair value and the notional amount of derivatives by term to maturity are as follows:

	For the year ended December 31, 2017	As at December 31, 2017				
	Net gain (loss) on derivatives	Fair value		Notional amount: term to maturity		
		Asset	(Liability)	Less than 1year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign exchange contracts						
a) Forward foreign exchange contracts – held for trading	**2,408**	**497**	**-**	**51,875**	**-**	**-**
b) Cross currency swaps – held for trading	**(7,950)**	**-**	**-**	**-**	**-**	**-**
Interest rate contracts						
c) Swap contracts – held for trading	**3,463**	**1,070**	**-**	**-**	**30,000**	**-**
d) Swap contracts – cash flow hedges	**-**	**2,414**	**-**	**-**	**212,011**	**-**

	For the year ended December 31, 2016	As at December 31, 2016				
	Net gain (loss) on derivatives	Fair value		Notional amount: term to maturity		
		Asset	(Liability)	Less than 1year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign exchange contracts						
a) Forward foreign exchange contracts						
– held for trading	1,439	323	(260)	52,509	-	-
– cash flow hedges	-	-	-	-	-	-
b) Cross currency swaps – held for trading	(1,322)	-	(1,322)	100,000	-	-
Interest rate contracts						
c) Swap contracts – held for trading	1,111	-	(279)	95,850	-	-

Financial statement presentation as at December 31:

	2017	2016
	$	$
Current derivative financial instrument assets[1]	**497**	323
Non-current derivative financial instrument assets	**3,484**	-
Current derivative financial instrument liabilities	**-**	(1,861)

1. Included in prepaid expenses and other assets on the consolidated statements of financial position.

a) Forward foreign exchange contracts

Forward foreign exchange contracts – held for trading

The Company enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars. The gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings in accordance with the nature of the hedged item and therefore, as other revenues.

Company

On December 23, 2016, the Company entered into a series of average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with estimated revenues, for the year ending December 31, 2017, denominated in US dollars. In August 2017, the Company converted a series of average rate forward foreign exchange contracts which matured one-by-one on a monthly basis until December 29, 2017, to month-end spot rate forward exchange contracts. The Company also entered into month-end spot rate forward exchange contracts which mature on a monthly basis until August 31, 2018. Forward foreign exchange contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to fair value through profit or loss at the end of each reporting period.

The Company recorded a gain of $2,148 during the year ended December 31, 2017 ($1,427 for the year ended December 31, 2016) and received $1,974 as settlement of contracts that matured during the year. As at December 31, 2017, the fair value of the derivative financial asset related to these contracts is $497 ($323 as at December 31, 2016).

Subsidiaries

One of the Company's subsidiaries enters into foreign exchange contracts to manage its exposure to foreign exchange rates. As at December 31, 2017, these contracts have all matured or been exited by the subsidiary, therefore none were oustanding at year end. The subsidiary recorded a gain of $260 and $12 during the years ended December 31, 2017 and 2016, respectively.

As at December 31, 2016, the fair value of these contracts was a liability of $260.

Forward foreign exchange contracts – cash flow hedges

On September 30, 2016, the Company entered into a foreign exchange forward contract to manage the currency fluctuation risk associated with the consideration for the acquisition of Fiera Capital (Europe) which was denominated in GBP. The foreign exchange forward contract with a total initial notional amount of GBP 15,000 matured on October 27, 2016. In early October 2016, the Company entered into three additional foreign exchange forward contracts with a total initial notional amount of GBP 15,000. At their maturity dates, each of these four contracts was rolled into a new contract, for a total notional amount of GBP 30,000, until they were all closed out on December 14, 2016, the closing date of the acquisition.

These contracts were designated as cash flows hedges and satisfied the requirements for hedge accounting. The effective portion of changes in the fair value of these contracts was recognized in other comprehensive income and accumulated in a hedging reserve until the contracts were closed at which time the net realized loss of $1,072 including the ineffective portion of changes in fair value was included in the purchase consideration and was recorded as goodwill.

b) Cross currency swaps – held for trading

Under the terms of the Company's revolving facility (Note 15), the Company can borrow either in US dollars based on US base or LIBOR rates plus 2.25% or in Canadian dollars based on CDOR plus 2.25% (the same credit spread). To benefit from interest cost savings, the Company had effectively created, until December 2017, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus a spread on CA$ notional (CA$100,000 as at December 31, 2016) by borrowing against the US dollar revolving facility, the equivalent of the same CA$ notional (denominated in US$) (CA$100,000 (US$73,500) as at December 31, 2016) at LIBOR plus a spread, and swapping it into CDOR plus a spread with a one-month cross currency swap. In December 2017, the Company reimbursed CA$100,000 of the amount drawn on the revolving facility following the issuance of the convertible debentures. The last cross currency swap contract matured on December 29, 2017 and was not renewed.

The objective of this strategy was to provide cost savings without currency risk since the terms of the US LIBOR financing and the cross currency swap are exactly matched (US dollar notional amount, LIBOR rate, trade and maturity dates). Losses (gains) on cross currency swaps are offset by equivalent gains (losses) on the translation of the US denominated economically hedged portion of the revolving facility since the financing terms are exactly matched.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings in accordance with the nature of the economically hedged item, the revolving facility, and therefore is presented in interest on long-term debt and other financial charges. The Company recorded a loss of $7,950 during the year ended December 31, 2017, with no net impact on earnings as described above (loss of $1,322 during the year ended December 31, 2016). A total of $9,272 was paid during the year ended December 31, 2017 as settlement of these contracts.

The fair value of the cross currency swap contracts was a liability of $1,322 as at December 31, 2016. This fair value was offset by the equivalent changes in fair value in Canadian dollars on the amount drawn on the US dollar revolving facility specifically for this transaction of US$73,500 as at December 31, 2016.

c) Interest rate swap contract – held for trading

On May 1, 2012, the Company entered into an interest rate swap contract to manage the interest rate fluctuations on its revolving facility denominated in Canadian dollars. The contract consisted of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.835%. Interest was settled on a monthly basis. The interest swap matured on April 3, 2017 and an amount of $74 was paid as settlement of this contract.

On May 31, 2017, the Company entered into an interest rate swap contract to manage the interest rate fluctuations on its revolving facility denominated in Canadian dollars. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.335%. Interest is settled on a monthly basis. The interest rate swap contract had an original amortizing notional amount of CA$100,000 at inception and matures on May 31, 2022. As at December 31, 2017, the notional amount was CA$30,000. The Company received an amount of $2,188 as a crystallized gain, in December 2017, when the notional amount of the contract decreased from CA$100,000 to CA$30,000.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings with interest on long-term debt and other financial charges. The Company recorded a gain of $3,463 during the year ended December 31, 2017 (gain of $1,111 during the year ended December 31, 2016).

The fair value of the interest rate swap contract is an asset of $1,070 as at December 31, 2017 (liability of $279 as at December 31, 2016).

d) Interest rate swap contracts – Cash flow hedges

On May 31, 2017, the Company entered into two US dollar interest rate swap contracts to manage the interest rate fluctuations on the Company's term and revolving facilities (Note 15) denominated in US dollars. The interest rate swap contracts have an original notional amount of US$125,000 and US$44,000 respectively at inception and mature on May 31, 2022. The contracts consist of exchanging the variable interest rate based on a one-month LIBOR rate for a fixed rate of 1.84%. Interest is settled on a monthly basis.

These contracts are designated as cash flows hedges and satisfy the requirements for hedge accounting. The effective portion of changes in the fair value of these contracts are recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded a gain of $2,094 (net of income taxes of $320) in other comprehensive income during the year ended December 31, 2017.

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the consolidated statement of earnings. There is no ineffective portion on these contracts for the year ended December 31, 2017.

The fair value of the interest rate swap contracts designated as cash flow hedges is an asset of $2,414 as at December 31, 2017.

The Company remains exposed to fluctuations in the US base or LIBOR rates on the difference between the US dollar revolving facility and the notional amount of the US dollar interest rate swap contract. The drawings in US dollars on the term and revolving facilities are US$125,000 and US$50,000 respectively as at December 31, 2017 (US$125,000 and US$65,781 respectively as at December 31, 2016).

FINANCIAL INSTRUMENTS BY CATEGORY:

DECEMBER 31, 2017

	Loans and receivables	Available-for-sale	FVTPL[1]	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash and cash equivalents	41,079	-	-	-	41,079
Restricted cash	930	-	-	-	930
Investments					
Investment funds under the Company's management	-	2,475	2,933	-	5,408
Accounts receivable	128,398	-	-	-	128,398
Long-term receivable[2]	69	-	-	-	69
Derivative financial instruments[3]	-	-	3,981	-	3,981
Total	170,476	2,475	6,914	-	179,865
Liabilities					
Accounts payable and accrued liabilities	-	-	-	114,008	114,008
Purchase price obligations	-	-	89,136	-	89,136
Amounts due to related parties	-	-	-	1,241	1,241
Client deposits[4]	-	-	-	155	155
Long-term debt	-	-	-	293,771	293,771
Convertible debentures	-	-	-	77,461	77,461
Total	-	-	89,136	486,636	575,772

1. Fair value through profit or loss ("FVTPL").
2. Presented in deferred charges and other on the consolidated statements of financial position.
3. Includes $497 presented in prepaid expenses and other assets on the consolidated statements of financial position.
4. Presented in client deposits and other revenues on the consolidated statements of financial position.

DECEMBER 31, 2016

	Loans and receivables	Available-for-sale	FVTPL	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash and cash equivalents	40,110	-	-	-	40,110
Restricted cash	660	-	-	-	660
Investments					
Investment funds under the Company's management	-	1,060	7,912	-	8,972
Accounts receivable	116,401	-	-	-	116,401
Long-term receivable[1]	27	-	-	-	27
Derivative financial instruments[2]	-	-	323	-	323
Total	157,198	1,060	8,235	-	166,493
Liabilities					
Accounts payable and accrued liabilities	-	-	-	89,160	89,160
Purchase price obligations	-	-	34,968	-	34,968
Puttable financial instrument liabilities	-	-	5,500	-	5,500
Derivative financial instruments	-	-	1,861	-	1,861
Amounts due to related parties	-	-	-	1,058	1,058
Client deposits[3]	-	-	-	155	155
Long-term debt	-	-	-	430,423	430,423
Total	-	-	42,329	520,796	563,125

1. Presented in deferred charges and other on the consolidated statements of financial position.
2. Included in prepaid expenses and other assets on the consolidated statements of financial position.
3. Presented in client deposits and other revenues on the consolidated statements of financial position.

FAIR VALUE HIERARCHY

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

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

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

AS AT DECEMBER 31, 2017

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments				
Investment funds under the Company's management	-	5,397	11	5,408
Derivative financial instruments	-	3,981	-	3,981
Total financial assets	-	9,378	11	9,389
Financial liabilities				
Purchase price obligations	-	-	89,136	89,136
Derivative financial instruments	-	-	-	-
Total financial liabilities	-	-	89,136	89,136

AS AT DECEMBER 31, 2016

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments				
Investment funds under the Company's management	-	8,963	9	8,972
Derivative financial instruments	-	323	-	323
Total financial assets	-	9,286	9	9,295
Financial liabilities				
Purchase price obligations	-	-	34,968	34,968
Derivative financial instruments	-	1,861	-	1,861
Puttable financial instrument liabilities	-	5,500	-	5,500
Total financial liabilities	-	7,361	34,968	42,329

LEVEL 3

The fair value of purchase price obligations is determined using a discounted cash flow analysis which makes use of unobservable inputs such as expected cash flows and risk adjusted discount rates. Expected cash flows are estimated based on the terms of the contractual arrangements and the Company's knowledge of the business and how the current economic environment is likely to impact it.

Purchase price obligations are Level 3 financial liabilities. The Company has used valuation techniques to record the fair value of the liabilities at the reporting date.

A reasonable change in unobservable inputs would not result in a significant change in the fair value of purchase price obligations other than for CNR .

PURCHASE PRICE OBLIGATION – CNR :

Financial liabilities	Fair value December 31, 2017 $	Fair value December 31, 2016 $	Valuation technique	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Purchase price obligations for CNR	CA$60,574 (US$47,000)	Nil	Discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to CNR as contingent consideration.	• Discount rate • Market rate of return • AUM short-term growth rate (next 1-2 years) and long-term growth rate (up to 10 years)	While holding all other variables constant: A 2.5% increase (decrease) in the market rate of return would result in an increase (decrease) of US$2,500 in the fair value of the contingent consideration. A 3% increase (decrease) in AUM would result in an increase (decrease) of US$3,050 in the fair value of the contingent consideration.

Reconciliation of Level 3 fair value measurements:

	Investment funds under the Company's management	Purchase price obligations	Total
	$	$	$
Fair value as at December 31, 2015	-	(42,235)	(42,235)
Addition from business combinations	9	-	9
Additional purchase price obligation	-	(6,106)	(6,106)
Settlement of purchase price obligations	-	9,821	9,821
Adjustment to purchase price obligations recorded in goodwill	-	35	35
Revaluation of a purchase price obligation included in accretion and change in fair value of purchase price obligations	-	6,408	6,408
Total realized and unrealized (losses) included in accretion and change in fair value of purchase price obligations	-	(3,071)	(3,071)
Total realized and unrealized gains included in other comprehensive income	-	180	180
Fair value as at December 31, 2016	9	(34,968)	(34,959)

	Investment funds under the Company's management	Purchase price obligations	Total
	$	$	$
Fair value as at December 31, 2016	9	(34,968)	(34,959)
Addition from business combinations	-	(60,574)	(60,574)
Settlement of purchase price obligations	-	10,363	10,363
Revaluation of a purchase price obligation included in accretion and change in fair value of purchase price obligations	-	800	800
Total realized and unrealized gains included in other revenues	2	-	2
Total realized and unrealized (losses) included in accretion and change in fair value of purchase price obligations	-	(6,617)	(6,617)
Total realized and unrealized gains included in other comprehensive income	-	1,860	1,860
Fair value as at December 31, 2017	**11**	**(89,136)**	**(89,125)**

There were no transfers between levels during the years ended December 31, 2017 and 2016.

13. Accounts payable and accrued liabilities

	December 31, 2017	December 31, 2017
	$	$
Trade accounts payable and accrued liabilities	**29,555**	22,302
Wages and vacation payable	**4,583**	651
Bonuses and commissions payable	**76,275**	63,081
Cash settled share-based liabilities	**5,528**	2,594
Income taxes payable (recoverable)	**(2,746)**	(678)
Sales taxes payable	**813**	1,210
	114,008	89,160

14. Income taxes

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

	2017	2016
	$	$
Current income taxes	**11,356**	14,625
Deferred income taxes (recovery)	**(7,200)**	(10,501)
	4,156	4,124

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

	2017	2016
	$	$
Earnings before income taxes	**14,868**	22,205
Combined federal and provincial statutory tax rates	**26.5%**	26.7%
Income tax expense based on combined statutory income tax rate	**3,940**	5,929
Share-based compensation	**1,751**	1,064
Non-deductible acquisition costs	**355**	1,973
Income tax allocated to non-controlling interest	**-**	865
Impact of US tax reform	**6,017**	-
Difference between Canadian and foreign statutory rates	**(8,799)**	(6,024)
Prior years' tax adjustments	**(198)**	1,282
Other (non-taxable) non-deductible amounts	**1,090**	(965)
	4,156	4,124

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	Intangible assets	Property and equipment	Other	Total
	$	$	$	$	$	$	$
Balance, December 31, 2015	305	250	4,373	(23,841)	548	6,878	(11,487)
Charged to earnings	2,642	438	5,831	1,924	(2,349)	2,015	10,501
Write-off	-	-	(727)	(138)	(15)	-	(880)
Business combinations	22	-	14	(13,559)	54	342	(13,127)
Charged to other comprehensive income	-	-	-	-	-	116	116
Foreign exchange difference	11	-	216	(472)	38	252	45
Balance, December 31, 2016	2,980	688	9,707	(36,086)	(1,724)	9,603	(14,832)
Charged to earnings	**(827)**	**166**	**5,971**	**5,881**	**460**	**(4,451)**	**7,200**
Convertible debentures (Note 16)	**-**	**-**	**-**	**-**	**-**	**(1,225)**	**(1,225)**
Charge to equity (Note 17)	**-**	**-**	**-**	**-**	**-**	**1,092**	**1,092**
Business combinations	**-**	**-**	**-**	**4,090**	**-**	**-**	**4,090**
Charged to other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(334)**	**(334)**
Foreign exchange difference	**(141)**	**-**	**(816)**	**923**	**106**	**(412)**	**(340)**
Balance, December 31, 2017	**2,012**	**854**	**14,862**	**(25,192)**	**(1,158)**	**4,273**	**(4,349)**

Financial statement presentation as at December 31:

	2017	2016[1]
	$	$
Non-current deferred income tax assets	**11,665**	8,094
Non-current deferred income tax liabilities	**(16,014)**	(22,926)
Total	**(4,349)**	(14,832)

1. As at December 31, 2016, $7,532 was reclassified from non-current deferred income tax liabilities to non-current deferred income tax assets. The amounts reported in 2016 were: non-current deferred income tax assets of $562 and non-current deferred tax liabilities of $(15,394), for a total of $(14,832).

15. Long-term debt

	December 31, 2017	December 31, 2016
	$	$
Credit facility		
Term facility	**156,813**	167,838
Revolving facility	**136,725**	262,323
Other facilities	**1,585**	2,039
Deferred financing charges	**(1,352)**	(1,777)
	293,771	430,423
Less current portion	**1,354**	(1,283)
Non-current portion	**292,417**	429,140

CREDIT FACILITY

On May 31, 2016, the Company entered into the Fourth Amended and Restated Credit Agreement ("Credit Agreement") which includes a term facility and a revolving facility (together, the "Credit Facility"). On December 5, 2017, the Credit Agreement was amended to modify the definitions of Funded Debt and EBITDA and unsecured debt.

Term facility

The Credit Agreement includes a US$125,000 term (non-revolving) facility for which there are no minimum repayments until May 31, 2019, the date at which the full amount drawn on the term facility is repayable.

The total amount drawn on the term facility as at December 31, 2017 is US$125,000 (CA$156,813) (US$125,000 (CA$167,838) as at December 31, 2016).

Revolving facility

During the year ended December 31, 2017, an increase in the revolving facility of CA$50,000 to CA$350,000 was approved by the board of directors of the Company, Fiera Capital Inc. and Fiera US Holding Inc. and the syndicate of lenders. The increase will be used to finance the general corporate purposes of the Company. The Credit Facility includes a CA$350,000 senior unsecured revolving facility that can be drawn on in Canadian or US dollars at the discretion of

the Company. Under the terms of the Credit Agreement, there are no minimum repayments on the revolving facility, until March 25, 2020, the date at which the full amount drawn on the revolving facility is repayable in full.

As at December 31, 2017, the total amount drawn on the revolving facility was comprised of CA$74,000 and US$50,000 (CA$62,725) (CA$174,000 and US$65,781 (CA$88,323) at December 31, 2016).

Terms of the Credit Facility

The Credit Facility bears interest based on the currency in which an amount is drawn and includes a credit spread based on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. On the revolving facility, the interest rate is based on the Canadian prime rate plus a spread which varies from 0.0% to 1.5% or, at the discretion of the Company, based either on the US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR rate plus a spread varying from 1.0% to 2.5%. The interest rate on the term facility is based on the US base rate plus a spread varying from 0.0% to 1.5% or LIBOR rate plus a spread varying from 1.0% to 2.5%. The Company decides whether amounts drawn in US dollars on the term and revolving facilities will be based on US base rate or the LIBOR rate.

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants on the Credit Facility including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum interest coverage ratio. EBITDA, a non IFRS financial measure, is defined in the Credit Agreement as consolidated earnings before interest, income taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at December 31, 2017 and 2016, all restrictive covenants under the Credit Agreement were met. The Credit Agreement includes covenants that limit the ability of the Company and certain of its subsidiaries that are specifically included in the Credit Agreement as borrowing parties and therefore are guarantors to the Credit Facility, to engage in specified types of transactions and thus imposes operating certain restrictions on these entities.

OTHER FACILITIES

As at December 31, 2017, one of the Company's subsidiaries has an outstanding bank loan in the amount of $756 of which quarterly payments of CA$131 are required (respectively $1,281 and CA$131 as at December 31, 2016). The loan bears interest at prime plus 0.25% to 0.50% which is based on the ratio of senior debt to EBITDA (a non-IFRS financial measure defined in the loan agreement), and matures on June 30, 2019. All debt covenant requirements were met as at December 31, 2017 and 2016.

In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at December 31, 2017, an amount of CA$829 was drawn on a lease-back facility with the bank. As at December 31, 2017, the lease-back loan is classified as current as it is due on demand until the finalization of the terms of the loan. The loan agreement was finalized in January 2018.

This subsidiary also has a line of credit with a dollar limit of CA$750. It bears interest at prime plus up to 0.25% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at December 31, 2017, the amount drawn by the subsidiary on the line of credit is nil (nil as at December 31, 2016).

Another subsidiary of the Company has a line of credit with a dollar limit of CA$800. It bears interest at prime plus 1.50% and has no fixed maturity date. As at December 31, 2017, the amount drawn by the subsidiary on the line of credit is nil ($758 as at December 31, 2016).

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

	2017	2016
	$	$
Balance, beginning of year	**430,423**	264,226
Cash flows		
(Reimbursement)/proceeds from borrowings Capitalized borrowing costs	**(110,888)**	166,520
Capitalized borrowing costs	**(210)**	(1,133)
Non-cash changes		
Changes arising from business combinations	**-**	1,820
Amortization of deferred financing charges	**635**	401
Foreign exchange difference	**(26,189)**	(1,411)
Balance, end of year	**293,771**	430,423

16. Convertible debentures

	2017
	$
Face value	86,250
Less:	
Issuance costs	(4,269)
Equity component (net of issuance costs of $237)	(4,555)
Accretion expense on equity component	35
Balance, end of year	77,461

On December 21, 2017, the Company issued 86,250 unsecured convertible debentures at 5% maturing on June 23, 2023, with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of CA$86,250. The convertible debentures are convertible at the option of the holder at a conversion price of $18.85 per Class A share. The convertible debentures are not redeemable by the Company before June 30, 2021. The convertible debentures are redeemable by the Company at a price of $1,000 per convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of $18.85 per share). On or after June 30, 2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of $1,000 per convertible debenture, plus accrued and unpaid interest.

The liability component was recorded at the fair value on the date of issuance in the amount of $81,458. The Company allocated $4,555 to an equity component (net of issuance costs of $237). A separate deferred income tax liability of $1,225 was recognized.

The Company incurred underwriting fees and issuance costs of $4,269 which are netted against the convertible debenture liability.

In 2017, the proceeds of the convertible debentures were used to finance the cash portion of the repurchase of Fiera Properties' remaining 45.0% non-controlling interest, to reduce indebtedness under the Credit Facility and for general corporate purposes.

17. Share capital and accumulated other comprehensive income

AUTHORIZED

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

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

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

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

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

The shares have no par value.

PREFERRED SHARES

The Company is authorized to issue an unlimited number of Preferred Shares. Preferred Shares are issuable in series and would rank, both in 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 Company has not issued any Preferred Shares.

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

	Class A Shares		Class B Shares		Total	
	Number	$	Number	$	Number	$
As at December 31, 2015	51,536,848	435,551	19,847,577	31,583	71,384,425	467,134
Conversion of hold back shares	277,578	2,718	-	-	277,578	2,718
Issuance of shares	304,133	3,637	-	-	304,133	3,637
Shares issued as part of a business combination (Note 4)	7,719,286	98,504	-	-	7,719,286	98,504
Shares issued as settlement of purchase price obligations	683,142	8,500	-	-	683,142	8,500
Stock options exercised	401,642	2,983	-	-	401,642	2,983
Shares purchased for cancellation	(158,648)	(1,342)	-	-	(158,648)	(1,342)
Transfers from Class B Shares to Class A Shares	36,674	58	(36,674)	(58)	-	-
As at December 31, 2016	60,800,655	550,609	19,810,903	31,525	80,611,558	582,134
Conversion of hold back shares	**353,928**	**3,566**	**-**	**-**	**353,928**	**3,566**
Issuance of shares	**7,711,052**	**93,096**	**-**	**-**	**7,711,052**	**93,096**
Shares issued as part of a business combination (Note 4)	**38,880**	**500**	**-**	**-**	**38,880**	**500**
Shares issued as settlement of purchase price obligations	**581,602**	**8,478**	**-**	**-**	**581,602**	**8,478**
Stock options exercised	**397,100**	**3,816**	**-**	**-**	**397,100**	**3,816**
Cancellation of shares	**(431)**	**(4)**	**-**	**-**	**(431)**	**(4)**
Transfers from Class B shares to Class A shares	**366,413**	**583**	**(366,413)**	**(583)**	**-**	**-**
As at December 31, 2017 [1]	**70,249,199**	**660,644**	**19,444,490**	**30,942**	**89,693,689**	**691,586**

1. Includes 4,950,066 Class A Shares held in escrow in relation with the Apex acquisition (5,775,075 as at December 31, 2016), 338,124 Class A Shares held in escrow in relation with the Fiera Private Lending acquisition (338,124 as at December 31, 2016), and 81,496 restricted shares held in escrow in relation to the restricted share plan (154,111 as at December 31, 2016).

2017

Conversion of hold back shares

As part of the acquisition of Samson, the Company committed to issue 353,928 Class A Shares eighteen months following the closing of the acquisition on October 30, 2015. The commitment was considered an equity component and was recorded in Restricted and Hold back shares at a discounted value of CA$3,566. On May 1, 2017, 353,928 Class A Shares were issued and an amount of CA$3,566 was transferred from Restricted and Hold back shares to Share Capital in the statements of changes in equity.

Issuance of shares

On December 21, 2017, the Company completed an equity financing for gross proceeds of $82,511. The Company issued 6,347,000 Class A Shares, including the exercise in full of the over-allotment option of 577,000 Class A Shares at a price of $13.00 per Class A Share pursuant to a bought deal financing with a syndicate of underwriters. In connection with this offering, the Company incurred share issuance costs of $4,119. A separate deferred income tax asset of $1,092 was recognized.

During the year ended December 31, 2017, 1,364,052 Class A Shares were issued from treasury at a cost of $13,612 following the vesting of restricted share units and performance share units.

Shares issued as part of a business combination

On December 27, 2017, as part of the acquisition of the remaining interest of Fiera Properties, the Company issued 38,880 Class A Shares worth $500.

Shares issued as settlement of purchase price obligations

On October 18, 2017, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 581,602 Class A Shares for $8,500 as settlement of purchase price obligations, less issuance costs of $22.

On February 22, 2018, in connection with the acquisition of Fiera Private Lending, the Company issued 335,838 Class A Shares for $4,083 as settlement of purchase price obligations and released 338,124 Class A Shares from escrow.

Stock option exercised

During the year ended December 31, 2017, 397,100 stock options were exercised and 397,100 Class A Shares were issued for $3,816.

Cancellation of shares

During the year ended December 31, 2017, 431 Class A Shares were cancelled due to the forfeiture of restricted shares.

Transfers

During the year ended December 31, 2017, 366,413 Class B Shares were converted into 366,413 Class A Shares on a one-for-one basis.

Dividends

During the year ended December 31, 2017, the Company declared dividends of $57,445 ($0.70 per share) on Class A Shares and Class B Shares and $118 on hold back shares.

2016

Conversion of hold back shares

As part of the acquisition of Bel Air Investment Advisors LLC as well as its affiliate Bel Air Securities LLC (collectively "Bel Air"), the Company committed to issue 832,755 Class A Shares worth US$9,760 at the closing date. These were issued in three tranches over the 32-month period following the closing date. This commitment is considered a component of equity and was recorded at a discounted value of US$8,419 (CA$8,781) in Restricted and Hold back shares.

In 2016, the third tranche amounting to 277,578 of the hold back shares were issued and effectively converted into Class A Shares and an amount of CA$2,718 was transferred from Restricted and Hold back shares to Share Capital.

Issuance of shares

On the same day as the conversion of the third tranche of the hold back shares into share capital, in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada ("National Bank") for cash proceeds of $1,830 less issuance costs of $138. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement.

In connection with the agreement described above, the Company had issued subscription receipts to National Bank providing for the issuance of 149,469 Class A Shares, at a pre-determined price of $12.24, to be exchanged into shares concurrently with the third conversion of hold back shares into share capital. The proceeds of these subscription receipts have been released from escrow on the issuance of the hold back shares.

The Company issued 154,664 Class A Shares from treasury at a cost of $1,945 for restricted and performance share units that vested during the year ended December 31, 2016.

Shares issued as part of a business combination

As part of the acquisition of Apex, the Company issued 5,775,075 Class A Shares worth US$57,000. The shares issued were recorded at the closing price at the acquisition date of CA$75,076. These shares are held in escrow and one seventh will be released each year over a seven year period commencing on the first anniversary of the closing date.

As part of the acquisition of Fiera Private Lending, the Company issued 1,944,211 Class A Shares worth CA$23,000. The shares were recorded at a closing price at the acquisition date of CA$23,428. Of the 1,944,211 shares issued, 338,124 shares will be held in escrow for general representations and warranties until fifteen months following the closing date of November 10, 2016.

Shares issued as settlement of purchase price obligations

On October 21, 2016, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 683,142 Class A Shares for $8,500 as settlement of purchase price obligations.

Stock option exercised

During the year ended December 31, 2016, 401,642 stock options were exercised and 401,642 Class A Shares were issued for $2,983.

Shares purchased for cancellation

On October 17, 2016, the Company announced the renewal of its normal course issuer bid for a period of twelve months. Purchases could commence as of October 19, 2016 and will end no later than October 18, 2017. Pursuant to the renewed normal course issuer bid, the Company may purchase for cancellation up to a maximum of 3,421,685 Class A Shares, representing approximately 10% of the public float of Class A Shares as at October 11, 2016.

During the year ended December 31, 2016, the Company paid $1,659 to purchase and cancel 158,648 Class A Shares which reduced share capital by $1,297 and the excess paid of $362 was charged to retained earnings.

Transfers

During the year ended December 31, 2016, 36,674 Class B Shares were converted into 36,674 Class A Shares on a one-for-one basis.

Dividends

During the year ended December 31, 2016, the Company declared dividends of $46,659 ($0.62 per share) on Class A Shares and Class B Shares and $357 on hold back shares.

Accumulated other comprehensive income

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

	December 31, 2017	December 31, 2016
	$	$
Unrealized gain on available-for-sale financial assets	**161**	29
Cash flow hedges	**2,094**	-
Unrealized exchange differences on translating financial statements of foreign operations	**10,769**	28,069
	13,024	28,098

18. Earnings per share

Earnings per share and 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,	
	2017	2016
	$	$
Net earnings attributable to shareholders	**10,671**	20,777
Weighted average shares outstanding – basic	**82,258,569**	75,969,314
Effect of dilutive share-based awards	**5,684,713**	2,326,073
Weighted average shares outstanding – diluted	**87,943,282**	78,295,387
Basic earnings per share	**0.13**	0.27
Diluted earnings per share	**0.12**	0.27

For the year ended December 31, 2017, the calculation of hypothetical conversions does not include 2,939,631 options (1,368,024 in 2016) and 86,250 convertible debentures with an anti-dilutive effect.

19. Share-based payments

A) STOCK OPTION PLAN

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

A summary of the changes that occurred in the Company's stock option plan during the years ended December 31, 2017, and 2016, is presented below:

	2017		2016	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
		$		$
Outstanding – beginning of year	**2,799,345**	**10.25**	3,040,225	9.58
Granted	**1,892,000**	**13.41**	254,379	12.33
Exercised	**(397,100)**	**7.34**	(401,642)	5.86
Forfeited	**(110,393)**	**13.64**	(93,617)	13.11
Outstanding – end of year	**4,183,852**	**11.86**	2,799,345	10.25
Options exercisable – end of year	**859,473**	**8.17**	1,049,685	7.82

The following table presents the weighted average assumptions used to determine the share-based compensation expense using the Black-Scholes option-pricing model during the years ended December 31, 2017 and 2016:

	2017	2016
Dividend yield (%)	**4.87 to 5.39**	4.63 to 5.34
Risk-free interest rate (%)	**1.15 to 1.93**	1.08 to 1.27
Expected life (years)	**8.9**	7.5
Expected volatility of the share price (%)	**24.25 to 38.97**	32.65 to 40.87
Weighted-average fair value ($)	**2.21**	2.21
Share-based compensation expense ($)	**1,402**	1,369

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

The following table summarizes the stock options outstanding and exercisable as at December 31, 2017:

	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	68,201	2	3.67	68,201	3.67
5.41 to 8.50	966,020	4	8.06	731,020	8.26
8.51 to 13.83	3,149,631	9	13.20	60,252	12.13

B) DEFERRED SHARE UNIT ("DSU") PLAN

In 2007, the Board adopted a deferred share unit plan (the "DSU Plan") for the purposes of strengthening the alignment of interests between the directors and the shareholders by linking a portion of annual director compensation to the future value of the shares, in lieu of cash compensation. 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.

The Company recorded an expense of $13 and $30 for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability for an amount of $205 for the 15,767 units outstanding under the DSU Plan ($192 for 14,998 units as at December 31, 2016).

C) RESTRICTED SHARE UNIT ("RSU") PLAN

On April 13, 2017, the Board approved an amended and restated RSU Plan. The purposes of this plan is to provide eligible employees with the opportunity to acquire RSU in order to retain key employees and to permit them to participate in the growth and development of the Company and, through the acquisition of shares in the Company under the plan, to better align the interests of participants with the long-term interests of shareholders of the Company.

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2017 and 2016.

	2017	2016
Outstanding units – beginning of year	**456,303**	686,244
Granted	**566,686**	-
Reinvestments in lieu of dividends	**19,124**	31,985
Vested [1]	**(420,407)**	(259,934)
Forfeited	**(13,071)**	(1,992)
Outstanding units– end of year	**608,635**	456,303

1. 65,867 restricted share units were settled in cash (2016 – 114,812).

The Company recorded an expense of $5,715 and $3,466 for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability in the amount of $3,075 for the 608,635 units outstanding under the RSU Plan ($3,081 for 456,303 units as at December 31, 2016).

D) RESTRICTED SHARE UNIT PLAN – CASH ("RSU CASH")

During the year ended December 31, 2016, the Board approved a RSU cash plan. The purpose of this plan is to provide eligible employees with the opportunity to acquire restricted share units in order to retain key employees and to permit them to participate in the growth and development of the Company and to better align the interests of participants with the long-term interests of shareholders of the Company. All RSU granted under this plan will be payable in cash. The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2017 and 2016.

	2017	2016
Outstanding units – beginning of year	**316,133**	-
Granted	**185,256**	308,768
Reinvestments in lieu of dividends	**21,963**	7,365
Forfeited	**(18,972)**	-
Outstanding units – end of year	**504,380**	316,133

The Company recorded an expense of $1,886 and $549 for these grants during the years ended December 31, 2017 and 2016, respectively. As at December 31, 2017, the Company had a liability totalling $2,435 for the 504,380 units outstanding ($549 for 316,133 units as at December 31, 2016).

E) RESTRICTED SHARE PLAN

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

On October 30, 2015, the Company issued 224,699 restricted shares. In conjunction with the restricted share issuance, the Company issued 224,699 Class A Shares which are held in escrow. During the year ended December 31, 2017, 79,022 Class A Shares (2016 - 76,326) that vested were released from escrow and 431 restricted shares were forfeited and cancelled. In addition, 6,838 (2016 – 7,540) Class A Shares were purchased with the proceeds of the dividends received and credited to the escrow account.

The share-based payment expense is measured based on the fair value of the restricted shares on the grant date and is recognized over the vesting period on a straight-line basis. An expense of $672 and $1,379 was recorded for the years ended December 31, 2017 and 2016, respectively for this grant.

F) PERFORMANCE SHARE UNIT ("PSU") PLAN

PSU plan applicable to business units ("PSU plan applicable to BU")

On April 13, 2017, the Board approved an amended and restated PSU plan applicable to BU. Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value by the value of the performance share unit applicable to the business unit which is determined by the Board at each award date.

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

Vested performance share units are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of performance share units vested and the value of the performance share unit as calculated by the Board on the applicable vesting date.

The Company recorded the following expense relating to PSU plans applicable to BU during the years ended December 31, 2017 and 2016:

	2017	2016
	$	$
Equity-settled grants	**7,493**	6,523
Cash-settled grants	**886**	(15)
Total expense	**8,379**	6,508

During the year ended December 31, 2017, the total award value granted under the Company's PSU plans applicable to BU was $10,752. Certain PSU applicable to BU representing a total value of $5,211 vested. 206,197 Class A Shares were issued during the year ended December 31, 2017 and 322,386 Class A Shares will be issued subsequent to December 31, 2017 as settlement of PSU applicable to BU vested in 2017.

During the year ended December 31, 2016, the total award value granted to eligible employees under the Company's PSU plans applicable to BU was nil. Certain PSU applicable to BU representing a total value $9,441 vested and 730,285 Class A Shares were issued in the beginning of 2017 as settlement of PSU applicable to BU vested in 2016.

During the year ended December 31, 2016, the Company settled certain vested PSU applicable to BU by paying $4,237 in cash in lieu of issuing Class A Shares. The Company treated the transaction as a repurchase of an equity interest and recorded a deduction in the amount of $4,237 in contributed surplus. The settling of these PSUs in cash was due to unique circumstances. The Company's management has the intention to settle the remaining tranches by issuing shares.

PSU plan

On April 13, 2017, the Board approved an amended and restated PSU plan. Performance share units are provided to eligible employees at an award value which is determined by the Board as the original value of the award. The number of performance share units awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date.

The Company recorded the following expense relating to PSU plans during the years ended December 31, 2017 and 2016:

	2017	2016
	$	$
Equity-settled grants	**140**	365
Cash-settled grants	**1,110**	1,789
Total expense	**1,250**	2,154

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2017 and 2016 was $1,200 and $1,333 respectively. Certain PSU representing a total value of $191 vested during the year ended December 31, 2017 and 19,819 Class A Shares will be issued subsequent to December 31, 2017.

During the year ended December 31, 2016, certain PSU representing a total value $1,341 vested and were settled in the beginning of 2017. 73,030 Class A Shares were issued in 2017 relating to PSU vested in 2016 and $476 was paid in cash.

G) STOCK OPTION PLANS IN THE COMPANY'S SUBSIDIARIES

One of the Company's subsidiaries has a stock option plan which is based on the shares of the respective subsidiary entity. This plan is accounted for as a cash-settled plan. During the year ended December 31, 2017, another subsidiary's stock option plan was discontinued. The Company's subsidiaries stock option expense in the statements of consolidated net earnings for the year ended December 31, 2017 was $855 ($91 for the year ended December 31, 2016). The cash settled share-based liability is $2,039 in the statements of financial position as at December 31, 2017 ($1,297 as at December 31, 2016).

20. Post-employment benefit obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2017 amount to $3,258 ($2,851 for the year ended December 31, 2016).

Subsequent to a business combination in September 2010, the Company assumed the role of sponsor of several individual pension plans ("IPPs") which had been established by the Company for former employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies. These IPPs are valued on a triennial reporting cycle. The most recent actuarial valuation was performed as at January 1, 2016 for four plans. The next actuarial valuation date is January 1, 2018 for one plan, June 30, 2018 for one plan and January 1, 2019 for four plans. Each IPP plan will be wound up upon the death of the respective participant or if applicable, their surviving spouse.

21. Expenses by nature

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

	For the years ended December 31,	
	2017	2016
	$	$
Salaries, wages and employee benefits	**275,918**	190,995
Travelling and marketing	**10,999**	9,636
Reference fees	**13,243**	5,637
Rent	**11,915**	9,852
Technical services	**19,674**	13,359
Professional fees	**13,948**	8,767
Insurance, permits and taxes	**3,592**	3,498
Other	**9,165**	6,725
	358,454	248,469

The details of wages and employee benefits are as follows:

	For the years ended December 31,	
	2017	2016
	$	$
Salaries and wages	**233,496**	158,966
Pension costs	**3,258**	2,851
Payroll deductions	**17,266**	11,720
Share-based compensation	**9,820**	9,662
Cash settled share-based compensation	**8,466**	5,361
Other	**3,612**	2,435
	275,918	190,995

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

	For the years ended December 31,	
	2017	2016
	$	$
Salaries and other short-term benefits	18,173	9,720
Share-based payments	4,119	3,516

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

	For the years ended December 31,	
	2017	2016
	$	$
Interest on long-term debt	**15,963**	9,552
Interest on convertible debentures	**118**	-
Interest on derivative financial instruments	**(190)**	1,406
Amortization of deferred financing charges	**635**	401
Other interest	**598**	310
Foreign exchange	**(10,132)**	1,016
Change in fair value of derivative financial instruments	**4,487**	211
	11,479	12,897

23. Additional information relating to consolidated statements of cash flows

	For the years ended December 31,	
	2017	**2016**
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**(15,937)**	(36,118)
Prepaid expenses and other assets	**(3,929)**	552
Accounts payable and accrued liabilities	**25,946**	20,383
Amounts due to related parties	**183**	(201)
Client deposits and deferred revenues	**53**	(1,129)
	6,316	(16,513)

The following are non-cash items: shares issued as settlement for purchase price obligations of $8,500 (2016 – $8,500), conversion of hold back shares of $3,566 (2016 – $2,718), issuance of shares as part of a business combination of $500 (2016 – $98,504), issuance of shares relating to the vesting of RSUs and PSUs of $13,612 (2016 – $1,945), share issuance costs of $783 and issuance costs related to the convertible debentures of $484 included in accounts payable, additions to property and equipment included in accounts payable and accrued liabilities of $256 (2016 – nil), additions to intangible assets included in accounts payable and accrued liabilities and purchase price obligation of $94 and nil, respectively (2016 – $609 and $800, respectively) and $2,747 of puttable financial instrument liabilities were extinguished with an offset to equity.

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between income taxes paid of $13,417 (2016 – $19,306) and income tax expense of $11,356 (2016 – $14,625) for a net impact of $2,061 for the year ended December 31, 2017 (2016 – ($4,681)).

24. Commitments and contingent liabilities

COMMITMENTS

The Company leases office space and equipment under non-cancellable operating leases expiring at different dates until 2035. Future lease payments total $133,056 and include the following payments for each of the next five years as at December 31, 2017, and thereafter:

	$
2018	17,800
2019	16,662
2020	15,300
2021	15,624
2022	12,798
Thereafter	54,872

CONTINGENT LIABILITIES

In the normal course of business, the Company and its subsidiaries may be 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.

25. Capital management

The Company's capital comprises share capital, (deficit) retained earnings, long-term debt and convertible debentures, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt. As at December 31, 2017 and 2016, the Company and one of its subsidiaries have complied with their respective calculations of excess working capital as required by National Instrument 31-103 Registration Requirements and Exemptions which is calculated on a non-consolidated basis. The Company and its subsidiaries complied with their restrictive debt covenants under the various credit facilities.

In order to maintain or adjust its capital structure, the Company may issue shares, proceed to the issuance or repayment of debt or redeem convertible debentures.

26. Related party transactions

In the normal course of business, the Company carries out transactions with related parties which include two related shareholders or with entities under the same common control as these related shareholders.

One of the related shareholders has significant influence over the Company. Under an agreement, this related shareholder is entitled to appoint two of the four directors of the Company that the holders of Class A Shares are entitled to elect, as long as it holds, directly or indirectly, at least 20% of the outstanding Class A Shares and Class B Shares, together, on a non-diluted basis. Following the closing of the Company's bought deal financing comprised of unsecured convertible debentures (Note 16) and of a Class A Share issuance on December 21, 2017, the related party's beneficial ownership is 19.6% of the Company's issued and outstanding shares (21.1 % as at December 31, 2016) and as a result, the related party no longer has the right to designate two appointees to the Company's Board. This related shareholder is the lead arranger to the Company's Credit Facility and is the counterparty to the derivative financial instruments presented as being with a related entity in the table below.

At December 31, 2017, the other related shareholder has significant influence over the Company since it indirectly owns Class B Special Voting Shares representing approximately 8.1% of the Company's issued and outstanding shares (9.0 % as at December 31, 2016) and pursuant to the terms of a shareholders' agreement between this related shareholder and an entity related to the Company, the related shareholder is entitled to appoint two of the eight directors of the Company that the holders of Class B Shares are entitled to elect. In order to maintain the rights described above, the related shareholder is required to maintain a minimum ownership level in the Company and a specified minimum level of assets under management.

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

	2017	2016
	$	$
Base management, performance and other revenues	**51,924**	50,180
Selling, general & administrative expenses		
Reference fees	**1,639**	1,574
Other	**785**	2,147
Interest on long-term debt	**15,859**	11,095
Net loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**4,487**	211
Acquisition costs	**252**	-
Shares issued as settlement of a purchase price obligation	**8,500**	8,500

The 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.

27. Segment reporting

The Company has determined that there is one reportable segment, asset management services in Canada, the United States of America and Europe and other.

GEOGRAPHICAL INFORMATION

	Revenues	Non-current assets
	For the year ended December 31, 2017	As at December 31, 2017
	$	$
Canada	**223,818**	**514,222**
United States of America	**157,818**	**450,032**
Europe and other	**77,460**	**39,546**

	Revenues	Non-current assets
	For the year ended December 31, 2016	As at December 31, 2016
	$	$
Canada	197,840	531,459
United States of America	118,610	422,304
Europe and other	27,694	66,113

Revenues are attributed to countries on the basis of the customer's location. As at December 31, 2017, non-current assets exclude deferred income taxes of $11,665 and financial instruments of $3,553 ($8,094 and $27 respectively as at December 31, 2016).

28. Subsequent events

BUSINESS COMBINATIONS

Clearwater Capital Partners LLC

On March 1, 2018, the Company announced that it has reached an agreement to acquire Clearwater Capital Partners LLC, an Asia focused credit and special situations investment firm headquartered in Hong Kong. The transaction is subject to a number of conditions, including shareholder and regulatory approvals. The transaction is expected to be completed once the closing conditions have been satisfied.

The aggregate consideration payable at closing will be US$21,000, subject to various adjustments including US$12,000 in cash and US$9,000 in newly issued Class A subordinate voting shares. Additional contingent payments of up to US$44,000 will be payable over five years if certain performance conditions are achieved.

CGOV Asset Management

On March 22, 2018, the Company's Board approved the transaction to acquire CGOV Asset Management, an Ontario-based investment management firm focused on high net worth and institutional investors. The transaction is subject to a number of conditions, including shareholder and regulatory approvals. The transaction is expected to be completed after the closing conditions have been satisfied.

The aggregate consideration payable at closing will be $114,200 including 42% or $48,200 in cash and 58% or $66,000 in new issued Class A subordinate voting shares. The Class A subordinate shares will be placed in escrow and will vest over a five-year period subject to certain conditions.

DIVIDENDS DECLARED

On March 22, 2018, the Board declared a quarterly dividend of $0.19 per share to shareholders of record as at April 4, 2018 which is payable on May 2, 2018.

CORPORATE INFORMATION

Executive Officers

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

Vincent Duhamel
Global President and
Chief Operating Officer

John Valentini
Executive Vice President, Global Chief
Financial Officer and President of the
Private Alternative Investments Division

François Bourdon
Global Chief Investment Officer

Jean-Philippe Lemay
President and Chief Operating Officer,
Canadian Division

Benjamin S. Thompson
President and Chief Executive Officer,
U.S. Division

Violaine Des Roches
Senior Vice President, Chief Legal
and Chief Compliance Officer and
Corporate Secretary

Martin Dufresne
Executive Vice President and
Head of Institutional Markets

Nicolas Papageorgiou
Chief Investment Officer,
Canadian Division

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Transfer Agent and Registrar for Fiera Capital Class A Subordinate voting shares

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100 University Avenue, 8th Floor
Toronto, Ontario, Canada M5J 2Y1
T 1 800 564-6253
(toll free Canada and United States)
T 514 982-7555
(international direct dial)
computershare.com

Transfer Agent and Registrar for Fiera Capital Debentures and Indenture Trustee

Computershare Trust
Company of Canada
1500 Robert-Bourassa Blvd., Suite 700
Montreal, Quebec, Canada H3A 3S8
T 514 982-7888

Auditor

Deloitte LLP

Stock Exchange Listing

- Fiera Capital's Class-A subordinate voting shares are listed on the TSX under the symbol FSZ
- Fiera Capital's 5.00% convertible unsecured subordinated debentures due June 30, 2023, are listed on the TSX under the symbol FSZDB

Annual and Special Meeting

Hotel Omni Mont-Royal
1050 Sherbrooke Street West
Montreal, Quebec, Canada H3A 2R6

Thursday, June 7, 2018, 9:30 a.m.

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