



AGF Management Limited

Earnings Conference Call
Second Quarter 2018

June 27th, 2018

Caution Regarding Forward-Looking Statements

The forward looking information is provided as of June 27th, 2018. Certain information presented in these remarks and in this presentation that is not historical factual information may constitute forward-looking information within the meaning of securities laws. Actual results could differ materially from a conclusion, forecast or projection contained in such forward-looking information. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements about AGF Management Limited ("AGF") or the investment funds it manages (the "Funds"), including business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' or negative versions thereof and similar expressions or future or conditional verbs such as 'may,' 'will,' 'should,' 'would,' or 'could.' In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future action on our part, is also a forward-looking statement.

Forward-looking statements are based on certain material factors and assumptions, including expected growth, results of operations, business prospects, business performance and opportunities. While we consider these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about our operations, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by us due to, but not limited to, important risk factors such as level of assets under our management, volume of sales and redemptions of our investment products, performance of our investment funds and of our investment managers and advisors, competitive fee levels for investment management products and administration, and competitive dealer compensation levels and cost efficiency in our investment management operations, as well as interest and foreign exchange rates, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, and our ability to complete strategic transactions and integrate acquisitions. We caution that the foregoing list is not exhaustive. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than specifically required by applicable laws, we are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements, whether as a result of new information, future events or otherwise. For a more complete discussion of the risk factors that may impact actual results, please refer to AGF's most recent financial statements and MD&A and, for the Funds, to each Fund's most recent prospectus and MRFP, as applicable, all available on www.sedar.com.

Conference Call Participants

Blake C. Goldring, CFA

Chairman & Chief Executive Officer



Kevin McCreadie, CFA

President & Chief Investment Officer



Adrian Basaraba, CPA, CA, CFA

Senior Vice-President & Chief Financial Officer



Today's Discussion

- Highlights of the 2nd Quarter of Fiscal 2018
- Business Updates
 - Retail
 - Investment Management
 - Institutional
 - Alternatives
- Financial Results
- Capital & Liquidity
- Focus & Priorities

Q2 2018 Highlights

Continued progress toward stated objectives

AUM of
\$38.5 billion
with growth across
all lines of business

**2nd consecutive
quarter** of retail
mutual fund
net sales

Institutional
net sales of
\$1.2 billion

**Best Advertising
Campaign Award**
at the Wealth
Professional Awards

Alternatives
platform reached
AUM of \$1 billion

**Achieved
substantial
resolution** on
transfer pricing
matter

Line of Business Performance

Growth across all lines of business

(\$ millions)	Q2 2017	Q2 2018	Change
Mutual funds	18,884	19,118	↑ 1%
Institutional, Sub Advisory and ETF	11,336	12,823	↑ 13%
Private Client	5,323	5,521	↑ 4%
Alternatives	902	1,009	↑ 12%
Total	36,445	38,471	↑ 6%

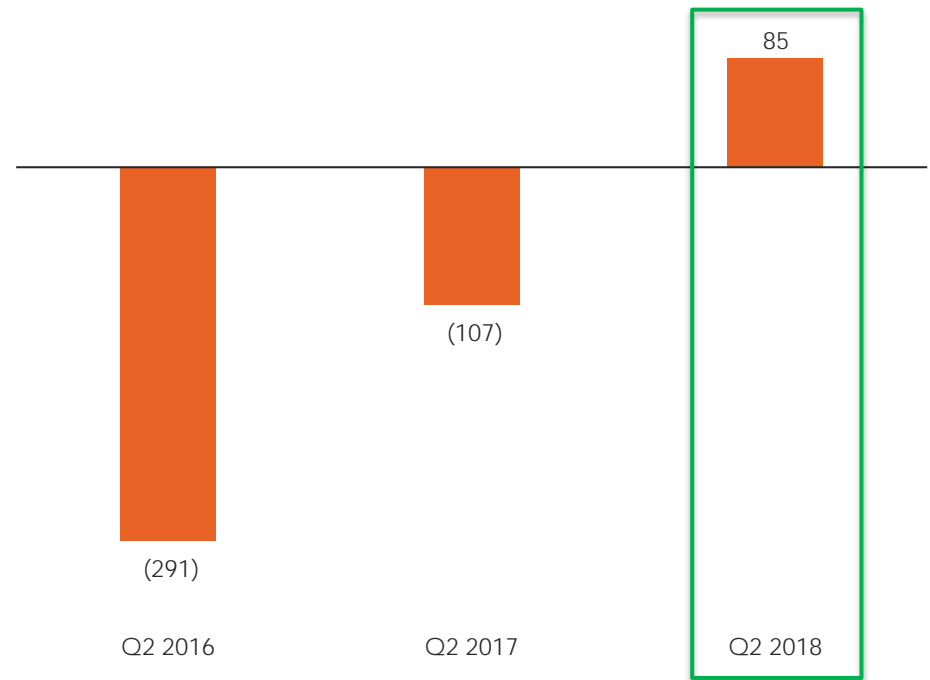
Retail Business Review¹

Retail mutual fund net sales of \$85 million in Q2 2018¹

Gross Sales Improvement^{1,2}
Q2 2018 vs. Q2 2017



AGF Mutual Fund Net Sales (\$M)¹

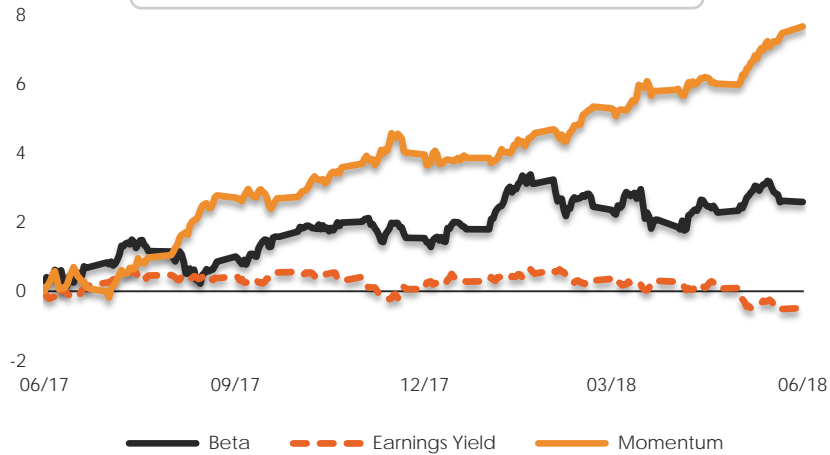


(1) AGF gross and net sales adjusted to exclude non-recurring institutional transactions in excess of \$5 million.
(2) Industry gross sales per Investor Economics.

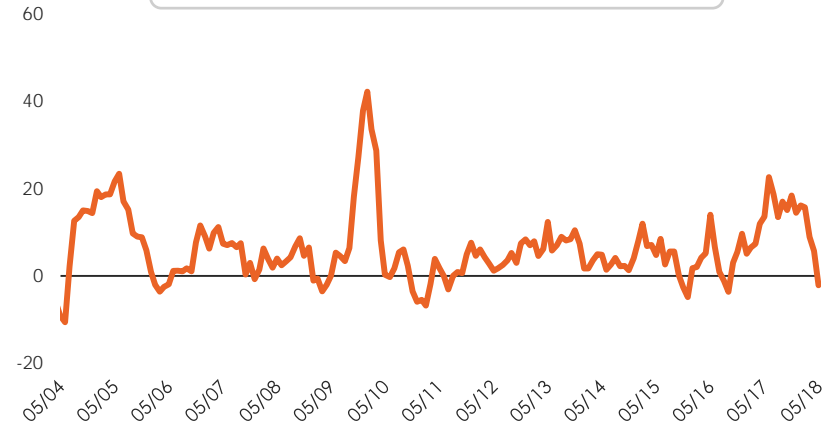
Investment Management

Current Environment Favours Momentum

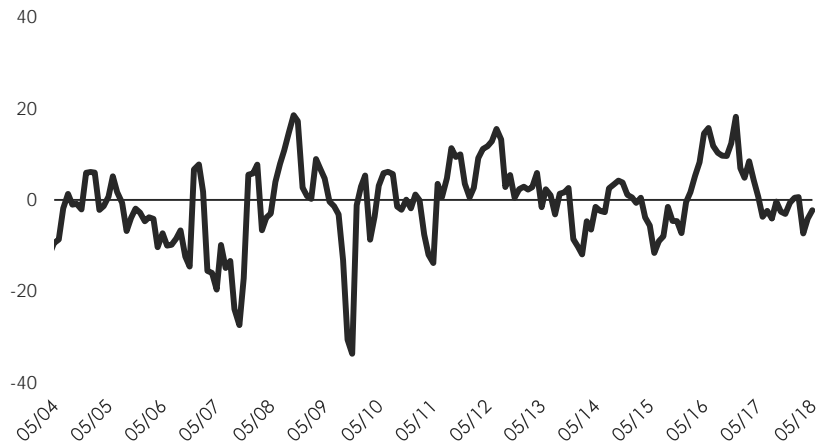
Global Factor Returns (%)¹



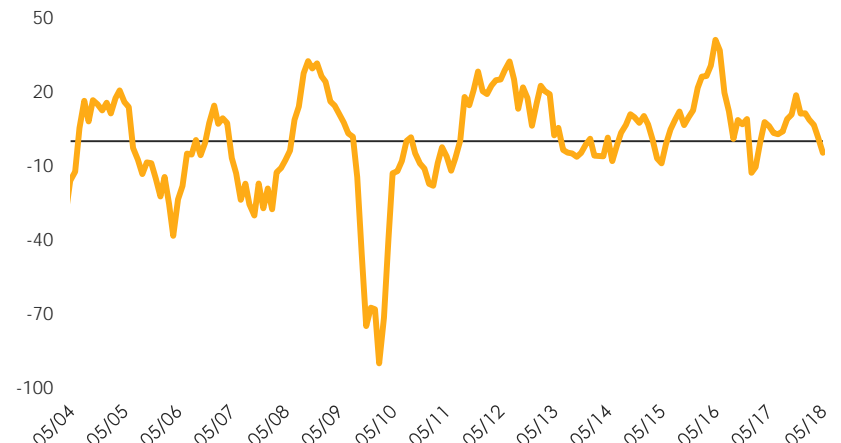
Trailing Earnings Yield (%)²



Dividend Yield (%)²



Low Volatility (%)²

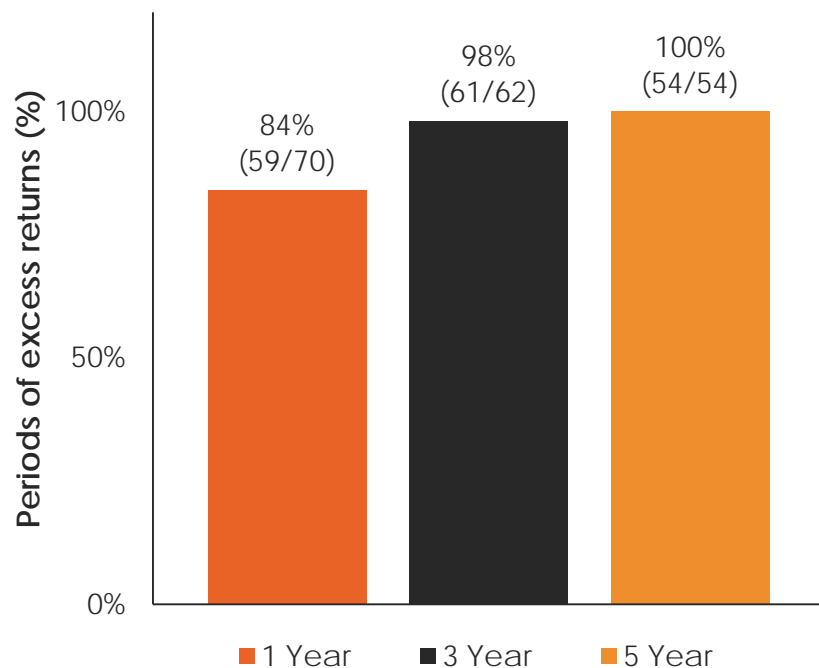


Investment Management

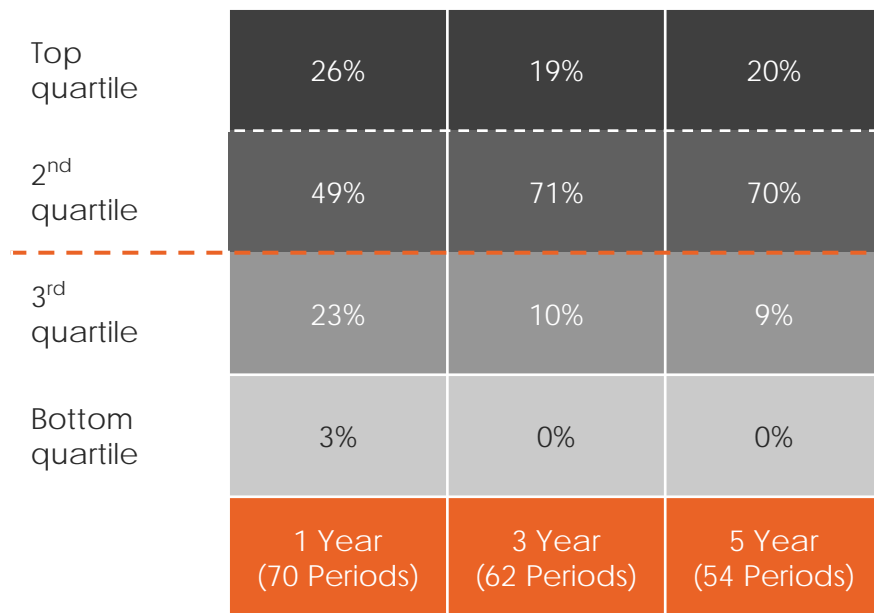
AGF Global Equity Strategy Performance Consistency¹

January 1, 2000 to March 31, 2018

Consistency of outperformance relative to benchmark over the last 18 years^{2,3}



Consistency of outperformance relative to a universe of global equity managers⁴



- (1) Source: AGF Investment Operations and eVestment Alliance as at March 31, 2018.
- (2) Strategy performance is based on the AGF Global Equity representative account and is additional information to the AGF Global Equity Composite GIPS presentation. Performance is presented in Canadian dollars (C\$) and displays gross-of-fee returns.
- (3) Excess returns are based on the AGF Global Equity representative account relative to the MSCI All Country World Index over 1-, 3- and 5-year rolling periods from January 1, 2000 to March 31, 2018.
- (4) Quartiles are based on rolling quarterly period rankings of the AGF Global Equity representative account relative to the eVestment Global Core Equity universe, which was 85.9% populated as at April 18, 2018, the date the chart was created. Top quartile represents 1-25 ranks, 2nd quartile represents 26-50 ranks, 3rd quartile represents 51-75 ranks and bottom quartile represents 76-100 ranks over 1-, 3- and 5-year rolling periods from January 1, 2000 to March 31, 2018. May not add to 100% due to rounding.

Financial Results – Summary

	(\$ millions, except per share amounts)	Sequential Quarter			Year Over Year		
		Q2-18	Q1-18	Fav / Unfav	Q2-18	Q2-17	Fav / Unfav
Continuing Operations	Revenue	114.2	110.9	3.0%	114.2	117.1	(2.5%)
	SG&A	60.4	53.1	(13.7%)	60.4	54.9	(10.0%)
	SG&A (Adjusted) ¹	55.2	53.1	(4.0%)	55.2	54.9	(0.5%)
	EBITDA	20.6	24.9	(17.3%)	20.6	29.2	(29.5%)
	EBITDA Margin	18.0%	22.5%	(20.0%)	18.0%	24.9%	(27.7%)
	EBITDA (Adjusted)¹	25.8	24.9	3.6%	25.8	29.2	(11.6%)
	EBITDA Margin (Adjusted) ¹	22.6%	22.5%	0.4%	22.6%	24.9%	(9.2%)
	Free Cash Flow	2.1	10.5	(80.0%)	2.1	10.4	(79.8%)
	Free Cash Flow (Adjusted) ¹	5.9	10.5	(43.8%)	5.9	10.4	(43.3%)
	Net Income – Equity Owners	17.0	21.5	(20.9%)	17.0	13.2	28.8%
Net Income – Equity Owners (Adjusted) ^{1,2}	11.2	11.5	(2.6%)	11.2	13.2	(15.2%)	
Diluted EPS	0.21	0.27	(22.2%)	0.21	0.16	31.3%	
Diluted EPS (Adjusted) ^{1,2}	0.14	0.14	0.0%	0.14	0.16	(12.5%)	

(1) Q2-2018 is adjusted for one-time restructuring and administrative costs of \$3.8m (net of tax) [EPS impact \$0.05], interest expense recovery of \$2.2m related to the transfer pricing case [EPS impact \$0.03] and net expense recovery of \$7.4m related to the transfer pricing provision [EPS impact \$0.09].

(2) Q1-2018 is adjusted for an one-time net expense recovery of \$10m related to the transfer pricing provision [EPS impact \$0.13].

Financial Results – BPS Detail

(bps of average AUM)	Q2-18	TTM
Average AUM (\$B)¹	36.4	35.6
Average Mutual Fund	19.0	18.8
Average Institutional, Sub-Advisory, ETFs & Private Client	17.4	16.8
Revenue (bps) ²	116	118
Less:		
Trailer Fees (bps)	35	36
SG&A (bps) ³	61	61
EBITDA (bps) ^{2,3}	20	22

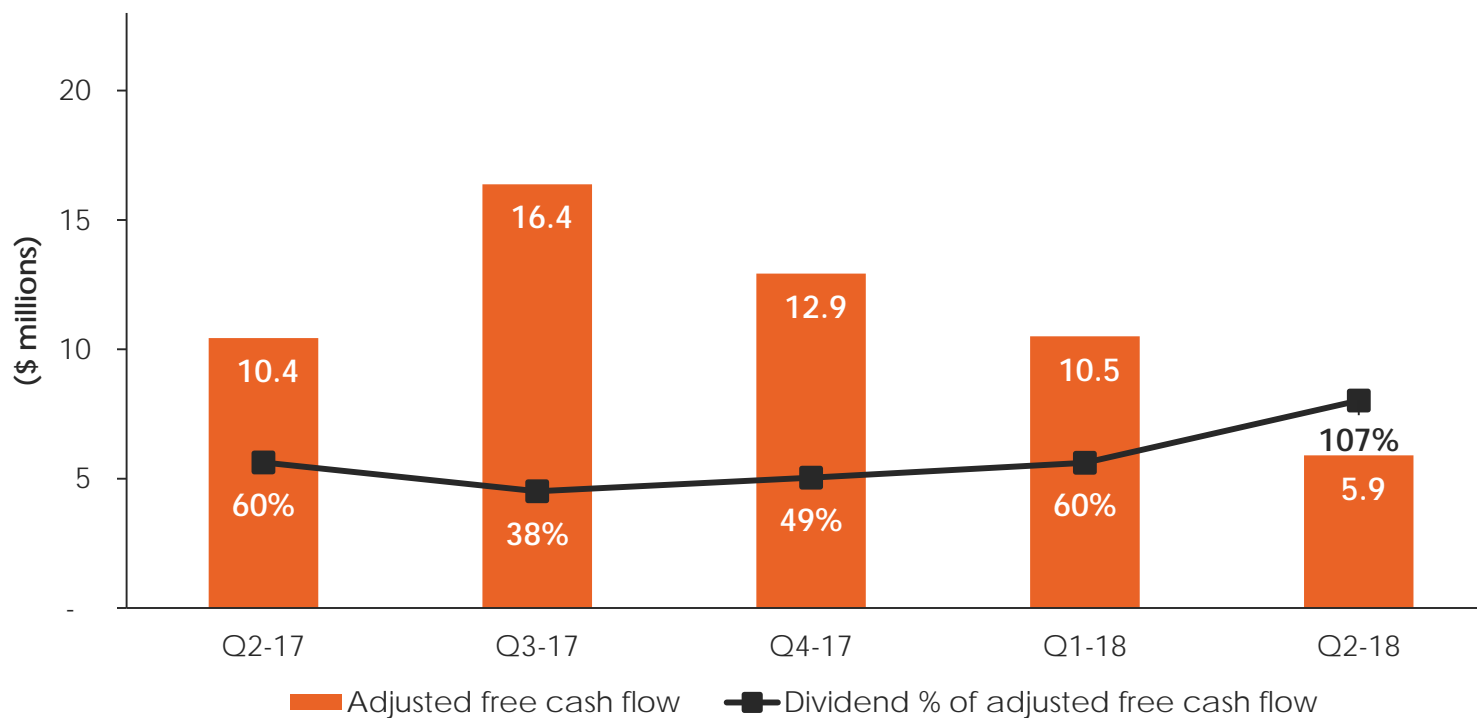
(1) Average AUM excludes Alternatives platform.

(2) Represents management, advisory, administration fees and deferred sales charge revenue only.

(3) Includes investment advisory fees. SG&A and EBITDA adjusted to exclude one-time items as noted on the financial statements.

Capital & Liquidity

Dividend payout ratio, excluding one-time items, of 55% on a trailing twelve months basis



(1) Q4-2017 adjusted for one-time litigation settlement of \$8.7m (net of tax) and Q2-2018 adjusted for one-time restructuring and administrative costs of \$3.8m (net of tax).

2018 Focus & Priorities

Above median
**investment
performance**

Maintain
**consistent
net sales** in
retail mutual
funds

Grow sub-
advisory and
institutional

Leverage the
AGFiQ
platform



Thank You!

To learn more about AGF's history visit:

www.agf.com/ca/en/about-agf/our-story