FIERA SCEPTRE

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 1st, 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 1st, 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 31st, 2010 and was reported publicly on October 6th, 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 1st, 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 $5.1 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 ($2.6 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 *	1,290	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 *	1,256	514	6,379	2,012

*** EBITDA and Adjusted EBITDA are non-GAAP measures. Please refer to "Non-GAAP Measures" on page 19.**

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*	**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*	**30,755**	**21,377**

*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 35.5% 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 1st 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 19.**

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.

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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.

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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 1st, 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.