Management Discussion and Analysis

For the Period ended December 31, 2012

FIERA CAPITAL

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The following management discussion and analysis (''MD&A'') provided as of March 20, 2013 presents an analysis of the financial condition and results of operations of Fiera Capital Corporation, formerly known as Fiera Sceptre Inc., ("the Company" or "Fiera Capital" or ''we'' or "Firm") for the Three months and Year ended December 31, 2012. The following MD&A should be read in conjunction with the audited consolidated financial statements including the notes thereto, as at and for the year ended December 31, 2012. The consolidated financial statements include the accounts of Fiera Capital and its wholly owned subsidiaries, Fiera Sceptre Funds Inc., ("FSFI") and Sceptre Fund Management Inc. ("SFMI"). All intercompany transactions and balances have been eliminated on consolidation.

Fiera Axium Infrastructure Inc. ("Fiera Axium") is an entity specialized in infrastructure investment and Fiera Properties Limited ("Fiera Properties") is an entity specialized in real estate investments, over which the Company has joint control. The financial results of the Company's investments in its joint ventures are included in the Company's results using the equity method.

Figures are presented in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles, as set out in Part I of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"), and are based on management's best information and judgment. Certain totals, subtotals and percentage may not reconcile due to rounding.

BASIS FOR PRESENTATION AND ADOPTION OF IFRS

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in Part I of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") which require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in the interim consolidated financial statements for the period ended December 31, 2011. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The consolidated financial statements have been prepared in compliance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") and IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"). Subject to certain transition elections and exceptions disclosed in Note 25 of the interim consolidated financial statements, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS balance sheet as at October 1, 2010 throughout all periods presented, as if these policies had always been in effect. Note 25 of the interim consolidated financial statements discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended September 30, 2011 prepared under Canadian GAAP.

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 Fiera Capital's control, could cause actual events or results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: ability of Fiera Capital to maintain its clients and to attract new clients, the investment performance of Fiera Capital, Fiera Capital's reliance on a major customer, Fiera Capital's ability to attract and retain key employees, Fiera Capital's ability to integrate successfully the businesses that it acquires, industry competition, Fiera Capital's ability to manage conflicts of interest, adverse economic conditions in Canada or globally including among other things, declines in the financial markets, fluctuations in interest rates and currency values, regulatory sanctions or reputational harm due to employee errors or misconduct, regulatory and litigation risks, Fiera Capital's ability to manage risks, the failure of third parties to comply with their obligations to Fiera Capital and its affiliates, the impact of acts of God or other events of force majeure; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws, the impact and consequences of Fiera Capital's indebtedness, potential dilution of the share ownership that could occur and other factors described under "Risk Factors" in this MD&A or discussed in other materials filed by the Corporation with applicable securities regulatory authorities from time to time.

COMPANY OVERVIEW

Fiera Capital is an independent, full-service, multi-product investment firm, providing investment advisory and related services, with approximately $57 billion in assets under management ("AUM"). Fiera Capital 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 Capital uses pooled funds and sections thereof to manage specialized asset classes and to combine the assets of smaller clients for investment efficiencies ("Pooled Funds"). To provide retail investors with access to its investment management services, Fiera Capital also acts as investment manager of certain mutual funds, a commodity pool fund and The Fiera Capital QSSP II Investment Fund Inc. (the "Mutual Funds" and, collectively with the Pooled Funds, the "Funds").

Units of the Mutual Funds are distributed through Fiera Sceptre Funds Inc. ("FSFI"), Fiera Capital'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.

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

CHANGE IN FISCAL YEAR END

The Company has announced earlier this year that it had decided to change its year-end from September 30 to December 31. The present reporting period is therefore related to a fifteen-month period of operating results.

Consequently, the addition of a fifth quarter in the present fiscal year contributes to the variances explanations. Also, the additional quarter from October to December 2012 will be analyzed in comparison with the period from October to December 2011 which represents the first quarter of the presented fiscal year. The contribution from the additional three-month period will be identified and highlighted in the present management analysis.

SIGNIFICANT EVENTS

During the fifteen months ended December 31, 2012, Fiera Capital entered into several strategic transactions that individually and collectively will enable the Firm to grow its AUM, revenues and net earnings.

Natcan acquisition

On April 2, 2012 Fiera Sceptre acquired substantially all of the assets of Natcan Investment Management Inc. ("Natcan") from National Bank of Canada (the "Bank") for $309.5 million subject to reduction. On closing, the Bank, through Natcan, received 19,732,299 Class A subordinate voting shares of the share capital of Fiera (the "Class A shares") as well as a cash payment of $85,553,219. As a result of the transaction, the retail assets under management of the Firm grew significantly as a proportion of total assets. The Natcan investment management and servicing activities were fully integrated into the operations of Fiera in the same quarter.

Coincident with the closing of the transaction, as approved by shareholders, the legal name of the Firm was changed from Fiera Sceptre Inc. to Fiera Capital Corporation.

Fiera Properties merger with Roycom

On April 4, 2012, Fiera Capital announced that its joint venture Fiera Properties Limited had merged with Roycom Inc. to create a new national real estate investment platform that will be focused on providing clients with pooled fund and segregated account management services. Roycom is an industry leading property manager with an existing platform and solid track record that enables Fiera Properties to execute its growth strategy and enables Fiera Capital to offer high quality real estate investment management opportunities to its institutional clients.

CWM acquisition

A strategic priority of the Firm has been to expand its presence in Western Canada. To that end, on December 1, 2012 the Firm acquired Calgary-based Canadian Wealth Management Group Inc. from Société Général Private Banking. The acquisition expands Fiera Capital's presence in the wealth management business in Western Canada and CWM, along with its highly skilled team of professionals, provides an excellent base from which to accelerate the Firm's growth in the region.

UBS acquisition

In December 2012, Fiera Capital announced that it had reached agreement with UBS Global Asset Management (Canada) Inc. to purchase the latter's Canadian fixed income, Canadian equity and domestic balanced account business for maximum cash consideration of $52 million. The transaction, which closed on January 31, 2013 subsequent to year end, further strengthens Fiera's client-driven service approach and reinforces Fiera's leading asset management business in Canada. The acquisition added approximately $8 billion in AUM and was immediately accretive to earnings.

GMP acquisition

On January 18, 2013, subsequent to year end, Fiera Capital announced that it had agreed to acquire selected alternative asset management funds of GMP Investment Management, including flagship funds pertaining to the GMP Diversified Alpha Fund and the Canadian ABCP Fund, representing approximately $570 million in assets under management.

The transaction enables Fiera Capital to expand its alternative strategies, an investment area that has been experiencing significant momentum over the past few years in the North American marketplace and that will continue to grow in the future. The acquisition provides clients of the Firm with enhanced product innovation and offerings, with customized investment solutions that meet their objectives.

Under the terms of the Agreement, the purchase price includes a $10.75 million cash consideration. In addition, key members of GMP Investment Management's team will join a newly created Fiera Capital subsidiary in which the management team will own a minority interest of 45%. Fiera will also pay 25 per cent of performance fees based on the acquired assets for a period of three years, subject to certain minimum asset under management thresholds. It is expected that the acquisition will be immediately accretive to earnings.

With the exception of the GMP Investment Management transaction, which should close in the second quarter of 2013, all transactions have been approved by regulatory authorities and have satisfied other customary conditions.

Financing activities

In order to complete (close) all of the above initiatives, Fiera renegotiated its long term debt, in December 2012, to increase to $180 million, keeping relatively all the same terms and conditions. Fiera will draw on the facility at the closing of the various initiatives.

Summary of Portfolio performance

The following chart presents the performance composites*.

	Inception Date	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception Annualized (%)
Fixed Income Investment Strategies						
Active Fixed Income	Jan 01, 1997	4.78	7.65	7.20	6.57	6.94
Tactical Fixed income	Jan 01, 2000	5.44	8.41	7.80	7.37	8.21
Long Bonds	Jul 01, 1998	6.05	12.36	9.28	8.84	8.09
High-Yield Bonds	Sep 01, 2003	15.36	9.56	9.60	-	7.86
Preferred Shares	Jan 01, 2004	5.75	8.14	6.21	-	4.12
Real Return Bond	Jan 01, 1998	3.02	10.73	9.26	8.95	8.96
Money Market	Jan 01, 2004	1.29	1.11	1.67	-	2.45
Corporate Fixed Income	Feb 01, 2008	7.32	6.87	-	-	7.20
Balanced Investment Strategies						
Balanced Core	Jan 01, 1998	9.11	6.86	2.55	7.05	8.43
Diversified Fund	Jan 01, 2004	7.54	5.54	3.90	-	6.47
Equity Investment Strategies						
Canadian Equity Value	Jan 01, 2002	10.06	5.45	1.83	10.21	8.84
High Income Equities	Oct 01, 2009	10.33	11.48	-	-	12.91
Canadian Equity Growth	Jan 01, 2007	4.96	1.82	0.94	-	3.98
Canadian Equity Core	Jan 01, 1992	8.55	4.67	0.54	10.37	9.85
Canadian Equity Small Cap «core»	Jan 01, 1989	2.16	8.66	1.05	15.37	11.70
Canadian Equity Small Cap	Dec 01, 1986	2.24	8.78	(0.34)	15.63	13.25
US Equities	Apr 01, 2009	13.38	11.27	-	-	14.82
International Equities	Jan 01, 2010	24.09	10.96	-	-	10.96
Global Equities	Oct 01, 2009	17.80	12.15	-	-	12.93
Alternative Investment Strategies						
North American Market Neutral	Oct 01, 2007	(1.43)	(1.04)	8.67	-	11.13
Long / Short equities	Aug 01, 2010	5.04	-	-	-	11.46
Global Macro	Nov 01, 2006	3.14	1.71	5.56	-	7.81
Fiera Diversified Lending	Apr 01, 2008	9.11	7.87	-	-	6.51
Income Fund	Jan 01, 2010	7.79	8.02	-	-	8.02
Fiera Infrastructure Fund	Nov 01, 2009	6.96	3.70	-	-	3.51
Absolute Bond Yield	Dec 01, 2010	7.57	-	-	-	6.54

* The above performances are annualized

HIGHLIGHTS FOR THE THREE AND FIFTEEN MONTHS ENDED DECEMBER 31, 2012

December 31, 2012 compared to December 31, 2011

- Total AUM increased by $28.1 billion or 97.2% to $57.0 billion as at December 31, 2012 compared to AUM of $28.9 billion as at December 31, 2011. The increase is primarily due to the addition of Natcan and CWM combined with increased AUM due to new sales and positive cash flows.

- Revenues for the three-month period ended December 31, 2012 increased by $14.9 million or 92.2% to $31.0 million compared to $16.1 million for the same period in prior year. The increase in revenues is mainly due to Natcan's acquisition as well as the inclusion of one month's revenue for the acquired CWM and new sales.

- Operating expenses increased by $5.8 million or 45.9% to $18.6 million for the three-month period ended December 31, 2012, compared to $12.7 million for the same period in 2011. The increase resulted from an overall rise in SG&A expenses of $5.7 million combined with higher external manager expenses of $0.1 million for the three months ended December 31, 2012 following the Natcan acquisition.

- Earnings before interest, taxes, depreciation and amortization (EBITDA, as defined on page 32 and disclosed in table 1) (a non-IFRS measure of performance) increased by $9.0 million or over 100% to $12.5 million for the three-month period ended December 31, 2012, from $3.4 million for the same period of 2011.

- EBITDA per share was $0.22 for the three-month period ended December 31, 2012, an increase of $0.13 or 136% compared to the EBITDA per share of $0.09 for the three-month period ended December 31, 2011.

- For the quarter ended December 31, 2012, the Firm earned $3.1 million or $0.05 (basic and fully diluted) earnings per share. For the three-month period ended December 31, 2011, the Firm earned $0.8 million or $0.02 (basic and fully diluted) earnings per share.

- The adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the period were $9.3 million or $0.16 (basic and fully diluted) earnings per share. The adjusted net earnings for the three-month period ended December 31, 2011 were $2.8 million or $0.08 (basic and fully diluted) earnings per share.

December 31, 2012 compared to September 30, 2012

- Total AUM increased by $1.8 billion or 3.3% to $57.0 billion during the quarter ended December 31, 2012, compared to AUM of $55.2 billion as at September 30, 2012. The increase is attributable to new AUM, market appreciation combined with the addition of CWM.

- Revenues for the three-month period ended December 31, 2012 increased by $4.6 million or 17.5% to $31.0 million compared to $26.4 million for the previous quarter ended September 30, 2012. The increase is due to higher AUM translating into additional base revenues of $1.2 million combined with additional performance fees from Traditional asset class of $3.1 million and performance fees from Alternative asset class of $0.3 million.

- Operating expenses increased by $1.6 million or 9.2% to $18.6 million for the three-month period ended December 31, 2012 compared to $17.0 million for the quarter ended September 30, 2012. The increase resulted from an overall rise in SG&A expenses of $2.0 million offset by lower external manager's expenses of $0.4 million.

- Earnings before interest, taxes, depreciation and amortization (EBITDA as defined on page 32 and disclosed on table 1) (a non-IFRS measure of performance) increased by $3.0 million or 32.4% to $12.5 million for the three-month period ended December 31, 2012, from $9.4 million for the previous quarter ended September 30, 2012.

- EBITDA per share was $0.22 for the three-month period ended December 31, 2012, an increase of $0.05 or 32.4% compared to the EBITDA per share of $0.17 for the three-month period ended September 30, 2012.

- For the quarter ended December 31, 2012, the Firm earned $3.1 million or $0.05 (basic and fully diluted) representing an increase of $0.1 million or 2.6% compared to the quarter ended September 30, 2012, where the Firm earned $3.0 million or $0.05 per share (basic and fully diluted).

- The adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the period were $9.3 million or $0.16 (basic and fully diluted) earnings per share. The adjusted net earnings for the three-month period ended September 30, 2012 were $6.6 million or $0.12 (basic and fully diluted) earnings per share.

Highlights for the fifteen months ended December 31, 2012 were:

The following section compares the fifteen-month period ended December 31, 2012 with the twelve-months period ended September 2012. For better comparison, the twelve-month period ended September 2012 will be compared to the twelve month period ended September 2011.

- Total AUM increased by $28.0 billion or 96.6% to $57.0 billion during the fifteen-month period ended December 31, 2012, compared to AUM of $29.0 billion as at September 30, 2011. The increase is mainly due to the Natcan and CWM acquisitions. Excluding the fifth quarter of 2012, total AUM increased by $26.2 billion or 90.3% to $55.2 billion during the twelve-month period ended September 30, 2012, compared to AUM of $29.0 billion as at September 30, 2011.

- Revenues for the fifteen-month period ended December 31, 2012 increased by $45.2 million or 64.4% to $115.3 million compared to $70.1 million for the twelve-month period ended September 2011. The increase in revenues is mainly due to the addition of Natcan and CWM combined with New base revenues, higher performance fees from Traditional asset class as well as an additional quarter. Excluding the $31.0 million from the three additional months in 2012, revenue increased by $14.2 million or 20.2% to $84.3 million compared to $70.1 million for the same period in prior year. The increase in revenues was mainly due to the addition of Natcan offset by lower performance fees related to alternative asset class.

- Operating expenses increased by $26.4 million or 52.8% to $76.2 million for the fifteen-month period ended December 31, 2012, compared to $49.9 million for the twelve-month period ended September 2011. The increase resulted from an overall rise of $27.1 million in SG&A expenses offset by lower external manager expenses of $0.7 million for the fifteen-month period ended December 31, 2012. The increase is due to the addition of a fifth quarter in the current discussed fiscal year as well as the addition of Natcan and CWM acquisitions. On a twelve-month basis ended September 2012, Operating expenses increased by $7.8 million or 15.6% to $57.7 million for the twelve-month period ended September 30, 2012, compared to $49.9 million for the same period in 2011. The increase resulted from an overall rise of $8.8 million in SG&A expenses offset by lower external manager expenses of $1.0 million for the twelve-month period ended September 30, 2012 due to the Natcan acquisition.

- Earnings before interest, taxes, depreciation and amortization (EBITDA as defined on page 32 and disclosed on table 2) (a non-IFRS measure of performance) were $39.0 million for the fifteen-month period ended December 31, 2012, an increase of $18.8 million from $20.3 million for the twelve-month period ended September 2011. EBITDA for the twelve months ended September 2012 were $26.6 million representing an increase of $6.3 million from $20.3 million for the same period of 2011.

- For the fifteen-month period ended December 31, 2012, the Firm's earned $3.0 million or $0.06 per share (basic and fully diluted). On a twelve-month basis, for the period ended September 30, 2012, the Firm's net loss was $0.06 million or nil per share (basic and fully diluted). For the previous year comparable period, the twelve-month period ended September 30, 2011, the Firm earned $8.8 million or $0.24 per share (basic and fully diluted).

- The adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the period of fifteen-month ended December 2012 were $28.4 million or $0.59 (basic and fully diluted) earnings per share. On a twelve-month basis, for the period ended September 30, 2012 the adjusted net earnings were $19.1 million or $0.41 (basic and fully diluted) earnings per share. For the comparable previous year period, the adjusted net earnings for the twelve-month period ended September 30, 2011 were $16.2 million or $0.44 (basic and fully diluted) earnings per share.

SUMMARY OF QUARTERLY RESULTS

Table 1 – Statements of income & AUM

ASSETS UNDER MANAGEMENT
($ in millions)

	AS AT			VARIANCE	
	DECEMBER 31, 2012	SEPTEMBER 30, 2012	DECEMBER 31, 2011	QUARTER OVER QUARTER FAV/(UNF)	YEAR OVER YEAR FAV/(UNF)
Assets Under Management	57,043	55,221	28,920	1,823	28,123

STATEMENTS OF INCOME DATA
($ in thousands)

	FOR THE THREE MONTHS ENDED			VARIANCE	
	DECEMBER 31, 2012	SEPTEMBER 30, 2012	DECEMBER 31, 2011	QUARTER OVER QUARTER FAV/(UNF)	YEAR OVER YEAR FAV/(UNF)
Revenue					
Base management fees and other revenues	27,034	25,874	15,247	1,160	11,787
Performance fees–traditional Asset Class	3,651	519	799	3,132	2,852
Performance fees –Alternative Asset Class	324	5	85	318	239
	31,009	26,399	16,132	4,610	14,877
Expenses					
Selling, general and administration	18,267	16,278	12,554	(1,989)	(5,714)
External managers	287	713	166	425	(122)
Operating expenses	18,555	16,991	12,719	(1,565)	(5,835)
EBITDA *	12,454	9,408	3,413	3,046	9,042
Depreciation of property & equipment	259	228	202	(31)	(57)
Amortization of intangible assets	3,664	3,600	884	(64)	(2,780)
Capital asset write-off	-	-	-	-	-
Interest on debt	1,006	1,076	-	70	(1,006)
Accretion on purchase price obligation payments	619	625	-	6	(619)
Other expenses	2,171	520	906	(1,651)	(1,265)
Change in fair value of derivative financial instrument	627	(1,395)	-	(2,022)	(627)
Income taxes	1,021	1,746	591	725	(430)
NET (LOSS) EARNINGS	3,086	3,008	829	77	2,257
PER SHARE					
EBITDA	0.22	0.17	0.09	0.05	0.13
Basic and diluted (loss) earnings	0.05	0.05	0.02	-	0.03
Adjusted net earnings *	0.16	0.12	0.08	0.04	0.08

*EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to “Non-IFRS Measures” on page 32.

Table 2 – Statement of income & AUM (continued)

STATEMENTS OF INCOME DATA ($ in thousands)

	FOR THE 15-MTH ENDED	FOR THE 12- MONTHS ENDED		VARIANCE FAV/(UNF)	
	DECEMBER 31, 2012	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011	DEC 2012 VS SEPT 2011	SEPT 2012 VS SEPT 2011
Revenue					
Base management fees and other revenue	109,741	82,707	66,202	43,539	16,505
Performance fees – Traditional Asset Class	5,036	1,385	681	4,356	704
Performance fees – Alternative Asset Class	551	227	3,260	(2,709)	(3,033)
	115,328	84,319	70,143	45,185	14,176
Expenses					
Selling, general and administration	74,236	55,969	47,180	(27,056)	(8,789)
External managers	1,989	1,702	2,693	704	991
Operating expenses	76,225	57,670	49,873	(26,352)	(7,797)
EBITDA *	39,103	26,649	20,270	18,833	6,379
Amortization of property & equipment	1,136	877	812	(324)	(65)
Amortization of intangible assets	12,609	8,945	3,440	(9,170)	(5,506)
Capital asset write-off	-	-	490	490	490
Interest on debt	2,940	1,934	-	(2,940)	(1,934)
Accretion on purchase price obligation payments	1,863	1,245	-	(1,863)	(1,245)
Change in fair value of derivative financial instrument	1,491	864	-	(1,491)	(864)
Other expenses	13,255	11,083	2,614	10,641	(8,470)
Income taxes	2,782	1,760	4,143	1,362	2,383
NET (LOSS) EARNINGS	3,026	(60)	8,771	(5,745)	(8,831)
PER SHARE					
EBITDA	0.76	0.54	0.55	(0.21)	(0.01)
Basic and diluted (loss) earnings	0.06	0.00	0.24	(0.18)	(0.24)
Adjusted net earnings *	0.58	0.41	0.44	0.13	(0.04)

*EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 32.

Table 3 - Selected Balance Sheet Information

(in thousands of dollars)	(Audited) DECEMBER 31, 2012	(Audited) SEPTEMBER 30, 2011
Cash, restricted cash & investments	12,845	1,201
Receivables	29,888	16,414
Other current assets	1,216	716
Goodwill & intangible assets	458,980	141,219
Investments in joint ventures	6,879	1,333
Other long-term assets	6,966	2,687
Total assets	516,774	163,570
Current liabilities	31,293	11,258
Deferred income taxes	20,264	10,079
Long-term debt	107,521	-
Fair value of purchase price obligation payments	56,503	-
Derivative financial instrument	1,491	-
Other long-term liabilities	1,963	1,396
Equity	297,739	140,837
Total liabilities and equity	516,774	163,570

RESULTS FROM OPERATIONS AND OVERALL PERFORMANCE

Assets Under Management

Table 4 – Assets Under Management

	3 months ended		15 months ended	12 months ended	
($ in millions)	DECEMBER 31, 2012	DECEMBER 31, 2011	DECEMBER 31, 2012	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011
AUM - Beginning of period	55,221	29,029	29,020	29,020	30,755
Net variance	1,252	(100)	2,025	773	1,735
Natcan & CWM acquisition	570	-	25,998	25,427	-
AUM - end of period	57,043	28,920	57,043	55,221	29,020

Table 5 – Assets Under Management by Sector – Quarterly activity Continuity Schedule ($ in millions)

	SEPTEMBER 30, 2012	NEW	LOST	MARKET	ACQUISITION	DECEMBER 31, 2012
Institutional	30,573	328	(469)	363		30,794
Private Wealth	1,098	96	(13)	26	570	1,777
Retail	23,551	834	(43)	130		24,473
AUM–end of period	55,221	1,257	(525)	520	570	57,043

Quarterly activity

Total AUM increased by $1.8 billion or 3.3% to $57.0 billion during the quarter ended December 31, 2012, compared to AUM of $55.2 billion as at September 30, 2012. The increase is attributable to market appreciation combined with new AUM as well as the addition of CWM with $570 AUM as of December 1, 2012.

Table 6 – Assets Under Management by Sector – fifteen-month activity Continuity Schedule ($ in millions)

	SEPTEMBER 30, 2011	15 months NET VARIANCE	ACQUISITION	DECEMBER 31, 2012
Institutional	22,117	2,370	6,308	30,794
Private Wealth	1,356	(258)	678	1,777
Retail	5,547	(87)	19,012	24,472
AUM- end of period	29,020	2,025	25,998	57,043

Fifteen-month activity

Total AUM increased by $28.0 billion or 96.6% to $57.0 billion as at December 31, 2012 compared to AUM of $29.0 billion as at September 30, 2011. The increase is mainly due to higher AUM following Natcan acquisition totaling $25.4 billion and CWM acquisition totaling $0.6 billion. On a twelve-month basis, for the period ended September 2012 total AUM increased by $26.2 billion or 90.3% to $55.2 billion as at September 30, 2012 compared to AUM of $29.0 billion as at September 30, 2011. The increase was mainly due to higher AUM following Natcan acquisition totaling $25.4 billion.

Revenue

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

Table 7 – Revenue: Quarterly Activity ($ in thousands)

	3 months ended			Variance	
	DECEMBER 31, 2012	SEPTEMBER 30, 2012	DECEMBER 31, 2011	Quarter Over Quarter	Year Over Year
Institutional	13,791	13,316	9,512	475	4,280
Private Wealth	2,271	1,878	2,247	393	23
Retail	10,961	10,680	4,488	292	7,484
Total Management fees and other revenues	27,034	25,874	15,247	1,160	11,787
Performance fees – Traditional asset class	3,651	519	799	3,132	2,852
Performance fees – Alternative asset class	324	5	85	318	239
Total Performance fees	3,975	525	885	3,450	3,090
Total revenue	31,009	26,399	16,132	4,610	14,877

December 31, 2012 compared to December 31, 2011

Revenue for the three-month period ended December 31, 2012 increased by $14.9 million or 92.2% to $31.0 million compared to $16.1 million for the same period in prior year. The increase in revenues is due to a higher AUM base hence higher management fees of $11.8 million combined with higher performance fees of $3.1 million.

Management fees: Increase of $11.8 million or 77.31%

The increase in AUM translated into an additional $11.8 million in revenues throughout the overall company and the impact on revenue by sector is the following:

› Revenues for the Institutional sector increased by $4.3 million or 45.11% for the three-month period ended December 31, 2012 compared to the same quarter of 2011 due to the Natcan acquisition as well as additional AUM following sales efforts.

› Revenues for the Private Wealth remained stable for the three-month period ended December 31, 2012.

› Revenues for the Retail sector increased by $7.5 million or over 100% for the three-month period ended December 31, 2012 mainly due to the addition of Natcan.

Performance fees:

The three-month period ended December 31, 2012 recorded an increase in performance fees from Traditional asset class of $2.9 million or over 100% combined with additional performance fess from alternative asset class of $0.2 million or over 100%.

December 31, 2012 compared to September 30, 2012

Revenue for the three-month period ended December 31, 2012 rose by $4.5 million or 17.46% at $31.0 million compared to $26.4 million for the three-month period ended September 30, 2012.

Management fees: Increase of $1.2 million or 4.5%

The increase in management fees of $1.2 million or 4.48% is attributable to higher quarterly average AUM base and results in the following variations by sector:

› The Institutional revenues increased by $0.5 million to $13.8 million for the three-month period ended December 31, 2012 compared to the quarter ended September 30, 2012 mainly due additional AUM due to marketing and sales efforts.

› Revenues for the Private Wealth increased by $0.4 million to $2.4 million compared to the previous quarter ended September 30, 2012 mainly due to the inclusion of one month revenue following CWM acquisition.

› Revenues for the Retail sector increased by $0.3 million at $10.7 million for the three-month period ended December 31, 2012 compared to the quarter ended September 30, 2012 due positive cash flows during the quarter ended December 31, 2012.

Performance fees:

Higher performance fees related to Traditional asset class of $3.1 million or over 100% combined with higher performance fees related to Alternative asset class of $0.3 million or over 100% were realized in the period.

Table 8 – Revenue: Year-to-date Activity ($ in thousands)

	15 months ended	12 month ended		15-month vs. prior year 12-month period		12-month vs. prior year 12-month period	
	DECEMBER 31, 2012	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011	Variance $	%	$	%
Institutional	59,802	46,010	39,428	20,374	51.7	6,583	16.7
Private Wealth	10,452	8,181	10,472	(21)	(0.2)	(2,291)	(21.9)
Retail	39,487	28,516	16,302	23,185	142.2	12,214	74.9
Management fees and other revenues	109,741	82,707	66,202	43,539	65.8	16,505	24.9
Performance fees – Traditional asset class	5,036	1,385	681	4,356	639.9	704	103.5
Performance fees – Alternative asset class	551	227	3,260	(2,709)	(83.1)	(3,033)	(93.0)
Total Performance fees	5,587	1,612	3,941	1,647	41.8	(2,329)	(59.1)
Total revenue	115,328	84,319	70,142	45,185	64.4	14,177	20.2

Fifteen months ended December 31, 2012 compared to twelve months ended September 30, 2011

Revenue for the fifteen-month period ended December 31, 2012 increased by $45,2 million or 64.4% to $115.3 million from $70.1 million for the twelve-month period ended September 30, 2011 resulting from the addition of a fifth quarter in the current Fiscal Year, Natcan and CWM acquisitions combined with higher AUM base as well as higher performance fees.

Excluding the additional fifth quarter of 2012 analyzed previously and when comparing a twelve-month period basis, revenues for the twelve-month period ended September 30, 2012 increased by $14.2 million to $84.3 million from $70.1 million for the twelve-month period ended September 30, 2011 resulting from the addition of Natcan offset by a decrease in performance fees.

Management fees: Increase of $43,5 million or 65.8%

The increase in Management fees of $43.5 million or 65.8% to $109.7 million for the fifteen-month period ended December 31, 2012 versus the twelve-month period ended September 30, 2011 is mainly due to the Natcan and CWM acquisition combined with additional sales and positive cash flows as well as the addition of a quarter. The variation in revenues by sector was:

› The Institutional sector's revenues increased by $20.4 million at $59.8 million for the fifteen-month period ended December 31, 2012 compared to the twelve-month period ended September 30, 2011 mainly due to the addition of Natcan and New sales.

› Revenues for the Private Wealth were stable at $10.5 million for the fifteen-month period ended December 31, 2012 compared to $10.5 million for the twelve-month period ended September 30, 2011. Revenues were positively impacted by the addition of one month in revenue following CWM acquisition offset by a shortfall in revenues.

- Revenues for the Retail sector has seen an increase of $23.2 million for the fifteen-month period ended December 31, 2012 compared to the twelve-month period ended September 30, 2011. A rise in revenues following the Natcan acquisition as well as positive cash flows mainly explains the revenue increase.

Performance fees:

Higher performance fees of $1.6 million or over 41.79% were realized in the period. The increase of $1.6 million is the results of higher performance fees related to Traditional asset classes of $4.4 million offset by lower performance fees on the Alternative asset class of $2.7 million.

Selling, general and administration

Current quarter vs. prior year quarter

SG&A expenses increased by $5.7 million or 45.5% to $18.3 million for the three-month period ended December 31, 2012 compared to $12.6 million last year's same period. The increase is mainly due to the inclusion of Natcan related costs. Namely, higher compensation costs of $3.6 million and also, higher marketing and servicing, reference fees as well as higher information technology related expenses of $1.0 million, higher rent of $0.2 million and higher professional fees of $0.2 million. The quarter also included a $0.5 million contractual expense to National Bank related to recognized revenues in December 2012 for the first quarter ended March 2012 since the acquisition occurred April 1st 2012.

Current quarter vs. previous quarter

SG&A expenses increased by $2.0 million or 12.2% to $18.3 million for the three-month period ended December 31, 2012 compared to $16.3 million for the quarter ended September 30, 2012. The increase is mainly due to higher compensation costs of $1.5 million combined with a $0.5 million contractual expense to National Bank related to recognize revenues for the first quarter ended March 2012 and the acquisition occurred April 1st 2012.

YTD 15-month period vs. prior year 12-month period

SG&A expenses increased by $27.1 million or 57.3% to $74.2 million for the fifteen-month period ended December 31, 2012 compared to $47.2 million for last year twelve-month period ended September 2011. The increase is due to higher expenses for compensation representing an increase of $20.0 million combined with an increase in marketing and servicing and information technology related expenses of $3.9 million as well as higher rent of $1.3 million, reference fees and other of $2.3 million offset by lower professional fees of $0.9 million and the inclusion of a $0.5 million contractual expense to National Bank related to recognized in December 2012 revenues for the first quarter ended March 2012 since the acquisition occurred April 1st 2012.

The increase is mainly due to the inclusion of Natcan related costs as well as the addition of the fifth quarter ended December 2012 amounting to $18.3 million here above analyzed.

YTD 12-month period vs. prior year 12-month period

For better comparison, on a 12-month basis, SG&A expenses increased by $8.8 million or 18.6% to $56.0 million for the twelve-month period ended September 30, 2012 compared to $47.2 million for last year twelve-month period ended September 30, 2011. The increase is due to higher expenses for compensation representing an increase of $7.0 million combined with an increase in marketing and servicing and information technology related expenses of $2.2 million as well as higher rent of $0.5 million, reference fees and other of $0.7 million offset by lower professional fees of $1.6 million. The increase is mainly due to the inclusion of Natcan related costs.

External managers

Current quarter vs. prior year quarter

External managers' expenses increased by $0.1 million or 73.7% to $0.3 million for the three-month period ended December 31, 2012 from $0.3 million for the three-month period ended September 30, 2011. The increase is mainly due to additional expenses following the acquisition of Natcan.

Current quarter vs. previous quarter

External managers' expenses decreased by $0.4 million or 59.6% to $0.3 million for the three-month period ended December 31, 2012 compared to the three-month period ended September 30, 2012. The decrease is due to the termination of external managers expenses related to specific funds from Natcan.

YTD 15-month period vs. prior year 12-month period

External managers' expenses decreased by $0.7 million or 26.1% to $2.0 million for the fifteen-month period ended December 31, 2012 from $2.7 million for the previous twelve-month period ended September 30, 2011. The decrease is due to the repatriation of the management of the externally managed assets within the Firm in line with our plan and therefore reducing the external managers' expenses

YTD 12-month period vs. prior year 12-month period

On a twelve-month comparable period, external managers' expenses decreased by $1.0 million or 36.8% to $1.7 million for the twelve-month period ended September 30, 2012 from $2.7 million for the previous twelve-month period ended September 30, 2011. The decrease is due to the repatriation of the management of the externally managed assets within the Firm in line with our plan and therefore reducing the external managers' expenses.

Amortization

Depreciation of property and equipment remained stable at $0.3 million for the three-month period ended December 31, 2012 compared to $0.2 million for the twelve-month period of 2011 and remained stable at $0.3 million compared to the quarter ended September 30, 2012. Depreciation of property and equipment increased by $0.3 million or 39.9% to $1.1 million for the fifteen-month period ended December 31, 2012 compared to $0.8 million for the twelve-month period ended September 30, 2011 mainly due to the addition of a fifth quarter.

Amortization of intangible assets increased by $2.8 million or over 100% at 3.7 million for the three-month period ended December 31, 2012 following the Natcan acquisition, compared to the quarter ended December 31, 2011 and remained stable compared to the previous quarter ended September 30, 2012. Amortization of intangible assets increased by $9.2 million or over 100% to $12.6 million for the fifteen-month period ended December 31, 2012 compared to $3.4 million for the same period in 2011.

On a twelve-month basis, amortization of intangible assets increased by $5.5 million or over 100% to $8.9 million for the twelve-month period ended September 30, 2012 compared to $3.4 million for the same period in 2011.

Interest

Following the Natcan acquisition, the three-month period ended December 31, 2012 included an interest on long term debt and other financing charges of $1.0 million and the accretion on purchase price obligation payments of $0.6 million compared to none in the comparable period of 2011 and remained stable compared to the previous quarter ended September 30, 2012.

Other expenses

Current quarter vs. prior year quarter

Other expenses increased by $1.3 million or over 100% for the three-month period ended December 31, 2012 to $2.2 million compared to $0.9 million for the same period of 2011. The increase is due higher restructuring costs and severance payments of $1.5 million related to the Natcan and CWM acquisitions offset by higher revenues of $0.2 million related to the Joint venture.

Current quarter vs. previous quarter

Other expenses increased by $1.7 million or over 100% for the three-month period ended December 31, 2012 to $2.2 million compared to $0.5 million for the previous quarter ended September 30, 2012. The increase is due to non-recurring costs related to the Natcan and CWM transactions namely restructuring costs and severance payments of $1.8 million in comparison of the inclusion in the September 30, 2012 quarter of a non-recurring acquisition charge as well as restructuring costs and severance payments related to Natcan of $0.6 million.

YTD 15-month period vs. prior year 12-month period

Other expenses increased by $10.6 million or over 100% for the fifteen-month period ended December 31, 2012 to $13.3 million compared to $2.6 million for the same period of 2011. The increase is mainly due to the inclusion of non-recurring costs of $13.5 million related to the Natcan and CWM transactions compared to a non-recurring charge of $3.4 million following restructuring and severance costs related to the business combination with Sceptre combined with lower revenues of $0.8 million from the Fiera Axium Joint Venture. The additional quarter amounting to $2.2 million contributes to the increase.

YTD 12-month period vs. prior year 12-month period

On a twelve-month comparison basis, other expenses increased by $8.5 million or over 100% for the twelve-month period ended September 30, 2012 to $11.1 million compared to $2.6 million for the same period of 2011. The increase is mainly due to the inclusion of non-recurring costs of $11.1 million related to the Natcan transaction compared to a non-recurring charge of $3.4 million following restructuring and severance costs related to the business combination with Sceptre combined with lower revenues of $0.8 million from the Fiera Axium Joint Venture.

Derivative Financial Instrument

During the quarter ended June 30, 2012, the Company has entered into derivative financial instruments that have not been designated for hedge accounting which consist of exchanging its variable rate for a fixed rate of 1.835 % ending in March 2017. These derivatives are measured at fair value at the end of each period, and the gain or loss arising from revaluation is recorded and reported under "Change in fair value of derivative financial instruments" in the statement of income. The variation in the fair value of the derivative financial instruments was recorded in the income statement as a loss at $0.6 million as at December 31, 2012, compared to compared to none in the three-month period ended December 31, 2011 and compared to a gain at $1.4 million as at September 30, 2012.

It is the Corporation's policy not to speculate on derivative financial instruments; accordingly, these instruments are normally purchased for risk management purposes and maintained until maturity.

EBITDA[1]

Current quarter vs. prior year quarter

For the three-month ended December 31, 2012 EBITDA increased year-over-year by $9.0 million or over 100% to $12.5 million mainly due to higher revenues of $14.9 million offset by an increase of $5.8 million in operating expenses.

EBITDA for the current quarter ended December 31, 2012 was driven by an increase in the base management fees compared to the same period of the previous year mainly due to the Natcan and CWM acquisitions. These elements were offset by an overall rise in operating expenses namely for SG&A and external managers following the inclusion of Natcan and CWM operations.

Current quarter vs. previous quarter

For the three-month ended December 31, 2012 EBITDA increased by $3.0 million or 32.4% at $12.5 million compared to the previous quarter ended September 30, 2012. The increase results from a combination of higher revenues of $4.6 million and higher operating expenses of $1.6 million.

YTD 15-month period vs. prior year 12-month period

EBITDA for the fifteen-month ended December 31, 2012 increased by $18.8 million or 92.9% to $39.1 million compared to $20.3 million for the twelve-month period ended September 30, 2011. Revenues for the fifteen-month period ended December 31, 2012 increased by $45.2million and was offset by $26.4 million in higher operating expenses. The addition of a fifth quarter at $12.5 million contributes to the increase year over year.

YTD 12-month period vs. prior year 12-month period

EBITDA for the twelve-month ended September 30, 2012 increased by $6.4 million or 31.5% to $26.6 million compared to $20.3 million for the same period ended September 30, 2011. Revenues for the twelve-month period ended September 30, 2012 increased by $14.2 million and was offset by $7.8 million in higher operating expenses.

[1]EBITDA is a non-IFRS measure. Please refer to “Non-IFRS Measures” on page 32.

*Net earnings (loss) and Adjusted Net Earnings**

Table 9 - Net earnings and adjusted net earnings ($ thousands)

	12 month ended September 30,2011	12 month ended September 30, 2012	Additional 3-month	15-month ended December 31, 2012
Net earnings	8,771	(60)	3,086	3,026
Non-cash items	5,060	11,413	4,623	16,037
Non-recurring items after tax	2,345	7,739	1,596	9,334
Adjusted Net earnings	16,176	19,092	9,305	28,397
Adjusted Net earnings per share	0.44	0.41	0.16	0.58

*Adjusted net earnings is a non-IFRS measure. Please refer to "Non-IFRS Measures" on page 32.
Certain totals, subtotals and percentage may not reconcile due to rounding

Current quarter vs. prior year quarter

For the quarter ended December 31, 2012, the Firm earned $3.1 million or $0.05 (basic and fully diluted) earnings per share. For the three-month period ended December 31, 2011, the Firm earned $0.8 million or $0.02 (basic and fully diluted) earnings per share. The increase of $2.3 million in net earnings is explained by higher base management fees of $11.8 million combined with higher performance fees impact of $3.1 million, offset by an overall increase in operating expenses of $5.8 million. Also, the addition of intangible assets amortization of $2.8 million, acquisition and restructuring costs of $1.5 million related to the Natcan and CWM transactions , the addition of an interest on long term debt of $1.0 million, higher income taxes of $0.4 million , the accretion on purchase price obligation payments of $0.6 million combined with the loss in fair value of the derivative financial instrument of $0.6 million contributed to the variation in the net earnings in the quarter ended December 31, 2012 versus last year comparable period ended December 31, 2011.

Current quarter vs. previous quarter

Compared to the quarter ended December 31, 2012, the Firm remained stable at $3.1 million or $0.05 (basic and fully diluted). Higher base management fees of $1.2 million combined with higher performance fees with an impact of $3.5 million, an overall increase in operating expenses of $1.6 million. Higher acquisition and restructuring costs of $1.8 million related to the Natcan and CWM transactions, a loss of $0.6 million recorded in the fair value of the derivative financial instrument as opposed to a gain of $1.4 million in the previous quarter which resulted in a unfavorable variation of $2.0 million and lower income taxes of $0.7 million explains the stable net earnings at $3.0 million.

The net earnings were negatively impacted by $4.6 million or $0.08 per share of non-cash items and $1.6 million or $0.03 per share of non-recurring costs (net of income taxes) during the quarter. When added back to the firm's net earnings of $3.1 million or $0.05 per share, the adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the three-month period ended December 31, 2012 were $9.3 million or $0.16 (basic and fully diluted) earnings per share.

The adjusted net earnings for the three-month periods ended December 31, 2011 and September 30, 2012 were respectively $ 2.8 million or $ 0.08 per share and $6.6 million or $0.12 per share.

YTD 15-month period vs. prior year 12-month period

For the fifteen-month period ended December 31, 2012, the Firm's net earnings was $3.0 million or $0.06 per share (basic and fully diluted). For the twelve-month period ended September 30, 2011, the Firm earned $8.8 million or $0.24 (basic and fully diluted). The decrease in net earnings is explained by higher revenues of $45.2 million offset by an overall increase in operating expenses of $26.4 million. Also, the addition of intangible assets amortization of $9.2 million, higher acquisition costs of $5.9 million and higher restructuring and severances costs of $4.2 million related to the Natcan transaction versus $3.4 million for restructuring costs following the Sceptre transaction in last year's comparable period, the addition of an interest on long term debt of $2.9 million, the accretion on purchase price obligation payments of $1.9 million and the change in fair value of the derivative financial instrument of $1.4 as well as lower income taxes of $1.4 million contributed to the decrease in net earnings.

The net earnings were negatively impacted by $16.0 million or $0.33 per share of non-cash items and $9.3 million or $0.19 per share of non-recurring costs (net of income taxes) during the fifteen-month period ended December 31, 2012. When added back to the firm's net earnings of $3.0 million or $0.06 per share, the adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the fifteen-month period ended December 31, 2012 were $28.4 million or $0.59 per share.

The adjusted net earnings for the twelve-month period ended September 30, 2011 was $16.2 million or $0.44 per share.

YTD 12-month period vs. prior year 12-month period

For a better comparability, the net earnings, on a twelve-month basis, fluctuated in the following manner:

For the twelve-month period ended September 30, 2012, the Firm's net loss was $0.1 million or nil per share (basic and fully diluted). For the twelve-month period ended September 30, 2011, the Firm earned $8.8 million or $0.24 (basic and fully diluted). The decrease of $8.8 million in net earnings is explained by an overall increase in operating expenses of $7.8 million combined with lower performance fees impact of $2.3 million. Also, the addition of intangible assets amortization of $5.5 million, higher acquisition costs of $4.3 million and the addition of restructuring costs of $6.7 million related to the Natcan transaction versus $3.4 million for restructuring costs following the Sceptre transaction in last year's comparable period, the addition of an interest on long term debt of $1.9 million, the accretion on purchase price obligation payments of $1.2 million and the change in fair value of the derivative financial instrument of $0.9 million contributed to a decrease in net earnings.

Finally, higher base management fees of $16.5 million and lower income taxes of $2.4 million offset the above elements contributed to the net earnings variance in the twelve-month period ended September 30, 2012 versus last year comparable period.

The net earnings were negatively impacted by $11.4 million or $0.25 per share of non-cash items and $7.7 million or $0.17 per share of non-recurring costs (net of income taxes) during the twelve-month period ended September 30, 2012. When added back to the firm's net earnings of $0.1 million or nil per share, the adjusted net earnings, as defined on page 32 (a non-IFRS measure of performance), for the twelve-month period ended September 30, 2012 were $19.1 million or $0.41 per share.

The adjusted net earnings for the twelve-month period ended September 30, 2011 was $16.2 million or $0.44 per share.

SUMMARY OF QUARTERLY RESULTS

This quarterly information is unaudited but has been prepared on an IFRS basis. The AUM, total revenue, EBITDA, and net earnings of the Firm, on a consolidated basis, including amounts on a per share basis for each of the Firm most recently completed eight quarterly periods, are as follows:

Table 10 – Quarterly Results ($ in thousands except AUM $ in millions):

	Q5 Dec. 31 2012	Q4 Sept. 30 2012	Q3 June 30 2012	Q2 Mar. 31 2012	Q1 Dec. 31 2011	Q4 Sept. 30 2011	Q3 June 30 2011	Q2 Mar. 31 2011
AUM	57,043	55,221	53,915	28,691	28,920	29,020	30,060	29,452
Total Revenue	31,009	26,399	26,257	15,531	16,131	16,072	17,578	17,936
EBITDA	12,454	9,408	10,424	3,403	3,411	3,993	5,064	4,310
Net (loss) earnings	3,086	3,008	(3,463)	(435)	829	1,246	2,812	1,897
PER SHARE								
EBITDA *	0.22	0.17	0.18	0.09	0.07	0.11	0.12	0.11
Basic and diluted net (loss) earnings	0.05	0.05	(0.06)	(0.01)	0.02	0.03	0.08	0.05
Adjusted net earnings*	0.16	0.12	0.13	0.07	0.08	0.08	0.12	0.12

* EBITDA and Adjusted net earnings are non-IFRS measures. Please refer to "Non-IFRS Measures" on page 32.
Certain totals, subtotals and percentage may not reconcile due to rounding

Results and trend analysis

AUM

AUM increased in the three-month period ended December 31, 2012 due to the acquisition of CWM in December 2012, market appreciation as well as additional AUM resulting from Marketing and sales efforts. The acquisition of Natcan AUM in April 2012 contributed to the AUM increase in the June 30, 2012 ended quarter and previously, after the combination with Sceptre on September 1, 2010, the assets under management had remained fairly stable.

Revenue

December 31, 2012 ending quarter revenues increased following higher performances fees, positive cash flows and market combined with the addition of one month in revenues related to CWM acquisition. The previous quarter ended September 2012 was stable vs. the quarter ended June 30, 2012 which was characterized by the acquisition of Natcan translating into additional revenues of $10.8 million.

EBITDA

The EBITDA has fluctuated with a low of $3.4 million and a high of $12.4 million. The current quarter ended December 2012 was positively impacted by performance fees as well as additional AUM base revenues following Sales efforts. The acquisition of Natcan on April 2, 2012 has contributed to the rise in EBITDA and the business combination with Sceptre on September 1, 2010 has contributed in the growth of the EBITDA in the quarters following the merger. Quarters between September 30, 2011 and March 31, 2012, experienced a shortfall in the EBITDA and were characterized by a rise in operating expenses due to the strong investment performance of our investment teams namely the Fixed Income and Global teams translating into an increase in compensation expenses combined with the continuation of strategic initiatives investments such as the USA branch office and the Real Estate fund and related set-up costs.

Net earnings

The net earnings have fluctuated with a low of $3.5 million loss and a high of $3.1 million earnings. The business combination with Sceptre on September 1, 2010 explained the growth in the net earnings and since that period, various initiatives and non-recurring costs related to the Natcan transaction have contributed to the decrease in net earnings in recent quarters namely for the June 30, 2012 quarter ended. In addition, the current quarter net earnings remained stable when compared to the June 30, 2012 quarter.

Adjusted net earnings

The adjusted net earnings per share are a good performance indicator of the business capacity to generate cash flow. Post-Sceptre acquisition, the Firm had been performing consistently at an adjusted net earnings of approximately $0.12 per share per quarter. The first quarter after the Natcan acquisition was closed with an adjusted net earnings of $0.13 per share, the following quarter ended September 30, 2012 closed with an adjusted net earnings of $0.12 per share and the current quarter ended December 31, 2012 recorded an adjusted net earnings of 0.16 per share mainly due to additional performance fees recorded in the quarter.

LIQUIDITY

Cash flows

The following table provides additional details regarding Fiera Capital's cash flows.

Table 11 – Summary of Consolidated Statements of Cash Flows for the period ended:

(in thousands of dollars - unaudited)	DECEMBER 31, 2012	SEPTEMBER 30, 2011
	15 MONTHS	12 MONTHS
Cash provided by operating activities	17,888	8,442
Cash (used) provided by investing activities	(107,631)	534
Cash provided (used) by financing activities	95,793	(10,187)
Increase (decrease) in cash and cash equivalents	6,050	(1,211)
Cash and cash equivalents, beginning of year	(34)	1,177
Cash and cash equivalents, end of period	6,016	(34)

Cash provided by operating activities was $17.9 million for the fifteen months ended December 31, 2012 compared to $8.4 million provided for the twelve-month ended September 30, 2011. The variation is mainly explained by the Natcan acquisition in April 2012 and an additional quarter computed in the December 31, 2012 results

Cash used in investing activities of $107.6 million for the fifteen months ended December 31, 2012 results mainly from the addition of $92.4 million payment for the recently acquired Natcan combined with a $5.1 million subscription of capital in Fiera Properties, the Firm's Real Estate joint venture.

The cash provided by the financing activities of $95.8 million for the fifteen months ended December 31, 2012 results from an additional long term debt of $108.0 million following the Natcan acquisition on April 2, offset by Interests and financing charges of $2.8 million and dividend payments of $19.4 million. Lastly, issuance of capital stock of $1.5 million contributed to the positive cash from financing activities in the current period.

Long Term Debt

Following the Natcan acquisition on April 2, 2012, the Firm has a long term debt of $108 million. The unsecured loan bearing interest at banker's acceptances rate plus a variable premium maturing on March, 2017, repayable in quarterly instalments of $ 2.0 million starting in June 2015 up to March 2017. On May 1st, 2012, the Company entered into an interest rate swap agreement of a notional amount of $108 million which consist of exchanging its variable rate for a fixed rate of 1.835 % ending in March 2017, payable in monthly instalments.

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants as to minimum financial ratios. These restrictions are composed of ratio funded debt to EBITDA and interest coverage ratio. EBITDA, a non IFRS measure, means on a consolidated basis, the net earnings of the Borrower before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to Acquisitions and other non-cash items and shall include various items.

Bank Loan

The Company has an unsecured authorized revolving facility of $10.0 million bearing interest at prime rate plus a premium varying from 0% to 1 % or at banker acceptance rate plus a premium rate varying from 1% to 2%, maturing in March 2017. The covenant is the same as the long term debt.

Off-balance sheet arrangements

At December 31, 2012 and September 30, 2011, Fiera Capital did not engage in any off-balance sheet arrangements, including guarantees, derivatives, other than the interest swap as detailed under the long-term section above, and variable interest entities. We do not anticipate entering into such agreements.

Legal proceedings

Fiera Capital may become involved in various claims and litigation as a part of its business. While the Firm cannot predict the final outcome of claims and litigation that were pending at December 31, 2012, 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.

Post-employment benefit obligations

The Company contributes to defined contribution plans for its employees. Contributions for the 15 month period ended December 31, 2012 amount to $1.3 million ($0.8 million for the 12 month period ended September 30, 2011).

As part of the business combination referred in Note 4, the Company assumed the role of sponsor of individual pension plan ("IPP") which had been established by the Company for former employees. Under pension legislation, while the IPPs are ongoing, the Company has no legal requirement to make contributions towards any solvency deficiencies under the IPPs. However, the Company has a legal requirement regarding the funding of ongoing deficit. These IPPs are valued on a triennial reporting cycle. The most recent actuarial valuation was performed as at October 1, 2011 and the next actuarial valuation dates is January 1, 2015.

As at October 1, 2011 two former executive employees had an ongoing funding deficit of $1.6 million. The funding requirement, if any, will be confirmed at the termination date of the plan.

Share capital

As at December 31, 2012 the Company had 35,368,114 Class A subordinate voting shares and 21,207,964 Class B special voting shares for a total of 56,576,078 shares outstanding compared to 15,367,666 Class A subordinate voting shares and 21,207,964 Class B special voting shares for a total of 36,575,630 shares outstanding, as at September 30, 2011.

On October 6, 2011, the board of directors adopted an Employee Share Purchase Plan (ESPP) for the purposes of attracting and retaining eligible employees, therefore allowing them to participate in the growth and development of the Company. The maximum number of issuable Shares under this plan is 1.5 million Class A subordinate voting shares. The Board may determine the subscription date and the number of shares each eligible employee can subscribe to. The subscription price is determined by the volume-weighted, average trading price (VWAP) of Company shares on the TSX for the five trading days immediately preceding the date of the subscription Date.

Share-based compensation

A summary of the changes that occurred during the 15 months ended December 31, 2012 and the 12 months ended September 30, 2011 in the Company share based plans is presented below:

Table 12 – Options

	December 31, 2012		September 30, 2011	
	Number of common shares	Weighted-average exercise price	Number of common shares	Weighted-average exercise price
		$		$
Outstanding – beginning of year	1,630,072	5.93	1,135,878	4.25
Granted	986,939	8.22	709,028	8.39
Exercised	(181,401)	4.16	(139,573)	5.54
Expired	-	-	(7,200)	6.15
Forfeited	(145,217)	8.13	(68,061)	4.10
Outstanding – end of year	2,290,393	6.92	1,630,072	5.93
Options exercisable – end of year	707,172	5.88	320,875	4.75

INTERNAL CONTROL OVER FINANCIAL REPORTING

During the fifth quarter ended December 31, 2012, no change to internal control over financial reporting of Fiera Capital has occurred that has materially affected, or is reasonably likely to have materially affected, such internal control over financial reporting.

Management of the Company has evaluated the effectiveness of its disclosure controls and procedures and internal controls over financial reporting (as defined under National Instrument 52-109) as of December 31, 2012, under the supervision of the Chief Executive Officer and the Senior Vice President, Finance. Based on that evaluation, the Chief Executive Officer and the Senior Vice President, Finance has concluded that the design and operation of those disclosure controls and procedures and internal controls over financial reporting were adequate and effective as of December 31, 2012.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and financial liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, currency risk and liquidity risk. The following analysis provides a measurement risk as at December 31, 2012.

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 sheet includes 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 due primarily to market risk, including interest rate and equity market fluctuation risks, credit risk and liquidity 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 and pooled 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, pooled fund and fixed income available-for-sale financial assets held.

The Company manages its investment portfolio with a medium risk mandate. Its 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 December 31, 2012, comprises mutual fund and pooled fund investments under its management with a fair value of $6.5 million. Mutual fund and pooled investments comprise a well-diversified portfolio of Canadian investments. Mutual fund and polled fund units have no specific maturities.

A 10% change in the Company's equity and equity-related holdings in other comprehensive income as at December 31, 2012 has an impact of increasing or decreasing other comprehensive income by $0.7 million.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party.

The 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.

Interest rate risk

The Company's interest rate risk arises from long-term debt and the bank loan. Long-term debt issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. The Company obtained the long-term dept at a floating rate and swaps it into fixed rates that are lower than those available if the Company borrowed at fixed rates directly. Under the interest rate swap, the Company agrees with the counter party to exchange, at specified intervals, the difference between the fixed contract rate and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Currency risk

The Company realizes less than 1% of its revenue principally in US dollars and is thus not significantly exposed to foreign exchange fluctuations. The Company does not actively manage this risk. Refer to note 6. Financial Instruments of the Consolidated Financial Statements for additional information.

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. Refer to note 6. Financial Instruments of the Consolidated Financial Statements for additional information.

Determination of fair value of derivative financial instruments

The fair value of the financial instruments represents the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The following methods and assumptions were used to measure fair value.

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

Derivative financial instruments consist primarily of swap contracts. The Company determines the fair value of its derivative financial instruments using the purchase or selling price, as appropriate, in the most advantageous active market to which the Company has immediate access. When there is no active market for derivative financial instruments, the Company determines the fair value by applying valuation techniques, using available information on market transaction involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where appropriate. The Company ensures, to the extent practicable, that its valuation technique incorporates all factors that market participants would consider in setting a price and that it is consistent with accepted economic methods for pricing financial instruments. The carrying amounts of derivative financial instruments classified as cash flow hedge as at December 31, 2012 was $1.5 million.

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, respecting Registration Requirements and Exemptions.

As at December 31, 2012, all debt covenant requirement and exemptions have been respected.

SIGNIFICANT ACCOUNTING POLICIES

International financial reporting standards (IFRS)

Our consolidated financial statements represent our results and financial position under IFRS and have been prepared in accordance with IAS 34, Interim Financial Reporting, and with IFRS 1, First-time Adoption of IFRS, as issued by the International Accounting Standards Board (IASB) and in accordance with our accounting policies. Previously, our consolidated annual and interim financial statements were prepared in accordance with Canadian GAAP. The adoption of IFRS has not had a material impact on our overall performance, strategic decisions or underlying trends of our operations.

Impact of transition to IFRS

IFRS 1, First-time adoption of international financial reporting standards sets forth guidance for the initial adoption of IFRS. Our analysis of IFRS and comparison to our accounting policies under Canadian GAAP determined that we were generally aligned with IFRS in many areas, but also identified a number of key differences. Refer to our audited consolidated financial statements and our MD&A for the year ended September 30, 2011, for explanations of these differences and adjustments.

IFRS 1 provides both mandatory exceptions and optional exemptions. In general, we have chosen to apply certain optional exemptions to reduce the complexity involved in converting to IFRS. Refer to note 13 of our interim consolidated financial statements for the three months ended December 31, 2011 for more details on the significant IFRS 1 exemptions we have taken and reconciliations between our 2011 results previously prepared under Canadian GAAP and to those under IFRS. The reconciliations include the total equity as at October 1, 2010, December 31, 2010, and September 30, 2011, and net earnings (loss) and comprehensive income (loss), for the three months ended December 31, 2010, and year ended September 30, 2011. Our IFRS accounting policies are provided in note 2 to our consolidated financial statements.

NON-IFRS 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 property and equipment and intangible assets, retention bonus and certain acquisition costs.

Adjusted net earnings is calculated as the sum of net earnings, non-cash items, namely depreciation, amortization and impairment loss of property and equipment and intangible assets and non-recurring expenses, namely, special bonuses and certain acquisition and restructuring costs.

We have included Non-IFRS measures to provide investors with supplemental measures of our operating and financial performance. We believe Non-IFRS measures are important supplemental metrics of operating and financial performance because they 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 IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use Non-IFRS measures in the evaluation of issuers, many of which present Non-IFRS measures when reporting their results. Our management also uses Non-IFRS measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess our ability to meet our future debt service, capital expenditure and working capital requirements. Non-IFRS measures are not presentations made in accordance with IFRS. For example, certain or all of the Non-IFRS measures do not reflect: (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt; and (d) income tax payments that represent a reduction in cash available to us. Although we consider the items excluded in the calculation of Non-IFRS 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-IFRS measures described above is appropriate. However, these Non-IFRS 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 IFRS. Because of these limitations, we primarily rely on our results as reported in accordance with IFRS and use the Non-IFRS measures only as a supplement. In addition, because other companies may calculate Non-IFRS measures differently than we do, they may not be comparable to similarly-titled measures reported by other companies.

RISKS OF THE BUSINESS

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

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

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

Poor investment performance, whether relative to Fiera Capital's competitors or otherwise, could result in the withdrawal of funds by existing clients in favour of better performing products and would have an adverse impact upon Fiera Capital's ability to attract funds from new and existing clients, any of which could have an adverse impact on Fiera Capital's AUM, Management Fees, profitability and growth prospects. In addition, Fiera Capital's ability to earn Performance Fees is directly related to its investment performance and therefore poor investment performance may cause Fiera Capital to earn less or no Performance Fees. Fiera Capital cannot guarantee that it will be able to achieve positive relative returns, retain existing clients or attract new clients.

Reliance On a Major Customer

As part of the Natcan Transaction, Fiera Capital entered into an Assets Under Management Agreement with Natcan and National Bank. Following the Natcan Transaction, National Bank became the largest client of Fiera Capital with $21,2 billion of AUM as of December 31, 2012, representing approximately 37% of Fiera Capital's $57 billion in AUM. Termination of the agreement or failure to renew the term of this agreement could result in a significant reduction of Fiera Capital's AUM which could have a material adverse effect on its business, prospect financial condition and results of operations.

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

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

Fiera Capital has taken, and will continue to take, steps to encourage its key employees to remain with Fiera Capital. These steps include providing a stock option plan, a short-term incentive plan and the Employee Share Purchase Plan, as well as a working environment that fosters employee satisfaction. We are confident that these measures, aimed at being an employer of choice, will be efficient at retaining these individuals, even if we face increasing competition for experienced professionals in the industry, and that Fiera Capital will be able to recruit high quality new employees with the desired qualifications in a timely manner, when required.

Integration of the Acquired Businesses

The success of the expected benefits from any acquisition completed or that may be completed by Fiera Capital will depend, in part, on the ability of management of Fiera Capital to realize the anticipated benefits and cost savings from integration of the businesses of Fiera Capital and those acquired. The integration of the businesses may result in significant challenges, and management of Fiera Capital 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 Capital to maintain relationships with customers, suppliers, employees or to achieve the anticipated benefits of any acquisition.

The integration of Fiera Capital and any acquired business 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 Capital will be able to integrate the operations of each acquired business successfully or achieve any of the synergies or other benefits that were anticipated as a result of an acquisition. Any inability of management to successfully integrate the operations of Fiera Capital and those contemplated by an acquisition, including, information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of Fiera Capital.

Competitive pressures could reduce revenues

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

Conflicts of interest and reputational risk

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

Reputational risk is the potential that adverse publicity, whether true or not, may cause a decline in Fiera Capital's earnings or client base due to its impact on Fiera Capital's corporate image. Reputational risk is inherent in virtually all of Fiera Capital's business transactions, even when the transaction is fully compliant with legal and regulatory requirements. Reputational risk cannot be managed in isolation, as it often arises as a result of operational, regulatory and other risks inherent in Fiera Capital's business. For this reason, Fiera Capital'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 Capital's employees are required to observe.

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

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

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

There have been a number of highly-publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and, notwithstanding the extensive measures Fiera Capital takes to deter and prevent such activity (including by instituting its code of ethics and conduct), Fiera Capital runs the risk that employee misconduct could occur. Misconduct by employees could include binding Fiera Capital to transactions that exceed authorized limits or present unacceptable risks, or concealing from Fiera Capital unauthorized or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks or losses. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. Fiera Capital is also susceptible to loss as a result of employee error. It is not always possible to deter employee misconduct or prevent employee error and the precautions Fiera Capital takes to prevent and detect these activities may not be effective in all cases, which could materially adversely affect Fiera Capital's business, financial condition or profitability.

Regulatory *and litigation risk*

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

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

Litigation risk is inherent in the investment management industry in which Fiera Capital operates. Litigation risk cannot be eliminated, even if there is no legal cause of action. The legal risks facing Fiera Capital, its directors, officers, employees and agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' Funds. In addition, with the existence of the secondary market civil liability regime in certain jurisdictions, dissatisfied shareholders may more easily make claims against Fiera Capital, its directors and its officers.

Indebtedness

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

These covenants limit their ability to, among other things:

- incur, create, assume, or suffer to exist additional debt for Borrowed Money (as defined therein);
- create, assume, or otherwise become or maintain in respect of, or permit to be outstanding certain guarantees;
- pay dividends on, redeem or repurchase Fiera Capital's capital stock;
- make investments and loans;
- create, incur, assume or suffer to exist certain liens; engage in certain mergers, acquisitions, asset sales or sale-leaseback transactions,
- dispose of assets;

- effect any change in the nature of its business activities;
- amend or modify in any way Fiera Capital's constitutive documents, charters, by-laws or jurisdiction of incorporation;
- amend any material provision of the Material Contracts (as described therein); and
- consolidate, merge or sell all or substantially all of the assets.

These restrictions may prevent us from taking actions that we believe would profit our business, and may make it difficult for Fiera Capital to successfully execute its business strategy or effectively compete with companies that are not similarly restricted.

In addition, the Amended and Restated Credit Agreement requires Fiera Capital to meet certain financial ratios and tests, and provides that the occurrence of a change of control will cause an event of default.

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

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

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

Fiera Capital monitors, evaluates and manages the principal risks associated with the conduct of its business. These risks include external market risks to which all investors are subject, as well as internal risks resulting from the nature of Fiera Capital's business. Certain of Fiera Capital's methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which may be significantly greater than the historical measures indicated.

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

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

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

Valuation

Valuation of 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 professionnels agréés du Québec, in order to assess whether the Fund's financial statements are fairly stated in accordance with Canadian GAAP or IFRS valuation of certain of the Funds' securities and other investments may involve uncertainties and judgment determinations and, if such valuations should prove to be incorrect, the net asset value of a Fund could be misstated. Independent pricing information may not always be available regarding certain of the Funds' securities and other investments. Additionally, the Funds may hold investments which by their very nature may be extremely difficult to value accurately, particularly the venture investments held by Fiera Capital in private portfolio companies. Fiera Capital 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 Funds decline to the point that charging the full fund operating expenses to the Funds results in management expense ratios or the Funds becoming uncompetitive, then Fiera Capital may choose to absorb some of these expenses. This will result in an increase in expenses for Fiera Capital and a decrease in profitability.

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

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

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

Dependency on information systems and telecommunications

Fiera Capital is dependent on the availability of its personnel, its office facilities and the proper functioning of its computer and telecommunications systems. A disaster such as water damage, an explosion or a prolonged loss of electrical power could materially interrupt Fiera Capital's business operations and cause material financial loss, loss of human capital, regulatory actions, breach of client contracts, reputational harm or legal liability, which in turn could materially adversely affect Fiera Capital's business, financial condition or profitability.

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

Fiera Capital 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 Capital in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on the business, financial condition or profitability. There can be no assurance that Fiera Capital will be able to obtain insurance coverage on favourable economic terms in the future.