

## Fiera Capital launches market leading US small to mid-cap strategy in Asia

- **Fiera Capital announces popular SMID Cap Growth strategy available in Asia, reflecting strong demand for US equities**
- **The US\$6.1 billion strategy has a 23-year track record of outperforming the Russell 2500 Growth Index**
- **The launch of the SMID Cap Growth Strategy to Asia underscores the Company's ongoing commitment to bringing diversified investment opportunities that meet its criteria of long-term, steady, and financially sustainable alpha generation.**

**Tokyo, 9<sup>th</sup> July 2024** - Fiera Capital ("Fiera Capital" or "the Company"), a leading independent global asset management firm with over US\$122.1 billion under management as at 31<sup>st</sup> March 2024, has announced the launch of its "all-seasons" Small-to-Mid (SMID) Cap Growth strategy to Asian institutional and wholesale investors.

Expanding the offering reflects growing demand across Asian markets for exposure to high-growth US equities and the opportunity set beyond the S&P 500.

At its core, Fiera Capital's SMID Cap Growth strategy seeks to deliver significant capital appreciation across multiple market cycles, providing clients with stability during market downturns. The portfolio typically holds 60 to 90 positions and consists of companies in the fertile US small and mid cap equity universe which includes a wide variety of developing and mature businesses to choose from.

With a track-record of over 23 years, the US\$6.1 billion fund has returned 24.61 percent over 12 months and 15.25 percent over three years (as at 31<sup>st</sup> March 2024), delivering significant outperformance versus its Russell 2500 Growth Index benchmark, providing some downside protection and reduced volatility.

"The market tends to underestimate the longer-term opportunity posed by small to mid-size companies," said Lead Portfolio Manager, Sunil Reddy. "US small and mid-caps represent an excellent opportunity for investors seeking exposure to dynamic US companies beyond the highly-subscribed and analysed large cap market. Our rigorous research process and proven portfolio management team enable us to identify standout companies that are positioned for growth and pose attractive risk return levels across."

The investment team combines bottom-up fundamental stock selection with top-down global secular trend tracing to seek out companies positioned for strong growth that boast resilient characteristics. "This recipe is what makes our portfolio a prime candidate for investors looking for superior risk-adjusted returns across all-seasons," added Reddy. "It's also what we believe sits behind our higher batting average as we continue to outperform our benchmark."

Through in-depth analysis the seven-strong team identifies companies that provide innovative solutions to major technological, economic, demographic, regulatory, or societal change. Secular themes such as cloud computing, e-commerce, AI and advances in therapeutics form a tailwind for these companies, carving a path for their ongoing growth.

The managers balance growth and risk management by constructing a dynamic mix of stable and emerging growth companies within the portfolio. Stable growth companies exhibit persistent returns

and consistent EPS growth while emerging growth companies are characterised by disruptive innovation, explosive revenue growth and have a large addressable market paired with low penetration.

Commenting on the investment philosophy, Reddy said, “We believe the key to creating long-term alpha is a disciplined, consistent and repeatable process. We have honed our process and proven its effectiveness in multiple economic cycles over the past 20 years.”

“Almost a third of the companies in the index don’t have any earnings so a passive approach just doesn’t work when it comes to the small and mid-cap market. Our highly active approach is what allows us to identify and avoid these zombie companies and a lot of idiosyncratic risk unique to the smaller end of the market. More than 85% of our alpha comes from the team’s stock picking.”

The launch of the SMID Cap Growth strategy adds to Fiera Capital’s comprehensive suite of products covering public markets, underscoring the Company’s ongoing commitment to bringing long-term investors high quality, actively managed products and services.

“In recent years, US equities have been a growth powerhouse,” said Rob Petty, Asia CEO, “however the small to mid-cap segment remains relatively under-owned and under-researched. Introducing this strategy to Asia underscores our commitment to providing our clients with strategies that can meaningfully elevate the performance of their portfolios. The US SMID Cap strategy can complement pre-existing exposure to large-cap equities and offers diversification without necessarily attracting additional risk.”

**ENDS**

### **About Fiera Capital Corporation**

Fiera Capital is a leading independent asset management firm with a growing global presence and approximately US\$122.1 billion in assets under management as at 31 March 2024. Fiera Capital delivers customized and multi-asset solutions across public and private market asset classes to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia. Fiera Capital’s depth of expertise, diversified investment platform and commitment to delivering outstanding service are core to our mission of being at the forefront of the investment management science to foster sustainable prosperity for all our stakeholders. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange. [www.fieracapital.com](http://www.fieracapital.com) (opens in new window)

Headquartered in Montreal, Fiera Capital, with its affiliates in various jurisdictions, has offices in over a dozen cities around the world, including New York (U.S.), London (UK), and Hong Kong (SAR).

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Corporation is an investment manager of real estate through a range of investments funds.

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