



FIERA SCEPTRE

FIERA SCEPTRE INC.

ANNUAL INFORMATION FORM
FISCAL YEAR ENDED SEPTEMBER 30, 2010

Dated December 20, 2010

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EXPLANATORY NOTES

In this annual information form (“AIF”), references to “Fiera Sceptre” or the “Corporation” mean Fiera Sceptre Inc. and includes, as the context requires, its subsidiaries.

All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars.

All information in this AIF is given as of September 30, 2010, unless otherwise indicated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking statements relating to future events or future performance and reflecting management’s expectations or beliefs regarding future events including business and economic conditions and Fiera Sceptre’s growth, results of operations, performance and business prospects and opportunities. Forward-looking statements may include comments with respect to Fiera Sceptre’s objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for Fiera Sceptre’s businesses and for the Canadian, United States and global economies. Such statements reflect management’s current beliefs and are based on information currently available to management and may typically be identified by terminology such as “believe”, “expect”, “plan”, “anticipate”, “estimate”, “may increase”, “may fluctuate”, “predict”, “potential”, “continue”, “target”, “intend” or the negative of these terms or other comparable terminology and similar expressions of future or conditional verbs, such as “will,” “should,” “would” and “could.”

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond Fiera Sceptre’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: ability of Fiera Sceptre to maintain its clients and to attract new clients, the investment performance of Fiera Sceptre, Fiera Sceptre’s ability to attract and retain key employees, Fiera Sceptre’s ability to integrate successfully the businesses of Fiera Capital Inc. and Sceptre Investment Counsel Limited, industry competition, Fiera Sceptre’s ability to manage conflicts of interest, adverse economic conditions in Canada or globally including among other things, declines in the 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 Sceptre’s ability to manage risks, the failure of third parties to comply with their obligations to Fiera Sceptre and its affiliates, the impact of acts of God or other events of force majeure; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws and other factors described under “Risk Factors” in this AIF or discussed in other materials filed by the Corporation with applicable securities regulatory authorities from time to time.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to Fiera Sceptre and its Shares, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Fiera

Sceptre does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf except as required by applicable laws. Forward-looking statements in this AIF are based on Fiera Sceptre's current views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing this AIF and any other disclosure made by Fiera Sceptre.

CORPORATE STRUCTURE

Name, Address and Incorporation

The registered office of Fiera Sceptre Inc. is located at 26 Wellington Street East, Suite 1200, Toronto, Ontario, M5E 1W4 and its head office is located at 1501 McGill College Avenue, Suite 800, Montreal, Québec, H3A 3M8.

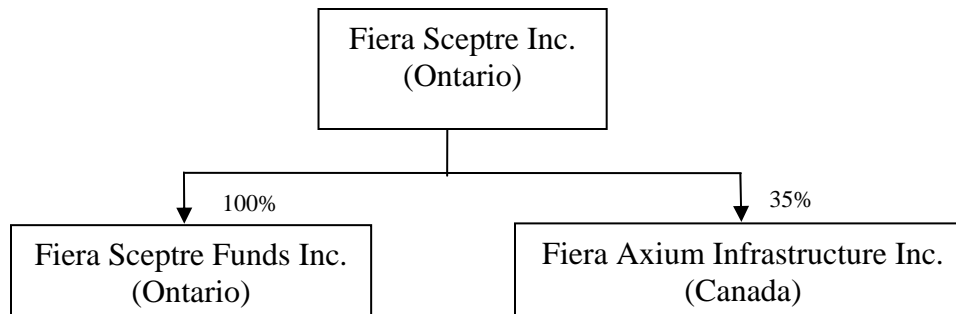
Fiera Sceptre was incorporated as Fry Investment Management Limited under the laws of the Province of Ontario by letters patent dated November 22, 1955. The Certificate of Amendment effective November 12, 1971 changed the name of Fry Investment Management Limited to Sceptre Investment Counsel Limited ("**Sceptre**"). Sceptre's articles were amended effective June 16, 1986 and June 18, 1986 to create and permit the issuance to the public of class A non-voting shares. The articles of Sceptre were amended on May 22, 1997 to increase the authorized number of common shares and to divide the issued and outstanding capital on the basis of five shares for one share. The articles of Sceptre were further amended on August 29, 2003 to authorize an unlimited number of common shares, to reclassify each issued and outstanding class A non-voting share as one common share, to cancel the authorized but unissued class A non-voting shares, to delete the share conditions attaching to the common shares and the class A non-voting shares and to declare that going forward, the authorized capital of Sceptre would consist of an unlimited number of common shares.

On August 27, 2010, the Ontario Superior Court of Justice approved an arrangement pursuant to Section 182 of the *Business Corporations Act* (Ontario) involving Sceptre and Fiera Capital Inc. ("**Fiera Capital**"), a private company, and pursuant to which their businesses were combined (the "**Arrangement**"). As part of the Arrangement, which closed on September 1, 2010, the articles of Sceptre were amended to change its name to Fiera Sceptre Inc., to cancel the common shares as a class of shares authorized to be issued, to create the class A subordinate voting shares (the "**Class A Subordinate Voting Shares**") and the class B special voting shares (the "**Class B Special Voting Shares**") and to change the number of directors to nine. Further details concerning the Arrangement are contained under "General Development of the Business– The Arrangement" below.

Under an agreement between Fiera Sceptre and a corporation controlled by Jean-Guy Desjardins, Fiera Sceptre was granted a license to use the name "Fiera". Such license was granted in consideration for a nominal amount and is renewable annually.

Intercorporate Relationships

The following chart illustrates the corporate relationship structure of Fiera Sceptre and its principal subsidiaries, including jurisdiction of incorporation and the percentage of votes attaching to all voting securities of the principal subsidiary beneficially owned, controlled or directed by Fiera Sceptre.



GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of the general development of Fiera Sceptre’s business over the three most recently completed financial years.

The Arrangement

Effective as of September 1, 2010, Sceptre and Fiera Capital completed a plan of arrangement pursuant to which their businesses were combined. Pursuant to the Arrangement, each of the approximately 14.2 million issued and outstanding common shares of Sceptre was exchanged by Sceptre shareholders for one Class A Subordinate Voting Share of the resulting entity, Fiera Sceptre, and a payment of \$0.60 in cash per common share held. Fiera Capital exchanged the entirety of its operating assets and related liabilities for approximately 21.4 million Class B Special Voting Shares. Under the Arrangement, a new board of directors was formed and certain officers of Sceptre were replaced with officers of Fiera Capital. Additional information relating to the Arrangement may be found in the management information circular of Sceptre dated July 23, 2010 (the “**Arrangement Circular**”).

Concurrently with the completion of the Arrangement, Fiera Sceptre completed a non-brokered private placement of 833,333 Class A Subordinate Voting Shares, which were issued to a private company controlled by Jean C. Monty, for proceeds of approximately \$5 million.

Change in financial year-end and auditor

On October 6, 2010, Fiera Sceptre announced that it changed its financial year-end from November 30, which was the financial year-end of Sceptre, to September 30, being the financial year-end of Fiera Capital. A notice of financial year-end was filed in that respect on SEDAR. In addition, as it was disclosed in the Arrangement Circular, Pricewaterhouse Coopers LLP resigned as auditors of Fiera Sceptre on September 1, 2010 and the board of directors of Fiera Sceptre (the “**Board**”) appointed Samson Bélair Deloitte & Touche s.e.n.c.r.l., Chartered Accountants as the auditors of Fiera Sceptre.

Fiera Capital

In 2008, Fiera Capital invested in the creation of a new company, Fiera Axium Infrastructure Inc. (“**Fiera Axium**”), which employs a group of highly-qualified professionals with extensive asset management (financial, debt, equity and financial advisory) as well as infrastructure expertise

(construction, engineering and project management). Fiera Capital's investment in Fiera Axium represented 50% of the issued and outstanding securities of Fiera Axium.

Fiera Axium invests in limited partnerships that it manages, including Fiera Axium Infrastructure Canada Limited Partnership ("**Fiera Axium LP**"), a closed-end fund which completed its initial offering on February 19, 2010, with commitments totalling \$175 million. Targeting both brownfield and greenfield investment opportunities, Fiera Axium LP seeks to invest in core transportation, energy and social infrastructure assets in Canada. Emphasis is placed on infrastructure assets which generate attractive long-term returns. This strategy offers infrastructure investment access to smaller institutional investors and to high net worth individuals.

On two occasions, prior to the Arrangement, Fiera Capital reduced its 50% interest in Fiera Axium, respectively to a 41.18% interest in April 2009 and to a 35.35% interest in March 2010.

Sceptre

As of August 22, 2009, Sceptre renewed its normal course issuer bid for a twelve-month period during which it could purchase up to 1,308,095 common shares (representing approximately 10% of the outstanding common shares held by persons other than senior officers, directors and principal shareholders of Sceptre).

As of August 22, 2008, Sceptre renewed its normal course issuer bid for a twelve-month period during which it could purchase up to 1,289,599 common shares (representing approximately 10% of the outstanding common shares held by persons other than senior officers, directors and principal shareholders of Sceptre).

DESCRIPTION OF THE BUSINESS

General

Fiera Sceptre is an independent, full-service, multi-product investment firm, providing investment advisory and related services, with approximately \$30.7 billion in assets under management ("**AUM**"). Fiera Sceptre offers multi-style investment solutions through diversified investment strategies to institutional investors, private wealth clients and retail investors. In addition to managing its clients' accounts on a segregated basis ("**Managed Accounts**"), Fiera Sceptre uses approximately 40 pooled funds and sections thereof to manage specialized asset classes and to combine the assets of smaller clients for investment efficiencies ("**Pooled Funds**"). To provide retail investors with access to its investment management services, Fiera Sceptre also sponsors a family of nine mutual funds collectively referred to as the "Sceptre Mutual Funds" (the "**Sceptre Mutual Funds**" and, collectively with the Pooled Funds, the "**Funds**"). As of November 30, 2010 Fiera Sceptre was the manager of each Fund.

Units of the Sceptre Mutual Funds are distributed through Fiera Sceptre Funds Inc. ("**FSFI**"), Fiera Sceptre's wholly owned subsidiary. FSFI is a member of the Mutual Fund Dealers Association of Canada and is registered in the category of mutual fund dealer in the Provinces of British-Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Québec and New Brunswick. There are approximately 19,000 holders of units of the Sceptre Mutual Funds.

Fiera Sceptre is registered in the categories of exempt market dealer and portfolio manager in all Provinces and Territories of Canada and as an investment adviser with the U.S. Securities and Exchange Commission. Fiera Sceptre is also registered in the category of investment fund manager in the Provinces of Ontario and Québec. In addition, as Fiera Sceptre manages derivatives portfolios, it is registered as commodity trading manager pursuant to the *Commodity Futures Act* (Ontario) and, in Québec, as derivatives portfolio manager pursuant to the *Derivatives Act* (Québec).

Fiera Sceptre’s business model is based foremost on delivering excellence in investment management to its clients. There are approximately 19,000 investors that hold units of the Sceptre Mutual Funds. The Corporation has approximately 993 client accounts comprised primarily of institutional investors, retail clients and, to a lesser extent, private wealth clients. Fiera Sceptre has approximately 150 employees.

AUM

Fiera Sceptre’s AUM in its Funds and Managed Accounts totalled approximately \$30.7 billion. Depicted below is a breakdown of Fiera Sceptre’s AUM, by client group, asset class and geographic region.

Distribution of AUM by Client, Asset Class and Region



Revenues

Fiera Sceptre derives its revenues principally from management fees earned from the management of its Funds and Managed Accounts (the “**Management Fees**”), as well as from performance fees (the “**Performance Fees**”). Management Fee revenues are calculated based on AUM. Performance Fees are calculated for each applicable Fund and Managed Account as a percentage of the Fund or Managed Account’s return on investment or excess performance over a relevant benchmark. Less than 1.5% of Fiera Sceptre’s AUM were subject to Performance Fees, ensuring a stable revenue stream.

	Management Fee (in million \$)
Sceptre Mutual Funds	5.2 ⁽¹⁾
Managed Accounts.....	40.9

⁽¹⁾ The management fees represent the fees earned by Sceptre Investment Counsel Limited from November 30, 2009 to August 31 2010, amounting to \$4.7 million, combined with the fees earned by Fiera Sceptre from September 1, 2010 to September 30, 2010, amounting to \$0.5 million.

Fiera Sceptre's Investment Philosophy

Fiera Sceptre's active management model stresses teamwork and the free exchange of ideas among a group of top tier specialists. Fiera Sceptre seeks to provide clients with access to innovative equity, bond, asset allocation and alternative investment products, along with a performance-centered investment approach and the services of a highly committed, elite team.

Fiera Sceptre believes that discipline, systematic analysis and the consistent application of a rigorous investment approach produce superior performance. Fiera Sceptre is a research-driven firm. Fiera Sceptre believes that its ability to achieve investment returns in excess of market averages is dependent on its ability to discover information and factors that are not properly reflected in the price of a given security or other asset. At Fiera Sceptre, research is much more than a specialty confined to a specific department. It is the core of Fiera Sceptre's investment approach and the basis of all of Fiera Sceptre's management processes. Independent research comes in many forms, including:

- internal bottom-up equity research and quantitative analysis, which forms the basis for the equity strategies recommended by Fiera Sceptre to its clients;
- internal top-down macro-economic research, which guides Fiera Sceptre's fixed income and asset allocation processes; and
- internal research regarding portfolio construction, risk management and financial engineering, which enables Fiera Sceptre to offer innovative solutions customized to its clients' needs.

Clients

Fiera Sceptre manages approximately 993 client accounts, comprised primarily of institutional clients (69% of the AUM), retail clients (26% of the AUM) and private wealth clients (5% of the AUM).

Superior client servicing is critical to Fiera Sceptre's growth and success. Fiera Sceptre's client servicing activities are organized based on client needs. Fiera Sceptre has structured itself into three distinct units — institutional, retail and private wealth — in order to better focus on the unique needs of each of these client segments. Each unit operates as an independent group within Fiera Sceptre, supported by Fiera Sceptre's investment management, systems and administration capabilities.

Institutional Clients

Fiera Sceptre's diversified institutional client base includes the pension Funds of several large Canadian corporations, as well as endowments, foundations, religious and charitable organizations and public sector Funds of major municipalities and universities. Fiera Sceptre manages approximately \$21.2 B in institutional assets, invested by asset class as follows:



Retail Clients

Fiera Sceptre acts as manager of the Sceptre Fund and as a sub-advisor to third-party providers of mutual funds, segregated funds, closed-end funds and wrap programs. Fiera Sceptre also distributes investment products to retail investors through financial advisors. Products managed by Fiera Sceptre include the Fiera High Income Trust, the Fiera Market Neutral Equity Fund and the Fiera Global Macro Fund. Fiera Global Macro and Fiera Market Neutral Equity Fund are each rated 4 out of 5 stars by www.globeinvestor.com. Fiera Sceptre’s wholesaling team assists with the servicing of certain retail accounts through branch and one-on-one meetings with the financial advisors. Fiera Sceptre manages a total of \$8.1 B in assets for retail clients, invested by asset class as follows:



Private Wealth Clients

Fiera Sceptre’s Private Wealth division (“**Fiera Sceptre Private Wealth**”) provides investment management services to high net worth individuals, families, foundations, trusts, estates and endowments. Fiera Sceptre Private Wealth’s investment philosophy focuses on absolute returns and capital preservation. Fiera Sceptre Private Wealth seeks to achieve these objectives by leveraging the optimal usage of traditional and alternative investment strategies through an investment process that includes the analysis of clients’ current investments and personal circumstances, the crafting of a personalized investment policy statement and the implementation of tactical asset allocation decisions.

Fiera Sceptre Private Wealth manages more than \$1.4 B in assets, invested by asset class as follows:



Fiera Sceptre’s Investment Team

Fiera Sceptre has a deep pool of investment management talent consisting of 60 investment professionals, including 38 portfolio managers and analysts. Fiera Sceptre believes its portfolio managers and investment strategists, who have on average over 17 years of investment management experience, have proven abilities to manage its Funds, appeal to clients seeking to implement broad spectrums of strategies and allow Fiera Sceptre to be well-positioned to respond and adapt successfully to varying investment climates and market conditions.

Risks of the Business

Fiera Sceptre’s business is subject to a number of risks factors, including but not limited to the following:

Clients are not committed to long-term relationship

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

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

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

Poor investment performance, whether relative to Fiera Sceptre’s competitors or otherwise, could result in the withdrawal of Funds by existing clients in favour of better performing products and would have an adverse impact upon Fiera Sceptre’s ability to attract Funds from new and existing clients, any of which could have an adverse impact on Fiera Sceptre’s AUM, Management Fees, profitability and growth prospects. In addition, Fiera Sceptre’s ability to earn Performance Fees is directly related to its investment performance and therefore poor investment performance may cause Fiera Sceptre to earn less or no Performance Fees. Fiera Sceptre cannot

guarantee that it will be able to achieve positive returns, retain existing clients or attract new clients.

Loss of key employees due to competitive pressures could lead to a loss of clients and a decline in revenues

Fiera Sceptre's business is dependent on the highly-skilled and often highly-specialized individuals it employs. The contributions of these individuals to Fiera Sceptre's Investment Management, Risk Management and Client Service teams is important to attracting and retaining clients. Fiera Sceptre devotes considerable resources to recruiting, training and compensating these individuals. However, given the growth in total AUM in the investment management industry, the number of new firms entering the industry and the reliance on performance results to sell financial products, demand has increased for high-quality investment and client service professionals. Compensation packages for these professionals have a tendency to increase at a rate well in excess of inflation and above the rates observed in other industries. Fiera Sceptre expects that these costs will continue to represent a significant portion of its expenses.

Fiera Sceptre has taken, and will continue to take, steps to encourage its key employees to remain with Fiera Sceptre. These steps include offering Share Ownership, the Stock Option Plan (the "**Option Plan**"), the Short-Term Incentive Plan (the "**STIP**") as well as providing a working environment that fosters employee satisfaction. We are confident that these measures, aimed at being an employer of choice, will be efficient at retaining these individuals, even if we face an increasing competition for experienced professionals in the industry, and that Fiera Sceptre will be able to recruit high quality new employees with the desired qualifications in a timely manner, when required.

Integration of the Combined Businesses

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

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

Competitive pressures could reduce revenues

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

Conflicts of interest and reputational risk

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

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in Fiera Sceptre's earnings or client base due to its impact on Fiera Sceptre's corporate image. Reputational risk is inherent in virtually all of Fiera Sceptre'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 Sceptre's business. For this reason, Fiera Sceptre's framework for reputation risk management is integrated into all other areas of risk management and is a key part of the code of ethics and conduct which all of Fiera Sceptre's employees are required to observe.

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

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

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

There have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Sceptre takes to deter and prevent such activity (including by instituting its code of ethics and conduct), Fiera Sceptre runs the risk that employee misconduct could occur. Misconduct by employees could include binding Fiera Sceptre to transactions that exceed authorized limits or present unacceptable risks, or concealing from Fiera Sceptre 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 Sceptre 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 Sceptre takes to prevent and detect this activity may not be effective in all cases, which could materially adversely affect Fiera Sceptre's business, financial condition or profitability.

Regulatory and litigation risk

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

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

Litigation risk is inherent in the investment management industry in which Fiera Sceptre operates. Litigation risk cannot be eliminated, even if there is no legal cause of action. The legal risks facing Fiera Sceptre, 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 Sceptre, its directors and its officers.

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

Fiera Sceptre 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 Sceptre's business. Certain of Fiera Sceptre's methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which may be significantly greater than the historical measures indicated.

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

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

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

Valuation

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

Possible requirement to absorb operating expenses on behalf of mutual Funds

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

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

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

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

Dependency on information systems and telecommunications

Fiera Sceptre 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 Sceptre'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 Sceptre's business, financial condition or profitability.

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

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

Major shareholders

Jean-Guy Desjardins indirectly owns approximately 37.5% of the outstanding voting interest of Fiera Capital L.P. (“**Fiera L.P.**”), a controlling shareholder of Fiera Sceptre holding 58.6% of the outstanding shares of Fiera Sceptre. Desjardins Asset Management Inc. (“**DAM**”), an indirect wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec, owns 26.5% of the outstanding voting interest of Fiera L.P. As a result, Mr. Desjardins is in a position to exercise significant control over matters of Fiera Sceptre requiring shareholder approval, including the election of directors and the determination of significant corporate actions. Although DAM’s minority interest in Fiera L.P. does not constitute a controlling interest in Fiera Sceptre, DAM is entitled to appoint two of the six directors of Fiera Sceptre that the holders of Class B Special Voting Shares are entitled to appoint.

DIVIDENDS

Fiera Sceptre currently intends to maintain a policy of paying out a substantial portion of its earnings. This dividend policy with respect to all of the shares of Fiera Sceptre will be reviewed by the directors of Fiera Sceptre on a quarterly basis and any future determination to pay dividends will be at the discretion of the directors of Fiera Sceptre and will depend on the financial condition, results of operations and capital requirements of Fiera Sceptre and such other factors as the directors of Fiera Sceptre consider relevant.

The cash dividends declared per share of Fiera Sceptre for each of the past three completed financial years are presented below. Please note however that changes were made to the capital structure (including changes to the number and classes of shares) following the implementation of the Arrangement and therefore such dividend amounts may not be indicative of future dividend payout.

<i>Financial Year</i>	<i>Cash dividends declared per share</i>
<i>Year ended November 30, 2008</i>	<i>\$0.42</i>
<i>Year ended November 30, 2009</i>	<i>\$0.24</i>
<i>Year ended September 30, 2010¹</i>	<i>\$0.18</i>

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1. Following the implementation of the Arrangement, Fiera Sceptre changed its financial year-end from November 30 to September 30. Fiera Sceptre’s financial year ended September 30, 2010 contains only 10 months, i.e. from December 1, 2009 to September 30, 2010.

DESCRIPTION OF CAPITAL STRUCTURE

Fiera Sceptre is authorized to issue an unlimited number of Class A Subordinate Voting Shares and an unlimited number of Class B Special Voting Shares. The Class B Special Voting Shares may not be issued to any person other than Fiera L.P.

Except as described below, the class A Subordinate Voting Shares and the Class B Special Voting Shares will have the same rights, will be equal in all respects and will be treated as if they were shares of one class only.

Rank

The Class A Subordinate Voting Shares and Class B Special Voting Shares will 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 Fiera Sceptre.

Dividends

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

Voting Rights

Class A Subordinate Voting Shares and Class B Special Voting Shares each will 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 Subordinate Voting Shares will be entitled, voting separately as a class, to elect one-third of the members of the Board of directors of Fiera Sceptre, while holders of Class B Special Voting Shares will be entitled, voting separately as a class, to elect two-thirds of the members of the Board of directors of Fiera Sceptre.

Conversion

The Class A Subordinate Voting Shares cannot be converted into any other class of shares. Prior to the Class B Termination Date (as defined below), Class B Special Voting Shares are convertible into Class A Subordinate Voting Shares on a one-for-one basis at any time and from time to time, at the option of the holder.

A Class B Special Voting Share will be automatically converted into one Class A Subordinate Voting Share when such Class B Special Voting Share is sold, assigned or transferred by Fiera L.P. to any Person (other than as part of an Internal Reorganization). On the 20th day following the Class B Termination Date, all outstanding Class B Special Voting Shares will be converted into Class A Subordinate Voting Shares. On the 20th day following the occurrence of a Class B Termination Date, the name of the Class A Subordinate Voting Shares will be changed to common shares.

The “**Class B Termination Date**” means the earlier of the following dates:

- (a) the date that is 90 days after the date Fiera L.P. ceases to own and control a number of Class B Special Voting Shares and Class A Subordinate Voting Shares that is at least 20% of the total number (rounded down to the nearest whole number) of issued and outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares, in circumstances where Fiera L.P. has not, during such 90 day period, acquired a sufficient number of Class A Subordinate Voting Shares or additional Class B Special Voting Shares to increase its ownership level to at least 20% of the total number (rounded down to the nearest whole number) of issued and outstanding Class A Subordinate Voting Shares and Class B Special Voting Shares; and

- (b) the date that any Person who is not an employee, officer or director of Fiera Sceptre nor an entity that is wholly-owned, directly or indirectly, by Fédération des caisses Desjardins du Québec, acquires control of Fiera L.P. For purposes hereof, an acquisition of control of Fiera L.P. will occur if a person (1) acquires, directly or indirectly, beneficial ownership of, or control or direction over, equity or voting interests in Fiera L.P. which, together with any voting interests beneficially owned or controlled by such person prior to such date, represent 50% or more of the issued and outstanding equity or voting interests of Fiera L.P., or (2) otherwise acquires, directly or indirectly, whether by contract or otherwise, the right to control the affairs of Fiera L.P.

The foregoing description of certain material provisions of the Class A Subordinate Voting Shares and Class B Special Voting Shares is a summary only, is not comprehensive and is qualified in its entirety by reference to the articles of arrangement of Fiera Sceptre, a copy of which is available on SEDAR at www.sedar.com.

MARKET FOR SECURITIES

The table below shows, for each month of the financial year ended September 30, 2010, the price ranges and volume of trading of the common shares of Sceptre listed on the Toronto Stock Exchange under the symbol “SZ” prior to the Arrangement, and of the Class A Subordinate Voting Shares of Fiera Sceptre, which were listed on the Toronto Stock Exchange under the symbol “FSZ” after the common shares of Sceptre were delisted upon closing the Arrangement.

Month	High (\$)	Low (\$)	Close (\$)	Volume (# of Shares)
December 2009	\$6.10	\$5.40	\$5.60	234,641
January 2010	\$6.04	\$5.60	\$5.75	168,950
February 2010	\$5.82	\$5.25	\$5.41	459,247
March 2010	\$5.78	\$5.40	\$5.75	112,258
April 2010	\$5.99	\$5.56	\$5.75	130,797
May 2010	\$5.80	\$5.01	\$5.50	96,191
June 2010	\$6.97	\$4.97	\$6.58	1,068,035
July 2010	\$6.80	\$6.16	\$6.60	374,587
August 2010	\$7.51	\$6.50	\$7.25	739,754
September 2010	\$8.19	\$6.00	\$8.15	640,746

DIRECTORS AND OFFICERS

The following table sets forth the name, province and country of residence, position held with Fiera Sceptre and principal occupation of each person who is a director or an executive officer of Fiera Sceptre. All directors hold office until the next annual meeting of shareholders of Fiera Sceptre or until their successors are elected or appointed.

Name and Province of Residence	Position Held in Fiera Sceptre	Director of Fiera Sceptre since	Principal Occupation
Jean-Guy Desjardins Québec, Canada	Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer	2010 ⁽⁵⁾	Chairman of the Board of Directors, Chief Executive Officer and Chief Investment Officer, Fiera Sceptre
Sylvain Brosseau Québec, Canada	President and Chief Operating Officer and Director	2010 ⁽⁵⁾	President and Chief Operating Officer and Director, Fiera Sceptre
David Pennycook Ontario, Canada	Vice Chairman and Executive Vice President	n/a	Vice Chairman and Executive Vice President, Fiera Sceptre
Neil Nisker ⁽³⁾ Ontario, Canada	Executive Vice Chairman and Director	2010 ⁽⁵⁾	Executive Vice Chairman and Director, Fiera Sceptre
Jim Craven Ontario, Canada	Senior Vice President, Investor Solutions	n/a	Senior Vice President, Investor Solutions, Fiera Sceptre
Merri Jones Ontario, Canada	Executive Vice President, Private Wealth	n/a	Executive Vice President, Private Wealth, Fiera Sceptre
Pierre Blanchette Québec, Canada	Vice President, Finance	n/a	Vice President, Finance, Fiera Sceptre
Salvatore Reda Québec, Canada	Vice Chairman and Senior Vice President, Institutional Markets	n/a	Vice Chairman and Senior Vice President, Institutional Markets, Fiera Sceptre
Alain St-Hilaire Québec, Canada	Vice President, Human Resources	n/a	Vice President, Human Resources, Fiera Sceptre
Robert Trépanier Québec, Canada	Vice President, Operations and Information Technology	n/a	Vice President, Operations and Information Technology, Fiera Sceptre
Violaine Des Roches Québec, Canada	Vice President, Legal Affairs and Compliance and Secretary	n/a	Vice President, Legal Affairs and Compliance and Secretary, Fiera Sceptre
Jean C. Monty ⁽¹⁾⁽²⁾⁽³⁾ Québec, Canada	Director	2010 ⁽⁵⁾	Corporate Director
Raymond Laurin ⁽¹⁾⁽⁴⁾ Québec, Canada	Director	2010 ⁽⁵⁾	Senior Vice President, Finance, Treasury and Chief Financial Officer, Desjardins Group
Christiane Bergevin ⁽²⁾⁽⁶⁾ Québec, Canada	Director	2010 ⁽⁵⁾	Executive Vice President, Strategic Partnerships, Desjardins Group
David R. Shaw ⁽²⁾⁽³⁾ Ontario, Canada	Director	2006	Chief Executive Officer of Knightsbridge Human Capital Management Inc.
W. Ross Walker ⁽¹⁾⁽³⁾ Ontario, Canada	Director	1997	Corporate Director
Arthur R.A. Scace Ontario, Canada	Lead Director	1989	Corporate Director
Denis Berthiaume ⁽⁴⁾⁽⁶⁾ Québec, Canada	Director	2010	Senior Vice President and General Manager, Wealth Management and Life and Health Insurance, Desjardins Group

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources Committee.
- (3) Member of the Governance Committee.

- (4) On December 8, 2010, Mr. Raymond Laurin resigned as a director of Fiera Sceptre and as a member of the Audit Committee and was replaced by Mr. Denis Berthiaume on the Board. Mr. Laurin was also replaced by Ms. Christiane Bergevin as Chair of the Audit Committee.
- (5) Appointed as director upon closing of the Arrangement.
- (6) On December 8, 2010, Ms. Bergevin replaced Mr. Raymond Laurin as Chair of the Audit Committee. On the same date, Mrs. Bergevin was replaced by Mr. Denis Berthiaume as a member of the Human Resources Committee.

Each of the foregoing individuals has held his or her present principal occupation or other executive offices with the same company or its predecessors (including, for greater certainty, Fiera Capital) or affiliates for the past five years, except for: (i) Neil Nisker, who prior to October 2006 was Chairman of the board of directors at Nisker Associates, Inc. and also served as president, Private Wealth Management at YMG Capital Management Inc.; (ii) Merri Jones, who prior to 2010 was an independent consultant for the Canadian investment industry and President and Chief Executive Officer at AGF Private Investment Management Limited; (iii) Pierre Blanchette, who prior to 2007 was Vice President, Finance at Air Canada Vacations.; (iv) Robert Trépanier, who prior to 2008 was Vice President, Consulting Services at CGI Group Inc.; (v) Violaine Des Roches, prior to 2006 was Vice President, Legal Affairs and Compliance and Secretary at State Street Global Advisors, Ltd.; and (vi) Christiane Bergevin, who prior to 2009 was Senior Vice President and General Manager, Corporate Projects, at SNC-Lavalin Group Inc. and President at SNC-Lavalin Capital Inc.

As at November 30, 2010, the directors and officers of Fiera Sceptre, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 1 014 899 Class A Subordinate Voting Shares and 12 743 538 Class B Special Voting Shares of Fiera Sceptre, representing approximately 6.7% of the total number of 15 110 290 Class A Subordinate Voting Shares outstanding and approximately 59.7% of the total number of 21 357 336 Class B Special Voting Shares outstanding before giving effect to the exercise of options or other convertible securities held by such directors and officers. Likewise, as at November 30, 2010, the directors and officers of Fiera Sceptre, as a group, beneficially owned, directly or indirectly, or exercised control or direction over options to acquire up to 363,082 Class A Subordinate Voting Shares. The statement as to the number of shares and options beneficially owned directly or indirectly or over which control or direction is exercised by the directors and officers of Fiera Sceptre as a group is based upon information provided by the directors and officers.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Jean C. Monty was a director or executive officer of Teleglobe Inc. and certain of its affiliates during the year preceding May 15, 2002, the date on which Teleglobe Inc. and certain of its affiliates filed for court protection under insolvency statutes in various countries, including Canada and the United States. David R. Shaw was a director of Microforum Inc. when Microforum Inc. applied for and received protection from creditors under the Companies Creditors' Arrangement Act (Canada) from January 2002 to August 2002. Other than Mr. Monty and Mr. Shaw, no director or executive officer of Fiera Sceptre is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, that:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out above, no director or executive officer of Fiera Sceptre or shareholder who holds a sufficient number of securities of Fiera Sceptre to affect materially the control thereof:

- is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Fiera Sceptre or shareholder holding a sufficient number of securities of Fiera Sceptre to affect materially the control thereof, has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of Fiera Sceptre are also directors, officers and shareholders of other companies and conflicts may arise between their duties as directors or officers of Fiera Sceptre and as directors, officers or shareholders of other companies. All such possible conflicts are required to be disclosed in accordance with the requirements of applicable law and those concerned are required to govern themselves in accordance with the obligations imposed upon them by law.

AUDIT COMMITTEE DISCLOSURE

Composition of the Audit Committee

The Board has an audit committee (the “**Audit Committee**”) which is composed of three (3) directors. As at September 30, 2010, the Audit Committee was composed of Messrs. Jean C. Monty, Raymond Laurin and W. Ross Walker. On December 8, 2010, Mr. Raymond Laurin

resigned as a director of Fiera Sceptre and as a member of the Audit Committee and was replaced by Mr. Denis Berthiaume, on the Board and by Ms. Christiane Bergevin as Chair of the Audit Committee.

All the members of the Audit Committee are considered “independent” and “financially literate” within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”).

Audit Committee Charter

The mandate, responsibilities and duties of the Audit Committee are set out in the written Audit Committee’s charter, a copy of which is attached hereto as Schedule “A”.

Relevant Education and Experience

The following summarizes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

Christiane Bergevin

Christiane Bergevin is Executive Vice President, Strategic Partnerships office of the President of Desjardins Group. Prior to that, she was Senior Vice President and General Manager, Corporate projects, with the SNC-Lavalin Group Inc. Ms. Bergevin has held several executive and international finance positions with various SNC-Lavalin subsidiaries, including as President of SNC-Lavalin Capital Inc. between 2001 and 2008. Ms. Bergevin is a member of the board of directors of Talisman Energy Inc. and a former member of the audit committee of Caisse de dépôt et placement du Québec as well as the former chair of the Pension Funds Advisory Committee. She is also a former member of the Risk Investment Committee and of the audit committee of the Business Development Bank of Canada. Ms. Bergevin holds a Bachelor of Commerce degree (Honours) from McGill University and graduated from Wharton School of Business Advanced Management Program.

Jean C. Monty

Jean C. Monty holds a Bachelor of Arts degree from Collège Sainte-Marie of Montréal, a Master of Arts in economics from the University of Western Ontario, and a Master of Business administration from the University of Chicago. Jean C. Monty began his career at Bell Canada in 1974 and held numerous positions in the BCE group. He joined Nortel Networks Corporation in October 1992 as President and Chief Operating Officer before being nominated President and Chief Executive Officer in March 1993. On April 24, 2002, Mr. Monty, then Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises (BCE Inc.), retired after a 28-year career. He is a member of the Board of Directors of Alcatel-Lucent SA since December 2008, and Chairman of its Audit and Finance Committee. He is also a member of the Board of Directors of Bombardier Inc. since 1998 and a member of the Board of Directors of DJM Capital, Centria Inc. and Fiera Capital Inc. He is also a member of the International Advisory Board of the École des Hautes Études Commerciales. He was appointed a member of the Order of Canada for his contribution to business, public interests and community affairs. In recognition of these achievements, he was elected Canada’s Outstanding CEO of the Year for 1997. In addition, he was inducted into the Académie des Grands Montréalais.

W. Ross Walker

Ross Walker is an FCA and is the former Chairman and Chief Executive of KPMG Canada. During his forty years in public accounting Mr. Walker regularly reviewed clients' internal controls and financial reporting and issued reports on weaknesses in both. Mr. Walker has also been an advisor on financial reporting to three Federal Auditor Generals and has chaired the audit committees of three public companies in the financial services sector.

External Auditor Service Fees

As it was disclosed in the Arrangement Circular, PricewaterhouseCoopers LLP resigned as auditors of Fiera Sceptre on September 1, 2010 and the Board appointed Samson Bélair Deloitte & Touche s.e.n.c.r.l., Chartered Accountants as the auditors of Fiera Sceptre. The following table shows the aggregate amount of the fees paid to PricewaterhouseCoopers LLP and Samson Bélair Deloitte & Touche s.e.n.c.r.l., Chartered Accountants (the “**Auditors**”) during the year ended September 30, 2010 for services respectively provided to Sceptre and Fiera Sceptre. The following table also shows the aggregate amount of the fees paid to PricewaterhouseCoopers LLP during the year ended November 30, 2009 for services provided to Sceptre.

Services	Fees Paid		
	Year ended September 30, 2010 ⁽¹⁾⁽²⁾	Year ended September 30, 2010 ⁽¹⁾⁽³⁾	Year ended November 30, 2009
Audit Fees	\$44,170	\$200,000	\$321,000
Audit Related Fees	\$31,435	-	\$61,000
Tax Fees	\$33,000	-	-
Other Fees	228,389	-	\$56,000
Total	\$336,994	\$200,000	\$438,000

1. As described above, Fiera Sceptre changed its financial year-end from November 30 to September 30 following the implementation of the Arrangement and filed a notice in that respect on October 15, 2010. A copy of such notice is available on SEDAR at www.sedar.com.
2. Fees of PricewaterhouseCoopers LLP.
3. Fees of Samson Bélair Deloitte & Touche s.e.n.c.r.l.

Audit Fees

Audit fees include all fees paid to the Auditors for the audit of consolidated financial statements and other required statutory/regulatory audits and filings of Fiera Sceptre or Sceptre, prior to the Arrangement, and certain of their subsidiaries.

Audit-Related Fees

Audit-related fees include all fees paid to the Auditors for audit-related services including the review of interim financial statements, preparation and/or review of certain filings with Canadian securities regulators, including comfort and consent letters, and accounting consultations on matters addressed during the audit and interim reviews.

Tax Fees

Tax fees include all fees paid to the Auditors for tax-related advice including tax return preparation and/or review and tax planning advice.

Other Fees

Other fees include payment of fees associated with the preparation, review and implementation of the Arrangement.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of Fiera Sceptre, there have been no legal proceedings material to Fiera Sceptre to which Fiera Sceptre or any of its predecessors is a party since the beginning of its last completed fiscal year, and no such proceedings are known to Fiera Sceptre to be contemplated.

To the knowledge of Fiera Sceptre, there were no (i) penalties or sanctions imposed against Fiera by a court relating to provincial and territorial Canadian securities legislation or by a securities regulatory authority during the three years prior to the date of this Circular, (ii) other penalties or sanctions imposed by a court or regulatory body against Fiera Sceptre that would likely be considered necessary for this AIF to contain full, true and plain disclosure of all material facts relating to the shares of Fiera Sceptre, or (iii) settlement agreements that Fiera Sceptre entered into with a court relating to provincial and territorial securities legislation or with a securities regulatory authority during the three years prior to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in this annual information form, the directors and officers of Fiera Sceptre are not aware of any material interest, direct or indirect, of any director, officer or principal shareholder of Sceptre Fiera or any associate or affiliate of such person in any transaction within the last three years, or in any proposed transaction, that has materially affected or would materially affect Fiera Sceptre.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A Subordinate Voting Shares and Class B Special Voting Shares is Computershare Investor Services Inc. at its offices located in Toronto, Ontario.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, including agreements relating to operating loans and facilities, the only material contracts entered into by Fiera Sceptre during the last financial year of Fiera Sceptre, or prior to the last financial year of Fiera Sceptre but that are still in effect, are set out below:

- the indemnity agreement dated September 1, 2010 between Fiera Capital Inc. and Sceptre Investment Counsel Limited (the “**Indemnity Agreement**”);

- the coattail agreement dated September 1, 2010 between several persons (as listed in the agreement), Fiera Sceptre Inc. and Computershare Trust Company of Canada (the “**Coattail Agreement**”);
- the investor agreement dated September 1, 2010 between Fiera Capital Inc. and Fiera Sceptre Inc. (the “**Investor Agreement**”);
- the transaction agreement dated June 16, 2010 between Sceptre and Fiera, as amended on July 23, 2010 by an amending agreement and on August 26, 2010 by a second amending agreement;
- the registration rights agreement dated September 1, 2010 between Fiera Sceptre Inc., Fiera Capital L.P. and Desjardins Asset Management Inc. (the “**Registration Rights Agreement**”); and
- the subscription agreement dated June 16, 2010 between Libermont Capital Inc., a private company controlled by Jean C. Monty, and Sceptre Investment Counsel Limited, pursuant to which Fiera Sceptre issued on September 1, 2010 to Libermont Capital Inc. 833,333 Class A Subordinate Voting Shares for a consideration of approximately \$5 million.

A copy of any material contract of Fiera Sceptre can be found on SEDAR under Fiera Sceptre’s profile at www.sedar.com and may be inspected during normal business hours by contacting Violaine Des Roches, Secretary at (514) 954-3750.

INDEMNITY AGREEMENT, COATTAIL AGREEMENT, REGISTRATION RIGHTS AGREEMENT AND INVESTOR AGREEMENT

Indemnity Agreement

On September 1, 2010, upon closing of the Arrangement, Fiera Capital Inc, and Fiera Sceptre entered into the Indemnity Agreement. Pursuant to the Indemnity Agreement, Fiera Sceptre will indemnify the shareholders of Fiera Capital for all losses suffered, sustained, paid or incurred in connection with any matter, action, event, fact or circumstance related to the liabilities of Fiera Capital existing prior to September 1, 2010 or related to matters that occurred on or prior to September 1, 2010 and the activities, affairs or business of Sceptre which occur or exist on or after September 1, 2010.

Coattail Agreement

On September 1, 2010, upon closing of the Arrangement, Fiera Sceptre, Computershare Trust Company of Canada, as trustee for the benefit of holders of Class A Subordinate Voting Shares and certain persons with direct and indirect interests in Class B Special Voting Shares entered into the Coattail Agreement. The Coattail Agreement contains provisions having the effect of preventing transactions that otherwise would deprive the holders of Class A Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Class B Special Voting Shares had been Class A Subordinate Voting Shares.

Registration Rights Agreement

On September 1, 2010, upon closing of the Arrangement, Fiera Sceptre, Fiera L.P. and DAM entered into the Registration Rights Agreement pursuant to which DAM has the right to require Fiera Sceptre to prepare and file a prospectus to qualify the distribution of Class A Subordinate Voting Shares issuable on the conversion of that number of Class B Special Voting Shares which are indirectly owned by DAM (through Fiera L.P.) at the applicable time. The Registration Rights Agreement provides DAM with the right to three demand registration rights and piggyback registration rights. The Registration Rights Agreement terminates on the earlier of: (i) the date on which DAM ceases to hold (either directly or indirectly) 5% of the issued and outstanding Class B Special Voting Shares and (ii) the date on which DAM's third demand registration is completed.

Investor Agreement

On September 1, 2010, upon closing of the Arrangement, Fiera Sceptre and Fiera L.P. entered into the Investor Agreement pursuant to which Fiera L.P. is to acquire additional Class A Subordinate Voting Shares and securities exchangeable or exercisable for or convertible into Class A Subordinate Voting Shares to maintain its then ownership percentage upon the occurrence of certain dilutive events. If Class A Subordinate Voting Shares are issued in connection with a public offering, Fiera L.P. will be entitled to purchase additional Class A Subordinate Voting Shares during the 45 days immediately following the pricing of the offering at a price per share equal to the price of a Class A Subordinate Voting Share in the public offering, and for the 45 days thereafter at a price per share equal to the volume-weighted average trading price of the Class A Subordinate Voting Shares on the TSX for the 5 days immediately preceding the date of purchase. Any such issuance will be subject to TSX approval. If Class A Subordinate Voting Shares are issued in connection with a merger, amalgamation, arrangement, reorganization, combination, restructuring, takeover bid, tender offer or similar transaction, Fiera L.P. will be entitled to purchase additional Class A Subordinate Voting Shares at a price per share equal to the price per share at which the additional securities are being issued in the transaction (as determined by the independent members of the Fiera Sceptre Board).

INTERESTS OF EXPERTS

Samson Bélair/Deloitte & Touche s.e.n.c.r.l. are the auditors of Fiera Sceptre and have advised Fiera Sceptre that they are independent within the meaning of the Code of Ethics of the Ordre des comptables agréés du Québec.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Fiera Sceptre's securities, and securities authorized for issuance under Fiera Sceptre's incentive plans is contained in the Arrangement Circular.

Additional financial information is provided in Fiera Sceptre's annual consolidated financial statements and management's discussion and analysis for the year ended September 30, 2010. These documents and other information about Fiera Sceptre can be found on SEDAR under Fiera Sceptre's profile at www.sedar.com.

SCHEDULE A
AUDIT COMMITTEE CHARTER
AUDIT COMMITTEE CHARTER

1. MANDATE OF THE AUDIT COMMITTEE

The Audit Committee (the “Committee”) is established to assist the Board of Directors of the Corporation (the “Board”) in overseeing:

- 1.1.1 the integrity of the Corporation’s financial statements and related information;
- 1.1.2 the qualification, independence, appointment and performance of internal and external auditors;
- 1.1.3 financial controls and internal accounting systems;
- 1.1.4 risk management;
- 1.1.5 raising funds and different investment opportunities;
- 1.1.6 compliance with applicable accounting principles, legal and regulatory requirements; and
- 1.1.7 any additional responsibilities set out in this Charter or otherwise delegated to it from time to time by the Board.

2. MEMBERS

Each year, the Board will appoint not less than three (3) directors of the Corporation as members of the Committee (“**Members**”) at its first meeting following the annual shareholders meeting. All Members will be independent and financially literate within the meaning of National Instrument 52-110 respecting Audit Committees.

3. SPECIFIC DUTIES AND RESPONSIBILITIES

The Committee shall perform the customary tasks of an audit committee and periodically inform the Board about its work and provide its recommendations on the subjects listed hereunder:

3.1 Financial Information

- 3.1.1 Audited Annual Financial Statements: Review the audited annual financial statements of the Corporation and the Corporation’s mutual funds, external auditors’ reports, related MD&A and press release for submission to the Board for approval.

- 3.1.2 Quarterly Review: Review the quarterly financial statements of the Corporation and the Corporation's mutual funds, related MD&A and press release for submission to the Board for approval.

The Board may, at its sole discretion, delegate to the Committee the approval of the quarterly financial statements, related MD&A and press release, provided that such approval is subsequently reported to the Board at its next meeting.

- 3.1.3 Accounting Principles and Disclosure: Review with management and the external auditor the impact of any proposed changes to significant accounting principles or securities regulations dealing with accounting principles and financial information disclosure, and significant financial issues and judgements related to the preparation of financial statements, including alternative treatments under the Canadian generally accepted accounting principles (GAAP).

- 3.1.4 Compliance: Ensure that the financial information is compliant with applicable GAAP, laws, regulations and policies through discussions with management, including:

- (A) Ensure the independence of the Chief Compliance Officer;
- (B) Ensure compliance with the Corporation's Compliance Manual and Code of Ethics and its application;
- (C) Examine on a quarterly basis the Chief Compliance Officer's compliance report, approve and monitor all required actions to ascertain compliance with the regulatory requirements, investment policies and management mandate;
- (D) Ensure that the Corporation's operations are executed in compliance with the regulation and provide any recommendations that would be useful while reviewing a transaction;
- (E) Meet in private with the Chief Compliance Officer or his substitute on annual basis or on a need to basis;
- (F) Analyze any other compliance issue submitted by the Board to the Committee including examining any regulatory amendments that would have an impact on the financial sector and provide recommendations to the Board if needed.

- 3.1.5 Reviewing Documents: Review any prospectus, Annual Information Form, Management Proxy Circular and Annual report before submission to the Board for approval.

- 3.1.6 Corporation Pension Plan: Review the Corporation's pension plan and assess its adequacy on an annual basis.

- 3.1.7 Other Disclosure: Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information other than the public disclosure referred to in subsections 3.1.1 and 3.1.2, and regularly assess the adequacy of such procedures.
- 3.1.8 Problems, Difficulties and Disagreements: Review and discuss any audit problems or difficulties raised by external auditors and management's response thereto and resolve any disagreement between management and the external auditor regarding financial reporting.

3.2 Internal Controls

- 3.2.1 Internal Controls and Information Systems: Through discussions with management and external auditor, assess and review the effectiveness and adequacy of the Corporation's internal controls and management information systems.
- 3.2.2 Certification: Review with management work conclusions supporting the certification letters to be filed with authorities every quarter and every fiscal year end.
- 3.2.3 Weaknesses and Deficiencies: Review and discuss with management all material weaknesses and important deficiencies relating to internal controls and financial reporting, including fraud and the measures implemented to correct such.
- 3.2.4 Complaints: Review complaints and related receipt, retention and processing procedures, and published information raising issues pertaining to accounting policies, financial information or financial information disclosure.
- 3.2.5 Anti-Fraud Program: Review periodically the Corporation's anti-fraud program and practices with the Board, the external and internal auditors and members of management.

3.3 External Audit

- 3.3.1 External Auditor: Provide recommendation to the Board as to the appointment or revocation, compensation, retention and work oversight of the external auditor and any other auditor pertaining to issuing an audit report and performing all required services.
- 3.3.2 Work Monitoring: Review external auditor's report, its audit plans and results of audits. External auditor reports directly to the Committee.
- 3.3.3 Non-Audit Services: Pre-approve non-audit services assigned to the external auditor. The Committee may also adopt policies and procedures concerning the pre-approval of non-audit services assigned to external auditor.

The Committee may, if deemed appropriate, delegate its authority to one or more of its Members for pre-approval of non-audit services, provided that any such approvals shall be presented to the Committee at its next scheduled meeting.

- 3.3.4 Fees: Monitor, review with management and recommend to the Board compensation of the external auditor and any other auditor's services.
- 3.3.5 External Auditor Assessment: Annually, and before the issuance by the external auditor of the annual financial statement report, review and confirm the qualifications, performance and independence of the external auditor and of the lead responsible audit partner.

The Committee may, from time to time, ask for a written statement from the external auditor confirming that: 1) there is no relationship between the Corporation and the external auditor, 2) lead audit partner rotation is carried out as required by law, and 3) there is no existing relationship that may adversely affect the independence of the external auditor.

- 3.3.6 Meetings with External Auditor: Meet with external auditor in the absence of management to discuss and review significant and appropriate matters to be taken into consideration.
- 3.3.7 Hiring Policies: Review and approve the Corporation's hiring policy regarding former and current partners and employees of past and present external auditors.
- 3.3.8 External Auditor Report: Review and discuss the external auditor's annual report relating to: 1) its internal quality control procedures, and 2) its inscription as a duly registered participant of the Canadian Public Accountability Board, and if it holds proper authority as to auditing Canadian issuers.

3.4 Risk Management

- 3.4.1 Adequacy of Risk Management Policies and Procedures: Review and assess the adequacy of the Corporation's risk management policies and procedures regarding the Corporation's principal identified risks on an annual basis and review semi-annually risks updates. Review, assess and report to the Board on a regular basis on the adequacy of the implemented systems that manages and mitigates risk.

3.5 Compliance with Legal and Regulatory Requirements

- 3.5.1 Issues: Review the reports from time to time relating to material regulatory or legal issues that could significantly impact the Corporation's business.

3.6 Outside advisors

3.6.1 Advisors: The Committee has the authority to engage any outside advisor if deemed necessary to assist the Committee in performing its duties. The Corporation shall provide the necessary funds for such outside advisors as determined by the Committee.

4. CHAIR

The Board will annually appoint the Chair of the Committee (“**Chair**”), whom should have in-depth financial and accounting knowledge. In the Chair’s absence or in case of position vacancy, the Committee may select another Member as Chair. The Chair may exercise all powers of the Committee in between meetings. Nevertheless, the Chair will reasonably involve the other Members prior to exercising any power and advise them of the decisions ensuing the exercised powers.

5. MEETINGS

The Committee will meet at least four times a year and at the request of the Chair. Notice for such meetings shall be sent to the Members, the CEO, the Chair of the Board and all other directors. Meeting of the Committee may also be called by the external auditor or any Member.

6. QUORUM

The majority of Members present in person, by teleconference or by videoconference will constitute a quorum.

7. REMOVAL OR VACANCY

The Board may, at any time, remove or replace a Member. A Member may also resign. A Member that ceases to be a director shall also automatically cease to be a Member. The Committee’s vacancies shall be filled by the Board by appointment amongst directors in accordance with section 2 of this Charter. Subject to the quorum requirement, the remaining Members shall exercise all the powers of the vacant Member position.

8. SECRETARY AND MINUTES

The Corporate Secretary, or any other person appointed by the Chair, will act as Secretary of the Committee. Minutes of the Committee will be entered into the books of the Corporation. Such minutes shall be circulated to all members of the Committee.