

AGF Management Limited

# AGF MANAGEMENT LIMITED

## Q2 2011 Financial & Operating Results

June 2011

Strength  
in diversification



What are you doing after work?®

# CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The forward looking information is provided as of June 22, 2011. 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, size and default experience on our loan portfolio and cost efficiency in our loan and 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](http://www.sedar.com).

# CONFERENCE CALL PARTICIPANTS

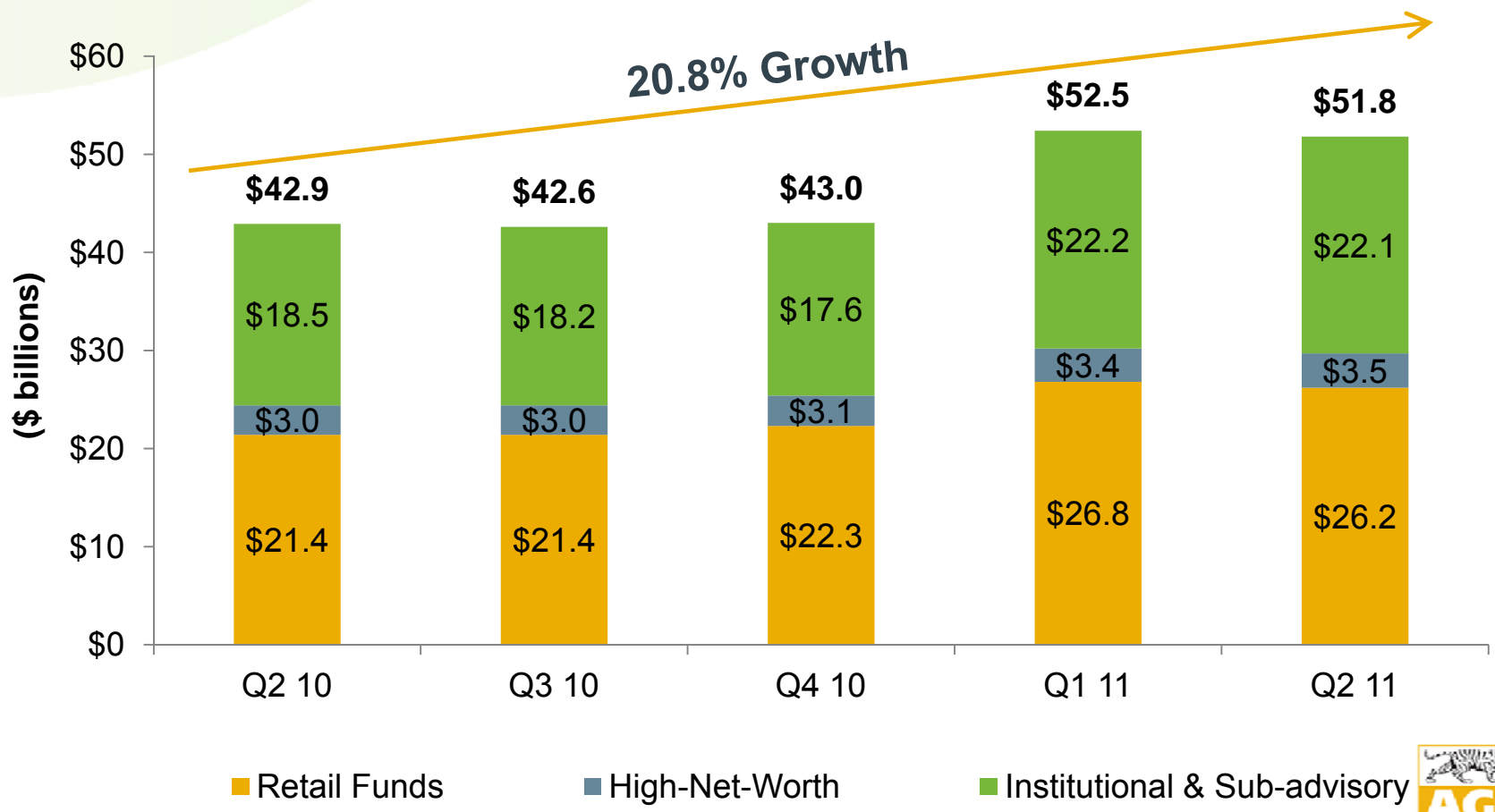
- > **Blake C. Goldring**, M.S.M., CFA, Chairman & Chief Executive Officer
- > **Robert J. Bogart**, CPA, Executive Vice-President & Chief Financial Officer
- > **Mario Causarano**, CA, President & Chief Operating Officer, AGF Trust Company

# AGF MANAGEMENT LIMITED: OVERVIEW OF Q2 2011

- > Investment Management AUM increased 20.8% to \$51.8 billion
- > Consolidated Revenue and EBITDA were both higher relative to Q2 2010 at 17.1% and 20.4%, respectively
- > Acuity integration is ahead of schedule with results exceeding expectations
- > Retail business reflects better momentum – Q2-2011 gross sales reflect 7.9% growth over the same period last year
- > Institutional business has a robust pipeline for new mandates in FY11
- > AGF Trust business improving origination
- > AGF Board of Directors has approved a 3.8% dividend increase to \$0.27 per share per quarter

# AGF MANAGEMENT LIMITED: ASSETS UNDER MANAGEMENT

AUM grew as a result of our strategic acquisition of Acuity



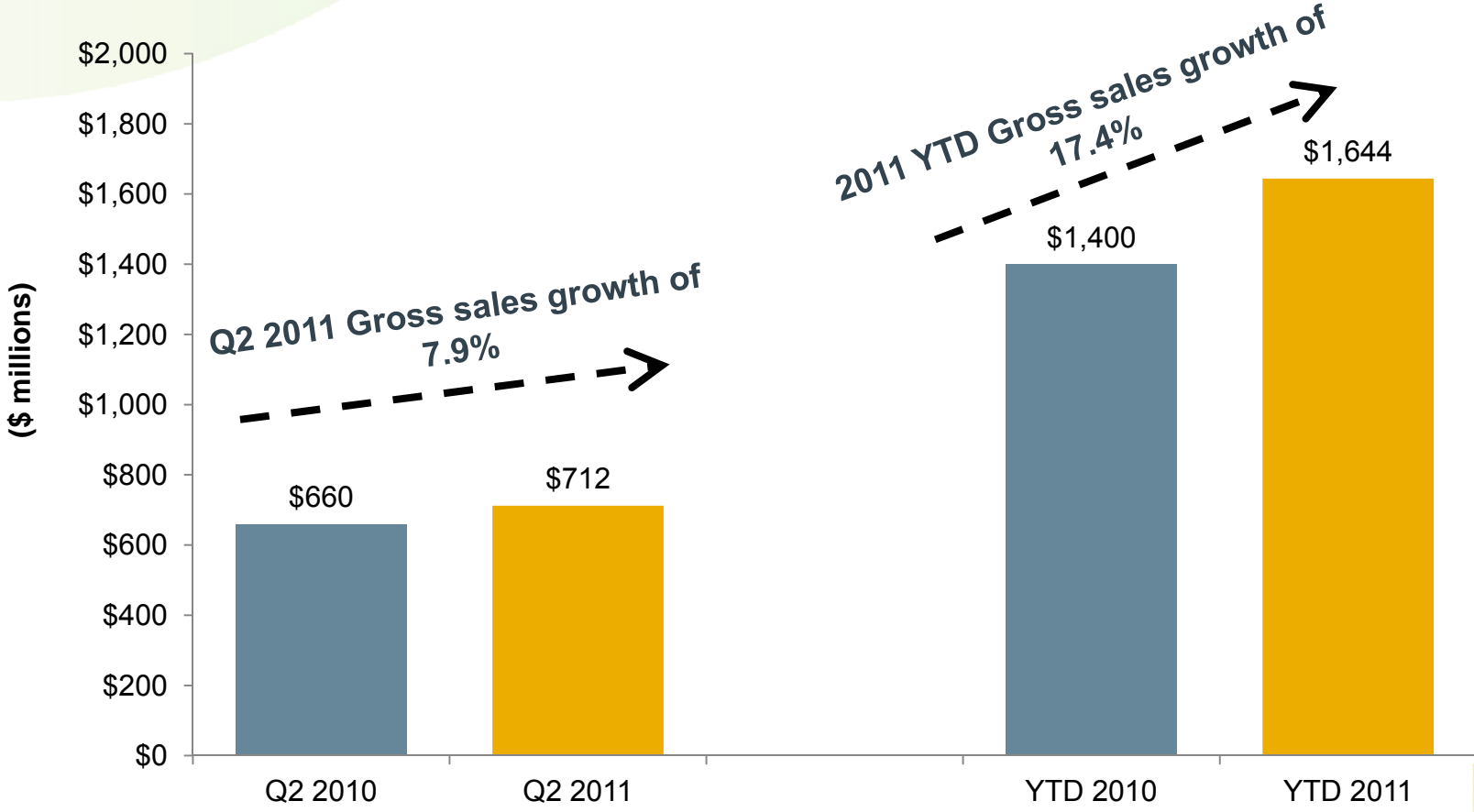
# ACUITY INTEGRATION

**Integration of the Acuity acquisition is on-track and exceeding management's original expectations**

<b>Acuity Integration Events</b>	<b>Status</b>
Acquisition Closed	<b>Completed</b>
100% Retention of Portfolio Managers	<b>Completed</b>
Cross-training between Acuity and AGF Portfolio Managers	<b>Completed</b>
Canada-wide Investment Advisor Marketing	<b>Completed</b>
Fund Merger Vote	<b>Completed</b>
Fund Mergers Occur & Transfer Agency Conversion (expected)	<i>Aug. 2011</i>
Realize Synergies	<i>Ongoing</i>

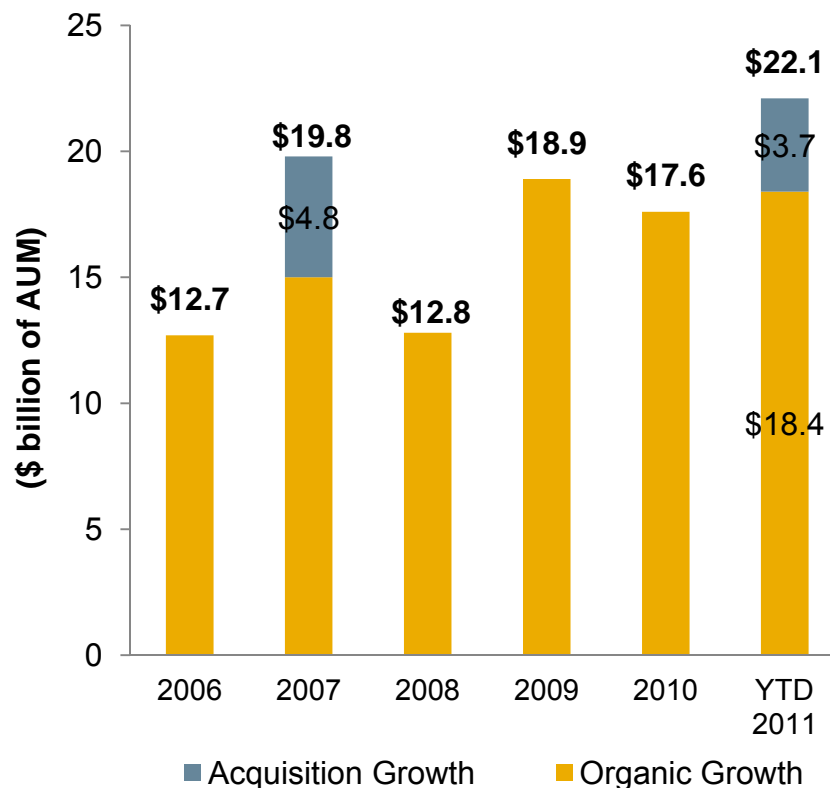
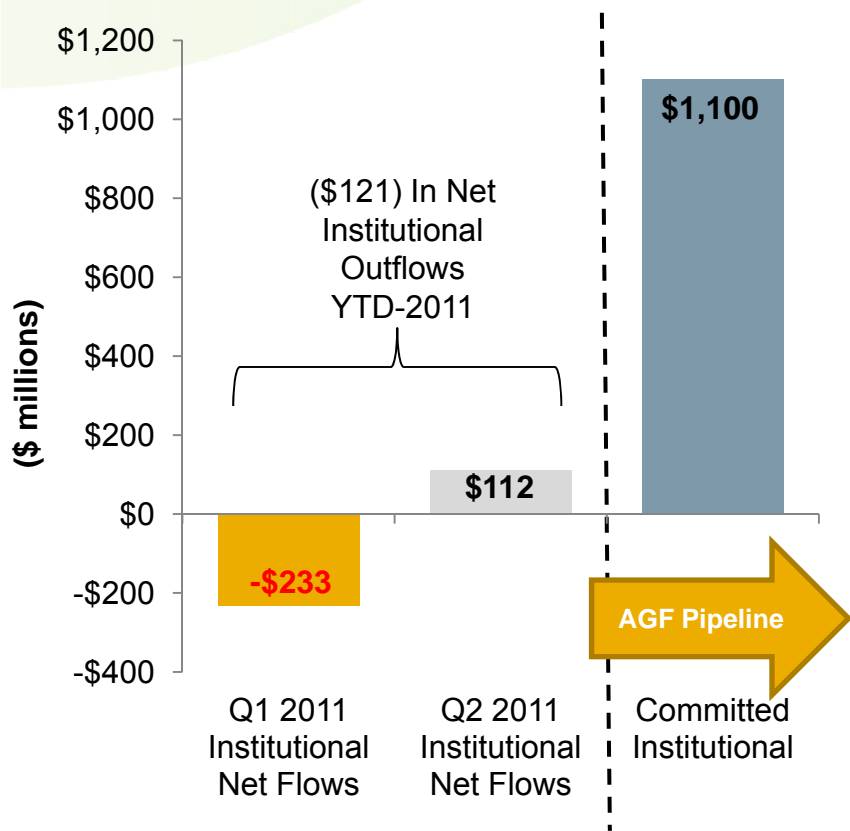
# RETAIL GROSS SALES GROWTH: Q2 2011 vs Q2 2010

Gross Retail Fund Sales (including Pools) demonstrated a 7.9% increase in Q2 2011 versus Q2 2010



# INSTITUTIONAL ASSETS: NET SALES AND PIPELINE & HISTORICAL AUM

**Our institutional business continues to grow with a robust pipeline of institutional asset mandates to fund over the course of 2011**



# AGF MANAGEMENT LIMITED: Q2 2011 CONSOLIDATED RESULTS OVERVIEW

(\$ millions, except for per share amounts)

FINANCIAL RESULTS	Q2 2011	Q2 2010	% Change
Revenue	\$180.1	\$153.8	17.1%
SG&A	\$53.7	\$48.8	10.2%
EBITDA	\$75.4	\$62.6	20.4%
EBITDA Margin	41.9%	40.7%	2.9%
<b>Adjusted EBITDA</b>	<b>\$79.0<sup>(1)</sup></b>	<b>\$68.1<sup>(2)</sup></b>	<b>16.0%</b>
Net Income	\$32.7	\$27.5	18.9%
EPS (Diluted)	\$0.34	\$0.30	13.3%
<b>Adjusted EPS (Diluted)</b>	<b>\$0.37</b>	<b>\$0.35</b>	<b>5.7%</b>
Free Cash Flow	\$51.8	\$46.7	10.9%

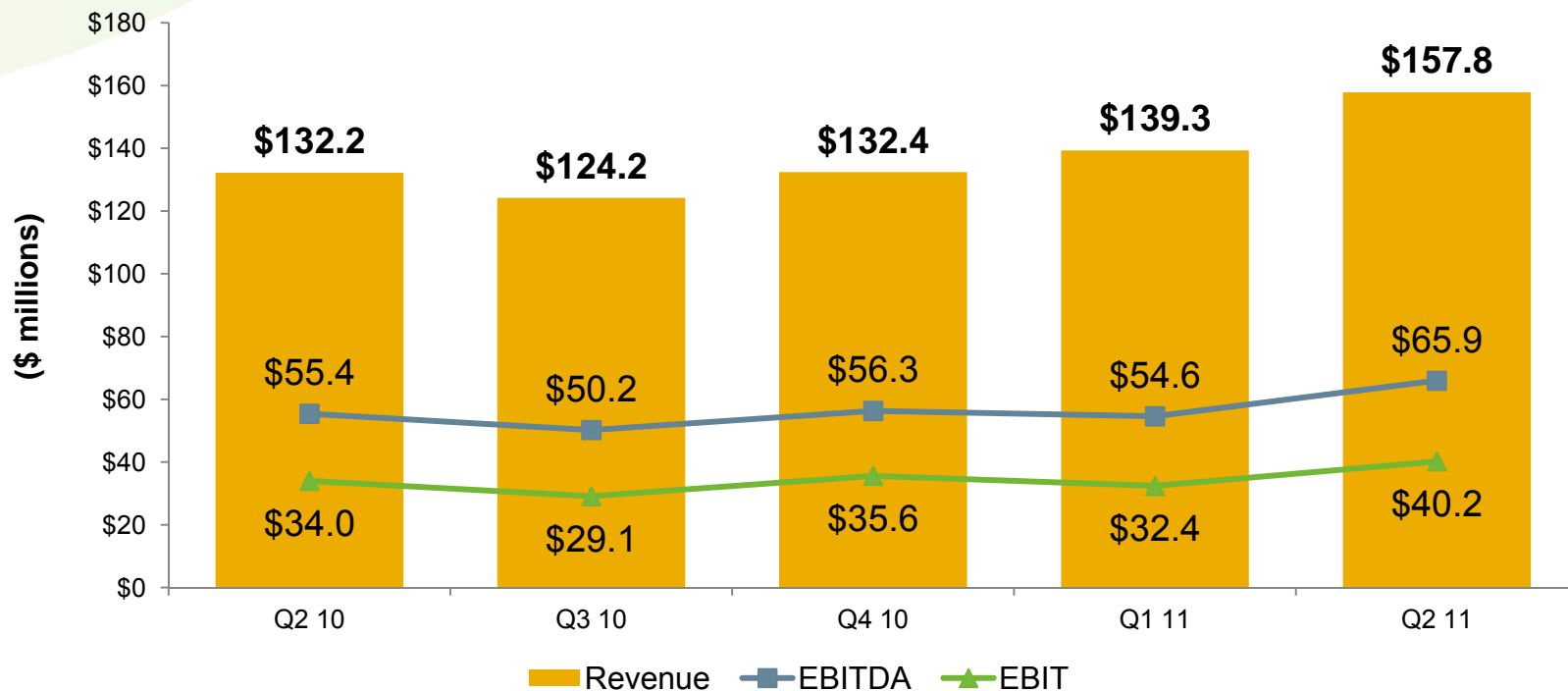
(1) Adjusted for integration and acquisition costs of Acuity

(2) Adjusted for one-time adjustment for Smith & Williamson Holdings Limited in Q2-10



# INVESTMENT MANAGEMENT REVENUE, EBIT & EBITDA

Investment Management is trending positively on both a revenue and EBITDA basis with expansion in overall EBITDA margins



	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11
EBITDA Margin	41.9%	40.4%	42.5%	39.2%	41.8%
EBITDA Margin Adjusted <sup>(1)</sup>				43.1%	44.0%

(1) Adjusted for Acuity integration and acquisition costs

# INVESTMENT MANAGEMENT SEGMENT: ADJUSTED EBITDA

	Q2-11	TTM <sup>1</sup>	Q2-10
<b>Average AUM (\$ billions)</b>	52.2	45.9	44.4
<b>Average Retail</b>	26.5	23.3	22.2
<b>Average Institutional and H-N-W</b>	25.7	22.6	22.2
<b>Revenue (bps)</b>	120	121	118
<b>Less:</b>			
<b>Trailer Fees (bps)</b>	32	32	31
<b>SG&amp;A (bps)<sup>2</sup></b>	35	37	37
<b>EBITDA (bps)<sup>3</sup></b>	53	51	50

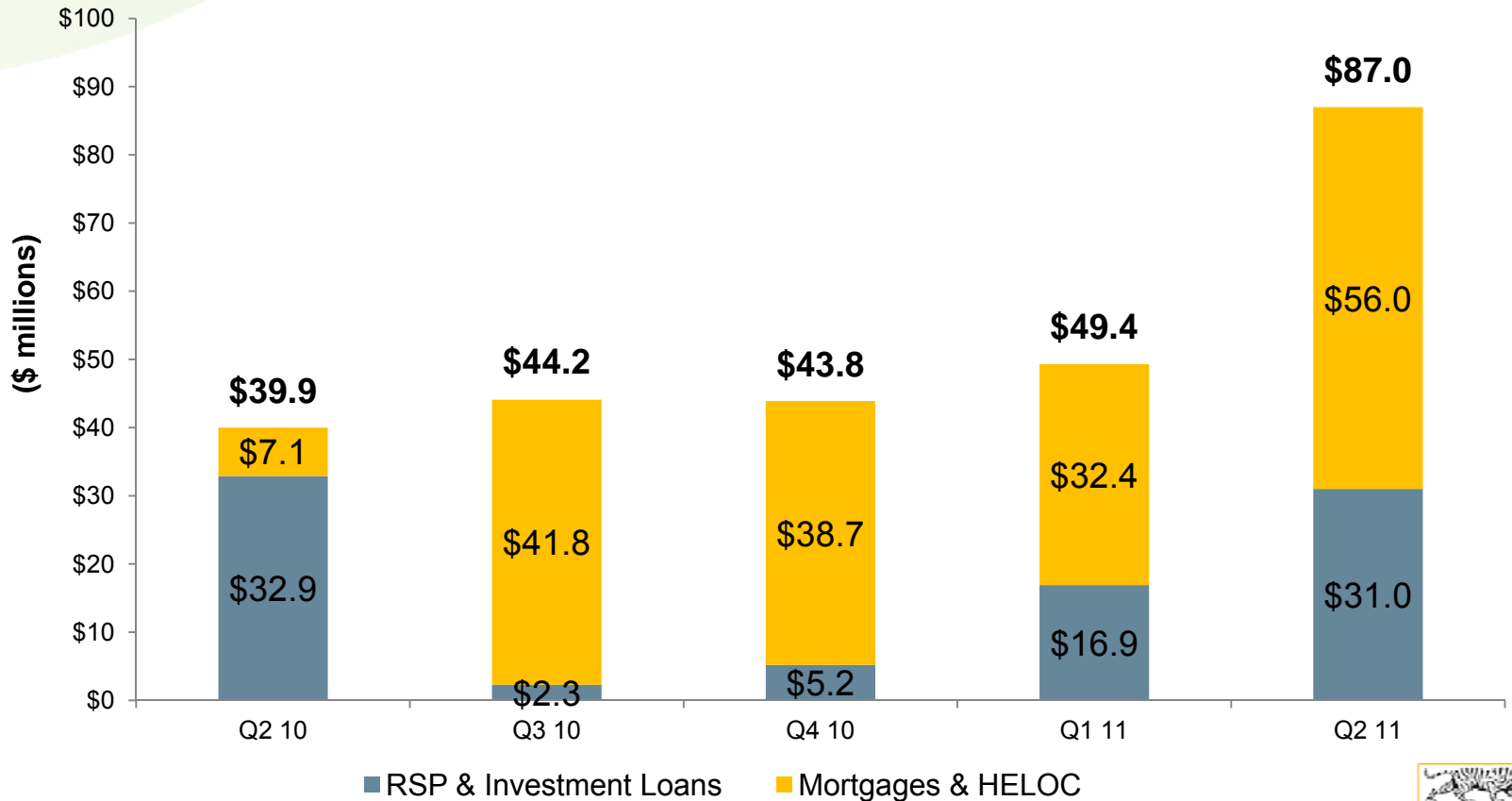
<sup>1</sup> Trailing twelve months

<sup>2</sup> Includes investment advisory fees

<sup>3</sup> Adjusted to exclude one-time expenses

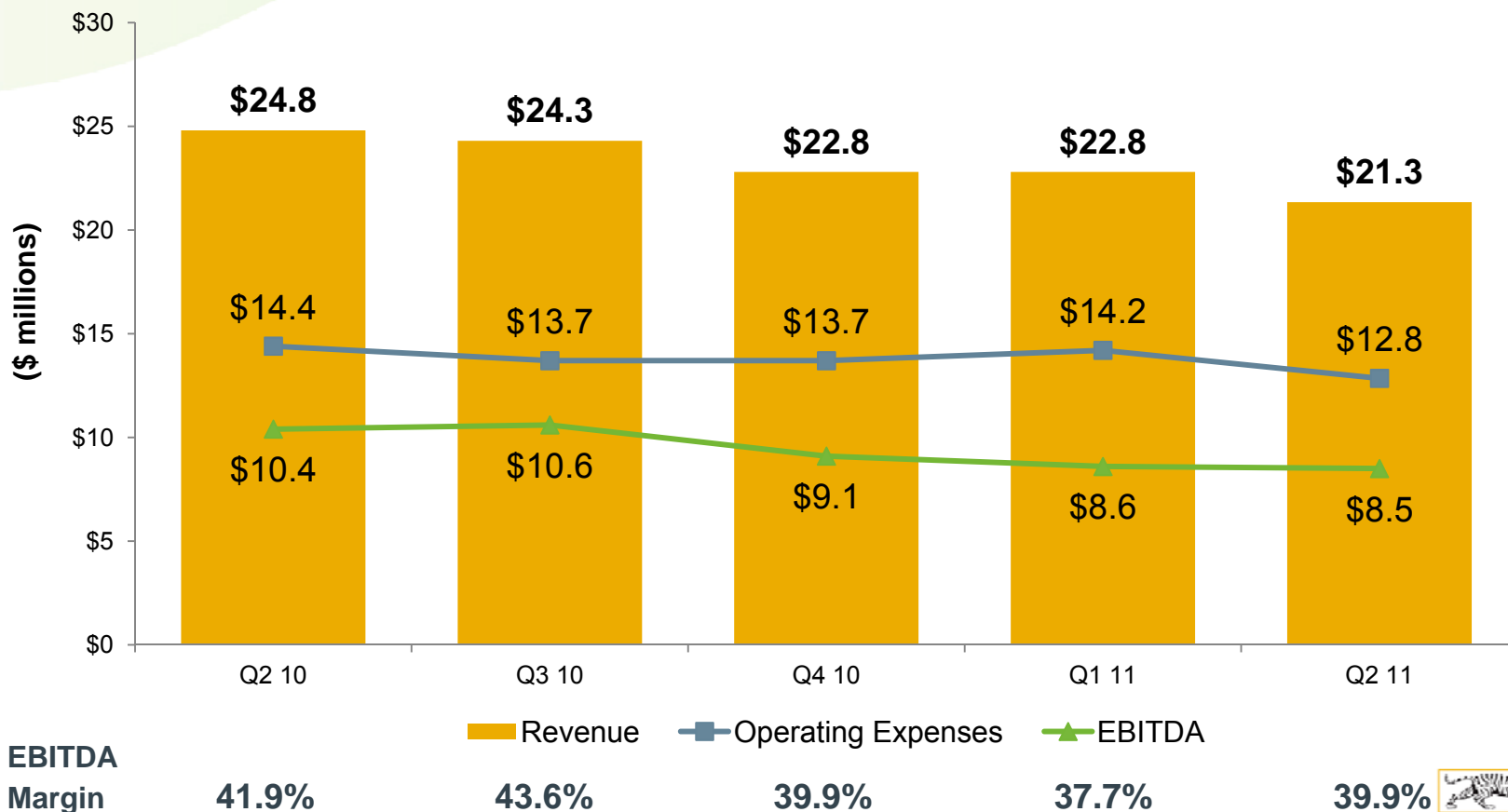
# AGF TRUST GROSS LOAN ORIGINATIONS

**AGF Trust has shown positive results on the loan origination basis with improvements in Q2 2011 versus one year ago**



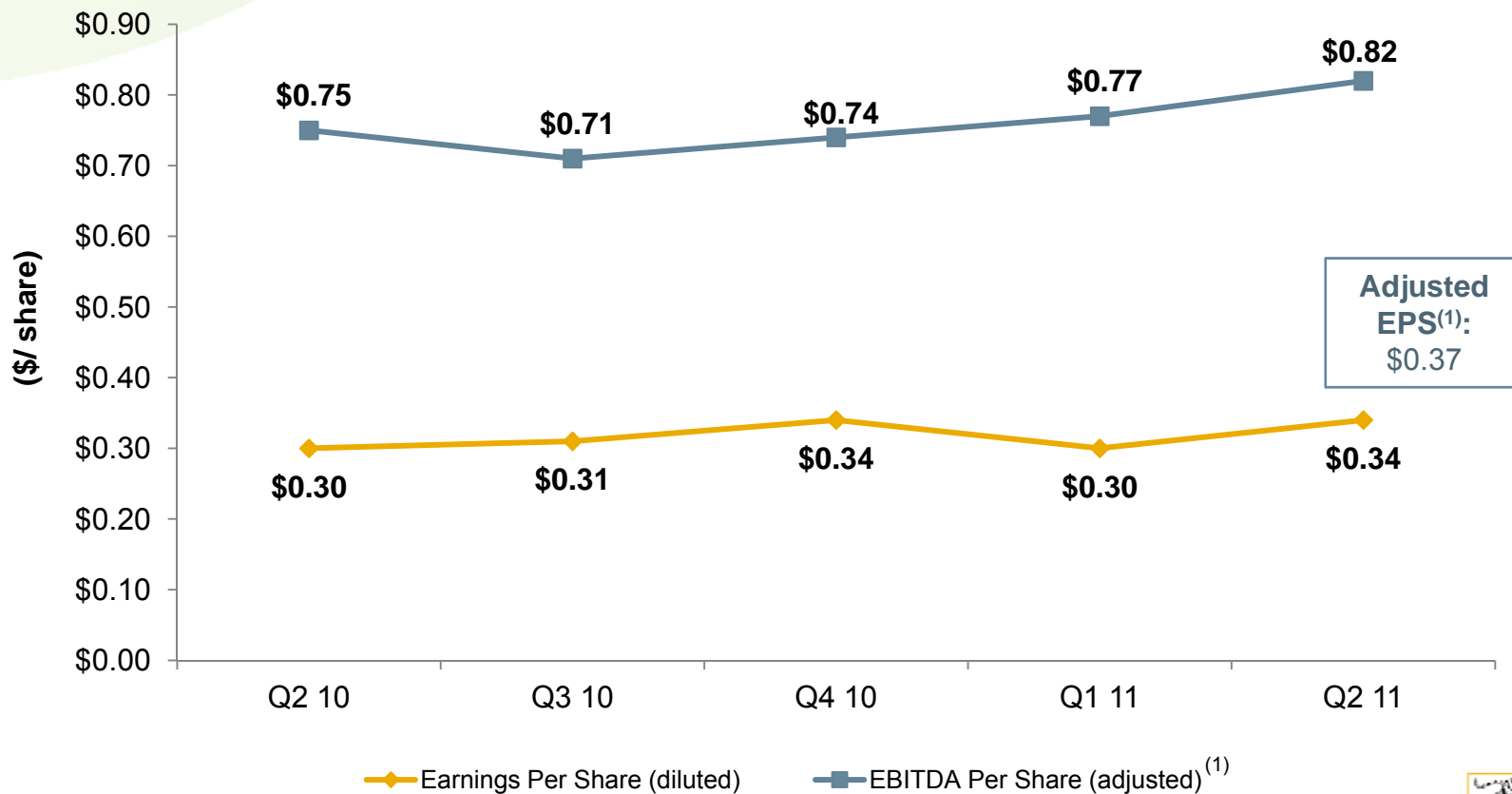
# TRUST REVENUE, OPERATING EXPENSES & EBITDA

Profitability at AGF Trust continues to be impacted by lower overall loan assets



# EPS & ADJUSTED EBITDA PER SHARE

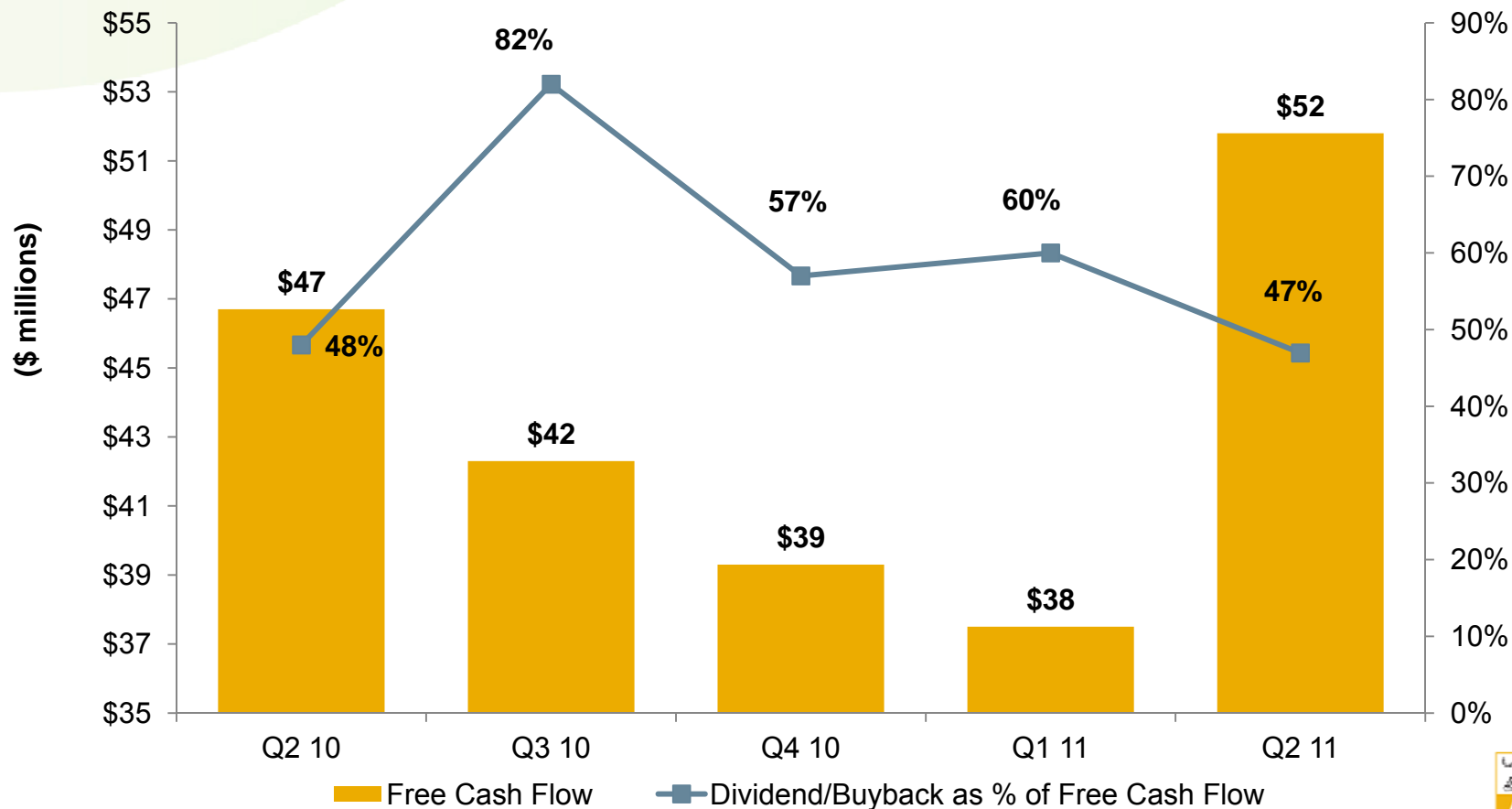
Performance is trending positively on both adjusted EBITDA and EPS



(1) Adjusted numbers exclude all one-time charges.

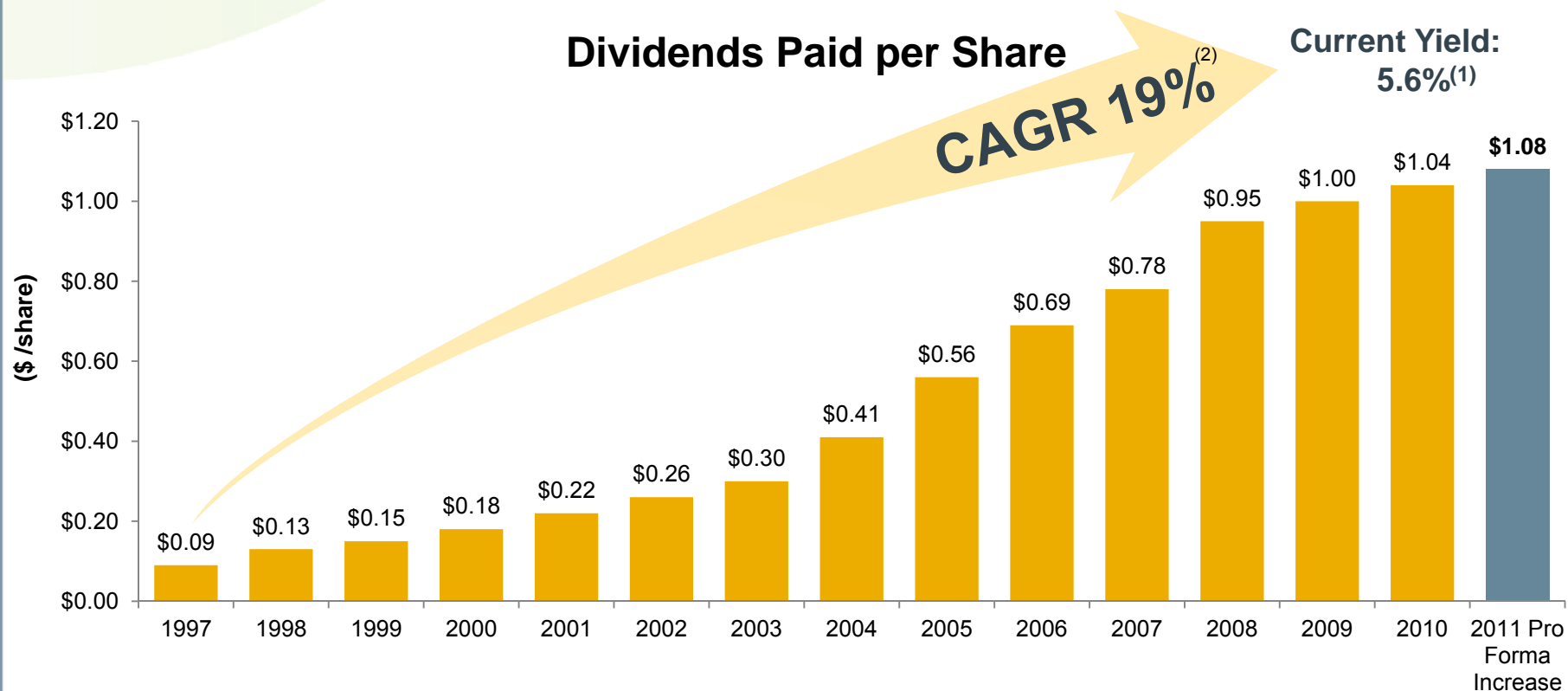
# AGF MANAGEMENT LIMITED: FREE CASH FLOW GENERATION

**AGF continues to generate strong cash flows and is committed to returning value to shareholders and executing our growth strategy**



# AGF MANAGEMENT LIMITED: INCREASE DIVIDEND

**AGF will increase its dividends paid for the 14<sup>th</sup> consecutive year, resulting in an attractive yield for a high-quality, Canadian company**



<sup>(1)</sup> Share price for current yield was at June 21, 2011

<sup>(2)</sup> CAGR includes Q3 dividend and Q4 dividend of \$0.27 per quarter per share.



# QUESTIONS

Strength  
in diversification



What are you doing after work?®