



November 13, 2020

# Q3 2020 Results

## Important Information

This presentation contains forward-looking statements within the meaning of applicable Canadian securities legislation. These forward-looking statements relate to future events or future performance, and reflect management's expectations or beliefs regarding future events, including business and economic conditions and Fiera Capital's growth, results of operations, performance and business prospects and opportunities.

In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", or other negatives of these terms, or other comparable terminology. Forward-looking statements, by their very nature, involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will prove to be inaccurate. As a result, Fiera Capital does not guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward-looking statements. 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: Fiera Capital's investment performance, Fiera Capital's ability to retain its existing clients and to attract new clients, Fiera Capital's reliance on major customers, Fiera Capital's ability to attract and retain key employees, Fiera Capital's ability to successfully integrate the businesses it acquires, industry competition, Fiera Capital's ability to manage conflicts of interest, adverse economic conditions in Canada or globally, including amongst other things, declines in 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 force majeure events, legislative and regulatory developments in Canada and elsewhere, including changes in tax laws, the impact and consequences of Fiera Capital's indebtedness, potential share ownership dilution and other factors described or discussed in Fiera Capital's disclosure materials, including its Management Discussion and Analysis and its Annual Information Form for the year ended December 31, 2019, filed with applicable securities regulatory authorities from time to time, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The information contained in this presentation, including any forward-looking statements, has been prepared as of November 12, 2020 unless otherwise indicated herein. Fiera Capital assumes no obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as may be required pursuant to securities laws.

This presentation contains non-IFRS financial measures. Non-IFRS measures are not recognized measures under International Financial Reporting Standards ("IFRS"), do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. 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 highlight trends in our core business that may not otherwise be apparent when one relies solely on IFRS measures. 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. 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. Please refer to the "Non-IFRS Measures" Section of Fiera Capital's Management Discussion and Analysis for the three and nine-month periods ended September 30, 2020 for the definitions and the reconciliation to IFRS measures, available at [www.fieracapital.com](http://www.fieracapital.com).

In relation to indicated returns of our Traditional and Alternative Strategies, the indicated rates of return are drawn from Fiera Capital's management discussion and analysis for the three and nine-month periods ended September 30, 2020. As such, the aforementioned results remain subject to any disclaimers and limitations in that document. Further, our strategies are not guaranteed, their values change frequently and past performance may not be repeated.

## Conference Call Participants

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**Jean-Guy Desjardins**

Chairman and Chief Executive Officer

Lead Portfolio Manager, Global Tactical Asset Allocation



**Jean-Philippe Lemay**

Global President and Chief Operating Officer



**Lucas Pontillo**

Executive Vice President and Global Chief Financial Officer

## Topics for Discussion

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- ▶ Q3 2020 highlights
- ▶ Discussion on AUM and flows
- ▶ Q3 2020 financial performance review
- ▶ Strategic update

## Q3 2020 Highlights

### AUM

- ▶ **\$177.7B** as at September 30, 2020, driven by market return and alpha generation in Q3
  - a \$13.0B increase (↑ 8%) over the last twelve months
  - a \$6.7B increase (↑ 4%) in Q3 2020
- ▶ Strong organic growth in Institutional; Q3 2020 net sales of \$1.3B

### Financial Performance

- ▶ **Basic Adjusted EPS of \$0.36 per share**
  - Compared to \$0.32 in Q3 2019 and \$0.38 in Q2 2020
- ▶ **Adjusted EBITDA of \$53.4M**
  - Compared to \$46.6M in Q3 2019 (↑ 15%) and \$51.9M in Q2 2020 (↑ 3%)
- ▶ **Adjusted EBITDA margin of 31.3%**
  - Compared to 29.1% in Q3 2019 (↑ 220 bps) and 31.1% in Q2 2020 (↑ 20 bps)

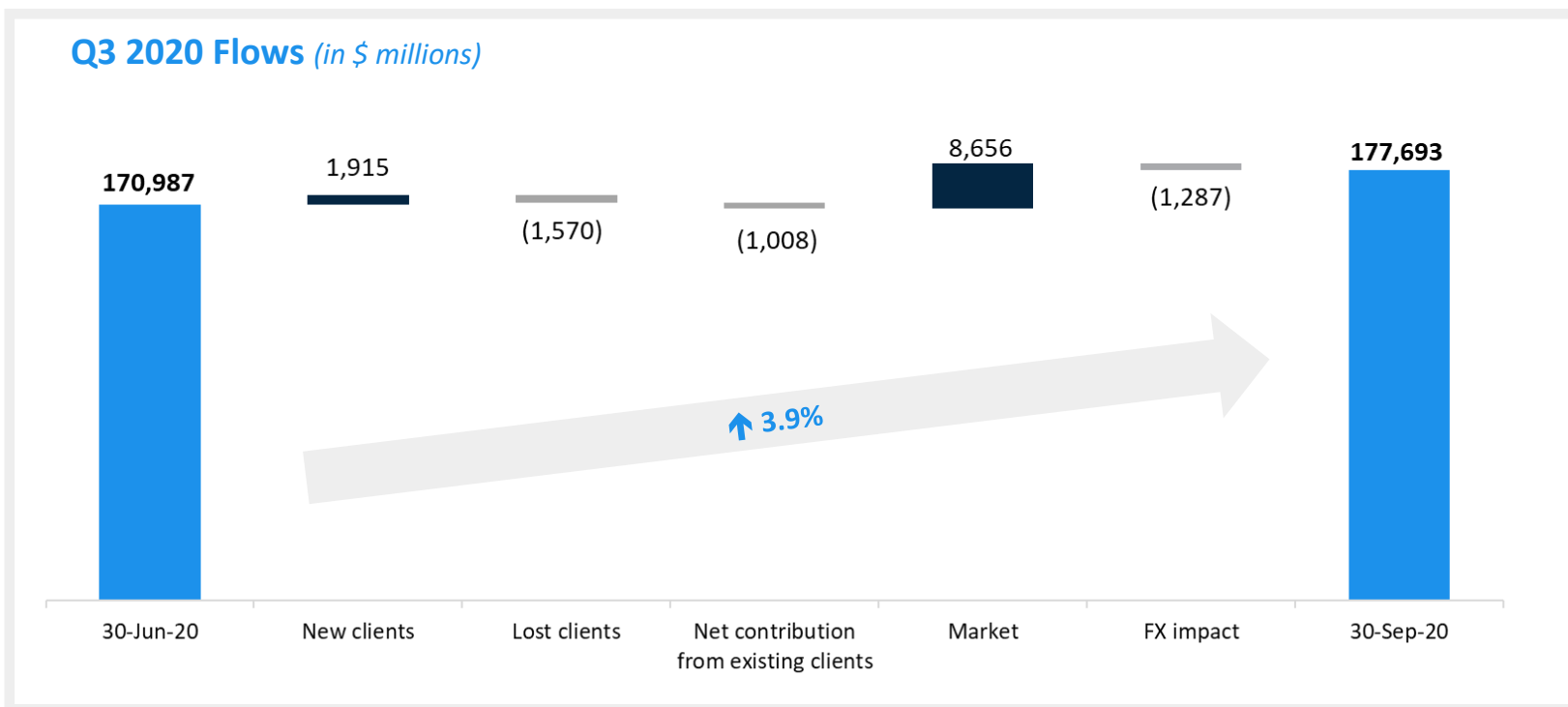
### Investment Performance

- ▶ Positive trend in relative performance continued during the third quarter
- ▶ On a trailing 3-year basis:
  - 95% of equity AUM outperformed benchmark
  - 87% of fixed income AUM outperformed benchmark

### Strategic Update

- ▶ Consolidation of our global operating model in effect since July 1, 2020
- ▶ Appointment of Anik Lanthier as President, Public Markets
- ▶ Progress being made on the distribution model
- ▶ AUM categorization changes being introduced January 1, 2021

## Q3 2020 AUM Highlights



- ▶ **AUM up \$6.7B from June 30, 2020**
- ▶ **Favourable market impact of \$8.7B**
  - Partly offset by a \$1.3B unfavorable impact of foreign exchange fluctuations
- ▶ **\$0.66B in net redemptions in Q3 2020**

## Q3 2020 Sales Update

<i>(in \$ millions)</i>	New Mandates	Lost Mandates	Net Contributions from Existing Clients	Net Organic Sales /Redemptions	September 30, 2020 AUM
<b>Institutional</b>	1,411	(561)	409	<b>1,259</b>	<b>103,807</b>
<b>Retail</b>	102	(656)	450	<b>(104)</b>	<b>38,954</b>
<b>Private Wealth</b>	402	(353)	(1,867)	<b>(1,818)</b>	<b>34,932</b>
<b>Total</b>	<b>1,915</b>	<b>(1,570)</b>	<b>(1,008)</b>	<b>(663)</b>	<b>177,693</b>

### ▶ INSTITUTIONAL

- Net inflows of \$1.3B
- Continued to win new mandates across equity, fixed income, and private market strategies
- Multi-asset mandates won ranging between \$60M and \$600M
- New mandates won in South Africa, Finland, Canada and the U.S.
- Gross new mandates carried a higher average fee rate than mandates lost
- Extremely high retention in Canada (97%+)

### ▶ RETAIL

- \$550M in new mandates mainly from new sub-advisory mandates in Canada and some new wins in emerging markets and frontier strategies
- Offset by redemptions in liquid alternative mandates in Europe and low basis point, fixed income mandates in Canada

### ▶ PRIVATE WEALTH

- New mandates won in U.S. tax-efficient fixed income strategies
- Redemptions of \$800M mainly from financial intermediaries withdrawing from fixed income mandates
- Redemptions of \$1.2B in Bel Air following the departure of an advisory team



# Private Markets Investment Strategies

## As at September 30, 2020:

- ▶ \$13.6B in AUM
- ▶ \$1.5B in committed, undeployed capital

## Q3 2020:

- ▶ Capital deployed in agriculture and private debt strategies
- ▶ \$500M+ in new subscriptions raised in Q3

## Global Infrastructure and Agriculture Strategies Well Positioned for Growth

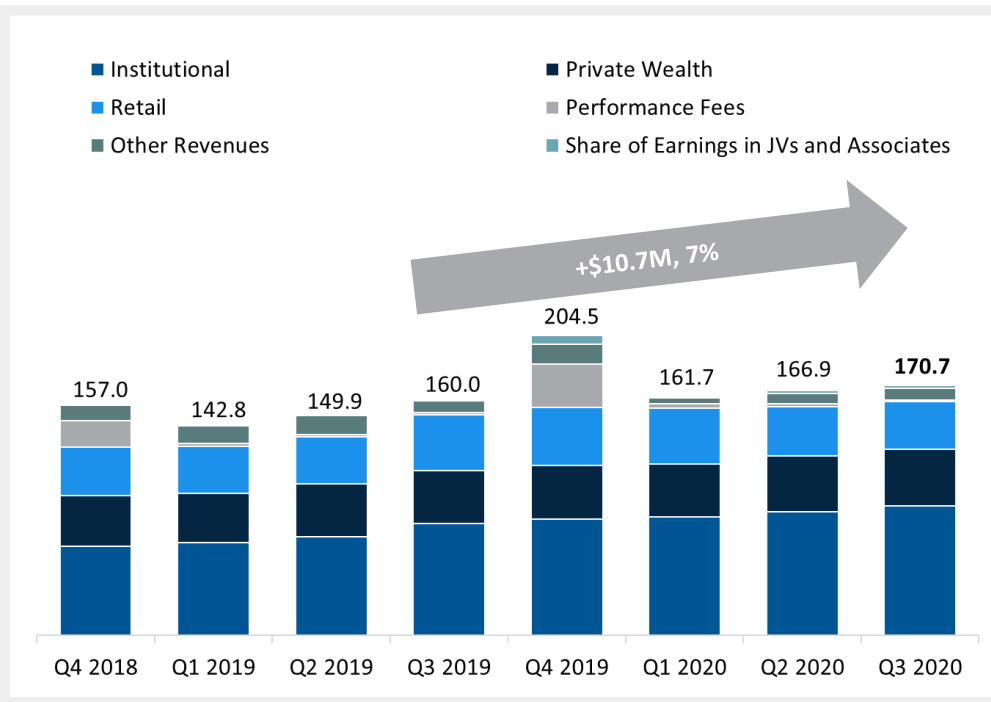
- ▶ Established track record of performance
- ▶ Seasoned teams and solid processes
- ▶ Global strategies, suited for international investors
- ▶ Attractive risk/reward profile – expect growth to continue in light of current macroeconomic outlook and evolving investor needs



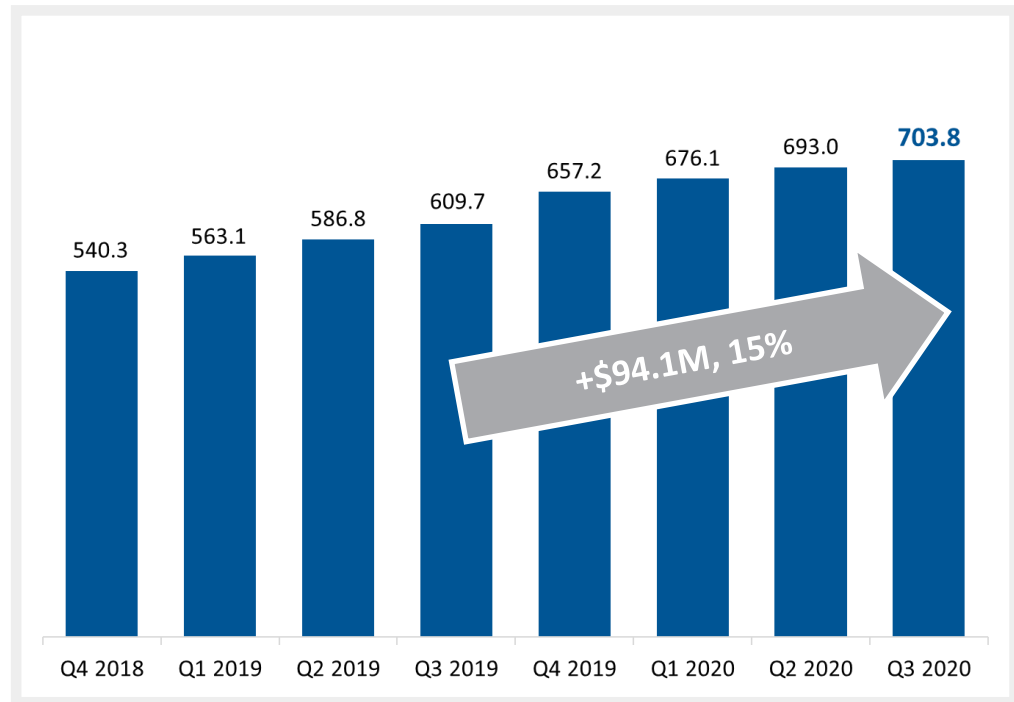


# Revenue Trend

## Quarterly (\$M)



## Last Twelve Months (\$M)

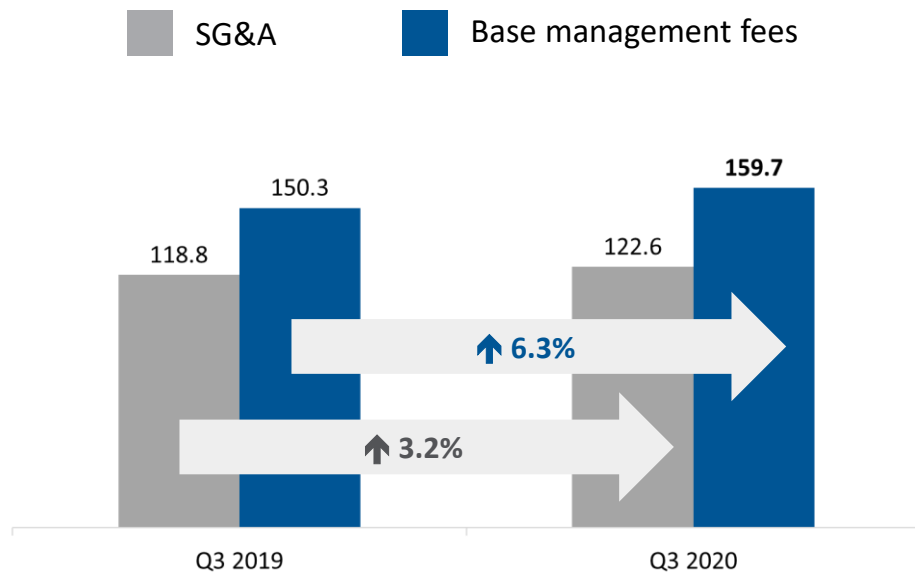


▶ **Average base management fees earned on AUM of:**

- **37.0 bps** for the LTM period ended September 30, 2020
- 37.0 bps for the LTM period ended September 30, 2019
- 34.8 bps for the LTM period ended September 30, 2018

# Selling, General and Administrative Expenses (SG&A)<sup>1</sup>

## SG&A and Base Management Fees (\$M)



- ▶ **3% year-over-year increase in SG&A compared to a 6% increase in base management fees**
- ▶ SG&A increase primarily a result of a ~\$7M increase in compensation expense and a \$1M increase in fund-related expense, partly offset by:
  - savings of \$2.7M as a result of cost containment measures in response to market pressures from the effects of COVID-19; and
  - \$1.7M of lower revenue-related expenses due to the sale of Fiera Investments LP's retail mutual funds in Q2 2020

**Base management fees growing faster than SG&A**

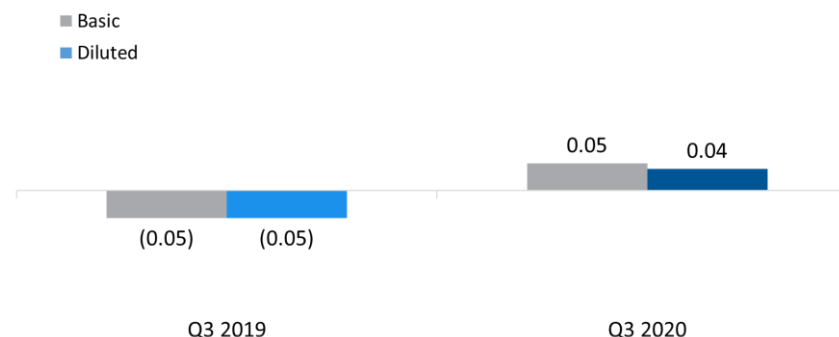
1) Selling, general and administrative expenses, including External managers expense

# Net Earnings<sup>1</sup> & Adjusted Net Earnings<sup>1,2</sup>

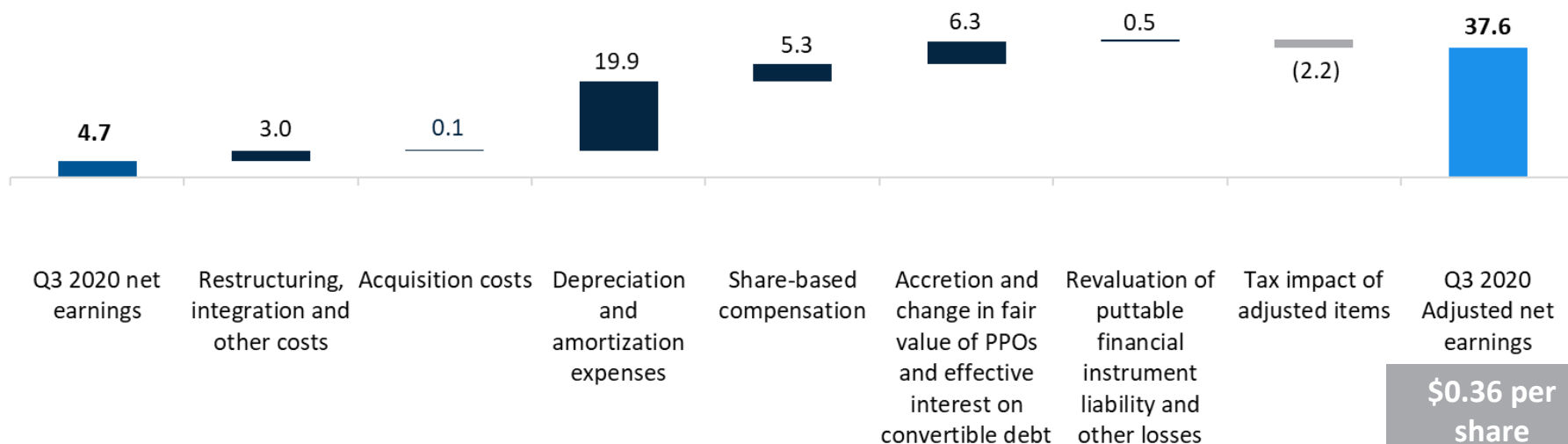
## Net earnings (loss) attributable to Company shareholders (\$M)



## Net earnings (loss) per share<sup>1</sup> (\$)



## Adjusted net earnings<sup>1,2</sup> (\$M)

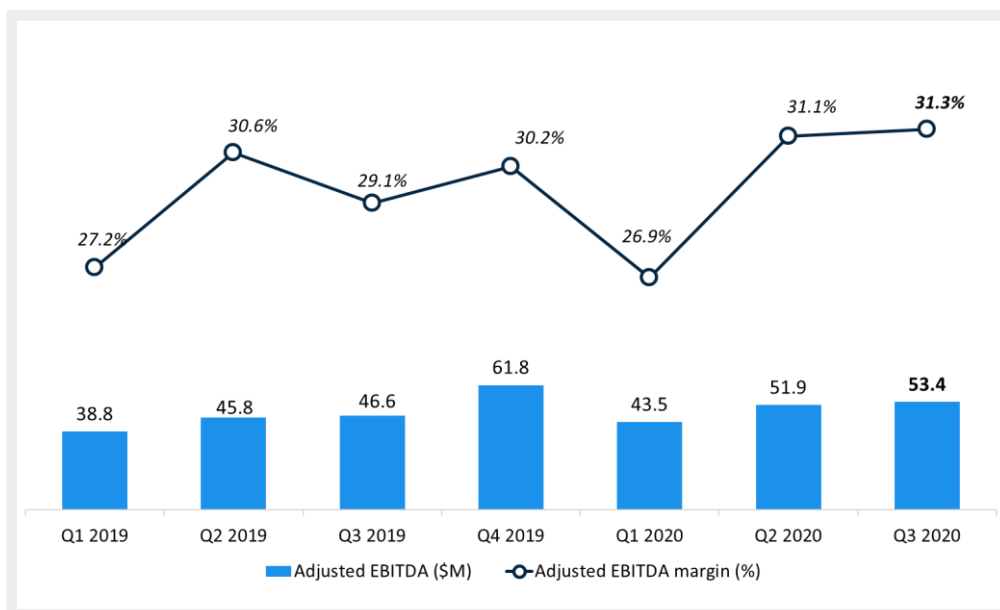


1) Attributable to Company shareholders

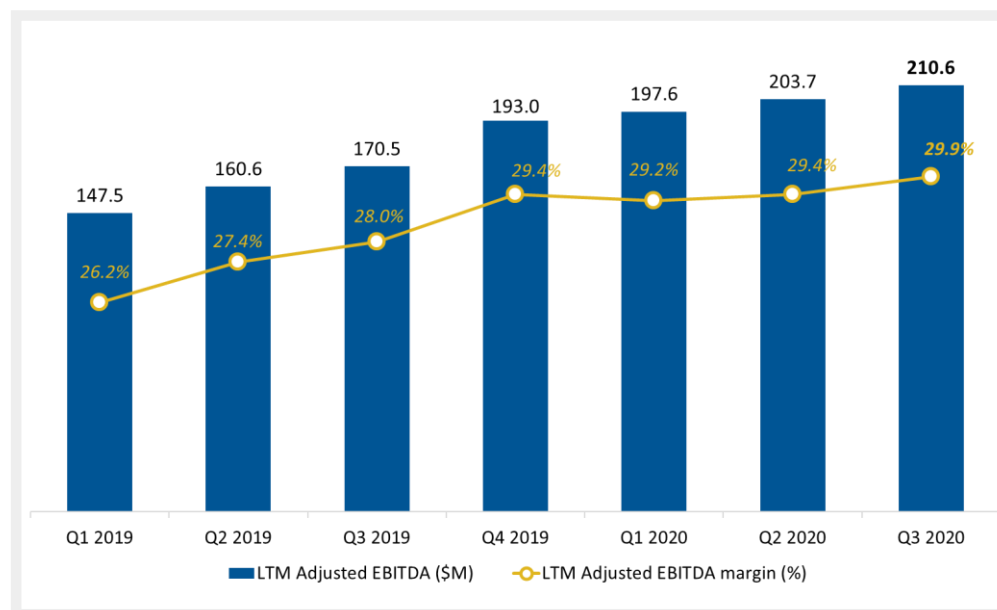
2) Earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA and Adjusted EBITDA per share, Adjusted net earnings and Adjusted net earnings per share (Adjusted EPS) as well as non-cash items are not standardized measures prescribed by International Financial Reporting Standards ("IFRS"). These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other companies. The definition of Adjusted net earnings was amended and certain comparative figures have been restated to conform with the current presentation. Please refer to the "Non-IFRS Measures" Section of the Company's MD&A for the period ended September 30, 2020 for the definitions and the reconciliation to IFRS measures, available at [www.fieracapital.com](http://www.fieracapital.com).

# Adjusted EBITDA<sup>1</sup> and Adjusted EBITDA Margin<sup>1</sup>

## Quarterly



## Last Twelve Months<sup>2</sup>



**Q3 2020 Adjusted EBITDA up \$6.8M, or 15%, year over year**

- 1) Earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA and Adjusted EBITDA per share, Adjusted net earnings and Adjusted net earnings per share (adjusted EPS) as well as non-cash items are not standardized measures prescribed by IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other companies. The definition of Adjusted net earnings was amended and certain comparative figures have been restated to conform with the current presentation. Please refer to the "Non-IFRS Measures" Section of the Company's Management Discussion and Analysis for the three and nine-month periods ended September 30, 2020 for the definitions and the reconciliation to IFRS measures, available at [www.fieracapital.com](http://www.fieracapital.com).
- 2) The Company adopted IFRS 16, Leases, on January 1, 2019 using the modified retrospective approach where comparative information presented for 2018 has not been restated and is presented as previously reported and, therefore, may not be comparable. Prior to the adoption of IFRS 16 on January 1, 2019, as a lessee, the Company classified leases as an operating lease or finance lease under IAS 17, based on its assessment of whether the lease transferred substantially of the risks and rewards of ownership. Rent expenses related to operating leases were previously recognized in selling, general and administrative expenses. For the three-month periods ended March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018, the Company recognized rent expense of \$3.0 million, \$3.3 million, \$3.4 million and \$3.4 million, respectively. For the twelve-month period ended December 31, 2018, the Company recognized rent expense of \$13.1 million in selling, general and administrative expenses. Following the adoption of IFRS 16, lease payments are presented as cash generated (used in) financing activities whereas prior to the adoption of IFRS 16, on January 1, 2019, they were presented as cash generated (used in) operating activities in the statement of cash flows. Refer to Note 2 of the audited consolidated financial statements for the year ended December 31, 2019 for further details on the transition to IFRS 16. The Company's lease portfolio in 2019 was impacted by the four acquisitions completed over the course of the year, in addition to new leases entered into in 2019 related to the Company's new headquarters in Montreal, Canada and new office premises in London, United Kingdom. Our lease payments presented in the statement of cash flows for the twelve-month period ended December 31, 2019 were also impacted by lease inducements and rent-free periods related to these new leases in 2019.

## Leverage, Liquidity and Dividends

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- ▶ **Funded debt ratio of 2.89x as at September 30, 2020**
- ▶ **Cash and cash equivalents of \$45.8M as at September 30, 2020**
- ▶ **Dividends**
  - Paid \$21.8M in dividends in Q3 2020
  - On November 12, 2020, dividend declared of \$0.21/share (payable in December 2020)
- ▶ **Normal Course Issuer Bid (“NCIB”)**
  - On July 13, 2020, the Company announced its intention to make an NCIB, under which it may purchase for cancellation up to a maximum of 2,000,000 class A subordinate voting shares (“class A shares”)
  - The NCIB is in effect from July 15, 2020 to July 14, 2021
  - In Q3 2020, Fiera Capital:
    - **Repurchased for cancellation 81,200 class A shares**
    - For consideration of \$0.8M

# Investment Performance Update – Public Markets

Key Public Market Investment Strategies		Q3 2020		YTD 2020		3-Year	
		Return	Added value	Return	Added Value	Return	Added Value
<b>Equity Investment Strategies</b>							
Large Cap	Global Equity	9.69%	3.84%	10.98%	6.21%	16.76%	6.63%
	Canadian Equity	8.35%	3.62%	2.87%	5.96%	8.79%	4.54%
Small Cap	U.S. Small & Mid Cap Growth	14.40%	5.02%	17.79%	6.21%	15.82%	2.48%
<b>Canadian Fixed Income Investment Strategies</b>							
Active Universe	Active Core	0.73%	0.29%	9.56%	1.56%	-	-
	Strategic Core	1.11%	0.67%	9.81%	1.81%	-	-
	Credit Oriented	0.84%	0.40%	8.55%	0.55%	6.61%	0.51%
	Specialized Credit	1.49%	1.05%	8.89%	0.89%	7.40%	1.31%
<b>U.S. Fixed Income Strategies</b>							
	Tax Efficient Core Intermediate	0.85%	(0.23%)	3.46%	0.24%	3.36%	(0.04%)
<b>Balanced Mandates</b>							
	Balanced Core	4.94%	1.59%	5.34%	0.88%	8.65%	1.65%



# Investment Performance Update – Private Markets

Key Private Market Investment Strategies			Return <sup>1</sup>	Gross IRR <sup>2</sup>	Q3 2020 Absolute Return <sup>3</sup> (bps)
Performance, since inception					
Real Estate	Fiera Real Estate CORE Fund L.P.	7.80%	-	208	
	Fiera Real Estate Small Cap Industrial Fund L.P.	12.68%	-	313	
Infrastructure	EagleCrest Infrastructure <sup>4</sup>	-	9.59%	148	
Private Debt	Fiera FP Real Estate Financing Fund, L.P.	13.10%	-	234	
	Fiera Infrastructure Debt Fund LP	6.10%	-	102	
	Clearwater Capital Partners Lending Opportunities Fund, L.P.	-	11.97%	294	
	Fiera Private Debt Fund VI	6.18%	-	160	
Private Debt (Funds of Funds)	Fiera Diversified Lending Fund <sup>5</sup>	6.45%		124	
Agriculture	Global Agriculture Open-End Fund L.P. <sup>5</sup>	-	6.70%	180	
Private Equity	Glacier Global Private Equity Fund I L.P. <sup>5</sup>	-	15.50%	930	

1) Annualized time weighted returns, presented gross of management and performance fees and expenses, unless otherwise stated.

2) Presented gross of management and performance fees and expenses, unless otherwise stated.

3) Gross time weighted returns, except where indicated.

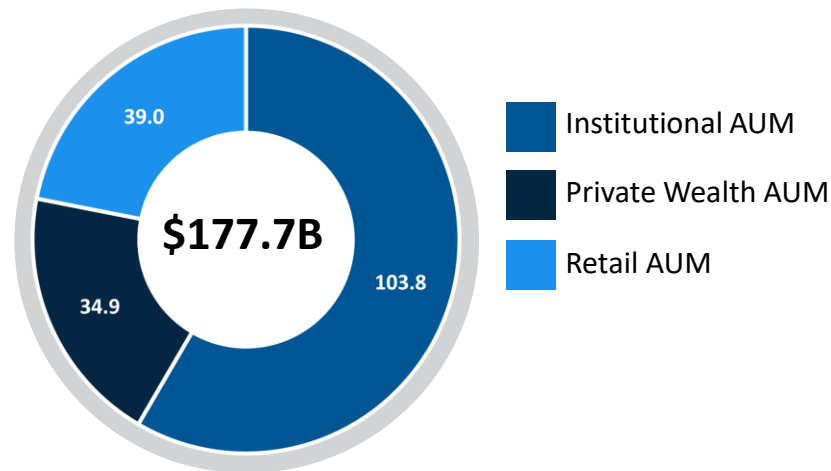
4) EagleCrest represents the combined performance of EagleCrest Infrastructure Canada LP and EagleCrest Infrastructure SCSp. IRR shown gross of management fees, performance fees, fund operating expenses and adjusted for FX movements.

5) Gross IRR net of fund operating expenses.

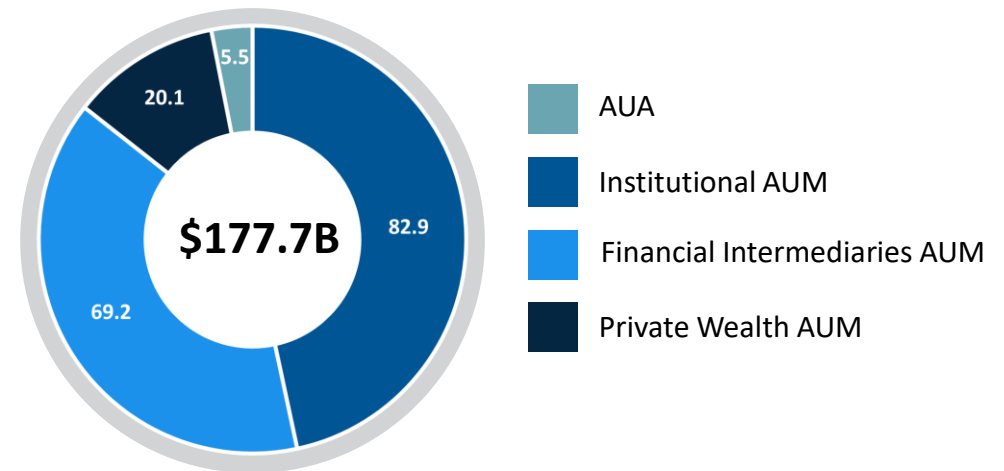
# AUM Categorization Changes

## For Illustrative Purposes – By Distribution Channel

### Current Channels (\$B)



### New Channels (\$B) *(to be introduced January 1, 2021)*



#### ▶ **ASSETS UNDER ADVISORY (AUA)**

- Includes 3<sup>rd</sup> party-managed Bel Air strategies
- Includes strategies distributed in Canada in connection with the Natixis Investment Managers distribution agreement

#### ▶ **INSTITUTIONAL**

- Financial partnerships and sub-advisory mandates previously nestled under Institutional will now be presented under Financial Intermediaries

#### ▶ **PRIVATE WEALTH**

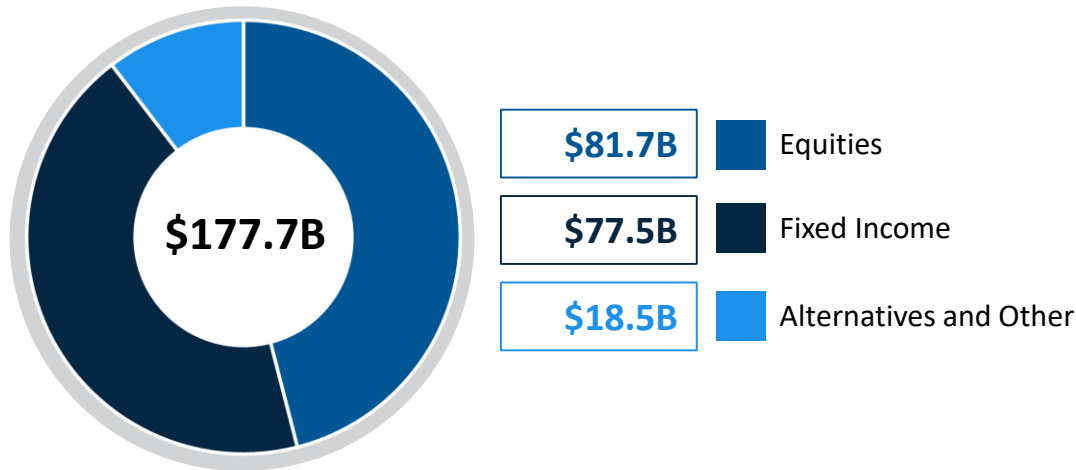
- Reclassification of certain U.S. accounts from Private Wealth to Financial Intermediaries

#### ▶ **RETAIL**

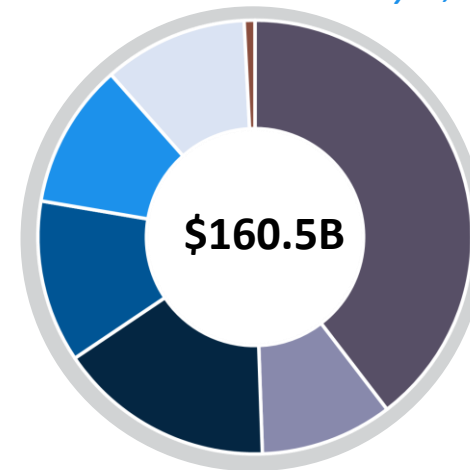
- Renamed to **Financial Intermediaries**
- Will now include Fiera Capital-managed Bel Air strategies (such as Global Equity)

# AUM Categorization Changes For Illustrative Purposes – By Asset Class

## Current asset classes (\$B)



## Public Markets (\$B) *(to be introduced January 1, 2021)*



### ▶ PUBLIC MARKETS

- Equities
- Fixed income
- Balanced mandates
- Liquid alternatives

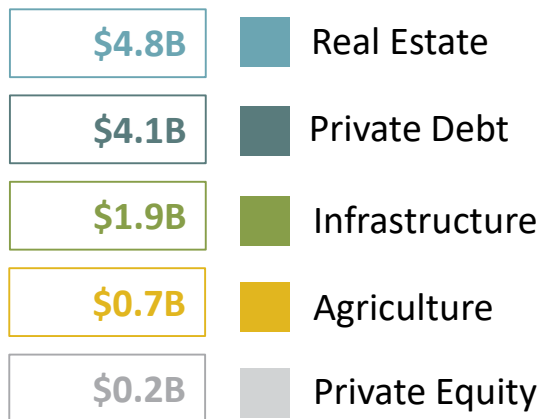
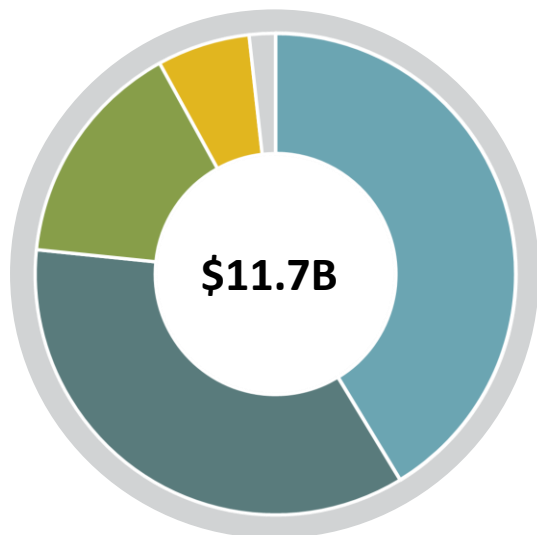
### ▶ PRIVATE MARKETS

- Private alternatives only

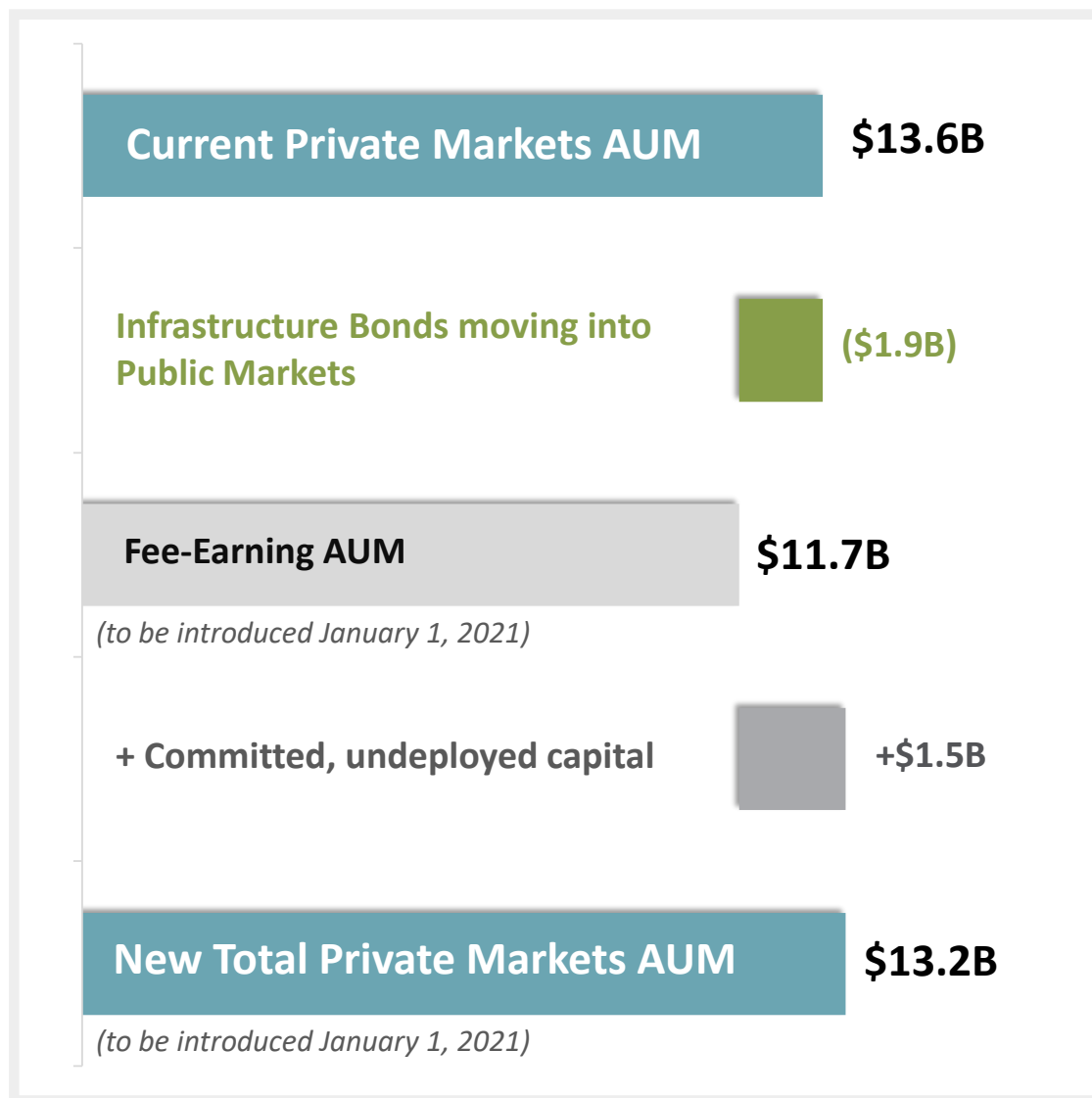


# Breakdown of Private Markets For Illustrative Purposes

## Private Markets (\$B) *(to be introduced January 1, 2021)*



## September 30, 2020 AUM



## Execution on Strategic Priorities

### Q3 Actions Taken

- ▶ Implementation and consolidation of the new global operating model
- ▶ Appointment of President, Public Markets
- ▶ Continued progress being made on the global distribution model
- ▶ Continued execution of the global business operations transformation
- ▶ New AUM categorizations to come into effect January 1, 2021
- ▶ NCIB

### Strategic Priorities



**Taking steps to globalize Fiera Capital through the ongoing execution of the 2022 Strategic Plan**



# Question Period





# **APPENDIX: Additional Information on New AUM Categorization**

## Previous AUM Definitions – By Channel

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### ▶ INSTITUTIONAL

- Fiera Capital's diversified institutional client base includes the pension funds of several large corporations and financial institutions, endowments, foundations, religious and charitable organizations, and public sector funds of major municipalities and universities.

### ▶ PRIVATE WEALTH

- Fiera Capital's private wealth groups provide asset management services to and counsel high net worth individuals, family offices, family foundations and trusts, estates and endowments. They also execute mandates in coordination with financial intermediaries such as advisors and consultants on behalf of individuals and small to intermediate size institutions.

### ▶ RETAIL

- Fiera Capital's retail business consists of sub-advisory services provided to strategic partners and investment products distributed to retail clients. Fiera Capital's sub-advisory alliances include sub-advising AUM for our strategic partners, notably National Bank of Canada, Horizons, CI Investments and Canoe.
- Fiera Capital also distributes investment products to retail clients through financial advisors and 3<sup>rd</sup> party distributors. Retail in the US includes mutual funds, unified management accounts (UMAs) and wrap accounts. In the UK market, Fiera Capital funds are available on third party platforms for retail clients.

## New AUM Definitions – By Channel

### ➤ INSTITUTIONAL

- Fiera Capital's diversified institutional client base includes the pension funds of several large corporations and financial institutions, endowments, foundations, religious and charitable organizations, and public sector funds of major municipalities and universities. These institutional clients are based in Canada the U.S. and Europe.

### ➤ PRIVATE WEALTH

- Fiera Capital's private wealth groups provide asset management services to and counsel high net worth individuals, family offices, family foundations and trusts, estates and endowments.

### ➤ FINANCIAL INTERMEDIARIES

- Retail was relabeled "Financial Intermediaries" to provide a better sense of the assets managed in this channel. While we often interact with the end client directly, our Financial Intermediaries channel consists of institutional, private wealth and retail investors that we access by way of strategic relationships with several leading global financial institutions in key centers such as New York and London. All such mandates will now be presented under "Financial Intermediaries". Our sub-advisory mandates in this channel are wide ranging and cover both public and private market investment strategies. Previously classified under "Private Wealth", private wealth mandates executed in coordination with financial intermediaries such as advisors and consultants on behalf of individuals and small to intermediate size institutions will now make up the "Financial Intermediaries" channel.

### ➤ BEL AIR INVESTMENT ADVISORS ("BEL AIR")

- Bel Air strategies are broken down into three categories: 1) those managed by Fiera Capital, 2) those managed by Bel Air Investment Advisors, and 3) those managed by 3<sup>rd</sup> parties. AUM presented under Bel Air, now presented on a stand-alone basis, reflect only those strategies managed by Bel Air, and which consist mainly of fixed income strategies.

### ➤ ASSETS UNDER ADVISORY ("AUA")

- Our newly created AUA channel encompasses strategies managed by 3<sup>rd</sup> parties. Currently, this includes certain Bel Air strategies as well as strategies distributed in Canada but managed by Natixis Investment Managers in connection with the 2019 distribution agreement.



**Mariem Elsayed**

Director, Investor Relations

[melsayed@fieracapital.com](mailto:melsayed@fieracapital.com)

T 514 954-6619

fiera.com

