2018 ANNUAL REPORT

Creating a World of Opportunities

From Values to Value

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Creating a World of Opportunities

From Values to Value

At Fiera Capital, we believe that values and value creation go hand in hand. As we strive to position our firm as a top-tier, multi-strategy global asset manager, passionate about creating sustainable wealth for clients, we endeavour to remain true to the values that have characterized us from the very beginning: integrity, ambition, collaboration, innovation and excellence.

Those underlying values, along with our embrace of what we like to call "the power of thinking," are what sets Fiera Capital apart, empowering our world-class teams to devise novel investment solutions that are in tune with market trends and tailored to add value for clients and shareholders. In short, value creation remains very much a driver of our growing global reach and reputation.

With an expanding network of offices across Canada, the United States, Europe and Asia, we are well positioned to offer our customized multi-asset solutions, exceptional level of engagement and trademark entrepreneurial culture to any client, anywhere, creating a world of opportunities for investors.

“Our team’s strategy is built on capital preservation for our investors, and 2018 was one of those years where that premise was tested by one of the steeper market declines we have seen in the past 10 years. Yet, we were able to conserve or even add value for our clients, which is a testament to the soundness of our investment philosophy and disciplined approach. Looking back at our track record, the team has managed to generate added value in both up and down markets, without taking undue risks.”

FROM LEFT **Andrew Chan** Vice President and Portfolio Manager, Global Equities, **Nadim Rizk** Senior Vice President and Lead Portfolio Manager, Global Equities, **Thomas Horvath** Assistant Vice President and Lead Analyst, Global Equities, **Laura Cohen** Portfolio Specialist, Global Equities

Fiera Capital is a global independent asset management firm with approximately C$136.7 billion in assets under management ("AUM") as at December 31, 2018 delivering customized multi-asset solutions across traditional and alternative asset classes to institutional, retail and private wealth clients across North America, Europe and key markets in Asia. Fiera Capital strives to be at the forefront of investment-management science and is passionate about creating sustainable wealth for clients. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Values

Integrity

Ambition

Collaboration

Innovation

Excellence

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.

Fiera Capital has offices in

Toronto
Calgary
Vancouver
New York
Boston
Los Angeles
Dayton
London
Frankfurt
Hong Kong
Singapore

Headquartered in
Montreal

750+
Employees

175+
Investment professionals

World-Class Teams

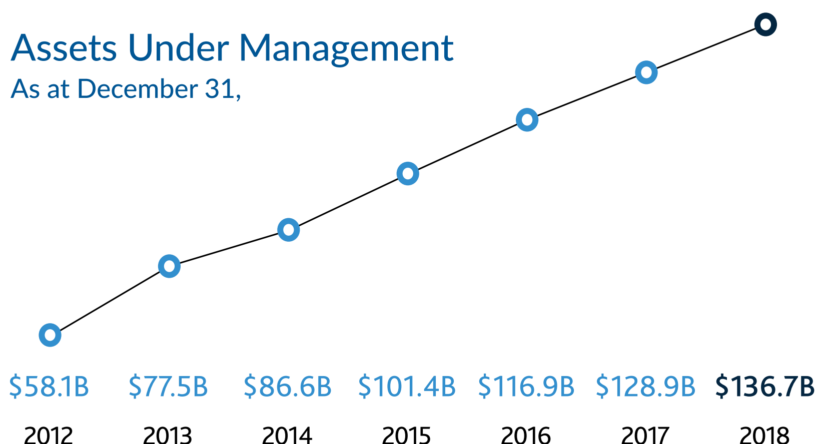
Commensurate with its growing global reputation, Fiera Capital continues to extend its reach, fielding new teams and forging new relationships in established and emerging investment markets worldwide.

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 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.

2018 Financial Highlights

Assets Under Management

As at December 31,

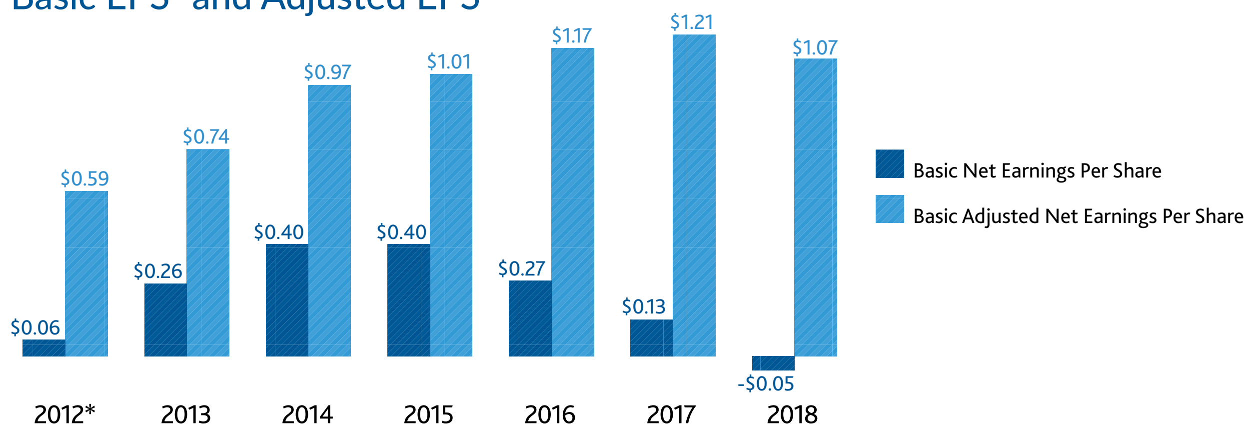


$136.7B

IN ASSETS ENTRUSTED TO FIERA CAPITAL ON BEHALF OF CLIENTS

	$136.7B	$128.9B
	As at December 31, 2018	As at December 31, 2017
Revenues	**$540.3M**	$459.1M
EBITDA[1]	**$69.2M**	$71.3M
Adjusted EBITDA[1]	**$137.5M**	$116.8M
Net Earnings[2]	**($5.0M)**	$10.7M
Adjusted Net Earnings[2]	**$101.2M**	$99.3M
	For the 12 months ended December 31, 2018	For the 12 months ended December 31, 2017

Basic EPS[2] and Adjusted EPS



6%

YEAR-OVER-YEAR AUM INCREASE

18%

INCREASE IN ADJUSTED EBITDA[1]

18%

INCREASE IN TOTAL REVENUES

$9.3B

IN NEW MANDATES WON

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

2 Attributable to the Company's shareholders.

*15 months in Fiscal 2012 due to fiscal year-end change.

True to Our Core Values

As the theme of this report – *Creating a World of Opportunities... From Values to Value* – rightly suggests, 2018 saw Fiera Capital continue to extend its global reputation and reach, crafting a world of new opportunities for investors in Europe, Asia and, of course, right here in North America. We are succeeding in this quest, creating value for our clients and shareholders, essentially by leveraging the core values that have defined our firm since it was founded 15 years ago: integrity, ambition, collaboration, innovation and investment excellence.

Those core values are at the heart of everything we do and are rooted in our 2022 Strategic Plan. Unveiled last October, this road map was designed to help us realize some ambitious goals we have set for ourselves, including that of becoming one of the top 100 asset managers in the world.

Positive Financial Results

First, I would like to take a look back at 2018. 2018 was a challenging year for investment managers, particularly with a fourth quarter characterized by market fluctuation affecting nearly all sectors. Despite this headwind, we are proud that most of our fund managers were able to outperform their benchmarks in 2018, limiting the negative impact of the market depreciation on our total AUM. In addition, the fact that over two thirds of our assets are invested in fixed income and alternative strategies helped mitigate some of this impact, a testament to the benefits of our diversified portfolio.

Even with the high volatility that marked the fourth quarter of 2018, the majority of our fixed income strategies generated positive results on a relative basis in 2018, driven by strategic credit allocation and effective duration management.

Our ability to adapt our offering to market dynamics and more effectively meet the needs of our clients also contributed to our success, with the Active and Strategic Fixed Income team, who joined us in Canada in 2018, capping off a very strong first year.

Taking a long-term view, our strategies also delivered excellent performance over the past five-year period, with most of them outperforming their relative benchmarks.

Balanced mandates performed exceptionally well, with a large majority exceeding their relative benchmarks during the year and generating high-single digit returns over the past five-year period.

Overall, 2018 was another good year for most equity strategies, as fund managers maintained their focus on quality. Given the market environment, our teams were able to demonstrate the resilience of our defensive solutions. Our strategies generally outperformed their respective benchmarks, with many of them also ranking in the top quartile. Our teams drove outperformance through optimal stock selection and favourable weighting in selected sectors.

It was nonetheless a challenging year for hedge funds throughout the industry, as many were caught off guard by a reversal in fortune during the fourth quarter. Performance, however, remains solid over the past five years.

Finally, Fiera Capital's Private Alternatives funds generated strong returns in 2018. These strategies are gaining traction because they offer attractive returns

with a lower degree of volatility and a low correlation to traditional asset classes. To build on this momentum, we continue to develop solutions to respond to growing investor demand for alternative investment strategies that generate a steady stream of returns through investments in real estate, infrastructure, private lending and agriculture. The strategies we are adding through acquisitions are also contributing positively to our performance in this asset class.

2022 Strategic Plan

We have always had a strong sense of purpose and strategic direction at Fiera Capital – embracing an entrepreneurial culture, encouraging innovation and harnessing what we call "the power of thinking" to devise innovative investment solutions and establish our firm from the outset as a leader in private alternative solutions.

Fast forward some 15 years, and it became clear that given the firm's continued rapid growth and evolution from a Canadian boutique to an emerging North American and global player, we required a more comprehensive game plan. Hence, from late 2017 through the first half of 2018, we engaged in an ambitious strategic-planning exercise designed to help us determine the best path forward for the next five years and ensure Fiera Capital's continued profitable growth. While this sort of exercise tends to be dominated by outside advisers and consultants, I am proud that the comprehensive plan we have adopted and begun to implement was developed almost entirely in house. The response to our call to action was, in fact, nothing short of remarkable. We then brought together our Board of Directors to share our plan with them and listen to their views and input. Credit is due in large measure to our Global President and Chief Operating Officer, Vincent Duhamel, and Strategic Advisor Monique F. Leroux, who helmed the planning exercise with an able assist from John Valentini, our then Global Chief Financial Officer and now President and Chief Executive Officer, Fiera Private Alternative Investments.

Our 2022 Strategic Plan is based on four pillars, all of which support continued profitable growth and the advancement of the firm's global client-service capabilities. These pillars are: people, processes, performance, and partners.

Continued Expansion

We continued to expand our global footprint in 2018, through organic growth generated by some of our initial offshore ventures and new acquisitions. These included Hong Kong-based Clearwater Capital Partners, a well-established and highly regarded Asia-focused credit and special situations firm that brings Asian growth to Fiera Capital in a major way, and CGOV Asset Management, a prominent Ontario-based firm focused on high-net-worth and institutional investors, which not only provides us with additional investment strategies, but also enhances our distribution capabilities in the wealth management space in Canada.

Embracing Diversity

We recognize that our human capital will continue to be the primary engine of Fiera Capital's growth. Accordingly, we are committed to better engaging with our employees and attracting a more diverse pool of talent, not only in terms of gender but also ethnicity, culture, religion, education and experience. Simply put, we want our Fiera Capital teams to be as richly diverse as the broad spectrum of new global clients we are attracting these days.

With that in mind, December saw the launch of our Global Respect and Inclusion Policy, which promotes a culture of inclusivity and diversity that will help our firm attract top talent, drive innovation and creativity, and give us a competitive edge as we pursue our goal of positioning the firm in the top tier of global asset managers.

We will continue to move forward on our path to growth, remaining true to our values, and fostering the entrepreneurial culture that has defined the firm since its inception.

Advancing our Responsible Investing and CSR Agenda

Diversity is just one element of Fiera Capital's broad Responsible Investing and Corporate Social Responsibility (CSR) agenda, which we continued to drive forward throughout 2018. Significant 2018 milestones on the firm's responsible investment journey also included the creation of a new Global CSR Committee, which enhances our ability to focus on CSR-related strategic initiatives across the organization, involving all investment teams. We also adopted a new Global Proxy Investment Policy, approved by the Board in March 2019, another key tool for the integration of ESG risk factors into our investment processes. We take pride in the fact that Fiera Capital was an early signatory to the United Nations Principles for Responsible Investment (UN PRI), so I am pleased to note that our firm significantly improved its UN PRI assessment scores across the board in 2018, earning the organization an A+ grade.

Strategic Priorities

Fiera Capital's clients and shareholders can expect to see continued growth and diversification of our offering in the private alternatives space, which we will achieve either by adding depth to existing strategies or expanding our line-up of strategies with alternative credit, or a combination of both. Meanwhile, our development in the United States is likely to accelerate, following the recent establishment by our U.S. Division of a consolidated platform to which assets can be added. Lastly, enhancing the firm's distribution capabilities will remain a priority, reflecting the reality of our increasingly diverse and more global clientele.

Acknowledgements

I wish to express my gratitude to my fellow Board members for their counsel in 2018, during which they provided valuable insight and input for our 2022 Strategic Plan. I would also like to take this opportunity to formally welcome two new Board members, Geoff Beattie and Gary Collins. Mr. Beattie, who served as Chief Executive Officer of The Woodbridge Company Limited and Deputy Chairman of Thomson Reuters from 1998 to 2013, is currently Chairman and CEO of Generation Capital and Chairman of Relay Ventures. Mr. Collins is a senior advisor at Lazard Ltd., a leading global investment bank, and sits on a number of corporate boards, including those of Chorus Aviation Inc., D-Box Technologies Inc. and Rogers Sugar Ltd. I am confident that the extensive know-how and experience they bring to the boardroom table will prove very beneficial to Fiera Capital. Additionally, I want to thank two individuals who have left our Board, Brian Davis and Arthur Scace, for their many years of service and contributions to the firm's success.

In conclusion, I wish to thank all the members of the Global Leadership team for their collective energy and expertise. Thanks as well to our loyal, hard-working employees, including the recent new members of our fast-growing family from Clearwater Capital, CGOV and Palmer Capital. Without your efforts, none of our 2018 accomplishments would have been possible.

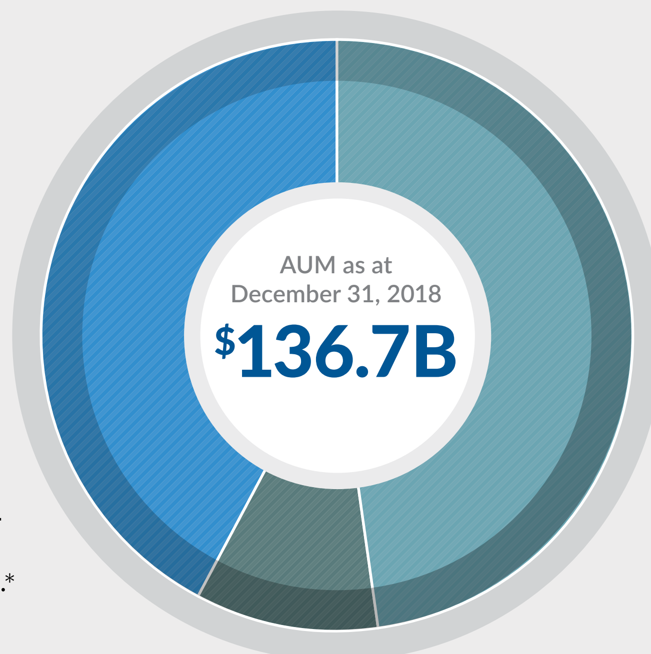
Jean-Guy Desjardins
Chairman of the Board and Chief Executive Officer

> The combination of Fiera Capital and Clearwater Capital Partners makes for a great partnership, bringing Asian-focused credit and direct-lending solutions to Fiera Capital, while enabling our Clearwater Capital team to deliver some rather compelling new alternatives opportunities to clients worldwide. Moreover, the two companies are an excellent fit culture-wise, sharing the same values, including integrity and a demonstrated commitment to responsible investing.

FROM LEFT **John Valentini** President and Chief Executive Officer, Fiera Private Alternative Investments, **Rob Petty** Co-Founder Clearwater Capital Partners / Co-CEO and Co-CIO Fiera Capital, Asian Division **Amit Gupta** Co-Founder Clearwater Capital Partners / Co-CEO and Co-CIO Fiera Capital, Asian Division

A Wide-Ranging, Performing Solutions Toolkit

Fiera Capital prides itself on our focus on performance, innovation and clients. Our investment approach rests on three pillars: delivering alpha, being a leader in and providing access to alternative investment strategies, and offering customized solutions to our clients to meet their specific needs.



Alpha Strategies

42%

Equity

Over the 5-year period from January 1, 2014 to December 31, 2018, 89% of our equity strategies beat their respective benchmarks.*

Top performing equity strategies over the past 5 years:

- Magna Middle East and North Africa
- Apex – U.S. Mid Cap Strategy
- International Equity Ethical ESG
- All Country World Equity
- International Equity

10%

Alternatives and other

The performance of our alternative investment strategies is assessed on an absolute return basis.

48%

Fixed income

Over the 5-year period from January 1, 2014 to December 31, 2018, 91% of our fixed income strategies beat their respective benchmarks.*

Top performing fixed income strategies over the past 5 years:

- Preferred Shares Relative Value
- Infrastructure Bonds
- Integrated Fixed Income Universe
- Canadian Integrated Fixed Income Short-Term Bond
- Integrated Fixed Income Credit

*Based on asset-weighted returns

Access Strategies

We added $1.3 billion in new AUM to our Private Alternative investment strategies in 2018, bringing total AUM to $8.4B as at December 31. We won new mandates across this investment category as investors are increasingly seeking out this asset class's stable and recurring cash flows and the unique level portfolio diversification it brings.

$2.4B
Real estate strategies

$2.2B
Asia-credit strategies

$1.1B
Private lending strategies

$0.3B
Agriculture strategies

$0.1B
Private equity strategies

$2.4B
Infrastructure strategies

Differences due to rounding.

Solutions Strategies

Fiera Capital seeks to remain in tune with our clients, understanding their challenges, objectives and risk profiles in order to design and build the best solutions for their needs. To that effect, we offer our clients three main categories of solutions strategies:

1 Asset allocation

- Multi-asset class solutions
- Tactical asset allocation

2 Risk management

- Currency exposure
- Volatility
- Liability-driven
- Asset-liability

3 ESG

- Customized ESG solutions

Expanding Our Reputation and Reach

In the final months of 2018, trade tensions, geopolitical uncertainty and slowing global growth contributed to a tumultuous economy and market environment. Despite the high degree of volatility, our firm turned in another strong overall performance in 2018, as investors looked to Fiera Capital as a provider of innovative solutions designed to help preserve their capital and deliver sustainable value – thereby underscoring the resiliency of our business model.

Meanwhile, we continued to grow the business, further extending our international reputation and reach through acquisitions in North America, Europe and Asia, while rolling out a new five-year strategic plan designed to help us establish Fiera Capital as a bonafide, top-tier global asset manager.

A Comprehensive Roadmap

The 2022 Strategic Plan was officially launched in September 2018 with the full support of our Board of Directors. Developed internally by a multi-disciplinary team, it provides a roadmap for achieving our goal of becoming one of the top 100 asset managers in the world. The plan is based on four pillars that will support continued profitable growth and the advancement of the firm's global client-service capabilities: people, processes, performance, and partners.

One of the major initiatives set out in the strategic plan entails augmenting and leveraging our global structure. To that end, work has already begun in the Canadian Division to bring together the technology and operations groups into a streamlined Business-Solutions team, which will deploy advanced data and analytics capabilities to help drive improved performance, higher margins and accelerated growth of AUM – not to mention an enhanced client-service experience. This is a multi-year, multi-phase initiative, which will not only provide the impetus for transformation of our Canadian operations but also serve as a blueprint for the evolution of a scalable global platform capable of supporting all Fiera Capital operations worldwide.

Our success over the past several years in fusing together several different legacy platforms in the U.S. Division and consolidating the custodial business for our Canadian funds demonstrates our ability to deliver on these complex step-change initiatives.

It's About Talent

Talent has always driven our performance, which is why people are a core pillar of the Strategic Plan. It's about attracting and retaining top-calibre people who share the values that have defined our firm from the beginning – integrity, ambition, collaboration, innovation and excellence – and who have a track record for generating alpha and creating added value for clients and shareholders.

Talent has always driven our performance, which is why people are a core pillar of the strategic plan.

Accordingly, I was delighted to welcome a number of key additions to our Global Management team during 2018. Lucas Pontillo was appointed Executive Vice President and Global Chief Financial Officer, which enabled former Chief Financial Officer, John Valentini to focus exclusively on his role as President and Chief Executive Officer of our rapidly expanding Fiera Private Alternative Investments. Elsewhere, Kanesh Lakhani was named President and Chief Executive Officer of our London-based European Division. Richard Nino was named Executive Vice President, Global Head of Distribution and Chairman, European Division, a role that includes oversight and coordination, globally. As well, Daniel Richard, formerly Senior Vice President, Corporate Communications and Investor Relations, has taken on additional responsibilities as Senior Vice President, Global Human Resources and Corporate Communications and Chief Human Resources Officer.

In the same vein, we took another big step forward with the roll-out of our comprehensive Global Respect and Inclusion Policy. More about this initiative is included later in this report.

While I am on the topic of exceptional talent, it would be remiss of me not to also salute two colleagues: our Chairman and Chief Executive Officer, Jean-Guy Desjardins, and Strategic Advisor, Monique F. Leroux, both of whom were inducted into the IIAC Investment Industry Hall of Fame in June 2018, in recognition of their outstanding talent, integrity, leadership and contributions to the Canadian investment industry. I am sure I speak for our entire Fiera Capital team in congratulationing them on these well-deserved honours.

Strategic Acquisitions

Our commitment to continue growing and diversifying Fiera Capital's industry-leading suite of solutions was underscored by two strategic acquisitions completed, and a third announced, during 2018.

CGOV Asset Management
Canada, Private Wealth

In May 2018 we invested to expand Fiera Capital's presence in the Canadian wealth-management space with the acquisition of CGOV Asset Management, a prominent Ontario-based firm focused on high-net-worth and institutional investors.

Clearwater Capital Partners
Asia, Private Alternatives

In August, we acquired Clearwater Capital Partners, a leading Asia focused-credit and special-situations investment firm. This transaction provided a rare opportunity to gain entry to the Asian credit space, which represents an estimated US$50 trillion of investment opportunities. Headquartered in Hong Kong with offices and teams in major centres across the Asia-Pacific, Clearwater Capital Partners will offer clients in North America and Europe access to Asian credit strategies, while giving us a platform to support future expansion across this fast-growing region.

Palmer Capital Partners
United Kingdom, Private Alternatives

In December, we announced an agreement to further expand our presence in Europe by acquiring Palmer Capital Partners Limited, a leading U.K.-focused real estate investment manager based in London, with over £800 million in AUM. This acquisition, which closed in early 2019, was made through Fiera Properties, Fiera Capital's dedicated real estate investment platform, is a perfect fit as we look to further grow our footprint outside of Canada.

Fiera Capital has long positioned itself as a leader in the private alternative investments space. These most recent acquisitions mean clients have an even broader array of opportunities to diversify their portfolios through strategies that include real estate, infrastructure, private lending, private credit, agriculture and private equity, sectors that previously offered only limited access to investors. Of course, the broader offering also provides added opportunities for cross-selling and collaboration between our various distribution teams.

Combined, the CGOV Asset Management and Clearwater Capital Partners transactions contributed approximately $6.9 billion to Fiera Capital's AUM in 2018, helping us grow our total AUM to $136.7 billion at the end of a very volatile 2018. The proportion of alternative assets relative to our total AUM continues to grow, representing $10.6 billion, or 8%, at the end of 2018.

Fiera Infrastructure
Spain and the United Kingdom

Following the opening of an office in London, Fiera Infrastructure bolstered its European holdings, purchasing a 100% equity interest in IslaLink, a Spain-based independent telecom fibre-infrastructure platform, and partnering with four investors in a consortium that acquired Cory Riverside Energy, one of the U.K.'s leading resource-management, recycling, and energy-recovery companies.

> “We delivered on a key undertaking in 2018: the successful consolidation of the custodial business for all of Fiera Capital's Canadian funds with a single partner. This represents a milestone achievement that is already having a positive impact. Our focus is threefold: providing exemplary service to our clients, equipping our employees with the right tools, and understanding that these two elements are essential to delivering value to our shareholders.”

FROM LEFT **Sebastian Blandizzi** Global Chief Technology and Operations Officer, **Jean-Philippe Lemay** President and Chief Operating Officer, Canadian Division

Realignment of Retail Investment Strategies

Another noteworthy strategic initiative in 2018 involved the announcement, in October, sale of nine of Fiera Capital's retail mutual funds to Canoe Financial LP, with us maintaining a sub-advisory role in four of those funds. Divesting these noncore assets enables us to focus more tightly on what we excel at, namely institutional markets and private wealth. Moreover, Fiera Capital's subadvisory relationships, which totaled close to $35 billion in AUM at the time of divestiture, in February 2019, will be further enhanced by the new partnership with Canoe Financial.

Environmental, social and governance considerations are integrated not only into our investment processes, but also how we do business in general.

Renewal of Agreement with National Bank of Canada

We also welcomed the renewal in August 2018 of our AUM agreement with National Bank of Canada and Natcan Investment Management. Fiera Capital is pleased to reaffirm its long-standing relationship with National Bank of Canada, for whom we manage a number of strategies, and we are proud that over the years we have continued to exceed performance conditions related to the AUM agreement.

Responsible Investing and Corporate Social Responsibility

In the spring of 2018, we reached another milestone with the launch of our new Corporate Social Responsibility (CSR) page on Fiera Capital's corporate website. This initiative underscored the firm's commitment to ensuring that environmental, social and governance considerations are integrated not only into our investment processes, but also how we do business in general. We appreciate that our clients want to do business with firms that demonstrate a concern for sustainability and heightened stewardship of their assets. We are also proud to be a trusted partner in creating sustainable wealth from which our clients, shareholders, employees and other stakeholders all stand to benefit.

Global Leadership Team

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

Vincent Duhamel
Global President and Chief Operating Officer

Lucas Pontillo
Executive Vice President and Global Chief Financial Officer

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

François Bourdon
Global Chief Investment Officer

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

John Valentini
President and Chief Executive Officer, Fiera Private Alternative Investments

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

David Sadkin
President,
Bel Air Investment Advisors LLC

Kanesh Lakhani
President and Chief Executive Officer, European Division

Richard Nino
Executive Vice President, Global Head of Distribution and Chairman, European Division

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

Daniel Richard
Senior Vice President, Global Human Resources and Corporate Communications and Chief Human Resources Officer

Peter Stock
Executive Vice President, Strategic Development

> Collaboration is a shared value that is increasingly coming into play as Fiera Capital grows and evolves. This more collaborative approach enables our clients to experience the strength and breadth of our organization and its myriad capabilities. What's more, they benefit from unique, best-in-class, cross-border investment solutions currently being developed as a joint effort by our global teams.

FROM LEFT **Ted Ecclestone** Executive Vice President and Head of Private Wealth , Canadian Division, **Nelly C. Xavier** Senior Vice President, Head of Advisors and Family Offices, **Rodrigue Lussier** Vice President, Investment Counsellor, Canadian Division, **Élyse Léger** Vice President, Investment Counsellor, Canadian Division

New Global Headquarters

As 2019 unfolds, we are looking forward to moving our global head office and the headquarters of our Canadian Division into the *Tour Fiera Capital*, situated just up the street from our current offices in downtown Montreal. While reaffirming our commitment to Fiera Capital's home town, the new headquarters will serve as the nerve centre for the scalable and highly efficient organizational platform we are putting in place to support the firm's continued growth. The move is scheduled for the middle of the year.

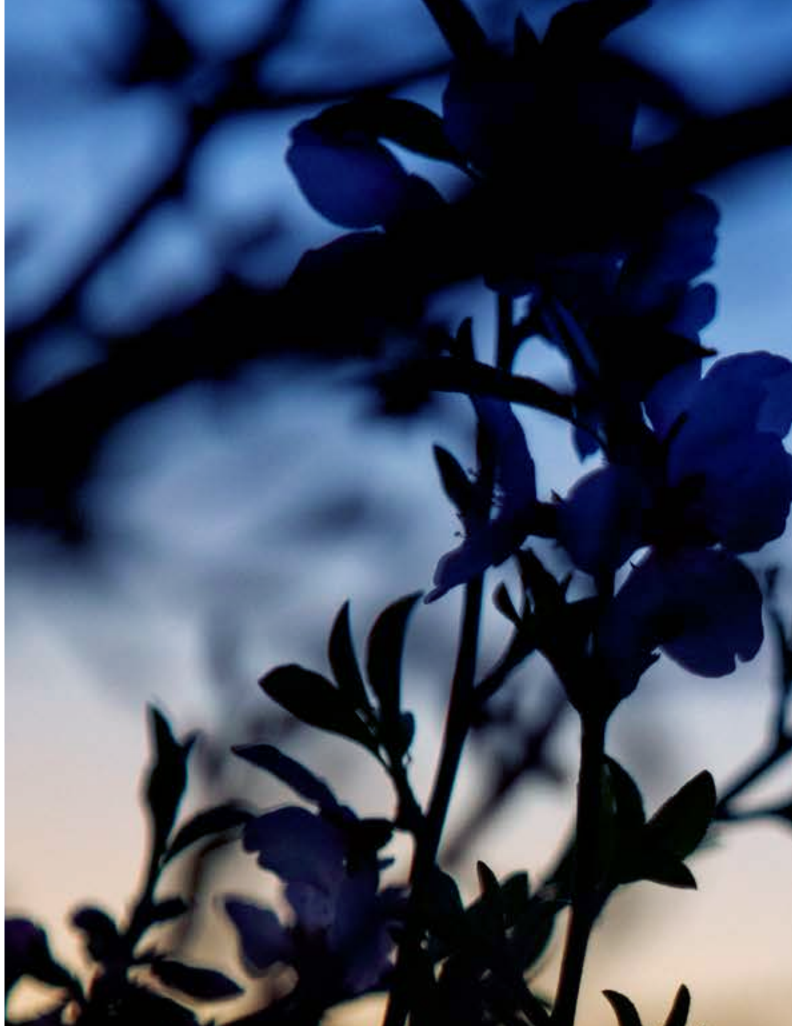
Acknowledgements

Before concluding, I would like to take this opportunity to formally thank my colleagues on the Global Leadership team and employees throughout the organization for their hard work and commitment throughout a very eventful year.

As we progress with the implementation of the Strategic Plan, we will be counting on all our teams to maintain their unwavering focus on value creation and help us profitably grow Fiera Capital into one of the world's top 100 asset managers.

I am confident that, together, we can make good on these commitments and meet or exceed the expectations of our clients and shareholders.

Vincent Duhamel
Global President and Chief Operating Officer



“Using a dynamic strategy focused on investing in opportunities across a wide range of industries and partners in North America and Europe, Fiera Comox offers a complete private equity solution for institutional and high-net-worth investors. What's more, the open-ended Comox Private Equity Fund has the added advantage of providing more liquidity than is the norm in this asset class.”

“In 2018 we forged four partnerships in three countries across four different agricultural sectors. Our investments included a maple syrup business in Vermont, an almond business in California, a dairy business in New Zealand and a cotton and grains business in Australia. Each of them are among the largest and most sophisticated operations in their respective sectors.”

FROM LEFT **Patrick Lynch** Partner, Fiera Comox (Private Equity), **Antoine Bisson-McLernon** Partner and Chief Executive Officer, Fiera Comox, **Matthew Corbett** Partner, Fiera Comox (Agriculture)

2022 Strategic Plan

Enhancing Global Client-Service Capabilities and Driving Profitable Growth

August 17, 2018 could well be regarded as a defining moment for Fiera Capital. This was the day when the Board of Directors gave its stamp of approval to the 2022 Strategic Plan, which provides a roadmap to help drive the firm forward in its transition from a prominent Canadian asset manager, currently ranked among the top 150 global asset managers, into the ranks of the world's top 100 asset managers.

The objective of the new five-year plan, a rigorous internal exercise conducted over twelve months through a collaborative effort on behalf of all our employees, is to establish Fiera Capital as a top-tier, global, multi-strategy asset manager with top-quartile embedded strategies, recognized for its talented people and for providing the best solutions to its clients around the world. The firm began to execute the 2022 Strategic Plan in September 2018.

The Strategic Plan is based on four pillars that will support the firm's continued profitable growth and the advancement of its global client-service capabilities. These pillars are **People**, **Processes**, **Performance** and **Partners**. The 2022 Strategic Plan Steering Committee, responsible for overseeing implementation of the plan and the risks associated with its execution, was co-led by Global President and Chief Operating Officer Vincent Duhamel and Strategic Advisor Monique F. Leroux.

People

Fiera Capital recognizes that its people will continue to be the main engine of its growth. To this end, the firm is committed to improving employee engagement as it continues to grow.

PRIORITIES

– Increasing employee engagement

– Investing in its talent

– Leveraging the power of effective collaboration

Processes

The firm is committed to enhancing operations and customer-service capabilities in order to remain powerfully relevant and continue delivering an unparalleled level of service and expertise to its clients

PRIORITIES

– Standardizing, automating and digitizing our processes

– Implementing a global, scalable and flexible technology architecture

– Improving the integration of acquisitions

– Continuing to innovate with respect to collaboration and operations

> To be successful as a global firm, it's imperative that we have an environment that fosters integrity, ambition, collaboration, innovation and excellence, and that can channel the talent that comes with a diverse group of highly skilled professionals. The 2022 Strategic Plan process is a shining example. We united the intelligence, team spirit and commitment of everyone around a common goal, that of working towards the future, together.

Monique Leroux
Strategic Advisor and member of the Strategic Development Committee

> We want to be recognized as the go-to firm in Canada and aim to be among the top 100 asset managers in the world in terms of the value of assets under management. This ranking in itself is not important: what really matters is the overall positioning of the firm and increased resources, reinforcing our ability to attract the best people and provide the best value-added solutions for our clients globally.

Vincent Duhamel
Global President and Chief Operating Officer

Performance

The firm aims to accelerate growth by adapting and broadening our offering and distribution capabilities to more effectively reach global clients and international markets.

PRIORITIES

- Achieving synergies and cost efficiency across divisions
- Advancing global product lifecycle development and optimization
- Driving growth in private alternative investments
- Continuing to secure targeted, disciplined acquisitions and strategic partnerships

Partners

The firm aims to be the investment firm of choice for existing and potential clients and partners. We will work closely with our teams around the world to implement a global brand strategy and best practices across teams – an initiative that includes refining the digital client experience. The firm has established specific retention-rate targets to measure the effectiveness of this vital pillar.

PRIORITIES

- Responding to the increasing demand for multi-asset solutions and alternative investments
- Improving the client experience
- Leveraging institutional strengths across channels

Working Towards the Future: Executing our Plan

We are in the early stages of executing the 2022 Strategic Plan and the first initiatives are well underway, each with a specific focus and purpose in the overall mission. These initiatives, whether large or small, will have an impact on our processes, practices and corporate culture. This is a turning point that will help properly position Fiera Capital in the coming years.

1 Distribution Program
Responding to the Needs of Multinational Clients

The main objective of the Distribution Program is to determine how to leverage the expertise acquired by Fiera Capital across all of its distribution channels, in order to improve our client service and business development activities.

As part of its analysis, the team driving the Distribution Program recognized the need to put in place a clear governance structure and a strong management team to lead company-wide distribution. Much work has been done, particularly to increase collaboration within the company, in order to better serve clients and consultants around the world, such as major international financial institutions. The team is focusing on ensuring that our people at the local level coordinate their efforts to better understand the needs of these clients and maximize the benefits of the relationship of trust that we have built with them.

A Hackathon *– derived by combining the words "hack" and "marathon" – traditionally involves an event where developers gather to do collaborative computer programming over a period of a few days.*

True to the original concept, hackathons hosted by Fiera Capital will bring together employees with a technological background and colleagues from other departments in an effort to reinvent some of our processes.

2 Global Product Program
Focusing on Profitable Strategies

The Global Product Program aims to ensure the dynamism and longevity of Fiera Capital's investment platform. It focuses on generating ideas, evaluating products and launching them in different markets.

Before beginning their work, the group leading the Global Product Program analyzed the current state of product development across the firm. They identified several areas for improvement, such as analyzing the current demand for various strategies around the world. The group was also reorganized to promote a diversity of perspectives and ideas, as well as more closely monitor the evolution of strategies within each division. This approach is aimed at ensuring we devote the proper resources to profitable strategies, while eliminating unprofitable strategies that have limited opportunity.

3 Innovation Program
Improving our Processes

The mandate of the Innovation Program is to promote a culture of innovation among clients, employees and shareholders.

On January 23 and 24, 2019, the very first edition of the Fiera Capital Hackathon was held at our head office in Montreal. This event's inaugural edition brought together seven hackathoners who shared their experience, knowledge and creativity to overcome a major challenge. They were tasked with finding a solution to a very specific, complex issue that could then be implemented internally to improve our processes. The hackathon was a great success, with the team accomplishing their mission and achieving their objectives.

4 People Program
Fostering Diversity Across the Firm

The People Program's mandate is to promote Fiera Capital's values and foster employee engagement.

In December of 2018, we launched our new Global Respect and Inclusion Policy, which aims to promote an inclusive and diverse culture that will drive innovation as we pursue our goal of positioning Fiera Capital among the top 100 asset managers in the world.

The policy reflects Fiera Capital's commitment to creating a work environment where employees embrace diversity and original thinking while treating one another with respect. To be effective, even the most carefully crafted policies rely on the efforts of the people responsible for implementing and supporting them. With this in mind, leadership teams throughout our organization are fully committed to this policy and determined to make Fiera Capital an industry leader with respect to diversity. To read the policy, visit the *Corporate Responsibility* section of our website.

The roadmap for our future: A clear goal supported by solid pillars, key objectives and core values.

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.

People

Improve employee engagement score to > 80%. Investing in our people and leveraging the power of effective teamwork.

Processes

Leverage global skills and scalability of client servicing and operations to achieve effectiveness comparable to peers.

Performance

Improve adjusted EBITDA margin[1].

Be a top-tier global multi-strategy asset manager with first quartile embedded strategies.

Partners

Be the "go to" investment firm of choice.

Key Performance and Financial Objectives

80%

Aim for more than 80% engagement.

Top 100 asset managers in the world.

Operating margin comparable to best-in-class global multi-asset managers.

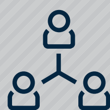
Payout ratio in line with disciplined management.

Client retention rate > 95%.

Values

Integrity

Ambition



Collaboration

Innovation

Excellence

Mission

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

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

Responsible Investing

A Conscientious Steward of Capital

Fiera Capital has been a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI) since 2009. As a conscientious steward of capital with a growing global reputation and reach, Fiera Capital continues to thrive in its approach to responsible investment. At a minimum, this entails thoroughly integrating the assessment of material environmental, social and governance (ESG) risk factors into how we manage assets on behalf of our clients.

Interest in responsible investment practices and sustainable development has been steadily growing, driven in large part by asset managers like Fiera Capital. The growing number of UN PRI signatories and the rise of the millennial generation as a force in the marketplace has accelerated this development. Fiera Capital has been a trusted advisor and asset manager for many of Canada's major foundations, endowment funds and religious communities, as well as high-net-worth individuals, who rely on the firm to construct bespoke portfolios that reflect their specific values and guidelines.

"Our investment teams operate as autonomous boutiques and have considerable independence to implement their strategies. The CIO Office focuses on promoting transparency in strategy implementation, developing more efficient multi-asset solutions and integrating ESG concepts suitable to each investment strategy across the firm.

Additionally, we articulate our outlook on what the investment world might look like seven years from now."

FROM LEFT **Nicolas Papageorgiou** Chief Investment Officer, Canadian Division, **François Bourdon** Global Chief Investment Officer, **Jonathan Lewis** Chief Investment Officer, U.S. Division, **Candice Bangsund** Vice President and Portfolio Manager, Global Asset Allocation

ESG Governance

Oversight and accountability for Fiera Capital's responsible investing activities rests with the Chief Investment Officer (CIO), global and regional, as well as with the firm's investment management teams. However, determining how the assessment of material ESG risk factors are integrated into investment processes is left largely to the discretion of the respective investment teams, who are at liberty to choose a methodology that best suits their particular investment style or asset class.

Responsible Investment Policy

Fiera Capital's Global Responsible Investment Policy provides a blueprint for how the firm views responsible investing, as well as a framework for active ownership. It includes beliefs that guide our engagement with the management of companies in which the firm invests, in order to address ESG issues and bring about positive change by helping companies improve over time. Ultimately, this allows us to better manage risk across our portfolios.

New Global Proxy Voting Policy

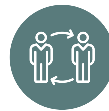
In early 2019, Fiera Capital introduced a new Global Proxy Voting Policy, which applies to our operations and investments worldwide.

Proxy voting is an effective tool that enables us to express our view on ESG issues. The firm exercises its voting rights with the goal of maintaining the highest standards of corporate governance and ensuring the sustainability of business practices. Preserving those high standards is a prerequisite for maximizing shareholder value and protecting the interests of all stakeholders.

The new policy covers an array of potential issues and concerns ranging from governance and capital structures to climate-change risk mitigation, takeover defences, executive compensation, gender-based pay gaps, as well as labour and human-rights principles.

Direct Engagement

The firm believes that the most effective form of engagement is direct dialogue with the entities in which it invests. When meeting with companies, portfolio managers seek to address material ESG issues both on a proactive basis, to raise awareness of such concerns, as well as a reactive basis, to revisit past issues and see how management has addressed them.



Principles for Responsible Investment

Fiera Capital prides itself on having been an early signatory to the United Nations Principles for Responsible Investment (UN PRI), back in 2009. Today, UN PRI boasts more than 1,900 signatories in over 50 countries, including many of the largest asset owners and managers in the world, with some US$80 trillion in combined assets.

As a signatory, we are guided by UN PRI's six principles for responsible investing and commit to:

1. incorporating ESG issues into our investment analysis and decision-making processes
2. being active owners and incorporating ESG issues into our ownership policies and practices
3. seeking appropriate disclosure on ESG issues by the entities in which we invest
4. promoting acceptance and implementation of the principles within the investment industry
5. working with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the principles
6. reporting on our activities and progress towards implementing the principles

In 2018, the firm improved its UN PRI assessment scores across the board and earned a grade of A+ as an organization. This reflected in large part the efforts of the former ESG

committee and its successor, the Global Corporate Social Responsibility Committee, in leveraging Fiera Capital's core values, such as collaboration, innovation and excellence in the areas of CSR and ESG integration.

Additionally, in February 2019, Judy Temel, Senior Vice President, Director of Credit Research, Fixed Income Investments, was invited to join the PRI Advisory Committee on Credit Ratings. We are excited about this opportunity to further collaborate with and contribute to PRI by supporting the Committee in raising awareness among credit analysis and ratings professionals and understanding the links between ESG factors and issuer creditworthiness. We also seek to improve their understanding of different approaches to integrating ESG into credit analysis, among other objectives.

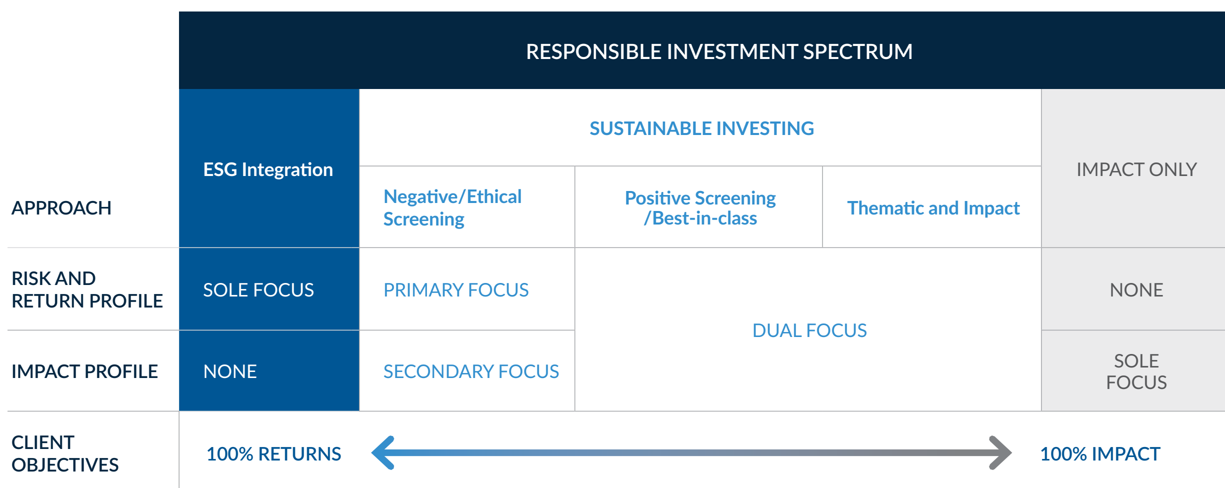
Innovators

Over the course of 2018, our CIO office in Montreal developed the **Responsible Investment Spectrum**, below, a new taxonomy for defining responsible investing. We also enhanced our tools and techniques designed to improve the integration and efficacy of ESG risk factor assessments. One example of such a tool is a proprietary ESG scoring system developed by the CIO office in New York. We believe this scoring system will give our investment teams an edge in making higher quality investment decisions.

Promoting Responsible Investing Throughout the Industry

In 2018, our investment professionals were spearheading initiatives aimed at promoting responsible investment principles and practices throughout the industry.

We were among the participants in a Sustainable Investment Roundtable organized by the Public Policy Forum and the Ivey Foundation in partnership with the Caisse de dépôt et placement du Québec, Royal Bank of Canada and Suncor. Elsewhere, Heather Cooke, Senior Vice President, Investment Solutions, Institutional Markets, and Chair of Fiera Capital's global CSR Committee, was invited to moderate a panel discussion on climate risk at CFA Institute's annual Spring pension conference in March 2019. Our CIO offices in Montreal and New York organized ESG education sessions in Canada and the United States, to help continue training our investment teams and distribution partners. As we continue to push these initiatives and events forward, we remain an active member of both the Montreal and Toronto chapters of the Responsible Investment Association of Canada.



	RESPONSIBLE INVESTMENT SPECTRUM				
		SUSTAINABLE INVESTING			
APPROACH	ESG Integration	Negative/Ethical Screening	Positive Screening /Best-in-class	Thematic and Impact	IMPACT ONLY
RISK AND RETURN PROFILE	SOLE FOCUS	PRIMARY FOCUS	DUAL FOCUS		NONE
IMPACT PROFILE	NONE	SECONDARY FOCUS			SOLE FOCUS
CLIENT OBJECTIVES	100% RETURNS ←			→	100% IMPACT

> Investors should know that Fiera Capital is continuing to integrate ESG risk factors into its investment processes, and for good reason. This is no longer just about controlling downside risks or being seen as a good corporate citizen. It has been demonstrated that such practices can actually generate alpha.

FROM LEFT **Varda Lotan** Senior Vice President, Head of European Distribution, **Frederick Chenel** Senior Vice President, Head of Consultant Relations and Business Development, Institutional Markets, **Tom Clancy** Senior Vice President, Institutional Markets

Corporate Responsibility

Adhering to Our Values: Integrity, Collaboration, Innovation and Excellence

Fiera Capital's approach to corporate social responsibility (CSR) is aligned with its key values of integrity, collaboration, innovation and excellence, along with its mission to create sustainable wealth for clients. The firm strives to achieve excellence through strong management practices, sound business principles and adherence to the highest level of ethical conduct.

> In 2018, the firm significantly improved its UN PRI assessment scores across the board and earned an A+ grade as an organization. This reflected in large part the efforts of the former ESG committee and its successor, the global Corporate Responsibility Committee, in leveraging core Fiera Capital values such as collaboration, innovation and excellence in the area of CSR and ESG integration.

FROM LEFT **Michael Pultrone** Analyst, CIO Office **Heather Cooke** Senior Vice President - Investment Solutions, Institutional Markets, **Vincent Beaulieu** Senior Analyst, Investment Strategies

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 policies and practices rests with the Board of Directors and the Global Leadership team.

New Global CSR Committee

The formation of a new global CSR Committee in 2018 was an important milestone that enabled Fiera Capital to better focus on CSR-related strategic initiatives across the entire organization. With the support of top-level management, the CSR Committee's role is to ensure that social and governance considerations are integrated not only into the firm's investment processes, but into how we do business in general.

Human Capital and Diversity

Investment management is very much a talent-centred business. We rely on our ability to attract, retain and motivate strong teams united by a common purpose and shared passion.

This reality is reflected in the 2022 Strategic Plan, which identifies "People" as one of four pillars considered crucial to supporting the firm's continued profitable growth and advancing its global client-service capabilities. Accordingly, the firm is committed to improving employee engagement. To this end, in December 2018, we launched our Global Respect and Inclusion Policy. This policy encompasses practices and procedures in areas such as selection and recruitment, professional development and training, promotions, recreational programs and more. At its core, the policy aims to create an environment where employees embrace diversity and original thinking while treating one another with respect and providing everyone with the opportunity to realize their full potential.

Diversity Project North America

In 2018, Fiera Capital became a founding member of an ambitious new initiative: the Diversity Project North America. Developed originally in the UK and now championed in North America by The National Investment Company Service Association (NICSA), a not-for-profit industry trade association, the Diversity Project North America brings together more than 20 leading asset managers with the goal of accelerating progress towards a more inclusive culture across all dynamics, including gender, ethnicity, sexual orientation, age and disability.

Fiera Capital continued to bolster its reputation as a champion for the advancement of women in leadership roles, through its sponsorship of the U.S. division's third annual "Spotlight on Women" event, along with new initiatives that included events to celebrate International Women's Day on March 8, 2019.

> "Fiera Capital's concept of diversity is about inclusion. We want to send a message that our firm welcomes fresh perspectives, encourages original thinking and is receptive to different ways of doing things. We foster an environment where the exchange of ideas, best practices and recommendations is not only encouraged, but deep-rooted in how we operate."

FROM LEFT **Nancy Cloutier** Vice President, Human Resources, Canadian Division, **Éric Boutet** Vice President, Total Rewards and Performance Management, **Daniel Richard** Senior Vice President, Global Human Resources and Corporate Communications and Chief Human Resources Officer, **Roxanna Haddad** Director, Human Resources, U.S. Division

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.

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

Geoff Beattie[1,3]
Director since 2018
Chief Executive Officer of Generation Capital and Chair of Relay Ventures

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

Sylvain Brosseau
Director since 2010
President and Chief Executive Officer of Walter Global Asset Management

Gary Collins[1,5]
Director since 2018
Senior Advisor at Lazard Ltd.

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

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

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

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

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

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

David R. Shaw[1,2]
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, 2018

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FINANCIAL HIGHLIGHTS

The following management's discussion and analysis ("MD&A") dated March 22, 2019, presents an analysis of the financial condition and results of the consolidated operations of Fiera Capital Corporation (the "Company" or "Fiera Capital") as at and for the three and twelve-month periods ended December 31, 2018. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, for the years ended December 31, 2018 and 2017.

Highlights as at and for the Twelve-Month Period Ended December 31, 2018

For the year ended December 31, 2018, the Company's revenue increased by $81.2 million, or 18%, year-over-year to $540.3 million and adjusted EBITDA[1] increased by $20.7 million, or 18%, year-over-year, demonstrating the Company's focus on profitability and improving shareholder return, even in a year of market correction.

2018 was a challenging year for investment managers as the fourth quarter was characterized by negative return affecting nearly all sectors. Despite this headwind, most of our fund managers outperformed their benchmarks in 2018, thereby limiting the impact of the markets.

The Company was also able to minimize the impact of market volatility on our overall results in 2018. Furthermore, while there was a tapering of $0.1 billion in organic growth during the year, new mandates gained were in higher basis point (BPS) strategies than those of our lost mandates, which we expect will increase the amount of revenue generated from our AUM going forward.

In addition, our Private Alternative Platform has continued its rapid growth in 2018. The Company has introduced several new solutions over the past few years, and we are beginning to see those results on our top and bottom lines. Moreover, our clients get to reap the benefits of unique asset classes with stable and recurring cash flows and low correlations to traditional investment vehicles.

Finally, the acquisitions of Clearwater and CGOV, our two 2018 acquisitions, enabled the Company to establish a footprint in the Asia credit space and to become one of the largest private wealth investment managers in Canada. These two acquisitions added a combined $6.9 billion to our total AUM in 2018.

1. Please refer to the "Non-IFRS Measures" section on page 54 and the reconciliation to net earnings (loss) IFRS measures.

Summary of Quarterly Results

The Company's AUM, total revenues, adjusted EBITDA[1], adjusted EBITDA margin[1] and net earnings (loss), on a consolidated basis, including per share amounts, for each of the Company's most recently completed eight quarterly periods as well as for the years ended December 31, 2018 and 2017, are as follows:

TABLE 1 – QUARTERLY RESULTS (IN $ THOUSANDS EXCEPT AUM IN $ MILLIONS AND PER SHARE DATA)

	Year Ended		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	Dec. 31 2018	Dec. 31 2017	Dec. 31 2018	Sep. 30 2018	Jun. 30 2018	Mar. 31 2018	Dec. 31 2017	Sep. 30 2017	Jun. 30 2017	Mar. 31 2017
AUM	136,675	128,901	136,675	143,475	139,389	131,360	128,901	123,003	125,658	122,063
Total revenues	540,285	459,096	156,963	137,109	126,232	119,981	142,046	107,127	109,349	100,574
Adjusted EBITDA[1]	137,483	116,753	39,322	36,620	32,703	28,839	36,056	27,020	28,480	25,199
Adjusted EBITDA margin[1]	25.4%	25.4%	25.1%	26.7%	25.9%	24.0%	25.4%	25.2%	26.0%	25.1%
Net earnings (loss) attributable to Company's shareholders	(5,013)	10,671	(1,709)	995	(2,106)	(2,193)	763	4,603	877	4,428
PER SHARE – BASIC										
Adjusted EBITDA[1]	1.45	1.42	0.41	0.38	0.35	0.32	0.43	0.33	0.35	0.31
Net earnings (loss) attributable to the Company's shareholders	(0.05)	0.13	(0.02)	0.01	(0.02)	(0.02)	0.01	0.06	0.01	0.05
Adjusted net earnings attributable to the Company's shareholders[1]	1.07	1.21	0.29	0.29	0.26	0.24	0.35	0.28	0.31	0.27
PER SHARE – DILUTED										
Adjusted EBITDA[1]	1.45	1.33	0.41	0.36	0.35	0.32	0.43	0.32	0.34	0.30
Net earnings (loss) attributable to the Company's shareholders	(0.05)	0.12	(0.02)	0.01	(0.02)	(0.02)	0.01	0.05	0.01	0.05
Adjusted net earnings attributable to the Company's shareholders[1]	1.07	1.13	0.29	0.27	0.26	0.24	0.35	0.27	0.30	0.26

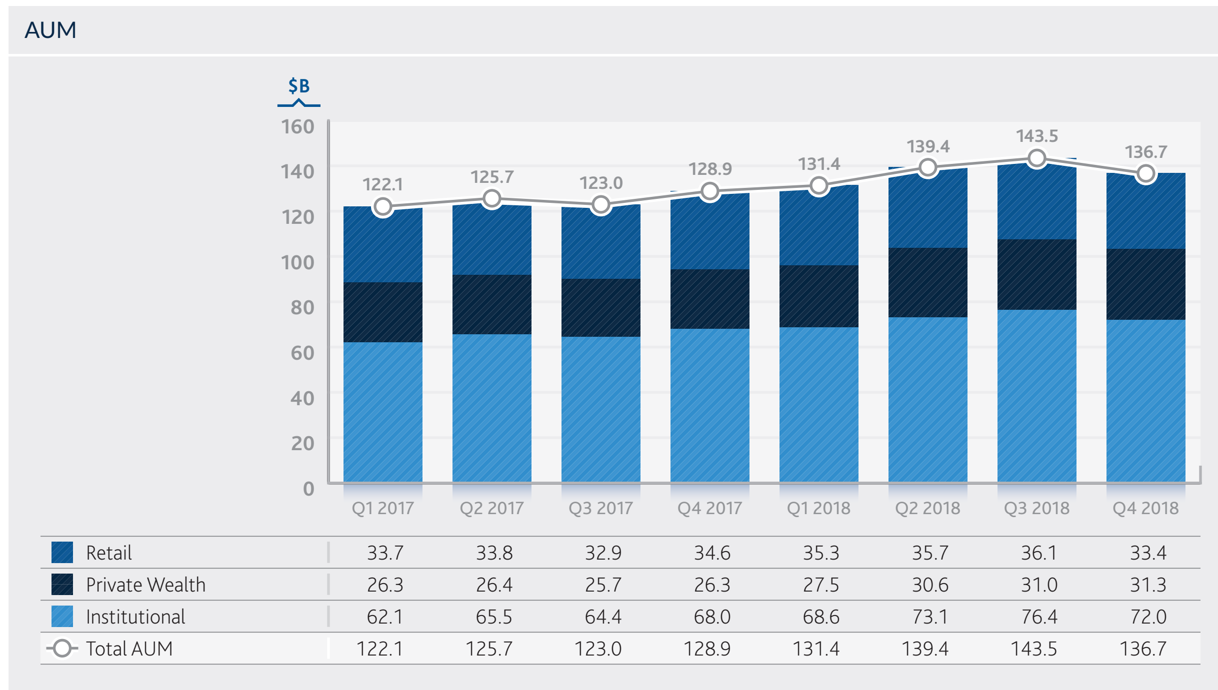
1. Please refer to the "Non-IFRS Measures" section on page 54.

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

AUM and Revenue Trend

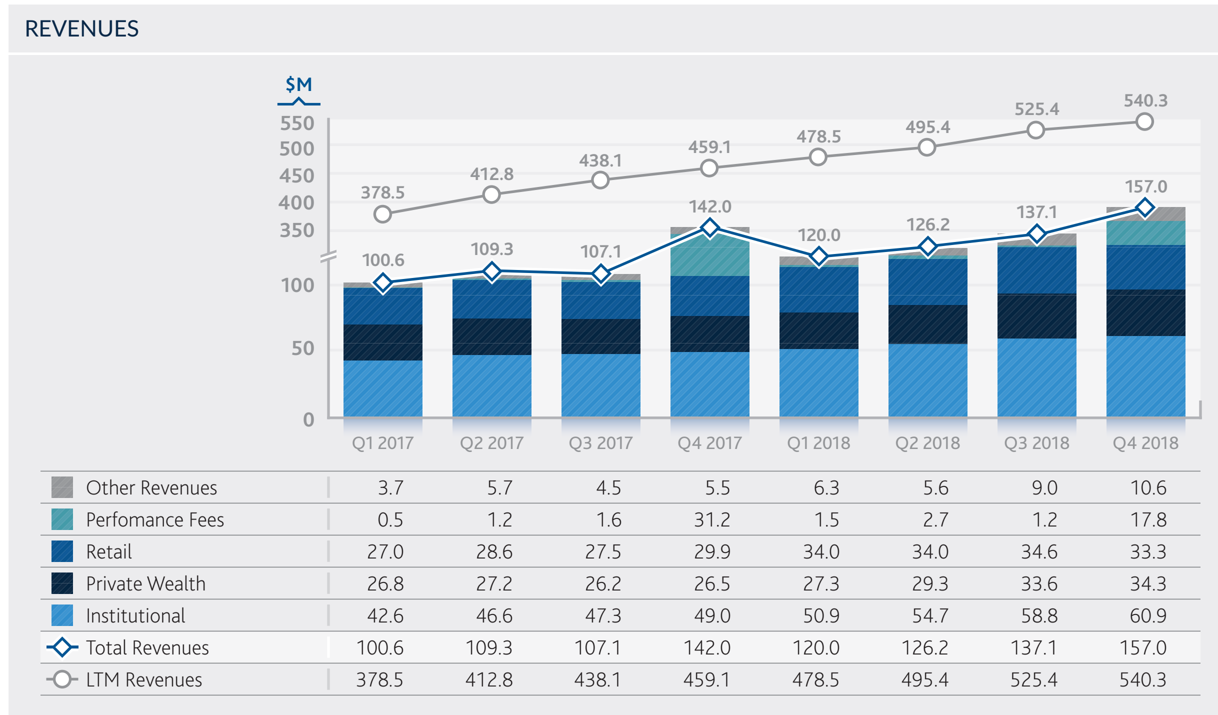
The following illustrates the Company's trends regarding Assets under Management ("AUM"), quarterly and last twelve months ("LTM") revenues, LTM Adjusted EBITDA[1], LTM Adjusted EBITDA Margin[1], LTM Net Earnings (loss) per share, LTM Adjusted Earnings per share[1], as well as the LTM dividend payout.

AUM



	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Retail	33.7	33.8	32.9	34.6	35.3	35.7	36.1	33.4
Private Wealth	26.3	26.4	25.7	26.3	27.5	30.6	31.0	31.3
Institutional	62.1	65.5	64.4	68.0	68.6	73.1	76.4	72.0
Total AUM	122.1	125.7	123.0	128.9	131.4	139.4	143.5	136.7

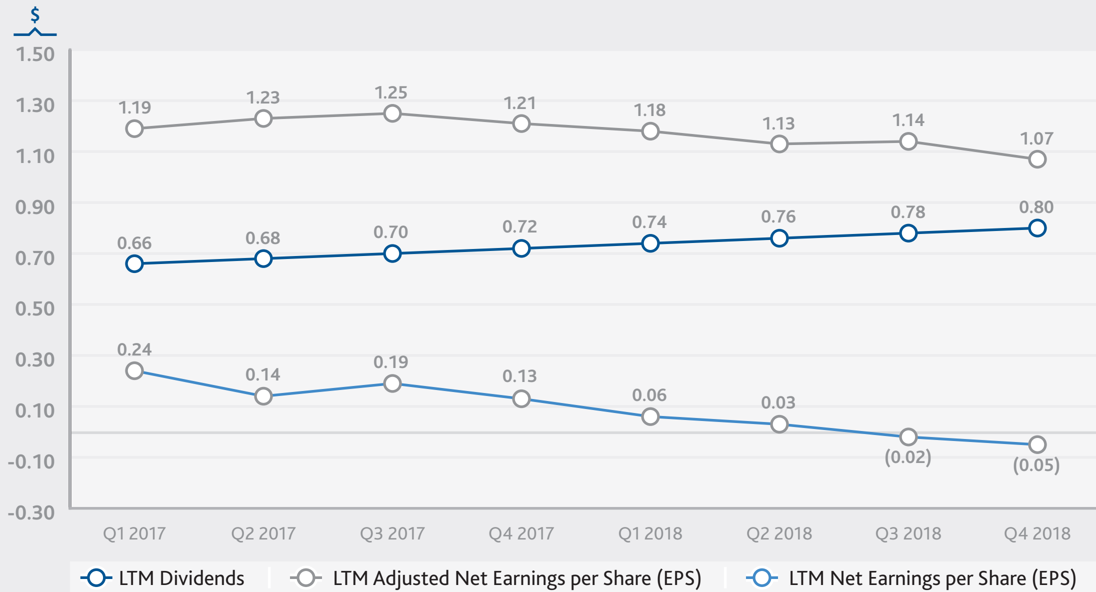
REVENUES



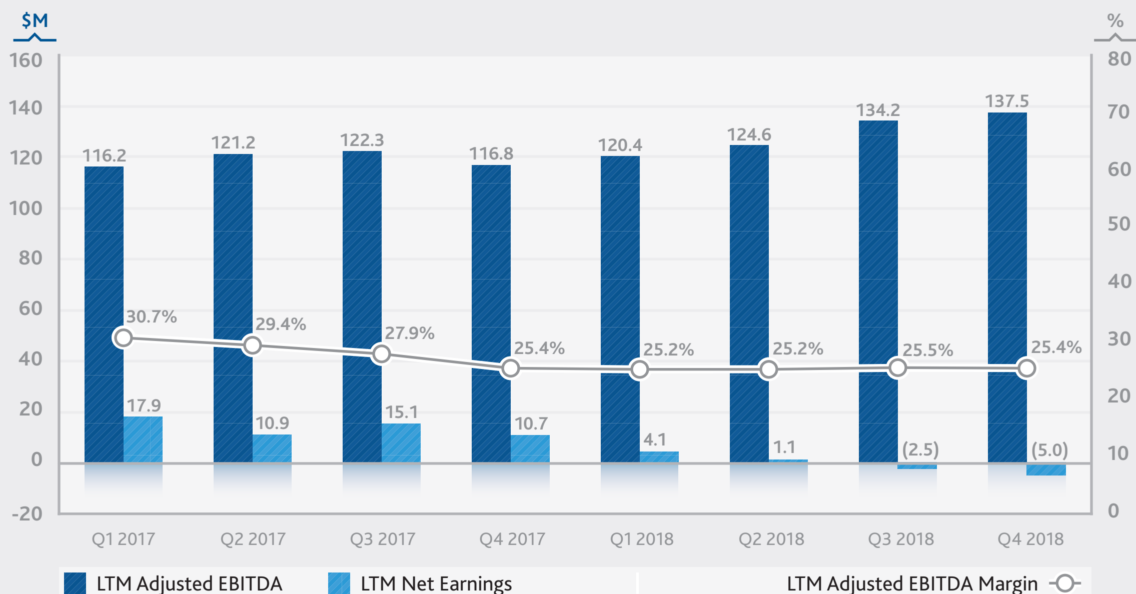
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Other Revenues	3.7	5.7	4.5	5.5	6.3	5.6	9.0	10.6
Perfomance Fees	0.5	1.2	1.6	31.2	1.5	2.7	1.2	17.8
Retail	27.0	28.6	27.5	29.9	34.0	34.0	34.6	33.3
Private Wealth	26.8	27.2	26.2	26.5	27.3	29.3	33.6	34.3
Institutional	42.6	46.6	47.3	49.0	50.9	54.7	58.8	60.9
Total Revenues	100.6	109.3	107.1	142.0	120.0	126.2	137.1	157.0
LTM Revenues	378.5	412.8	438.1	459.1	478.5	495.4	525.4	540.3

1. Please refer to the "Non-IFRS Measures" section on page 54.

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 54.

BASIS OF PRESENTATION AND FORWARD-LOOKING STATEMENTS

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, 2018.

The audited 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 (loss) and equity of subsidiaries are disclosed separately in the consolidated statements of financial position, earnings (loss), 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 (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

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.

The following MD&A should also be read in conjunction with the Company's 2018 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[1] ("EBITDA"), adjusted EBITDA[1], adjusted EBITDA per share[1], adjusted EBITDA margin[1], 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

This MD&A contains forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", or other negative of these terms, or other comparable terminology. 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 investment performance, Fiera Capital's ability to retain its existing clients and to attract new clients, 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.

1. Please refer to the "Non-IFRS Measures" section on page 54.

OVERVIEW

Company Overview

Fiera Capital is a global independent asset management firm with over $136 billion in AUM as at December 31, 2018. The Company delivers customized multi-asset solutions across traditional and alternative asset classes to institutional, retail and private wealth clients across North America, Europe and key markets in Asia. The Company's approach to investing is rooted in its deep Canadian heritage, expanding international presence and a commitment to being both disciplined and entrepreneurial in how it evaluates opportunities. Its integrated model offers its clients the scale, resources and reach of a global asset manager coupled with the client-centric approach of a multi-boutique firm.

The Company is committed to responsible investing and adheres to its duty to act professionally, responsibly and diligently in the best interests of its investors and stakeholders with a view to create long-term, sustainable value. Furthermore, Fiera Capital is of the view that organizations that understand and successfully manage material environmental, social and governance factors and associated risks and opportunities tend to create more resilient, higher quality businesses and assets, and are therefore better positioned to deliver sustainable value over the long-term. The Company believes there are multiple approaches to managing stocks, bonds and alternative investments.

Fiera Capital's independent team structure allows it to offer a diverse range of investment strategies across asset classes and risk spectrums using a wide variety of investment styles. The Company believes that its flexible approach allows its investment teams to adopt integration techniques that are consistent with their investment philosophy.

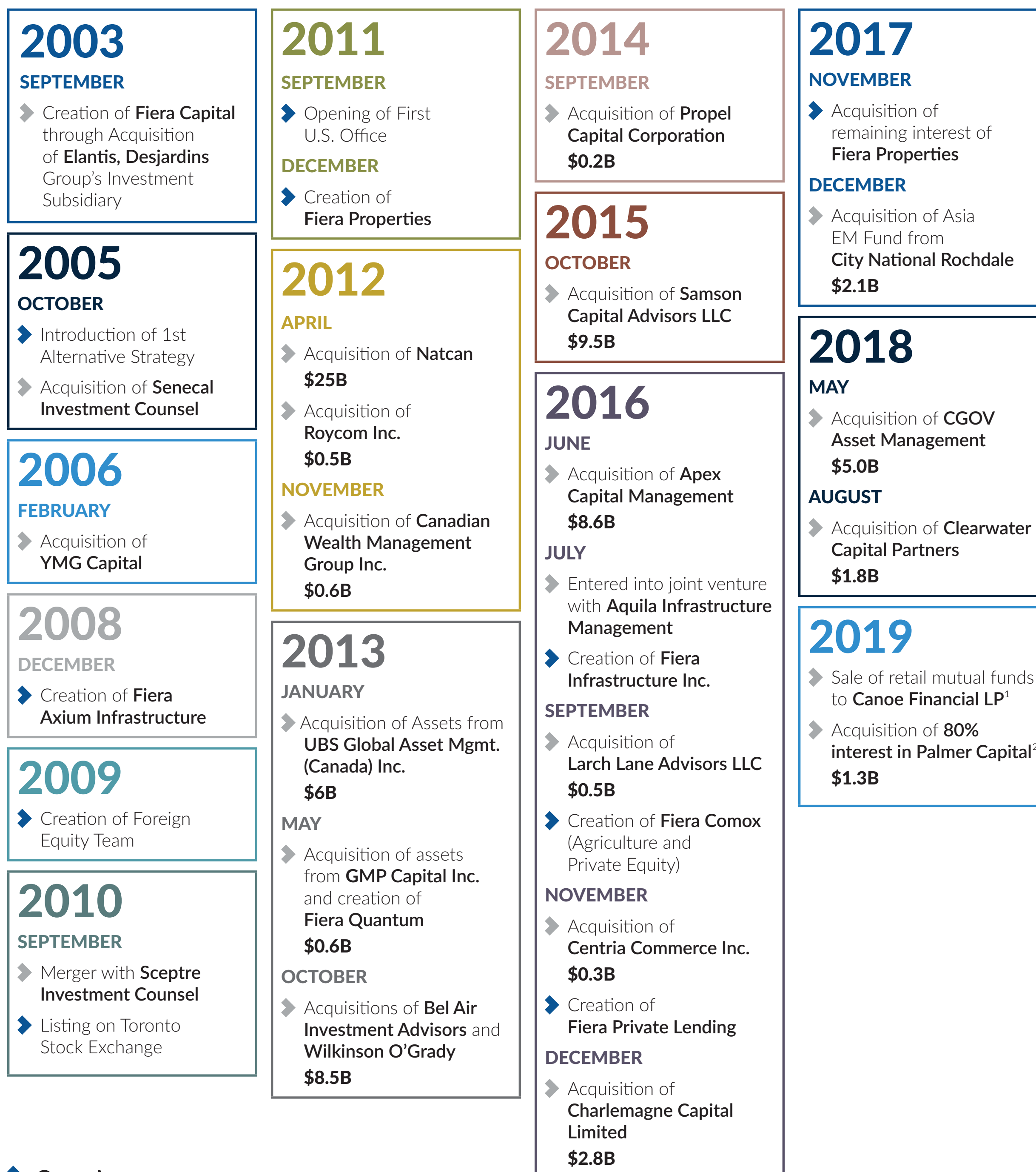
To adapt to the investment landscape's constant evolution, Fiera Capital's teams collaborate and seek to draw on the global industry's most innovative and diverse offerings to craft strategies that meet the needs of every client, no matter where they may be located. The Company adheres to the highest governance and investment risk management standards and operates with transparency and integrity to create value for customers and shareholders over the long term.

Fiera Capital also manages several investment funds. These Funds consist of open-ended and closed-ended investment companies, alternative mutual funds, limited partnerships and other pooled funds which invest in a range of asset classes. Until the closing of the Canoe Transaction on February 22, 2019, the Company also managed the Fiera Capital Mutual Funds and currently acts as sub-advisor for certain of such mutual funds.

In addition to traditional investment strategies, Fiera Capital has completed acquisitions, entered into joint ventures and developed partnerships in order to offer its clients alternative investment strategies spanning a range of sectors and industries, including infrastructure, agriculture, real estate, private equity assets, private real estate financing and short-term business financing. Through its joint ventures with Fiera Infrastructure and Fiera Comox, the Company provides its clients with the ability to access infrastructure, agriculture and private equity investments. Through its subsidiaries Fiera Private Lending and Fiera Properties, Fiera Capital offers its clients exposure to private financings, including construction financing, real estate investment and short-term business financing. The Company's Clearwater subsidiaries provide clients with exposure to private lending in Asian credit markets.

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.



1. Announced October 2018, closed February 2019
2. Announced December 2018, expected to close after receiving all necessary regulatory approvals

2018 SIGNIFICANT EVENTS

- **2022 Strategic Plan under way** – The execution of the 2022 Strategic Plan commenced in the fourth quarter of 2018 and the first initiatives are already well under way. These initiatives, whether large or small, will have an impact on our processes, practices and corporate culture. This is a turning point that will help properly position Fiera Capital for the coming years in order to achieve our goal of becoming one of the top 100 asset managers in the world.

- **Fiera Capital Expands Presence in Asia with Acquisition of Clearwater Capital Partners** – *August 9, 2018*. The Company closed its acquisition of Clearwater Capital Partners LLC, an Asia focused credit and special situations investment firm headquartered in Hong Kong. The aggregate consideration paid at closing, subject to various post-closing adjustments, was approximately US$14.9 million.

- **Fiera Capital Acquires Leading High-Net-Worth and Institutional Investment Firm CGOV Asset Management** – *May 31, 2018*. Fiera Capital closed its acquisition of CGOV, an Ontario-based high-net-worth and institutional investment firm with approximately C$5 billion in assets under management at closing.

- **Expanded presence in the UK with acquisition of Palmer Capital Partners Limited ("Palmer Capital")** – *December 21, 2018*. The Company entered into a purchase agreement with Palmer Capital to acquire an 80% interest in Palmer Capital, marking its first acquisition of a real estate investment management business outside of Canada and its second acquisition in the UK. Palmer Capital has over £800 million in assets under management with an additional £215.5 million managed through joint ventures.

- **Launch of Fiera Comox Private Equity** – *December 3, 2018*. Fiera Comox announced the launch of Fiera Comox Private Equity, enabling the independent investment manager to offer clients two distinct global private investment strategies: Agriculture and now, Private Equity.

- **Milestone achievement: successfully completed the streamlining of custodians** – *November 2018*. The Canadian division celebrated a milestone achievement during the fourth quarter: the successful completion of a complex multi-phase initiative launched back in 2015 to address the significant challenges that stemmed from having multiple vendors administrating our investment funds. The many benefits of this achievement include reduced operating costs across the funds, enhanced operational, regulatory and fiduciary, compliance, and improved client reporting. These benefits align perfectly with the objectives of operational scalability and cost efficiency outlined in the 2022 Strategic Plan.

- **Launch of the Global Respect & Inclusion Policy** – *December 17, 2018*. The policy aims to foster an inclusive and diverse culture that will drive innovation as we pursue our goal of positioning Fiera Capital among the top 100 asset managers in the world. The Global Respect & Inclusion Policy reflects the Company's commitment to creating a work environment where employees embrace diversity and original thinking while treating one another with respect.

SUBSEQUENT EVENTS

- **Strategy to efficiently deploy capital within the Infrastructure platform** – *January 29, 2019*. Fiera Infrastructure announced that it entered into a long-term partnership with EllisDon, one of North America's most successful and experienced construction capital groups, to acquire EllisDon's interest in its existing portfolio of ten public-private projects ("PPP"). The completion of these ten projects is expected to add approximately $100 million to Fiera Infrastructure's AUM. Moreover, the Partnership has the right of first offer over EllisDon's future PPP for a pre-agreed period that has the potential to increase AUM significantly.

- **Closing of the Canoe transaction** – *February 22, 2019*. The Company completed the closing of its previously announced transaction whereby Canoe Financial LP ("Canoe"), a Canadian mutual fund company, has acquired the rights to manage nine of the Company's retail mutual funds. Canoe has also acquired the Company's ownership interest in Fiera Capital Funds Inc., Fiera Capital's wholly owned subsidiary and registered mutual fund dealer and retained Fiera Capital to act as sub-advisor for four of the nine funds.

- **Strengthening of the Private Alternative Investments Platform with the acquisition of Integrated Asset Management Corp. ("IAM")** – *March 22, 2019*. The announced acquisition of IAM is expected to add over $3 billion in AUM and committed capital to the Company's private alternative investments platform.

MARKET, ECONOMIC AND FUND PERFORMANCE REVIEW

Market Review

After an extended period of calm, volatility reasserted itself in 2018. In stark contrast to 2017, investor sentiment has been extremely fragile, with financial markets swinging wildly on the back of a myriad of macroeconomic developments at hand. Notably, investors have had to contend with an environment of rising borrowing costs, persistent trade tensions between the world's two largest economies, a politically-charged environment in Europe, and some tentative signs of slowing global growth. In the highly-volatile and illiquid trading environment, nervous investors have fled indiscriminately from risky assets.

Global equity markets posted their worst quarterly results since 2011 during the final quarter of 2018. Equity market leadership shifted dramatically during the quarter, with the US equity market lagging its global peers after several quarters of outperformance. Canadian equities also joined the quarterly rout, with the steep selloff in the energy sector weighing on the resource-levered market. European bourses were plagued by political anxieties in Italy, France, and the UK, while Japanese stocks plunged into bear market territory as the tumultuous trade backdrop countered some decent corporate profits. Finally, emerging market bourses also declined but managed to outperform their developed market peers as investor perceptions for a less-aggressive Federal Reserve stemmed some of the weakness in risky assets in general.

Meanwhile, fixed income markets posted positive results during the fourth quarter as investors flocked to the safety of bonds in what was a tumultuous trading environment. After breaching multi-year highs, North American bond yields moved lower across the curve and yield curves bull-flattened, with the decline in the long-end exceeding that of the short-end. The short-end was pressured lower as some dovish rhetoric from major central banks saw investors reign-in their wagers for policy normalization. Meanwhile, the long-end retreated alongside a softening of inflation expectations, which moderated in the environment of downgraded expectations for global growth and lower crude prices. Finally, corporate and high yield bonds underperformed their government peers, with deteriorating risk appetite sending credit spreads soaring higher throughout the quarter.

Taken together, we view the late-2018 pullback in equity markets as a short-term, sentiment-driven correction within a cyclical bull market. Encouragingly, the conditions for a pronounced global economic deceleration remain elusive at this time and the outlook for global growth remains reasonably bright. Moreover, the fragile trading relationship between the world's two largest economies may have finally crested following the G20 summit in Buenos Aires, where officials in the US and China demonstrated a willingness to negotiate. In the meantime, tentative signs of compromise between the Italian government and the European Union on the state of Italy's budget are beginning to show. What's more, there are some early signs that the fiscal impulse from both the US and China will stabilize the global economy in 2019 and provide a buffer as major central banks take cautious and coordinated steps towards monetary policy normalization, while "quantitative tightening" (balance sheet contraction) should ultimately replace an overly-aggressive rate hike trajectory. Taken together, we believe that its premature to call an end to the synchronous global expansion, which should provide some scope for equity market upside as we head into the new year.

Economic Outlook

The narrative for a synchronous global expansion should reassert itself in 2019, thanks to the accommodative monetary and fiscal impulse that extends the cycle - though the highly-contentious trade backdrop threatens to undermine activity.

The Canadian positive employment trends should provide some solace in 2019, the fortunes for the Canadian economy remain highly dependent on the much-needed rotation towards business spending and exports to take over from an exhausted consumer and housing backdrop. Encouragingly, business investment intensions for 2019 remain upbeat according to Statistics Canada's latest report on planned capital expenditures, while healthy growth prospects south of the border, a competitive Canadian dollar, and simmering trade tensions should bolster exports in the coming year.

The US economy continues to impress. The consumer is thriving on a resilient job market and rising wages, while the factory sector also remains in good health. After several quarters of impressive performance, growth is expected to downshift to a still-robust pace as the temporary boost from fiscal and monetary stimulus fades – though not enough to derail the Federal Reserve's plans to normalize policy in the coming year. The fourth quarter GDP results painted a picture of healthy, albeit moderating growth prospects for the world's largest economy. Both consumer and business spending were positive contributors, while trade and residential investment acted as a drag at the end of 2018. While some high frequency data at year-end indeed cooled as the economy contended with the government shutdown, ongoing trade uncertainties, and elevated levels of financial market volatility, the good news is that both consumers and businesses have revealed some renewed optimism in the latest survey results, suggesting that some of the softness at year-end may ultimately prove to be transitory in nature.

Looking abroad, while economic momentum in Europe has faded, growth should revert back to a respectable pace as temporary factors that were weighing on the economy dissipate. Meanwhile, a string of natural disasters hindered Japan's economy in 2018 - though leading indicators suggest that a rebound is forthcoming as one-off factors fade. Finally, the fortunes of the UK economy hinge directly on the outcome of Brexit, which remains highly uncertain at this time.

Finally, the Chinese economy demonstrated some preliminary signs of stabilization at the beginning of 2019 in an encouraging sign that the stimulative monetary and fiscal impulse may finally be bearing some fruit. Specifically, retail sales, industrial production, and fixed asset investment all pointed to a marginal improvement and surprised to the upside at the end of 2018, while exports rebounded and new loans hit a record high early-on in 2019. Taken together, this latest string of economic data has offered some reassurance that the world's second largest economy may be finding a floor, which by extension should have positive implications for global growth prospects in general. Encouragingly, officials in the US and China have also demonstrated some willingness to negotiate on the trade front and are taking some important steps towards making some sort of deal, which should remove a key overhang for the world's second largest economy in 2019.

Summary of Portfolio Performance

Despite the high volatility that marked the fourth quarter of 2018, most of the Company's fixed income strategies generated positive results compared to benchmarks in 2018 driven by successful credit investments. Over the last five-year period (since inception, when inception-to-date is less than five years) these strategies delivered excellent performance, with most of them outperforming their relative benchmarks.

Balanced mandates performed exceptionally well during the year, with a large majority beating their relative benchmarks. Performance over the last five years also significantly beat relevant benchmarks and generated high-single- digit returns.

2018, overall, was another good year for most equity strategies as fund managers maintained their quality focus. Most strategies outperformed their benchmark during the year, with many of those also ranking in the top quartile. While both our domestic and global equity strategies have performed remarkably well, the latter has become the victim of its own success, with capacity tempering as a result of clients actively seeking it out.

It was a challenging year for hedge funds throughout the industry as many were caught off guard by the reversal in fortune during the fourth quarter, but performance over the last 5 years remains solid.

Our Private Alternatives funds performed exceedingly well in 2018. These strategies are gaining more and more traction as a result of offering attractive returns with a lower degree of volatility and a low correlation to traditional asset classes. To that effect, the Company continues to develop solutions to respond to increasing demand for alternative investment strategies that generate a steady stream of returns through investments in real estate, infrastructure, private lending and agriculture.

We have progressively built an investment platform that has met or exceeded client expectations and is well-suited for the current environment. Our performing strategies in traditional asset classes, hedge funds, innovative non-traditional strategies aimed at diversifying sources of returns, as well as a suite of other solutions are designed to meet the specific and wide-ranging needs of clients, be they liability concerns, downside risk management preoccupations, significant currency exposures, or environmental, social and governance ("ESG") and general asset allocation objectives.

We continue to strive to meet the evolving needs of clients around the world through strategy development that capitalizes on our evolving view of the world and our vast talent pool. We have the ability to partner with clients on total portfolio solutions and are keen to represent a portion of their overall toolkit.

TABLE 2 – ANNUALIZED RATES OF RETURN AS AT DECEMBER 31, 2018

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	**64.9**						
Active and Strategic Fixed Income - Active Universe		1.75	0.34	Q2	1.75*	0.34*	Q1
Integrated Fixed Income Universe		1.67	0.26	Q2	4.01	0.46	Q1
Integrated Fixed Income Credit		1.23	0.13	Q3	3.93	0.25	Q3
Tactical Fixed Income Universe		2.18	0.77	Q1	3.75	0.2	Q2
High Yield Bonds		-3.59	-0.36	Q4	3.51	-0.07	Q4
Preferred Share Opportunistic		-11.19	-2.58	N/A	3.72*	1.06*	N/A
Infrastructure Bonds		1.08	1.66	N/A	7.07	0.88	N/A
Preferred Shares Relative Value		-9.32	-1.39	N/A	1.59	1.26	N/A
Active and Strategic Fixed Income - Strategic Universe		1.65	0.25	N/A	1.11*	0.19*	N/A
Tax Efficient Core Intermediate (Primary Benchmark)		1.42	-0.22	N/A	2.19	-0.22	N/A
Tax Efficient Core Intermediate (Secondary Benchmark)		1.42	-0.13	N/A	2.19	0.33	N/A
Tax Efficient Core Plus		1.43	-0.21	N/A	2.98	0.56	N/A
High Grade Core Intermediate (Primary Benchmark)		0.89	-0.03	N/A	2.12	0.02	N/A
High Grade Core Intermediate (Secondary Benchmark)		0.89	-0.23	N/A	2.12	0.12	N/A
Balanced Investment Strategies	**3.5**						
Balanced Core		-0.66	1.59	Q1	6.98	1.37	Q1
Balanced Integrated		-1.13	1.69	Q1	7.07	1.55	Q1
Equity Investment Strategies	**57.7**						
Canadian Equity		-2.41	6.48	Q1	7.63	3.57	Q1
Canadian Equity Core		-8.10	0.79	Q2	4.98	0.93	Q3
Canadian Equity Opportunities		-17.75	-8.87	Q4	2.5	-1.56	Q4
Canadian Equity Small Cap Core Mix		-11.97	6.20	Q1	2.69	2.98	Q2
Canadian Equity Small Cap		-18.72	-0.55	Q4	2.22	2.51	Q3
US Equity		9.75	5.52	Q1	16.62	2.54	Q1
International Equity		0.89	6.92	Q1	9.74	4.03	Q1
Global Equity Multi Currency in CAD		5.73	6.22	Q1	13.75	3.81	Q1
CGOV Total Equity		-1.97	1.27	Q3	9.13	0.81	Q2
Apex Large Cap Growth		-1.16	0.36	Q3	10.26	-0.15	Q2
Apex Mid Cap Growth		3.51	8.26	Q1	12.26	4.83	Q1
Apex Smid Growth		-8.65	-1.17	Q4	5.47	-0.71	Q3
Apex Small Cap Growth		-9.92	-0.60	Q3	2.09	-3.04	Q4
City National Rochdale Emerg Mkts		-23.68	-9.11	Q4	3.40	1.76	Q2
Emerging Markets Core Growth		-20.10	-5.52	Q4	2.84	1.19	Q2
Emerging Markets Growth & Income		12.34	2.23	Q1	0.63	-1.02	Q4
Frontier Markets		-14.19	2.22	Q2	7.19	6.51	Q1
Alternative Investment Strategies	**10.6**						
North American Market Neutral Fund		0.94	-	N/A	4.16	-	N/A
Long / Short Equity Fund		-2.28	-	N/A	7.50	-	N/A
Diversified Lending Fund		8.12	-	N/A	6.38	-	N/A
Multi-Strategy Income Fund		-0.17	-	N/A	4.47	-	N/A
Charlemagne OCCO Eastern European Fund		3.56	-	N/A	4.44	-	N/A
OAKS Emerging & Frontier Opportunities Fund		-13.71		Q3	3.41		Q1
Infrastructure Fund		7.24	-	N/A	6.46	-	N/A
Real Estate Fund		7.20	-	N/A	6.41	-	N/A
Global Agriculture Fund		0.88	-	N/A	-0.19	-	N/A
Properties CORE Mortgage Fund		6.18	-	N/A	6.17	-	N/A
Fiera Private Lending Construction Financing Fund		6.86	-	N/A	7.06	-	N/A
Fiera Private Lending Mezzanine Financing Fund		9.99	-	N/A	10.06	-	N/A
Fiera Private Lending Business Financing Fund		11.06	-	N/A	7.07	-	N/A
Total AUM	**136.7**						

	Inception Date	Benchmark Name	Notes
	2018-01-01	FTSE Canada Universe	
	2000-01-01	FTSE TMX Universe	
	2012-03-01	FTSE Canada Corporate Universe	
	2000-01-01	FTSE Canada Universe	
	2002-02-01	85% Merrill Lynch High Yield Corp B-BB Hedged in CAD, 15% Merrill Lynch High Yield Corp CCC Hedged in CAD	
	2015-08-01	SOLACTIVE Preferred Share Laddered Index	
	2011-08-01	FTSE Canada Provincial Long	
	2004-02-01	S&P/TSX Preferred Share Index	
	2017-12-01	FTSE Canada Universe	
	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	
	1987-01-01	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	
	1999-04-01	65% MSCI WORLD / 35% S&P/TSX Composite	
	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	
	2002-01-01	Absolute Return	4
	2009-12-01	Absolute Return	4
	2010-03-01	Absolute Return	
	2013-07-01	Absolute Return	
	2017-07-01	Absolute Return	
	2017-12-01	Absolute Return	
	2006-11-22	Absolute Return	
	2015-07-21	Absolute Return	
	2013-11-06	Absolute Return	

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.

FINANCIAL RESULTS

TABLE 3 – CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND ASSETS UNDER MANAGEMENT AS AT AND FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2018 AND 2017, AND SEPTEMBER 30, 2018

	As at			Variance	
Assets Under Management (In $ millions)	December 31, 2018	September 30, 2018	December 31, 2017	Quarter over Quarter FAV/(UNF)[2]	Year over Year FAV/(UNF)[2]
Assets under Management	136,675	143,475	128,901	(6,800)	7,774

	For the Three-Month Periods Ended			Variance	
Statements of Earnings (in $ thousands except per share data)	December 31, 2018	September 30, 2018	December 31, 2017	Quarter over Quarter FAV/(UNF)[2]	Year over Year FAV/(UNF)[2]
Revenues					
Base management fees	128,561	126,936	105,350	1,625	23,211
Performance fees – Traditional Assets	8,309	1,133	10,039	7,176	(1,730)
Performance fees – Alternative Assets	9,498	41	21,195	9,457	(11,697)
Other revenues	10,595	8,999	5,462	1,596	5,133
	156,963	137,109	142,046	19,854	14,917
Expenses					
Selling, general and administrative expenses	122,440	106,710	109,457	(15,730)	(12,983)
External managers	560	544	404	(16)	(156)
Depreciation of property and equipment	1,179	1,091	964	(88)	(215)
Amortization of intangible assets	12,468	11,834	8,778	(634)	(3,690)
Interest on long-term debt and other financial charges	10,147	5,393	4,835	(4,754)	(5,312)
Accretion and change in fair value of purchase price obligations	8,332	5,978	2,880	(2,354)	(5,452)
Restructuring, integration and other costs	3,399	871	6,866	(2,528)	3,467
Acquisition costs	2,966	2,594	1,679	(372)	(1,287)
Loss on disposal of intangible assets	26	-	-	(26)	(26)
Loss on disposal of property and equipment	55	1	42	(54)	(13)
Realized (gain) loss on investments	(171)	(3)	(128)	168	43
Revaluation of assets held-for-sale	191	-	-	(191)	(191)
Total expenses	161,592	135,013	135,777	(26,579)	(25,815)
Earnings (loss) before income taxes	(4,629)	2,096	6,269	(6,725)	(10,898)
Income taxes expense (recovery)	(3,056)	969	5,185	4,025	8,241
Net earnings (loss)	(1,573)	1,127	1,084	(2,700)	(2,657)
Attributable to:					
Company's shareholders	(1,709)	995	763	(2,704)	(2,472)
Non-controlling interest	136	132	321	4	(185)
Net earnings (loss)	(1,573)	1,127	1,084	(2,700)	(2,657)
BASIC PER SHARE					
Adjusted EBITDA[1]	0.41	0.38	0.43	0.03	(0.02)
Net earnings (loss)	(0.02)	0.01	0.01	(0.03)	(0.03)
Adjusted net earnings[1]	0.29	0.29	0.35	-	(0.06)
DILUTED PER SHARE					
Adjusted EBITDA[1]	0.41	0.36	0.43	0.05	(0.02)
Net earnings (loss)	(0.02)	0.01	0.01	(0.03)	(0.03)
Adjusted net earnings[1]	0.29	0.27	0.35	0.02	(0.06)

1. Please refer to the "Non-IFRS Measures" section and the related reconciliation on page 54.
2. FAV: Favourable - UNF: Unfavourable.

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

TABLE 4 – CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) FOR THE TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2018 AND 2017

Statements of Earnings (in $ thousands except per share data)	For the Twelve-Month Periods Ended		Variance
	December 31, 2018	December 31, 2017	Year over Year FAV/(UNF) [2]
Revenues			
Base management fees	485,624	405,056	80,568
Performance fees – Traditional Assets	13,680	13,379	301
Performance fees – Alternative Assets	9,422	21,193	(11,771)
Other revenues	31,559	19,468	12,091
	540,285	459,096	81,189
Expenses			
Selling, general and administrative expenses	425,924	358,454	(67,470)
External managers	1,845	2,176	331
Depreciation of property and equipment	4,235	3,817	(418)
Amortization of intangible assets	44,813	41,110	(3,703)
Interest on long-term debt and other financial charges	25,355	11,479	(13,876)
Accretion and change in fair value of purchase price obligations	24,497	5,852	(18,645)
Restructuring, integration and other costs	7,586	15,150	7,564
Acquisition costs	11,086	5,434	(5,652)
Loss on disposal of property and equipment	56	522	466
Loss on disposal of intangible assets	26	371	345
Realized (gain) loss on investments	(145)	(137)	8
Revaluation of assets held-for-sale	191	-	(191)
	545,469	444,228	(101,241)
Earnings (loss) before income taxes	(5,184)	14,868	(20,052)
Income taxes expense (recovery)	(429)	4,156	4,585
Net earnings (loss)	(4,755)	10,712	(15,467)
Attributable to:			
Company's shareholders	(5,013)	10,671	(15,684)
Non-controlling interest	258	41	217
Net earnings (loss)	(4,755)	10,712	(15,467)
BASIC PER SHARE			
Adjusted EBITDA [1]	1.45	1.42	0.03
Net earnings (loss)	(0.05)	0.13	(0.18)
Adjusted net earnings [1]	1.07	1.21	(0.14)
DILUTED PER SHARE			
Adjusted EBITDA [1]	1.45	1.33	0.12
Net earnings (loss)	(0.05)	0.12	(0.17)
Adjusted net earnings [1]	1.07	1.13	(0.06)

1. Please refer to the "Non-IFRS Measures" Section and the related reconciliation table on page 54.
2. FAV: Favourable - UNF: Unfavourable.

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

TABLE 5 – SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INFORMATION (IN $ THOUSANDS)

	December 31, 2018	December 31, 2017
Cash and cash equivalents, restricted cash, investments	**58,335**	47,417
Accounts receivable	**148,459**	128,398
Other current assets	**50,654**	10,082
Total current assets	**257,448**	185,897
Goodwill	**631,699**	523,885
Intangible assets	**529,062**	462,281
Other non-current assets	**42,398**	32,852
Total assets	**1,460,607**	1,204,915
Accounts payable and accrued liabilities	**144,059**	114,008
Other current liabilities	**46,260**	39,419
Total current liabilities	**190,319**	153,427
Long-term debt	**421,139**	292,417
Convertible debentures	**79,008**	77,461
Purchase price obligations	**98,221**	58,086
Deferred income taxes	**12,489**	16,014
Other non-current liabilities	**25,705**	15,499
Total liabilities	**826,881**	612,904
Equity		
Attributable to Company's shareholders	**632,958**	592,545
Attributable to Non-controlling interest	**768**	(534)
	633,726	592,011
Total liabilities and equity	**1,460,607**	1,204,915

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

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE - AUM AND REVENUES

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 Company's AUM. The change in the Company's AUM is determined by i) the amount of new mandates ("New"); ii) the amount of redemptions ("Lost"); iii) the amount of inflows and outflows from existing 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 disposals ("Disposals"). 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 complementary information, Note 4 of the audited consolidated financial statements for the years ended December 31, 2018, and 2017 presents the Company's business combinations and other transactions, and is to be read in conjunction with the following discussions. Also, refer to the Company's evolution diagram on page 36 for the details and timing of the acquisitions and other business transactions.

The following tables (Tables 6, 7 and 8) provide a summary of changes in the Company's assets under management:

TABLE 6 – ASSETS UNDER MANAGEMENT[1] (IN $ MILLIONS)

	For the Three-Month Periods Ended		
	December 31, 2018	September 30, 2018	December 31, 2017
AUM - beginning of period	143,475	139,389	123,003
Net variance	(6,800)	2,252	3,811
Acquisitions	-	1,834	2,087
AUM - end of period	136,675	143,475	128,901
Average AUM	137,995	143,314	127,830

1. AUM include foreign exchange impact.

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

TABLE 7 – ASSETS UNDER MANAGEMENT BY CLIENTELE TYPE – QUARTERLY ACTIVITY CONTINUITY SCHEDULE (IN $ MILLIONS)

	September 30, 2018	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisition (Disposal)/ Adjustment	December 31, 2018
Institutional	76,373	632	(1,844)	(592)	(4,075)	1,464	-	71,958
Private Wealth	30,976	475	(225)	(448)	(816)	1,355	-	31,317
Retail	36,126	291	(422)	(1,008)	(2,141)	554	-	33,400
AUM - end of period	143,475	1,398	(2,491)	(2,048)	(7,032)	3,373	-	136,675

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

Quarterly Activities

Total AUM were $136.7 billion as at December 31, 2018, representing a decrease of $6.8 billion, or 5%, compared to $143.5 billion as at September 30, 2018. The lower AUM are due primarily to market depreciation of $7.0 billion, combined with lost mandates of $2.5 billion and a negative net contribution of $2.0 billion, during the period. These decreases in AUM were partially offset by new mandates of $1.4 billion during the fourth quarter of 2018. Finally, the US dollar exchange rate fluctuation positively impacted the Company's AUM by approximately $3.4 billion during the fourth quarter of 2018. Overall, the market correction in global equities during the quarter was partially offset by positive returns in fixed income and alternative assets, which together make up 55% of the Company's AUM.

AUM related to the Institutional clientele were $72.0 billion as at December 31, 2018, representing a decrease of $4.4 billion, or 6%, compared to $76.4 billion from the quarter ended September 30, 2018. The decrease in AUM was driven primarily by market depreciation of $4.1 billion, combined with lost mandates of $1.8 billion, as a result of clients consolidating investment service providers or pursuing other asset classes, as well as negative net contributions of $0.6 billion during the quarter. These decreases were partially offset by new mandates of $0.6 billion during the quarter, namely in Balanced, Global and International Equity and Alternative mandates. Finally, the US dollar exchange rate fluctuation positively impacted AUM during the three-month period ended December 31, 2018, by approximately $1.5 billion.

The AUM related to the Private Wealth clientele were $31.3 billion as at December 31, 2018, representing an increase of $0.3 billion, or 1%, compared to $31.0 billion from the previous quarter ended September 30, 2018. The increase is primarily due to $1.4 billion from the positive impact of the US dollar exchange rate, combined with new mandates of $0.5 billion, partially offset by market depreciation of $0.8 billion as well as lost mandates and negative net contribution totaling $0.7 billion during the quarter, mainly due to clients pursuing other asset classes.

The AUM related to the Retail clientele were $33.4 billion as at December 31, 2018, representing a decrease of $2.7 billion, or 7%, compared to $36.1 billion from the previous quarter ended September 30, 2018. The decrease is primarily driven by market depreciation of $2.1 billion, combined with lost mandates and negative net contribution of $1.4 billion during the quarter, mainly due to clients pursuing other asset classes. This decrease in AUM was partially offset by the positive impact of the US dollar exchange rate and new mandates of $0.6 billion and $0.3 billion, respectively.

TABLE 8 – ASSETS UNDER MANAGEMENT BY CLIENTELE TYPE – YEAR-TO-DATE ACTIVITY CONTINUITY SCHEDULE (IN $ MILLIONS)

	December 31, 2017	New	Lost	Net Contributions	Market	Foreign Exchange Impact	Acquisition (Disposal)/ Adjustment	December 31, 2018
Institutional	68,038	4,643	(4,465)	(1,316)	(2,031)	2,173	4,916	71,958
Private Wealth	26,319	2,417	(875)	(531)	(30)	2,069	1,948	31,317
Retail	34,544	2,248	(1,356)	(891)	(2,025)	880	-	33,400
AUM - end of period	128,901	9,308	(6,696)	(2,738)	(4,086)	5,122	6,864	136,675

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

Year-to-Date Activity

Total AUM were $136.7 billion as at December 31, 2018, representing an increase of $7.8 billion, or 6%, compared to $128.9 billion as at December 31, 2017. The increase is due primarily to new mandates of $9.3 billion, combined with new AUM from the CGOV Asset Management ("CGOV") and Clearwater acquisitions which added $5.0 billion and $1.8 billion, respectively. These increases in AUM were partially offset by lost mandates of $6.7 billion, market depreciation of $4.1 billion and negative net contribution of $2.7 billion during the twelve-month period ended December 31, 2018. Finally, the US dollar exchange rate fluctuation positively impacted AUM during the twelve-month period ended December 31, 2018, by approximately $5.1 billion.

The following graphs illustrate the breakdown of the Company's AUM by clientele type and by asset class as at December 31, 2018, and December 31, 2017, respectively.

AUM BY CLIENTELE TYPE

AUM BY ASSET CLASS

Revenues

The Company'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 Company is also entitled to performance fees. The Company 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, as well as gains or losses on the foreign exchange hedge contracts.

TABLE 9 – REVENUES: QUARTERLY ACTIVITY (IN $ THOUSANDS)

	For the Three-Month Periods Ended			Variance	
	December 31, 2018	September 30, 2018	December 31, 2017	Quarter over Quarter	Year over Year
Institutional	**60,926**	**58,752**	**49,023**	2,174	11,903
Private Wealth	**34,341**	**33,568**	**26,461**	773	7,880
Retail	**33,294**	**34,616**	**29,866**	(1,322)	3,428
Total management fees	**128,561**	**126,936**	**105,350**	1,625	23,211
Performance fees – Traditional asset class	**8,309**	**1,133**	**10,039**	7,176	(1,730)
Performance fees – Alternative asset class	**9,498**	**41**	**21,195**	9,457	(11,697)
Total performance fees	**17,807**	**1,174**	**31,234**	16,633	(13,427)
Other revenues	**10,595**	**8,999**	**5,462**	1,596	5,133
Total revenues	**156,963**	**137,109**	**142,046**	19,854	14,917

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, 2018, were $157.0 million, representing an increase of $15.0 million, or 11%, compared to $142.0 million for the same period last year. The year-over-year increase in revenues is mainly due to organic growth resulting from sales efforts, combined with additional revenues from the Fiera Capital Emerging Markets Fund created following the acquisition of Asia Emerging Market Fund from City National Rochdale ("CNR transaction") in December 2017, and from the recent acquisitions of CGOV in May 2018 and Clearwater in August 2018. This increase in revenues was partially offset by lower performance fees recorded in the fourth quarter of 2018 compared to the same period last year.

Management Fees

Management fees were $128.6 million for the fourth quarter ended December 31, 2018, representing an increase of $23.2 million, or 22%, compared to $105.4 million for the same period last year. The overall increase in management fees by clientele type is as follows:

> Management fees from the Institutional clientele were $60.9 million for the fourth quarter ended December 31, 2018, representing an increase of $11.9 million, or 24%, compared to $49.0 million for the same quarter last year. The increase in base management fees is primarily due to additional revenues from the CGOV and Clearwater acquisitions, combined with higher revenues resulting from higher AUM from new mandates namely from the US and Canada mainly in Global Equity, as well as from the growth in Private Alternative Investment Strategies.

> Management fees from the Private Wealth clientele were $34.3 million for the fourth quarter ended December 31, 2018, representing an increase of $7.8 million, or 29%, compared to $26.5 million for the same period last year. The increase is mainly due to the acquisition of CGOV, combined with a higher AUM base from new mandates in the US.

> Management fees from the Retail clientele were $33.3 million for the fourth quarter ended December 31, 2018, representing an increase of $3.4 million, or 11%, compared to $29.9 million for the same quarter last year. The increase is mainly attributable to additional revenues following the CNR transaction.

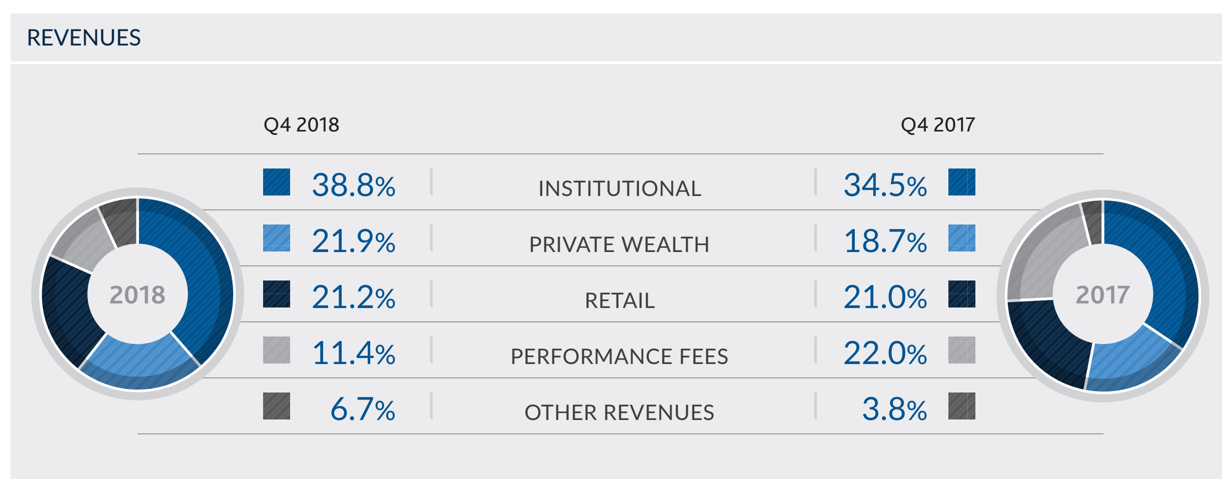
Performance Fees

Performance fees were $17.8 million for the fourth quarter ended December 31, 2018, compared to $31.2 million for the same period last year mainly due to lower performance on the emerging market funds.

Other Revenues

Other revenues were $10.6 million for the fourth quarter ended December 31, 2018, representing an increase of $5.1 million, or 93%, compared to $5.5 million for the same period last year. The increase is mainly due to higher income from Canada resulting from the change in revenue recognition following the recent update of IFRS 15 presenting gross revenue as opposed to previously presented on a net basis under operating expenses with an overall nil impact on net earnings, combined with additional volume from the Private Alternative Investment strategies and higher other income from the Fiera Capital Emerging Markets Fund created in June 2018 following the CNR transaction in December 2017, partially offset by a loss of $3.1 million on the forward foreign exchange contracts, compared to a gain of $0.9 million for the same period last year.

The following graphs illustrate the breakdown of the Company's revenues for the three-month periods ended December 31, 2018, and December 31, 2017, respectively:



Current Quarter versus Previous Quarter

Revenues for the fourth quarter ended December 31, 2018, were $157.0 million, representing an increase of $19.9 million, or 15%, compared to $137.1 million for the previous quarter ended September 30, 2018. The increase in revenues is mainly due to higher performance fees, combined with a full quarter of Clearwater, partially offset by a loss on hedging recorded in the fourth quarter, compared to a gain recorded in the previous quarter. Overall, the market correction at the end of the fourth quarter of 2018 negatively impacted the Company's revenues, which were offset by the foreign exchange rate fluctuation, as well as the Company's organic growth resulting from sales efforts.

Management Fees

Management fees were $128.6 million for the fourth quarter ended December 31, 2018, representing an increase of $1.7 million, or 1%, compared to $126.9 million for the previous quarter ended September 30, 2018. The following is the breakdown of the management fees by clientele type:

- Management fees from the Institutional clientele were $60.9 million for the fourth quarter ended December 31, 2018, representing an increase of $2.1 million, or 4%, compared to $58.8 million for the previous quarter ended September 30, 2018. The sequential increase is primarily due to a full quarter of revenues from the Clearwater acquisition, combined with new mandates in the US, partially offset by a reclassification of $1.6 million from Fiera Properties institutional to the Private Wealth segment.

- Management fees from the Private Wealth clientele were $34.3 million for the fourth quarter ended December 31, 2018, representing an increase of $0.7 million, or 2%, compared to $33.6 million for the previous quarter ended September 30, 2018. The increase is mainly due to a reclassification of $1.6 million from Fiera Properties institutional, partially offset by lower revenues from US activities.

- Management fees from the Retail clientele were $33.3 million for the fourth quarter ended December 31, 2018, representing a decrease of $1.3 million, or 4%, compared to $34.6 million for the previous quarter ended September 30, 2018. The decrease is mainly due to lower base management fees following client redemptions.

Performance Fees

Performance fees were $17.8 million for the fourth quarter ended December 31, 2018, compared to $1.2 million for the previous quarter ended September 30, 2018. Performance fees are generally recorded in June and December of each year.

Other Revenues

Other revenues were $10.6 million for the fourth quarter ended December 31, 2018, representing a decrease of $1.6 million, or 18%, compared to $9.0 million for the previous quarter ended September 30, 2018. The increase is mainly due to higher income from Canada resulting from the change in revenue recognition following the recent update of IFRS 15 presenting gross revenue as opposed to previously presented on a net basis under operating expenses with an overall nil impact on net earnings, combined with additional volume from the Private Alternative Investment strategies, partially offset by a loss of $3.1 million on hedging recorded in the fourth quarter, compared to a gain of $1.1 million recorded in the previous quarter.

TABLE 10 – REVENUES: YEAR-TO-DATE ACTIVITY (IN $ THOUSANDS)

	For The Twelve-Month Periods Ended		Variance
	December 31, 2018	December 31, 2017	Year over Year
Institutional	**225,229**	**185,452**	39,777
Private Wealth	**124,505**	**106,599**	17,906
Retail	**135,890**	**113,005**	22,885
Total management fees	**485,624**	**405,056**	80,568
Performance fees – Traditional asset class	**13,680**	**13,379**	301
Performance fees – Alternative asset class	**9,422**	**21,193**	(11,771)
Total performance fees	**23,102**	**34,572**	(11,470)
Other revenues	**31,559**	**19,468**	12,091
Total revenues	**540,285**	**459,096**	81,189

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

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

Revenues for the twelve-month period ended December 31, 2018, were $540.3 million, representing an increase of $81.2 million, or 18%, compared to $459.1 million for the same period last year. The year-over-year increase in revenues is mainly due to additional revenues from the Fiera Capital Emerging Markets fund created in June 2018, following the CNR transaction in December 2017, and the recent acquisitions of CGOV and Clearwater, combined with organic growth resulting from sales efforts, mostly from the institutional sector as well as growth in Private Alternative Investment strategies, partially offset by lower performance fees recorded in 2018 compared to 2017.

Management Fees

Management fees for the twelve-month period ended December 31, 2018, were $485.6 million, representing an increase of $80.5 million, or 20%, compared to $405.1 million for the same period last year. The increase by clientele type is as follows:

- Revenues from the Institutional clientele for the twelve-month period ended December 31, 2018, were $225.2 million, representing an increase of $39.7 million, or 21%, compared to $185.5 million for the same period last year. The increase in base management fees is mainly due to higher AUM from new mandates in Global Equity strategies and Private Alternative Investment strategies, combined with the acquisitions of CGOV and Clearwater.

- Revenues from the Private Wealth clientele for the twelve-month period ended December 31, 2018, were $124.5 million, representing an increase of $17.9 million, or 17%, compared to $106.6 million for the same period last year. The increase was primarily due to additional revenues from the CGOV acquisition, combined with higher revenues resulting from organic growth resulting from sales efforts.

- Revenues from the Retail clientele for the twelve-month period ended December 31, 2018, were $135.9 million, representing an increase of $22.9 million, or 20%, compared to $113.0 million for the same period last year. The increase is mainly attributable to the additional revenues from the Fiera Capital Emerging Markets fund created in June 2018, following the CNR transaction in December 2017 and from Fiera Capital Europe.

Performance Fees

Total performance fees were $23.1 million for the twelve-month period ended December 31, 2018, compared to $34.6 million for the same period last year mainly due to lower performance on the emerging market funds.

Other Revenues

Other revenues were $31.6 million for the twelve-month period ended December 31, 2018, representing an increase of $12.1 million, or 62%, compared to $19.5 million for the same period last year, mostly from the Private Alternative Investment strategies and higher other income from the Fiera Capital Emerging Markets Fund created in June 2018 following the CNR transaction in December 2017, higher income from Canada resulting from the change in revenue recognition following the recent update of IFRS 15 presenting gross revenue as opposed to previously presented on a net basis under operating expenses with an overall nil impact on net earnings, partially offset by a loss of $4.7 million on the forward foreign exchange contracts on revenues denominated in US dollars, compared to a gain of $2.1 million for the comparable period last year.

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE - EXPENSES

Selling, General and Administrative ("SG&A") and Managers' Expenses

Current Quarter versus Prior-Year Quarter

SG&A and external managers' expenses were $123.0 million for the three-month period ended December 31, 2018, representing an increase of $13.1 million, or 12%, compared to $109.9 million for the same period last year. The higher costs are mainly due to an increase in variable compensation related to long-term cash compensation agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies, combined with higher volume resulting from the Company's growth and acquisitions.

Current Quarter versus Previous Quarter

SG&A and external managers' expenses were $123.0 million for the three-month period ended December 31, 2018, representing an increase of $15.7 million, or 15%, compared to $107.3 million for the previous quarter ended September 30, 2018. The increase is mainly attributable to higher performance fees related expenses, as well as higher volume resulting from the Company's growth.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

SG&A and external managers' expenses were $427.8 million for the twelve-month period ended December 31, 2018, representing an increase of $67.2 million, or 19%, compared to $360.6 million for the same period last year. The increase in costs is attributable to the higher volume of operations following the Company's global growth 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 investment strategies.

Depreciation and Amortization

Current Quarter versus Prior-Year Quarter

Depreciation of property and equipment was $1.2 million for the fourth quarter ended December 31, 2018, representing an increase of $0.2 million, or 20%, compared to $1.0 million from the corresponding quarter last year, mainly due to various acquisitions in 2018.

Amortization of intangible assets was $12.5 million for the fourth quarter ended December 31, 2018, representing an increase of $3.7 million, or 42%, compared to $8.8 million for the same period last year. The increase in amortization of intangible assets is mainly attributed to various acquisitions.

Current Quarter versus Previous Quarter

Depreciation of property and equipment remained fairly stable at $1.2 million for the fourth quarter ended December 31, 2018, when compared to $1.1 million from the previous quarter ended September 30, 2018.

Amortization of intangible assets was $12.5 million for the fourth quarter ended December 31, 2018, representing an increase of $0.7 million, or 6%, compared to $11.8 million for the previous quarter ended September 30, 2018. The increase is mainly attributable to the Clearwater acquisition.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

Depreciation of property and equipment was $4.2 million for the twelve-month period ended December 31, 2018, representing an increase of $0.4 million, or 11%, compared to $3.8 million for the same period last year.

Amortization of intangible assets was $44.8 million for the twelve-month period ended December 31, 2018, representing an increase of $3.7 million, or 9%, compared to $41.1 million for the same period last year.

As complementary information, Note 4 of the audited consolidated financial statements for the years ended December 31, 2018, and 2017, presents the details on the acquisition of intangible assets related to business acquisitions and other transactions.

Interest on Long-Term Debt and Other Financial Charges

Current Quarter versus Prior-Year Quarter

Interest on long-term debt and other financial charges was $10.1 million for the fourth quarter ended December 31, 2018, representing an increase of $5.3 million, compared to $4.8 million for the same quarter last year. The increase is mainly due to the net impact of cross currency and interest rate swaps, combined with the remeasurement impact of financial instruments denominated in foreign currencies, as well as an increased interest expense on the convertible debentures and long-term debt.

Current Quarter versus Previous Quarter

Interest on long-term debt and other financial charges was $10.1 million for the fourth quarter ended December 31, 2018, representing an increase of $4.7 million, compared to $5.4 million for the previous quarter ended September 30, 2018. The increase is mainly due to the net impact of cross currency and interest rate swaps, combined with the remeasurement impact of financial instruments denominated in foreign currencies, as well as an increased interest expense on long-term debt.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

Interest on long-term debt and other financial charges was $25.4 million for the twelve-month period ended December 31, 2018, representing an increase of $13.9 million, compared to $11.5 million for the same period last year. The increase is mainly due to the net impact of cross currency and interest rate swaps, combined with the remeasurement impact of financial instruments denominated in foreign currencies, as well as increased interest expense on the convertible debentures and debt interest.

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 an expense of $8.3 million for the fourth quarter ended December 31, 2018, compared to an expense of $2.9 million for the same quarter last year. The increase is mainly due to the CNR transaction with corresponding increased revenues.

Current Quarter versus Previous Quarter

The accretion and change in fair value of purchase price obligations represented a charge of $8.3 million for the fourth quarter ended December 31, 2018, compared to a charge of $6.0 million for the previous quarter ended September 30, 2018. The increase is mainly due to the Clearwater acquisition.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

The accretion and change in fair value of purchase price obligations represented a charge of $24.5 million for the twelve-month period ended December 31, 2018, compared to a charge of $5.9 million for the same period last year. The increase is mainly due to the CNR transaction in 2017 and Clearwater acquisition in 2018.

Acquisition and Restructuring, Integration and Other Costs

Current Quarter versus Prior-Year Quarter

Acquisition and restructuring, integration and other costs were $6.4 million for the fourth quarter ended December 31, 2018, representing a decrease of $2.1 million, or 25%, compared to $8.5 million for the same period last year. The decrease is mainly due to lower restructuring, integration and other costs, partially offset by higher acquisition costs during the fourth quarter of 2018 compared to the same period last year.

Current Quarter versus Previous Quarter

Acquisition and restructuring, integration and other costs were $6.4 million for the fourth quarter ended December 31, 2018, representing an increase of $2.9 million, or 83%, compared to $3.5 million for the previous quarter ended September 30, 2018. The increase is mainly due to higher restructuring, integration and other costs in the fourth quarter of 2018, compared to the previous quarter ended September 30, 2018.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

Acquisition and restructuring, integration and other costs were $18.7 million for the twelve-month period ended December 31, 2018, representing a decrease of $1.9 million, or 9%, compared to $20.6 million for the same period last year. The decrease is mainly due to lower restructuring, integration and other costs, partially offset by higher acquisitions costs for the twelve-month period ended December 31, 2018, compared to the same period last year.

NET EARNINGS (LOSSES)

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2018, the Company reported net loss attributable to the Company's shareholders of $(1.7) million, or $(0.02) per share (basic and diluted), compared to $0.8 million, or $0.01 per share (basic and diluted), for the same quarter last year. The decrease in net earnings is mainly attributable to higher expenses related to the accretion and change in fair value of the purchase price obligations of $5.5 million mainly related to the CNR transaction, partially offset by higher revenues due to volume and acquisitions.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2018, the Company reported net loss attributable to the Company's shareholders of $(1.7) million, or $(0.02) per share (basic and diluted), compared to net earnings of $1.0 million, or $0.01 per share (basic and diluted), for the previous quarter ended September 30, 2018. The quarter net loss resulted mainly from the increase in expenses related to the accretion and change in fair value of purchase price obligations related to the CNR transaction, combined with the rise in debt interest and in amortization of intangible assets, partially offset by higher revenues due to volume and acquisitions.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

For the twelve-month period ended December 31, 2018, the Company recorded net loss attributable to the Company's shareholders of $(5.0) million, or $(0.05) per share (basic and diluted), compared to net earnings of $10.7 million, or $0.13 per share (basic) and $0.12 (diluted) for the same period last year. The decrease in net earnings is attributable to higher expenses related to the accretion and change in fair value of the purchase price obligations of $18.6 million related to the CNR transaction, partially offset by higher revenues due to sales efforts, market appreciation and acquisitions.

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 (loss) before interest, income taxes, depreciation and amortization (EBITDA). ***Adjusted EBITDA*** is calculated as EBITDA, adjusted for acquisition, restructuring, integration and other costs, accretion and change in fair value of purchase price obligations, realized loss (gain) on investments, loss on disposal of investments in subsidiaries, gain on disposal of investments in joint ventures, 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.

Adjusted EBITDA

The following table presents the Company's adjusted EBITDA and adjusted EBITDA per share[1] for the three and twelve-month periods ended December 31, 2018, and 2017, as well as for the three-month period ended September 30, 2018:

TABLE 11 – ADJUSTED EBITDA (IN $ THOUSANDS EXCEPT PER SHARE DATA)

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net earnings (Loss)	(1,573)	1,127	1,084	(4,755)	10,712
EBITDA	19,165	20,414	20,846	69,219	71,274
Adjusted EBITDA	39,322	36,620	36,056	137,483	116,753
Per share basic	0.41	0.38	0.43	1.45	1.42
Per share diluted	0.41	0.36	0.43	1.45	1.33

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

Current Quarter versus Prior-Year Quarter

For the fourth quarter ended December 31, 2018, adjusted EBITDA was $39.3 million or $0.41 per share (basic and diluted), representing an increase of $3.2 million, or 9%, compared to $36.1 million, or $0.43 per share (basic and diluted), for the same period last year.

Adjusted EBITDA for the fourth quarter ended December 31, 2018, was higher primarily due to the CNR transaction and the acquisition of CGOV, combined with revenues from the deployment of the Private Alternative Investment strategies. This increase in revenues was partially offset by an overall operating expenses increase to support the Company's growth and expansion.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2018, adjusted EBITDA was $39.3 million or $0.41 per share (basic and diluted), representing an increase of $2.7 million, or 7%, compared to $36.6 million or $0.38 per share (basic) and $0.36 (diluted), from the previous quarter ended September 30, 2018. The sequential increase in adjusted EBITDA is mainly due to higher revenues, partially offset by additional SG&A expenses to support the Company's growth.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

For the twelve-month period ended December 31, 2018, adjusted EBITDA was $137.5 million, or $1.45 per share (basic and diluted), representing an increase of $20.7 million, or 18%, compared to $116.8 million, or $1.42 per share (basic) and $1.33 (diluted), for the same period last year.

The increase in adjusted EBITDA for the twelve-month period ended December 31, 2018, is mainly attributable to the CNR transaction in December 2017, CGOV in May 2018, combined with an increase in revenues resulting from organic growth resulting from sales efforts driven by global collaboration between our distribution team. This was partially offset by an increase in variable compensation related to long-term cash agreements with key investment professionals which aim to secure and contribute to the continued growth in revenues and in investment strategies, combined with higher operating expenses to support the Company's growth and expansion.

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

TABLE 12 – EBITDA AND ADJUSTED EBITDA RECONCILIATION (IN $ THOUSANDS EXCEPT PER SHARE DATA)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net earnings (loss)	**(1,573)**	**1,127**	**(2,215)**	**(2,093)**	**1,084**	**4,771**	**504**	**4,353**
Income taxes expense (recovery)	(3,056)	969	1,641	17	5,185	(263)	(797)	32
Depreciation of property and equipment	1,179	1,091	1,018	947	964	976	956	931
Amortization of intangible assets	12,468	11,834	10,488	10,022	8,778	10,487	10,900	10,935
Interest on long-term debt and other financial charges	10,147	5,393	5,054	4,761	4,835	2,641	1,827	2,177
EBITDA	**19,165**	**20,414**	**15,986**	**13,654**	**20,846**	**18,612**	**13,390**	**18,428**
Restructuring, integration and other costs	3,399	871	2,389	928	6,866	2,357	4,851	1,076
Acquisition costs	2,966	2,594	2,508	3,018	1,679	378	1,659	1,718
Accretion and change in fair value of purchase price obligations	8,332	5,978	5,720	4,467	2,880	375	1,289	1,308
Realized loss (gain) on investments	(171)	(3)	2	27	(128)	2	(8)	(4)
Loss on disposal of intangible assets and property and equipment	81	1	-	-	42	480	371	-
Revaluation of assets-held-for-sale	191	-	-	-	-	-	-	-
Share-based compensation	5,359	6,765	6,098	6,745	3,871	4,816	6,928	2,673
Adjusted EBITDA	**39,322**	**36,620**	**32,703**	**28,839**	**36,056**	**27,020**	**28,480**	**25,199**
REVENUES	**156,963**	**137,109**	**126,232**	**119,981**	**142,046**	**107,127**	**109,349**	**100,574**
Adjusted EBITDA Margin	**25.1%**	**26.7%**	**25.9%**	**24.0%**	**25.4%**	**25.2%**	**26.0%**	**25.1%**
Adjusted EBITDA Per Share								
Basic	**0.41**	**0.38**	**0.35**	**0.32**	**0.43**	**0.33**	**0.35**	**0.31**
Diluted	**0.41**	**0.36**	**0.35**	**0.32**	**0.43**	**0.32**	**0.34**	**0.30**

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

We define ***adjusted net earnings*** as net earnings (loss) 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, accretion and change in fair value of purchase price obligations, accretion on effective interest on convertible bonds, 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/loss on revaluation of a purchase price obligation and after-tax gain on acquisition of control of investment in joint venture, as well as the impact of the US Tax Cuts and Jobs Act in 2017.

Effective December 31, 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. This change was made to recognize the gain or loss from these derivative financial instruments in net earnings in accordance with the nature of the hedged item. Comparative figures prior to December 31, 2017, for adjusted net earnings and adjusted net earnings per share (basic and diluted) have been restated to be consistent with the current presentation.

Effective March 31, 2018, the Company amended the definition of adjusted net earnings to adjust for the accretion and change in fair value of purchase price obligations. Also, effective September 30, 2018, the Company amended the definition of adjusted net earnings to adjust for the accretion on effective interest on convertible bonds. Accretion expenses and the gains or losses recognized on the change in fair value of purchase price obligations arise from contingent consideration arrangements, generally in business combinations which are considered non-core operations. The fair value of contingent consideration is remeasured at each reporting date and it is determined using valuation techniques which make use of forecasted net cash flows discounted to present value. Accretion expense (i.e. non-cash interest expense) brings the present value of the purchase price obligation up to its future value over time. Adjusting accretion expense and change in fair value of purchase price obligations from adjusted net earnings provides for better comparability of the financial results between periods where valuation assumptions used by management may introduce volatility in earnings. Comparative figures prior to September 30, 2018, for adjusted net earnings and adjusted net earnings per share (basic and diluted) have been restated to be consistent with the current presentation.

We believe that adjusted net earnings is a meaningful measure as it allows for the evaluation of the Company's overall performance from one period to the next without the variation caused by the impacts of the items described above. The Company excludes these items because they affect the comparability of its financial results 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.

Adjusted Net Earnings

The following table presents the Company's net earnings (loss) and adjusted net earnings for the three and twelve-month periods ended December 31, 2018, and 2017, as well as for the three-month period ended September 30, 2018:

TABLE 13 – NET EARNINGS (LOSS) AND ADJUSTED NET EARNINGS (IN $ THOUSANDS EXCEPT PER SHARE DATA)

	For the Three-Month Periods Ended			For the Twelve-Month Periods Ended	
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Net earnings (loss) attributable to the Company's shareholders	**(1,709)**	**995**	**763**	**(5,013)**	**10,671**
Depreciation of property and equipment	1,179	1,091	964	4,235	3,817
Amortization of intangible assets	12,468	11,834	8,778	44,813	41,110
Share-based compensation*	5,359	6,765	3,871	24,967	18,287
Restructuring, integration and other costs*	3,399	871	6,866	7,586	15,150
Acquisition costs*	2,966	2,594	1,679	11,086	5,434
Accretion and change in fair value of purchase price obligations and effective interest on convertible bonds*	8,692	6,285	2,880	25,819	5,852
Revaluation of assets-held-for-sale*	191	-	-	191	-
Impact of US Tax Cuts and Jobs Act on future income taxes	-	-	6,017	-	6,017
Less: Income taxes on above-mentioned items*	4,294	2,902	2,580	12,447	7,084
Adjusted net earnings attributable to the Company's shareholders	**28,251**	**27,533**	**29,238**	**101,237**	**99,254**
Per share – basic					
Net earnings (loss)	**(0.02)**	**0.01**	**0.01**	**(0.05)**	**0.13**
Adjusted net earnings	**0.29**	**0.29**	**0.35**	**1.07**	**1.21**
Per share – diluted					
Net earnings (loss)	**(0.02)**	**0.01**	**0.01**	**(0.05)**	**0.12**
Adjusted net earnings	**0.29**	**0.27**	**0.35**	**1.07**	**1.13**

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

Current Quarter versus Prior-Year Quarter

Adjusted net earnings attributable to the Company's shareholders amounted to $28.3 million, or $0.29 per share (basic and diluted) for the fourth quarter ended December 31, 2018, compared to $29.2 million, or $0.35 per share (basic and diluted) for the fourth quarter ended December 31, 2017. Adjusted net earnings for the quarter ended December 31, 2018, reflected net loss, excluding $19.0 million, or $0.20 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as $11.0 million, or $0.11 per share (basic and diluted), of acquisition, restructuring, integration and other costs, an expense related to the accretion and change in fair value of purchase price obligations and the accretion on effective interest on convertible bonds and the revaluation of assets held-for-sale, net of income taxes.

Current Quarter versus Previous Quarter

For the fourth quarter ended December 31, 2018, the Company recorded adjusted net earnings of $28.3 million, or $0.29 per share (basic and diluted) representing an increase of $0.1 million compared to $27.5 million, or $0.29 (basic) and $0.27 (diluted) from the previous quarter ended September 30, 2018. 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 Company's growth.

Year-to-Date December 31, 2018, versus Year-to-Date December 31, 2017

For the twelve-month period ended December 31, 2018, adjusted net earnings attributable to the Company's shareholders amounted to $101.2 million, or $1.07 per share (basic and diluted), compared to $99.3 million, or $1.21 per share (basic) and $1.13 (diluted) for the same period last year. Adjusted net earnings for the year ended December 31, 2018, reflected net loss, excluding $74.0 million, or $0.78 per share (basic and diluted), of depreciation of property and equipment, amortization of intangible assets and share-based compensation, as well as $32.2 million, or $0.34 per share (basic and diluted), of acquisition, restructuring, integration and other costs, an expense related to the accretion and change in fair value of purchase price obligations and the accretion on effective interest on convertible bonds and the revaluation of assets held-for-sale, net of income taxes.

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

TABLE 14 – ADJUSTED NET EARNINGS RECONCILIATION (IN $ THOUSANDS EXCEPT PER SHARE DATA)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net earnings (loss) attributable to the Company's shareholders	**(1,709)**	**995**	**(2,106)**	**(2,193)**	**763**	**4,603**	**877**	**4,428**
Depreciation of property and equipment	1,179	1,091	1,018	947	964	976	956	931
Amortization of intangible assets	12,468	11,834	10,488	10,022	8,778	10,487	10,900	10,935
Share-based compensation*	5,359	6,765	6,098	6,745	3,871	4,816	6,928	2,673
Restructuring, integration and other costs*	3,399	871	2,389	928	6,866	2,357	4,851	1,076
Acquisition costs*	2,966	2,594	2,508	3,018	1,679	378	1,659	1,718
Accretion and change in fair value of purchase price obligations and effective interest on convertible bonds*	8,692	6,285	6,058	4,784	2,880	375	1,289	1,308
Revaluation of assets-held-for-sale*	191	-	-	-	-	-	-	-
Impact of US Tax Cuts and Jobs Act on future income taxes	-	-	-	-	6,017	-	-	-
Income taxes on above-mentioned items*	4,294	2,902	2,661	2,590	2,580	933	2,340	1,231
Adjusted net earnings attributable to the Company's shareholders	**28,251**	**27,533**	**23,792**	**21,661**	**29,238**	**23,059**	**25,120**	**21,838**
Per share – basic								
Net earnings (loss) attributable to the Company's shareholders	**(0.02)**	**0.01**	**(0.02)**	**(0.02)**	**0.01**	**0.06**	**0.01**	**0.05**
Adjusted net earnings attributable to the Company's shareholders	**0.29**	**0.29**	**0.26**	**0.24**	**0.35**	**0.28**	**0.31**	**0.27**
Per share – diluted								
Net earnings (loss) attributable to the Company's shareholders	**(0.02)**	**0.01**	**(0.02)**	**(0.02)**	**0.01**	**0.05**	**0.01**	**0.05**
Adjusted net earnings attributable to the Company's shareholders	**0.29**	**0.27**	**0.26**	**0.24**	**0.35**	**0.27**	**0.30**	**0.26**

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

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

Based on current projections, we expect to have sufficient financial resources available (mainly from the use of our net cash flows from operations, debt and credit facilities and share capital issuance) to finance our business plan, meet our working capital needs and maintain an appropriate level of capital spending.

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

TABLE 15 – SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS (IN $ THOUSANDS)

	For The Twelve-Month Periods Ended	
	December 31, 2018	December 31, 2017
Cash generated by operating activities	**106,294**	92,524
Cash (used in) investing activities	**(110,745)**	(24,062)
Cash generated by (used in) financing activities	**16,811**	(65,887)
Net (decrease) increase in cash and cash equivalent	**12,360**	2,575
Effect of exchange rate changes on cash denominated in foreign currencies	**(973)**	(1,606)
Cash and cash equivalents, beginning of year	**41,079**	40,110
Cash and cash equivalents, end of year	**52,466**	41,079

Year-to-Date Activities

Cash generated from operating activities amounted to $106.3 million for the twelve-month period ended December 31, 2018. This amount resulted mainly from $107.7 million cash generated from net earnings (loss) adjusted for depreciation and amortization, share-based compensation, accretion of purchase price obligations, restructuring integration and other costs, interest on long-term debt and other financial charges, income tax expenses and income tax paid, combined with the positive impact of change in other non-current liabilities of $1.6 million, partially offset by the negative changes in non-cash operating working capital of $2.9 million (refer to Note 22 of the audited consolidated financial statements for the years ended December 31, 2018 and 2017).

Cash used in investing activities was $110.7 million for the twelve-month period ended December 31, 2018, resulting mainly from $53.7 million cash used for the acquisitions of CGOV and Clearwater and from $11.3 million for purchases of intangible assets, combined with $25.1 million cash used for the settlement of purchase price adjustments and obligations, $18.0 million cash used as seed investment and $2.5 million cash used for the purchase of property and equipment during the period.

Cash generated by financing activities was $16.8 million for the twelve-month period ended December 31, 2018, resulting mainly from the $109.3 million increase in long-term debt, a share issuance of $3.2 million, partially offset by dividend payments totalling $73.6 million, $22.4 million of long-term debt interest payments and financing charges and $1.0 million from the contribution of non-controlling interest during the period.

The negative impact of exchange rate changes on cash denominated in foreign currencies was $1.0 million during the twelve-month period ended December 31, 2018.

Year-to-Date December 31, 2018 versus Year-to-Date December 31, 2017

Cash generated from operating activities was $106.3 million for the twelve-month period ended December 31, 2018, compared to $92.5 million cash generated from operating activities for the same period last year. The positive variation is mainly attributable to higher adjusted EBITDA year-over-year of $20.7 million as described in the "Adjusted EBITDA" section, combined with the positive variance of $2.4 million related to realized and unrealized gain (loss) on financial instruments, partially offset by the negative impact in non-cash operating working capital of $9.2 million.

Cash used in investing activities was $110.7 million for the twelve-month period ended December 31, 2018, compared to $24.1 million cash used in investing activities for the same period last year. The increase in cash used in investing activities is mainly attributable to the $53.7 million increase in business acquisition activities of, combined with higher cash used as settlement of purchase price adjustment and obligations of $21.7 million, higher cash used as seed investment of $23.0 million, partially offset by lower cash used for purchase of intangible assets of $10.2 million.

Cash generated from financing activities was $16.8 million for the twelve-month period ended December 31, 2018, compared to $65.9 million cash used in financing activities for the same period last year. The year-over-year variation is mainly attributable to an additional amount of $58.8 million related to debt borrowing and share issuance in 2018 following various acquisitions, compared to debt repayment, share issuance and issuance of convertible debentures activities in 2017, combined with the positive impact of the contribution

of non-controlling interest of $37.4 million and positive impact of $7.8 million related to the settlement of derivative financial instruments. These increase in cash in financing activities were partially offset by higher dividend payments of $15.3 million, and higher interest paid on long-term debt of $4.7 million in 2018 compared to the same period last year.

The exchange rate changes on cash denominated in foreign currencies negatively impacted the cash flow of the Company by $1.0 million during the twelve-month period ended December 31, 2018, compared to a $1.6 million negative impact for the same period last year.

Long-Term Debt

TABLE 16 – CREDIT FACILITY (IN $ THOUSANDS)

	As at December 31, 2018	As at December 31, 2017
Credit Facility		
Term facility	-	156,813
Revolving facility	422,805	136,725
Other facility	919	1,585
Deferred financing charges	(2,197)	(1,352)
	421,527	293,771
Less current portion	(388)	(1,354)
Non-current portion	421,139	292,417

Credit Facility

On May 28, 2018, the Company entered into the Fifth Amended and Restated Credit Agreement ("Credit Agreement") with a Canadian banking syndicate of lenders. The Facility is used for general corporate purposes. It is comprised of a $600 million senior unsecured revolving facility ("Facility") which can be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Credit Agreement, there are no minimum repayments until June 30, 2022, the date at which the amount drawn is repayable in full. At any time, subject to certain terms and conditions, the Company may request an increase in the available Facility by an amount of up to CA$200 million subject to the acceptance of the individual lenders in the banking syndicate. The Credit Agreement allows for extensions of the Facility's maturity date, in one-year increments, at the request of the Company and subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount in the aggregate, to more than 66 2/3%, subject to certain terms and conditions.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn and on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. 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 for amounts drawn in US dollars, 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%.

Prior to May 28, 2018, the Fourth Amended and Restated Credit Agreement (the "Previous Credit Agreement") included a US$125 million term (non-revolving) facility and a CA$350 million senior unsecured revolving facility which could be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Previous Credit Agreement, there were no minimum repayments on the term facility until May 31, 2019, and until March 25, 2020, for the revolving facility, at which dates the amounts drawn were repayable in full. On May 28, 2018, the term facility was terminated and balances drawn on that date were converted to the Facility.

There were no changes to the interest rates applicable on the Previous Credit Facility. As at December 31, 2018, the total amount drawn on the Facility was CA$123.5 million and US$219.4 million (CA$299.305 million) (CA$74 million and US$50 million (CA$62.725 million) on the revolving facility, and US$125 million (CA$156.813 million) on the term facility under the Previous Credit Agreement at December 31, 2017).

The renegotiation of the Credit Agreement was treated as a modification under IFRS 9 – *Financial Instruments* and transaction fees of $1.466 million associated with the Facility and $1.034 million associated with the Previous Credit Agreement were capitalized to the Facility as long-term debt in the consolidated statements of financial position.

Under the terms of the Credit Agreement and the Previous Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum Interest Coverage Ratio as defined in the Credit Agreement and the Previous Credit Agreement. EBITDA, a non IFRS financial measure, includes consolidated earnings (losses) before interest, income taxes, depreciation, amortization and other non-cash items, and excludes extraordinary and unusual items including non-recurring items and certain purchase price obligations as well as certain other adjustments outlined in the Credit Agreement. As at December 31, 2018, all restrictive covenants under the Credit Agreement were met and these were also met at December 31, 2017 under the terms of the Previous Credit Agreement. The Credit Agreement also 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 Facility, to engage in specified types of transactions and thus imposes certain operating and financing restrictions on these entities.

Other Facilities

As at December 31, 2018, one of the Company's subsidiaries has an outstanding bank loan in the amount of $0.231 million of which quarterly payments of CA$0.131 million are required (respectively CA$0.756 million and CA$0.131 million as at December 31, 2017). The loan bears interest at prime plus 0.25% to 1.25% 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, 2018 and December 31, 2017. In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at December 31, 2018, the outstanding balance of this loan is CA$0.688 million (CA$0.829 million at December 31, 2017), of which monthly payments of CA$0.015 million are required. As at December 31, 2018, the current and non-current portions of the loan are $0.157 million and $0.531 million respectively. This subsidiary also has a line of credit with a limit of CA$0.750 million. It bears interest at prime plus up to 0.25% to 1% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at December 31, 2018 the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

In January 2019, this subsidiary repaid the outstanding balances of the bank loan and the lease facility which had a balance as at December 31, 2018 of $0.231 million and $0.688 million respectively.

Another subsidiary of the Company has a line of credit with a dollar limit of CA$0.95 million. It bears interest at prime plus 1.50% and has no fixed maturity date. As at December 31, 2018 the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

Convertible Debentures

TABLE 17 – CONVERTIBLE DEBENTURES (IN $ THOUSANDS)

	As at December 31, 2018	As at December 31, 2017
Face value	**86,250**	86,250
Less:		
Issuance costs [1]	**(4,031)**	(4,269)
Equity component (net of issuance costs of $224)	**(4,568)**	(4,555)
Cumulative accretion expense on equity component	**1,357**	35
Balance, end of period	**79,008**	77,461

(1) During the twelve-month period ended December 31, 2018, the Company revised the issuance costs and effective interest rate in order to reflect differences between issuance costs estimated at the date of issuance of the unsecured convertible debentures and the invoices subsequently received.

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$86.25 million. The convertible debentures are convertible at the option of the holder at a conversion price of $18.85 per Class A subordinate shares ("Class A Shares"). 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 $0.001 million 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 $0.001 million per convertible debenture, plus accrued and unpaid interest.

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.

During the year ended December 31, 2018, an amount of $4.431 million (2017 – nil) was paid representing the accrued cash interest from the issuance date of the unsecured convertible debentures to December 31, 2018.

Share Capital

As at December 31, 2018, the Company had 77,556,288 Class A shares and 19,412,401 Class B special voting shares for a total of 96,968,689 outstanding shares compared to 70,249,199 Class A shares and 19,444,490 Class B special voting shares for a total of 89,693,689 outstanding shares as at December 31, 2017.

Capital Management

The Company's capital comprises share capital, retained earnings (deficit), 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, 2018 and 2017, the Company and one of its subsidiaries subject to calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, calculated on a non-consolidated basis, and they have complied with their respective calculations. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

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

Contractual Obligations

The Company has the following contractual obligations as at December 31, 2018:

TABLE 18 – CONTRACTUAL OBLIGATIONS ($ IN THOUSANDS)

	Carrying Amount	Total	2019	2020	2021	2022	2023	Thereafter
Long-Term Debt	423,724	423,724	388	531	-	422,805	-	-
Purchase Price Obligations	130,708	313,314	31,511	41,744	41,930	41,740	31,508	124,881
Convertible Debentures	79,008	86,250	-	-	-	-	86,250	-
Operating Leases	n/a	134,174	21,090	17,471	17,073	14,993	14,164	49,383
Total Obligations	n/a	957,462	52,989	59,746	59,003	479,538	131,922	174,264

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.

SHARE-BASED PAYMENTS

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 plans during the twelve-month periods ended December 31, 2018, and 2017, is presented below:

TABLE 19 – OPTIONS TRANSACTIONS

	2018		2017	
	Number of Class A Share Options	Weighted-Average Exercise Price ($)	Number of Class A Share Options	Weighted-Average Exercise Price ($)
Outstanding – beginning of year	**4,183,852**	**11.86**	2,799,345	10.25
Granted	**305,000**	**12.22**	1,892,000	13.41
Exercised	**(391,409)**	**8.07**	(397,100)	7.34
Forfeited	**(120,252)**	**13.63**	(110,393)	13.64
Outstanding – end of year	**3,977,191**	**12.21**	4,183,852	11.86
Options exercisable – end of year	**1,281,812**	**11.20**	859,473	8.17

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. 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.

One DSU is equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of ($0.012 million) for this plan during year ended December 31, 2018 (expense of $0.013 million during the year ended December 31, 2017) and an amount of $0.098 million was paid out. As at December 31, 2018, the Company had a liability for an amount of $0.095 million for the 8,395 units outstanding under the DSU plan ($0.205 million for 15,767 units as at December 31, 2017).

Restricted Share Unit ("RSU") Plan

On April 12, 2018, the Board approved an amended and restated RSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the RSU awards in cash or in shares. The purpose of this plan is to provide eligible employees with the opportunity to acquire RSUs 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.

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2018 and 2017.

TABLE 20 – RSU TRANSACTIONS

	2018	2017
Outstanding – beginning of year	**608,635**	456,303
Granted	**-**	566,686
Reinvestments in lieu of dividends	**24,610**	19,124
Vested [1]	**(374,685)**	(420,407)
Forfeited	**-**	(13,071)
Outstanding – end of year	**258,560**	608,635

1. 47,252 restricted share units were settled in cash (2017 – 65,867).

One RSU is equivalent to one Class A Share of the Company. The Company recorded an expense of $3.176 million and $5.715 million for these grants during the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2018, 327,433 Class A Shares (2017 – 354,540) were issued as settlement of RSU vested and $0.585 million was paid in cash (2017 – $0.908 million). As at December 31, 2018, the Company had a liability in the amount of $1.759 million for the 258,560 units outstanding under the RSU Plan ($3.075 million for 608,635 units as at December 31, 2017).

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

On April 12, 2018, the Board approved an amended and restated RSU cash plan mainly to include various tax considerations. 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 RSUs granted under this plan will be settled in cash. The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2018 and 2017:

TABLE 21 – RSU CASH TRANSACTIONS

	2018	2017
Outstanding – beginning of year	**504,380**	316,133
Granted	**154,693**	185,256
Reinvestments in lieu of dividends	**37,936**	21,963
Vested	**(167,974)**	-
Forfeited	**(727)**	(18,972)
Outstanding units – end of year	**528,308**	504,380

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of $2.254 million and $1.886 million for these grants during the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2018, 167,974 units vested (2017 – nil), an amount of $0.396 million was paid as settlement of 32,607 units and the remaining 135,367 units were settled in January 2019. As at December 31, 2018, the Company had a liability totalling $4.305 million for the 528,308 units outstanding ($2.435 million for the 504,380 units as at December 31, 2017).

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 restricted shares vest over a three-year period with one third vesting each year. The restricted shares are entitled to dividends and have voting rights. The plan administrator reinvests 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 were held in escrow. During the year ended December 31, 2018, the last tranche of this plan vested and 78,548 Class A Shares (2017 – 79,022) that vested were released from escrow and 4,060 restricted shares were forfeited and cancelled (2017 – 431).

The Company recorded an expense of $0.284 million and $0.672 million for the years ended December 31, 2018 and 2017, respectively for this grant.

As at December 31, 2018, there were no longer any restricted shares outstanding. Therefore, on March 21, 2019 the Board approved the termination of the Restricted share plan effective as at such date.

PSU and UAR Plan Applicable to Business Units

On April 12, 2018, the Board approved an amended and restated PSU plan applicable to Business Units ("BU") mainly to include various tax considerations. 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 PSU BU as determined by the Board at each award date.

PSUs 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 PSUs are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of PSUs vested and the value of the PSU on the applicable vesting date.

In June 2018, the Company amended its Performance Share Unit Plan applicable to Business Units (PSU applicable to BU) plan to include an ability to grant Unit Appreciation Rights applicable to Business Units (UAR applicable to BU).

PSU Applicable to BU

The Company recorded the following expense relating to PSU plans applicable to BU during the years ended December 31, 2018 and 2017:

TABLE 22 – PSU PLAN APPLICABLE TO BU TRANSACTIONS (IN $ THOUSANDS)

	2018	2017
	$	$
Equity-settled grants	**6,229**	7,493
Cash-settled grants	**7,297**	886
Total expense	**13,526**	8,379

During the year ended December 31, 2018, the total award value granted under the Company's PSU plans applicable to BUs was $6.575 million. A total of 616,948 Class A Shares were issued during the year ended December 31, 2018 as settlement of PSU applicable to BUs. Vested units will be settled in 2019 through the issuance of Class A Share.

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

PSU Plan

On April 12, 2018, the Board approved an amended and restated PSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the PSU awards in cash or in shares. PSUs 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 PSUs awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date. One PSU is equivalent to one Class A Share of the Company.

The Company recorded the following expense relating to PSU plans during the years ended December 31, 2018 and 2017:

TABLE 23 – PSU TRANSACTIONS (IN $ THOUSANDS)

	2018	2017
	$	$
Equity-settled grants	**1,292**	140
Cash-settled grants	**1,126**	1,110
Total expense	**2,418**	1,250

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2018 and 2017 was $4.828 million and $1.2 million respectively. A total of 19,819 Class A Shares were issued during the year ended December 31, 2018 as settlement of PSU vested in 2017 (2017 – 35,325). Vested units will be settled in 2019 through the issuance of Class A Shares.

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 (loss) for the year ended December 31, 2018 was $2.568 million ($0.855 million for the year ended December 31, 2017). The subsidiary paid an amount of $0.651 million during the year ended December 31, 2018 as settlement of stock options exercised. The cash settled share-based liability is $3.956 million in the statements of financial position as at December 31, 2018 ($2.039 million as at December 31, 2017).

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.

Under a former agreement with a related shareholder, this related shareholder was 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 and of a Class A Share issuance on December 21, 2017 and subsequent shareholder transactions, the related party's beneficial ownership is approximately 18.0% of the Company's issued and outstanding shares as at December 31, 2018 (19.6 % as at December 31, 2017) and as a result, such agreement terminated and the related party no longer has the right to designate two appointees to the Company's Board. This related shareholder is one of the two co-lead arrangers and one of the lenders 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, 2018, the other related shareholder indirectly owns Class B Special Voting Shares representing approximately 7.4% of the Company's issued and outstanding shares (8.1% as at December 31, 2017) 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. This related shareholder is one of the two co-lead arrangers and one of the lenders to the Company's Credit Facility.

The following table presents transactions either directly with the two related shareholders or with entities under the same common control as these related shareholders for the twelve-month periods ended December 31, 2018 and 2017:

TABLE 24 – RELATED PARTY TRANSACTIONS (IN $ THOUSANDS)

	2018	2017
	$	$
Base management fees	**44,154**	43,334
Performance fees	**3,779**	3,767
Other revenues	**367**	4,823
Selling, general & administrative expenses		
Reference fees	**1,701**	1,639
Other	**613**	785
Interest on long-term debt	**15,946**	15,859
Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**(3,093)**	4,487
Acquisition costs	**-**	252
Shares issued as settlement of a purchase price obligation	**-**	8,500
Cash consideration as settlement of a purchase price obligation	**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 and Chief Executive Officer ("CEO") and the Executive Vice President, Global Chief Financial Officer, 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 ("Company") internal control framework is based on the criteria published in the *Internal Control-Integrated Framework (COSO framework 2013)* published 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 Company's DC&P and ICFR as at December 31, 2018, and have concluded that they were effective. Furthermore, no significant changes to the internal controls over financial reporting occurred during the year ended December 31, 2018 except as described below:

On May 31, 2018, the Company acquired substantially all of the assets and assumed certain liabilities of CGOV Asset Management ("CGOV"). The institutional segment has been fully integrated to the Company's platforms. On the other hand, the Company has considered to maintain the CGOV platforms for the Private Wealth segment. The CGOV – Private Wealth segment is comprised of 1.6% of revenues as other P&L and balance sheet figures are included in the Fiera Capital – Canadian division figures of the consolidated financial statements for the year ended December 31, 2018, which the accounting system used to prepare the financial information does not provide the statement of CGOV – Private Wealth financial information. In the coming months, management will complete its review of the design of ICFR for CGOV – Private Wealth segment and assess its effectiveness.

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, 2018 and 2017.

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, 2018 and 2017 is comprised of mutual fund and pooled fund investments and other securities with a fair value of $4.857 million as at December 31, 2018 and $5.408 million as at December 31, 2017. 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, 2018 and 2017 would have an impact of increasing or decreasing comprehensive income by $0.486 million and $0.541 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, 2018 and 2017.

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 contract, 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, Fiera Capital (Europe) and Clearwater 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, 2018, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $0.568 million (2017 - $1.846 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 and fair value of investments recorded at fair value through profit or loss was $4.574 million and $4.857 million, respectively, as at December 31, 2018 ($2.848 million and $2.933 million respectively as at December 31, 2017). An unrealized loss of $0.623 million was recognized in other revenues during the year ended December 31, 2018 (gain of $1.237 million during the year ended December 31, 2017).

As at December 31, 2017, the cost and fair value of investments recorded as available-for-sale was $2.296 million and $2.475 million respectively. As a result of the adoption of IFRS 9 on January 1, 2018, the Company reclassified its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and reclassified an unrealized gain of $0.161 million (net of income taxes of $0.018 million) from accumulated other comprehensive income to retained earnings (deficit).

Convertible debentures

The convertible debentures are recorded at an amortized cost of $79.008 million as at December 31, 2018 ($77.461 million as at December 31, 2017). The fair value based on market quotes is $87.544 million as at December 31, 2018 ($88.018 million as at December 31, 2017).

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 consolidated 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.

Net gains (losses), fair value and the notional amount of derivatives by term to maturity are as follows:

$ thousands	For the year ended December 31, 2018	As at December 31, 2018				
	Net gain (loss) on derivatives	Fair value		Notional amount: term to maturity		
		Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign Exchange Contracts						
a) Forward foreign exchange contracts – held for trading	**(5,294)**	**-**	**(1,672)**	**45,374**	**-**	**-**
b) Cross currency swaps – held for trading	**4,700**	**1,083**	**-**	**80,000**	**-**	**-**
Interest rate contracts						
c) Swap contracts – held for trading	**(1,770)**	**860**	**(1,560)**	**-**	**190,000**	**-**
d) Swap contracts – cash flow hedges	**-**	**4,506**	**-**	**-**	**230,550**	**-**

Presentation of the derivative financial instruments in the Financial Statements as at December 31 is as follows:

$ thousands	2018	2017
	$	$
Current derivative financial instrument assets [1]	**1,083**	497
Non-current derivative financial instrument assets	**5,366**	3,484
Current derivative financial instrument liabilities	**(1,672)**	-
Non-current derivative financial instrument liabilities	**(1,560)**	-

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

The Company enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars.

In December 2016, the Company entered into a series of average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars for the year ended December 31, 2017. In August 2017, the series of average rate forward foreign exchange contracts, which matured one-by-one on a monthly basis until December 2017, was converted into month-end spot rate forward exchange contracts. Since August 2017, the Company enters into month-end spot rate forward exchange contracts with various terms to maturity that aim to manage the currency fluctuation risk associated with up to twelve months of estimated future revenues in US dollars.

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 gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) in accordance with the nature of the hedged item and therefore, as other revenues.

The Company recorded a loss of $4.673 million during the year ended December 31, 2018 (gain of $2.148 million for the year ended December 31, 2017) and paid $2.939 million as settlement of contracts that matured during the year (received $1.974 million during the year ended December 31, 2017). The fair value of the foreign exchange contracts is a liability of $1.237 million as at December 31, 2018 (asset of $0.497 million as at December 31, 2017).

Subsidiaries

One of the Company's subsidiaries enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in Euros and British pounds. The subsidiary recorded a loss of $0.621 million and a gain $0.260 million during the years ended December 31, 2018 and 2017, respectively. A total of $0.186 million was paid during the year ended December 31, 2018 as settlement of the contracts.

As at December 31, 2018, the fair value of these contracts was a liability of $0.435 million (nil as at December 31, 2017).

b) Cross Currency Swaps – Held for Trading

Under the terms of the Company's revolving facility, the Company can borrow either in US dollars based on 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%, or in Canadian dollars based on the Canadian prime rate plus a spread varying from 0.0% to 1.5%. To benefit from interest cost savings, the Company has effectively created, as at December 31, 2018, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.57% on CA$80.0 million (nil as at December 31, 2017) by borrowing against the US dollar revolving facility, the equivalent of CA$80.0 million (US$59.4 million) (nil as at December 31, 2017) at LIBOR plus 2.25%, and swapping it into CDOR plus 1.57% with a one-month cross currency swap. The contract was entered into on December 31, 2018 and matures on January 31, 2019.

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 statements of earnings (loss) 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 gain of $4.7 million during the year ended December 31, 2018, with no net impact on earnings as described above (loss of $7.95 million during the year ended December 31, 2017). A total of $3.617 million was received during the year ended December 31, 2018 as settlement of these contracts ($9.272 million was paid during the year ended December 31, 2017).

The fair value of the cross currency swap contracts was an asset of $1.083 million as at December 31, 2018 (nil as at December 31, 2017).

c) Interest Rate Swap Contract – Held for Trading

The Company enters into interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in Canadian dollars

On May 1, 2012, the Company entered into an interest rate swap contract with an original amortizing notional amount of CA$108 million. 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 with an original amortizing notional amount of CA$100 million at inception and maturing on May 31, 2022. As at December 31, 2018, the notional amount was CA$30 million (2017 – CA$30 million). The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.335%. 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 million to CA$30 million. Interest is settled on a monthly basis.

In March 2018, the Company entered into two interest rate swap contracts with original notional amounts of CA$10 million and CA$40 million at inception and maturing on May 31, 2022. The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.350% (on CA$10 million notional contract) and 2.358% (on CA$40 million notional contract). Interest is settled on a monthly basis.

In May 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$47 million maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.430%. Interest is settled on a monthly basis.

In September 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$18 million maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.530%. Interest is settled on a monthly basis.

In October 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$45 million maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.703%. Interest is settled on a monthly basis.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) with interest on long-term debt and other financial charges. The Company recorded a loss of $1.77 million during the year ended December 31, 2018 (gain of $3.463 million during the year ended December 31, 2017).

The fair value of the interest rate swap contracts is an asset of $0.86 million and a liability of $1.56 million as at December 31, 2018 (asset of $1.07 million as at December 31, 2017).

d) Interest Rate Swap Contracts – Cash Flow Hedges

The Company enters into US dollar interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in US dollars.

On May 31, 2017, the Company entered into two US dollar interest rate swap contracts with original notional amounts of US$125 million and US$44 million respectively at inception and maturing 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.

On May 31, 2018, the Company entered into a US dollar interest rate swap contract with an original notional amount of US$11 million maturing on May 31, 2022. The contract consisted of exchanging the variable interest rate based on a one-month LIBOR rate for a fixed rate of 2.655%. Interest was settled on a monthly basis. This contract was unwound in November 2018 and an amount of $0.162 million was received as settlement. This realized gain was reclassified from other comprehensive income to interest on long-term debt and other financial charges on the consolidated statement of earnings (loss).

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 in other comprehensive income of $1.833 million (net of income taxes of $0.259 million) during the year ended December 31, 2018 (gain of $2.094 million (net of income taxes of $0.32 million) 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 (loss). There is no ineffective portion on these contracts for the years ended December 31, 2018 and 2017.

The fair value of the interest rate swap contracts designated as cash flow hedges is an asset of $4.506 million as at December 31, 2018 (asset 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 credit facility and the notional amounts of the US dollar interest rate swap contracts. The drawings in US dollars on the credit facility are US$219.4 million as at December 31, 2018 (US$50 million on the revolving facility and US$125 million on the term facility under the previous credit agreement as at December 31, 2017).

e) Call Option

On December 1, 2018, Fiera Capital Inc. ("FCI"), wholly-owned subsidiary of the Company, entered into an agreement with Wilkinson Global Capital Partners LLC (the "Partners") by which the Partners have the right, but not the obligation, to purchase all, but not less than all, of the Company's equity interest in WGAM, a wholly-owned subsidiary of the Company that manages special client accounts under investment advisory agreements. The call right can be exercised at any time during the period from January 1, 2021 (the call commencement date) until January 1, 2023 (the call expiration date)or on an earlier date at the discretion of FCI. If the Partners do not exercise the call option by the call expiration date or within 30 days of notice, the call option will expire. The call exercise price is designed to represent the fair value of the WGAM business. Since the call option price is based on the estimated fair value of the WGAM business and it is not exercisable at December 31, 2018, this derivative financial instrument has no financial impact in the Company's consolidated financial statements.

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, 2018 and 2017. 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 years ended December 31, 2018 and 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.

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. The Company analyzed the characteristics of the liability being valued, including the circumstances and the information available as at the valuation date and selected the most appropriate valuation technique.

Purchase Price Obligation – CNR:

A reasonable change in unobservable inputs would not result in a significant change in the fair value of purchase price obligations other than for the acquisition of City National Rochdale ("CNR") in December 2017, which is presented below.

The main Level 3 inputs used by the Company to value the purchase price obligations of CNR are derived from the following items and determined as follows:

- Annual revenue growth factors, such as market rate and net contributions rate, are estimated based on internal and external data and publications, economic conditions, and the specific characteristics of the financial liability. A higher annual revenue growth factor will result in a higher fair value. To assess the fair value as at December 31, 2018, the Company used a 9% and 10% respectively for market growth and net contributions.
- The risk-adjusted discount rate is determined by adjusting a risk-free rate to reflect the specific risks associated with the financial liability. The discount rate is the input used to bring the future cash flows to their present value. A higher discount rate would result in a lower fair value. To assess the fair value as at December 31, 2018, the Company used a discount rate of 41%.

The 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. The fair value of the CNR purchase price obligation as at December 31, 2018 was CA$74.118 million (US$54.331 million) and CA$60.574 million (US$47 million) as at December 31, 2017.

The significant unobservable inputs are annual revenue growth factors, market growth and net contributions, and the risk-adjusted discount rate.

- A variance of 350 basis points in the market growth rate, as an increase or (decrease), would result in an increase (decrease) of approximately CA$5.39 million (US$4 million) in the fair value of the purchase price obligation.
- A variance of 300 basis points in the net contributions rate, as an increase or (decrease) would result in an increase (decrease) of approximately CA$2.69 million (US$2 million) in the fair value of the purchase price obligation.
- A variance of 200 basis points in the risk-adjusted discount rate, as an increase (discount), would result in a decrease (increase) of approximately CA$2.69 million (US$2 million) in the fair value of the purchase price obligation.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the Risk-adjusted discount rate, the market growth and the net contributions and established a reasonable fair value range that could result in a CA$8.08 million (US$6 million) increase or decrease in the fair value of the purchase price obligation as at December 31, 2018 (nil as at December 31, 2017).

Purchase Price Obligation – Clearwater:

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The fair value of the Clearwater purchase price obligation as at December 31, 2018 was CA$39.955 million (US$28.553 million) and CA$35.055 million (US$27 million) as at August 9, 2018.

The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA") forecasts, management's estimates of revenue from cross-selling, and the risk-adjusted discount rate. The discount rate is the input used to bring the future cash flow to their present value. Company used a discount rate between 10% and 15%.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, revenue, EBITDA, and cross-selling forecasts and established a reasonable fair value range between CA$35.47 million (US$26 million) and CA$40.925 million (US$30 million) for its purchase price obligation as at December 31, 2018.

NEW ACCOUNTING STANDARDS

Adoption of New IFRS

On January 1, 2018, the Company adopted the following new IFRS standards.

IFRS 9 – *Financial Instruments*

IFRS 9 replaced IAS 39 – *Financial Instruments*: Recognition and Measurement and was mandatorily effective for annual periods beginning on or after January 1, 2018. As permitted by IFRS 9, the Company has taken the exemption not to restate the comparative information in the consolidated financial statements with respect to classification and measurement requirements. The retrospective impact of applying IFRS 9 was accounted for through adjustments to the opening balance of retained earnings (deficit) and accumulated other comprehensive income as at January 1, 2018.

The adoption of IFRS 9 did not have a significant impact on the Company's consolidated financial statements.

Classification and measurement

IFRS 9 retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available-for-sale.

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 earnings. This election is made on an investment-by-investment basis. Dividends will continue to be recognized in net earnings (loss). This designation is also available for existing non-trading equity instruments at the date of IFRS 9 adoption. Derivative financial instruments continue to be measured at fair value through profit or loss.

The original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at January 1, 2018 are disclosed in Note 3. There were no changes to the measurement categories under IFRS 9 for the Company's financial liabilities as at January 1, 2018. Financial assets will not be reclassified subsequent to their initial recognition, unless the Company identifies changes in the business model in managing financial assets.

As a result of the application of the classification and measurement requirements of IFRS 9, on January 1, 2018, the Company reclassified its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and therefore reclassified an unrealized gain of $0.161 million from accumulated other comprehensive income to retained earnings (deficit).

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" ("ECL") model. The new ECL impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company's financial assets subject to the new impairment model are cash and cash equivalents, accounts receivable and long-term receivable. The new impairment guidance using an expected credit loss model did not have a significant impact on the carrying amounts of the Company's accounts receivable or long-term receivable as the Company has had negligible credit losses.

Hedge accounting

The 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 general hedge accounting requirements of IFRS 9 and instead chose to continue to apply the requirements in IAS 39 – *Financial instruments: recognition and measurement*.

The Company also adopted amendments to the revised hedge accounting disclosures required by IFRS 7 – *Financial Instruments: Disclosures*.

IFRS 15 – *Revenue from Contracts with Customers*

IFRS 15 replaced IAS 18 – *Revenue* and was mandatorily effective for annual periods beginning on or after January 1, 2018. The new standard specifies a five-step approach to determine how and when to recognize revenue and requires additional disclosures. The Company completed an impact assessment for all major revenue streams, reviewed contracts and analyzed revenue recognized by the Company.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flow arising from a contract with a customer.

The Company elected to adopt IFRS 15 using the modified retrospective approach with the effect of initially applying this standard at the date of initial application (January 1, 2018). However, the adoption of IFRS 15 did not have a significant impact on the ongoing recognition of the Company's revenues or net earnings (loss) and therefore there were no opening retained earnings (deficit) adjustments required as at January 1, 2018.

Revised IFRS, Interpretations and Amendments

The following revised standards are effective for annual periods beginning on January 1, 2018. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

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.

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.

New Standards and Interpretations Not Yet Adopted

IFRS 16 – *Leases*

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17 – *Leases*, 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 introduces a single lessee accounting model and requires a lessee to recognize an asset representing the right to use the underlying asset and a financial liability representing an obligation to make lease payments. The Company expects to apply the recognition exemption for low-value leases. This new standard will come into effect for annual periods beginning on or after January 1, 2019.

The Company has assessed the impact that the initial application of IFRS 16 will have on its consolidated financial statements, as described below.

Leases for which the Company is a Lessee

The Company will recognise right-of-use assets and lease liabilities for its leases of office facilities, equipment and other assets that meet the definition of a lease. The nature of expenses related to leases will change under IFRS 16, because the Company will recognise a depreciation charge for right-of-use assets and an interest expense on lease liabilities. Previously, under IFRS 17, the Company recognised operating lease expenses on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Company will apply this standard from its mandatory adoption date of January 1, 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured on transition at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease payments).

At transition, lease liabilities were measured as the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Low-value leases will continue to be recognized as an expense in the consolidated statement of earnings (loss). Operating cash flows will increase and financing cash flows will decrease as repayment of the principle portion of the lease liabilities will be classified as cash flow from financing activities.

The Company's activities as a lessor are not material and the Company does not expect any significant impact on the consolidated financial statements, however some additional disclosures may be required.

The Company does not expect the adoption of IFRS 16 to impact its ability to comply with restrictive covenants including minimum financial ratios applicable to its Credit Facility.

IFRIC 23 – *Uncertainty over Income Tax Treatments*

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over Income 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 interpretation on its consolidated financial statements however it is not expected to have a significant impact for the Company.

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 recognized 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 however it is not expected to have a significant impact for the Company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

RISK FACTORS

Risks Related to Performance and Investing the AUM

Investment Performance

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of cash by existing clients in favour of better performing products and an inability for Fiera Capital to attract new clients. 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's inability to retain existing clients and attract new clients, could have an adverse impact on Fiera Capital's AUM, management fees, profitability and growth prospects.

Fiera Capital cannot guarantee it will be able to achieve or maintain any particular level of AUM and cannot guarantee it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Investment of the AUM

The assets, investment strategies and vehicles (the **"Investments"**) into which the Funds' and Managed Accounts' AUM are 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 Company'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;
- special investment techniques, 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 favourable investment terms than would otherwise be the case;
- Investments may be made in entities that the Company does not control and may therefore be subject to business, financial or management decisions which the Company does not agree with or do not serve the Company's interests; and
- the due diligence undertaken in connection with a particular Investment may not reveal all facts relevant to whether such Investment will be favourable.

The failure by Fiera Capital to appropriately manage and address Investments' risk could have a material adverse effect on Fiera Capital's results of operations and financial condition.

Risks Related to the Business

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

Reputational Risk

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.

Regulatory and Litigation Risks

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. Monitoring and responding to the rapidly changing securities regulatory environment, both in Canada and abroad, requires significant managerial, operational and financial resources.

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. Any change in the securities regulatory framework or 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.

Litigation risk is inherent in the asset 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.

Fiera Capital maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage. There is no guarantee that Fiera Capital's insurance coverage will be adequate to cover all risks relating to its business.

Insurance Coverage

Fiera Capital holds various types of insurance, including directors' and officers', errors and omissions, general commercial liability and a financial institution bond. The adequacy of insurance coverage is evaluated on an ongoing basis, including the cost relative to the benefits.

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, nor can there be any assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms in the future.

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.

Growth and Integration of Acquired Businesses

Future growth will depend on, among other things, the ability to efficiently operate to address growth and realize the anticipated synergies, benefits and cost savings from integration of any businesses acquired by Fiera Capital. The maintenance of the current operations and the integration of any acquired businesses may result in significant challenges, and management of Fiera Capital may face difficulties to accomplish integrations smoothly or successfully or without expending significant amounts of managerial, operational or financial resources. Moreover, through acquisitions Fiera Capital may be exposed to inconsistencies in standards, internal 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.

Any inability of Fiera Capital to successfully manage its growth or the integration of acquired businesses, including governance, regulatory processes, information technology platforms, operational processes and financial reporting processes, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Growth in Fiera Capital's AUM

An important component of investment performance is the availability of appropriate investment opportunities for new client assets in a timely manner. 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.

Any inability to identify sufficient investment opportunities for new client assets in a timely manner, could be adversely affected upon Fiera Capital's results of operations and financial condition

Fiera Capital may elect to limit its growth and reduce the rate at which it receives new client assets.

Key Employees

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 asset management, investment risk management and client service teams are important to retaining clients and attracting new clients. Given the growth in total AUM in the asset 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. Additionally, in the face of increasing competition for experienced professionals in the industry, there is a risk that Fiera Capital will be unable to recruit high quality new employees with the desired qualifications in a timely manner, when required.

The loss of the services of management personnel or other key employees and an inability to recruit high quality new employees could materially adversely affect the business, financial condition or profitability of Fiera Capital.

Fiera Capital devotes considerable resources to recruiting, training and compensating key employees, as well as measures to encourage them to remain with Fiera Capital. Compensation related measures include providing a stock option plan, a restricted share unit plan, a performance share unit plan, a performance share unit and unit appreciation right plan applicable to business units and a short-term incentive plan, as well as a working environment that fosters employee satisfaction.

Further, 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.

Competitive Pressures

The asset management industry (including the alternative 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.

Competition could have a material adverse effect on Fiera Capital's management fees or performance fees and there can be no assurance that Fiera Capital will be able to compete effectively.

Asset Management Industry

Fiera Capital's ability to generate revenues has been significantly influenced by the growth experienced in the asset management industry and by Fiera Capital's relative performance within the asset management industry. The historical growth of the asset 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 asset 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.

Major Customer

Fiera Capital entered into the AUM Agreement as part of the Natcan Transaction and National Bank is presently Fiera Capital's largest client, representing a significant portion of Fiera Capital's $136.7 billion in AUM. Termination of the 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.

Conflicts of Interest

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. The failure by Fiera Capital to appropriately manage and address conflicts of interest and 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.

Employee Misconduct or Error

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.

Investment Valuation

Valuation of certain 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 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 alternative investments (e.g. real estate, infrastructure and private lending) and emerging market investments, as well as certain types of hedge funds.

Fiera Capital may incur substantial costs in rectifying pricing errors caused by the misstatement of investment values.

Funds are audited by external auditors in order to assess whether the Funds' financial statements are fairly stated in all material respects in accordance with the applicable financial reporting standards.

Client Commitment

The agreements pursuant to which Fiera Capital manages its clients' assets, in accordance with industry practice, may be terminated upon short notice. Clients that are invested in units of the Funds may have their units redeemed upon short notice as well. The loss of any major client or of a significant number of existing clients could have a material adverse effect on Fiera Capital's results of operations and financial condition.

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.

Information Security Policies, Procedures and Capabilities

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. The administrative services provided by Fiera Capital depend on software supplied by third-parties. An externally caused information security incident, such as a cyber attack or a virus or worm, or an internally-caused issue, such as failure to control access to sensitive systems, affecting such administrative services could materially interrupt Fiera Capital's business operations or cause disclosure or modification of sensitive or confidential information.

Security breach, information security issue experienced by or failure of key third parties, the loss of use of these third parties' products, problems or errors related to such products, termination or failure to renew the term of a third party agreement, 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.

Enterprise 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 enterprise 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 strategic, technologic, operational, financial, legal and regulatory risks requires, among other things, policies and procedures including the segregation of duties. These policies and procedures may not be fully effective in managing these risks. 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.

Fund Operating Expenses

If the AUM in the Funds decline to the point that charging the full fund operating expenses to the Funds results in weakening management expense ratios or the Funds becoming uncompetitive, Fiera Capital may choose to absorb some of these expenses.

Any such discretionary decision will result in an increase in expenses for Fiera Capital and a decrease in profitability.

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. Despite being reviewed on an annual basis, there is no guarantee that the disaster recovery plan maintained by the Company will be adequate in mitigating the impacts of such a disaster.

Risks Related to Structure and Shares

Major Shareholders

As of the date hereof, National Bank holds approximately 18.0% of the outstanding voting shares of Fiera Capital, by way of its wholly-owned subsidiary Natcan. Mr. Jean-Guy Desjardins indirectly owns approximately 36.5% of the outstanding voting interest of Fiera L.P., a controlling shareholder of Fiera Capital holding 26.2% of the outstanding voting shares of Fiera Capital. Desjardins Financial Holding Inc. (**"DFH"**), a direct wholly-owned subsidiary of FCD, owns 28.3% of the outstanding voting interest of Fiera L.P. DFH proposed for election two of the current eight directors of Fiera Capital that the holders of Class B Special Voting Shares are entitled to appoint.

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.

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 section "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 Fiera Capital 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 Company's Liquidity and Financial Position

Indebtedness

The Fifth 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 may limit the Borrower Parties' ability to take 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 Fifth Amended and Restated Credit Agreement requires Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of an acquisition of control of Fiera Capital will cause an event of default.

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 Fifth Amended and Restated Credit Agreement.

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.

Interest Risk

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

Failure to manage interest risks 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 Fifth 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 Company'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 Company's earnings and net assets is denominated in US dollars. The Company'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 Company and certain of its subsidiaries manage currency risk by entering into currency hedging contracts relating to US dollars and various other currencies.

Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted. Fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Company's results and financial condition.

MANAGEMENT'S REPORT TO THE SHAREHOLDER

Management of Fiera Capital Corporation is responsible for 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 ("IFRS"). The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies.

In fulfilling its responsibilities, management has designed and maintained a control environment, as well as a governance structure, and developed policies and procedures to provide reasonable assurance that the Corporation's assets are safeguarded and to ensure that transactions are accurately authorized and recorded.

Operating under the Board of Directors, the Audit and Risk Management Committee meets periodically with management and with the independent auditor. The Audit and Risk Management Committee reviews the consolidated financial statements and recommends their approval by the Board of Directors.

The independent auditor has unrestricted access to the Audit and Risk Management Committee. The Corporation's independent auditor, Deloitte LLP, is responsible for auditing the consolidated financial statements and to issue an opinion on these financial statements. Their report is provided herein.

/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 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 Capital'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 Capital's system of disclosure controls and procedures, as well as of its system of internal controls with respect to Fiera Capital's financial reporting, asset protection and fraud detection;

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

iv) the appropriateness of Fiera Capital'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 2018. 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 Global President and Chief Operating Officer, Executive Vice President and Global Chief Financial Officer, and Senior Vice President, Chief Legal and Chief Compliance Officer and Legal Secretary. 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 21, 2019. 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 2018, the self-assessment of the Committee was effected through a formal questionnaire distributed and reviewed by the Governance Committee of the Board.

The Committee reports to Fiera Capital'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 Capital'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 2018, 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 2018

In 2018, 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 were met;
- Oversaw the implementation on an information security program;
- Oversaw the development of a "top risks" dashboard based on key risk indicators;
- Oversaw the 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 the impact and implementation of new IFRS standards;
- Reviewed the corporate insurance coverage program;
- Oversaw the implementation of Fiera Capital's new accounting system;
- Reviewed and monitored the inspection reports issued by the *Autorité des marchés financiers*;
- Held in-camera discussions with the Global President & Chief Operating Officer, Global Chief Financial Officer, Chief Compliance Officer and the Chairman of the Human Resources Committee of the Board; and
- Reviewed and approved the Committee's annual work plan and objectives.

Audit and Risk Management Committee Training Sessions

In 2018, the Committee attended the following training sessions: i) an update of the latest trends in cyber security and also a review on cyber insurance, ii) an update on upcoming IFRS standards, iii) a review of the US Tax Reform, iv) a review of the market perspectives, competitive landscape, and industry & regulatory trends.

Audit and Risk Management Committee Membership

The Committee's membership comprises three directors of which two are independent (Mr. Raymond Laurin and Mr. Gary Collins) 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. Gary Collins is a senior advisor at Lazard Ltd., a global investment bank. In addition, Mr. Collins is a director of Chorus Aviation Inc., D-Box Technologies Inc. and Rogers Sugar Ltd. Mr. Collins has also previously served as a director on the boards of Catalyst Paper Corporation and Liquor Stores North America. Mr. Collins served as the President of Coastal Contacts Inc. Prior to that, Mr. Collins was the President and Chief Executive Officer of Harmony Airways and was also a member of the British Columbia Legislative Assembly and served as Minister of Finance.

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
Gary Collins
Lise Pistono

March 22, 2019
Montreal

Consolidated Financial Statements

December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fiera Capital Corporation

Opinion

We have audited the consolidated financial statements of Fiera Capital Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of earnings (loss), comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Chantal Leclerc.

/s/ *Deloitte LLP* [1]

March 21, 2019
Montreal, Quebec

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

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

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

For the years ended December 31,	2018	2017
	$	$
Revenues		
Base management fees	**485,624**	405,056
Performance fees	**23,102**	34,572
Other revenues (Note 11)	**31,559**	19,468
	540,285	459,096
Expenses		
Selling, general and administrative expenses (Note 20)	**425,924**	358,454
External managers	**1,845**	2,176
Amortization of intangible assets (Note 9)	**44,813**	41,110
Depreciation of property and equipment (Note 10)	**4,235**	3,817
Restructuring, integration and other costs (Note 5)	**7,586**	15,150
Acquisition costs	**11,086**	5,434
	495,489	426,141
Earnings before under-noted items	**44,796**	32,955
Realized gain on investments	**(145)**	(137)
Loss on disposal of intangible assets (Note 9)	**26**	371
Loss on disposal of property and equipment (Note 10)	**56**	522
Interest on long-term debt and other financial charges (Note 21)	**25,355**	11,479
Accretion and change in fair value of purchase price obligations	**24,497**	5,852
Revaluation of assets held-for-sale (Note 4)	**191**	–
Earnings (loss) before income taxes	**(5,184)**	14,868
Income tax expense (recovery) (Note 13)	**(429)**	4,156
Net earnings (loss)	**(4,755)**	10,712
Net earnings (loss) attributable to:		
Company's shareholders	**(5,013)**	10,671
Non-controlling interest	**258**	41
	(4,755)	10,712
Net earnings (loss) per share (Note 17)		
Basic	**(0.05)**	0.13
Diluted	**(0.05)**	0.12

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,	2018	2017
	$	$
Net earnings (loss)	**(4,755)**	10,712
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)	–	156
Reclassification of gain on disposal of investments (net of income tax recovery of $3 in 2017)	–	(24)
Cash flow hedges (net of income taxes of $259 in 2018 and $320 in 2017) (Note 11)	**1,833**	2,094
Unrealized foreign exchange differences on translating financial statements of foreign operations	**22,960**	(17,300)
Other comprehensive income (loss)	**24,793**	(15,074)
Comprehensive income (loss)	**20,038**	(4,362)
Comprehensive income (loss) attributable to:		
Company's shareholders	**19,780**	(4,403)
Non-controlling interest	**258**	41
	20,038	(4,362)

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,	2018	2017
	$	$
Assets		
Current assets		
Cash and cash equivalents	**52,466**	41,079
Restricted cash	**1,012**	930
Accounts receivable (Note 8)	**148,459**	128,398
Assets held-for-sale (Note 4 and 7)	**35,711**	–
Investments (Note 11)	**4,857**	5,408
Prepaid expenses and other assets	**14,943**	10,082
	257,448	185,897
Non-current assets		
Goodwill (Note 9)	**631,699**	523,885
Intangible assets (Note 9)	**529,062**	462,281
Property and equipment (Note 10)	**16,499**	16,572
Derivative financial instruments (Note 11)	**5,366**	3,484
Deferred income taxes (Note 13)	**20,093**	11,665
Deferred charges and other	**440**	1,131
	1,460,607	1,204,915
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**144,059**	114,008
Current portion of purchase price obligations (Note 11)	**32,487**	31,050
Restructuring provisions (Note 5)	**2,289**	5,273
Derivative financial instruments (Note 11)	**1,672**	–
Current portion of long-term debt (Note 14)	**388**	1,354
Amounts due to related parties	**2,599**	1,241
Client deposits and deferred revenues	**727**	501
Amounts due to holders of redeemable units (Note 7)	**5,394**	–
Deferred income taxes on assets held-for-sale (Note 4)	**704**	–
	190,319	153,427
Non-current liabilities		
Long-term debt (Note 14)	**421,139**	292,417
Convertible debentures (Note 15)	**79,008**	77,461
Derivative financial instruments (Note 11)	**1,560**	–
Purchase price obligations (Note 11)	**98,221**	58,086
Long-term restructuring provisions (Note 5)	**715**	715
Cash settled share-based liabilities (Note 18)	**10,470**	3,087
Other non-current liabilities	**4,670**	3,338
Deferred lease obligations	**3,955**	3,939
Lease inducements	**4,335**	4,420
Deferred income taxes (Note 13)	**12,489**	16,014
	826,881	612,904
Equity attributable to:		
Company's shareholders	**632,958**	592,545
Non-controlling interest	**768**	(534)
	633,726	592,011
	1,460,607	1,204,915

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

(In thousands of Canadian dollars)

For the years ended December 31,	Notes	Share capital	Restricted and holdback shares	Contributed surplus
		$	$	$
Balance, December 31, 2016		582,134	1,848	16,285
Net earnings		–	–	–
Other comprehensive income (loss)		–	–	–
Comprehensive income (loss)		–	–	–
Share-based compensation expense	18	–	–	9,707
Performance and restricted share units vested	16	13,612	–	(8,323)
Restricted shares vested		–	854	(854)
Stock options exercised	16	3,816	–	(902)
Shares issued as part of a business combination	4	500	–	–
Issuance of convertible debentures, net of tax	15	–	–	–
Extinguishment of puttable financial instrument liabilities	11	–	–	2,747
Net change in non-controlling interest		–	–	–
Loss on dilution of non-controlling interest		–	–	–
Shares issued as settlement of purchase price obligations	16	8,478	–	–
Shares issued as part of equity financing	16	79,484	–	–
Cancellation of shares	16	(4)	4	
Conversion of holdback shares	16	3,566	(3,566)	–
Dividends	16	–	–	–
Balance, December 31, 2017		691,586	(860)	18,660
Change in accounting policy – impact of IFRS 9	**2,16**	**–**	**–**	**–**
Net earnings (loss)		**–**	**–**	**–**
Other comprehensive income		**–**	**–**	**–**
Comprehensive income (loss)		**–**	**–**	**–**
Share-based compensation expense	**18**	**–**	**–**	**10,813**
Performance and restricted share units vested	**16**	**9,072**	**–**	**(5,164)**
Restricted shares vested		**–**	**821**	**(821)**
Adjustment to transaction costs on previously issued shares	**16**	**192**	**–**	**–**
Stock options exercised	**16**	**4,172**	**–**	**(1,013)**
Shares issued as part of a business combination	**4,16**	**66,708**	**–**	**–**
Net change in non-controlling interest		**–**	**–**	**–**
Shares issued as settlement of purchase price obligations	**4,16**	**4,076**	**5,501**	**–**
Cancellation of shares	**16**	**(191)**	**39**	**–**
Dividends	**16**	**–**	**–**	**–**
Balance, December 31, 2018		**775,615**	**5,501**	**22,475**

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

	Convertible debentures equity component	Retained earnings (deficit)	Accumulated other comprehensive income	Equity attributable to Company's shareholders	Non-controlling interest	Total equity
	$	$	$	$	$	$
	–	(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
	–	**161**	**(161)**	**–**	**–**	**–**
	–	**(5,013)**	**–**	**(5,013)**	**258**	**(4,755)**
	–	**–**	**24,793**	**24,793**	**–**	**24,793**
	–	**(5,013)**	**24,793**	**19,780**	**258**	**20,038**
	–	**–**	**–**	**10,813**	**–**	**10,813**
	–	**–**	**–**	**3,908**	**–**	**3,908**
	–	**–**	**–**	**–**	**–**	**–**
	9	**–**	**–**	**201**	**–**	**201**
	–	**–**	**–**	**3,159**	**–**	**3,159**
	–	**–**	**–**	**66,708**	**–**	**66,708**
	–	**–**	**–**	**–**	**1,044**	**1,044**
	–	**–**	**–**	**9,577**	**–**	**9,577**
	–	**–**	**–**	**(152)**	**–**	**(152)**
	–	**(73,581)**	**–**	**(73,581)**	**–**	**(73,581)**
	3,339	**(211,628)**	**37,656**	**632,958**	**768**	**633,726**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

For the years ended December 31,	2018	2017
	$	$
Operating activities		
Net earnings (loss)	**(4,755)**	10,712
Adjustments for:		
Amortization of intangible assets and depreciation of property and equipment	**49,048**	44,927
Amortization of deferred charges	**390**	572
Loss on disposal of intangible assets and property and equipment	**82**	893
Accretion and change in fair value of purchase price obligations	**24,497**	5,852
Lease inducements and deferred lease obligations	**(1,223)**	(872)
Share-based compensation expense	**10,813**	9,820
Cash settled share-based compensation expense	**14,155**	8,466
Restructuring, integration and other costs	**(2,984)**	3,374
Interest on long-term debt and other financial charges	**25,355**	11,479
Income tax expense (recovery)	**(429)**	4,156
Income tax paid	**(7,916)**	(13,417)
Revaluation of assets held-for-sale	**191**	–
Realized and unrealized (gain) loss on financial instruments	**674**	(1,717)
Realized (gain) loss on investments	**(231)**	(137)
Other non-current liabilities	**1,550**	2,100
Changes in non-cash operating working capital items (Note 22)	**(2,923)**	6,316
Net cash generated from operating activities	**106,294**	92,524
Investing activities		
Business combinations (Note 4)	**(53,706)**	–
Settlement of purchase price adjustments and obligations	**(25,107)**	(3,431)
Investments, net	**(17,969)**	5,029
Purchase of property and equipment	**(2,512)**	(3,238)
Acquisition of intangible assets	**(11,297)**	(21,543)
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
Deferred charges and other	**(141)**	(191)
Restricted cash	**(13)**	(325)
Net cash used in investing activities	**(110,745)**	(24,062)
Financing activities		
Settlement of share-based compensation	**(1,333)**	(1,382)
Dividends paid	**(73,581)**	(58,312)
Issuance of share capital less issuance costs of $7 ($4,141 in 2017)	**3,151**	82,067
Contribution (purchase) of non-controlling interest	**1,044**	(36,324)
Long-term debt, net	**109,261**	(110,888)
Interest paid on long-term debt	**(20,890)**	(16,145)
Settlement of derivative financial instruments	**654**	(7,158)
Issuance of convertible debentures (less issuance costs of $4,269 in 2017)	**–**	82,465
Financing charges	**(1,495)**	(210)
Net cash generated by (used in) financing activities	**16,811**	(65,887)
Net increase in cash and cash equivalents	**12,360**	2,575
Effects of exchange rate changes on cash denominated in foreign currencies	**(973)**	(1,606)
Cash and cash equivalents – beginning of year	**41,079**	40,110
Cash and cash equivalents – end of year	**52,466**	41,079

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

Notes to the Consolidated Financial Statements

December 31, 2018 and 2017

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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.

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, 2018 and 2017, on March 21, 2019.

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, 2018.

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.

ADOPTION OF NEW IFRS

On January 1, 2018, the Company adopted the following new IFRS standards.

IFRS 9 – Financial Instruments

IFRS 9 replaced IAS 39 – *Financial Instruments: Recognition and Measurement* and was mandatorily effective for annual periods beginning on or after January 1, 2018. As permitted by IFRS 9, the Company has taken the exemption not to restate the comparative information in the consolidated financial statements with respect to classification and measurement requirements. The retrospective impact of applying IFRS 9 was accounted for through adjustments to the opening balance of retained earnings (deficit) and accumulated other comprehensive income as at January 1, 2018.

The adoption of IFRS 9 did not have a significant impact on the Company's consolidated financial statements.

Classification and measurement

IFRS 9 retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available-for-sale.

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 earnings. This election is made on an investment-by-investment basis. Dividends will continue to be recognized in net earnings. This designation is also available for existing non-trading equity instruments at the date of IFRS 9 adoption. Derivative financial instruments continue to be measured at fair value through profit or loss.

The original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at January 1, 2018 are disclosed in Note 3. There were no changes to the measurement categories under IFRS 9 for the Company's financial liabilities as at January 1, 2018. Financial assets will not be reclassified subsequent to their initial recognition, unless the Company identifies changes in the business model in managing financial assets.

As a result of the application of the classification and measurement requirements of IFRS 9, on January 1, 2018, the Company reclassified its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and therefore reclassified an unrealized gain of $161 from accumulated other comprehensive income to retained earnings (deficit).

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" ("ECL") model. The new ECL impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company's financial assets subject to the new impairment model are cash and cash equivalents, accounts receivable and long-term receivable. The new impairment guidance using an expected credit loss model did not have a significant impact on the carrying amounts of the Company's accounts receivable or long-term receivable as the Company has had negligible credit losses.

Hedge accounting

The 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 general hedge accounting requirements of IFRS 9 and instead chose to continue to apply the requirements in IAS 39 – *Financial instruments: recognition and measurement*.

The Company also adopted amendments to the revised hedge accounting disclosures required by IFRS 7 – *Financial Instruments: Disclosures*.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 – *Revenue* and was mandatorily effective for annual periods beginning on or after January 1, 2018. The new standard specifies a five-step approach to determine how and when to recognize revenue and requires additional disclosures. The Company completed an impact assessment for all major revenue streams, reviewed contracts and analyzed revenue recognized by the Company.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The Company elected to adopt IFRS 15 using the modified retrospective approach with the effect of initially applying this standard at the date of initial application (January 1, 2018). However, the adoption of IFRS 15 did not have a significant impact on the ongoing recognition of the Company's revenues or net earnings (loss) and therefore there were no opening retained earnings (deficit) adjustments required as at January 1, 2018.

REVISED IFRS, INTERPRETATIONS AND AMENDMENTS

The following revised standards are effective for annual periods beginning on January 1, 2018. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

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.

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.

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 (before IFRS 9 became effective on January 1, 2018), which have been measured at fair value as disclosed in Note 11 – *Financial Instruments*.

Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries (including structured entities) and its share of interests in joint ventures. All intercompany transactions and balances with subsidiaries are eliminated on consolidation.

Subsidiaries (including structured entities) 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 modified at the business acquisition date to ensure that they are consistent with the policies adopted by the Company.

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.

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 among 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.

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 modified prior at the acquisition date to ensure that they are consistent 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.

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 is recognized when or as the performance obligations are satisfied and control of the services is transferred to the Company. Control either transfers over time or at a point in time, which affects when revenue is recorded.

Management fees are calculated and invoiced monthly or quarterly based on daily average assets under management ("AUM") or invoiced 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 recognized when the amount to be received is known and it is highly probable that the revenue recognized will not result in a subsequent reversal of revenue recognized to date. This may be earlier than the performance measurement dates contained in the individual account agreements and which may be 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.

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 based on cliff vesting or graded vesting, depending on the individual plans, 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 Deferred Share Unit Plan ("DSU Plan") is recorded as a share-based liability since the payments will be made in cash when a participant ceases to be a director. 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 (loss).

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.

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

Restricted Share Unit Plan

The Restricted Share Unit Plan ("RSU Plan") is recorded as a share-based liability since a portion may be settled in cash, at the sole discretion of the Company. The liability is remeasured 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. The fair value of the restricted share unit ("RSU") is determined at each reporting date and the expense is recorded over the remaining vesting period on a straight-line basis. When the Company's intention is to settle an award in shares, then the fair value is established at grant date and is not remeasured.

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

This plan is accounted for as a cash-settled share-based liability since the payments will be made in cash. The liability is remeasured 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. The expense is recorded over the remaining 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 ("PSU") and Unit Appreciation Right ("UAR") Plan applicable to Business Units ("PSU and UAR plan applicable to BU")

Under the terms of this plan, the Company grants PSU and UAR at a value determined by reference to the value of a specific business unit rather than by reference to the trading price of the Company's Class A Shares.

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

The fair value of equity-settled 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.

The method of settlement is determined for each grant. Such methods may include all or a portion of the value of the vested PSU and UAR payable in Class A Shares or in cash, at the sole discretion of the Company. The Company's intention on the settlement method determines if a plan is accounted for as cash-settled or as equity-settled. 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 compensation expense is recognized either based on a cliff vesting or a graded vesting schedule 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 units are reassessed at the end of each reporting period.

PSU plan

Under the terms of the PSU plan, the Company grants PSUs at a value determined by reference to the trading 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 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.

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, at the sole discretion of the Company. The Company's intention on the settlement method determines if a plan is accounted for as cash-settled or as equity-settled. 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 either based on a cliff vesting or a graded vesting schedule 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.

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 legal, advisors and specialists' fees.

Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net earnings (loss) for the year attributable to equity owners of the Company by the weighted average number of shares and holdback 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 share-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 trading price per share. The Company's potentially dilutive shares include stock options, RSUs, PSU and UAR applicable to BUs, PSU, 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.

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.

Classification

The Company applied the IFRS 9 classification and measurement requirements applicable to financial instruments for the year ended December 31, 2018. The 2017 comparative period has not been restated and the IAS 39 requirements have been applied.

At initial recognition, all financial instruments are recorded at fair value on the consolidated statements of financial position. Financial assets must be classified as subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Company determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. At initial recognition, financial liabilities are classified as subsequently measured at amortized cost or at fair value through profit or loss.

The table below presents the classification of the Company's financial instruments under IAS 39 and IFRS 9:

Classification	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents and restricted cash	Loans and receivables	Amortized cost
Investments	Available-for-sale / Fair value through profit or loss	Fair value through profit or loss
Accounts receivable	Loans and receivables	Amortized cost
Long-term receivable [1]	Loans and receivables	Amortized cost
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	Amortized cost
Amounts due to related parties	Financial liabilities at amortized cost	Amortized cost
Client deposits [2]	Financial liabilities at amortized cost	Amortized cost
Long-term debt	Financial liabilities at amortized cost	Amortized cost
Convertible debentures – liability component	Financial liabilities at amortized cost	Amortized cost
Purchase price obligations	Fair value through profit or loss	Fair value through profit or loss

1. Presented in deferred charges and other on the consolidated statements of financial position.
2. Presented in client deposits and deferred revenues on the consolidated statements of financial position.

Classification and measurement of financial instruments for the year ended December 31, 2018

Financial assets at amortized cost

A financial asset is measured at amortized cost if its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding, if it is held within a business model whose objective is to hold assets to collect contractual cash flows and is not designated at fair value through profit or loss.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is 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 through profit and loss. Transaction costs are expensed as incurred in the consolidated statements of earnings (loss). Gains and losses arising from changes in fair value are presented in the consolidated statements of earnings (loss) in the period in which they arise. Dividends on financial assets through profit or loss are recognized in the consolidated statements of earnings (loss) 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.

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.

Classification and measurement of financial instruments for the year ended December 31, 2017

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.

On adoption of IFRS 9, the assets previously classified and measured as loans and receivables were reclassified as financial assets at amortized cost.

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 (loss) 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 (loss).

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.

On adoption of IFRS 9, the assets previously classified and measured as available-for-sale were reclassified as financial assets at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents include 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, cash held in a segregated account, in connection with lease arrangements and cash subject to regulatory restrictions and therefore not available for general use.

Investments

Investments in mutual fund, pooled fund or limited partnership units are carried at the net asset value reported by the fund manager. 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.

Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in the consolidated statements of earnings (loss) in revaluation of assets held-for-sale.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortized or depreciated.

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.

Intangible assets other than goodwill

Intangible assets with an indefinite life such as the asset management contracts with investment 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 investment 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 or management contracts.

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 (loss) 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	6 to 10 years
Customer relationships	5 to 20 years
Other intangible assets	2 to 8 years

Property and equipment

Property and equipment are presented 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 (loss) 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 to 10 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 (loss).

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.

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 "CGUs"). 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 (loss).

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.

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.

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.

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 (loss) on a straight-line basis over the term of the 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 (loss), 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.

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 Class A and Class B shares are recognized when the dividends are declared and approved by the Company's Board of Directors.

Contributed surplus

Contributed surplus is mostly comprised of a reserve for share-based payments 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 and assessing whether it is likely that the applicable performance conditions will be met, and estimating the 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. 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.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory at December 31, 2018 and have not been early adopted. The Company's assessment of the impact of these new standards and interpretations is summarized as follows:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – *Leases*. It supersedes the IASB's current lease standard, IAS 17 – *Leases*, 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 introduces a single lessee accounting model and requires a lessee to recognize an asset representing the right to use the underlying asset and a financial liability representing an obligation to make lease payments. The Company expects to apply the recognition exemption for low-value leases. This new standard will come into effect for annual periods beginning on or after January 1, 2019.

The Company has assessed the impact that the initial application of IFRS 16 will have on its consolidated financial statements, as described below.

Leases for which the Company is a Lessee

The Company will recognise right-of-use assets and lease liabilities for its leases of office facilities, equipment and other assets that meet the definition of a lease. The nature of expenses related to leases will change under IFRS 16, because the Company will recognize a depreciation charge for right-of-use assets and an interest expense on lease liabilities. Previously, under IFRS 17, the Company recognized operating lease expenses on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. The Company will apply this standard from its mandatory adoption date of January 1, 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured on transition at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease payments).

At transition, lease liabilities were measured as the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Low-value leases will continue to be recognized as an expense in the consolidated statement of earnings (loss). Operating cash flows will increase and financing cash flows will decrease as repayment of the principle portion of the lease liabilities will be classified as cash flow from financing activities.

The Company's activities as a lessor are not material and the Company does not expect any significant impact on the consolidated financial statements, however some additional disclosures may be required.

The Company does not expect the adoption of IFRS 16 to impact its ability to comply with restrictive covenants including minimum financial ratios applicable to its Credit Facility as described in note 14.

IFRIC 23 – Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC 23 – *Uncertainty over Income 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 interpretation on its consolidated financial statements however it is not expected to have a significant impact for the Company.

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 recognized 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 however it is not expected to have a significant impact for the Company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

4. Business combinations and other transactions

DISPOSAL OF FIERA CAPITAL FUNDS INC.

On October 22, 2018, the Company entered into an agreement with Canoe Financial LP (Canoe), a Canadian mutual fund company, pursuant to which the Company will sell its interest in Fiera Capital Funds Inc., a wholly-owned subsidiary and Canadian registered mutual fund dealer, and its right to manage nine retail mutual funds which are managed by the Company.

On October 22, 2018, the Company revalued the non-current assets held-for sale to the lower of their carrying amount and their fair value less costs to sell and a revaluation adjustment of $191 was recognized in revaluation of assets held-for-sale in the consolidated statements of earnings (loss). The intangible assets and property and equipment are no longer amortized or depreciated from the date that the assets are classified as held-for-sale. Assets held-for-sale includes amounts reclassified from intangible assets of $5,280, goodwill of $6,367 as well as other assets of $337.

On February 22, 2019, the sale transaction closed and the Company sold its interest in Fiera Capital Funds Inc. and the nine retail mutual funds to Canoe who became the trustee, manager and portfolio manager of these funds for total consideration of $12,075. The transaction was settled in cash at closing.

CLEARWATER CAPITAL PARTNERS, LLC

On August 9, 2018, the Company acquired the equity interests in Clearwater Capital Partners, LLC ("Clearwater"), an Asia focused credit and special situations investment firm headquartered in Hong Kong.

On the date of closing, the total purchase consideration of CA$54,339 (US$41,854) included CA$15,579 (US$12,000) paid in cash to the sellers, the issuance of Class A Shares with a fair value of CA$11,685 (US$9,000), and fair value of a contingent purchase price obligations of CA$35,055 (US$27,000) which will be payable to the sellers if certain terms and conditions are met. The purchase consideration is subject to an initial net working capital adjustment and other post-closing adjustments of CA$7,980 (US$6,146) which were settled at closing as a reduction of the cash consideration paid at closing.

The Company financed the cash portion of the purchase consideration with its revolving credit facility (Note 14).

At closing, 982,532 Class A Shares were issued at fair value of CA$12.18 based on the closing share price on the closing date. Of the total Class A Shares issued, 245,633 were issued to the sellers on closing and 736,899 are held in escrow and will be released to the sellers over a 3-year period following the closing date, subject to certain terms and conditions, with 88,428 Class A Shares being released at the first anniversary date of the closing and 324,235 and 324,236 Class A Share respectively being released to the sellers on the second and third anniversary date of the closing. The Class A Shares do not have voting rights until their release from escrow but are entitled to dividends.

The initial fair value of the contingent purchase price obligations includes several components each of which is based on a formula based on earnings before interest, taxes, depreciation and amortization ("EBITDA") subject to certain adjustments or management fees and subject to certain thresholds as defined in the agreement. The maximum amount payable if all the conditions are met is CA$57,125 (US$44,000).

The present value of forecasted contingent purchase price obligations was estimated at closing at CA$35,055 (US$27,000). The purchase price obligations will be settled in cash or Class A Shares, at the discretion of the Company, if certain terms and conditions are met.

The transaction was accounted for as a business combination using the acquisition method.

During the year ended December 31, 2018, the Company finalized the accounting for this acquisition. In November, 2018, the net working capital and other purchase price adjustments were finalized and as a result, 12,702 Class A Shares which had been held in escrow on account of the seller were released and cancelled (Note 16).

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

	$
Cash	2,698
Other current assets	2,058
Property and equipment	124
Investment in affiliated companies	409
Other assets	26
Intangible assets	16,878
Goodwill (nil deductible for tax purposes)	46,114
Accounts payable and accrued liabilities	(13,968)
	54,339

Purchase consideration	$
Cash consideration	15,579
Share capital	11,685
Fair value of purchase price obligations	35,055
Purchase price adjustments	(7,980)
	54,339

Goodwill was attributable to an experienced team knowledgeable in investment advisory and investment management and related services and the potential for business development in Asia. Management of Fiera Capital identified intangible assets acquired from Clearwater which had been accounted for separately from goodwill. These intangible assets include asset management contracts valued at CA$16,878 (US$13,000).

The Company incurred acquisition-related costs of $3,598 mainly composed of legal, financial advisor fees and due diligence costs. These costs were included in acquisition costs in the consolidated statements of earnings (loss).

Pro forma impact

The impact of the acquisition for year ended December 31, 2018 on the Company's base management fees and net earnings (loss) was as follows:

	$
Base management fees	7,565
Net earnings (loss)	(1,338)

If the business combination would have occurred on January 1, 2018, the Company's consolidated base management fees and net earnings (loss) for the year ended December 31, 2018 would have been as follows:

	$
Base management fees	489,857
Net earnings (loss)	(6,063)

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 (loss) include selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition, restructuring and integration costs, as well as related tax effects.

CGOV ASSET MANAGEMENT

On May 31, 2018, the Company acquired substantially all of the assets and assumed certain liabilities of CGOV Asset Management ("CGOV"), an Ontario-based investment management firm focused on high-net-worth and institutional investors. With a client base in Ontario and Western Canada, the transaction allows Fiera Capital to be a competitive force in the high-net-worth segment across Canada.

On the date of closing, the total purchase consideration of $112,285 included $48,200 paid in cash to the seller, the issuance of Class A Shares with a fair value of $55,136, fair value of contingent purchase price obligation of $5,501 which will be settled in Class A Shares subject to certain terms and conditions and an initial net working capital adjustment of $3,448, which was settled in cash during the three-month period ended September 2018. At closing, 5,541,561 Class A Shares were issued at fair value of $66,166 based on the closing share price on the closing date.

Of the total Class A Shares issued, 4,617,783 are held in escrow and will be released to the seller over a 5-year period following the closing date, subject to certain terms and conditions, with 419,064 Class A Shares being released at the 18-month anniversary date of the closing, 2,519,231, 839,744 and 839,744 Class A Shares respectively being released to the seller on the third, fourth and fifth anniversary dates of the closing. These escrow shares are entitled to dividends.

The remaining 923,778 Class A Shares issued to the seller and held in escrow for contingent consideration will be released to the seller on the fifth anniversary date of the closing, contingent upon the Company retaining, at the end of a four-year period following the closing, at least 80% of the institutional assets under management of CGOV as at the signature date of the Asset Purchase Agreement. Contingently issuable Class A Shares with a fair value of $5,501 are included in the initial purchase price consideration and are recorded as Holdback Shares in the consolidated statements of changes in equity. This value represents 50% of the total value of the contingently issuable shares held in escrow and is based on the Company's best estimate with regards to satisfaction of the performance condition. These escrow shares are entitled to dividends.

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.

During the three-month period ended December 31, 2018, the Company finalized the accounting for this acquisition and revised certain valuation assumptions and adjusted the purchase price allocation by reducing intangible assets by $4,000 and reducing deferred income tax liability by $1,060, with a corresponding net increase to goodwill of $2,940.

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

	$
Accounts receivable	3,380
Prepaid expenses and other assets	268
Property and equipment	69
Intangible assets	63,000
Goodwill (nil deductible for tax purposes)	49,492
Deferred income taxes	(3,924)
	112,285

Purchase consideration	$
Cash consideration	48,200
Share capital	55,136
Fair value of contingent purchase price obligation	5,501
Purchase price adjustment	3,448
	112,285

The goodwill is attributable to synergies expected as a result of the consolidation of the Company's operations. Management of Fiera Capital has identified intangible assets acquired from CGOV which have been accounted for separately from goodwill. These intangible assets include customer relationships valued at $60,000 and non-compete agreements valued at $3,000.

The Company incurred acquisition-related costs of $1,897 mainly composed of legal, financial advisor, compliance fees and due diligence costs. These costs were included in acquisition costs in the consolidated statement of earnings (loss).

The Company financed the cash portion of the acquisition price with its revolving credit facility (Note 14).

Pro forma impact

The impact of the acquisition for the year ended December 31, 2018 on the Company's base management fees and net earnings (loss) was as follows:

	$
Base management fees	12,802
Net earnings (loss)	2,024

If the business combination would have occurred on January 1, 2018, the Company's consolidated base management fees and net earnings (loss) for the year ended December 31, 2018 would have been as follows:

	$
Base management fees	494,829
Net earnings (loss)	258

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 include selling, general and administrative expense, amortization of tangible and intangible assets, and the elimination of the acquisition, restructuring and integration costs, as well as related tax effects.

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.

On June 4, 2018, the CNR Fund was reorganized and all of its net assets were transferred to a new Fiera fund. The Fiera fund has similar investment objectives and strategies and is 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 initial present value of forecasted contingent consideration payments to be made to the seller was 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 year ended December 31, 2018, the Company recorded an expense of CA$18,307 (US$14,121) (for the period from December 1, 2017 to December 31, 2017, 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.

NATCAN INVESTMENT MANAGEMENT INC. ("NATCAN")

On October 1, 2018, in connection with the asset purchase agreement of Natcan, the Company paid cash consideration of $8,500 as settlement of a purchase price obligation.

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 second target was met and the Company paid US$1,391 (CA$1,775) on April 6, 2018.

5. Restructuring, integration and other costs

During the years ended December 31, 2018 and 2017 the Company recorded the following:

	2018	2017
	$	$
Restructuring provisions related to severance	**3,627**	6,893
Other restructuring costs	**783**	444
Integration and other costs	**3,176**	7,813
	7,586	15,150

Restructuring charges are mainly composed of severance costs due to corporate reorganizations following business combinations and other transactions 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, 2018 and 2017 is as follows:

	Severance
	$
Balance, December 31, 2016	2,594
Additions during the year	6,893
Paid during the year	(3,499)
Balance, December 31, 2017	**5,988**
Additions during the year	**3,627**
Paid during the year	**(6,611)**
Balance, December 31, 2018	**3,004**

Provision for severance	As at December 31, 2018	As at December 31, 2017
	$	$
Current portion	**2,289**	5,273
Non-current portion	**715**	715
Total	**3,004**	5,988

INTEGRATION AND OTHER COSTS

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. During the year ended December 31, 2017, one of the Company's subsidiaries recorded an expense of $3,464 resulting from a trading error (2018 – nil).

6. Investments

The consolidated financial statements include the accounts of the Company and all of its subsidiaries as at December 31, 2018 and 2017. 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.

	Percentage of equity interest attributable to the Company				
	Direct		Indirect		
Name	2018	2017	2018	2017	Principal activities
Fiera Capital (Asia) Inc.[1]	**100%**	–	–	–	Holding company
Clearwater Capital Partners, LLC[1]	–	–	**100%**	–	Holding company
Clearwater Capital Partners Holding, Ltd.[1]	–	–	**100%**	–	Asset management
Clearwater Capital Partners Singapore Pte Ltd.[1]	–	–	**100%**	–	Asset management
Clearwater Capital Partners Hong Kong Limited[1]	–	–	**100%**	–	Asset management
Clearwater Capital Partners, L.P.[1]	–	–	**100%**	–	Asset management
Clearwater Investment Advisors India Private Limited[1]	–	–	**100%**	–	Asset management
Fiera Properties Limited	**100%**	100%	–	–	Asset management
Fiera Properties (Europe) Limited[2]	–	–	**100%**	–	Holding company
Fiera Properties Debt Strategies Ltd.	–	–	**100%**	100%	Asset management
Roycom Inc.	–	–	**100%**	100%	Asset management
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
Fiera Capital (Asia) Limited (formerly City National Rochdale Asia Limited)	–	–	**100%**	100%	Other
Global Diversified Lending GP LLC (formerly, GDLF GP (Canada) Inc.)[3]	–	–	**100%**	100%	Asset management
Wilkinson Global Asset Management LLC[4]	–	–	**100%**	–	Asset management
Gestion Fiera Capital S.a.r.l.	–	–	**100%**	100%	Other
Fiera Capital (Europe) Limited	**100%**	100%	–	–	Asset management
Fiera Capital (UK) Limited	–	–	**100%**	100%	Asset management
Fiera Capital (IOM) Limited	–	–	**100%**	100%	Asset management
Fiera Capital (Services) Limited (formerly, Charlemagne Capital (Services) Limited)	–	–	**100%**	100%	Other
Charlemagne Capital (Investments) Limited	–	–	**100%**	100%	Asset management
Fiera Capital Funds Inc.[5]	**100%**	100%	–	–	Asset management
Fiera Private Lending Inc.	**100%**	100%	–	–	Asset management
General Partner Centria Capital Start-Up Fund Inc.	–	–	**100%**	100%	Asset management
General Partner Fiera FP Real Estate Investment Fund I Inc.	–	–	**100%**	100%	Asset management
General Partner Fiera FP Real Estate Investment Fund II Inc.	–	–	**100%**	100%	Asset management
General Partner Fiera FP Mezzanine Financing Fund Inc.	–	–	**100%**	100%	Asset management
General Partner Fiera FP Business Financing Fund Inc.	–	–	**100%**	100%	Asset management
General Partner Fiera FP Real Estate Financing Fund Inc.	–	–	**100%**	100%	Asset management
General Partner Centria Capital Fund Inc.	–	–	**100%**	100%	Asset management
Fiera Infrastructure Inc.	**75%**	75%	–	–	Asset management
Fiera Infrastructure UK Ltd[6]	–	–	**100%**	–	Holding company
Fiera Infra GP Inc.	–	–	**100%**	100%	Asset management
Aquila GP Inc.	–	–	**100%**	100%	Asset management
Fiera Comox Partners Inc.[7]	**60.4%**	65%	–	–	Asset management
Fiera Comox US Inc.	–	–	**100%**	100%	Asset management

1. Fiera Capital (Asia) Inc. was incorporated as a wholly-owned subsidiary on July 4, 2018 and it acquired Clearwater Capital Partners, LLP and its wholly-owned subsidiaries on August 9, 2018. Business combinations are described in Note 4.
2. In December 2018, the Company incorporated a wholly-owned subsidiary, Fiera Properties (Europe) Limited.
3. In July 2018, the Company's wholly-owned subsidiary, GDLF FP (Canada) Inc. changed its name to Global Diversified Lending GP LLC.
4. In August 2018, the Company acquired a wholly-owned subsidiary, Wilkinson Global Asset Management LLC.
5. On February 22, 2019, the Company sold its interest in Fiera Capital Funds Inc. (Note 4).
6. In February 2018, the Company incorporated a wholly-owned subsidiary, Fiera Infrastructure UK Ltd.
7. In April 2018, the Company's subsidiary Fiera Comox Partners Inc. issued shares and as a result, the Company's ownership interest in Fiera Comox Partners Inc. decreased from 65.0% to 60.4%.

7. Structured entities

UNCONSOLIDATED 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, pooled funds or other investment entities 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, 2018 and 2017.

The Company generates revenues from management and other fees from providing investment management and related services to these investment funds. The fees from these investment funds are calculated based on assets under management or on committed capital. 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 11 – *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, 2018 and 2017. The Company's maximum exposure to loss is the carrying amount of the investment funds held and the loss of future fees.

	As at December 31, 2018	As at December 31, 2017
	$	$
Company's interest in investment funds	**4,494**	5,101
Assets under management of unconsolidated structured entities	**34.0 billion**	30.0 billion

CONSOLIDATED STRUCTURED ENTITIES

Investment in managed funds

In its capacity as fund manager, the Company has the ability to direct the activities of the funds that it manages through its involvement in the decision-making process. When the Company is also exposed to the variable returns as the principal unitholder and is deemed to control the fund, the fund is consolidated.

The assets and liabilities of the funds controlled by the Company as at December 31, 2018 are as follows:

	December 31, 2018
	$
Assets	
Investment in Short Term Investment Fund	**2,249**
Investment in private equity	**22,536**
Forward currency contracts, at fair value	**4**
Cash	**9**
Total assets	**24,798**
Liabilities	
Forward currency contracts, at fair value	**784**
Accrued liabilities	**21**
Total liabilities	**805**
Net assets attributable to holders of redeemable units	**23,993**

Since the Company has a committed plan to market the funds and to dispose of its direct holdings within one year, the units held are available for immediate sale, and management is actively seeking new investors, the Company has classified the net assets of the funds as assets held-for-sale in the consolidated statement of financial position.

The redeemable units that are owned by other unitholders are presented as a liability for redeemable units in the Company's consolidated statement of financial position since the units are redeemable at the option of the holders.

Fund investments and transfers between levels of the fair value hierarchy

The investment in private equity is classified as Level 3 (described in Note 11) and all other investments, cash and derivatives are classified as Level 2 (Note 11). During the period from which the Company consolidates the funds and December 31, 2018, there were no transfers of investments between levels.

Level 3

Fair value measurements for Level 3 investments are derived from valuation techniques. The substitution of one or more data from these techniques by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments. The fair value of the investment is private equity has been determined using a discounted cash flow model and by comparing the fair value to recent transactions. Significant unobservable inputs in the discounted cash flow model include expected cash flows and a risk- adjusted discount rate.

The Company did not hold any interests in consolidated structured entities as at December 31, 2017.

8. Accounts receivable

	As at December 31, 2018	As at December 31, 2017
	$	$
Trade accounts	**120,980**	107,839
Trade accounts – related companies of shareholders	**15,006**	12,720
Trade accounts – related parties	**8,824**	2,909
Other	**3,649**	4,930
	148,459	128,398

The aging of accounts receivable was as follows:

	As at December 31, 2018	As at December 31, 2017
	$	$
Trade		
Current	**113,359**	104,322
Aged between 61 – 119 days	**5,256**	2,192
Aged greater than 120 days	**2,365**	1,325
Total trade	**120,980**	107,839
Related companies of shareholders and related parties		
Current	**23,811**	14,144
Aged between 61 – 119 days	**10**	4
Aged greater than 120 days	**9**	1,481
Total related companies of shareholders and related parties	**23,830**	15,629
Other	**3,649**	4,930
	148,459	128,398

As at December 31, 2018, there was a provision for estimated credit losses of $119 (2017 – $19).

9. Goodwill and intangible assets

	Goodwill	Indefinite life	Finite-life			Total
		Asset management contracts	Asset management contracts	Customer relationships	Other	
	$	$	$	$	$	$
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
For the year ended December 31, 2018						
Opening carrying amount	**523,885**	**84,069**	**53,909**	**311,832**	**12,471**	**462,281**
Additions	**–**	**–**	**–**	**3,902**	**946**	**4,848**
Additions – internally developed	**–**	**–**	**–**	**–**	**6,578**	**6,578**
Reclassification to assets held-for-sale	**(6,367)**	**(5,280)**	**–**	**–**	**–**	**(5,280)**
Business combinations	**95,606**	**513**	**16,878**	**60,000**	**3,009**	**80,400**
Disposals	**–**	**–**	**–**	**–**	**(26)**	**(26)**
Amortization for the year	**–**	**–**	**(20,271)**	**(19,191)**	**(5,351)**	**(44,813)**
Foreign exchange difference	**18,575**	**6,841**	**2,272**	**15,380**	**581**	**25,074**
Closing carrying amount	**631,699**	**86,143**	**52,788**	**371,923**	**18,208**	**529,062**
Balance, December 31, 2018						
Cost	**604,086**	**80,965**	**122,544**	**458,259**	**35,856**	**697,624**
Accumulated amortization and impairment	**(1,918)**	**–**	**(71,210)**	**(111,080)**	**(18,682)**	**(200,972)**
Foreign exchange difference	**29,531**	**5,178**	**1,454**	**24,744**	**1,034**	**32,410**
Closing carrying amount	**631,699**	**86,143**	**52,788**	**371,923**	**18,208**	**529,062**

DERECOGNITION

During the year ended December 31, 2018, the Company derecognized other intangible assets with a cost of $288 (2017 - $1,897) and accumulated amortization of $262 (2017 - $526) for no proceeds (2017 – for proceeds of $1,000). The Company recognized a loss on disposal of intangible assets of $26 (2017 – loss of $371) in the consolidated statements of earnings (loss).

During the year ended December 31, 2018, the Company incurred development costs related to new internally-developed software. The costs that have been capitalized are presented as additions – internally developed.

GOODWILL IMPAIRMENT TEST

During the fourth quarters of 2018 and 2017, in the context of its annual impairment testing, the Company completed its impairment analysis and assessed the recoverability of its assets. 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, 2018 and 2017, 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 an expected long-term growth rate. Key assumptions included the following:

	2018	2017
	%	%
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, 2018 and 2017, the Company compared the aggregate recoverable amount of the assets to their respective carrying amounts. Key assumptions included the following:

	2018	2017
	%	%
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 an 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.

10. Property and equipment

	Office furniture & equipment	Computer equipment	Leasehold improvements	Total
	$	$	$	$
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
Disposals	(295)	(25)	(269)	(589)
Depreciation	(914)	(966)	(1,937)	(3,817)
Foreign exchange difference	(198)	(55)	(661)	(914)
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
For the year ended December 31, 2018				
Opening carrying amount	**3,183**	**2,529**	**10,860**	**16,572**
Additions	**372**	**1,180**	**1,405**	**2,957**
Business combinations	**147**	**93**	**8**	**248**
Disposals	**(45)**	**(11)**	**-**	**(56)**
Depreciation	**(931)**	**(1,325)**	**(1,979)**	**(4,235)**
Foreign exchange difference	**191**	**108**	**714**	**1,013**
Closing carrying amount	**2,917**	**2,574**	**11,008**	**16,499**
Balance, December 31, 2018				
Cost	**7,937**	**6,770**	**19,295**	**34,002**
Accumulated depreciation	**(5,085)**	**(4,340)**	**(8,379)**	**(17,804)**
Foreign exchange difference	**65**	**144**	**92**	**301**
Closing carrying amount	**2,917**	**2,574**	**11,008**	**16,499**

During the year ended December 31, 2018, the Company derecognized office furniture and equipment with a cost of $61 (2017 – $435) and accumulated amortization of $16 (2017 – $140), computer equipment with a cost of $83 (2017 – $62) and accumulated amortization of $72 (2017 – $37) and leasehold improvements with a cost of $112 (2017 – $512) and accumulated amortization of $112 (2017 – $243), for no proceeds (2017 – total proceeds of $67 of which $15 was recorded in accounts receivable). During the year ended December 31, 2018, the Company recognized a loss on disposal of property and equipment of $56 in the consolidated statements of earnings (loss) (2017 – $522).

11. 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, 2018 and 2017. Information on consolidated structured entity assets held-for-sale (Note 7) is excluded from the financial instruments note.

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 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 investment funds 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, investment 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, 2018 and 2017 is comprised of investment funds and other securities with a fair value of $4,857 as at December 31, 2018 and $5,408 as at December 31, 2017. Investment funds 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, 2018 and 2017 would have an impact of increasing or decreasing comprehensive income by $486 and $541 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 expected credit losses, 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, 2018 and 2017.

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 contracts, 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, Fiera Capital (Europe) and Clearwater 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, 2018 and 2017 include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in US dollars:

	2018	2017
	$	$
Cash and cash equivalents	**26,954**	17,721
Restricted cash	**869**	793
Investments	**3,516**	4,116
Accounts receivable	**60,988**	66,184
Derivative financial instruments	**3,917**	2,911
Accounts payable and accrued liabilities	**(72,604)**	(64,800)
Purchase price obligations	**(114,950)**	(63,848)
Long-term debt	**(299,305)**	(219,538)

Based on the balances outstanding (excluding long-term debt) as at December 31, 2018, a 5% increase/decrease of the US dollar against the Canadian dollar would result in an increase/decrease in total comprehensive income of $568 (2017 – $1,846). 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, 2018:

	Carrying amount	Contractual cash flow commitments						
		2019	2020	2021	2022	2023	Other	Total
	$	$	$	$	$	$	$	$
Accounts payable and accrued liabilities	144,059	144,059	–	–	–	–	–	144,059
Amount due to related parties	2,599	2,599	–	–	–	–	–	2,599
Long-term debt [1]	423,724	388	531	–	422,805	–	–	423,724
Convertible debentures	79,008	–	–	–	–	86,250	–	86,250
Purchase price obligations	130,708	31,511	41,744	41,930	41,740	31,508	124,881	313,314
	780,098	178,557	42,275	41,930	464,545	117,758	124,881	969,946

1. Excluding deferred financing charges of $2,197 (Note 14).

FAIR VALUE

Investments

The cost and fair value of investments recorded at fair value through profit or loss was $4,574 and $4,857, respectively, as at December 31, 2018 ($2,848 and $2,933 respectively as at December 31, 2017). An unrealized loss of $623 was recognized in other revenues during the year ended December 31, 2018 (gain of $1,237 during the year ended December 31, 2017).

As at December 31, 2017, the cost and fair value of investments recorded as available-for-sale was $2,296 and $2,475 respectively. As a result of the adoption of IFRS 9 on January 1, 2018, the Company reclassified its equity securities classified as available-for-sale under IAS 39 to fair value through profit or loss and reclassified an unrealized gain of $161 (net of income taxes of $18) from accumulated other comprehensive income to retained earnings (deficit).

Convertible debentures

The convertible debentures are recorded at an amortized cost of $79,008 as at December 31, 2018 ($77,461 as at December 31, 2017). The fair value based on market quotes is $87,544 as at December 31, 2018 ($88,018 as at December 31, 2017).

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 consolidated 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, 2018	As at December 31, 2018				
		Fair value		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years
	$	$	$	$	$	$
Foreign exchange contracts						
a) Forward foreign exchange contracts – held for trading	**(5,294)**	**–**	**(1,672)**	**45,374**	**–**	**–**
b) Cross currency swaps – held for trading	**4,700**	**1,083**	**–**	**80,000**	**–**	**–**
Interest rate contracts						
c) Swap contracts – held for trading	**(1,770)**	**860**	**(1,560)**	**–**	**190,000**	**–**
d) Swap contracts – cash flow hedges	**–**	**4,506**	**–**	**–**	**230,550**	**–**

	For the year ended December 31, 2017	As at December 31, 2017				
		Fair value		Notional amount: term to maturity		
	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	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	–

Financial statement presentation as at December 31:

	2018	2017
	$	$
Current derivative financial instrument assets [1]	**1,083**	497
Non-current derivative financial instrument assets	**5,366**	3,484
Current derivative financial instrument liabilities	**(1,672)**	–
Non-current derivative financial instrument liabilities	**(1,560)**	–

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

Company

The Company enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars.

In December 2016, the Company entered into a series of average rate forward foreign exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in US dollars for the year ended December 31, 2017. In August 2017, the series of average rate forward foreign exchange contracts, which matured one-by-one on a monthly basis until December 2017, was converted into month-end spot rate forward exchange contracts. Since August 2017, the Company enters into month-end spot rate forward exchange contracts with various terms to maturity that aim to manage the currency fluctuation risk associated with up to twelve months of estimated future revenues in US dollars.

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 gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) in accordance with the nature of the hedged item and therefore, as other revenues.

The Company recorded a loss of $4,673 during the year ended December 31, 2018 (gain of $2,148 for the year ended December 31, 2017) and paid $2,939 as settlement of contracts that matured during the year (received $1,974 during the year ended December 31, 2017). The fair value of the foreign exchange contracts is a liability of $1,237 as at December 31, 2018 (asset of $497 as at December 31, 2017).

Subsidiaries

One of the Company's subsidiaries enters into forward exchange contracts to manage the currency fluctuation risk associated with estimated revenues denominated in Euros and British pounds. The subsidiary recorded a loss of $621 and a gain $260 during the years ended December 31, 2018 and 2017, respectively. A total of $186 was paid during the year ended December 31, 2018 as settlement of the contracts. As at December 31, 2018, the fair value of these contracts was a liability of $435 (nil as at December 31, 2017).

b) Cross currency swaps – held for trading

Under the terms of the Company's revolving facility (Note 14), the Company can borrow either in US dollars based on 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%, or in Canadian dollars based on the Canadian prime rate plus a spread varying from 0.0% to 1.5%. To benefit from interest cost savings, the Company has effectively created, as at December 31, 2018, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.57% on CA$80,000 (nil as at December 31, 2017) by borrowing against the US dollar revolving facility, the equivalent of CA$80,000 (US$59,400) (nil as at December 31, 2017) at LIBOR plus 2.25%, and swapping it into CDOR plus 1.57% with a one-month cross currency swap. The contract was entered into on December 31, 2018 and matures on January 31, 2019.

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 statements of earnings (loss) 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 gain of $4,700 during the year ended December 31, 2018, with no net impact on earnings as described above (loss of $7,950 during the year ended December 31, 2017). A total of $3,617 was received during the year ended December 31, 2018 as settlement of these contracts ($9,272 was paid during the year ended December 31, 2017).

The fair value of the cross currency swap contracts was an asset of $1,083 as at December 31, 2018 (nil as at December 31, 2017).

c) Interest rate swap contract – held for trading

The Company enters into interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in Canadian dollars

On May 1, 2012, the Company entered into an interest rate swap contract with an original amortizing notional amount of CA$108,000. 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 with an original amortizing notional amount of CA$100,000 at inception and maturing on May 31, 2022. As at December 31, 2018, the notional amount was CA$30,000 (2017 – CA$30,000). The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 1.335%. 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. Interest is settled on a monthly basis.

In March 2018, the Company entered into two interest rate swap contracts with original notional amounts of CA$10,000 and CA$40,000 at inception and maturing on May 31, 2022. The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.350% (on CA$10,000 notional contract) and 2.358% (on CA$40,000 notional contract). Interest is settled on a monthly basis.

In May 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$47,000 maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.430%. Interest is settled on a monthly basis.

In September 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$18,000 maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.530%. Interest is settled on a monthly basis.

In October 2018, the Company entered into an interest rate swap contract with an original notional amount of CA$45,000 maturing on May 31, 2022. The contract consists of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate of 2.703%. Interest is settled on a monthly basis.

The net gain or loss on these derivative financial instruments is recognized in the consolidated statement of earnings (loss) with interest on long-term debt and other financial charges. The Company recorded a loss of $1,770 during the year ended December 31, 2018 (gain of $3,463 during the year ended December 31, 2017).

The fair value of the interest rate swap contracts is an asset of $860 and a liability of $1,560 as at December 31, 2018 (asset of $1,070 as at December 31, 2017).

d) Interest rate swap contracts – Cash flow hedges

The Company enters into US dollar interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility (Note 14) denominated in US dollars.

On May 31, 2017, the Company entered into two US dollar interest rate swap contracts with original notional amounts of US$125,000 and US$44,000 respectively at inception and maturing 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.

On May 31, 2018, the Company entered into a US dollar interest rate swap contract with an original notional amount of US$11,000 maturing on May 31, 2022. The contract consisted of exchanging the variable interest rate based on a one-month LIBOR rate for a fixed rate of 2.655%. Interest was settled on a monthly basis. This contract was unwound in November 2018 and an amount of $162 was received as settlement. This realized gain was reclassified from other comprehensive income to interest on long-term debt and other financial charges on the consolidated statement of earnings (loss).

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 in other comprehensive income of $1,833 (net of income taxes of $259) during the year ended December 31, 2018 (gain of $2,094 (net of income taxes of $320) 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 (loss). There is no ineffective portion on these contracts for the years ended December 31, 2018 and 2017. The fair value of the interest rate swap contracts designated as cash flow hedges is an asset of $4,506 as at December 31, 2018 (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 credit facility and the notional amounts of the US dollar interest rate swap contracts. The drawings in US dollars on the credit facility are US$219,400 as at December 31, 2018 (US$50,000 on the revolving facility and US$125,000 on the term facility under the previous credit agreement as at December 31, 2017).

e) Call option

On December 1, 2018, Fiera Capital Inc. ("FCI"), wholly-owned subsidiary of the Company, entered into an agreement with Wilkinson Global Capital Partners LLC (the "Partners") by which the Partners have the right, but not the obligation, to purchase all, but not less than all, of the Company's equity interest in WGAM, a wholly-owned subsidiary of the Company that manages special client accounts under investment advisory agreements. The call right can be exercised at any time during the period from January 1, 2021 (the call commencement date) until January 1, 2023 (the call expiration date) or on an earlier date at the discretion of FCI. If the Partners do not exercise the call option by the call expiration date or within 30 days of notice, the call option will expire. The call exercise price is designed to represent the fair value of the WGAM business. Since the call option price is based on the estimated fair value of the WGAM business and it is not exercisable at December 31, 2018, this derivative financial instrument has no financial impact in the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS BY CATEGORY:

AS AT DECEMBER 31, 2018 – CLASSIFIED UNDER IFRS 9

	Amortized cost	Fair value through profit or loss	Total
	$	$	$
Assets			
Cash and cash equivalents	52,466	–	52,466
Restricted cash	1,012	–	1,012
Investments	–	4,857	4,857
Accounts receivable	148,459	–	148,459
Long-term receivable [1]	22	–	22
Derivative financial instruments [2]	–	6,449	6,449
Total	201,959	11,306	213,265
Liabilities			
Accounts payable and accrued liabilities	144,059	–	144,059
Purchase price obligations	–	130,708	130,708
Derivative financial instruments	–	3,232	3,232
Amounts due to related parties	2,599	–	2,599
Client deposits [3]	388	–	388
Long-term debt	421,527	–	421,527
Convertible debentures	79,008	–	79,008
Total	647,581	133,940	781,521

1. Presented in deferred charges and other on the consolidated statements of financial position.
2. Includes $1,083 presented in prepaid expenses and other assets on the consolidated statements of financial position.
3. Presented in client deposits and deferred revenues on the consolidated statements of financial position.

AS AT DECEMBER 31, 2017 – CLASSIFIED UNDER IAS 39

	Loans and receivables	Available-for-sale	Fair value through profit or loss	Financial liabilities at amortized cost	Total
	$	$	$	$	$
Assets					
Cash and cash equivalents	41,079	–	–	–	41,079
Restricted cash	930	–	–	–	930
Investments	–	2,475	2,933	–	5,408
Accounts receivable	128,398	–	–	–	128,398
Long-term receivable [1]	69	–	–	–	69
Derivative financial instruments [2]	–	–	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 [3]	–	–	–	155	155
Long-term debt	–	–	–	293,771	293,771
Convertible debentures	–	–	–	77,461	77,461
Total	–	–	89,136	486,636	575,772

1. Presented in deferred charges and other on the consolidated statements of financial position.
2. Includes $497 presented 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, 2018

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments	–	4,853	4	4,857
Derivative financial instruments	–	6,449	–	6,449
Total financial assets	–	11,302	4	11,306
Financial liabilities				
Purchase price obligations	–	–	130,708	130,708
Derivative financial instruments	–	3,232	–	3,232
Total financial liabilities	–	3,232	130,708	133,940

AS AT DECEMBER 31, 2017

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Investments	–	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

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. The Company analyzed the characteristics of the liability being valued, including the circumstances and the information available as at the valuation date and selected the most appropriate valuation technique.

Purchase price obligation – CNR:

A reasonable change in unobservable inputs would not result in a significant change in the fair value of purchase price obligations other than for the City National Rochdale ("CNR") liability, which is presented below.

The main Level 3 inputs used by the Company to value the purchase price obligations of CNR are derived from the following unobservable inputs and determined as follows:

- Annual revenue growth factors, such as market rate and net contributions rate, are estimated based on internal and external data and publications, economic conditions, and the specific characteristics of the financial liability. A higher annual revenue growth factor will result in a higher fair value. To assess the fair value as at December 31, 2018, the Company used a 9% and 10% respectively for market growth rate and net contributions rate.
- The risk-adjusted discount rate is determined by adjusting a risk-free rate to reflect the specific risks associated with the financial liability. The discount rate is the input used to bring the future cash flows to their present value. A higher discount rate would result in a lower fair value. To assess the fair value as at December 31, 2018, the Company used a discount rate of 41%.

The 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. The fair value of the CNR purchase price obligation as at December 31, 2018 was CA$74,118 (US$54,331) and CA$60,574 (US$47,000) as at December 31, 2017.

The significant unobservable inputs are annual revenue growth factors, market growth and net contributions, and the risk-adjusted discount rate.

- A variance of 350 basis points in the market growth rate, as an increase or (decrease), would result in an increase (decrease) of approximately CA$5,390 (US$4,000) in the fair value of the purchase price obligation.
- A variance of 300 basis points in the net contributions rate, as an increase or (decrease) would result in an increase (decrease) of approximately CA$2,690 (US$2,000) in the fair value of the purchase price obligation.
- A variance of 200 basis points in the risk-adjusted discount rate, as an increase (discount), would result in a decrease (increase) of approximately CA$2,690 (US$2,000) in the fair value of the purchase price obligation.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, the market growth and the net contributions and established a reasonable fair value range that could result in a CA$8,080 (US6,000) increase or decrease in the fair value of the purchase price obligation as at December 31, 2018 (nil as at December 31, 2017).

Purchase price obligation – Clearwater:

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The fair value of the Clearwater purchase price obligation as at December 31, 2018 was CA$39,955 (US$28,553) and CA$35,055 (US$27,000) as at August 9, 2018.

The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA") forecasts, management's estimates of revenue from cross-selling, and the risk-adjusted discount rate. The discount rate is the input used to bring the future cash flow to their present value. Company used a discount rate between 10% and 15%.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, revenue, EBITDA, and cross-selling forecasts and established a reasonable fair value range between CA$35,470 (US$26,000) and CA$40,925 (US$30,000) for its purchase price obligation as at December 31, 2018.

Reconciliation of Level 3 fair value measurements:

	Investments	Purchase price obligations	Total
	$	$	$
Fair value as at December 31, 2016	9	(34,968)	(34,959)
Additional purchase price obligations	–	(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)

	Investments	Purchase price obligations	Total
	$	$	$
Fair value as at December 31, 2017	**11**	**(89,136)**	**(89,125)**
Additional purchase price obligations	**–**	**(38,503)**	**(38,503)**
Settlement of purchase price obligations	**–**	**29,191**	**29,191**
Total realized and unrealized (losses) included in other revenues	**(7)**	**–**	**(7)**
Revaluation of a purchase price obligation included in accretion and change in fair value of purchase price obligations	**–**	**(852)**	**(852)**
Total realized and unrealized (losses) included in accretion and change in fair value of purchase price obligations	**–**	**(23,645)**	**(23,645)**
Total realized and unrealized (losses) included in interest on long-term debt and other financial charges	**–**	**(1,845)**	**(1,845)**
Total realized and unrealized (losses) included in other comprehensive income	**–**	**(5,918)**	**(5,918)**
Fair value as at December 31, 2018	**4**	**(130,708)**	**(130,704)**

There were no transfers between levels during the years ended December 31, 2018 and 2017.

12. Accounts payable and accrued liabilities

	As at December 31, 2018	As at December 31, 2018
	$	$
Trade accounts payable and accrued liabilities	**36,298**	29,555
Wages and vacation payable	**8,522**	4,583
Bonuses and commissions payable	**86,666**	76,275
Cash settled share-based liabilities	**7,525**	5,528
Income taxes payable (recoverable)	**3,403**	(2,746)
Sales taxes payable	**1,645**	813
	144,059	114,008

13. Income taxes

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

	2018	2017
	$	$
Current income taxes	**14,060**	11,356
Deferred income taxes (recovery)	**(14,489)**	(7,200)
	(429)	4,156

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:

	2018	2017
	$	$
Earnings (loss) before income taxes	**(5,184)**	14,868
Combined federal and provincial statutory tax rates	**26.7%**	26.5%
Income tax expense based on combined statutory income tax rate	**(1,382)**	3,940
Difference between Canadian and foreign statutory rates	**(2,305)**	(8,799)
Share-based compensation	**1,992**	1,751
Non-deductible acquisition costs	**1,811**	355
Non-deductible accretion and change in fair value of purchase price obligations	**1,176**	–
Impact of US tax reform	**–**	6,017
Prior years' tax adjustments	**(1,461)**	(198)
Other (non-taxable) non-deductible amounts	**(260)**	1,090
	(429)	4,156

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, 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 15)	–	–	–	–	–	(1,225)	(1,225)
Charged to equity (Note 16)	–	–	–	–	–	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)
Charged to earnings	**(164)**	**(304)**	**1,357**	**9,242**	**351**	**4,007**	**14,489**
Convertible debentures (Note 15)	**–**	**–**	**–**	**–**	**–**	**(53)**	**(53)**
Business combinations (Note 4)	**–**	**–**	**–**	**(3,923)**	**25**	**–**	**(3,898)**
Charged to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(259)**	**(259)**
Reclassification to deferred income taxes on assets held-for-sale	**–**	**–**	**–**	**704**	**–**	**–**	**704**
Reclassification to assets held-for-sale	**–**	**–**	**(65)**	**–**	**–**	**–**	**(65)**
Foreign exchange difference	**136**	**–**	**1,124**	**(767)**	**(121)**	**663**	**1,035**
Balance, December 31, 2018	**1,984**	**550**	**17,278**	**(19,936)**	**(903)**	**8,631**	**7,604**

Financial statement presentation as at December 31:

	2018	2017
	$	$
Non-current deferred income tax assets	**20,093**	11,665
Non-current deferred income tax liabilities	**(12,489)**	(16,014)
Total	**7,604**	(4,349)

14. Long-term debt

	As at December 31, 2018	As at December 31, 2017
	$	$
Credit facility		
Term facility	**–**	156,813
Revolving facility	**422,805**	136,725
Other facilities	**919**	1,585
Deferred financing charges	**(2,197)**	(1,352)
	421,527	293,771
Less current portion	**(388)**	(1,354)
Non-current portion	**421,139**	292,417

CREDIT FACILITY

On May 28, 2018, the Company entered into the Fifth Amended and Restated Credit Agreement ("Credit Agreement") with a Canadian banking syndicate of lenders. The Facility is used for general corporate purposes. It is comprised of a $600,000 senior unsecured revolving facility ("Facility") which can be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Credit Agreement, there are no minimum repayments until June 30, 2022, the date at which the amount drawn is repayable in full. At any time, subject to certain terms and conditions, the Company may request an increase in the available Facility by an amount of up to CA$200,000 subject to the acceptance of the individual lenders in the banking syndicate. The Credit Agreement allows for extensions of the Facility's maturity date, in one-year increments, at the request of the Company and subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount in the aggregate, to more than 66 2/3%, subject to certain terms and conditions.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn and on the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement. 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 for amounts drawn in US Dollars, 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%.

Prior to May 28, 2018, the Fourth Amended and Restated Credit Agreement (the "Previous Credit Agreement") included a US$125,000 term (non-revolving) facility and a CA$350,000 senior unsecured revolving facility which could be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Previous Credit Agreement, there were no minimum repayments on the term facility until May 31, 2019, and until March 25, 2020 for the revolving facility, at which dates the amounts drawn were repayable in full. On May 28, 2018, the term facility was terminated and balances drawn on that date were converted to the Facility.

There were no changes to the interest rates applicable on the Previous Credit Facility. As at December 31, 2018, the total amount drawn on the Facility was CA$123,500 and US$219,400 (CA$299,305) (CA$74,000 and US$50,000 (CA$62,725) on the revolving facility, and US$125,000 (CA$156,813) on the term facility under the Previous Credit Agreement at December 31, 2017).

The renegotiation of the Credit Agreement was treated as a modification under IFRS 9 – *Financial Instruments* and transaction fees of $1,466 associated with the Facility and $1,034 associated with the Previous Credit Agreement were capitalized to the Facility as long-term debt in the consolidated statements of financial position.

Under the terms of the Credit Agreement and the Previous Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions include maintaining a maximum ratio of Funded Debt to EBITDA and a minimum Interest Coverage Ratio as defined in the Credit Agreement and the Previous Credit Agreement. EBITDA, a non IFRS financial measure, includes consolidated earnings (losses) before interest, income taxes, depreciation, amortization and other non-cash items, and excludes extraordinary and unusual items including non-recurring items and certain purchase price obligations as well as certain other adjustments outlined in the Credit Agreement. As at December 31, 2018 all restrictive covenants under the Credit Agreement were met and these were also met at December 31, 2017 under the terms of the Previous Credit Agreement. The Credit Agreement also 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 Facility, to engage in specified types of transactions and thus imposes certain operating and financing restrictions on these entities.

OTHER FACILITIES

As at December 31, 2018, one of the Company's subsidiaries has an outstanding bank loan in the amount of $231 of which quarterly payments of CA$131 are required (respectively CA$756 and CA$131 as at December 31, 2017). The loan bears interest at prime plus 0.25% to 1.25% 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, 2018 and December 31, 2017. In March 2017, this subsidiary amended its credit agreement to include a leasing facility. As at December 31, 2018, the outstanding balance of this loan is CA$688 (CA$ 829 at December 31, 2017), of which monthly payments of CA$15 are required. As at December 31, 2018, the current and non-current portions of the loan are $157 and $531 respectively. This subsidiary also has a line of credit with a limit of CA$750. It bears interest at prime plus up to 0.25% to 1% which is also based on the ratio of senior debt EBITDA and has no fixed maturity date. As at December 31, 2018 the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

In January 2019, this subsidiary repaid the outstanding balances of the bank loan and the lease facility which had a balance as at December 31, 2018 of $231 and $688 respectively.

Another subsidiary of the Company has a line of credit with a dollar limit of CA$950. It bears interest at prime plus 1.50% and has no fixed maturity date. As at December 31, 2018 the subsidiary had not drawn on the line of credit (nil as at December 31, 2017).

Reconciliation of long-term debt arising from financing activities for the years ended December 31:

	2018	2017
	$	$
Balance, beginning of year	**293,771**	430,423
Cash flows		
(Reimbursement)/proceeds from borrowings	**109,261**	(110,888)
Capitalized borrowing costs	**(1,495)**	(210)
Non-cash changes		
Changes arising from business combinations	**–**	–
Amortization of deferred financing charges	**650**	635
Foreign exchange difference	**19,340**	(26,189)
Balance, end of year	**421,527**	293,771

15. Convertible debentures

	2018	2017
	$	$
Face value	**86,250**	86,250
Less:		
Issuance costs [1]	**(4,031)**	(4,269)
Equity component (net of issuance costs of $224 in 2018 and $237 in 2017)	**(4,568)**	(4,555)
Accretion expense on equity component	**1,357**	35
Balance, end of year	**79,008**	77,461

1. During year ended December 31, 2018, the Company revised the issuance costs and effective interest rate in order to reflect differences between issuance costs estimated at the date of issuance of the unsecured convertible debentures and the invoices subsequently received.

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 subordinate shares ("Class A Shares"). 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 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 per convertible debenture, plus accrued and unpaid interest.

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.

During the year ended December 31, 2018, an amount of $4,431 (2017 – nil) was paid representing the accrued cash interest from the issuance date of the unsecured convertible debentures to December 31, 2018.

16. 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 regard 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, fully paid and outstanding common shares:

	Class A Shares		Class B Shares		Total	
	Number	$	Number	$	Number	$
As at December 31, 2016	60,800,655	550,609	19,810,903	31,525	80,611,558	582,134
Conversion of holdback shares	353,928	3,566	–	–	353,928	3,566
Issuance of shares						
Shares issued as part of a business combination	38,880	500	–	–	38,880	500
Shares issued as settlement of purchase price obligations	581,602	8,478	–	–	581,602	8,478
Performance and restricted share units settled	1,364,052	13,612	–	–	1,364,052	13,612
Stock options exercised	397,100	3,816	–	–	397,100	3,816
Shares issued as part of equity financing	6,347,000	79,484	–	–	6,347,000	79,484
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	70,249,199	660,644	19,444,490	30,942	89,693,689	691,586
Issuance of shares						
Shares issued as part of a business combination (Note 4)	**5,600,315**	**66,708**	**–**	**–**	**5,600,315**	**66,708**
Shares issued as settlement of purchase price obligations	**335,838**	**4,076**	**–**	**–**	**335,838**	**4,076**
Performance and restricted share units settled	**964,200**	**9,072**	**–**	**–**	**964,200**	**9,072**
Stock options exercised	**391,409**	**4,172**	**–**	**–**	**391,409**	**4,172**
Cancellation of shares	**(16,762)**	**(191)**	**–**	**–**	**(16,762)**	**(191)**
Transfers from Class B Shares to Class A Shares	**32,089**	**51**	**(32,089)**	**(51)**	**–**	**–**
Adjustment to transaction costs on shares previously issued	**–**	**192**	**–**	**–**	**–**	**192**
As at December 31, 2018[1]	**77,556,288**	**744,724**	**19,412,401**	**30,891**	**96,968,689**	**775,615**

1. Includes 4,125,055 Class A Shares held in escrow in relation with the Apex acquisition (4,950,066 as at December 31, 2017), 4,617,783 Class A Shares held in escrow in relation with the CGOV acquisition, 724,197 Class A Shares held in escrow in relation with the Clearwater acquisition, nil Class A Shares held in escrow in relation with the Fiera Private Lending acquisition (formerly "Centria Commerce") (338,124 as at December 31, 2017) and nil restricted shares held in escrow in relation to the restricted share plan (81,496 as at December 31, 2017).

2018

Issuance of shares

Shares issued as part of business combinations

On August 9, 2018, as part of the acquisition of Clearwater, the Company issued 982,532 Class A shares for $11,723, less issuance costs of $28.

On May 31, 2018, as part of the acquisition of CGOV, the Company issued 4,617,783 Class A shares for $55,136, less issuance costs of $123.

As part of the acquisition of Apex in 2016, the Company issued 5,775,075 Class A Shares. 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. The second tranche vested and 825,011 Class A Shares were released from escrow on June 1, 2018.

Shares issued as settlement of purchase price obligations

On February 22, 2018, in connection with the asset purchase agreement of Fiera Private Lending, the Company issued 335,838 Class A Shares for $4,083 as settlement of purchase price obligations, less issuance costs of $7.

Performance share units and restricted share units settled

During the year ended December 31, 2018, 964,200 Class A Shares were issued following the vesting of performance share units and restricted share units worth $9,072.

Stock option exercised

During the year ended December 31, 2018, 391,409 stock options were exercised and 391,409 Class A Shares were issued for $4,172.

Cancellation of shares

During the year ended December 31, 2018, 4,060 Class A Shares were cancelled due to the forfeiture of restricted shares and 12,702 Class A Shares were cancelled as settlement of purchase price adjustments related to the Clearwater acquisition.

Transfers

During the year ended December 31, 2018, 32,089 Class B Shares were converted into Class A Shares on a one-for-one basis.

2017

Conversion of holdback shares

As part of the acquisition of Samson, 353,928 Class A Shares were issued on May 1, 2017, and an amount of CA$3,566 was transferred from restricted and holdback shares to share capital in the consolidated statements of changes in equity.

Issuance of shares

Shares issued as part of business combinations

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.

Performance shares and restricted shares settled

During the year ended December 31, 2017, 1,364,052 Class A Shares were issued following the vesting of performance share units and restricted share units.

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.

Shares issued as part of equity financing

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.

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 Class A Shares on a one-for-one basis.

Dividends

During the year ended December 31, 2018, the Company declared and paid dividends on Class A shares and Class B shares totalling $73,581 ($0.78 per share) (2017 – $57,563 ($0.70 per share)) of which $186 were paid on holdback shares (2017 – $118).

ACCUMULATED OTHER COMPREHENSIVE INCOME

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

	December 31, 2018	December 31, 2017
	$	$
Unrealized gain on available-for-sale financial assets	–	161
Cash flow hedges	3,927	2,094
Unrealized exchange differences on translating financial statements of foreign operations	33,729	10,769
	37,656	13,024

17. Earnings (loss) per share

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

	For the years ended December 31,	
	2018	2017
	$	$
Net earnings (loss) attributable to shareholders	(5,013)	10,671
Weighted average shares outstanding – basic	94,665,002	82,258,569
Effect of dilutive share-based awards	–	5,684,713
Weighted average shares outstanding – diluted	94,665,002	87,943,282
Basic earnings (loss) per share	(0.05)	0.13
Diluted earnings (loss) per share	(0.05)	0.12

For the year ended December 31, 2018, the share-based awards and contingent consideration payable in shares of 12,439,808 and the convertible debentures with a face value of $86,250 were all anti-dilutive. For the year ended December 31, 2017, the calculation of hypothetical conversions does not include 2,939,631 options or the convertible debentures with a face value of $86,250 as these are anti-dilutive

18. 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, 2018, and 2017, is presented below:

	2018		2017	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
		$		$
Outstanding – beginning of year	4,183,852	11.86	2,799,345	10.25
Granted	305,000	12.22	1,892,000	13.41
Exercised	(391,409)	8.07	(397,100)	7.34
Forfeited	(120,252)	13.63	(110,393)	13.64
Outstanding – end of year	3,977,191	12.21	4,183,852	11.86
Options exercisable – end of year	1,281,812	11.20	859,473	8.17

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, 2018 and 2017:

	2018	2017
Dividend yield (%)	**6.14 to 7.13**	4.87 to 5.39
Risk-free interest rate (%)	**2.08 to 2.26**	1.15 to 1.93
Expected life (years)	**7.5**	8.9
Expected volatility of the share price (%)	**26.26 to 26.84**	24.25 to 38.97
Weighted-average fair value ($)	**1.41**	2.21
Share-based compensation expense ($)	**1,732**	1,402

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, 2018:

	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	1	3.67	68,201	3.67
5.40 to 8.50	574,611	3	8.05	414,611	8.29
8.51 to 14.77	3,334,379	9	13.10	799,000	13.35

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. 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.

One DSU is equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of ($12) for this plan during year ended December 31, 2018 (expense of $13 during the year ended December 31, 2017) and an amount of $98 was paid out. As at December 31, 2018, the Company had a liability for an amount of $95 for the 8,395 units outstanding under the DSU plan ($205 for 15,767 units as at December 31, 2017).

C) RESTRICTED SHARE UNIT ("RSU") PLAN

On April 12, 2018, the Board approved an amended and restated RSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the RSU awards in cash or in shares. The purpose of this plan is to provide eligible employees with the opportunity to acquire RSUs 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.

The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2018 and 2017:

	2018	2017
Outstanding units – beginning of year	**608,635**	456,303
Granted	**–**	566,686
Reinvestments in lieu of dividends	**24,610**	19,124
Vested [1]	**(374,685)**	(420,407)
Forfeited	**–**	(13,071)
Outstanding units – end of year	**258,560**	608,635

1. 47,252 restricted share units were settled in cash (2017 – 65,867).

One RSU is equivalent to one Class A Share of the Company. The Company recorded an expense of $3,176 and $5,715 for these grants during the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2018, 327,433 Class A Shares (2017 – 354,540) were issued as settlement of RSU vested and $585 was paid in cash (2017 – $908). As at December 31, 2018, the Company had a liability in the amount of $1,759 for the 258,560 units outstanding under the RSU Plan ($3,075 for 608,635 units as at December 31, 2017).

D) RESTRICTED SHARE UNIT PLAN – CASH ("RSU CASH")

On April 12, 2018, the Board approved an amended and restated RSU cash plan mainly to include various tax considerations. 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 RSUs granted under this plan will be settled in cash. The following table presents transactions that occurred in the Company's RSU Plan during the years ended December 31, 2018 and 2017:

	2018	2017
Outstanding units – beginning of year	**504,380**	316,133
Granted	**154,693**	185,256
Reinvestments in lieu of dividends	**37,936**	21,963
Vested	**(167,974)**	–
Forfeited	**(727)**	(18,972)
Outstanding units – end of year	**528,308**	504,380

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of $2,254 and $1,886 for these grants during the years ended December 31, 2018 and 2017, respectively. During the year ended December 31, 2018, 167,974 units vested (2017 – nil), an amount of $396 was paid as settlement of 32,607 units and the remaining 135,367 units were settled in January 2019. As at December 31, 2018, the Company had a liability totalling $4,305 for the 528,308 units outstanding ($2,435 for the 504,380 units as at December 31, 2017).

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 restricted shares vest over a three-year period with one third vesting each year. The restricted shares are entitled to dividends and have voting rights. The plan administrator reinvests 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 were held in escrow. During the year ended December 31, 2018, the last tranche of this plan vested and 78,548 Class A Shares (2017 – 79,022) that vested were released from escrow and 4,060 restricted shares were forfeited and cancelled (2017 – 431).

The Company recorded an expense of $284 and $672 for the years ended December 31, 2018 and 2017, respectively for this grant.

As at December 31, 2018, there were no longer any restricted shares outstanding. Therefore, on March 21, 2019 the Board approved the termination of the Restricted share plan effective as at such date.

F) PSU AND UAR PLAN APPLICABLE TO BUSINESS UNITS

On April 12, 2018, the Board approved an amended and restated PSU plan applicable to Business Units ("BU") mainly to include various tax considerations. 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 PSU BU as determined by the Board at each award date.

PSUs 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 PSUs are settled in accordance with the terms of the plan. The settlement date value is determined by the product of the number of PSUs vested and the value of the PSU on the applicable vesting date.

In June 2018, the Company amended its Performance Share Unit Plan applicable to Business Units (PSU applicable to BU) plan to include an ability to grant Unit Appreciation Rights applicable to Business Units (UAR applicable to BU).

PSU applicable to BU

The Company recorded the following expense relating to PSU plans applicable to BU during the years ended December 31, 2018 and 2017:

	2018	2017
	$	$
Equity-settled grants	**6,229**	7,493
Cash-settled grants	**7,297**	886
Total expense	**13,526**	8,379

During the year ended December 31, 2018, the total award value granted under the Company's PSU plans applicable to BUs was $6,575. A total of 616,948 Class A Shares were issued during the year ended December 31, 2018 as settlement of PSU applicable to BUs. Vested units will be settled in 2019 through the issuance of Class A Shares.

During the year ended December 31, 2017, the total award value granted under the Company's PSU plans applicable to BUs was $10,752. Certain PSU applicable to BUs representing a total value of $5,211 vested. A total of 206,197 Class A Shares were issued during the year ended December 31, 2017 as settlement of PSU applicable to BUs.

UAR applicable to BU

Under the UAR plan applicable to BUs, eligible employees are entitled to receive Class A Shares of the Company for an amount equivalent to the difference between the business value per unit on the vesting date and the exercise price determined on the grant date. The Company recorded an expense of $1,276 during the year ended December 31, 2018.

G) PSU PLAN

On April 12, 2018, the Board approved an amended and restated PSU Plan mainly to include various tax considerations and to specify that the Company may, at its discretion, settle the PSU awards in cash or in shares. PSUs 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 PSUs awarded to a participant as of the award date is calculated by dividing the award value by the market value on the award date. One PSU unit is equivalent to one Class A Share of the Company.

The Company recorded the following expense relating to PSU plans during the years ended December 31, 2018 and 2017:

	2018	2017
	$	$
Equity-settled grants	**1,292**	140
Cash-settled grants	**1,126**	1,110
Total expense	**2,418**	1,250

The total award value granted to eligible employees under the Company's PSU plans for the years ended December 31, 2018 and 2017 was $4,828 and $1,200 respectively. A total of 19,819 Class A Shares were issued during the year ended December 31, 2018 as settlement of PSU vested in 2017 (2017 – 35,325). Vested units will be settled in 2019 through the issuance of Class A Shares.

H) 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 (loss) for the year ended December 31, 2018 was $2,568 ($855 for the year ended December 31, 2017). The subsidiary paid an amount of $651 during the year ended December 31, 2018 as settlement of stock options exercised. The cash settled share-based liability is $3,956 in the statements of financial position as at December 31, 2018 ($2,039 as at December 31, 2017).

19. Post-employment benefit obligations

The Company contributes to defined contribution plans for its employees. Contributions for the year ended December 31, 2018 amount to $3,696 ($3,258 for the year ended December 31, 2017).

Subsequent to a business combination in September 2010, the Company assumed the role of sponsor of six 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, 2018 for one plan. The next actuarial valuation date is January 1, 2021 for one plan, June 30, 2021 for one plan and January 1, 2019 for four plans. Each IPP plan will be individually wound up upon the death of the respective participant or if applicable, their surviving spouse.

20. Expenses by nature

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

	For the years ended December 31,	
	2018	2017
	$	$
Salaries, wages and employee benefits	**327,613**	275,918
Travelling and marketing	**12,756**	10,999
Reference fees	**17,746**	13,243
Rent	**13,069**	11,915
Technical services	**26,134**	19,674
Professional fees	**14,291**	13,948
Insurance, permits and taxes	**3,289**	3,592
Other	**11,026**	9,165
	425,924	358,454

The details of salaries, wages and employee benefits are as follows:

	For the years ended December 31,	
	2018	2017
	$	$
Salaries and wages	**276,192**	233,496
Pension costs	**3,696**	3,258
Payroll deductions	**19,051**	17,266
Share-based compensation	**10,813**	9,820
Cash settled share-based compensation	**14,155**	8,466
Other	**3,706**	3,612
	327,613	275,918

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and include the Company's directors and key officers. Compensation awarded to key management is as follows:

	For the years ended December 31,	
	2018	2017
	$	$
Salaries and other short-term benefits	**24,004**	18,173
Share-based payments	**5,408**	4,119

21. Interest on long-term debt and other financial charges

	For the years ended December 31,	
	2018	2017
	$	$
Interest on long-term debt	**18,092**	15,963
Interest on convertible debentures	**5,634**	118
Interest on derivative financial instruments	**(2,843)**	(190)
Amortization of deferred financing charges	**650**	635
Other interest	**1,071**	598
Foreign exchange	**5,844**	(10,132)
Change in fair value of derivative financial instruments	**(3,093)**	4,487
	25,355	11,479

22. Additional information relating to consolidated statements of cash flows

	For the years ended December 31,	
	2018	2017
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**(7,100)**	(15,937)
Prepaid expenses and other assets	**(1,528)**	(3,929)
Accounts payable and accrued liabilities	**4,532**	25,946
Amounts due to related parties	**1,358**	183
Client deposits and deferred revenues	**(185)**	53
	(2,923)	6,316

The following are non-cash items:

During the year ended December 31, 2018, the Company issued Class A Shares of $72,209 (2017 – $500) as part of business combinations, of $4,083 (2017 – $8,500) as settlement of purchase price obligations and of $9,072 (2017 – $13,612) as settlement for PSUs and RSUs. The Company also cancelled shares previously issued as part of business combinations of $191 (2017 – $4) and recorded adjustments to accrued share issuance costs of $241 and accrued issuance costs related to the convertible debentures of $238 (share issuance costs of $783 and issuance costs related to the convertible debentures of $484 in 2017) included in accounts payable and accrued liabilities. During the year ended December 31, 2017, the conversion of holdback shares of $3,566, and the extinguishment with an offset to equity of $2,747 of puttable financial instrument liabilities were also non-cash items.

Additions to property and equipment included in accounts payable and accrued liabilities of $179 (2017 – $256), additions to intangible assets included in accounts payable and accrued liabilities of $129 (2017 – $94) are non-cash items during the year ended December 31, 2018.

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between income taxes paid of $7,916 (2017 – $13,417) and income tax expense of $14,060 (2017 – $11,356) for a net impact of $6,144 for the year ended December 31, 2018 (2017 – $2,061).

23. Commitments and contingent liabilities

COMMITMENTS

The Company leases office space and equipment under non-cancellable operating leases expiring at different dates until 2035. Commitments include future lease payments totalling $100,967.

The total payments for each of the next five years, and thereafter for commitments are as follows:

	$
2019	21,090
2020	17,471
2021	17,073
2022	14,993
2023	14,164
Thereafter	49,383
	134,174

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.

24. Capital management

The Company's capital comprises share capital, retained earnings (deficit), 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, 2018 and 2017, the Company and one of its subsidiaries are subject to calculations of excess working capital as required by National Instrument 31-103 *Registration Requirements and Exemptions*, calculated on a non-consolidated basis, and they have complied with their respective calculations. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

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

25. 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.

Under a former agreement with a related shareholder, this related shareholder was 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 15) and of a Class A Share issuance on December 21, 2017 and subsequent shareholder transactions, the related party's beneficial ownership is approximately 18.0% of the Company's issued and outstanding shares as at December 31, 2018 (19.6 % as at December 31, 2017) and as a result, such agreement terminated and the related party no longer has the right to designate two appointees to the Company's Board. This related shareholder is one of the two co-lead arrangers and one of lenders 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, 2018, the other related shareholder indirectly owns Class B Special Voting Shares representing approximately 7.4% of the Company's issued and outstanding shares (8.1% as at December 31, 2017) 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. This related shareholder is one of the two co-lead arrangers and one of the lenders to the Company's Credit Facility.

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

	2018	2017
	$	$
Base management fees	**44,154**	43,334
Performance fees	**3,779**	3,767
Other revenues	**367**	4,823
Selling, general & administrative expenses		
Reference fees	**1,701**	1,639
Other	**613**	785
Interest on long-term debt	**15,946**	15,859
Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt and other financial charges	**(3,093)**	4,487
Acquisition costs	**–**	252
Shares issued as settlement of a purchase price obligation	**–**	8,500
Cash consideration as settlement of a purchase price obligation	**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.

26. Segment reporting

The Company has determined that there is one reportable segment, asset management services. The geographical information is provided in the following table:

	Revenues	Non-current assets
	For the year ended December 31, 2018	As at December 31, 2018
	$	$
Canada	**268,547**	**599,334**
United States of America	**198,261**	**472,472**
Europe and other	**73,477**	**105,872**
	540,285	**1,177,678**

	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
	459,096	1,003,800

Revenues are attributed to countries on the basis of the customer's location. As at December 31, 2018, non-current assets exclude deferred income taxes of $20,093 and financial instruments of $5,388 ($11,665 and $3,553 respectively as at December 31, 2017).

27. Subsequent events

Palmer Capital Partners Limited

On December 21, 2018, the Company entered into a purchase agreement with Palmer Capital Partners Limited ("Palmer Capital"), pursuant to which the Company will acquire an 80% interest in Palmer Capital, a UK focused real estate investment manager, based in London, UK. The Palmer Capital management shareholders will retain a 20% equity interest in Palmer Capital. The transaction is expected to be completed once the closing conditions including obtaining regulatory approvals have been satisfied.

Integrated Asset Management

On March 21, 2019, the Company entered into a definitive agreement with Integrated Asset Management Corp. ("IAM") under which the Company will acquire all of the outstanding common shares of IAM. The transaction will be implemented by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario). The transaction is expected to be completed once the closing conditions, including shareholder, court, and regulatory approvals have been satisfied.

Dividends declared

On March 21, 2019, the Board declared a quarterly dividend of $0.21 per share to shareholders of record as at April 3, 2019 which is payable on May 1, 2019.

Corporate Information

Executive Officers

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

Vincent Duhamel
Global President and
Chief Operating Officer

Lucas Pontillo
Executive Vice President and Global Chief Financial Officer

John Valentini
President and Chief Executive Officer,
Fiera Private Alternative Investments

François Bourdon
Global Chief Investment Officer

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

Ted Ecclestone
Executive Vice President and Head of Private Wealth, Canadian Division

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

Nicolas Papageorgiou
Chief Investment Officer,
Canadian Division

Daniel Richard
Senior Vice President, Global Human Resources and Corporate Communications and Chief Human Resources Officer

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

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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

Centre Mont-Royal
2200 Mansfield Street
Montreal, Quebec, Canada H3A 3R8

Thursday, May 30, 2019, 9:30 a.m.

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• Fiera Capital Inc. – United States, registered as (i) an investment adviser with the U.S. Securities and Exchange Commission (the "SEC")* and (ii) a commodity pool operator with the U.S. Commodity Futures Trading Commission.

• Bel Air Investment Advisors LLC—United States, registered as an investment adviser with the SEC*.

• Wilkinson Global Asset Management LLC - United States, registered as an investment advisor with the SEC*.

• Fiera Capital (UK) Limited – United Kingdom, authorized and regulated by the Financial Conduct Authority. United States, registered as an investment adviser with the SEC*.

• Fiera Capital (IOM) Limited – Isle of Man, licensed by the Isle of Man Financial Services Authority. United States, registered as an investment adviser with the SEC*.

• Palmer Capital Investors Limited - United Kingdom, authorized and regulated by the Financial Conduct Authority.

• Fiera Properties Limited – A corporation incorporated under the laws of the province of Ontario (Canada).

• Fiera Private Lending Inc. – A corporation incorporated under the laws of the province of Québec (Canada).

• Fiera Infrastructure Inc. – A corporation incorporated under the laws of Canada.

• Fiera Comox Partners Inc. – A corporation incorporated under the laws of Canada.

• Clearwater Capital Partners Singapore Pte Ltd. – Singapore, licensed by the Monetary Authority of Singapore for the provision of Capital Markets Services in Fund Management and an Exempt Reporting Adviser with the SEC*.

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