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2010 Annual Report

FIERA SCEPTRE

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The Power of Thinking: Optimal Performance Intelligent Innovation

"Fiera Sceptre is a leading-edge firm focused on delivering competitive and tailored multi-style investment solutions to a diversified clientele of investors.

We are recognized for superior portfolio management, innovative investment strategies and an ability to continually surpass clients' expectations."

Highlights

Operating highlights

- On September 1, 2010, Fiera Capital Inc. and Sceptre Investment Counsel Limited completed a statutory plan of arrangement by which Fiera Sceptre Inc. was created, making it one of Canada's largest independent, publicly traded investment management firms.
- Integration of the two firms is progressing according to plan, with the investment and retail teams and information technology infrastructure in place and operational.
- Fiera Sceptre shares listed on the TSX: ticker symbol "FSZ."

Portfolio highlights as at December 31, 2010

Consistent above-benchmark results in Fixed Income strategies.

- The Active Fixed Income approach has added value versus the benchmark in eight of the last 10 years, resulting in top quartile 10-year annualized performance.
- The Tactical Fixed Income approach has ranked in the top quartile for one through 10-year annualized periods.

Strong results in Canadian Equity.

- The Canadian Equity Core strategy has surpassed the benchmark in nine of the past ten years.
- The Canadian Equity Growth strategy has delivered strong outperformance for four consecutive years.

Exceptional performance for the Foreign Equity team.

- The International approach has produced first decile performance since inception.
- The US approach has delivered top quartile results since inception.

Continued innovation and leadership in alternative strategies.

- The Fiera North American Market Neutral Fund has consistently ranked among the Top-15 Equity Market Neutral funds within the BarclayHedge universe.
- The Long/Short Equity Fund has surpassed expectations with a return in excess of 25% since inception.

Financial highlights

	Year ended September 30, 2010	Year ended September 30, 2009	Growth
	$ millions	$ millions	
Assets under management	**30,755**	21,377	**43.9%**
Revenue	**41.4**	35.4	**16.5%**
EBITDA	**7.8**	6.9	**12.8%**
Net earnings	**3.5**	3.2	**9.6%**

A message from the Chairman, CEO and CIO

Fiscal 2010 was a busy and productive year. On September 1, 2010, Fiera Capital merged with Sceptre Investment Counsel to create Fiera Sceptre Inc., a transformational event that created the fifth-largest independent asset management firm in Canada. The transaction moves us a long stride forward in our quest to become a leading Canadian asset management firm recognized for superior portfolio management, innovative investment solutions and an ability to surpass client expectations.

A solid platform for growth

The transaction benefits our clients and our shareholders alike.
Our ability to deliver service and performance to the clients of both firms is enhanced significantly by greater breadth and depth in our product offerings and by the talent we have combined together in a single team. Together, we offer our clients a track record of solid performance in managing a wide range of equity, fixed income, strategic and tactical asset allocation and a growing range of alternative investments. Sceptre's strong name in equities and Fiera's recognized expertise in fixed income and alternative investments provide a compelling offering to the clients and prospects of both firms. We intend to leverage these strengths fully under one powerful brand: Fiera Sceptre.

The merger creates a large, strongly capitalized firm that is a solid platform for future growth. With the integration of the two firms progressing rapidly, as planned, we have significantly enhanced our investment management and servicing depth and our dedicated operating capacity. In addition, as a result of the merger, *we are in a strong position to offer innovative new products and services to our existing clients while expanding our distribution capacity in both existing and new markets*.

From a financial perspective, the rationale for the transaction is equally compelling. We have no debt. Our revenue streams are now more diverse and hence, less volatile. Cross-selling opportunities offer the possibility of generating strong revenue synergies. Furthermore, the merger enabled us to streamline costs, and there is a further opportunity to leverage our fixed costs. Over time, the combined entity has a real potential to grow earnings and dividends.

2010 financial and operating results

For accounting purposes, Fiera Capital was deemed to be the buyer in the business combination. Current and future financial reporting will therefore be based on Fiera Capital's historical data up to and including September 1, 2010 and on the combined results of the two firms for the periods after the September 1 merger date. For the year ended September 30, 2010, the financial results consist of 11 months of Fiera Capital's results and one month of the combined entity. The comparative figures for fiscal 2009 were taken from Fiera Capital's prior year results and not from the financial results of Sceptre Investment Counsel.

The combined entity will therefore maintain Fiera Capital's quarter and year-end dates. As a result, the quarterly reporting cycle for Fiera Sceptre will be December, March and June, while the fiscal year-end will be September 30.

For the year ended September 30, 2010, total assets under management increased by $9.4 billion. This increase was primarily due to the merger and to market appreciation during the fiscal year. Fiera Sceptre recorded net earnings of $3.5 million in fiscal 2010, representing a 9.6% increase over the previous year. The increase in net earnings was primarily the result of higher base management fees driven by higher assets under management, higher revenues from the Fiera Axium joint venture and one month of revenues from the Sceptre merger. This was offset in part by increased selling and administrative expenses, and decreased external management expenses.

During 2010, several initiatives were either launched or came to fruition. Our investment in Fiera Axium (a Group specialized in infrastructure investment) began to pay off during the past year. The joint venture was successful with its first closing totalling $175 million, which was used to complete three major investments during the year: two highway projects in Western Canada and a public-private partnership in Quebec. At the same time, as planned, we gradually reduced our equity ownership in Fiera Axium in order to facilitate equity ownership for the Fiera Axium management team.

In 2008, we made a commitment to build an internal global equities team. In 2010 our efforts began to pay off. At December 31, 2010 we had almost $1 billion in assets under management, managed internally by a team that is already producing top-decile results for our clients.

We also made strong headway in growing our assets under management and distribution capabilities in our Investor Solutions client group serving the retail market. We have more than 200 financial advisors across Canada already including our alternative products in clients' portfolios, and we reached the $100 million mark in assets under management.

We also invested in the development of our hedge fund family, by introducing two new strategies—a Long/Short Equity Fund and an Absolute Bond Yield Fund.

Fiscal 2010 was a successful year from a financial and operating perspective, and these results are just a beginning for the combined firm.

Priorities and outlook for 2011

As noted earlier, Fiera Sceptre possesses a top-of-class performance record in several key market segments, including fixed income, alternative strategies and equities. We are also rapidly growing our name in traditional and alternative investment solutions. We intend to continue leveraging these strengths in the year ahead.

We will pursue several avenues of growth during 2011. First, the United States is a potential source of expansion for us. There is strong appetite there for alternative products, infrastructure investments and global strategies. It is likely that we will make our first moves into the US market during the year ahead.

Second, we will continue to innovate through the launch of new products in 2011. Potential new products include an infrastructure bond fund and a real estate fund. We will also continue to invest in multi-manager alternative funds.

Thirdly, we will continue to keep our eyes opened for potential strategic and complementary acquisitions. These acquisitions, should they occur, will reinforce our current position in niche segments of the market, existing product lines or our distribution capabilities.

On behalf of the executive management team, I want to thank all of our employees for their hard work and continued focus during a year of change. We have taken the best elements from both firms and integrated them into a single team. At the core of each Fiera Sceptre team are smart and successful individuals, each of whom understands the importance of the power of thinking, working and innovating together to generate optimal results for our clients. Our investment management teams and our operations group have proven over these past few months that they can deliver strong results in a changing environment. Again, this is just a beginning for all of us at Fiera Sceptre.

As a result of the merger transaction, we combined two boards of directors into one. It was a busy year and the board, including our current and past directors, played an important part in ensuring the success of the firm this past year. I would like to thank our directors, present and past, for their hard work and sage advice. We look forward to an exciting and challenging year in 2011.

Sincerely,

Jean-Guy Desjardins
Chairman, Chief Executive Officer and Chief Investment Officer

Fiera Sceptre at a glance

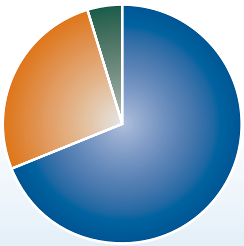
Fiera Sceptre is an independent full-service, high-quality, strongly capitalized investment management firm with $30.8 billion in assets under management.

At Fiera Sceptre, intelligent innovation sets us apart from our peers: we innovate to better manage risk. Integrated investment solutions diversified by asset class, strategy and risk management are the key to our superior returns.

We believe that superior and consistent performance can only be achieved through disciplined, rigorous risk management. To accomplish this, we conduct independent market-leading research and use broadly diversified investment strategies.

And we go beyond that: we innovate and develop new products that enable us to better manage current and future risk within our clients' portfolios.

Distribution of assets by clientele, asset class and region: September 30, 2010



Clientele		
Institutional	$21.3 B	69%
Investor Solutions	$8.1 B	26%
Private Wealth	$1.4 B	5%
Total	**$30.8 B**	**100%**

Asset Class		
Fixed Income	$17.9 B	58%
Equity	$9.7 B	31%
Non-Traditional Strategies	$0.8 B	3%
Asset Allocation	$2.4 B	8%
Total	**$30.8 B**	**100%**

Region		
Québec	$15.8 B	51%
Ontario	$11.7 B	38%
West	$1.8 B	6%
Atlantic	$0.7 B	2%
Other	$0.8 B	3%
Total	**$30.8 B**	**100%**

Knowledge is risk management!

Fiera Sceptre is a research-driven investment firm. We believe that our clients' investment returns derive from knowledge—which we gain from independent market-leading research. For us, knowledge is capital. It is also a prerequisite to efficient risk management.

Independent research creates the undiscounted knowledge that drives the excess returns that our clients seek. Research is the core of our whole investment approach and the basis of all our management processes.

As unknown risks are impossible to manage, knowledge is also risk management. Risk management is a pillar of Fiera Sceptre's investment culture. We will not attempt to maximize returns at any cost—our investment focus is on achieving optimal performance at a given level of risk. Our approach is to balance quantitative and qualitative risk management analyses and carry them out on our clients' portfolios on a continuous basis.

We have developed a variety of alternative investment strategies that diversify the source of investment return and minimize correlation to market movements.

Our focus is on our clients

Our investment and servicing teams possess a wealth of experience and expertise in equity and fixed income management, asset allocation, alternative investment solutions and financial engineering. This expertise is leveraged to develop and execute diversified investment strategies tailored to the unique needs and objectives of our three key client groups: Institutional Management, Investor Solutions and Private Wealth.

We are resolutely focused on our clients.

Fiera Sceptre Institutional Management executes specialized and balanced mandates for a diversified institutional client base. We offer a complete range of traditional and non-traditional investment management strategies and products. Our specialized investment teams have the expertise and depth in all asset classes to deliver optimal performance, regardless of the specifics of our clients' investment policies, objectives and pre-determined investment constraints. We accompany our clients throughout the investment process and ensure that they benefit from personalized investment solutions. As at September 30, 2010, the Institutional Management team managed assets valued at more than $21 billion.

Fiera Sceptre Investor Solutions offers both alternative and traditional funds designed to help individual investors achieve their financial goals. With $8.1 billion under management, our team works closely with investment advisors, financial planners and retail distribution partners across Canada to offer innovative solutions that enable investors to benefit from changing markets while controlling risk. The Investor Solutions team offers traditional mutual fund products for the general investing public, along with more specialized solutions for accredited investors.

Fiera Sceptre Private Wealth is dedicated to delivering superior multi-style investment management services that cater to the specific needs of families, estates, foundations, trusts, endowments and high-net-worth individuals. Our investment philosophy focuses on absolute returns and capital preservation through a disciplined investment approach that leverages the optimal usage of traditional and non-traditional wealth management strategies. Our investment process includes the analysis of current investments and personal circumstances, the crafting of personalized investment policy statements and the implementation of tactical asset allocation decisions. The Private Wealth group manages $1.4 billion in client assets.

With offices in Toronto, Montreal, Vancouver and Waterloo, Fiera Sceptre has more than 150 employees, 60 of whom are dedicated investment professionals servicing our diverse clientele of institutional investors, mutual funds, charitable organizations, financial advisors and individual private clients.

Management Discussion & Analysis

For the three months and year ended September 30, 2010

The following management discussion and analysis (''MD&A'') provided as of December 8, 2010 presents an analysis of the financial condition and results of operations of Fiera Sceptre Inc. ("the Company" or "Fiera Sceptre" or ''we'' or "Firm") for the three months and year ended September 30, 2010. The following MD&A should be read in conjunction with the audited annual consolidated financial statements including the notes thereto, as at and for the year ended September 30, 2010.

Fiera Sceptre's annual consolidated financial statements include the accounts of the Company and those of its subsidiary, Fiera Sceptre Funds Inc. (''FSFI''), Sceptre Fund Management Inc. ("SFMI") held at 100% and Fiera Axium Infrastructure Inc. ("Axium"). Fiera Capital held a 50% interest in Axium until April 8, 2009 at which date Fiera Capital's ownership interest was reduced to 41.18% and was classified as a joint venture. As a result, financial results subsequent to April 8, 2009 were recorded using proportionate consolidation. In March 2010, Fiera Capital's interest in Axium was further reduced to 35.35%. Fiera Sceptre continues to classify its interest in Axium as a joint venture and records it using proportionate consolidation.

Figures are presented in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles, and are based on management's best information and judgment.

Forward-looking statements

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 our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; operational and reputational risks; the risk that Fiera Sceptre's risk management models may not take into account all relevant factors; the accuracy and completeness of information received by Fiera Sceptre; Fiera Sceptre's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the company uses to report its financial condition and the results of its operations, including uncertainties associated with critical accounting assumptions and estimates; These and other factors may cause Fiera Sceptre's actual performance to differ materially from that contemplated by forward-looking statements.

Significant event

On September 1, 2010, Fiera Sceptre Inc. announced that it had completed the previously announced statutory plan of arrangement (the "Arrangement") pursuant to which the businesses of Sceptre Investment Counsel Limited ("Sceptre") and Fiera Capital Inc. ("Fiera Capital") were combined to create a leading-edge, publicly traded independent investment manager.

This combination of the two firms had many impacts from a reporting/accounting point of view.

For accounting purposes, Fiera Capital was deemed to be the acquirer in the business combination of Fiera Capital and Sceptre. As a result, current and future financial reporting will be based on Fiera Capital's historical data up to and including September 1, 2010 and the results of the merged firm after the closing date. The September 30, 2010 results are therefore comprised of 11 months of Fiera Capital's results and one month of the combined entity. Comparative figures for 2009 are the acquiring firm, Fiera Capital and not of Sceptre.

Fiera Sceptre will maintain Fiera Capital's quarterly month-ends and year-end for the combined firm. The quarterly reporting cycle will be based on December, March and June month-ends, while the fiscal year-end will be September 30.

Sceptre's final quarter ended on August 31, 2010 and was reported publicly on October 6, 2010.

Company overview

Fiera Sceptre is an independent, full-service, multi-product investment firm, providing investment advisory and related services. 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 over 40 pooled Funds and sections thereof to manage specialized asset classes and to combine the assets of smaller clients for investing 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 Funds" and, collectively with the Pooled Funds, the "Funds"). As of September 1, 2010 Fiera Sceptre was the manager of each Fund.

Units of the Sceptre 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 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. The Corporation 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. Other than its mutual fund unit holders, the Company has approximately 993 clients accounts comprised primarily of private wealth clients, institutional investors and retail clients. Fiera Sceptre has approximately 150 employees.

Fiera Sceptre derives its revenue principally from base management fees earned from the management of its Funds and Managed Accounts, as well as from performance fees. Base management fee revenues are calculated based on Assets Under Management ("AUM"). Performance Fees are calculated for each applicable Fund and Managed Account as a percentage of the Fund or Managed Account's excess performance over the relevant benchmark. As at September 30, 2010, less than 1.5% of Fiera's AUM were subject to performance fees, ensuring a stable revenue stream.

Highlights for the three months and year ended September 30, 2010

The year and quarter ended September 30, 2010 were characterized by the merger with Sceptre Investment Counsel effective September 1, 2010. Even though the year and quarter included only one month of revenue, the addition of Sceptre's AUM, which totaled approximately $7.0 billion, along with related monthly revenues of $2.3 million, made a positive contribution to the results and overall performance of the Firm.

The financial highlights for the three months ended September 2010 were:

- Total AUM increased by $8.1 billion or 35.7% to $30.8 billion during the three-month period ended September 30, 2010, compared to AUM of $22.7 billion as at June 30, 2010. The increase is primarily due to the addition of Sceptre's AUM of $7.0 billion combined with a market appreciation of $1.1 billion. For the same period ended September 30, 2009 assets grew 13.2% from $18.9 billion at June 30, 2009 to $21.4 billion.

- Revenue for the three-month period ended September 30, 2010 rose $3.0 million or 35.7% to $11.4 million compared to $8.4 million for the comparable three-month period in prior year. The increase was driven mainly by higher AUM which accounted for $0.7 million and the addition of Sceptre assets, which generated $2.3 million in revenues for one month ending September 30, 2010.
- Operating expenses were $10.1 million for the three month period ended September 30, 2010, compared to $7.2 million the previous year, an increase of $2.9 million. The increase included Sceptre expenses for the one-month period ended September 30, 2010 ($1.0 million), Axium joint venture expenses ($0.1 million) and higher compensation and higher professional fees ($1.7 million). External manager expenses increased by $0.1 million for the same period.
- For the three month period ended September 30, 2010, the Firm earned $91,400 or less than 1 cent per share (both basic and fully diluted). The net earnings are affected by a restructuring provision and listing charge amounting to $560,000 (net of income tax of $218,000) or a $0.026 per share effect. Without theses charges, the net earnings for the period would have been $651,400 or $0.032 per share. For the three month period ended September 30, 2009, the Firm earned $0.5 million or $0.038 per share (both basic and fully diluted).

The financial highlights for the year ended September 2010 were:

- Total AUM increased by $9.4 billion (43.9%) to $30.8 billion for the year ended September 30, 2010, compared to $21.4 billion for the year ended September 30, 2009. The increase is mainly attributable to the addition of Sceptre's AUM of $7.0 billion combined with market-related appreciation of $2.0 billion and positive net cash flows of $0.4 million.
- Revenue for the year ended September 30, 2010 rose 17% or $6.0 million to $41.4 million compared to $35.4 million in the prior year. The increase was driven mainly by: higher AUM, which generated a $6.0 million increase in base management fees; the combination with Sceptre, which generated a $2.3 million increase in revenue and Axium revenues of $2.2 million. The increase was offset in part by lower performance fees of $4.5 million.
- Operating expenses of $33.7 million for the year ended September 30, 2010 grew by $5.2 million over 2009 operating expenses of $28.5 million. The increase was mainly due to an overall increase in SG&A following the combination with Sceptre ($1.0 million), higher compensation costs from the Axium Joint Venture ($1.6 million) combined with an overall rise in compensation and higher professional fees ($2.7 million). These increases were offset in part by lower external manager expenses ($0.1 million).

  For the year ended September 30, 2010, the Firm earned $3.5 million or $0.22 per share (basic and fully diluted). The net earnings are affected by a restructuring provision and listing charge amounting to $560,000 (net of income tax of $218,000) or a $0.026 per share effect. Without theses charges, the net earnings for the period would have been $4.1 million or $0.025 per share (basic and fully diluted). For the year ended September 30, 2009, the Company earned $3.2 million or $0.23 per share (basic and fully diluted).

Outlook

During the quarter ended September 30, 2010, a client notified its intention of repatriating internally a Tactical Asset Allocation overlay mandate representing $2.3 billion of assets with corresponding annual revenues of approximately $325,000 which represents approximately 0.5% of base revenues. The management of other assets of this large client remains with the Firm.

Summary of quarterly and yearly results

Table 1 – Statement of earnings

	As at Sept. 30, 2010	As at Sept. 30, 2009
ASSETS UNDER MANAGEMENT ($ in millions)	**30,755**	21,377

EARNINGS STATEMENT DATA ($ in thousands)

	3 months ended Sept. 30, 2010	3 months ended Sept. 30, 2009	Year ended Sept. 30, 2010	Year ended Sept. 30, 2009
Revenue				
Base management fees	**11,389**	7,865	**39,556**	29,046,
Performance fees	**35**	552	**1,851**	6,391
	11,425	8,417	**41,408**	35,438
Selling, general and administration fees	**9,660**	6,862	**32,557**	27,311
External managers	**475**	324	**1,096**	1,226
Operating expenses	**10,135**	7,186	**33,653**	28,537
EBITDA[1]	**1,290**	1,231	**7,754**	6,900
Amortization of capital assets	**159**	150	**577**	604
Amortization of intangible assets	**443**	67	**1,373**	281
Other expenses	**800**	290	**783**	1,398
Future Income taxes	**(203)**	197	**1,529**	1,431
NET EARNINGS	**91**	527	**3,493**	3,186
Basic earnings per share	**0.006**	0.038	**0.2199**	0.227
Diluted earnings per share	**0.006**	0.038	**0.2199**	0.227
SELECTED ADJUSTED FINANCIAL INFORMATION				
EBITDA	**1,290**	1,231	**7,754**	6,900
Performance fees	**35**	552	**1,851**	6,391
Performance fees related expenses	**1**	(165)	**475**	1,503
Adjusted EBITDA[1]	**1,256**	514	**6,379**	2,012

① *EBITDA and Adjusted EBITDA are non-GAAP measures. Please refer to "Non-GAAP Measures" on page 26.*

Table 2 – Selected Balance Sheet Information

(in thousands of dollars)	**(audited) September 30, 2010**	(audited) September 30, 2009
	$	$
Cash, restricted cash & investments	**8,430**	7,352
Receivables	**15,897**	8,297
Other current assets	**551**	2,860
Goodwill & intangible assets	**138,700**	38,629
Other long term assets	**3,275**	2,385
Total assets	**166,853**	59,523
Debt due within one year	**–**	4,031
Other current liabilities	**17,351**	11,412
Other long-term liabilities	**11,606**	5,717
Shareholders' equity	**137,896**	38,363
Total liabilities and shareholders' equity	**166,853**	59,523

Results from operations and overall performance

Table 3 – Assets Under Management

($ in millions)	**3 Months ended Sept. 30, 2010**	3 Months ended Sept. 30, 2009
AUM – Beginning of period	**22,660**	18,866
Net cash flows	**(23)**	1,635
Market appreciation	**1,105**	876
Sceptre acquisition	**7,013**	–
AUM – end of period[1]	**30,755**	21,377

($ in millions)	**Year ended Sept. 30, 2010**	Year ended Sept. 30, 2009
AUM – Beginning of year	**21,377**	18,439
Net cash flows	**378**	1,833
Market appreciation	**1,987**	1,105
Sceptre acquisition	**7,013**	–
AUM – end of year[1]	**30,755**	21,377

① *Including $2.3B in Tactical Assets Allocation as specified in the outlook section*

Assets Under Management

Total AUM increased by $8.1 billion or 35.7% to $30.8 billion over the last three months. The increase is mainly attributable to the addition of Sceptre's $7.0 billion of AUM. Excluding the Sceptre assets, new assets of $147.5 million combined with a $1.1 billion appreciation in value were offset by the losses and redemptions of $170 million for net new assets of $1.1 billion. The Institutional line of business contributed positively with net new assets of $740.6 million. Retail positive net assets translated into $392 million of additional AUM and the Private Wealth positive net cash flow of $45.0 million contributed to the increase of AUM from June 30, 2010 to September 2010.

Total AUM increased by $9.4 billion or 43.9% to $30.8 billion over the last year. The increase is mainly attributable to the addition of Sceptre's AUM of $7.0 billion. Excluding the Sceptre addition, new assets of $650 million combined with a $2.0 million appreciation in value were offset by the losses and redemptions of $272 million for net new assets of $2.4 billion. The Institutional line of business contributed positively through a $1.6 billion in value appreciation. Retail positive net cash flow combined with an appreciation in value translated into $690.9 million additional AUM and the Private Wealth business unit contributed a combined positive net cash flow and appreciation of $78.7 million, translating into the increase of AUM for the year ended September 30, 2010.

Revenue

Management fees are based on AUM and for each business unit, revenue is earned primarily on the average closing value of AUM at the end of each month or calendar quarter. The analysis of revenue that follows will refer to average assets in the case of each business unit.

Revenue for the three month period ended September 30, 2010 rose to $11.4 million, representing a 35.7% or $3.0 million increase over revenue of $8.4 million for the same period in 2009. The increase was driven mainly by higher AUM and the addition of Sceptre assets which generated, respectively, a $0.7 million and $2.3 million increase in revenue for the month ended September 30, 2010.

In addition to the positive impact on revenue generated by the combination with Sceptre, the institutional sector has seen an increase of $0.8 million or 18.3% for the three month period ended September 30, 2010 ($5.2 million) compared to $4.4 million for the same period in prior year. This was due to an increase in the level of AUM, thus translating into higher revenues.

Revenue for the private wealth business increased by $0.17 million or 11.9% to $1.5 million for the three months period ended September 2010 compared to $1.4 million for the same period in 2009 as a result of higher AUM.

Revenue from the 35.35% owned Axium joint venture contributed $0.2 million for the three months period ended September 30, 2010 compared to no revenues from the joint venture over the same period last year.

These overall revenue increases were offset by lower performance fees of $0.5 million from $0.6 million for the three-month period ended September 30, 2009 compared to $0.1 million for the same period in 2010.

Revenue for the year ended September 30, 2010 rose to $41.4 million ($35.4 million for the year ended September 30, 2009) representing a 17% or $6.0 million increase year-over-year. This growth was driven mainly by: higher AUM which translated into a $6.0 million increase in base management fees; Sceptre's addition which represented a $2.3 million increase in revenues; Axium revenues of $2.2 million offset by lower performance fees of $4.5 million.

Management revenue was positively impacted by the improvement in equity markets during 2010 as compared to the same period one year ago, therefore impacting the average level of assets under management and, ultimately, the fees charged by the Firm.

In addition to the positive impact on revenue generated by the combination with Sceptre, institutional revenue increased by $4.25 million or 26% to 20.6 million in 2010 compared to $16.3 million in 2009. The increase was due to an increase in assets under management combined with higher revenues due to positive performance.

Revenue from the private wealth business increased by $0.9 million or 17.7% to $6.1 million for the year ended September 30, 2010 compared to $5.2 million for the same period in the prior year. Revenue from the retail line of business increased by $0.8 million or 10.5% to $8.3 million for the year ended September 2010 compared to $7.5 million for the year-ended September 30, 2009. Increases in the Private Wealth and Retail sectors were driven by higher volume in AUM.

Success fees and revenue from the Axium joint venture contributed $2.2 million for the year ended September 30, 2010 versus no revenues from the joint venture in 2009.

These overall revenue increases were partially offset by lower performance fees of $4.5 million in the year ended September 30, 2010 compared to $6 million for year-ended September 30, 2009.

Operating expenses

Operating expenses are comprised of Selling, general and administration fees (''SG&A'') and External manager fees. For the three-month period ended September 30, 2010, operating expenses totaled $10.1 million, an increase of $2.9 million over $7.2 million for the same period in 2009. The increase was driven mainly by a overall rise in SG&A fees of $2.8 million to $9.7 million for the three month period ended September 30, 2010 compared to $6.9 million for the three month period ended September 30, 2009. This increase is mainly due to the addition of one month of Sceptre expenses ($1.0 million), higher SG&A expenses from the joint venture ($0.1 million) and higher compensation costs and professional fees ($1.7 million) and increased External manager expenses ($0.1 million) for the same period.

Annual operating expenses of $33.7 million increased by 18% or $5.2 million for the year ended September 30, 2010 from $28.5 million for the same period of 2009. The increase was driven mainly by an overall rise in SG&A of $5.3 million to $32.6 million for the year ended September 30, 2010 compared to $27.3 million for the same period of 2009 following the addition of one month's expenses due to the acquisition of Sceptre representing $1.0 million. Also, higher compensation costs from the Axium joint venture of $1.6 million combined with an overall rise in compensation costs and professional fees related to the transaction of $2.7 million contributed to the increase in operating expenses for the year ended September 30, 2010. These increases were offset in part by an 11% or $0.1 million decrease in external manager expenses from $1.2 million for the year ended September 30, 2009 to $1.1 million for the year ended September 30, 2010.

Selling, general and administration

SG&A fees grew by 40.8% from $6.9 million for the three-month period ended September 30, 2009 to $9.7 million for the same period in 2010. This increase is mainly due to the addition of one month of Sceptre expenses ($1.0 million), higher SG&A expenses from the joint venture ($0.1 million) and higher compensation costs and professional fees ($1.7 million).

On an annual basis, SG&A grew by 19.2% or $5.2 million from $27.3 million for the year ended September 30, 2009 to $32.6 million for the same period in 2010 following the addition of one month's expenses due to the acquisition of Sceptre representing $1.0 million. Also, higher compensation costs from the Axium joint venture of $1.6 million combined with an overall rise in compensation costs and professional fees related to the transaction of $2.6 million contributed to the year ended September 30, 2010 increase in operating expenses.

External managers

External manager expenses increased from $0.3 million for the three month period ended September 30, 2009 to $0.4 million for the same period in 2010. The increase is due to additional expenses following the merger with Sceptre on September 1, 2010.

External manager expenses declined on a yearly basis from $1.2 million for the year ended September 30, 2009 to $1.1 for the same period in 2010 due to the repatriation of assets to be managed by Fiera Sceptre's internal global investment equity team.

Amortization

Amortization of capital assets remained stable at $0.2 million for the three-month period ended September 30, 2010 and 2009. On an annual basis, the amortization of capital assets also remained stable at $0.6 million for the years ended September 30, 2010 and 2009, respectively.

Amortization of intangible assets increased to $0.4 million for the three month period ended September 30, 2010 ($67,000 for the same period in 2009) as a result of a change in the classification of intangible assets from indefinite life to definite life in 2010 combined with the one month of amortization of the new definite life assets resulting from the combination with Sceptre. For the year ended September 30, 2010, management revised the useful life of its asset management contracts to 20 years. Previously, management considered that the asset management contracts had an indefinite useful life and consequently the assets were not amortized, but subject to an annual impairment test. This change in accounting estimate has been applied prospectively and resulted in an increase in amortization expense of $1.1 million ($1.4 million and $0.3 million for the years ended September 30, 2010 and 2009 respectively).

Interest expense

Interest expense remained stable for the three-month periods ended September 30, 2010 and 2009. Interest expense declined from $0.4 million for the year ended September 30, 2009 to $0.1 million for the same period in 2010 as a result of lower debt levels. There was no debt as at September 30, 2010 as compared to total debt of $4.0 million for the same period in 2009.

Dilution gain and reduction in ownership interest in Axium

In March 2010, Fiera reduced its ownership interest in Axium to 35.35%. Axium continues to be classified as a joint venture and is therefore proportionately consolidated. As a result of this transaction, Fiera recorded a dilution gain of $0.1 million for the year ended September 30, 2010.

There was no variation in the ownership of Axium during the three-month period ended September 30, 2010.

EBITDA and Adjusted EBITDA[1]

For the three months ended September 30, 2010 EBITDA increased year-over-year by 4.8% or $59,000 to $1.3 million mainly due to higher base revenues of $3.5 million, lower performance fees of $0.5 million offset by operating expenses of $2.9 million.

The adjusted EBITDA, which eliminates the effect of performance fees, was $1.3 million for the three-month period ended September 30, 2010, an increase of $0.8 million from $0.5 million for the same period of 2009. Without the impact of performance fees, the adjusted EBITDA increase is due mainly to higher base management fees of $1.0 million, higher revenues from the Axium joint venture of $0.2 million, one month revenues of Sceptre of $2.3 million offset by an overall rise in SG&A and external manager expenses of $2.7 million.

For the year ended September 30, 2010, the EBITDA was to $7.8 million representing an increase of $0.9 million or 12% compared to $6.9 million for the same period in 2009. Higher base management fees combined with the addition of revenues of the Axium joint venture contributed mainly to the increase, offset in part by lower performance fees.

Adjusted EBITDA showed an increase of more than 100% or $4.4 million to $6.4 million for the year ended September 30, 2010 compared to $2.0 million for the same period in 2009. The increase is the result of higher base revenues driven by higher AUM and appreciation in value of $6.0 million, higher revenues from the Axium joint venture of $2.2 million, one month revenues of Sceptre of $2.3 million offset by an overall rise in SG&A and external mangers expenses of $4.1 million. Included in SG&A overall increase is the base salary expensed increased in part due to the creation of a new global investment equity team in the second part of 2009.

1 *EBITDA and Adjusted EBITDA are non-GAAP measures. Please refer to "Non-GAAP Measures" on page 26.*

Net earnings

For the three-month period ended September 30, 2010, the Company earned $91,400 or less than 1 cent per share (both basic and fully diluted). For the three-month period ended September 30, 2009, the Firm earned $0.5 million or $0.038 per share (both basic and fully diluted). The decrease in net earnings is attributable to $0.4 million in higher amortization of intangible assets ($0.4 million for the three month period ended September 30, 2010 and $67,000 for the same period in 2009) as well as the inclusion of $0.8 million of restructuring and severance costs related to the merger with Sceptre, offset by lower future income taxes of $0.4 million. (($0.2) million for the three-month period ended September 30, 2010 and $0.2 million for the same period of 2009).

For the year ended September 30, 2010, the Company earned $3.5 million or $0.22 per share (basic and fully diluted). For the same period in 2009 the Firm earned $3.2 million or $0.23 per share (basic and fully diluted). Net earnings positive fluctuation versus 2009 resulted from higher EBITDA in 2010 compared to 2009 by $0.9 million offset in part by $1.1 million higher amortization of intangible assets to $1.4 million for the year ended September 30, 2010 compared to $0.3 million for the same period in 2009, and lower restructuring costs of $0.3 million ($0.8 million for the year ended September 30, 2010 and $1.1 million for the same period ended September 30, 2009). Severances last year included restructuring costs, severances payments and legal fees relating to employee departures following the restructuring in November 2008. These increases were partially offset by lower interest on long-term debt ($0.1 million for the year ended September 30, 2010 and $0.4 million for the same period of 2009. To complete the explanation, higher future income taxes of $0.1 million ($1.5 million for the year ended September 30, 2010 and $1.4 million for the same period of 2009).

Summary of quarterly results

The total revenue and net earnings (loss) of the Firm, on a consolidated basis, including amounts on a per share basis for all figures except total revenue, for each of its most recently completed eight quarterly periods, are as follows:

Table 4 – Quarterly results for the quarters ended:

	Q4 Sept. 30 2010	Q3 June 30 2010	**Q2 Mar. 31 2010**	Q1 Dec. 31 2009	**Q4 Sept. 30 2009**	Q3 June 30 2009	**Q2 Mar. 31 2009**	Q1 Dec. 31 2008
	$	$	**$**	$	**$**	$	**$**	$
Total Revenue	**11,425**	11,427	**9,334**	9,222	**8,417**	12,811	**6,937**	7,273
EBITDA	**1,290**	3,044	**1,535**	1,885	**1,231**	4,319	**932**	418
Adjusted EBITDA	**1,256**	2,220	**1,081**	1,822	**514**	428	**879**	192
Net earnings (loss)	**91**	2,060	**489**	853	**527**	2,655	**290**	(285)
Per share – basic	**0.006**	0.130	**0.031**	0.054	**0.038**	0.189	**0.021**	(0.020)
Per share – diluted	**0.006**	0.130	**0.031**	0.054	**0.038**	0.189	**0.021**	(0.020)

Results and trends analysis

Our quarterly results are impacted by various trends and factors including market conditions and the overall performance of the investment team.

Revenue for each of the last four quarters, except the third quarter (June 30), have shown growth over the same periods in prior year, specifically: revenue grew by 35.7% from September 30, 2009 to September 30, 2010; 26.8% from December 31, 2008 to December 31, 2009; and 34.6% from March 31, 2009 to March 31, 2010. The growth in revenues is a result of the improvement in equity markets, coupled with the investment team performance and the addition of Sceptre in September 2010. June 30, 2009 to June 30, 2010 showed a decrease of 10.8% as a result of lower performance fees of $4.4 million in 2010.

Quarterly EBITDA grew over the same periods in prior year, with the exception of the third quarter (June 30), specifically: over 100% from December 31, 2008 to December 31, 2009; 64.7% from March 31, 2009 to March 31, 2010; and 4.8% September 30, 2009 to September 30 mainly as a result of the variation in performance fees. June 30, 2009 to June 30, 2010 showed a decrease of 29.5% also mainly as a result of the variation in performance fees.

Quarterly Adjusted EBITDA grew over the same periods in prior year for each of the four quarters, specifically: over 100% from December 31, 2008 to December 31, 2009; over 100% from June 30, 2009 to June 30; over 100% from September 30, 2009 to September 30, 2010 and 23% from March 31, 2009 to March 31, 2010 as a result of a higher AUM base and therefore higher revenue.

Net earnings grew from 100.0% from December 31, 2008 to December 31, 2009 and 68.6% from March 31, 2009 to March 31, 2010. Net earnings growth was fueled largely by revenue growth in the first part of the year ended September 30, 2010. Net earnings declined over 100.0% from September 30, 2009 to September 30, 2010 and by 22.4% from June 30, 2009 to June 30, 2010 due to lower performance fees, higher amortization costs as well as increased SG&A.

Liquidity

Cash flows

The following table provides additional details regarding Fiera Sceptre's cash flows. For the year ended September 30, 2010, exceptional circumstances (business combination) caused Fiera Sceptre to generate insufficient cash flows from its operations to support its financing and investing requirements. The reasons for the lower cash flows from operations are in the sections that follow.

Table 5 – Summary of consolidated statements of cash flows for the year ended September 30:

(in thousands of dollars – audited)	**2010**	2009
	$	$
Cash provided by operating activities	**4,586**	10,632
Cash used by investing activities	**(4,647)**	(208)
Cash used by financing activities	**(3,602)**	(8,000)
(Decrease) increase in cash and cash equivalents	**(3,664)**	2,423
Cash and cash equivalents, beginning of year	**5,782**	3,359
Cash and cash equivalents, end of year	**2,118**	5,782

Cash provided by operating activities was $4.6 million for the year ended September 30, 2010 compared to $10.6 million for the same period in 2009. This was largely due to the reduction of prepaid management fees of $3.0 million and a decrease in cash provided by net working capital elements of $4.6 million, offset by higher earnings for the year ended September 30, 2010 of $0.3 million and higher non-cash charges for amortization ($1.1 million higher) and stock based compensation charges ($0.2 million higher).

Cash used in investing activities rose by $4.4 million largely as a result of the combination with Sceptre for $2.3 million combined with additional temporary investments acquired of $1.7 million for the year ended September 30, 2010 ($88,000 for the same period in 2009) and the purchase of a long term investment of $0.4 million.

Cash used in financing activities decreased by $4.4 million as a result of several initiatives. There is no debt outstanding at September 30, 2010 compared to $4.1 million for the same period in 2009. Fiera Sceptre reimbursed $4.1 million in debt for the year ended September 30, 2010 compared to $8.0 million for the same period in 2009. Financing activities also included a $10.1 million issuance of capital stock, a $4.8 million redemption of capital stock as well as a $5.0 million dividend payment.

Debt instruments

Fiera Sceptre uses a combination of short-term and long-term debt instruments to finance its operations.

Fiera Sceptre has an authorized line of credit in the amount of $5 million bearing interest at the prime rate or at the banker's acceptance rate plus 0.25%, maturing June 11. The line of credit is renewable on a yearly basis and was not drawn as at September 30, 2010 nor as at September 30, 2009.

As at September 30, 2010 debt is nil ($4.1 million for September 30, 2009). For the year ended September 30, 2010, Fiera Sceptre reimbursed $4.1 million compared to $8 million for the same period in 2009.

Liquidity requirements

Table 6 – Contractual obligations at September 30, 2010 that are due in the next 5 years:

(in thousands of dollars)	2011	2012	2013	2014	2015	Thereafter	**Total**
	$	$	$	$	$	$	**$**
Long-term debt	–	–	–	–	–	–	**–**
Operating leases	2,226	1,815	1,739	1,766	1,591	4,683	**13,281**
Total	**2,226**	**1,815**	**1,739**	**1,766**	**1,591**	**4,683**	**13,281**

Off-balance sheet arrangements

At September 30, 2010 and 2009, Fiera did not engage in any off-balance sheet arrangements, including guarantees, derivatives and variable interest entities. We do not anticipate entering into such agreements.

Legal proceedings

We may become involved in various claims and litigation as a part of our business. While we cannot predict the final outcome of claims and litigation that were pending at September 30, 2010, based on information currently available and management's assessment of the merits of such claims and litigation, management believes that the resolution of these claims and litigation will not have a material and negative effect on our consolidated financial position or results of operations.

Share capital

As at September 30, 2010 the Company had 15,078,721 Class A shares and 21,357,336 Class B shares for a total of 36,436,057 shares outstanding compared to September 30, 2009 where Fiera Capital had 45,544,295 common shares issued and outstanding.

Stock-based compensation

On May 7, 2007, the shareholders of Sceptre approved the adoption of a new stock option plan (the 2007 plan). Options issued prior to that date were issued pursuant to Sceptre's 1998 stock option plan (the 1998 plan). Under the 2007 plan, 1,000,000 common shares were reserved for issuance. At the time of the approval of the 2007 plan, there were 1,347,700 stock options issued and outstanding under the 1998 plan. Following the adoption of the 2007 plan, no further new stock options were granted under the 1998 plan.

On October 1, 2009 Fiera Capital created a stock option plan under which options could be attributed to key employees for the acquisition of a maximum of 4.5 million shares. The plan also provided that stock options could be attributed to key employees for the acquisition of shares according to the salary compensation plan.

As a result of the business combination entered into between Sceptre and Fiera, the Fiera outstanding options were replaced by the Company options. Accordingly, the initial 1,767,628 options to acquire Fiera shares were replaced by 818,412 Class A subordinate voting shares with an exercise price of $3.67 per share and the vesting period was harmonized to the existing Sceptre 2007 plan. No amount has been recorded in respect of the actual issuance of these replacement options.

As a result of the business combination and change of control of Sceptre, all of Sceptre's then outstanding stock options became vested on the closing date. The existing 2007 Sceptre plan stock option plan was amended to increase the shares reserve for issuance from 1,000,000 common shares to 2,021,588 Class A subordinated voting shares.

The number of stock options issued and outstanding under the stock option plan varied as follows during the year ended September 30, 2010:

	Weighted average number of options	Exercise price in dollars
		$
Balance, beginning of year at Sceptre	1,018,900	7.06
Granted to Sceptre's employees	95,000	5.87
Granted to Fiera's employees	818,412	3.67
Exercised	(232,367)	5.88
Cancelled	(383,900)	8.84
Expired	(59,400)	6.95
Forfeited	(120,767)	6.31
Balance, end of year	**1,135,878**	
Exercisable options, end of year	**317,466**	**5.73**

The fair value at the date of attribution of the Fiera Capital stock options attributed during the period was $0.29 per option. The fair value of each option attributed was established using the Black-Scholes option pricing model, modified to include the share price at the date of attribution and the following assumptions:

	Assumptions
Risk-free interest rate	2.25%
Expected life	7 years
Expected volatility of the share price	30.0%
Expected return on dividends	5.0%

A $236,129 compensation expense relating to the stock option plan was recognized for the year ended September 30, 2010 (nil in 2009).

Financial instruments

Interest rate risk

As at September 30, 2010 the Company held $3.5 million in short-term notes. The short-term notes have maturities up to six months and are issued by the government of Canada. The Company does not hold any non-bank, asset-backed commercial paper.

Credit risk

Credit risk associated with cash, restricted cash and investments is minimized substantially by ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of counterparties.

Credit risk is mainly associated with accounts receivable and is minimized by the Company's ongoing credit policy. The policy includes regular reviews of customer credit limits.

Currency risk

The Company recognizes approximately 1% of its revenues in US dollars and therefore its exposure to currency risk is very limited.

Liquidity risk

In order to ensure that the Company's financial obligations can be met, Fiera Sceptre actively monitors its cash flows and cash balances. Commitments over the next 5 years and thereafter amount to $13.8 million (refer to Table 6 in this report). Accounts payable and accrued liabilities at September 30, 2010 were $14.5 million. Management believes that sufficient cash flows are generated from operations in order to meet these obligations.

Fair value

The fair values of cash, restricted cash, short term notes, accounts receivable, loans to related companies, accounts payable and accrued liabilities, accounts due to related parties and client deposits approximate their carrying values due to their short-term maturities.

Fair value hierarchy

As at September 30, 2010, cash, restricted cash and investments were classified Level 1. Certain Mutual funds investments under management of the Company were classified Level 2 and the long-term investment.

Refer to Note 24 in the September 30, 2010 audited consolidated financial statements for a more detailed analysis of risk exposures.

Capital management

The Company's capital comprises share capital, retained earnings and long-term debt, including the current portion, 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.

In order to maintain its capital structure, the Company may issue new shares or proceed to the issuance or repayment of debt and acquire or sell assets to improve its financial performance and flexibility.

In order to be in compliance with Canadian securities administration regulations the Company is required to maintain a minimum working capital of $200,000 as defined in regulation 31-103.

Transactions with related parties

During the normal course of business, Fiera provides investment management services to its shareholders and their related companies. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Total management revenue recorded for the year ended September 30, 2010 was $7.2 million ($7.4 million for the same period in 2009). Total operating expenses were $0.5 million for the year ended September 30, 2010 and $0.6 million for the year ended September 30, 2009. For further information, refer to Note 23 in our audited consolidated financial statements.

Critical accounting estimates

As required under Canadian GAAP, Fiera Sceptre makes estimates when we account for and report assets, liabilities, revenues and expenses, and disclose contingent assets and liabilities in our financial statements. We are also required to regularly evaluate the estimates that we make. We base our estimates on a number of factors, including historical experience, current events and actions that we may undertake in the future, and other assumptions that we believe are reasonable based on information available at the time they are made. Given the inherent uncertainty involved in making estimates, actual results reported in future periods could differ from these estimates.

Impairment of intangible assets

Intangible assets with an indefinite life such as the management contracts with mutual funds are accounted for at cost. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. Accordingly, the Company does not amortize these intangible assets, but reviews these assets for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in earnings for an amount equal to the excess. If the Company determines that the indefinite life criteria are no longer met, the Company will amortize the asset over its remaining useful life.

Other intangible assets are accounted for at cost. The expected useful lives of definite lives customer relationships are analysed 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. The Company tests for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying value of the asset is not recoverable. If such indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded for an amount necessary to reduce the carrying value of the asset to fair value.

Amortization is based on their estimated useful lives using the straight-line method over the following period and term:

Customer relationships	20 years
Trade name	5 years
Non-compete agreement	3 years
Software	2 years
Licenses	License term

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposal. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Goodwill

Goodwill, representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses, is tested, using a two-step process, for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. The first step consist of determining whether the fair value of the reporting unit to which goodwill is assigned exceeds the net carrying value of that reporting unit, including goodwill. In the event that the net carrying amount exceeds the fair value, a second step is performed in order to determine the amount of the impairment loss. The impairment loss is measured as the amount by which the carrying amount of the reporting unit's goodwill exceeds its fair value. Any impairment loss is charged to earnings in the period in which the loss is incurred. The Company uses the discounted cash flow method to determine the fair value of reporting units.

A number of significant estimates are made when calculating fair value using discounted future cash flows or other valuation methods. These estimates include the assumed growth rates for future cash flows, the numbers of years used in the cash flow model, the discount rate and others. We believe that all of our estimates are reasonable. They are consistent with our internal planning and reflect our best estimates, but they have inherent uncertainties that management may not be able to control. Any changes in each of the estimates used could have a material impact on the calculation of the fair value and resulting impairment charge. As a result, we are unable to reasonably quantify the changes in our overall financial performance if we had used different assumptions. We cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the asset values we have reported. There were no goodwill impairment charges recorded for the year ended September 30, 2010, as well as the year ended September 30, 2009.

Income taxes

The calculation of income tax expense requires significant judgment in interpreting tax rules and regulations, which are changing constantly. There are many transactions and calculations for which the ultimate tax determination is uncertain. Our tax filings are also subject to audits, the outcome of which could materially change the amount of current and future income tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding income tax matters based on all of the information that is currently available.

Future tax assets and liabilities require management judgment in determining the amounts to be recognized. In particular, significant judgment is required when assessing the timing of the reversal of the temporary differences to which future tax rates are applied. Further, the amount of future tax assets, which is limited to the amount that is more likely than not to be realized, is estimated with consideration given to the timing, sources and level of future taxable profit.

Stock-based compensation

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

New accounting standards

Effective October 1, 2009, the Company adopted the recent amendments to The Canadian Institute of Chartered Accountants (CICA) Handbook: Section 3862, Financial Instruments – Disclosures. The amendment requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3	Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

There was no impact on the consolidated financial statements on adoption of these amendments, other than the additional disclosure presented in Note 24 to the Company's consolidated audited financial statements for the year ended September 30, 2010.

Future changes in accounting policies

International Financial Reporting Standards

In September 2008, the Canadian Accounting Standards Board (CASB) confirmed that all Canadian publicly-accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. IFRS will replace current Canadian GAAP followed by the Company. The Company will adopt IFRS for the year beginning October 1, 2011 and will present the interim and annual consolidated financial statements, including comparative prior year financial statements in accordance with IFRS. The Company has commenced its transition from current Canadian GAAP to IFRS and has developed a project made up of three main phases:

Scoping and diagnostic phase

This phase involves performing a high-level impact assessment to identify key areas that may be impacted by the transition to IFRS. This phase has been completed.

Impact analysis, evaluation and design phase

This phase involves the specification of changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statement content. This phase is currently in progress.

Implementation and review phase

This phase includes the execution of changes, as necessary, to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training of the Company's finance and other staff, as necessary.

The impact analysis, evaluation and design phase is expected to commence by the beginning of the first quarter of fiscal year 2011. Therefore, the Company is currently not in a position to determine the full effects of adopting IFRS. However, it is expected that the transition to IFRS will impact accounting, financial reporting, and taxes, with a minimal impact to IT systems and contractual arrangements.

Business combinations, consolidated financial statements and non-controlling interests
In January 2009, the CICA issued three new accounting standards: Section 1582, "Business combinations", Section 1601, "Consolidated financial statements", and Section 1602, "Non-controlling interests". These new standards will be effective for interim and annual reporting periods beginning on or after January 1, 2011.

Section 1582 replaces Section 1581 of the same name and establishes standards for the accounting of business combinations. It applies prospectively to business combinations with acquisition dates on or after January 1, 2011. Early adoption of these Sections is permitted as long as they are adopted simultaneously. These new accounting standards are intended to harmonize Canadian accounting standards with IFRS. The Company will adopt these Sections in the fiscal year beginning October 1, 2011. Therefore, this Section would have an impact on the Company's consolidated financial statements if a business combination occurs after its adoption.

Sections 1601 and 1602 together replace section 1600 "Consolidated financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

Non-GAAP measures

EBITDA is calculated as the sum of net earnings, plus interest on debt and other interest expense, income taxes, amortization and impairment loss of capital assets and intangible assets, retention bonus and certain acquisition costs. Adjusted EBITDA is EBITDA that has been adjusted to eliminate the effect of performance fees. A reconciliation of EBITDA and Adjusted EBITDA may be found in Table-1 Statement of Earnings.

We have included Non-GAAP measures to provide investors with supplemental measures of our operating and financial performance. We believe Non-GAAP measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on Canadian GAAP measures. We also believe that securities analysts, investors and other interested parties frequently use Non-GAAP measures in the evaluation of issuers, many of which present Non-GAAP measures when reporting their results. Our management also uses Non-GAAP 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-GAAP measures are not presentations made in accordance with Canadian GAAP. For example, certain or all of the Non-GAAP measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. Although we consider the items excluded in the calculation of Non-GAAP measures to be non-recurring and less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us.

We believe that the presentation of the Non-GAAP measures described above is appropriate. However, these Non-GAAP measures have important limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under Canadian GAAP. Because of these limitations, we primarily rely on our results as reported in accordance with Canadian GAAP and use the Non-GAAP measures only as a supplement. In addition, because other companies may calculate Non-GAAP measures differently than we do, they may not be comparable to similarly-titled measures reported by other companies.

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 Sceptre 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.

Auditors' report

To the shareholders of Fiera Sceptre Inc.

We have audited the consolidated balance sheets of Fiera Sceptre Inc. as at September 30, 2010 and 2009 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

December 1, 2010

Samson Bélair / Deloitte & Touche s.e.n.c.r.l.[1]

[1] *Chartered accountant auditor permit No. 8130*

Management's report to shareholders

Management of Fiera Sceptre Inc. is responsible for the integrity and objectivity of the consolidated financial statements and all other information contained in the Annual Report. The consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles and based on management's information and judgment.

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

Operating under the Board of Directors, the Audit Committee is composed of independent directors who meet periodically with management and with auditors to discuss the Corporation's financial reporting and internal control. The Audit Committee reviews the financial information prepared by management and the results of the audit by the auditors prior to recommending the consolidated financial statements to the Board of Directors for approval. The independent auditors have unrestricted access to the Audit Committee. In addition, the Corporation's independent auditors, Samson Bélair/ Deloitte & Touche s.e.n.c.r.l., are responsible for auditing the consolidated financial statements and for providing an opinion thereon. Their report is provided herein.

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

Sylvain Brosseau
President and
Chief Operating Officer

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

Consolidated statements of earnings

years ended September 30

	2010 $	2009 $
REVENUE		
Base management fees	**38,567,576**	29,046,615
Performance fees	**1,851,174**	6,391,135
Success fees of the joint venture	**1,378,788**	-
Discounts granted to a shareholder	**(390,000)**	-
	41,407,538	35,437,750
Selling, general and administration fees	**32,557,061**	27,312,051
External managers	**1,096,094**	1,226,214
Amortization of capital assets	**576,598**	603,993
Amortization of intangible assets	**1,372,552**	280,928
Interest on long-term debt	**111,239**	351,476
Gain on dilution NOTE 5	**(106,398)**	(14,861)
	35,607,146	29,759,801
Earnings before the following items	**5,800,392**	5,677,949
Restructuring costs and other costs NOTE 20	**778,219**	1,124,367
Earnings before income taxes and non-controlling interest	**5,022,173**	4,553,582
Current income taxes (recovered) NOTE 16	**(55,177)**	-
Future income taxes NOTE 16	**1,584,661**	1,431,083
	1,529,484	1,431,083
Earnings before non-controlling interest	**3,492,689**	3,122,499
Non-controlling interest	**-**	(64,034)
Net earnings	**3,492,689**	3,186,533
Earnings per share NOTE 18		
Basic and diluted	**0.22**	0.23

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

Consolidated statements of comprehensive income

years ended September 30

	2010	2009
	$	$
Net earnings	**3,492,689**	3,186,533
Other comprehensive income		
Unrealized gain on available-for-sale financial assets	**7,936**	-
Comprehensive income	**3,500,625**	3,186,533

Consolidated statements of changes in shareholders' equity

years ended September 30

	2010	2009
	$	$
SHARE CAPITAL		
Balance, beginning of year	**30,724,786**	30,724,786
Shares transactions prior to the business combination:		
Issuance of shares for cash	**4,848,375**	-
Redemption of shares	**(1,587,757)**	-
Shares transactions on or after the business combination:		
For business combination NOTE 4	**95,184,588**	-
Issuance of shares for cash NOTE 1	**5,000,000**	-
Stock options exercised	**325,568**	-
Balance, end of year	**134,495,560**	30,724,786
CONTRIBUTED SURPLUS		
Balance, beginning of year	**-**	-
For business combination NOTE 4	**957,065**	-
Stock-based compensation expense	**236,129**	-
Stock options exercised	**(104,863)**	-
Balance, end of year	**1,088,331**	-
RETAINED EARNINGS		
Balance, beginning of year	**7,637,779**	4,451,246
Net earnings	**3,492,689**	3,186,533
Excess of purchase price over carrying value of redeemed shares	**(3,260,618)**	-
Fiera assets not transferred at time of business combination NOTE 1	**(565,392)**	-
Dividends	**(5,000,000)**	-
Balance, end of year	**2,304,458**	7,637,779
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	**-**	-
Other comprehensive income	**7,936**	-
Balance, end of year	**7,936**	-

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

Consolidated balance sheets

as at September 30

	2010	2009
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**2,118,278**	5,782,008
Restricted cash NOTE 6	**1,797,719**	1,569,632
Investments NOTE 7	**4,514,231**	-
Accounts receivable NOTE 8	**15,896,754**	8,297,440
Loans to related companies and parties NOTE 9	**-**	115,284
Prepaid expenses	**495,070**	507,398
Future income taxes NOTE 16	**55,809**	2,237,363
	24,877,861	18,509,125
Long-term investment	**369,303**	-
Capital assets NOTE 10	**2,706,158**	2,306,657
Intangible assets NOTE 11	**48,795,044**	21,626,822
Goodwill	**89,904,685**	17,001,705
Deferred charges	**199,237**	78,604
	166,852,288	59,522,913
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities NOTE 13	**14,506,573**	6,259,879
Amount due to related companies	**108,119**	581,900
Client deposits NOTE 6	**1,797,719**	1,569,632
Deferred income	**57,811**	-
Prepaid management fees – shareholder and its related companies	**307,293**	3,000,000
Due to shareholders of the joint venture	**573,199**	-
Current portion of long-term debt NOTE 15	**-**	4,031,372
	17,350,714	15,442,783
Deferred lease obligations	**301,620**	279,666
Lease inducements	**978,180**	1,044,656
Future income taxes NOTE 16	**8,874,427**	4,393,243
Other long-term liabilities	**1,451,062**	-
	28,956,003	21,160,348
Commitments NOTE 22		
SHAREHOLDERS' EQUITY		
Share capital NOTE 17	**134,495,560**	30,724,786
Contributed surplus	**1,088,331**	-
Retained earnings	**2,304,458**	7,637,779
Accumulated other comprehensive income	**7,936**	-
	2,312,394	7,637,779
	137,896,285	38,362,565
	166,852,288	59,522,913

Approved by the Board

Sylvain Brosseau
President and Chief Operating Officer

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

Consolidated statements of cash flows

years ended September 30

	2010	2009
	$	$
OPERATING ACTIVITIES		
Net earnings	**3,492,689**	3,186,533
Adjustments for:		
Amortization of capital assets	**576,598**	603,993
Amortization of intangible assets	**1,372,552**	280,928
Amortization of deferred charges	**62,004**	58,960
Amortization of financing charges	**44,970**	64,733
Lease inducements	**(129,439)**	(124,962)
Deferred lease obligations	**21,954**	95,972
Stock-based compensation	**236,129**	-
Future income taxes	**1,584,661**	1,431,083
Gain on dilution NOTE 5	**(106,398)**	(14,861)
Gain on disposal of investments	**(2,583)**	-
Non-controlling interest	**-**	(64,034)
Prepaid management fees	**(3,000,000)**	-
	4,153,137	5,518,345
Changes in non-cash operating working capital items NOTE 21	**432,426**	5,113,222
	4,585,563	10,631,567
INVESTING ACTIVITIES		
Business combination (less cash acquired of $1,856,334)	**(2,299,517)**	-
Investments	**(1,625,027)**	88,360
Loans to related companies	**107,433**	(115,284)
Purchase of capital assets	**(347,537)**	(151,956)
Purchase of intangible assets	**(255,806)**	(70,141)
Purchase of long-term investment	**(376,019)**	-
Lease inducements	**33,878**	-
Effect on cash and cash equivalents upon dilution of its investment in Fiera Axium Infrastructure Inc. NOTE 5	**115,135**	40,529
	(4,647,460)	(208,492)
FINANCING ACTIVITIES		
Reimbursement of long-term debt	**(4,076,342)**	(8,000,000)
Business Partners' deposit	**253,805**	-
Payment of dividends	**(5,000,000)**	-
Issuance of share capital	**10,069,079**	-
Redemption of share capital	**(4,848,375)**	-
	(3,601,833)	(8,000,000)
Net (decrease) increase in cash and cash equivalents	**(3,663,730)**	2,423,075
Cash and cash equivalents, beginning of year	**5,782,008**	3,358,933
CASH AND CASH EQUIVALENTS, END OF YEAR	**2,118,278**	5,782,008

Additional information is presented in NOTE 21

NOTE 1 Description of business and merger

Fiera Capital Inc. ("Fiera"), was incorporated on July 1, 2003 under the Canada Business Corporations Act, provides mainly investment consulting and portfolio management services.

Sceptre Investment Counsel Limited ("Sceptre") was incorporated as Fry Investment Management Limited in 1955 under the laws of the Province of Ontario and is an institutional fund manager focused on managing pension plans for corporations, governments and other organizations.

On June 16, 2010, Fiera and Sceptre announced that they had signed a definitive agreement to combine the businesses of the two companies. The combined business is carried on under the name Fiera Sceptre Inc. ("Fiera Sceptre" or the "Company").

Under the agreement, Sceptre shareholders have exchanged approximately 14.2 million common shares for 14.2 million new Class A subordinate voting shares of Fiera Sceptre on a 1-for-1 basis. For their part, Fiera exchanged the near totality of its assets and related liabilities, except for certain income tax assets amounting to $565,392 at their carrying value for approximately 21.4 million Class B special voting shares of Fiera Sceptre, which resulted in a total of approximately 35.6 million Class A subordinate voting shares and Class B special voting shares. After closing of the merger, Fiera shareholders control approximately 60% of the outstanding shares of Fiera Sceptre.

Subsequent to shareholder approval and at the time of the share exchange at closing, a payment of $0.60 per share, totalling $8.5 million, was paid by Sceptre in the form of a capital distribution to the Sceptre shareholders. This transaction is not reflected in the current financial statements, as it occurred prior to the business combination.

Concurrent with the closing of the merger, an entity controlled by a minority shareholder of Fiera, acquired 833,333 Class A subordinate voting shares of Fiera Sceptre at $6 per share for a total of $5 million.

NOTE 2 Changes in accounting policies

The Company adopted the following recommendations of the Canadian Institute of Chartered Accountants Handbook ("CICA"):

Financial instruments – Disclosures

Effective October 1, 2009, the Company adopted the changes made by the CICA to Section 3862 "Financial instruments – Disclosures" whereby an entity shall classify and disclose fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1	valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3	valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The required disclosures are included in Note 24.

NOTE 3 Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies:

Principles of consolidation

The consolidated financial statements include the accounts of Fiera Sceptre and its wholly owned subsidiaries, Fiera Sceptre Funds Inc., (formerly Sceptre Mutual Fund Dealer Inc.) ("FSFI") and Sceptre Fund Management Inc. ("SFMI"). All intercompany transactions and balances have been eliminated on consolidation. The consolidated financial statements also include the accounts of Fiera Axium Infrastructure Inc. ("Fiera Axium") held at 50% until April, 2009 at which time it ceased to control the Board of Directors by virtue of the shareholders' agreement. At such date, it reduced its interest to 41.18% and entered into a joint venture agreement. Moreover, in March 2010, the interest in this joint venture decreased from 41.18% to 35.35%. Accordingly, Fiera Axium accounts, which were consolidated until April, 2009, have been thereafter accounted for under the proportionate consolidation method.

Revenue recognition

Revenue from management fees is recognized as the related services are rendered and the fees are determinable. Discounts are recorded against revenue. Management fees are invoiced monthly or quarterly based on daily average assets under management and others are calculated and invoiced quarterly in arrears based on calendar quarter-end assets values under management or on an average of opening and closing assets under management for the quarter.

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

The success fee is recognized upon closing of an infrastructure project of our Fiera Axium joint venture.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The most significant areas requiring the use of management estimates relate to: intangible assets, goodwill, accrued liabilities, future income tax assets and liabilities and stock-based compensation.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Classification	
Cash and restricted cash	Held for trading
Investments	
Short-term notes	Held for trading
Mutual fund investments	Available for sale
Accounts receivable and loans to related companies	Loans and receivables
Long-term investment	Available for sale
Accounts payable and accrued liabilities	Other liabilities
Amount due to related companies	Other liabilities
Client deposits	Other liabilities
Long-term debt	Other liabilities

Held for trading

Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheets' dates. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

Financial liabilities designated as held for trading are those non-derivative financial liabilities that the Company elects to designate on initial recognition as instruments that it will measure at fair value through other interest expense. These are accounted for in the same manner as held for trading assets. The Company has not designated any non-derivative financial liabilities as held for trading.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Available for sale

The Company's investments have been designated as available-for-sale financial assets and, therefore, are carried on the consolidated balance sheets at fair value, with unrealized gains and losses being recognized in other comprehensive income ("OCI"). OCI and net earnings comprise comprehensive income.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction costs

Transaction costs related to held-for-trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents may comprise cash and the Treasury bill with maturities of three months or less from the date of acquisition.

Investments

Investments in short-term notes are carried on the consolidated balance sheets at fair value using bid prices. Investments in mutual fund units are carried at the net asset value reported by the fund manager.

Capital assets

Capital assets are accounted for at cost and amortized over their useful lives on a straight-line basis over the following periods and term:

Office furniture and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Lease term

Intangible assets

Intangible assets with an indefinite life such as the management contracts with mutual funds are accounted for at cost. The Company expects both the renewal of these contracts and the cash flows generated by these assets to continue indefinitely. Accordingly, the Company does not amortize these intangible assets, but reviews these assets for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in earnings for an amount equal to the excess. If the Company determines that the indefinite life criteria are no longer met, the Company will amortize the asset over its remaining useful life.

Other intangible assets are accounted for at cost. The expected useful lives of definite lives customer relationships are analysed 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. The Company tests for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying value of the asset is not recoverable. If such indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded for an amount necessary to reduce the carrying value of the asset to fair value.

Amortization is based on their estimated useful lives using the straight-line method over the following period and term:

Customer relationships	20 years
Trade name	5 years
Non-compete agreement	3 years
Software	2 years
Licenses	License term

Impairment of long-lived assets
Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposal. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Goodwill
Goodwill, representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses, is tested, using a two-step process, for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. The first step consists of determining whether the fair value of the reporting unit to which goodwill is assigned exceeds the net carrying value of that reporting unit, including goodwill. In the event that the net carrying amount exceeds the fair value, a second step is performed in order to determine the amount of the impairment loss. The impairment loss is measured as the amount by which the carrying amount of the reporting unit's goodwill exceeds its fair value. Any impairment loss is charged to earnings in the period in which the loss is incurred. The Company uses the discounted cash flow method to determine the fair value of reporting units.

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

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

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

Income taxes
The Company follows the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amounts of balance sheet items and their corresponding tax bases, using the enacted and substantially enacted income tax rates for the years in which the differences are expected to reverse. Future income tax assets are recognized to the extent it is more likely than not they will be realized.

Employee future benefits
The Company maintains defined contribution pension plans and the annual charge corresponds to the contributions.

Earnings per share

Basic earnings per share are computed by dividing net earnings by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated using the treasury stock method to evaluate the dilutive effect of stock options. This method assumes that any proceeds obtained on exercise of employee stock options would be used to purchase shares at the average market price during the year.

Stock-based compensation

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

Deferred share unit plan

The expense associated with granting new deferred share units ("DSUs") is recognized when the deferred shares are issued. Changes in the fair value of previously issued DSUs that arise due to changes in the price of the Company's common shares are recognized on an ongoing basis in the consolidated statement of earnings. The number of DSUs granted to directors is determined by dividing the dollar value of the portion of directors' fees to be paid in DSUs by the closing price of the Company's shares on the TSX for the business day immediately preceding the date of the grant. DSUs are granted on the third business day following the publication by the Company of its earnings results for each quarter.

Future accounting changes

International Financial Reporting Standards

The Canadian Accounting Standards Board confirmed, in February 2008, that it will require all publicly accountable entreprises to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. In the year of adoption, companies will be required to provide comparative information as if IFRS had been used in the preceding fiscal year. The transition from Canadian GAAP to IFRS will be applicable to the Company as at October 1, 2010. For the year ending September 30, 2012, the Company will prepare both its fiscal 2012 and fiscal 2011 comparative financial information using IFRS. The Company expects the transition to IFRS to impact financial reporting, business processes, internal controls and information systems. The Company is currently assessing the impact of the transition to IFRS on these areas and will continue to invest in training and resources throughout the transition period to facilitate a timely conversion.

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the CICA issued three new accounting standards: Section 1582, "Business combinations," Section 1601, "Consolidated financial statements," and Section 1602, "Non-controlling interests." These new standards will be effective for interim and annual reporting periods beginning on or after January 1, 2011.

Section 1582 replaces Section 1581 of the same name and establishes standards for the accounting of business combinations. It applies prospectively to business combinations with acquisition dates on or after January 1, 2011. Early adoption of these Sections is permitted as long as they are adopted simultaneously. These new accounting standards are intended to harmonize Canadian accounting standards with IFRS. The Company will adopt these Sections in the fiscal year beginning October 1, 2011. Therefore, this Section would have an impact on the Company's consolidated financial statements if a business combination occurs after its adoption.

Sections 1601 and 1602 together replace Section 1600 "Consolidated financial statements." Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

NOTE 4 Business combination

As described in Note 1, on September 1, 2010 Fiera transferred, assigned and conveyed the near totality of its assets except for certain income tax related assets amounting to $565,392 to Sceptre in consideration of Sceptre assuming Fiera liabilities and issuing 21,357,336 Class B special voting shares of Sceptre.

As a result of this transaction, control of Sceptre has passed to the shareholders of Fiera upon closing. This type of exchange, accounted in a manner similar to that referred to as a "Reverse takeover," deems Fiera to be the acquirer for accounting purposes. Accordingly, Sceptre's assets and liabilities were recorded at their estimated fair value as more precisely described in Emerging Issues Committee Abstract 10 "Reverse takeover" ("EIC 10"). The fair value of all issued and then outstanding shares of Sceptre was used as the basis for the determination of the cost of purchase.

The shares purchase consideration is based on 14,206,655 Sceptre's shares times the weighted average price of the shares on the Toronto Stock Exchange for a period starting 2 days before June 16, 2010, the announcement date of the transaction, and ending 2 days after.

Under reverse takeover accounting, all comparative historical financial statements are those of Fiera, the accounting acquirer.

The following table reflects the preliminary purchase price allocation which is subject to final valuation. The final purchase price allocation is expected to be completed as soon as management has gathered all significant information considered necessary in order to finalize the allocation:

	$
Current assets	12,188,591
Capital assets	630,237
Deferred charges	182,637
Value of intangibles	28,285,000
Goodwill[1]	72,902,980
Current liabilities and long-term liabilities	(9,170,349)
Lease inducements	(29,085)
Future income tax liabilities	(4,692,507)
	100,297,504
Purchase consideration	
Shares consideration – deemed issuance	95,184,588
Fair value of Sceptre options – deemed issuance[2]	957,065
Transaction costs	4,155,851
	100,297,504

① *The goodwill is not deductible for tax purposes.*

② *At closing, Sceptre had 368,466 options outstanding which became vested as a result of the change of control. The fair value of the deemed issuance of Fiera options in exchange for the 368,466 options of Sceptre is $957,065, and this amount has been included as a component of the purchase price.*

In connection with this business combination, management has proposed certain plans to restructure and integrate the two businesses. Consequently, the Company recorded provisions related to leases for premises occupied by Sceptre which the Company plans to vacate as well as costs related to the planned termination of certain employees of the acquired business performing functions already available through its existing structure. The components of the integration charges are as follows:

	Severance	Consolidation of facilities	Total
	$	$	$
Provision included in the purchase price allocation	**2,273,000**	**1,384,000**	**3,657,000**
Paid during the year	**(84,000)**	**-**	**(84,000)**
Balance, September 30, 2010	**2,189,000**	**1,384,000**	**3,573,000**

Of the total balance remaining, $2,122,000 is included in accounts payable and accrued liabilities and $1,451,000 is included in other long-term liabilities.

NOTE 5 Joint venture

As at September 30, 2008, the Company held 50% of the voting shares of Fiera Axium and, pursuant to the shareholders agreement effective at the time, considered its investment in Fiera Axium for accounting purposes as a subsidiary. However, during the year ended September 30, 2009, a new shareholder subscribed to shares with voting rights, resulting in a dilution of the investment held in Fiera Axium from 50% to 41.18% in spite of an additional investment by the Company of $333,333 in cash for an equivalent number of common shares. These transactions resulted in a gain on dilution of the investment of $14,861.

Moreover, in March 31, 2010, new shareholders and employees of the joint venture, Fiera Axium subscribed to shares with voting rights of Fiera Axium resulting in further dilution of the investment held in Fiera Axium from 41.18% to 35.35% and a gain on dilution of $106,398 in spite of on additional investment of $500,000 by the Company and a redemption of capital of $875,000 in August 2010.

The consolidated financial statements include the proportionate share of assets, liabilities, revenue, expenses and cash flows of the joint venture. The amounts included in the financial statement are the following:

	2010	2009
	$	$
Balance sheets		
Current assets	**1,018,837**	287,251
Long-term assets	**477,834**	6,926
Current liabilities	**1,388,964**	16,016
Long-term liabilities	**33,556**	-
Statement of earnings		
Revenue	**2,266,580**	8,793
Expenses	**2,109,354**	542,966
Income taxes (recovered)	**77,348**	(142,625)
Net earnings (loss)	**79,878**	(391,548)
Cash flows		
Operating activities	**1,120,018**	(405,951)
Investing activities	**(448,918)**	76,777
Financing activities	**134,165**	420,690
	805,265	91,516

The March 2010, transactions resulted in the elimination of certain assets and liabilities from the previous proportionate consolidation established at 41.18% as follows:

	Debit (credit)
	$
Cash	**63,295**
Other current assets	**84,858**
Temporary investments	**253,007**
Other long-term assets	**1,707**
Business Partners' deposit	**(253,805)**
Other current liabilities	**(77,030)**
	72,032
Effect of the dilution of the investment:	
Cash	**(63,295)**
Change attributed to non-controlling interest	**72,032**
Gain on dilution on investment	**106,398**
	115,135
These intercompany transactions are eliminated upon consolidation:	
Accounts receivable	**3,023**
Accounts payable	**(3,023)**

NOTE 6 Restricted cash – Client deposits

The restricted cash consists of client deposits received during the year following the settlement of a class action in favour of certain clients for whom the Company acted as agent. The source and use of funds related to these deposits are not considered as operating activities.

NOTE 7 Investments

	2010	2009
	$	$
Short-term notes	**3,500,274**	-
Mutual fund investments under management of the Company	**1,013,957**	-
	4,514,231	-

NOTE 8 Accounts receivable

	2010	2009
	$	$
Trade accounts	**14,206,647**	6,286,551
Trade accounts – related companies of a shareholder	**1,496,818**	1,987,377
Other	**193,289**	23,512
	15,896,754	8,297,440

NOTE 9 Loans to related companies and related parties

	2010	2009
	$	$
Loan, bearing interest at prime rate plus 0.25%, refundable in October 2009	**-**	61,761
Loan to a related company of a shareholder, non-interest bearing, without specific repayment terms	**-**	53,523
	-	115,284

NOTE 10 Capital assets

			2010	2009
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Office furniture and equipment	**2,105,348**	**1,580,758**	**524,590**	508,168
Computer equipment	**3,003,572**	**2,322,027**	**681,545**	239,363
Leasehold improvements	**2,174,973**	**674,950**	**1,500,023**	1,559,126
	7,283,893	**4,577,735**	**2,706,158**	2,306,657

NOTE 11 Intangible assets

	2010			2009
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Indefinite life				
Asset management contracts	**6,170,000**	**-**	**6,170,000**	21,444,312
Finite life				
Customer relationships	**40,424,312**	**1,148,882**	**39,275,430**	
Trade name	**2,330,000**	**34,500**	**2,295,500**	-
Non compete	**805,000**	**19,167**	**785,833**	-
Software	**1,195,818**	**927,537**	**268,281**	177,730
Licenses	**67,000**	**67,000**	**-**	4,780
	50,992,130	**2,197,086**	**48,795,044**	21,626,822

During the year, Fiera's management revised the useful life of its asset management contracts amounting to $21,444,312 as at September 30, 2009 to 20 years from a previously accounted indefinite life asset classification (Note 2 on intangibles) and classified it as customer relationships.

The intangible assets acquired during the year total $255,806 ($70,141 in 2009).

NOTE 12 Bank loan

The Company has an authorized line of credit of $5,000,000, bearing interest at the prime rate or at the Banker's acceptance rate plus 0.25%, maturing June 2011. This line of credit is unused at year end. It is secured by a movable first mortgage of $5,000,000 on accounts receivable and capital and intangible assets, both present and future.

Under the terms of the bank loan, the Company must satisfy certain restrictive covenants as to minimum financial ratios (see Note 15).

NOTE 13 Accounts payable and accrued liabilities

	2010	2009
	$	$
Trade accounts payable and accrued liabilities	**6,670,515**	1,200,815
Wages, vacation and severance payable	**2,748,490**	195,984
Bonus and commission payable	**5,008,913**	4,176,500
Taxes	**78,655**	686,580
	14,506,573	6,259,879

NOTE 14 Employee future benefits

The Company contributes to defined contribution pension plans for its employees. Contributions for the period totalled $557,901 ($500,497 in 2009).

As part of the business combination referred in Note 1, the Company assumed the role of sponsor of individual pension plans "IPP" which had been established by Sceptre for certain key employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies under the IPPs. Further, there were no going concern unfunded liabilities disclosed in the last filed valuations for any of the IPPs. As for current service costs no contribution are currently required except for an amount not exceeding $30,000 yearly for one individual.

NOTE 15 Long-term debt

	2010	2009
	$	$
Mortgage loan bearing interest at prime rate plus a premium varying from 0% to 0.75%, matured on September 30, 2010	-	4,076,342
Deferred financing charges	-	(44,970)
	-	4,031,372
Current portion of long-term debt	-	4,076,342
Current financing charges	-	(44,970)
	-	4,031,372

Under the terms of the mortgage agreement, the Company had to satisfy certain restrictive covenants as to minimum financial ratios. These restrictions are composed of debt to EBITDA ratio, debt to shareholders' equity ratio and debt and fixed charge coverage ratio.

EBITDA, a non GAAP measure, is calculated as the sum of net earnings, plus interest on debt and other interest expense, income taxes, amortization and impairment loss of capital assets and intangible assets, retention bonus and certain acquisition costs as defined in the agreement.

NOTE 16 Income taxes

Income tax expense details as follows:

	2010	2009
	$	$
Current income taxes (recovered)	**(55,177)**	-
Future income taxes	**1,584,661**	1,431,083
	1,529,484	1,431,083

The Company's income tax expense differs from the amounts that would have been obtained using the combined federal and provincial statutory tax rate as follows:

	2010	2009
	$	$
Income tax expense based on combined statutory income tax rate	**1,503,394**	1,396,584
Non-deductible amounts	**214,983**	118,882
Adjustment of future income tax assets and liabilities due to changes to substantively enacted income tax rates	**(188,893)**	(84,383)
	1,529,484	1,431,083

The main components of future income tax assets and liabilities detail as follows:

	2010	2009
	$	$
Future income tax assets		
Losses carried forward	**-**	1,673,328
Prepaid management fees	**-**	920,096
Capital assets	**550,358**	429,666
Lease inducements	**249,404**	292,189
Restructuring provision	**816,058**	-
Other	**137,125**	210,620
	1,752,945	3,525,899
Future income tax liabilities		
Intangible assets	**(10,571,563)**	(5,681,779)
Net future income taxes liabilities	**(8,818,618)**	(2,155,880)
Allocated as follows:		
Future income tax assets – current	**55,809**	2,237,363
Future income tax liabilities – long-term	**(8,874,427)**	(4,393,243)
	(8,818,618)	(2,155,880)

NOTE 17 Share capital

Authorized, an unlimited number of

Class A shares, subordinate voting and participating

Class B shares, special voting, participating

Company share transactions subsequent to the transaction described in Note 4.

	2010	2010
	Number	**$**
Class A subordinate voting shares		
Issued in exchange of common shares NOTE 1	**14,238,224**	**95,396,100**
Less shares held in trust by the Company [2]	**(31,569)**	**(211,512)**
	14,206,655	**95,184,588**
Issued in exchange for cash NOTE 1	**833,333**	**5,000,000**
Stock options exerciced	**38,733**	**325,568**
Outstanding, end of year	**15,078,721**	**100,510,156**
Class B special voting shares		
Issued as part of the business combination and outstanding, end of year NOTE 1	**21,357,336**	**33,985,404**
Total share capital at end of year	**36,436,057**	**134,495,560**
Fiera share capital transactions prior to the business combination		
Share capital, beginning of year	**45,544,295**	**30,724,786**
Shares issued for cash	**2,353,580**	**4,848,375**
Shares redeemed [1]	**(2,353,580)**	**(1,587,756)**
Value assigned to Class B special voting shares at closing	**(45,544,295)**	**(33,985,404)**
Outstanding shares, end of year	**-**	**-**
Sceptre share capital transactions prior to the business combination		
Outstanding shares, beginning of year	**14,044,590**	**n/a**
Stock options exercised	**193,634**	**n/a**
Exchange for Company Class A subordinate voting shares NOTE 1	**(14,238,224)**	**n/a**
Outstanding common shares, end of year	**-**	**-**

	2009	2009
	Number	$
Fiera common shares		
Outstanding shares, beginning and end of year	45,544,295	30,724,786

1 *Shares with a carrying value of $1,587,756 were redeemed for an amount of $4,848,375 and the excess of purchase price over the carrying value of $3,260,619 was charged to retained earnings.*

2 *As at September 1 and September 30, 2010, 31,569 Class A subordinated voting shares, which were forfeited prior to vesting under the Sceptre stock purchase incentive plans, were held in trust by the Company. These shares are presented in reduction of the share capital outstanding as at September 1, 2010 and September 30, 2010.*

Under the terms of the plans, such forfeited shares were available for allocation to other participants in the plans. However, the stock purchase incentive plans were cancelled at the end of the year.

During the year, the articles of Sceptre were amended to change the name of Sceptre to Fiera Sceptre Inc. and to create the Class A subordinate voting shares and the Class B special voting shares.

Concurrent to the closing of this transaction, an entity controlled by an indirect minority shareholder of Fiera acquired 833,333 Class A subordinate voting shares of the Company at $6.00 per share for an amount of $5 million.

NOTE 18 Earnings per share

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

	2010	2009
	$	$
Net earnings	**3,492,689**	3,186,533
Weighted average shares outstanding – basic	**15,888,902**	14,044,590
Effect of dilutive stock options	**47,386**	-
Weighted average shares outstanding – diluted	**15,936,288**	14,044,590
Basic and diluted earnings per share	**0.22**	0.23

For the years ended September 30, 2010 and 2009, the calculation of hypothetical conversions does not include 19,400 options with an anti-dilutive effect.

NOTE 19 Stock option plan

a) On October 1, 2009, Fiera created a stock option plan under which options were attributed to key employees for the acquisition of shares according to the salary compensation plan up to a maximum of 4.5 million shares.

The major terms and conditions of the stock option plan were as follows:

- The exercise price is equal to the market value of the shares at the stock option grant date. Market value is determined based on valuation formulas established by the Company's management.
- The rights attached to the options attributed vest in 20% increments as of the end of the third year until the end of the seventh year following the grant date.
- The stock options mature no later than 10 years following their date of attribution.

The number of stock options issued under the stock option plan, during the year and before the business combination are as follows:

	Weighted-average number of options	Weighted-average exercise price
	$	$
Balance, beginning of year	**-**	-
Options attributed	**1,767,628**	1.69719
Balance, at closing of the merger	**1,767,628**	1.69719
Exercisable options at the end of the year	**-**	-

The fair value at the date of attribution of the stock options attributed during the period was $0.29 per option. The fair value of each option attributed was established using the Black-Scholes option pricing model, modified to include the share price at the date of attribution and the following assumptions:

Risk-free interest rate	2.25%
Expected life	7 years
Expected volatility for the share price	30%
Expected return on dividends	5%

Compensation expense of a $236,129 relating to the Fiera stock option plan was recognized for the year (nil in 2009).

As a result of the business combination entered into between Sceptre and Fiera, the Fiera outstanding options were replaced by the Company options. Accordingly, the initial 1,767,628 options to acquire Fiera shares were replaced by 818,412 Class A subordinate voting shares with an exercise price of $3.67 per share and the vesting period was harmonized to the existing Sceptre 2007 plan. No amount has been recorded in respect of the actual issuance of these replacement options.

b) On May 7, 2007, the shareholders of Sceptre approved the adoption of a new stock option plan (the 2007 plan). Options issued prior to that date were issued pursuant to Sceptre's 1998 stock option plan (the 1998 plan). Under the 2007 plan, 1,000,000 common shares were reserved for issuance. At the time of the approval of the 2007 plan, there were 1,347,700 stock options issued and outstanding under the 1998 plan. Following the adoption of the 2007 plan, no further new stock options were granted under the 1998 plan.

Under the 2007 plan, the exercise price of each stock option is equal to the volume weighted average trading price of Sceptre's common shares on the TSX for the five trading days immediately preceding the day the stock option is granted and each stock option's maximum term is five years. Stock options vested at a rate of 33.33% per year, on each anniversary date of the grant.

As a result of the business combination and change of control of Sceptre, all of Sceptre's then outstanding stock options became vested on the closing date. Also, the existing 2007 Sceptre plan stock option plan was amended to increase the shares reserve for issuance from 1,000,000 common shares to 2,021,588 Class A subordinated voting shares.

c) A summary of the status of the Company's stock option plans as at September 30, 2010 and the changes that occurred during the year then ended is presented below:

	Number of common shares	Weighted-average exercise price
	$	$
Sceptre outstanding options,		
beginning of year	**1,018,900**	**7.06**
Granted to Sceptre's employees before the business combination	**95,000**	**5.87**
Replacement options granted to Fiera's employees	**818,412**	**3.67**
Exercised	**(232,367)**	**5.88**
Cancelled [1]	**(383,900)**	**8.84**
Expired	**(59,400)**	**6.95**
Forfeited	**(120,767)**	**6.31**
Outstanding, end of year	**1,135,878**	
Options exercisable, end of year	**317,466**	**5.73**

① *As part of the business combination arrangement, 383,900 Sceptre's stock options were cancelled by Sceptre before the closing of the business combination and, in consideration, an amount of $150,185 was paid to the holders of the options. Since the transaction occurred prior to the business combination, the amount paid to the holders of the options is not reflected in the consolidated statements of cash flows.*

The following table summarizes the stock options outstanding as at September 30, 2010:

Options outstanding				Options exercisable	
Range of exercise price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable	Weighted-average exercise price
$3.67	818,412	5	$3.67	–	–
$5.41 to $6.37	317,466	3	$5.73	317,466	$5.73

d) Deferred share unit plan

During 2007, the board of directors of Sceptre adopted a deferred share unit plan (DSU Plan) for the purposes of strengthening the alignment of interests between the directors and the shareholders of Sceptre, by linking a portion of annual director compensation to the future value of Sceptre's common shares, in lieu of cash compensation. Under the DSU Plan, each director received, on the date in each quarter which is tree business days following the publication by the Sceptre of its earnings results for the previous quarter, that number of DSUs having a value equal to up to 100% of such director's base retainer for the current quarter, provided that a minimum of 50% of the base retainer must be in the form of DSUs. The number of DSUs granted to a director was determined by dividing the dollar value of the portion of the director's fees to be paid in DSUs by the closing price of Sceptre common shares of the TSX for the business day immediately preceding the date of the grant. At such time as a director ceased to be a director, Sceptre would make a cash payment to the director equal to the closing price of the Sceptre's common shares on the date of departure, multiplied by the number of DSUs held by the director on that date.

As at September 30, 2010, management had provided an amount of approximately $237,000 for the 29,138 units outstanding under the DSU Plan.

NOTE 20 Restructuring costs and severance payments

As part of the restructuring and integration plan referred to in Note 4, the Company recorded provisions for the planned termination of certain Fiera employees for an amount of $578,219. In addition, the Company incurred non-recurring fees with the Toronto Stock Exchange of $200,000.

In 2009, restructuring costs and severance payments include severance payments made to departing employees and legal fees incurred and related to the dismissal of employees in November 2008.

NOTE 21 Additional information relating to the statement of cash flows

	2010	2009
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	**(1,221,663)**	(113,469)
Prepaid expenses	**(2,463)**	(198,689)
Accounts payable and accrued liabilities	**1,162,450**	2,538,975
Amount due to related companies	**(470,758)**	(113,595)
Deferred income	**57,811**	-
Prepaid management fees – shareholder and its related companies	**333,850**	3,000,000
Due to shareholders of the joint venture	**573,199**	-
	432,426	5,113,222
Other information		
Interest paid	**51,661**	381,742

NOTE 22 Commitments

The Company leases office space and equipment under operating leases expiring at different dates until 2019. Future lease payments will total $13,821,313 and include the following payments in each of the next five years:

2011	$2,226,297
2012	$1,815,837
2013	$1,739,470
2014	$1,765,778
2015	$1,591,003
2016 and thereafter	$4,682,928

NOTE 23 Related party transactions

The Company has carried out the following transactions with shareholders and their related companies:

	2010	2009
	$	$
Management fees, net of discounts	**7,207,109**	7,401,532
Operating expenses		
Salaries and employee benefits	**389,743**	410,851
Management fees	**51,000**	50,000
Other expenses	**52,271**	146,180
Interest on long-term debt	**-**	36,986

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

NOTE 24 Financial instruments and risk management

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at September 30, 2010.

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

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

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

Market risk

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

Equity market fluctuation risk

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

The Company's investment portfolio is managed by the Company with a medium risk mandate. The Company's particular expertise is investment management and, as part of its daily operations, it has resources to assess and manage the risks of a portfolio. The Company's portfolio of equity and equity-related securities as at September 30, 2010, comprises mutual fund investments under the management of the Company with a fair value of $1,013,957. Mutual fund investments comprise a well-diversified portfolio of Canadian investments. Preferred shares and mutual funds units have no specific maturities.

A 10% change in the Company's equity and equity-related holding an OCI as at September 30, 2010 has an impact of increasing or decreasing the OCI by $101,395.

The credit risk is the risk that one party to a financial instrument fail to discharge an obligation and causes financial loss to another party.

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

The Company's credit risk is primarily attributable to its trade receivables. The amounts disclosed in the consolidated balance sheets are net of allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. No customer represents 10% of the Company's accounts receivables as at September 30, 2010 (One major customer represents 10% of the Company's accounts receivable as at September 30, 2009).

Credit risk

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

As at September 30, the aging of accounts receivable were as follows:

	2010	2009
	$	$
Trade		
Current	**12,108,351**	5,453,964
Aged between 61 - 119 days	**435,510**	301,092
Aged greater than 120 days	**118,217**	17,259
Total trade	**12,662,078**	5,772,315
Related company	**1,690,106**	2,010,889
Others	**1,544,570**	514,236
	15,896,754	8,297,440

Interest rate risk

The Company is subject to interest rate risk due to interest rate fluctuations on the balance of the mortgage loan.

Currency risk

The Company realizes less than 1% of its sales principally in US dollar and is thus not significantly exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The consolidated balance sheets include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2010	2009
	$	$
US dollars		
Cash	**92,936**	32,120
Accounts receivable	**2,470**	2,699

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balance and cash flows generated from operations to meet its requirements. The Company has the following financial liabilities as at September 30, 2010:

	Carrying value	2011	2012	2013
	$	$	$	$
Accounts payable and accrued liabilities	**14,506,573**	14,506,573	-	-
Amount due to related company	**108,119**	108,119	-	-
Other long-term liabilities	**1,451,062**	-	814,666	166,646
Commitments	**13,821,313**	2,226,297	1,815,837	1,739,470
	29,887,067	16,840,989	2,630,503	1,906,116

The Company generates enough cash from its operating activities and has sufficient available financing via its bank loan to finance its activities and to respect its obligations as they become due.

To manage short-term cash flow requirements, the Company maintains a portion of invested assets in liquid short-term notes. As at September 30, 2010, the Company holds $3,500,274 in short-term notes. The short-term notes have maturities up to six months and are issued by the Government of Canada. The Company does not hold any non-bank asset-backed commercial paper.

Fair value

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

The estimated fair value of the mortgage loan approximated its carrying value as the loan contains similar terms and conditions that the Company could currently obtain.

The cost of the long-term investment and mutual fund investment is $1,375,324 while the fair value is $1,383,260 and the unrealized gain of $7,936 is reflected in other comprehensive income.

Fair value hierarchy

Financial instruments recorded at fair value on the consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table presents the financial instruments recorded at fair value in the consolidated balance sheets, classified using the fair value hierarchy described above:

	Level 1	Level 2	Total financial assets financial at fair value
	$	$	$
Financial assets			
Cash	**2,118,278**	**-**	**2,118,278**
Short-term notes	**3,500,274**	**-**	**3,500,274**
Mutual fund investments under management of the Company	**742,077**	**271,880**	**1,013,957**
Long-term investment	**-**	**369,303**	**369,303**
Total financial assets	**6,360,629**	**641,183**	**7,001,812**

NOTE 25 Capital management

The Company's capital comprises share capital, retained earnings and long-term debt, including the current portion, 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.

In order to maintain its capital structure, the Company may issue new shares or proceed to the issuance or repayment of debt and acquire or sell assets to improve its financial performance and flexibility.

In order to be in compliance with Canadian securities administration regulations the Company is required to maintain a minimum working capital of $200,000 as defined in regulation 31-103.

NOTE 26 Segmented information

Management of the Company has determined that the Company's segment is investment management services in Canada and all assets are located in Canada.

Board of directors

Jean-Guy Desjardins

Jean-Guy Desjardins is Chief Executive Officer and Chief Investment Officer of Fiera Sceptre, and serves as the Chairman of its board of directors. Prior to founding Fiera Sceptre, Mr. Desjardins co-founded TAL in 1972 and was its principal shareholder until the business was purchased by Canadian Imperial Bank of Commerce in 2001. Through his leadership, the firm had grown to over $60 B in AUM.

Sylvain Brosseau

Sylvain Brosseau, the current President and Chief Operating Officer of Fiera Sceptre, has over 20 years of experience in the investment management industry. Prior to joining Fiera Sceptre, Mr. Brosseau served as Executive Vice President, Institutional Markets at TAL Global Asset Management Inc. and Executive Vice President at TAL International where he oversaw worldwide distribution and operations.

Neil Nisker

Neil Nisker, the current Executive Vice Chairman of Fiera Sceptre, has over 38 years of experience in the financial services industry. From 1997 to 1999, Mr. Nisker was Chairman of Nisker Associates, Inc., a registered investment counselling firm, which was later purchased by YMG Capital Management Inc.

Jean C. Monty

Jean C. Monty is a Corporate Director. On April 24, 2002, Mr. Monty retired as Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises (BCE Inc.), following a distinguished 28-year career. Prior to joining BCE Inc., Mr. Monty was Vice-Chairman and Chief Executive Officer of Nortel. He sits on a number of boards of international companies.

Christiane Bergevin

Christiane Bergevin works as Executive Vice President, Strategic Partnerships at Desjardins Group. Prior to joining Desjardins Group, she was Senior Vice President and General Manager, Corporate Projects, at SNC-Lavalin Group Inc,. and President at SNC-Lavalin Capital Inc.

Denis Berthiaume

Denis Berthiaume is Senior Vice President and General Manager, Wealth Management and Life and Health Insurance at Desjardins Group. Prior to that he held roles as Senior Vice President, Retail Markets at Standard Life and Senior Vice President, Individual Insurance of Desjardins Financial Security and President of SFL Management.

David R. Shaw

David R. Shaw is the founder and CEO of Knightsbridge Human Capital Management Inc., a national human resource firm. Previously, he was President and CEO of Pepsi Cola Canada Beverages. He is the former Chairman of the North York General Hospital Foundation and sits on several boards.

W. Ross Walker

Ross Walker is the former Chairman and Chief Executive of KPMG Canada, a position he held from 1989 to 1993. From 1993 to 1996, Mr. Walker served as International Executive Partner of KPMG International. He was the Chairman of Sceptre from May 2003 to September 1, 2010.

Arthur R.A. Scace

Arthur Scace is the former national Chairman of McCarthy Tétrault LLP and former managing partner of the Toronto office. He serves on the board of directors of a number of Canadian corporations. He was also the former Chairman of Scotia Bank from March 2004 to March 2009.

Corporate information

Executive Officers

Pierre Blanchette
Sylvain Brosseau
Jim Craven
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Stock Exchange Listing

Class A Subordinate Voting Shares (“FSZ-T”)
Toronto Stock Exchange

Annual Meeting

Centre Mont-Royal
2200 Mansfield Street
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Tuesday, March 22, 2011, 9:00 a.m.

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