

# The Fiera Capital Mutual Funds



## Annual Information Form

FIERA CAPITAL DIVERSIFIED BOND FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL INCOME AND GROWTH FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL HIGH INCOME FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL CORE CANADIAN EQUITY FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL EQUITY GROWTH FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL U.S. EQUITY FUND (Series A Units, D\* Units, F Units and O Units)

FIERA CAPITAL INTERNATIONAL EQUITY FUND (Series A Units, AH Units, D\* Units, F Units, FH Units and O Units)

FIERA CAPITAL GLOBAL EQUITY FUND (Series A Units, AH Units, D\* Units, F Units, FH Units and O Units)

FIERA CAPITAL DEFENSIVE GLOBAL EQUITY FUND (Series A Units, AH Units, D\* Units, F Units, FH Units and O Units)

**August 28, 2017**

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise. The Funds and the securities offered under this annual information form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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## NAME, FORMATION AND HISTORY OF THE FUNDS

Fiera Capital Diversified Bond Fund, Fiera Capital Income and Growth Fund, Fiera Capital High Income Fund, Fiera Capital Core Canadian Equity Fund, Fiera Capital Equity Growth Fund, Fiera Capital U.S. Equity Fund, Fiera Capital International Equity Fund, Fiera Capital Global Equity Fund and Fiera Capital Defensive Global Equity Fund (individually a “Fund” and collectively the “Funds”) are mutual fund trusts established under the laws of Ontario.

The Funds were established pursuant to a Declaration of Trust dated November 22, 1985, amended and restated as of September 8, 2000 and amending and restating prior declarations of trust with respect to those funds (the “Master Declaration”). This Master Declaration was further amended on April 20, 2005, November 20, 2006, August 22, 2008 and on August 9, 2011 to add certain series, change the names of certain series and add the term Fiera in each of the Fund’s name. As at August 9, 2011, the Class D Units of the then existing Funds were redesignated as the Class A Units and the old Class A Units were redesignated as the Class B Units. The Master Declaration was amended on August 9, 2011 to replace the term “Sceptre” by “Capital” in each of the Funds’ name. The Master Declaration was amended on July 24, 2014 to create the Fiera Capital Defensive U.S. Equity Fund and the Fiera Capital Defensive Global Equity Fund. The Master Declaration was amended on January 30, 2015 to terminate the Fiera Capital Money Market Fund and remove it from the list of funds governed by the Master Declaration. The Master Declaration was also amended on August 22, 2016 to terminate the Fiera Capital Canadian Equity Fund and to create the Class AH, AVH, FH and FVH Units for certain Funds. Finally, the Master Declaration was amended on January 3<sup>rd</sup>, 2017 to create the Fiera Capital International Equity Fund. The Master Declaration was also amended on August 28, 2017 to (i) redesignate as “Series” all “Classes” of Units of the Funds (ii) create the Series AH and FH of the Fiera Capital Defensive Global Equity Fund, and (iii) redesignate the Series B Units into Series D Units.

The creation date of each Fund is as follows:

- Fiera Capital Diversified Bond Fund – November 22, 1985
- Fiera Capital Income and Growth Fund – November 22, 1985
- Fiera Capital High Income Fund – September 7, 2001
- Fiera Capital Core Canadian Equity Fund – May 20, 1998
- Fiera Capital Equity Growth Fund – November 20, 1986
- Fiera Capital U.S. Equity Fund – June 15, 1998
- Fiera Capital International Equity Fund - January 3<sup>rd</sup>, 2017
- Fiera Capital Global Equity Fund – November 20, 1986
- Fiera Capital Defensive Global Equity Fund - July 24, 2014

Fiera Capital Corporation (“Fiera”, “we”, “our”, “us” or the “Manager”) is the manager and trustee of the Funds. Fiera is a leading publicly-traded independent money manager with, as of March 31, 2017, approximately \$122.1 billion in assets under management. Fiera offers multi-style investment solutions through diversified investment strategies to institutional investors, private wealth clients and retail investors.

Fiera has grown substantially since 2003 through a combination of organic growth and strategic acquisitions, including YMG Capital Management in 2006, Sceptre Investment Counsel Limited in 2010, Natcan Investment Management Inc. in 2012 (the “Natcan Transaction”) and assets under management from UBS Global Asset Management (Canada) Inc. and GMP Investment Management L.P. (held through its affiliate Fiera Quantum L.P.) in 2013. On October 31, 2013,

Fiera acquired Bel Air Investment Advisors LLC (“Bel Air”), a Los Angeles-based firm, Bel Air Securities (“Bel Air Securities”) and Wilkinson O’Grady & Co. Inc. (“Wilkinson O’Grady”), an investment manager based in New York. On September 2, 2014, Fiera acquired Propel Capital Corporation (“Propel”) and thereafter wound-up Propel into Fiera. On October 30, 2015, Fiera acquired Samson Capital Advisors LLC (“Samson”), an investment management based in New York. On March 22, 2016, Fiera created a joint venture with Aquila Infrastructure Management Inc., a manager of infrastructure investments, to form Fiera Infrastructure Inc. On December 14, 2016, Fiera completed the acquisition of Charlemagne Capital Limited (“Charlemagne Capital”) an independent asset manager specializing in frontier and emerging market asset classes.

Following its acquisition of Bel Air, Bel Air Securities and Wilkinson O’Grady (“Wilkinson”), Fiera Capital terminated its registration as an investment advisor with the US Securities and Exchange Commission (“SEC”). As a result, Fiera Capital is not permitted to provide investment advisory services directly to US clients.

Bel Air, Bel Air Securities LLC, Wilkinson O’Grady and Samson are now Fiera Capital’s US operating subsidiaries and provide a variety of investment advisory and brokerage services to US clients. Bel Air also operates under the trade name Fiera Asset Management USA. Since April 4, 2016, Samson and Wilkinson are now operating under the name Fiera Capital Inc. On June 2, 2016, Fiera announced that it, through its subsidiary Fiera US Holding Inc., acquired Apex Capital Management Inc. (“Apex”), a leading independent asset management firm.

Fiera’s head office is located at 1501 McGill College Avenue, Suite 800, Montreal, Québec H3A 3M8 and our Toronto registered office, which is also the registered office of the Funds, is located at 1 Adelaide Street, Suite 600, Toronto, Ontario, M5C 2V9.

The following table lists any changes in names of the Funds in the last ten years:

<b><u>Current Name</u></b>	<b><u>Former Names</u></b>	<b><u>Date of Name Change</u></b>
Fiera Capital Diversified Bond Fund	Fiera Sceptre Bond Fund	August 9, 2011
	Sceptre Bond Fund	November 22, 1985
	Fiera Capital Bond Fund	August 12, 2013
Fiera Capital Income and Growth Fund	Fiera Sceptre Balanced Fund	August 9, 2011
	Sceptre Income & Growth Fund	August 27, 2007
	Sceptre Balanced Growth Fund	November 22, 1985
	Fiera Capital Balanced Fund	August 12, 2013
Fiera Capital High Income Fund	Fiera Sceptre High Income Fund	August 9, 2011
	Sceptre High Income Fund	January 30, 2007
	Sceptre Income Trusts Fund	September 7, 2001
Fiera Capital Core Canadian Equity Fund	Fiera Sceptre Core Canadian Equity Fund	August 9, 2011
	Sceptre Canadian Equity Fund	May 20, 1998

<u>Current Name</u>	<u>Former Names</u>	<u>Date of Name Change</u>
Fiera Capital Equity Growth Fund	Fiera Sceptre Equity Growth Fund	August 9, 2011
	Sceptre Equity Growth Fund	June 15, 1998
Fiera Capital U.S. Equity Fund	Fiera Sceptre U.S. Equity Fund	August 9, 2011
	Sceptre U.S. Equity Fund	June 15, 1998
Fiera Capital Global Equity Fund	Fiera Sceptre Global Equity Fund	August 9, 2011
	Sceptre Global Equity Fund	September 8, 2000
	Sceptre International Fund	November 20, 1986

## INVESTMENT RESTRICTIONS AND PRACTICES OF THE FUNDS

### Investment Restrictions

The simplified prospectus contains detailed descriptions of the fundamental investment objective, strategies and risks for each of the Funds. The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds*, which is a Regulation in the Province of Québec (“NI 81-102”). This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Each of the Funds adheres to these standard investment restrictions and practices. This annual information form may be read as if all of these standard investment restrictions and practices were fully set out in this document. Upon request you may obtain from us a copy of these investment restrictions and practices.

### Dealer Manager Restrictions

As a result of the Natcan Transaction, Fiera may be considered a “dealer manager” and the Funds may be considered “dealer managed mutual funds” under NI 81-102. NI 81-102 imposes additional investment restrictions on dealer managed mutual funds (the “dealer manager investment restrictions”).

In particular, subject to certain exceptions, the Funds are prohibited from knowingly making an investment in a series of securities of an issuer during the period in which Fiera (or any of its associates or affiliates) acts as an underwriter in the distribution of securities of that series.

In addition, subject to certain exceptions and as more fully discussed on page 5 under the heading “IRC Approved Transactions and Purchasing of Securities of Certain Issuers”, a Fund is prohibited from knowingly making an investment in a series of securities of an issuer of which a partner, director, officer or employee of Fiera (or a partner, director, officer or employee any of Fiera’s associates or affiliates) is also a partner, director, officer or employee of the issuer and either, participates in the formulation, has influence over or has access before implementation to information regarding, investment decisions made on behalf of the Fund.

## Short Selling

Each of the Funds may sell securities short as permitted by NI 81-102. Generally, short selling can provide a fund with an opportunity for gain where the fund's portfolio management team expects the price of a security to decrease. A short sale by a fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the same securities are repurchased by the fund and returned to the lender. Until the securities are returned, fund assets are deposited with the lender as security and the fund pays interest to the lender on the borrowed securities. If the value of the securities decreases between the time that the fund borrows the securities and the time it repurchases and returns the securities to the lender, the fund makes a profit on the difference (minus the interest paid to the lender). The risks involved in short selling, and each Fund's investment strategy regarding short selling, are disclosed in the Simplified Prospectus.

Short selling by a Fund will be subject to the following controls and restrictions as per the Fund's written policies and procedures as well as NI 81-102:

- All short sales will be implemented using market facilities through which those securities are normally bought and sold.
- Securities will be sold short for cash, with the Fund assuming the obligation to return the borrowed securities to the lender. The Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is effected.
- The security interest provided by the Fund over Fund assets will be granted in accordance with industry practice for short sale transactions and will relate only to obligations arising under such transactions.
- Securities sold short will not be an illiquid asset.
- The Fund will borrow or arrange to borrow from a borrowing agent the security.
- The aggregate market value of all securities of an issuer sold short by the Fund will not exceed 5% of the net asset value of the Fund and the aggregate market value of all securities sold short by the Fund will not exceed 20% of the net asset value of the Fund.
- The Fund will hold "cash cover" (as defined in NI 81-102) in an amount that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily market-to-market basis. The Fund assets deposited with lenders as security until the borrowed securities are returned will be included in that amount. The Fund will not use the proceeds from short sales to purchase long positions in securities other than cash cover.

If any other Fund wishes to engage in short selling, it will provide existing Unitholders with not less than 60 days' written notice prior to commencing short selling transactions.

On an annual basis the Chief Investment Officer of the Manager, who is responsible for setting and reviewing the Funds' policies and procedures, objectives and goals for short selling, will report to the Board of Directors of the Manager on short sale strategies and risk management processes used by the Funds. The Funds do not use risk measurement procedures or

simulations to test the portfolio under stress conditions. The risks of short selling will be monitored independently of the persons who carry out the trades.

### **IRC Approved Transactions and Inter-Fund Transfers**

Each Fund has received permission from its independent review committee and the Canadian's securities regulators to trade in portfolio securities with other mutual funds managed by the Manager ("Inter-Fund Transfers"). Inter-Fund Transfers are subject to the rules relating to National Instrument 81-107 *Independent Review Committee for Investment Funds*, as well as to the Inter-Fund trades Policy and Procedure of the Manager.

### **IRC Approved Transactions and Purchasing of Securities of Certain Issuers**

Pursuant to applicable securities legislation, the Manager must, among other things, not knowingly cause an investment portfolio managed by it to purchase a security of an issuer in which a responsible person of the Manager is a partner, officer or director (an "Associated Issuer") unless this fact is disclosed to the client, and the written consent of the client to the purchase is obtained before the purchase (the "Associated Issuer Restriction").

Each Fund has received permission from its independent review committee and the Canadian securities regulators to purchase securities of Associated Issuers, including those of National Bank of Canada. The Manager has implemented policies and procedures to ensure that the conditions applicable to each purchase of securities of Associated Issuers are met. The independent review committee of the Funds has granted its approval in respect of such transactions in the form of standing instructions. The independent review committee will review these transactions at least annually.

### **Investment Objective and Strategies**

Any change in the fundamental investment objective of a Fund requires the approval of unitholders at a meeting called for that purpose. From time to time at our discretion we may change a Fund's investment strategies to further enhance the Fund's ability to achieve its investment objectives. We may also make administrative or compliance changes without notice to you so long as such changes impose no obligation on you to make any further payment in respect of the units or to accept any liability in this respect.

### **Eligibility under the Income Tax Act**

Each Fund qualifies or will be deemed to qualify as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") and is expected to continue to so qualify at all times in the future. To the extent that a particular Fund is a mutual fund trust for the purposes of the Tax Act, units of the Fund are qualified investments under the Tax Act for registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans ("DPSPs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), and tax-free savings accounts ("TFSA"). The units of a Fund will not be a "prohibited investment" for trusts governed by a TFSA, RRSP, RRIF or, as a result of recent tax proposals in the 2017 federal budget, RDSP or RESP unless the holder of the TFSA, the annuitant under the RRSP or RRIF or the holder of a RDSP or the subscriber of a RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in a Fund unless the holder,

annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the units of a Fund will not be a "prohibited investment" if such units are "excluded property" as defined in the Tax Act.

## **DESCRIPTION OF UNITS**

The Funds are divided into units. The series of units offered by each Fund appear on the cover page of this annual information form. Each Fund may issue an unlimited number of units of each series. A description of the series of units offered by each Fund and the eligibility requirements of those series of units is contained in the simplified prospectus. The Funds may offer additional series of units in the future without notice to, or approval of, unitholders.

A separate net asset value is calculated in respect of each series of units issued by each Fund, as described under "Calculation of Series Net Asset Value and Valuation of Portfolio Securities". Although money invested to buy units is tracked on a series by series basis in the Fund's records, the assets of all series of each Fund are combined into a single pool to create one portfolio per Fund for investment purposes.

However, "Hedging Assets" (as defined below) are attributed only to Series AH and FH Units of the Fund. Hedging Assets means money or other assets derived from currency forward hedges entered into in respect solely of the Series AH and FH Units in order to minimize the effect of currency movements between foreign currency assets held by a Fund attributable to the Series AH and FH Units and the Canadian dollar.

All units of a series issued by a Fund rank equally with all other units of that series of that Fund with respect to voting rights. Subject to Management Fee Distributions, all units are treated equally with respect to distributions and on any winding-up of a Fund based on the relative net asset value of each series. If a Fund, or a particular series of units of a Fund, is terminated, each unit that you own will share equally with each other unit of the same series in the assets of the Fund or in the series' proportionate share of the assets of the Fund, as the case may be, after all the Fund's liabilities (or those allocated to the series of units being terminated) have been paid.

Once the purchase price has been paid on a purchase order all units of a Fund are non-assessable. Fractions of units may be issued. Fractional units carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole units in the proportions which they bear to one unit.

Units of any series of a Fund may be switched into units of another series of that Fund or into units of the same or another series of any other Fund for such number of units of such other Fund equal to the aggregate series net asset value of the units of the Fund being switched by a unitholder. Switches are described in more detail under "Switching Privileges". Unitholders can redeem all or any of their units as described under "Redemption of Units". Units of all Funds are non-transferable except by operation of law.



The rights and conditions attaching to the units of each of the Funds may be modified only in accordance with the provisions attaching to such units and the provisions of the Master Declaration.

### **Unitholder Meetings**

As a unitholder in a Fund you are entitled to one vote for each unit held and to a proportionate fraction of one vote for each fraction of a Unit held at meetings of unitholders of your Fund and at any meetings held solely for unitholders of your series of units. We must call a meeting of unitholders of a Fund for approval if we should want to make any of the following material changes to a Fund:

- a change of the Manager of the Fund (other than a change to one of our affiliates);
- the basis of the calculation of a fee or other expense that is charged to a Fund or its unitholders is changed in a way that could result in an increase in charges, or a fee or expense to be charged to a Fund or its unitholders that could result in an increase in charges is introduced, unless (i) the Fund is at arm's length to the party charging the fee or expense, and (ii) the unitholders are given at least 60 days' written notice of the effective date of the proposed change;
- any change in the fundamental investment objective of a Fund;
- a decrease in the frequency of calculating the net asset value per series of units of a Fund;
- a reorganization of a Fund with, or the transfer of a Fund's assets to, another mutual fund, where the Fund ceases to continue thereafter and the unitholders of the Fund become unitholders of the other mutual fund, unless (i) the proposed reorganization is approved by the Fund's Independent Review Committee, (ii) unitholders are given at least 60 days' written notice before the effective date of the change, and (iii) there has been compliance with the requirements of securities regulations;
- if a Fund undertakes a reorganization with, or acquires assets from, another mutual fund, where the Fund continues thereafter and the unitholders of the other mutual fund became unitholders of the Fund, in a transaction that constitutes a material change to the Fund; and
- any other matter which is required by the Master Declaration, as applicable, by the laws applicable to the Fund, or by any agreement, to be submitted to a vote of the unitholders.

Subject to IRC approval, no unitholder approval will be required for a change of auditors of a Fund if unitholders of the Funds are sent a written notice at least 60 days before the effective date of the change.

Despite the foregoing, unitholders of a series of a Fund are not entitled to vote on any of the above matters if they as unitholders of a series of a Fund are not affected thereby.

## **CALCULATION OF SERIES NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES**

The net asset value per unit for a series of units of a Fund is calculated by dividing the value of the series' proportionate share of the net assets of the Fund by the total number of units of the series held by unitholders at the time. The series' proportionate share of the net assets of the Fund is equal to the value of the series' proportionate share of the assets of the Fund minus the liabilities of that series and minus the proportionate share of the liabilities shared by all series of the Fund which have been allocated to that series. The net asset value per unit for a series is adjusted to the nearest cent per unit.

The net asset value per unit of each series of units is normally determined as at the close of trading on the Toronto Stock Exchange ("TSX") on each day that the TSX is open for trading, other than a Saturday or Sunday, on which Canadian chartered banks are open for business, unless we have declared a suspension of the determination of the net asset value as described under "Redemption of Units". The net asset value per unit for each series of units so determined remains in effect until the time as at which the next determination of net asset value per unit is made. The day on which net asset value is determined is referred to in this annual information form as a "valuation day".

RBC Investor Services Trust ("RBC IS") is responsible for calculating the net asset value of the Funds (with the exception of the Fiera Capital Defensive Global Equity Fund) pursuant to a custodian agreement between RBC IS and Sceptre Investment Counsel Limited (the predecessor of Fiera Capital Corporation) in its capacities as Manager-Trustee with respect to the Funds dated June 29, 2001, as last amended on January 3<sup>rd</sup>, 2017 (the "RBC Custodian Agreement").

It was decided that RBC Investor Services Trust will be terminated as valuator of the Funds (other than the Fiera Capital Defensive Global Equity Fund) and that such termination shall be effective on or about March 9, 2018. State Street Fund Services Toronto Inc. shall replace RBC Investor Services Trust as valuator of such Funds.

NBCN Inc. ("NBCN") is responsible for calculating the net asset value of the Fiera Capital Defensive Global Equity Fund pursuant to a custodian agreement between NBCN, the Fiera Capital Defensive Global Equity Fund and Fiera Capital Corporation, in its capacities as Manager-Trustee with respect to the Fiera Capital Defensive Global Equity Fund dated August 13, 2014 (the "NBCN Custodian Agreement").

It was decided that NBCN Inc. will be terminated as valuator of the Fiera Capital Defensive Global Equity Fund and that such termination shall be effective on or about March 9, 2018. State Street Fund Services Toronto Inc. shall replace NBCN Inc. as valuator of the Fiera Capital Defensive Global Equity Fund.

Net asset values of the Funds are determined in Canadian dollars.

In calculating the net asset value of a Fund at any time, the following valuation principles apply:

- the value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received is generally deemed to be the full amount thereof unless

we determine that any such asset is not worth the full amount, in which case the value is deemed to be that value we determine to be the fair value

- securities listed on a public securities exchange or on NASDAQ are valued, subject to the principles set out below, at their last sale price as reported on the day as of which the net asset value of the Fund is being determined or, if no sale is reported to have taken place on that day, a price between the closing bid and asked prices on that day
- unlisted securities traded on an over-the-counter market are valued at a price between the closing bid and asked prices on the day as of which the net asset value of the Fund is being determined
- if securities are interlisted or traded on more than one exchange or market, we use the last sale price or a price between the closing bid and asked prices as the case may be, reported on the exchange or market determined by us to be the principal exchange or market for such securities
- securities and other assets for which price quotations are, in our opinion, inaccurate, unreliable, not reflective of all available material information or not readily available, are valued at their fair value, as we determine in a fair and reasonable manner
- restricted securities are valued at the lesser of:
  - the value thereof based on reported quotations of that restricted security in common use; and
  - that percentage of the market value of the securities of the same series or series of a series the resale of which is not restricted or limited by reason of any representation, undertaking or agreement by the Fund or its predecessor in title or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the restricted securities will cease to be restricted securities
- long positions in options, debt-like securities and warrants are valued at the current market value of the position
- where an option is written by a Fund, the premium received by the Fund for those options is reflected as a deferred credit that is valued at an amount equal to the current market value of the option that would have the effect of closing the position; any difference resulting from revaluation is treated as an unrealized gain or loss on investment; the deferred credit is deducted in arriving at the net asset values of the series of the Fund; the securities, if any, that are the subject of a written option are valued in the manner described above for listed securities
- the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that valuation date, the position in the forward contract or swap was closed out
- if an asset cannot be valued under the above principles or under any valuation principles set out in securities legislation or if any valuation principles that we have adopted but that are not set out in securities legislation are at any time considered by us to be

inappropriate in the circumstances, then we will use a valuation that we consider to be appropriate in the circumstances.

- where we cannot apply these principles, for instance because there is an interruption of normal trading of a security at a securities exchange, we will determine the net asset value in a manner that we think is fair. In the last three years, we have not exercised our discretionary power to deviate from the valuation practices described in this section.

Trades in foreign securities may occur when the TSX is closed. The Funds value foreign securities at the latest closing price on the exchange on which they are traded immediately prior to the closing of the TSX that day. Certain foreign currency exchange rates may also be determined at the latest rate prior to the closing of the TSX that day. Foreign securities quoted in foreign currency are converted into Canadian dollars by applying the London Interbank Rate of Exchange fixed at 4:00 pm Greenwich mean time on the day as of which the net asset value of the Fund is being determined. Occasionally, events that affect these values and those exchange rates may occur between the times at which they are determined and the closing of the TSX. If such events materially affect the value of portfolio securities, these securities may be valued at their fair value as we determine in good faith.

Foreign securities may trade in their primary markets on weekends or other days when the Funds do not price their units. Therefore, the value of the portfolio of a Fund holding foreign securities may change on days when unitholders will not be able to buy or redeem their units.

The net asset value per unit of each series of units of a Fund as at each valuation day will be made available through FundServ on a daily basis. Such prices will also be available on the Manager's website at [www.fieracapital.com](http://www.fieracapital.com). The Manager will also provide such information at no cost to unitholders who so request by calling 416-360-4826 or toll-free at 1-800-265-1888.

## **PURCHASE OF UNITS**

### **General**

Units of the Funds are offered for sale on a continuous basis. Series D Units may be purchased directly from Fiera Capital Funds Inc. by investors in Québec, Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Yukon and New Brunswick and such other provinces where Fiera Capital Funds Inc. may be a registered dealer. Purchase orders for Series A Units, Series AH Units, Series F Units and Series FH Units may also be placed with investment dealers, securities dealers or mutual fund dealers registered in an investor's province or territory. Series D units can be purchased directly through our subsidiary, Fiera Capital Funds Inc. or with confirmation from your dealer that you are investing through a discount brokerage account or other account approved by us, and your dealer has entered into an agreement with us relating to the distribution of these securities. Series D Units may be converted into other classes of Units of the same Fund or another Fund (except in Series O Units) subject to our approval and the eligibility requirements (where applicable). Series O Units are available only directly through us within discretionary investment management arrangements or your dealer must have entered into a Series O Unit distribution agreement with us.

## **Purchase Price**

Units of the Funds are purchased at their net asset value per unit for each series of units, from time to time, calculated as described under “Calculation of Series Net Asset Value and Valuation of Portfolio Securities”. The purchase price of a unit of a particular series is the series net asset value per unit for that series of units next determined following receipt by the Fund of a complete subscription. Any subscription received on a valuation day after the cut-off time or on any day that is not a valuation day is deemed to have been received on the following valuation day. The purchase price per unit is then the series net asset value per unit for that series of units established on the valuation day following the day of actual receipt of the subscription. The cut-off time for receipt of subscriptions is 4:00 p.m. Toronto time, except that on days when the TSX closes early, the cut-off time is such earlier closing time.

Units may be purchased only in Canadian dollars by certified cheque or by wire transfer of funds or an official bank cheque payable at par in Toronto. All purchase orders must be accompanied by payment of the purchase price of the units.

## **Minimum Purchase Amounts**

The minimum initial investment requirement for an investor is \$500 per account for Series A Units, Series AH Units, Series D Units, Series F Units and Series FH Units. Except as described under “Pre-Authorized Chequing Plan”, each subsequent contribution to Series A Units, Series AH Units, Series D Units, Series F Units or Series FH Units of a Fund must be at least \$100. An investor may direct that the investment be applied to purchase units in any one of the Funds or divided among the Funds in any proportion that suits the investor’s investment objectives. We reserve the right to make exceptions to these requirements at our discretion.

Series F Units and Series FH Units are available without any sales commissions to qualified investors, which means that you pay no sales charge when you buy and sell. If you would like to buy Series F Units and Series FH Units, please contact your dealer or broker.

To be eligible to purchase Series O Units you must qualify for a discretionary investment management account with us or your dealer must have entered into a Series O Units distribution agreement with us. We reserve the right to make exceptions to these requirements at our discretion.

## **Purchase options**

There is usually a charge for investing in Series A Units or Series AH Units. You have two options for Series A Units: the sales charge or the low load sales charge option. Series D, Series F, Series FH and Series O Units can be purchased only through the no load option.

## **Sales Charge Option**

Investors purchasing Series A Units or Series AH Units of any of the Funds through an investment dealer, securities dealer or mutual fund dealer (including units purchased under a RRSP, RRIF, LIRA, LIF or DPSP) may have to pay an acquisition charge to their dealer of between 0-5% of the total amount of the purchase order. We deduct the commission from your purchase and pay it to your authorized dealer, broker or advisor.

No acquisition charges are payable on Series D Units, Series F Units, Series FH Units and Series O Units. The entire amount you invest will be used to buy Series D Units. Certain discount brokers or dealers do not charge brokerage commissions when you purchase or sell Series D securities; however, you should confirm this with your discount broker or dealer.

### **Low Load Sales Charge**

Under the low load sales charge option the entire amount of your investment goes toward buying Series A Units of a Fund and we pay a commission directly to your authorized dealer, broker or adviser. However, if you sell your Series A Units within three years of buying them, you will pay a redemption fee. The redemption fee is based on the cost of the Units. It starts at 3% (or 1.25 % for the Fiera Capital Diversified Bond Fund) in the first year and decreases each year over a three year period. If you hold your Units for more than three years, you pay no redemption fee. You will find more details about the low load sales charge in the Fund's simplified prospectus.

If you choose the low load sales charge, you may not sell your Units until the beginning of the fourth year without paying a redemption fee.

### **Processing of Orders**

Each Fund reserves the right to reject any order in whole or in part. All purchase orders for units that are not placed directly with us must be forwarded to us for acceptance or rejection. Dealers must transmit orders to the registered office of the Funds on the same day as they receive them, without charge to the investor and wherever practical by courier, priority post or telecommunications facility. The decision to accept or reject any order for units will be made within one business day of our receipt of the order. In the event that any purchase order is rejected, all money received with the order will be returned immediately to the subscriber. An administrative fee of \$25 plus applicable taxes is charged to an investor in respect of each NSF cheque submitted in payment for an order for units.

Payment for all orders of units must be received at the Funds' registered office on or before the settlement date - currently the third business day from (but not including) the day the subscription price for the units so ordered is determined. Note that starting on September 5, 2017, all Canadian Securities Administrators will adopt a shorter standard settlement cycle of two days after the trades. Consequently and if authorized under applicable securities laws, starting on September 5, 2017, we must receive payment no later than the second business day after a purchase order is received.

Where payment of the subscription price is not received within the prescribed settlement date, we, on behalf of the Fund, will redeem the units ordered on the first business day following such period. The redemption proceeds received will reduce the amount owing to the Fund in respect of the failed purchase transaction. If the difference is favourable to the Fund, the Fund keeps the difference. If there is a resulting dilution to the Fund, we will collect such amount, together with our banking costs, from the dealer (other than Fiera Capital Funds Inc.) who submitted the order, who in turn may collect such amount from the investor on whose behalf the application was placed, depending on the dealer's arrangements with that investor. Where no dealer or where Fiera Capital Funds Inc. was involved in the failed order, we will expect to collect the amounts described above from the investor who has failed to make payment for the units ordered.

## **PRE-AUTHORIZED CHEQUING PLAN**

Automatic investment in units of any of the Funds may be made by way of automatic bank debit in amounts of at least \$100 every two weeks or monthly, each with a minimum of \$50 per Fund, provided appropriate prescribed instructions are given to us. For Series A, Series AH, Series D, Series F and Series FH Units, these plans are only available for accounts held with Fiera Capital Funds Inc. and only so long as the \$500 minimum investment threshold for these series has been met. Other dealers that distribute Units may offer similar plans that they administer. The investor may select the frequency of investments from the options set out from time to time on the Funds' investment application form. The amount of each investment and the frequency of investment may be changed, or the arrangement may be discontinued, by giving us, Fiera Capital Funds Inc. or the investor's dealer in the case of units purchased through such dealer, at least ten business days' written notice. A request for redemption of all units held by a unitholder under a pre-authorized chequing plan will be deemed to be a request to terminate the pre-authorized chequing plan unless otherwise stated. We may process, or Fiera Capital Funds Inc. may process, such a redemption excluding any units acquired through the most recent purchase of units. The units excluded from the redemption will be redeemed after we have received confirmation that the payment for the purchase of the units has cleared.

There is no fee or other charge in connection with the use of a pre-authorized chequing plan. Please refer to "Purchase of Units" and "Redemption of Units" for charges and fees that are otherwise payable on purchases or redemption of units. We charge a fee of \$25 plus applicable taxes each time insufficient funds are in the unitholder's bank account to cover the amount of the systematic investment. Additional information regarding the delivery of the Fund Facts is set out under "Pre-Authorized Chequing Plan" in the Simplified Prospectus of the Funds.

## **SWITCHING PRIVILEGES**

### **Switching of Investments between Funds or Series**

Except as provided in this paragraph, you may switch all or part of your investment in a Fund to another Fund or Funds. To do so, you must redeem the desired number of units in accordance with the procedures described under "Redemption of Units" and ask Fiera Capital Funds Inc. or your dealer to apply the aggregate redemption proceeds to the purchase of the same series of units or another series of units of the other Fund or Funds. Note that if you purchased your Series A Units through the low load sales charge option or other option, the same option will apply to your new Units. You pay no redemption fee when you transfer Series A Units you bought under the low load sales charge option, but you may have to pay a redemption fee when you sell the new Units. If the redemption fee applies, we will calculate it based on the cost of the original Units and the date you bought the original Units. You may only switch to Series F Units, Series FH Units and Series O Units of the Funds if you meet the eligibility requirements for those units that are described under "Purchase of Units" and in the simplified prospectus.

Subject to you meeting the eligibility requirements described under "Purchase of Units" and in the simplified prospectus, you may also switch units of one series to units of another series of the same Fund or of another Fund (except for Series O Units). However, note that holders of Series A Units purchased under the low load sales charge option are only authorized to switch to Series A Units of another Fund if such Fund offers Series A Units under the low load sales charge option.

Switches from one Fund to another Fund are allowed at no cost. We also reserve the right at any time without notice to limit or to withdraw the no-cost switch privilege. In addition, switches are treated as redemptions for purposes of the imposition of any redemption charge or short term trading fee as described under “Redemption of Units”.

If any units received in a switch transaction are subsequently sold within 90 days of the switch, a short term trading fee may apply on that sale, as described under “Redemption of Units”.

The tax consequences of switching investments are discussed generally under “Income Tax Considerations”. Unitholders should consult their financial advisors in connection with any switch transaction.

## **REDEMPTION OF UNITS**

### **Price on Redemption**

Units of a Fund may be redeemed at the series net asset value per unit for the applicable series of units next determined after receipt of a redemption request at the registered office of the Funds. Redemption requests received on any day that is not a valuation day or received after the cut-off time on a valuation day are deemed to have been received on the following valuation day. In that case, the price on redemption will be the applicable series net asset value per unit for the series of units established on that following valuation day. The cut-off time for receipt of redemption requests is 4:00 p.m. Toronto time, on any day on which the TSX is open for regular trading. On any day that the TSX closes early, the cut-off time is that earlier closing time.

### **Processing Redemptions**

You should consult your financial adviser in connection with any redemption. Applications for redemption relating to Series A, Series D and Series F Units may be forwarded directly to Fiera Capital Funds Inc. or to dealers or brokers for delivery to the Fund. Dealers must transmit the particulars of such application for redemption to the Fund without charge to you and wherever practical by courier, priority post or telecommunications facility. Applications for redemption relating to Series O Units may be forwarded directly to us for delivery to the Fund.

No payment of redemption proceeds is made until a duly completed and properly executed request for redemption has been received from the registered holder of the units. We may require that your signature be guaranteed by a guarantor acceptable to us. If the unitholder is a corporation, partnership, agent, fiduciary or surviving joint owner, additional documentation of a customary nature is required.

Where a Fund has received a duly completed application for redemption, the Fund will pay the redemption proceeds within the prescribed settlement date (currently three business days of receipt of such documents until September 5, 2017, following which it will be two business days of receipt of such documents).

If you fail to provide us with a duly completed application for redemption within ten business days of the date on which the net asset value was determined for purposes of the redemption, we, on behalf of the Fund, will purchase the units redeemed on the next business day. The redemption proceeds which would have been paid on the failed transaction are used to pay the purchase price. If the redemption proceeds exceed the purchase price, the difference belongs to the Fund. If the redemption proceeds are less than the purchase price, resulting in a dilution to



the Fund, we will collect such amount from the dealer placing the application for redemption, who in turn may collect such amount from the unitholder on whose behalf the application was placed, depending on that dealer's arrangements with the unitholder. Where no dealer, or where Fiera Capital Funds Inc., has been involved in a failed application for redemption, we will expect to collect the amounts described above from the unitholder who has failed to supply the proper application for redemption.

Payment for the units that are redeemed shall be made in Canadian dollars, and will be made provided that the unitholder's payment for the purchase of any of the units being redeemed has cleared. Unless a unitholder otherwise requests, the cheque representing the redemption proceeds is mailed to the address of the unitholder on the register of the Fund. At the request and expense of the unitholder, redemption proceeds will be forwarded by courier.

Unitholders whose units are registered in the name of their dealer or other intermediary must instruct that entity to provide us with the redemption request. As redemption proceeds are paid only to registered holders, unitholders holding through financial intermediaries should expect redemption proceeds to be paid into their account with that intermediary.

Unitholders should also refer to "Short Term Trading Fees" below in connection with any redemption or switch.

### **Short Term Trading Fees**

The Funds should be considered to be long term investments and we discourage investors from buying units of the Funds and then redeeming or switching those units with excessive frequency. We consider that a redemption or switch of units of the Funds within 30 days of purchase of those units is excessive trading. We monitor for this activity, and will impose a short term trading fee on units of the Funds that are redeemed or switched and that have been owned for less than 30 days.

The short term trading fee is equal to up to 2% of the purchase amount of the units. The short term trading fee will be deducted from the net asset value otherwise payable and will be retained by the relevant Fund. No short term trading fee will be charged if the units are redeemed as a result of:

- the death of the unitholder within the 30 day period; or
- the unitholder exercising a statutory right of withdrawal or rescission.

### **Suspension of Redemption Rights**

We reserve the right to suspend the right of redemption and to postpone the date of payment upon redemption for any period, but only in compliance with applicable securities regulatory policies. The right of redemption with respect to units of a Fund may be suspended:

- during any period when normal trading is suspended on any exchange on which portfolio securities or specified derivatives are traded where either represents more than 50% of the total assets of that Fund without allowance for liabilities, provided that those portfolio securities or specified derivatives are not traded on another exchange that represents a reasonably practical alternative for the Fund;

- in addition, the right of redemption may be suspended with the consent of the securities regulatory authorities.

During any period of suspension of redemption rights, orders for units will not be accepted and unitholders may either withdraw a submitted application for redemption or receive payment based on the next calculation of the applicable net asset value per series of unit after the end of such suspension.

### **Minimum Account Size**

Due to the relatively high cost of maintaining accounts of less than \$5,000, each of the Funds reserves the right to redeem units in any account at the net asset value thereof if, at any time, the aggregate net asset value of such units is less than \$5,000. A unitholder will be notified that the value of the units held in the unitholder's account is less than \$5,000 and allowed 30 days to make an additional investment to increase the aggregate net asset value of such units in the unitholder's account to not less than \$5,000 before the redemption is processed.

If the aggregate net asset value of Series O Units should fall below our minimum investment requirement for those units we may, at our option, convert your Series O Units to Series D Units of the same Fund, if applicable, or redeem your units after giving you 30 days' prior written notice.

### **Redemption at the Demand of the Manager**

The Manager may cause the Funds to redeem, without notice, units owned by (i) a non-resident of Canada, if the continued ownership of such non-resident could cause the Fund to be unable to obtain or to lose its status as a mutual fund trust for the purposes of the Tax Act; or (ii) a person which would cause the Fund to contravene the laws of any jurisdiction or to become subject to the laws of a foreign jurisdiction.

## **MANAGEMENT OF THE FUNDS**

### **The Manager**

Fiera Capital Corporation, a corporation incorporated under the laws of Ontario with its head office located at 1501 McGill College Avenue, Suite 800, Montreal, Québec H3A 3M8, is the Manager. The Manager also has a registered office located at 1 Adelaide Street, Suite 600, Toronto, Ontario M5C 2V9. Our phone number is 1-800-265-1888, our e-mail address is **retailmarkets@fieracapital.com** and our website address is **www.fieracapital.com**. We are responsible for the day-to-day business of the Funds, including management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to each Fund. Through third party agents, we furnish office space and facilities, clerical help, bookkeeping and the internal accounting services required by each of the Funds. Dividend crediting services and all unitholder servicing requirements are also furnished by us through third party agents. Registry and transfer agency services for the Funds are furnished on our behalf.

Fiera Capital Corporation, as Manager, is subject to the oversight of the Funds' Independent Review Committee as described under "Fund Governance" below.

Following is a list of individuals who are directors and executive officers of Fiera. No payments or reimbursements have been made by any of the Funds to such directors and executive officers:

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position with the Manager</u></b>	<b><u>Principal Occupation</u></b>
Guy Archambault	Senior Vice President and Chief Human Resources Officer	Senior Vice President and Chief Human Resources Officer
Réal Bellemare Montreal, Québec	Director	Executive Vice-President, Finance, Treasury, Administration and Chief Financial Officer, Desjardins Group
Bourdon, François Saint-Constant, Québec	Global Chief Investment Officer	Global Chief Investment Officer
Sylvain Brosseau Montréal, Québec	Director	Corporate Director
Violaine Des Roches Montreal, Québec	Senior Vice President, Chief Legal and Chief Compliance Officer and Corporate Secretary	Senior Vice President, Chief Legal and Chief Compliance Officer and Corporate Secretary
Brian A. Davis Toronto, Ontario	Director	Co-President and Co-Chief Executive Officer of National Bank Financial
Jean-Guy Desjardins Westmount, Québec	Chairman of the Board, President and Chief Executive Officer	Chairman of the Board, President and Chief Executive Officer
Martin Gagnon Saint-Lambert, Québec	Director	Executive Vice-President, Wealth Management and Co-President and Co-Chief Executive Officer of National Bank Financial
Nitin N. Kumbhani Dayton, Ohio	Vice Chairman, Chief of Growth Equity Strategies, Fiera Capital Inc.	Vice Chairman, Chief of Growth Equity Strategies, Fiera Capital Inc.
Raymond Laurin Lévis, Québec	Director	Corporate Director
Jean-Philippe Lemay Candiac, Québec	President, Chief Operating Officer and Chief Investment Officer, Canadian division	President, Chief Operating Officer and Chief Investment Officer, Canadian division
Jean C. Monty Montreal, Québec	Director	Director, DJM Capital Inc. and Corporate Director
Todd Morgan Los Angeles, California	Chairman and Chief Executive Officer, Bel Air Investment Advisors LLC	Chairman and Chief Executive Officer, Bel Air Investment Advisors LLC
Lise Pistono Laval, Québec	Director	Vice President and Chief Financial Officer of DJM Capital Inc. and Corporate Director
Arthur R.A. Scace Toronto, Ontario	Director	Corporate Director
David R. Shaw Toronto, Ontario	Lead Director	Non-Executive Chairman of LHH Knightsbridge
Benjamin Thompson Southport, CT, USA	President and Chief Executive Officer, Fiera Capital Inc.	Executive Vice President and Chief Financial Officer, Fiera Capital Inc.
John Valentini Montreal, Québec	Executive Vice President, Global Chief Financial Officer and President of the Private Alternative Investments division	Executive Vice President, Global Chief Financial Officer and President of the Private Alternative Investments division

Each of the foregoing individuals has held his or her present principal occupation or other executive offices with the same company or its predecessors or affiliates for the past five years,

except for (i) Raymond Laurin who acted as Chief Financial Officer of Desjardins Group from May 2008 to 2012; and Mr. Laurin retired from the Desjardins Group in January 2013; (ii) Todd Morgan who, prior to 2014, was Senior Managing Director of Bel Air Investment Advisors LLC; (iii) Brian A. Davis who, prior to 2014, was Executive Vice President Corporate Development and Governance at the National Bank Financial Inc. (iv) Benjamin Thompson who, prior to 2015, was Chief Executive Officer of Samson, (v) John Valentini who, prior to 2015, was Executive Vice-President, Chief Financial Officer and Chief Operating Officer of The Public Sector Pension Investment Board, (vi) Sylvain Brosseau who, prior to April 2017, was Global President and Chief Operating Officer and Director, Fiera Capital, (vii) Guy Archambault who, prior to January 2017, was Senior Vice President, Human Resources and Talent Management of The Public Sector Pension Investment Board; and (viii) Nitin N. Kumbhani who, prior to 2016, was Chief Investment Officer of Apex.

We act as Manager and as trustee of all Funds pursuant to the Master Declaration. The Master Declaration establishes the fundamental operating structure for those Funds. In our capacities as Manager-Trustee we have ultimate responsibility for the business and undertaking of those Funds and must carry out the terms of the Master Declaration. Subject to obtaining the prior approval of the unitholders of the respective Funds, except as provided with respect to our affiliates, we may appoint any person, including an affiliate, to assume our duties and responsibilities under the Master Declaration. Upon such approval being obtained and such person agreeing to act as trustee for the unitholders of the trusts and assuming the duties and obligations of the Manager-Trustee contained in the Master Declaration, we shall cease to be the trustee and shall be relieved of our duties and responsibilities under the Master Declaration. No approval of the unitholders is required if the successor Manager-Trustee is and continues to be one of our affiliates.

## Portfolio Manager

Investment decisions for all funds are made by a team of portfolio managers employed by us. We incorporate the talents and expertise of our portfolio managers into a team-oriented approach to investing. Four teams are responsible for the major investment decisions which govern the portfolios we manage for our clients. They are: the Asset Mix, the Canadian Equity, the Global Equity and the Fixed Income Teams. Within the teams, each portfolio manager has a specific area of responsibility, which is exercised within a structured framework.

The portfolio managers are supported by research analysts and quantitative specialists. The team of portfolio managers and research analysts, their primary area of responsibilities and their business experience during the past five years, are as follows:

<u>Name and Title</u>	<u>Length of Service with the Manager</u>	<u>Fund</u>	<u>Prior Experience*</u>
Frédéric Bérubé	15 years	Fiera Capital Income and Growth Fund	
François Bourdon	17 years	Fiera Capital Income and Growth Fund Fiera Capital High Income Fund	
Michael Brown	14 years	Fiera Capital High Income Fund	

<u>Name and Title</u>	<u>Length of Service with the Manager</u>	<u>Fund</u>	<u>Prior Experience*</u>
Nicolas Normandeau	5 years	Fiera Capital High Income Fund	
Michael Chan	8 years	Fiera Capital Income and Growth Fund	
		Fiera Capital Equity Growth Fund	
Ashish Chaturvedi	7 years	Fiera Capital Income and Growth Fund	
		Fiera Capital Core Canadian Equity Fund	
Raymond Halley	7 years	Fiera Capital Income and Growth Fund	
		Fiera Capital Core Canadian Equity Fund	
Christopher Laurie	11 years	Fiera Capital Diversified Bond Fund	
		Fiera Capital Income and Growth Fund	
Nadim Rizk	7 years	Fiera Capital Income and Growth Fund	
		Fiera Capital U.S. Equity Fund	
		Fiera Capital International Equity Fund	
		Fiera Capital Global Equity Fund	
		Fiera Capital Defensive Global Equity Fund	
Alexandre Hocquard	1 year	Fiera Capital High Income Fund	November 2016 to present Co-Leader, Head PM, Research and Quantitative Strategies Fiera Capital
		Fiera Capital Defensive Global Equity Fund	2014 to November 2016 Head Portfolio Manager HR Strategies Inc.
			2010 to 2013 Director, Quantitative Strategies & Portfolio Manager Pavilion Advisory Group Ltd.

<u>Name and Title</u>	<u>Length of Service with the Manager</u>	<u>Fund</u>	<u>Prior Experience*</u>
Candice Bangsund	1 year	Fiera Capital Income and Growth Fund Fiera Capital High Income Fund	2012 to 2014 Equity Portfolio Manager Fiera Capital  2010 to 2012 Equity Portfolio Manager CWM Investment Counsel (now Fiera Capital)  2003 to 2010 Investment Research Analyst Franklin Templeton

\* Prior experience shown only where the individual has been with the Manager and/or predecessor for less than 5 years.

### **Brokerage Arrangements**

It is our policy to select dealers to effect securities transactions for the Funds in a manner that serves the best interests of the Funds. Brokerage commissions are paid for both order execution and research goods and services. As part of the process of allocating brokerage transactions, both trading and research personnel vote on which dealers contribute the most to our investment management process. The specific aim is to leverage our research knowledge and to acquire the best execution when trading securities for the Funds. We have no affiliated trading operation.

The nature of the services provided by dealers used by us to effect securities transactions for the Funds range from order execution only, to trading commissions, to full service brokers who provide order execution as well as research. We also participate in third party “soft dollar” arrangements whereby a portion of the commission paid to the dealer is allocated to a third party independent research house or data provider. The independent services provided are covered by contractual arrangements between us and the service provider. The cost of these services is paid directly by “soft dollar” dealers who set aside part of the trading commission for such purpose.

The type of goods and services provided in addition to order execution services includes dealer research and dealer sponsored research conferences, company financial data, market data, risk analysis, economic and strategy analysis and market and trading information.

We receive high quality execution and research in return for brokerage commissions paid to dealers. We have determined that the overall value of order execution and research services received is reasonable considering the total amount of brokerage commissions paid by the Funds. This determination was made based on the industry experience and expertise of the Fiera personnel involved, taking into account the total commission dollars generated by us in managing the Funds’ portfolios relative to the research services received.

The names of dealers and third parties providing the services described above in connection with the securities transactions for the Funds will be provided upon request by contacting us at 1-800-265-1888, or by e-mail at [retailmarkets@fieracapital.com](mailto:retailmarkets@fieracapital.com).

### **Custodians**

Pursuant to the terms of a custodian agreement dated June 29, 2011, as last amended on January 3, 2017 to add the Fiera Capital International Equity Fund, the portfolio assets of the Funds (excluding the Fiera Capital Defensive Global Equity) are held under the custodianship of RBC IS pursuant to the RBC IS Custodian Agreement. Under this agreement, the RBC IS may, in accordance with the requirements of the securities regulatory authorities, appoint sub-custodians to hold assets outside Canada in the country or jurisdiction in which portfolio securities are traded or held. This agreement may be terminated by us, on behalf of the Funds (excluding the Fiera Capital Defensive Global Equity Fund), by giving at least 60 days' notice of termination.

It was decided that RBC Investor Services Trust will be terminated as custodian of the Funds (other than the Fiera Capital Defensive Global Equity Fund) and that such termination shall be effective on or about March 9, 2018. State Street Trust Company of Canada shall replace RBC Investor Services Trust as custodian of such Funds.

The portfolio assets of the Fiera Capital Defensive Global Equity Fund are held under the custodianship of NBCN pursuant to the NBCN Custodian Agreement. Under this agreement, NBCN may, in accordance with the requirements of the securities regulatory authorities, appoint sub-custodians to hold assets outside Canada in the country or jurisdiction in which portfolio securities are traded or held. This agreement may be terminated by us, on behalf of the Fiera Capital Defensive Global Equity Fund, by giving at least 90 days' notice of termination.

It was decided that NBCN Inc. will be terminated as custodian of the Fiera Capital Defensive Global Equity Fund and that such termination shall be effective on or about March 9, 2018. State Street Trust Company of Canada shall replace NBCN Inc. as custodian of the Fiera Capital Defensive Global Equity Fund.

### **Auditors**

The auditors of the Funds are PricewaterhouseCoopers LLP of Montreal, Québec. Any change in the auditors of a Fund may be made only with the approval of the Independent Review Committee of the Funds and upon 60 days' prior written notice to unitholders.

### **Other Service Providers**

By agreement dated as of June 4, 2007, as amended on January 3<sup>rd</sup>, 2017 to add the Fiera Capital International Equity Fund, we have arranged for RBC IS to perform certain of the administrative services required in connection with the Funds.

It was decided that RBC Investor Services Trust will be terminated as administrative services provider of the Funds and that such termination shall be effective on or about March 9, 2018. State Street Fund Services Toronto Inc. shall replace RBC Investor Services Trust as administrative services provider of the Funds.

## Registrar and Transfer Agent

RBC IS, the registrar and transfer agent for the Funds, maintains the register of unitholders of the Funds at its principal office in Toronto, Ontario.

It was decided that RBC Investor Services Trust will be terminated as registrar and transfer agent of the Funds and that such termination shall be effective on or about March 9, 2018. International Financial Data Services (Canada) Limited shall replace RBC Investor Services Trust as registrar and transfer agent.

## Securities Lending Agent

RBC IS, is the securities lending agent for the Funds from its office in Toronto, Ontario. Under the terms of the agreement between RBC IS and the Funds, the aggregate market value of the collateral for a loan shall never be less than the percentage of the aggregate market value of the loaned securities which is the highest of (i) the minimum percentage required by any applicable legislation or regulatory authority, or (ii) prevailing market practice. The collateral shall at all times comply with the provisions of NI 81-102 or any successor thereto. The agreement between the parties may be terminated upon five business days' notice to the other. Upon receipt of this notice, RBC IS shall terminate all outstanding loans pursuant to the applicable loan agreements and upon repayment thereunder, the securities lending agreement shall terminate.

## CONFLICTS OF INTEREST

### Principal Holders of Units

The following table sets out the only persons or companies, as at July 31, 2017, who are owners of record of, or who own beneficially, directly or indirectly, more than 10% of the issued and outstanding Series A, Series AH, Series D, Series F, Series FH, and Series O Units of any of the Funds.

#### Series A:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital Income and Growth Fund	Individual Investor A*	of record and beneficially	13,505	34.88
Fiera Capital Income and Growth Fund	646118 Ontario Limited	of record and beneficially	4,956	12.80
Fiera Capital Diversified Bond Fund	Individual Investor B*	of record and beneficially	34,301	27.13
Fiera Capital Core Canadian Equity Fund	Fiera Capital Corporation	of record and beneficially	76,668	100
Fiera Capital Equity Growth Fund	Individual Investor C*	of record and beneficially	9,981	36.93



<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital High Income Fund	Individual Investor D*	of record and beneficially	2,497	13.24
Fiera Capital High Income Fund	Individual Investor E*	of record and beneficially	2,195	11.64
Fiera Capital International Equity Fund	Fiera Capital Corporation	of record and beneficially	15,006	54.76
Fiera Capital U.S. Equity Fund	Individual Investor F*	of record and beneficially	2,461	17.34
Fiera Capital U.S. Equity Fund	Individual Investor G*	of record and beneficially	1,499	10.56
Fiera Capital U.S. Equity Fund	Individual Investor H*	of record and beneficially	1,444	10.17
Fiera Capital U.S. Equity Fund	Individual Investor I*	of record and beneficially	1,486	10.47

Series AH:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital Global Equity Fund	Fiera Capital Corporation	of record and beneficially	100	100
Fiera Capital International Equity Fund	Fiera Capital Corporation	of record and beneficially	100	100

Series D:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital Defensive Global Equity Fund	Individual Investor A*	of record and beneficially	28,840	27.13
Fiera Capital International Equity Fund	Individual Investor B*	of record and beneficially	4,207	79.25
Fiera Capital U.S. Equity Fund	Individual Investor C*	of record and beneficially	6,674	16.02
Fiera Capital U.S. Equity Fund	Harcourt Memorial United Church	of record and beneficially	6,576	15.79
Fiera Capital U.S. Equity Fund	Individual Investor D*	of record and beneficially	6,550	15.73

Series F:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital Income and Growth Fund	Balnar Management Limited	of record and beneficially	9,639	22.22
Fiera Capital Income and Growth Fund	Twin Pines Investment	of record and beneficially	6,821	15.73
Fiera Capital Income and Growth Fund	Individual Investor A*	of record and beneficially	4,552	10.50
Fiera Capital Diversified Bond Fund	Individual Investor B*	of record and beneficially	48,955	12.25
Fiera Capital Core Canadian Equity Fund	Individual Investor C*	of record and beneficially	9,460	31.54
Fiera Capital Core Canadian Equity Fund	Chelmire Inc.	of record and beneficially	7,765	25.89
Fiera Capital Core Canadian Equity Fund	9063-7380 Quebec Inc.	of record and beneficially	5,827	19.43
Fiera Capital Defensive Global Equity Fund	Individual Investor D*	of record and beneficially	72,271	11.98
Fiera Capital High Income Fund	Twin Pines Investment	of record and beneficially	5,506	35.76
Fiera Capital High Income Fund	Individual Investor E*	of record and beneficially	2,701	17.54
Fiera Capital High Income Fund	Individual Investor F*	of record and beneficially	2,206	14.33
Fiera Capital High Income Fund	Individual Investor G*	of record and beneficially	1,577	10.24
Fiera Capital U.S. Equity Fund	9119-6410 Quebec Inc.	of record and beneficially	37,604	25.45
Fiera Capital U.S. Equity Fund	Individual Investor H*	of record and beneficially	22,376	15.14

Series FH:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital International Equity Fund	Individual Investor A*	of record and beneficially	863	60.40
Fiera Capital International Equity Fund	Individual Investor B*	of record and beneficially	465	32.57

Series O:

<b>Fund</b>	<b>Holder of Units</b>	<b>Type of Ownership</b>	<b>Number of Units Held</b>	<b>Percentage of Total Series of Units</b>
Fiera Capital Income and Growth Fund	Individual Investor A*	of record and beneficially	26,233	26.65
Fiera Capital Income and Growth Fund	Individual Investor B*	of record and beneficially	20,694	21.03
Fiera Capital Income and Growth Fund	Individual Investor C*	of record and beneficially	13,342	13.56
Fiera Capital Income and Growth Fund	Individual Investor D*	of record and beneficially	11,013	11.19
Fiera Capital Diversified Bond Fund	Sceptre Balanced Growth	of record and beneficially	1,866,162	57.94
Fiera Capital Core Canadian Equity Fund	Sceptre Balanced Growth	of record and beneficially	947,795	33.95
Fiera Capital Equity Growth Fund	Fonds Omnibus FMOQ	of record and beneficially	249,558	36.43
Fiera Capital Equity Growth Fund	Fonds Placements FMOQ	of record and beneficially	99,190	14.48
Fiera Capital Defensive Global Equity Fund	Gestion Daleo Inc.	of record and beneficially	8,420	98.82
Fiera Capital Global Equity Fund	La Capitale assureur de l'administration publique Inc.	of record and beneficially	663,792	25.15
Fiera Capital Global Equity Fund	Sceptre Balanced Growth	of record and beneficially	503,796	19.09
Fiera Capital Global Equity Fund	Bank of Montreal	of record and beneficially	291,726	11.05
Fiera Capital High Income Fund	SLAC High Income Fund	of record and beneficially	81,016	34.41
Fiera Capital International Equity Fund	Fiera Capital Corporation	of record and beneficially	101	100
Fiera Capital U.S. Equity Fund	Individual Investor E*	of record and beneficially	224,725	12.82

\* To protect the privacy of investors, we have omitted the names of the beneficial owners. This information is available upon request by contacting us at the telephone number on the back cover of this annual information form.

As at July 31, 2017, to our knowledge, there are no persons or companies that are, directly or indirectly, owners of record of, or beneficial owners of, more than 10% of our issued and outstanding voting securities of any class other than:

- Fiera Capital L.P., which is the owner of record of 100% of the issued and outstanding Class B special voting shares of the Manager (the "Class B Shares");

- Jean-Guy Desjardins (Chairman, Chief Executive Officer and Director of the Manager), who indirectly holds approximately 35.64% of the Class B Shares (indirectly through DJM Capital Inc., Arvestia Inc., Fiera Holdings Inc. and Fiera Capital L.P., each of which is a controlled entity of Jean-Guy Desjardins);
- Desjardins Holding financier inc., which indirectly holds approximately 35.95% of the Class B Shares (indirectly through Fiera Holdings Inc. and Fiera Capital L.P.);
- National Bank of Canada which indirectly owns approximately 20.68% of the issued and outstanding Class A subordinate voting shares of the Manager (the “Class A Shares”) (indirectly through Natcan Investment Management Inc., 9130-1564 Québec inc., National Bank Securities Inc. and Natcan Acquisition Holding Inc., each of which is a controlled entity of National Bank of Canada);

As at July 31, 2017, the directors and officers of Fiera, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 6,809,791 Class A Shares and 10,288,208 Class B Shares of Fiera, representing approximately 10.9% of the total number of 62,471,784 Class A Shares outstanding and approximately 51.99% of the total number of 19,790,625 Class B Shares outstanding before giving effect to the exercise of options or other convertible securities held by such directors and officers. Likewise, as at July 31, 2017, the directors and officers of Fiera, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 14,998 deferred share units, options to acquire up to 1,023,745 Class A Shares, 58,814 restricted share units, and 546,789 performance share units.

As at July 31, 2017, the members of the Independent Review Committee of the Funds, in aggregate, did not beneficially own, directly or indirectly, any of the issued and outstanding voting securities of the Manager or any of the issued and outstanding voting securities of any entity that provides services to the Funds or the Manager.

## **FUND GOVERNANCE**

As trustee we have the ultimate and overriding authority to manage and direct the business and affairs of the Funds, subject to applicable law and the Master Declaration. Certain matters relating to the Funds may not be acted upon except with the consent of the unitholders. These matters include a change in the trustee, Manager (except to an affiliate of both trustee and the Manager), any change in the fundamental investment objectives of the Funds and any other matter required by law to be put to a vote of unitholders.

Risk management for the Funds is part of our overall risk management process. The process includes the establishment of investment guidelines for each Fund. The fund managers sign quarterly statements of compliance with the guidelines. The Chief Compliance Officer regularly reviews such compliance.

Further to the requirements of National Instrument 81-107 *Independent Review Committee for Investment Funds*, which is a Regulation in the Province of Québec (“**NI 81-107**”) we have written policies and procedures that address potential conflicts of interest that we have identified in our management of the Funds. We have referred these policies and procedures to the Independent Review Committee for the Funds, and the Independent Review Committee has reviewed and approved the policies and procedures.

We have our own Code of Ethics that is specifically tailored to our business and covers areas such as personal trading by employees. The investment activities of all the Funds are monitored by our Chief Compliance Officer. Our Audit Committee, all of the members of which are independent directors, reviews the operations of the Funds and gives direction as required. This includes, among other things, the review of the annual financial statements. Our sales practices are established by senior management and are monitored by compliance personnel for adherence to applicable securities laws as well as our Code of Ethics. The compliance of each Fund with its investment policy is reviewed quarterly. As our approach is not one of active solicitation and sales, we do not have a separate, detailed statement of sales practices.

The Funds may use derivatives for hedging and non-hedging purposes as permitted under securities law and in a manner that is consistent with their investment objectives and strategies. Typical types of derivatives that may be used to hedge positions or enhance investment returns include forward contracts, options (calls and puts) and swaps. See “Derivative Risk” in the simplified prospectus of the Funds for a description of the risks associated with the use of derivatives.

The use of derivatives is governed by our trading policies and procedures. These policies and procedures are prepared and reviewed by senior management and the decision to use derivatives is made by senior portfolio managers. Our compliance procedures require that the designated registered options principal review any trading in derivatives. As part of his review of trading operations, our Manager of Risk also reviews derivatives trading.

As part of a permitted securities lending, repurchase transactions and reverse repurchase transactions program the Manager, on behalf of some of the Funds, may lend portfolio securities of the Funds through a qualified securities lending agent, enter into repurchase transactions and reverse repurchase transactions.

The securities lending agent is appointed pursuant to a written agreement dealing with, among other items, initial limits and controls and the agent’s agreement to comply with its obligations and its standard of care prescribed in NI 81-102. The agreement for securities lending is negotiated primarily by the Chief Compliance Officer and reviewed by the Chief Investment Officer. The agreement itself does not require regular review, and board of director involvement is minimal given the Manager’s limited role in the process.

The Manager will regularly review the list of counterparties proposed by the securities lending agent in order to ensure an “approved list” at all times. Proposed counterparties are considered on the basis of their identity, capitalization and creditworthiness.

In addition,

- (a) a Fund lending (or selling in a repurchase transaction) its securities must hold collateral equal to no less than 102% of the value of the loaned (or sold in a repurchase transaction) securities (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);
- (b) the collateral to be held may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan or sold pursuant to a repurchase transaction;

- (c) a Fund cannot loan (or sell in a repurchase transaction) more than 50% of the total value of its assets (not including the collateral held by the Fund) through securities lending transactions (or repurchase transactions); and
- (d) the Fund's total exposure to any one borrower in securities, derivative transactions and securities lending will be limited to 10% of the total value of the Fund's assets.

As securities lending is used solely as an income generation strategy, and the actual lending is carried out by the custodians, the policy and procedures to monitor the activity concentrate on the contractual management with and the review of the activities and controls of the custodians. Other than as set out above, or in the agreement, there are no other limits or controls in place on the entering into of securities lending transactions by the Funds.

The Funds may from time to time engage in short selling securities as described on page 5. Prior to conducting any short sales, we will put in place and maintain appropriate internal controls regarding short sales, including written policies and procedures, risk management procedures and proper books and records. The written policies and procedures will set out the objectives and goals for short selling and the risk management procedures described above. The internal controls as a whole will be developed, implemented and monitored by the Chief Compliance Officer, and will be formally reviewed at least annually by the Chief Compliance Officer, with overall oversight by our board of directors. The Chief Compliance Officer will be responsible for authorizing and placing limits or other controls on short selling transactions and will monitor the risks independent of those who trade. Risk measurement procedures or simulations will not be used to test the portfolio under stress conditions.

At the moment, the Manager does not perceive the need to test the portfolio under stress conditions.

#### **Members and Mandate of the Independent Review Committee ("IRC")**

The Manager has appointed the following individuals to be the members of the IRC:

- Mr. Robert F. Kay (Chair)
- Mr. Charles R. Moses
- Mr. Jerry Patava

The following is the mandate of the IRC as required under NI 81-107:

- (a) review a conflict of interest matter, including any related policies and procedures, referred to it by the Manager and make recommendations to the Manager regarding whether the proposed action of the Manager in respect of the conflict of interest matter achieves a fair and reasonable result for the applicable funds;
- (b) consider and approve, if deemed appropriate, the Manager's proposed action on a conflict of interest matter that the Manager refers to the IRC for approval; and
- (c) perform such other duties, recommendations and approvals as may be permitted of the IRC under applicable securities laws.

## Proxy Voting Policies

As Manager of the Funds, we are responsible for all voting procedures in respect of securities held by a Fund and exercise such responsibility in accordance with the best interests of the applicable Fund and the Fund's investors.

Within our organization, the portfolio manager who oversees a specific investment undertakes the responsibility for making the voting decision for all proxies for that investment. The portfolio manager will review (a) the information provided in the proxy statement, (b) available research relevant to the topic provided by both internal research staff and independent third parties, (c) current analyses in respect of the issuer, and (d) the portfolio manager's own knowledge to assist in making the decision. The portfolio manager will vote in favour of proposals that he believes will enhance shareholder value over the longer term. He will vote against proposals that he believes will reduce shareholder value. In general terms this will result in voting with management on routine matters such as the appointment of auditors, auditor remuneration and the appointment of directors. A portfolio manager may deviate from the standing policies or guidelines for voting on routine matters, including refraining from voting, where he believes it is necessary to do so in that particular circumstance in order to further the best interests of security holders of the Fund, such as where the portfolio manager is of the view that the negative short term effect of proposed measures will outweigh the longer term benefits and be detrimental to the realizable value of the issuer.

The portfolio manager indicates his decisions regarding voting on a copy of the proxy or other material presented by the various custodians involved. The administrator responsible for proxy voting transfers this information onto the format required by the custodians where custodians act as intermediaries to record the actual votes. Alternatively, the administrator accesses the appropriate system and completes the instructions where direct electronic voting is available. A signing officer reviews and signs all voting instructions to the custodians.

All portfolio managers must abide by a Code of Ethics that identifies in general terms where potential conflicts of interest might arise, including, for example, conflicts of interest between a Fund's unitholders and the Fund's manager or portfolio manager, or any affiliate or associate of the Fund's manager or portfolio manager, and requires, at all times, that the best interests of the Fund be placed ahead of the conflicting interest. Where a conflict, or potential conflict, of interest exists, proxies are voted in accordance with investment considerations and investment merits, without regard to any other business relationship that may exist between the Manager and the company.

The policies and procedures that a Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling toll-free 1-800-361-3499 or by writing to Fiera Capital Corporation, 1501 McGill College Avenue, Suite 800, Montreal, Québec H3A 3M8.

The Fund's proxy voting record for the annual period from July 1 to June 30 will be available free of charge to any investor of a Fund upon request at any time after August 31 following the end of that annual period. A Fund's proxy voting record will also be available on our website at [www.fieracapital.com](http://www.fieracapital.com) after that date.

## **MANAGEMENT FEE DISTRIBUTIONS**

To encourage larger purchases and to achieve effective management fees which are competitive, we may, from time to time, agree to reduce the fee that we otherwise would be entitled to receive from the Funds with respect to a Series A, Series AH, Series D, Series F and Series FH unitholder's investment in such Funds provided that the amount of this reduction is distributed by the Fund to such unitholder ("Management Fee Distributions"). We will determine the amount of any Management Fee Distributions from time to time and this amount will be based on the net asset value of the unitholder's investment in the Fund. Management Fee Distributions, where applicable, will be calculated and accrued daily by a Fund, will be distributed at such intervals as we determine from time to time and will be reinvested automatically in additional Series A Units, Series AH Units, Series D Units, Series F Units or Series FH Units of such Fund, as applicable. Management Fee Distributions will be funded by Fiera Capital Corporation. See "Distributions".

## **DISTRIBUTIONS**

In each calendar year, each of the Funds distributes its annual net income and net capital gains to the extent necessary to ensure that each of the Funds is not liable for income taxes under Part I of the Tax Act. It is intended that all Funds, other than Fiera Capital Income and Growth Fund and Fiera Capital High Income Fund, will make semi-annual income distributions and annual capital gains distributions. For the Fiera Capital Income and Growth Fund, distributions will be made monthly consisting of income and, to the extent necessary, as a return of capital and the Fund will distribute capital gains and any previously undistributed income each December. For the Fiera Capital High Income Fund, distributions will be made monthly consisting of income and, to the extent necessary, as a return of capital and the Fund will distribute capital gains and any previously undistributed income each December. We reserve the right to adjust the distribution policy of any Fund at any time. The total amount credited to a unitholder at the end of each month will be reinvested on the last business day of each month at the net asset value for that series of units of the Fund on that business day in additional units of the same series unless the Unitholder has requested in writing that the amount credited be paid by cheque. Each of the Funds may also make such other distributions (including Management Fee Distributions) at such time or times as a Fund, in its sole discretion determines.

A unitholder who redeems units on or prior to the record date for a distribution is not entitled to receive the distribution of income and/or capital gains, as applicable, to be credited to unitholders of record as of the close of business on such day.

We provide each unitholder of a Fund with a quarterly statement and, in the case of taxable unitholders, tax slips showing dividend or income distributions, capital gains distributions and returns of capital, as applicable, paid to such unitholder. These quarterly statements, together with the confirmation that the unitholder received on a purchase or reinvestment of units of a Fund, should be retained by the unitholder, so that the unitholder, for tax purposes, may accurately compute any gain or loss on a redemption of units, or report distributions received.

## **REGISTERED PLANS**

An investor may arrange for a Fiera RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA pursuant to which Royal Trust, as trustee or such successor trustee as may be appointed by us from time to time, will attend to the registration of a plan under the provisions of the Tax Act and,



if applicable, under the provisions of any similar provincial legislation. All deposits received by the Trustee under a Fiera RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA will be used to purchase units of the Funds, as directed by the investor, at the relevant series net asset value from time to time. Details concerning Fiera RRSPs, RRIFs, LRSPs, LRIFs, LIRAs, LIFs, PRIF, DPSPs and TFSAs are contained in the application forms and the declaration of trust for such plans. Copies of these documents are available on request from us or from other registered dealers. All distributions on units held in a Fiera RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA will be reinvested in additional units of the respective series of such Funds at their series net asset value at that time.

Units of the Funds may also be purchased pursuant to an investor's self-administered RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, RESP, DPSP, RDSP or TFSA. Please refer to the information contained under "Income Tax Considerations".

The Tax Act limits the amount which may be contributed by an investor to a RRSP, RRIF, DPSP, RESP, RDSP or TFSA. An individual considering a contribution to a RRSP, RRIF, LIRA, LRSP, LRIF, LIF, PRIF, DPSP, RESP, RDSP or TFSA or terminating such a plan is advised to consult his own professional advisors as to the tax aspects of such transactions, the rules governing RRSPs, RRIFs, LIRAs, LRSPs, LRIFs, LIFs, PRIF, DPSPs, RESPs, RDSPs or TFSAs and how these may apply to the investor's own particular situation.

## **INCOME TAX CONSIDERATIONS**

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Funds, the following summary fairly presents the principal Canadian federal income tax considerations, as of the date hereof, for the Funds and for an investor in the Funds who is an individual (other than a trust) and who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length and is not affiliated with the Funds, and holds units of a Fund as capital property. This summary does not apply to a unitholder who has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" as these terms are defined in the Tax Act with respect to the units.

This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder (the "Regulations"), all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency.

This summary does not take into account or anticipate any other changes in law, whether by legislative, regulatory, administrative or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account provincial or foreign income tax legislation or considerations.

This summary is based on the assumption that none of the issuers of the securities comprising the portfolios of the Funds is a controlled foreign affiliate of the Funds and that none of the securities comprising the portfolios of the Funds is a tax shelter investment. Further, this summary assumes that none of such securities will be offshore investment fund properties that would require the Funds to include material amounts in their income pursuant to section 94.1 of the Tax Act; or interests in trusts that would require the Funds to report income in connection

with such interests pursuant to the rules in section 94.2 of the Tax Act, or interests in non-resident trusts, other than exempt foreign trusts, for the purposes of section 94 of the Tax Act.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective unitholders should consult their own tax advisors about their individual circumstances.**

### **Status of the Funds**

This summary is based on the assumption that the Funds qualify and will be deemed to qualify as “mutual fund trusts”, within the meaning of the Tax Act, at all times throughout its current taxation year and will continue to so qualify at all times in the future. The Manager has advised counsel that each of the Funds has so qualified or will be deemed to so qualify and is expected to continue to so qualify. It is also assumed that any time a Fund is not a mutual fund trust under the Tax Act (a) “financial institutions” (as defined in section 142.2 of the Tax Act) will not hold more than 50% of the fair market value of all the units of the Fund, and (b) non-residents of Canada will not hold any units of the Fund.

### **Taxation of the Funds**

The Manager has advised counsel that, in each year, each Fund will distribute its net income and net realized capital gains to unitholders to such an extent that the Fund will not be liable in any year for income tax under Part I of the Tax Act. Generally, gains from derivatives used for non-hedging purposes, and from short sales, will result in ordinary income rather than capital gains. Gains from derivatives used for hedging purposes (including foreign currency forward agreements entered into in connection with the Hedging Assets) may be on income account or capital account, depending on the circumstances. To the extent the Funds use certain derivative agreements with a term that exceeds 180 days, the Funds, if certain conditions are met, may be considered to earn certain amounts on income account instead of as a taxable capital gain.

All of a Fund’s deductible expenses, including expenses common to all series of units of the Fund and management fees and other expenses specific to a particular series of units of the Fund will be taken into account in determining the income or loss of the Fund as a whole.

A Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a “capital gains refund”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

If a Fund derives income or gains from investments in countries other than Canada, it may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its income for the purposes of the Tax Act. To the extent such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate a portion of its foreign source income in respect of Unitholders so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by the Unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

If allowable capital losses of a Fund exceed taxable capital gains in any taxation year, the excess may not be allocated to Unitholders but may be deducted by the Fund from taxable capital gains in future taxation years. If a Fund has a non-capital loss in any taxation year, the loss may not be allocated to Unitholders but may be deducted by the Fund from income and taxable capital gains in up to twenty future taxation years. In certain circumstances, a capital loss realized by a Fund may be suspended under the “suspended loss” rules in the Tax Act and may not be available to reduce the amount of net realized capital gains of the Fund payable to Unitholders.

The higher a Fund’s portfolio turnover rate in a year, the greater the chance the Fund will generate gains or losses in that year. There is not necessarily a relationship between high turnover rate and the performance of a portfolio.

The Funds are required to compute their income and capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of other currencies relative to the Canadian dollar.

The Tax Act contains specific rules which apply to “specified investment flow-through trusts”, “specified investment flow-through partnerships” and their unitholders (the “SIFT Rules”), which will affect the tax treatment of an investment by a Fund in such entities. The SIFT Rules impose a tax on certain income of the publicly-traded trust or partnership that approximates the combined federal and provincial income tax rate applicable to a corporation and distributions or allocations, as the case may be, of such income to investors is taxed as dividends for purposes of the enhanced dividend tax credit if paid or allocated to a resident of Canada.

For a taxation year throughout which a Fund is not a mutual fund trust under the Tax Act, the Fund may in certain circumstances be subject to alternative minimum tax under the Tax Act even though its net income and net realized capital gains are paid or payable to its unitholders. If a Fund is a registered investment but not a mutual fund trust under the Tax Act, it will be liable to pay a penalty tax under the Tax Act, if, at the end of any month, the Fund holds any investments that are not qualified investments for Registered Plans (defined below). The tax for a month is equal to 1% of the fair market value of the non-qualified investments at the time it was acquired by a Fund.

For a taxation year throughout which a Fund is not a “mutual fund trust” under the Tax Act, the amount of distributions of net realized capital gains to unitholders made by such Fund in the taxation year and, therefore, the amount required to be included in the income of unitholders of the Fund, may exceed the amount of distributions of net realized capital gains that otherwise would be required to be made by the Fund if it qualified as a “mutual fund trust”.

For taxation years throughout which a Fund is not a “mutual fund trust” under the Tax Act, such Fund would be liable to a special tax under Part XII.2 of the Tax Act if its unitholders include “designated beneficiaries” and it has “designated income”. If the Fund has a “designated beneficiary” (which includes a non-resident of Canada, certain trusts and certain tax-exempt persons) and has “designated income” (which includes capital gains from the dispositions of “taxable Canadian property” and income from a business carried on in Canada), the Fund will be liable to pay Part XII.2 tax on such designated income. Part XII.2 tax is deductible for the purposes of calculating the income of a unitholder for the purposes of the Tax Act.

The Tax Act also includes certain rules (the “loss restriction event” rules or “LRE”) that could potentially apply to certain trusts including the Funds. In general, a LRE occurs to a Fund if a

person (or group of persons) acquires more than 50% of the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to the extent possible to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses that exist at the time of the LRE (including any unrealized capital losses) on going forward basis. The LRE rules will not apply to a Fund if the Fund meets certain investment diversification requirements and qualifies as an “investment fund” under the LRE rules.

### **Taxation of Unitholders**

A unitholder of a Fund must include in computing his or her income for tax purposes the amount of the net income and the taxable portion of the net capital gains of the Fund paid or payable to the unitholder in the year (which may include Management Fee Distributions). A unitholder must include such distributions in income whether they are paid in cash or they are reinvested in additional units of the Fund.

Provided that appropriate designations are made by a Fund and to the extent permitted under the Tax Act, such portion of (a) the net taxable capital gains of the Fund, (b) the foreign source income of the Fund, and (c) the taxable dividends received by the Fund on shares of taxable Canadian corporations, as is paid or payable to a unitholder will effectively retain its character and be treated as such in the hands of the unitholder for the purposes of the Tax Act. Amounts which retain their character in the hands of a unitholder as taxable dividends on shares of taxable Canadian corporations will be eligible for the applicable gross-up and credit rules under the Tax Act. An enhanced gross-up and dividend tax credit is available for certain eligible dividends from taxable Canadian corporations. Foreign source income received by the Funds will generally be net of any taxes withheld by the foreign jurisdiction. The taxes so withheld will be included in the determination of income under the Tax Act. To the extent that the Funds designate in accordance with the Tax Act, unitholders will, for the purposes of computing foreign tax credits, be entitled to treat their proportionate share of such taxes withheld as foreign taxes paid by them.

Unitholders who purchase units may be taxable on accrued but undistributed income, accrued but unrealized capital gains and realized but undistributed capital gains that are in a Fund at the time the units are purchased.

Any additional units acquired by a unitholder on a reinvestment of distributions from a Fund will have an initial cost to the unitholder equal to the amount of the distributions so reinvested, subject to the averaging provisions of the Tax Act.

To the extent that distributions (including Management Fee Distributions) to a unitholder by a Fund in a year exceed the unitholder’s share of the net income and net realized capital gains of the Fund allocated to the unitholder for the year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder’s units in the Fund. The non-taxable portion of a Fund’s net realized capital gains that is paid or payable to a unitholder will not be included in the unitholder’s income and will not reduce the adjusted cost base of the unitholder’s units. If the adjusted cost base of a unitholder’s units of a Fund would otherwise be less than zero, the unitholder will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the units will be increased to zero.

Upon the redemption or other disposition or deemed disposition by a unitholder of units of a Fund (including pursuant to a switch of units between Funds and a deemed disposition on death), a capital gain (or capital loss) will be realized by the unitholder to the extent that the proceeds of disposition, net of any costs of disposition, exceed (or are exceeded by) the unitholder's adjusted cost base of the units immediately before the disposition. Generally, one-half of a capital gain (or a capital loss) is included in determining a unitholder's taxable capital gain (or allowable capital loss). Capital gains realized, and Canadian dividends deemed received, may also give rise to alternative minimum tax. A change of units of a series of a Fund into units of a different series of the same Fund will generally not result in a disposition of the units being changed. However, based on the CRA's current views, a switch between a series of units that uses Hedging Assets to a series of units of the same Fund that does not use Hedging Assets (and vice versa) will result in a disposition for tax purposes.

Series O unitholders should consult with their tax advisors regarding the deductibility of fees paid to the Manager.

### **Tax Information**

Each year, the Manager will provide each Unitholder with the necessary information, including the amount and type of income distributed, the amount of capital that is being returned, if any, and the amount of any dividend tax credit or foreign tax credit available to such Unitholder, to enable him or her to complete his or her income tax return in respect of the previous year, as it relates to an investment in units of a Fund.

### **Alternative Minimum Tax**

Individuals and certain trusts and estates may be subject to alternative minimum tax under the Tax Act. In general, distributions designated as taxable dividends and net realized capital gains paid or payable to the Unitholder by the Fund or realized on a disposition of Units may increase the Unitholder's liability for such tax.

### **RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs**

The Manager has advised counsel that each of the Funds is expected to qualify under the Tax Act as a mutual fund trust at all material times and, provided that each of the Funds so qualifies, units of the Funds will be qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs. If units of a Fund are held in a RRSP, RRIF, DPSP, RESP, RDSP or TFSA, distributions from the Fund and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a TFSA are not subject to tax, and RESPs and RDSPs are subject to special rules).

The units of a Fund will not be a "prohibited investment" for trusts governed by a TFSA, RRSP, RRIF or, as a result of recent tax proposals in the 2017 federal budget, RDSP or RESP unless the holder of the TFSA, the annuitant under the RRSP or RRIF or the holder of a RDSP or the subscriber of a RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in a Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not

deal at arm's length. In addition, the units of a Fund will not be a "prohibited investment" if such units are "excluded property" as defined in the Tax Act.

### **Exchange of Tax Information**

Part XVIII of the Tax Act imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "U.S. reportable accounts". Each Fund is a "reporting Canadian financial institution" and may be required to provide information to the CRA in respect of its unitholders who are "US reportable accounts." Such information generally relates to citizenship, residency and, if applicable, a U.S. federal tax identification number or such information relating to the controlling person(s) in the case of certain entities. If unitholders hold their units of a Fund through a dealer, the dealers will be subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, unitholders may be requested to provide information to a Fund or their dealers to identify U.S. persons holding units of a Fund. If a unitholder (or any controlling person of certain entities) is identified as a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the unitholder's investments held in the financial account maintained by the Fund or the dealer to be reported to the CRA, unless the investments are held within a RRSP, RRIF, DPSP, TFSA, RDSP or RESP. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS"), the Funds are required, starting July 1st, 2017, under Canadian legislation to identify and report to the CRA details and certain financial information relating to unitholders in the Funds (excluding registered plans such as RRSPs) who are residents in a country outside of Canada and the U.S. which has adopted the CRS. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

### **REMUNERATION OF TRUSTEE AND INDEPENDENT REVIEW COMMITTEE**

As of the financial year end of the Funds of December 31, 2016, no payment or reimbursement has been made by the Funds to Fiera Capital Corporation, the trustee of the Funds, for its services as trustee.

For the financial year of the Funds ended December 31, 2016, compensation totalling \$63,000 was paid to the Funds' Independent Review Committee members as follows:

<b><u>IRC Member</u></b>	<b><u>Compensation</u></b>	<b><u>Reimbursed Expenses</u></b>
Robert F. Kay (Chair)	<b>\$25,000</b>	N/A
Charles R. Moses	<b>\$19,000</b>	N/A
Jerry Patava	<b>\$19,000</b>	N/A

### **AMENDMENTS TO THE MASTER DECLARATIONS OF TRUST**

We may amend the Master Declaration without the approval of unitholders in relation to such changes as follows: changes to comply with applicable legislation or to remove any conflicts or

inconsistencies with legislation; changes to correct any errors; changes to facilitate the administration of a Fund as a mutual fund trust; and changes that do not

- impose upon any unitholder any obligation to make any further payment in respect of the unitholder's units; or
- impose upon any unitholder any obligation to accept any liability in respect of the change; or
- materially adversely affect any unitholder.

All other changes to the Master Declaration may be made only with the approval of a majority of the votes cast at a meeting of unitholders of the Fund(s) affected, convened and held in accordance with the provisions in that regard contained in the Master Declaration.

## **TERMINATION OF THE FUNDS**

The Funds will continue until terminated with the approval of a majority of the votes cast at a meeting of the respective unitholders.

In addition, we may terminate the Funds in our absolute discretion on notice to the unitholders fixing a date on which such termination is to take effect, being not less than three months after the date on which the notice is given and upon our complying with the provisions with respect to termination contained in the Master Declaration.

## **MATERIAL CONTRACTS**

The only material contracts that have been entered into by the Funds are as follows:

- Master Declaration dated November 20, 2006 and as last amended on August 28, 2017, as further described under "Name, Formation and History of the Funds".
- RBC IS Custodian Agreement dated June 29, 2001, as last amended on January 3<sup>rd</sup>, 2017, as further described under "Calculation of Series net Asset Value and Valuation of Portfolio Securities" and under "Management of the Funds - Custodians".
- NBCN Custodian Agreement dated August 13, 2014, as further described under "Calculation of Series net Asset Value and Valuation of Portfolio Securities" and under "Management of the Funds - Custodians".
- Order Execution Agreements dated April 2, 2012, as amended from time to time, as referenced under "Fees and Expenses" of the simplified prospectus of the Funds.

Copies of the foregoing material contracts may be inspected during ordinary business hours on any business day at the head office of the Funds.

**CERTIFICATE OF THE FUNDS,  
MANAGER, TRUSTEE AND PROMOTER**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Yukon and do not contain any misrepresentations.

Dated: August 28, 2017

Fiera Capital Corporation as Manager and Trustee of the Funds

(s) Jean-Guy Desjardins

Jean-Guy Desjardins  
Chairman of the Board of Directors, Chief  
Executive Officer of Fiera Capital  
Corporation

(s) John Valentini

John Valentini  
Executive Vice-President and Chief  
Financial Officer of Fiera Capital  
Corporation

On behalf of the Board of Directors of Fiera Capital Corporation

(s) Sylvain Brosseau

Sylvain Brosseau  
Director

(s) Raymond Laurin

Raymond Laurin  
Director

Fiera Capital Corporation as Promoter of the Funds

(s) Jean-Guy Desjardins

Jean-Guy Desjardins  
Chairman of the Board of Directors, Chief  
Executive Officer of Fiera Capital  
Corporation



## The Fiera Capital Mutual Funds

FIERA CAPITAL DIVERSIFIED BOND FUND  
FIERA CAPITAL INCOME AND GROWTH FUND  
FIERA CAPITAL HIGH INCOME FUND  
FIERA CAPITAL CORE CANADIAN EQUITY FUND  
FIERA CAPITAL EQUITY GROWTH FUND  
FIERA CAPITAL U.S. EQUITY FUND  
FIERA CAPITAL INTERNATIONAL EQUITY FUND  
FIERA CAPITAL GLOBAL EQUITY FUND  
FIERA CAPITAL DEFENSIVE GLOBAL EQUITY FUND

Fiera Capital Corporation  
1501 McGill College Avenue  
Suite 800  
Montreal, Québec H3A 3M8

### Dealer Services

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T: 1-877-685-5698  
F: 416-955-7769  
F: 1-866-716-2977  
[retailmarkets@fieracapital.com](mailto:retailmarkets@fieracapital.com)

### Client Services

T: 416-360-4826  
T: 1-800-265-1888  
F: 416-367-5938  
F: 1-877-367-5938  
[retailmarkets@fieracapital.com](mailto:retailmarkets@fieracapital.com)

You can find more information about each Fund in the Fund's simplified prospectus, fund facts, management reports of fund performance and financial statements. For a free copy of these documents call toll-free 1-800-265-1888, by e-mail at [retailmarkets@fieracapital.com](mailto:retailmarkets@fieracapital.com) or ask your dealer. You may find these documents and other information about the Funds, such as information circulars and material contracts, on our website at [www.fieracapital.com](http://www.fieracapital.com) or on SEDAR's website at [www.sedar.com](http://www.sedar.com).