Interim Condensed Consolidated Financial Statements of
FIERA CAPITAL CORPORATION

For the periods ended September 30, 2015 and 2014
(unaudited)

FIERA CAPITAL

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Fiera Capital Corporation

Interim Condensed Consolidated Statements of Earnings

For the three and nine-month periods ended September 30,
(Unaudited)
(In thousands of Canadian dollars, except per share data)

	Three-month periods		Nine-month periods	
	2015	2014	2015	2014
	$	$	$	$
Revenues				
Base management fees	57,786	50,647	170,102	148,110
Performance fees	(128)	277	8,623	4,848
Other revenues	2,556	1,447	5,693	5,096
	60,214	52,371	184,418	158,054
Expenses				
Selling, general and administrative expenses	42,749	34,775	128,678	105,816
External managers	1,205	1,420	3,928	3,617
Depreciation of property and equipment	487	343	1,384	1,122
Amortization of intangible assets	6,709	6,411	19,950	19,045
Acquisition costs	1,189	561	2,436	1,254
Restructuring and other integration costs (Note 6)	468	654	1,588	1,953
	52,807	44,164	157,964	132,807
Earnings before realized gain on investments, interest on long-term debt and other financial charges, accretion and change in fair value of purchase price obligations, (gain) loss on dilution of investments in joint ventures, changes in fair value of derivative financial instruments and share of earnings of joint ventures	7,407	8,207	26,454	25,247
Realized gain on investments	-	(1)	(350)	-
Interest on long-term debt and other financial charges	1,905	2,164	6,644	5,695
Accretion and change in fair value of purchase price obligations (Note 5)	(1,431)	612	(160)	2,006
(Gain) loss on dilution of investments in joint ventures	(31)	(2)	(83)	23
Changes in fair value of derivative financial instruments	(89)	50	787	865
Share of earnings of joint ventures	(833)	(361)	(1,166)	(1,305)
Earnings before income taxes	7,886	5,745	20,782	17,963
Income taxes	1,667	1,226	4,591	3,836
Net earnings for the period	6,219	4,519	16,191	14,127
Net earnings attributable to :				
Company's shareholders	6,700	5,053	17,953	15,402
Non-controlling interest	(481)	(534)	(1,762)	(1,275)
	6,219	4,519	16,191	14,127
Net earnings per share (Note 10)				
Basic	0.10	0.07	0.26	0.23
Diluted	0.10	0.07	0.26	0.22

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Comprehensive Income

For the three and nine-month periods ended September 30,
(Unaudited)
(In thousands of Canadian dollars)

	Three-month periods		Nine-month periods	
	2015	2014	2015	2014
	$	$	$	$
Net earnings for the period	6,219	4,519	16,191	14,127
Other comprehensive income:				
Items that may be reclassified subsequently to earnings:				
Unrealized (loss) gain on available-for-sale financial assets (net of income taxes of nil and ($8) for the three and nine-month periods ended September 30, 2015, respectively and nil in 2014)	(5)	91	35	175
Share of other comprehensive income (loss) of joint ventures	6	(6)	82	(34)
Unrealized exchange differences on translating financial statements of foreign operations	7,246	4,258	13,877	4,502
Other comprehensive income for the period	7,247	4,343	13,994	4,643
Comprehensive income for the period	13,466	8,862	30,185	18,770
Comprehensive income attributable to:				
Company's shareholders	13,947	9,396	31,947	20,045
Non-controlling interest	(481)	(534)	(1,762)	(1,275)
	13,466	8,862	30,185	18,770

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Financial Position

(Unaudited)
(In thousands of Canadian dollars)

	As at September 30, 2015	As at December 31, 2014
	$	$
Assets		
Current assets		
Cash	16,191	16,880
Restricted cash	2,292	579
Investments	4,395	7,986
Accounts receivable	53,806	59,960
Prepaid expenses	4,149	2,908
Subscription receipts receivable	1,718	1,746
	82,551	90,059
Non-current assets		
Deferred charges	2,721	1,831
Long-term receivable	622	449
Deferred income taxes	1,011	483
Subscription receipts receivable	-	1,607
Investment in joint ventures	10,966	9,635
Property and equipment	7,912	5,120
Intangible assets (Note 7)	286,412	292,835
Goodwill (Note 7)	383,068	370,161
	775,263	772,180
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	33,096	41,034
Dividend payable	246	311
Restructuring provisions (Note 6)	293	904
Amount due to related companies	846	931
Purchase price obligations	8,500	8,500
Client deposits	155	155
Deferred revenues	39	99
Subscription receipts obligation	1,718	1,746
	44,893	53,680
Non-current liabilities		
Deferred lease obligations	609	519
Lease inducements	499	636
Deferred income taxes	16,330	20,091
Long-term restructuring provisions	936	979
Other non-current liabilities	148	-
Cash settled share-based liabilities	1,932	1,263
Long-term debt (Note 8)	230,339	222,081
Purchase price obligations	36,008	36,168
Derivative financial instruments	1,732	945
Subscription receipts obligation	-	1,607
	333,426	337,969
Equity		
Share capital, hold back shares, contributed surplus, (deficit) retained earnings and accumulated other comprehensive income	446,542	437,154
Non-controlling interest	2,593	4,355
Initial value of option granted to non-controlling interest	(7,298)	(7,298)
Total non-controlling interest	(4,705)	(2,943)
	441,837	434,211
	775,263	772,180

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30,
(Unaudited)
(In thousands of Canadian dollars)

	Share Capital	Hold back shares	Contributed surplus	(Deficit) Retained earnings	Accumulated other compre-hensive income	Total	Related to Non-Controlling Interests	Total Equity
	$	$	$	$	$	$	$	$
As at December 31, 2014	436,888	5,677	9,231	(24,493)	9,851	437,154	(2,943)	434,211
Net earnings for the period	-	-	-	17,953	-	17,953	(1,762)	16,191
Other comprehensive income	-	-	-	-	13,994	13,994	-	13,994
Comprehensive income for the period	-	-	-	17,953	13,994	31,947	(1,762)	30,185
Issuance of shares	1,830	-	-	-	-	1,830	-	1,830
Conversion of hold back shares	2,959	(2,959)	-	-	-	-	-	-
Share-based compensation expense	-	-	5,533	-	-	5,533	-	5,533
Performance share units settled	-	-	(3,450)	-	-	(3,450)	-	(3,450)
Stock options exercised	1,704	-	(377)	-	-	1,327	-	1,327
Dividends	-	-	-	(27,799)	-	(27,799)	-	(27,799)
As at September 30, 2015	443,381	2,718	10,937	(34,339)	23,845	446,542	(4,705)	441,837
As at December 31, 2013	421,209	8,781	4,533	(20,356)	1,916	416,083	958	417,041
Net earnings for the period	-	-	-	15,402	-	15,402	(1,275)	14,127
Other comprehensive income	-	-	-	-	4,643	4,643	-	4,643
Comprehensive income for the period	-	-	-	15,402	4,643	20,045	(1,275)	18,770
Issuance of shares	1,830	-	-	-	-	1,830	-	1,830
Conversion of hold back shares	3,104	(3,104)	-	-	-	-	-	-
Share-based compensation expense	-	-	3,575	-	-	3,575	-	3,575
Shares issued as settlement of the purchase price obligations	-	8,500	-	-	-	8,500	-	8,500
Stock options exercised	765	-	(196)	-	-	569	-	569
Dividends	-	-	-	(23,329)	-	(23,329)	-	(23,329)
As at September 30, 2014	426,908	14,177	7,912	(28,283)	6,559	427,273	(317)	426,956

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Fiera Capital Corporation

Interim Condensed Consolidated Statements of Cash Flows

For the nine-month periods ended September 30,
(Unaudited)
(In thousands of Canadian dollars)

	2015	2014
	$	$
Operating activities		
Net earnings for the period	16,191	14,127
Adjustments for:		
Depreciation of property and equipment	1,384	1,122
Amortization of intangible assets	19,950	19,045
Amortization of deferred charges	378	241
Accretion and change in fair value of purchase price obligations	(160)	2,006
Lease inducements	(110)	(110)
Deferred lease obligations	52	(29)
Share-based compensation expense	5,533	3,575
Cash settled share-based compensation expense	1,674	-
Restructuring provisions	(654)	(330)
Interest on long-term debt and other financial charges	6,644	5,695
Changes in fair value of derivative financial instruments	787	865
Income tax expense	4,591	3,836
Income tax paid	(10,015)	(12,081)
Share of earnings of joint ventures	(1,166)	(1,305)
(Gain) loss on dilution of investments in joint ventures	(83)	23
Realized gain on investments	(350)	-
Other non-current liabilities	148	-
Changes in non-cash operating working capital items (Note 12)	(2,181)	4,570
Net cash generated by operating activities	42,613	41,250
Investing activities		
Business combinations (less cash acquired in 2014 of $107)	-	(9,893)
Payment of purchase price obligations	-	(9,484)
Investments, net	3,321	2,756
Purchase of property and equipment	(4,240)	(438)
Purchase of intangible assets	(1,112)	(2,470)
Long-term receivable	(363)	-
Repayment from a related shareholder	-	1,211
Deferred charges	(1,205)	(257)
Restricted cash and clients deposits	(731)	(560)
Net cash used in investing activities	(4,330)	(19,135)
Financing activities		
Settlement of share-based compensation	(3,450)	-
Dividends	(27,864)	(23,085)
Issuance of share capital	3,157	2,399
Long-term debt, net	(5,740)	-
Interest paid on long-term debt	(5,715)	(5,903)
Financing charges	(1,168)	(19)
Net cash used in financing activities	(40,780)	(26,608)
Net decrease in cash	(2,497)	(4,493)
Effect of exchange rate changes on cash denominated in foreign currencies	1,808	505
Cash – beginning of period	16,880	21,774
Cash – end of period	16,191	17,786

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

1. Description of Business

Fiera Capital Corporation ("Fiera Capital" or the "Company") was incorporated as Fry Investment Management Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a North American asset management firm which offers a wide range of traditional and alternative investment solutions, including depth and expertise in asset allocation. The company provides investment advisory and related services to institutional investors, private wealth clients and retail investors. In the U.S., investment advisory services are provided by the Company's U.S. affiliates, which are investment advisors registered with the U.S. Securities and Exchange Commission. Its head office is located at 1501 Avenue McGill College, office 800, Montreal, Quebec, Canada. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "FSZ".

The Board of Directors approved the unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2015 on November 10, 2015.

2. Basis of presentation

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standard Board ("IASB") and accordingly, do not include all disclosures required under International Financial Reporting Standards ("IFRS") for annual consolidated financial statements. The accounting policies and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2014, except for the impact of the adoption of the standards, interpretations and amendment described in Note 3. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014.

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Adoption of new IFRS

The following revised standards are effective for annual periods beginning on January 1, 2015 and their adoption has not had any impact on the amounts reported or disclosures made in these financial statements but may affect the accounting for future transactions, arrangements, or disclosures in the Company's 2015 annual financial statements.

Annual improvements to IFRS (2010-2012) and (2011-2013) cycles

In December 2013, the IASB published annual improvements on the 2010-2012 and the 2011-2013 cycles which included narrow-scope amendments to a total of nine standards. Modifications of standards that may be relevant to the Company include amendments made to clarify items including the definition of vesting conditions in IFRS 2 – *Share-Based payment*, disclosure on the aggregation of operating segments in IFRS 8 – *Operating segments*, measurement of short-term receivables and payables under IFRS 13 – *Fair value measurement*, definition of related party in IAS 24 – *Related party disclosures*, and other amendments. Most of the amendments were effective for annual periods beginning on or after July 1, 2014.

4. IFRS issued but not yet adopted

IFRS 9 – *Financial Instruments*

In July 2014, the IASB finalized IFRS 9, bringing together the financial asset and financial liability classification and measurement, impairment of financial assets and hedge accounting phases of the IASB project. IFRS 9 provides a single model for financial asset classification and measurement that is based on contractual cash flow characteristics and on the business model for holding financial assets. IFRS 9 also introduces a new impairment model for financial assets not measured at fair value through profit or loss. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets and liabilities. IFRS 9 replaces IAS 39 – *Financial Instruments: Recognition and Measurement* and is mandatorily effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption permitted.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. In July 2015, the IASB affirmed its proposal to defer the effective date by one year. Application of IFRS 15 is mandatory for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted.

Amendments to IFRS 11 – *Joint Arrangements*

In May 2014, the IASB issued an amendment to this standard requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendment is effective for annual periods beginning on or after January 1, 2016.

Amendments to IAS 38 – *Intangible Assets* and IAS 16 – *Property, Plant and Equipment*

In May 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

Amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures*

In September 2014, the IASB issued amendments to these standards to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. The extent of gains and losses arising on the sale or contribution of assets depends on whether the assets sold or contributed constitute a business. In August 2015, the IASB published an exposure draft proposing an indefinite deferral of the effective date for these amendments. Application of the amendments to IFRS 10 and IAS 28 are currently mandatory for annual periods beginning on or after January 1, 2016 and is to be applied prospectively. Early adoption is permitted.

4. IFRS issued but not yet adopted (continued)

Annual improvements to IFRS (2012-2014) cycle

In September 2014, the IASB published annual improvements on the 2012-2014 cycle which included narrow-scope amendments to a total of four standards. Modifications of standards that may be relevant to the Company include amendments made to provide: (1) specific guidance for cases when an entity reclassifies an asset from held-for-sale to held-for-distribution and vice versa in IFRS 5 – *Non-current assets held for sale*, (2) additional guidance on whether a servicing contract is continuing involvement in a transferred asset and clarification on offsetting disclosures in condensed interim financial statements in IFRS 7 – *Financial Instruments: Disclosures*, (3) clarification that the high quality bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits paid under IAS 9 – *Employee Benefits*, (4) clarification of the term “elsewhere in the interim report” in IAS 34 – *Interim Financial Reporting*. Most of the amendments are effective for annual periods beginning on or after July 1, 2016. Early adoption is permitted.

Amendments to IAS 1 – *Presentation of Financial Statements*

In December 2014, the IASB issued amendments to this standard to clarify materiality, aggregation and disaggregation of items presented on the statement of financial position, statement of earnings and statement of comprehensive income as well as the order of notes to the financial statements. The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Early adoption permitted.

The Company is still evaluating the impact of these standards on its consolidated financial statements.

5. Business combinations

Propel Capital Corporation

During the three-month period ended September 30, 2015, the Company reviewed its estimate with regards to the performance conditions required to make the contingent payment of $2,000. As a result of this review and mostly due to the challenging conditions currently present within the closed-end fund market, the Company concluded that the required performance conditions would not be met by December 31, 2015, and that no payment would be made. As such, the purchase price obligation was revalued and the recovery was recorded in the interim condensed statement of earnings, under the caption: accretion and change in fair value of purchase price obligations. The contingent payment had a carrying value of $1,970 before the revaluation to nil.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

6. Restructuring and other integration costs

During the three and nine-month periods ended September 30, 2015, the Company recorded a restructuring provision of $178 and $1,241, respectively (nil for the three and nine-month periods ended September 30 2014, respectively) and other integration costs of $290 and $347 for the three and nine-month periods ended September 30 2015, respectively ($654 and $1,953 for the three and nine-month periods ended September 30, 2014, respectively) for an aggregate amount of $468 and $1,588 for the three and nine-month periods ended September 30, 2015, respectively ($654 and $1,953 for the three and nine-month periods ended September 30, 2014, respectively). The restructuring charges are mostly composed of severance costs due to corporate reorganizations following business combinations or as a result of the normal evolution of the business. Other integration costs are mostly composed of professional fees and other expenses incurred as a result of the integration of businesses recently acquired.

	Severance
	$
Balance, December 31, 2014	1,883
Additions during the period	1,241
Paid during the period	(1,895)
Balance, September 30, 2015	1,229

7. Goodwill and intangible assets

		Indefinite life	Finite-life			
	Goodwill	Asset management contracts	Asset management contracts	Customer relationships	Other	Total
	$	$	$	$	$	$
For the nine-month period ended September 30, 2015						
Opening net book value	370,161	8,375	61,480	215,138	7,842	292,835
Additions	-	-	-	-	1,133	1,133
Transfer from property and equipment, net[1]	-	-	-	-	135	135
Foreign exchange difference	12,907	341	-	11,418	500	12,259
Amortization for the period	-	-	(6,360)	(12,182)	(1,408)	(19,950)
Closing net book value	383,068	8,716	55,120	214,374	8,202	286,412
Balance, September 30, 2015						
Cost	363,713	8,154	84,800	245,798	14,668	353,420
Accumulated amortization and impairment	(1,918)	-	(29,680)	(50,680)	(7,405)	(87,765)
Foreign exchange difference	21,273	562	-	19,256	939	20,757
Net book value	383,068	8,716	55,120	214,374	8,202	286,412

1. During the nine-month period ended September 30, 2015, other intangible assets with a cost of $238 and accumulated amortization of $103 was transferred from property and equipment.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

8. Long-term debt

	September 30, 2015	December 31, 2014
	$	$
Term facility	-	177,756
Revolving facility	231,443	45,244
Deferred financing charges	(1,104)	(919)
	230,339	222,081

Credit facility

On June 26, 2015, the Company amended the terms of its credit agreement to include, amongst others, the following changes:

- Conversion of the previous facility consisting of a CA$75,000 senior unsecured revolving facility maturing in April 2017 and a CA$175,000 term facility maturing in April 2017 into a CA$300,000 senior unsecured revolving facility that can be drawn in Canadian or U.S. dollar equivalent at the discretion of the Company, and is repayable in full in March 2020.
- Revised financial covenants applicable for the different test periods including in periods after certain acquisitions.
- Inclusion of Fiera US Holding Inc., a wholly-owned subsidiary, as a borrower.

The Company evaluated the amendments and concluded that the revised terms were substantial and constituted an extinguishment of the previous facility. As a result, unamortized deferred financing charges of $718 relating to the previous facility were written off in the interim condensed consolidated financial statements on the date of the amendment.

The Company plans to use the additional amounts available under the amended credit facility to finance future acquisitions and for general corporate purposes, if needed.

As at September 30, 2015, the total amount of long-term debt was comprised of CA$125,959 and US$78,755 (CA$105,484) (CA$129,500 and US$80,597 (CA$93,500) was outstanding as at December 31, 2014).

Under the terms of the loan agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. These restrictions include maintaining a maximum ratio of funded debt to EBITDA and a minimal interest coverage ratio. EBITDA, a non IFRS measure, is defined in the revolving facility on a consolidated basis, as earnings of the Borrower before interest, taxes, depreciation, amortization, non-recurring and one-time expenses related to acquisitions and other non-cash items. As at September 30, 2015, all debt covenant requirements were met.

On May 1, 2012, the Company entered into an interest rate swap agreement for a notional amount of CA$108,000, to exchange its monthly variable interest rate payments for fixed interest payments at the rate of 1.835% until March 2017. The amendments to the credit facility had no impact on the interest rate swap agreements.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

9. Share capital and accumulated other comprehensive income

	Class A subordinate voting shares (“Class A Shares”)		Class B special voting shares (“Class B Shares”)		Total	
	Number	$	Number	$	Number	$
As at December 31, 2014	48,715,873	404,999	20,039,750	31,889	68,755,623	436,888
Issuance of shares	149,469	1,830	-	-	149,469	1,830
Conversion of hold back shares	277,578	2,959	-	-	277,578	2,959
Stock options exercised	216,923	1,704	-	-	216,923	1,704
Transfer from Class B Shares to Class A Shares	140,732	224	(140,732)	(224)	-	-
As at September 30, 2015	49,500,575	411,716	19,899,018	31,665	69,399,593	443,381
As at December 31, 2013	46,639,057	388,113	20,798,008	33,096	67,437,065	421,209
Issuance of shares	149,469	1,830	-	-	149,469	1,830
Conversion of hold back shares	277,578	3,104	-	-	277,578	3,104
Stock options exercised	102,821	765	-	-	102,821	765
Transfer from Class B Shares to Class A Shares	758,258	1,207	(758,258)	(1,207)	-	-
As at September 30, 2014	47,927,183	395,019	20,039,750	31,889	67,966,933	426,908

Issuance of shares and conversion of hold back shares

As part of the acquisition of Bel Air Investment Advisors LLC as well as its affiliate Bel Air Securities LLC, the Company committed to issue in three tranches over a 32-month period following closing, 832,755 Class A Shares worth US$9,760. This commitment was considered an equity component and was recorded at a discounted value of US$8,419 (CA$8,781) under the caption: Hold back shares. During the second quarter of 2015, the second tranche amounting to 277,578 of the hold back shares were issued and effectively converted into Class A Shares and a value of CA$2,959 was transferred from the caption hold back shares to share capital.

On the same day as the conversion of the second tranche of the hold back shares into share capital in connection with a related agreement, the Company issued 149,469 Class A Shares to National Bank of Canada (“National Bank”) for cash proceeds of $1,830. These shares were issued upon the exercise by National Bank of its anti-dilution rights, as defined in the Investor Rights Agreement.

Transfers

During the nine-month period ended September 30, 2015, 140,732 Class B Shares were converted into 140,732 Class A Shares.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

9. Share capital and accumulated other comprehensive income (continued)

Dividends

During the nine-month period ended September 30, 2015, the Company declared dividends of $27,615 ($0.40 per share) on Class A Shares and Class B Shares ($22,996 for the nine-month period ended September 30, 2014 ($0.34 per share)) and $184 on hold back shares ($333 for the nine-month period ended September 30, 2014).

Accumulated other comprehensive income

The components of accumulated other comprehensive income include:

	September 30, 2015	December 31, 2014
	$	$
Unrealized gain on available-for-sale financial assets	588	553
Share of other comprehensive income of joint ventures	436	354
Unrealized exchange differences on translating financial statements of foreign operations	22,821	8,944
	23,845	9,851

10. Earnings per share

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
	$	$	$	$
Net earnings attributable to shareholders for the periods	6,700	5,053	17,953	15,402
Weighted average shares outstanding – basic	69,677,178	68,518,637	69,471,094	68,368,116
Effect of dilutive share-based awards	753,401	943,560	859,271	1,013,447
Weighted average shares outstanding – diluted	70,430,579	69,462,197	70,330,365	69,381,563
Basic earnings per share	0.10	0.07	0.26	0.23
Diluted earnings per share	0.10	0.07	0.26	0.22

For the three and nine-month periods ended September 30, 2015, the calculation of hypothetical conversions does not include 1,030,427 stock options (585,427 for the three and nine-month periods ended September 30, 2014) with an anti-dilutive effect.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

11. Share-based payments

(a) Stock option plan:

The following table presents transactions that occurred during the nine-month period ended September 30, 2015 in the Company's stock option plans.

	September 30, 2015	
	Number of Class A Share options	Weighted-average exercise price
		$
Outstanding – December 31, 2014	3,346,037	9.32
Granted	25,000	13.83
Exercised	(216,923)	6.12
Forfeited	(164,639)	12.80
Outstanding – September 30, 2015	2,989,475	9.40
Options exercisable – September 30, 2015	1,182,648	6.96

No options were granted during the three-month period ended September 30, 2015. The following table presents the weighted average assumptions used during the three and nine-month periods ended September 30, to determine the share-based compensation expense using the Black-Scholes option pricing model:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Dividend yield (%)	-	3.67	3.80	3.13
Risk-free interest rate (%)	-	1.79	1.09	2.01
Expected life (years)	-	7.50	7.50	7.50
Expected volatility for the share price (%)	-	43.20	42.53	43.62
Weighted-average fair values ($)	-	3.70	3.92	4.44

The expected volatility is based on the historical volatility of the Company's share price. The risk-free interest rate used is equal to the yield available on government of Canada bonds at the date of grant with a term equal to the expected life of options.

An expense of $311 and $820 was recorded during the three and nine-month periods ended September 30, 2015, respectively for the stock option plan ($333 and $922 for the three and nine-month periods ended September 30, 2014, respectively).

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

11. Share-based payments (continued)

(b) Performance share unit ("PSU") plan:

PSU plan applicable to business units

On September 3, 2013, the Company adopted a PSU plan applicable to business units ("PSU plan applicable to BU") for the purposes of attracting persons to become employees of the Company or to retain key employees and officers by allowing them to participate in the growth and development of the Company and the unit in which they directly contribute. Under the terms of the PSU plan applicable to BU, the Company is allowed to grant PSUs at a value determined by reference to the value of a specific business unit rather than by reference to the price of the Class A Shares of the Company.

At the time of grant of any PSUs, the Company determines (i) the award value, (ii) the number of PSUs which are being granted, (iii) the value of each PSU granted, (iv) the formula used to determine the value of the applicable business unit, (v) the vesting terms and conditions of the PSUs, and (vi) the applicable vesting date(s). The method of settlement with respect to the vested PSUs shall be determined upon each particular granting of PSU. Such methods may include all or a portion of the value of the vested PSUs payable in Class A Shares or in cash. The choice of the method of settlement may be at the option of either the Company or the participant.

The PSU compensation expense is recognized on a straight-line basis over the vesting period only when it is probable that the performance targets will be met. The attainment of the performance conditions and the estimated vesting of the PSUs are reassessed at the end of each reporting period. When a participant commences rendering services before the grant date of an award, the Company recognizes a compensation expense from the service commencement date until the grant date based on the estimated grant date fair value of the PSUs.

The following table presents transactions that occurred during the nine-month period ended September 30, 2015 in the Company's PSU plan applicable to BU.

		September 30, 2015
	Number of PSUs outstanding	Weighted average value of PSU
Outstanding – December 31, 2014	1,735,705	11.43
Granted	268,256	12.52
Settled	(234,583)	12.00
Forfeited	(60,000)	12.00
Outstanding – September 30, 2015	1,709,378	11.51

During the nine-month period ended September 30, 2015, the Company granted 258,940 PSUs which will vest in equal tranches in either the next 4 or 5 years and 9,316 PSUs which are cliff vesting on December 31, 2018. The formula to determine the value of the PSUs upon vesting is based on a multiple of the revenues applicable to the business unit while the performance condition is based on a revenue growth objective. The PSUs granted are anticipated to be equity-settled.

11. Share-based payments (continued)

The weighted-average grant date fair value of the PSUs awarded is $9.71 per share. The fair value of the PSUs granted was determined at inception using a discounted cash flow model which values the underlying PSUs using different long-term projections such as the expected revenue growth rate, client retention rate and discount rate. The Company determined that it is currently probable that only the first two years of the awards granted during the period will vest. During the nine-month period ended September 30, 2015, 234,583 PSUs vested and were settled. The Company settled the vested PSUs by paying $3,450 in cash in lieu of issuing Class A Shares. The Company treated the transaction as a repurchase of an equity interest and recorded a deduction in the amount of $3,450 in contributed surplus. The settling of these PSUs in cash was due to unique circumstances. The Company still has the intention to settle the remaining tranches by issuing shares.

An expense of $1,159 and $3,839 was recorded during the three and nine-month periods ended September 30, 2015, respectively for the PSU plan applicable to BU ($1,093 and $2,603 for the three and nine-month periods ended September 30, 2014, respectively). For the three-month period ended September 30, 2015, the expense is attributable to equity-settled grants and to cash-settled grants for an amount of $1,159 and nil, respectively ($1,093 and nil for the three-month period ended September 30, 2014). For the nine-month period ended September 30, 2015, the expense is attributable to equity-settled grants and to cash-settled grants for an amount of $3,882 and ($43), respectively ($2,603 and nil for the nine-month period ended September 30, 2014).

PSU plan

On May 23, 2013, the Company adopted a PSU plan (“PSU plan”) for the purposes of retaining key employees and officers by allowing them to participate in the growth and development of the Company. Under the terms of the PSU plan, the Company is allowed to grant PSUs based on the price of the Class A Shares of the Company on the date of the award.

PSUs awarded to participants vest on the third anniversary of the date of the grant or as determined by the Board of Directors at the time of the grant, provided that the PSU participants have satisfied the performance conditions determined at the time of the grant. These performance conditions are expressed as performance criteria objectives and may be set at different aggregate levels: from individual to corporate level. PSU participants have the right to receive up to 50% of the vested PSUs in cash. A PSU participant’s account will be credited with dividend equivalents in the form of additional PSUs as of each dividend payment date, if any, in respect of which dividends are paid on Class A Shares.

An expense of $297 and $831 was recorded during the three and nine-month periods ended September 30, 2015, respectively for this PSU plan ($37 and $50 for the three and nine-month periods ended September 30, 2014, respectively).

(c) Restricted share unit (“RSU”) plan:

The Company recorded an expense of $582 and $1,722 during the three and nine-month periods ended September 30, 2015, respectively for the RSU Plan ($446 and $1,206 for the three and nine-month periods ended September 30, 2014, respectively). As at September 30, 2015, the Company had a liability totalling $3,953 related to this plan ($2,231 as at December 31, 2014). As at September 30, 2015 and December 31, 2014, there were 680,503 and 540,508 RSUs outstanding, respectively. During the nine-month period ended September 30, 2015, 120,133 RSUs were granted and 19,862 RSUs were reinvested in lieu of dividends.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

12. Additional information relating to interim condensed consolidated statement of cash flows

	For the nine-month periods ended September 30, 2015	2014
	$	$
Changes in non-cash operating working capital items		
Accounts receivable	8,557	7,900
Prepaid expenses	(968)	321
Accounts payable and accrued liabilities	(9,625)	(3,057)
Amount due to related companies	(85)	(198)
Deferred revenues	(60)	(396)
	(2,181)	4,570

The changes in non-cash working capital for accounts payable and accrued liabilities exclude the difference between current income tax expense of $9,329 (2014 – $6,958) and income taxes paid of $10,015 (2014 – $12,081) for a net impact of ($686) (2014 – ($5,123)).

The following are non-cash items: conversion of hold back shares of $2,959 (2014 – $3,104) and conversion of the amounts outstanding under the previous credit facility into the amended facility of CA$129,500 and US$73,159.

13. Capital management

The Company's capital comprises share capital including hold back shares, (deficit) retained earnings and long-term debt, including the current portion thereof, less cash. The Company manages its capital to ensure adequate capital resources while maximizing return to shareholders through optimization of the debt and equity mix and to maintain compliance with regulatory requirements and certain restrictive debt covenants.

To maintain its capital structure, the Company may issue additional shares, incur additional debt, repay existing debt and acquire or sell assets to improve its financial performance and flexibility.

To comply with Canadian Securities Administrators' regulations, the Company is required to maintain minimum capital of $100 as defined in Regulation 31-103 respecting *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* As at September 30, 2015, all regulatory requirements and exemptions were met.

14. Fair value of 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 Company presents a fair value hierarchy with three levels that reflects the significance of inputs used in determining the fair value assessments. The fair value of financial assets and liabilities classified in these three levels is evaluated as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

Investments are composed of mutual fund and pooled fund investments. The cost of mutual fund and pooled fund investments is $3,716 as at September 30, 2015 and $6,492 as at December 31, 2014, while the fair value is $4,395 as at September 30, 2015 and $7,128 as at December 31, 2014. The unrealized gain of $588 (net of income taxes of $91) as at September 30, 2015 and $553 (net of income taxes of $83) as at December 31, 2014, is reflected in accumulated other comprehensive income. The Company measures the fair value of the mutual fund and pooled fund investments using level 2 inputs in the fair value hierarchy. As at December 31, 2014, the Company also had $858 of other securities and investments recorded within the investments caption. These securities were valued using the level 1 inputs in the fair value hierarchy. The Company does not have similar investments at September 30, 2015.

The fair value of long-term debt approximates its carrying amount, given that it is subject to terms and conditions, including variable interest rates, similar to those currently available to the Company for instruments with comparable terms. The Company measured the fair value of the subscription receipts receivable of $1,718 and subscription receipts obligation of the same amount using level 2 inputs in the fair value hierarchy. The Company determined the fair value by using observable market inputs such as the discount rate.

Derivative financial instruments consist only of interest rate swap contracts and are presented at fair value on the statement of financial position. The Company measures the fair value of the interest rate swaps using level 2 inputs in the fair value hierarchy. The Company determines the fair value of its interest rate swap contracts by applying valuation techniques, using observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where appropriate. 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 is consistent with accepted economic methods for pricing financial instruments.

14. Fair value of financial instruments (continued)

As part of the acquisition of the selected alternative asset management funds of GMP Investment Management from GMP Capital Inc. ("GMP"), the key members of the GMP Investment Management's team have the option to sell all but not less than all of their interest in Fiera Quantum Limited Partnership on or after December 31, 2015. The value of the option granted to non-controlling interest is based on a formula that was agreed upon by all parties during the acquisition of the selected alternative asset management funds of GMP. The fair value of the option is determined using the present value of the sum of a multiple of the forecasted earnings before income taxes, depreciation, amortization ("EBITDA") and forecasted performance fees. The actual performance of the subsidiary directly impacts the value of the option. Forecasts are monitored and updated on a monthly basis, and the fair value of the option is recalculated at the end of each reporting period. As at September 30, 2015 and December 31, 2014, the Company determined that the value of the option was nil. The Company measures the fair value of the option granted to non-controlling interest using level 3 inputs in the fair value hierarchy.

In addition, the Company has the option to purchase the 45% interest owned by the key member of the GMP Investment Management team at any time following December 31, 2015. This option can be settled in cash or by the issuance of Class A Shares at the option of Fiera Capital. The formula to determine the purchase price of the remaining 45% is the same that is used to calculate the value of the option granted to non-controlling interest, which considers the sum of a multiple of the forecasted EBITDA and forecasted performance fees.

Changes in fair value of derivative financial instruments presented in the statement of earnings include changes in the fair value of the interest rate swap contracts described above of ($89) and $787 for the three and nine-month periods ended September 30, 2015, respectively (($109) and $234 for three and nine-month periods ended September 30, 2014, respectively) and the changes in the fair value of the option granted to non-controlling interest of nil for the three and nine-month periods ended September 30, 2015 ($159 and $631 for the three and nine-month periods ended September 30, 2014) for a total of ($89) and $787 for the three and nine-month periods ended September 30, 2015, respectively ($50 and $865 for the three and nine-month periods ended September 30, 2014, respectively).

There was no transfer between the three levels of the fair value hierarchy during these periods.

(in thousands of Canadian dollars, unless noted otherwise – except share and per share information)

15. Related party transactions

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
	$	$	$	$
Base management, performance fees and other revenues	12,543	11,632	36,235	33,637
Interest on long-term debt	2,120	1,998	5,841	5,903

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Fees are at prevailing market prices and are settled on normal trade terms. The amounts due under the Company's credit facility, presented as long-term debt are amounts due to a syndicate of lenders which includes two related parties of the Company. During the second quarter of 2015, the Company paid $1,034 to the syndicate of lenders for different transaction-related fees in relation to the amendment of the credit facility. These amounts are recorded as deferred financing costs (see Note 8). The derivative financial instrument liability is due to a related company.

16. Segment reporting

The chief operating decision-maker of the Company has determined that the Company's only reportable segment is investment management services in Canada and the United States of America.

Geographical information:

Revenues:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
	$	$	$	$
Canada	41,065	39,333	129,482	118,674
United States of America	19,149	13,038	54,936	39,380

Non-current assets:

	As at September 30,	As at December 31,
	2015	2014
	$	$
Canada	501,828	515,443
United States of America	189,873	166,195

Revenues are attributed to countries on the basis of the customer's location. Non-current assets exclude deferred income taxes.

17. Commitments and contingent liabilities

Commitments

During the nine-month period ended September 30, 2015, the Company entered into new or amended non-cancellable operating leases for office space in New York City and Los Angeles. The estimated future lease payments for the new leases total $55,523 over the duration of the leases. The new or amended non-cancellable operating leases expire in 2026.

Contingent liabilities

In the normal course of business, the Company is party to business and employee-related claims. The potential outcomes related to existing matters faced by the Company are not determinable at this time. The Company intends to defend these actions, and management believes that the resolution of these matters will not have a material adverse effect on the Company's financial condition.

18. Subsequent events

Business combination

On October 30, 2015, the Company completed the acquisition of all the outstanding shares of Samson Capital Advisors LLC ("Samson"), a prominent New York-based investment management firm which specializes in global fixed income and currency investment. The acquisition will enable the Company to create a full-fledged global asset manager in the United States, adding strong leadership and investment talent in order to further expand the Company's presence in the market. Samson had revenues of US$15,088 for its fiscal year ended December 31, 2014.

The total purchase price for Samson includes US$19,200 paid in cash to the sellers, US$9,150 worth of Class A Shares, representing 1,028,086 Class A Shares, that were issued upon closing and US$3,150 worth of hold back shares, representing approximately 353,932 Class A Shares, that will be issued over a period of time. In addition, the purchase price includes an amount of up to US$4,175 payable over three years if certain targets are achieved. Other compensation mechanisms were agreed upon at the time the agreements were signed including retention bonuses, PSUs, and restricted shares. The total purchase price can be adjusted based on assets under management, revenues and working capital at closing. The Company financed the cash portion of the acquisition price with the credit facility described in Note 8.

The assets and liabilities acquired from Samson cannot be disclosed at this time because the Company is still in the process of completing the closing balance sheet and the valuation of assets and liabilities acquired including intangible assets. The Company will disclose the preliminary accounting for this acquisition in the financial statements for the year ended December 31, 2015.

18. Subsequent events (continued)

Shares issued as settlement of the purchase price obligation

On October 15, 2015, in connection with the asset purchase agreement of Natcan Investment Management Inc., the Company issued 729,157 Class A Shares as settlement of the purchase price obligation in the amount of $8,500.

Normal course issuer bid

On October 15, 2015, the Company announced its intention to make a normal course issuer bid for its shares through the facilities of the Toronto Stock Exchange from October 19, 2015 to no later than October 18, 2016 in accordance with applicable regulations of the TSX. Under its normal course issuer bid, the Company may purchase for cancellation up to but no more than 3,509,288 Class A Shares, representing approximately 10% of the public float of Class A Shares as at September 30, 2015.

Dividends declared

On November 10, 2015, the Board of Directors declared a dividend of $0.14 per share to shareholders of record as of November 23, 2015 and payable on December 18, 2015.

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