IE7.4a

Flash Report

Fiera Capital Liability Driven Investments — departure of Stephane Jean

Recommendation

On 11th of June 2020, we were informed by Fiera Capital that Stephane Jean, Head of Liability Driven Investments ("LDI"), will be leaving the firm. Furthermore, the LDI team will now be called the Fixed Income Solutions team and will be led by co-heads, Caroline Grandoit and Tommy Ouellet. Subsequently, Fiera also announced the coming departure of Francois Bourdon, Global CIO. We believe the latter departure has no impact on any of the Fiera strategies that we rate. With respect to Fiera's LDI solution, we acknowledge that the departure of Mr. Jean represents a loss of some experience, but we have decided to leave the overall "Buy" rating unchanged and we recommend clients make no changes at this time.

The decision to maintain the rating reflects our conviction that the team and new leadership have the capabilities to continue to perform, given the experience of Ms. Grandoit, Mr. Ouellet, and the remaining team who will continue leveraging the systems already in place. We will monitor the strategy closely over the near term to ensure the transition is smooth.

Please contact your local Aon investment consultant or a member of the Fixed Income Research team should you have any questions.

Background

- Mr. Jean's role will be replaced by a combination of Ms. Grandoit and Mr. Ouellet who, as co-heads of the Fixed Income solutions team, will be sharing the responsibilities. Some of the client facing responsibilities previously associated with the Head of LDI role will be transitioned to a product specialist.

- Mr. Jean had been at Fiera for the past four years, as Head of LDI and has 30 years of industry experience. Ms. Grandoit has been part of the LDI team for three years and has 14 years of industry experience, whilst Mr. Ouellet has been part of Fiera, the LDI and the Active Strategic Fixed Income ('ASFI') team for 5 years, originally with the LDI team and then transitioning to the ASFI team, with 11 years industry experience. There are no further changes to the team.
- As indicated by the name change from LDI to Fixed Income Solutions, we expect Fiera will further leverage other fixed income solutions within the firm to bring these capabilities to a broader set of clients. As such, Ms. Grandoit splits her time in leading a multi asset credit solutions group, which she had already led, along with the Fixed Income Solutions team. Mr. Ouellet will no longer be part of the ASFI team and will be entirely dedicated to co-leading the Fixed Income Solutions team.
- Francois Bourdon, who has been with Fiera since 2003, most recently serving as Global Chief Investment Officer, will remain at Fiera until the end of June. His responsibilities, which had been focused predominantly on non-investment related areas with the exception of asset allocation, will be assumed by current team members and we do not see this affecting the underlying specialist investment teams. While we believe Fiera may hire to replace Mr. Bourdon, we do not think it will be in a global CIO role.

- In addition, on the 17th June 2020, Fiera announced changes to its management structure, shifting away from a geographical focused operating model to a global approach. Going forward, Fiera will be split into three operating groups: Public Markets, Private Markets, and Private Wealth. Fiera expects to generate cost synergies and increase operating efficiency with this initiative. We believe the changes noted above are consistent with this directive.

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