

AGF Management Limited

# AGF MANAGEMENT LIMITED

## Fiscal 2011 Financial & Operating Results

January 2012

Strength  
in diversification



What are you doing after work?®

# CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The forward looking information is provided as of January 25, 2012. 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 FISCAL 2011

## Financial Results

- AUM increased 7.0% relative to fiscal 2010 to \$46 billion
- AGF experienced positive organic growth in the institutional business segment
- Consolidated revenue and EBITDA increased 9.9% and 7.3% relative to fiscal 2010

## Operational Activities

- Investment management was challenging in 2011 and expectations are continued headwinds for 2012 due to market volatility
- Acuity integration costs completed and cost synergies fully-realized as the conversion was successfully completed in August
- Ability to reflect revenue growth is key to drive share price value

## Liquidity & Capital

- Free cash flow remains strong
- Strong balance sheet with \$300 million of available debt that can be used for strategic growth initiatives
- Dividend increased in Q2 2011 by \$0.04 per share, or \$1.08 on an annualized basis

## AGF Trust

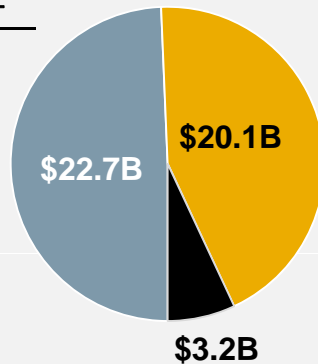
- Loan assets remained flat at \$2.9 billion – very strong quarter of origination activity
- Credit quality continues to improve and trend higher
- Dividend \$10 million of capital back to AGF in Q2 2011 – further capital expected in Q1-12

# GLOBAL WEALTH MANAGER DIVERSIFIED OPERATIONS WITH SCALE

## INVESTMENT MANAGEMENT

- Retail Funds
- Institutional & Sub-advisory
- Private Client

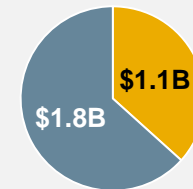
Total AUM of CAD\$46.0 billion



## TRUST COMPANY

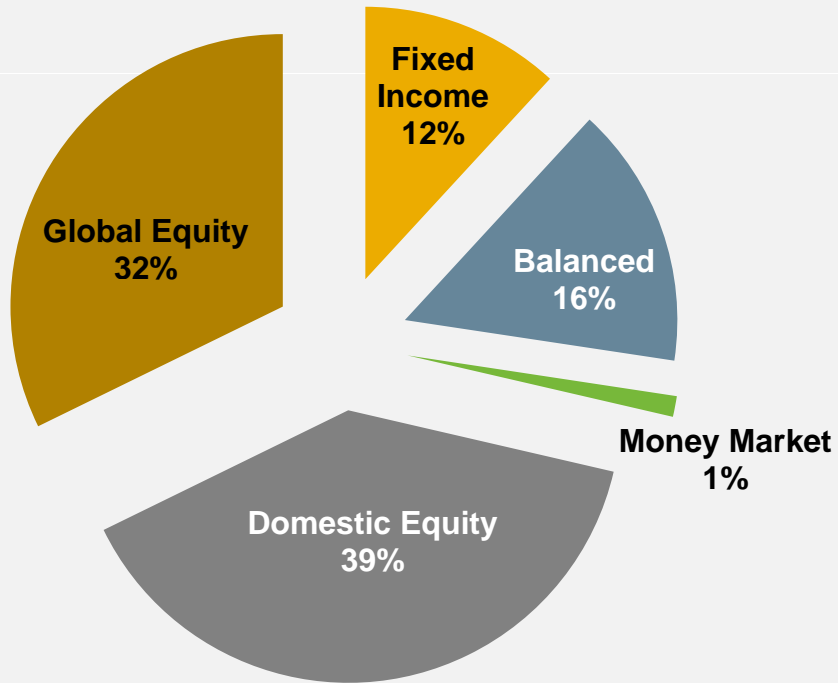
- Real Estate Secured Loans
- Investment Loans

Total loan assets of CAD\$2.9 billion

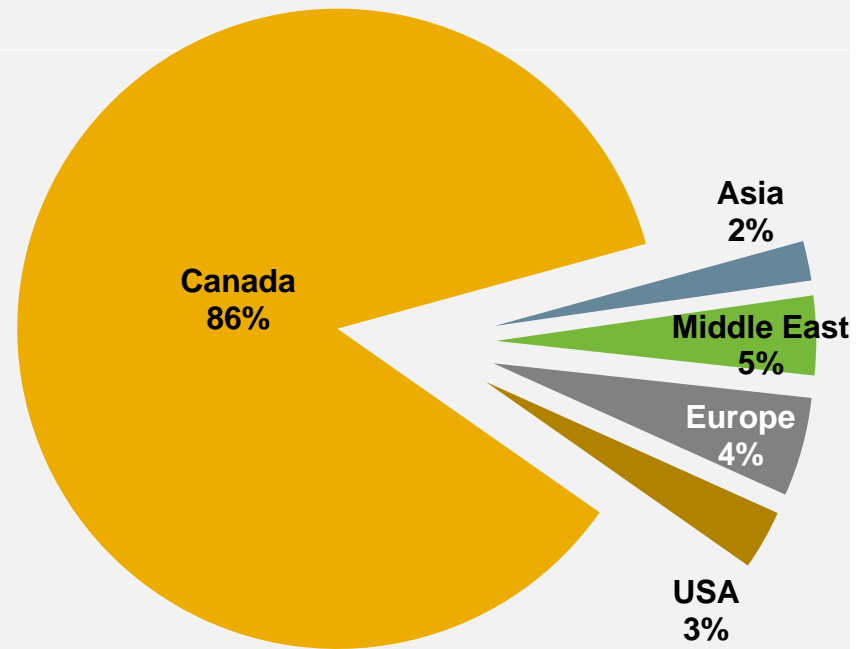


# ASSETS UNDER MANAGEMENT BREAKDOWN BY STYLE AND GEOGRAPHY

2011 Asset Under Management by Major Asset Class



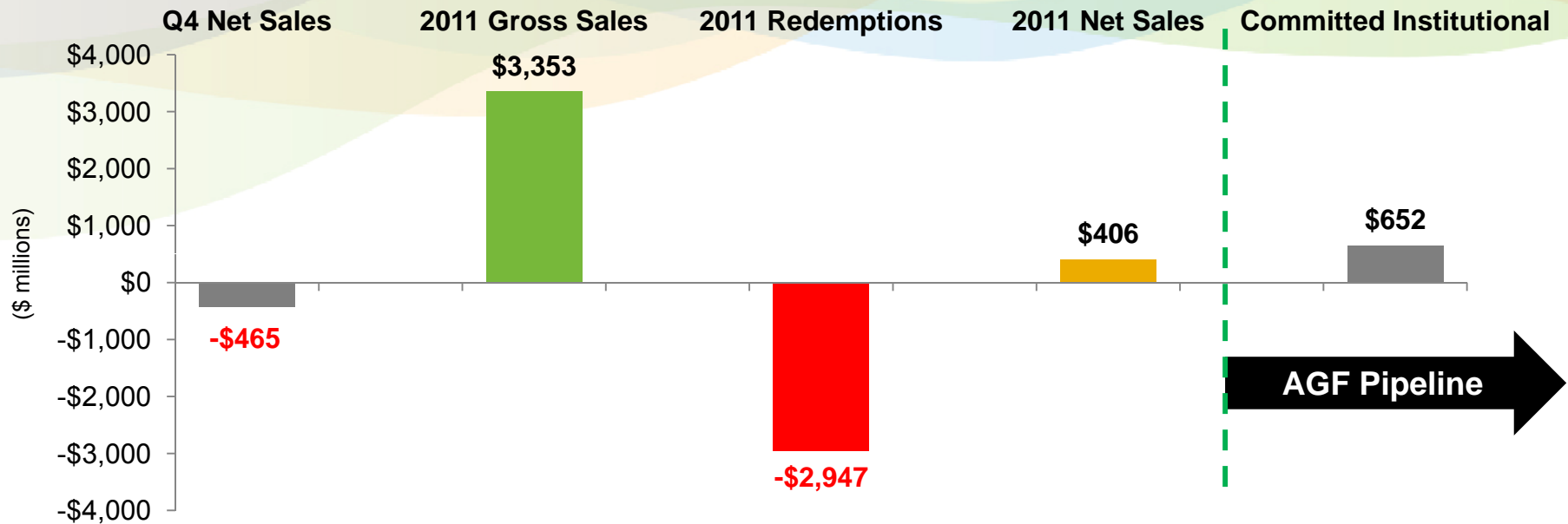
2011 Asset Under Management by Geographic Client Location



# RETAIL BUSINESS SEGMENT PRIORITIES AND ACTION PLAN

- Market volatility continues to weigh heavily on operations
- 2012 RRSP season will be a challenge across the industry – and persist until investor confidence and equity markets return
- Business remains in net redemptions – partly driven by poor markets
- Priorities in the retail business - and AGF strategies to manage are:
  - #1 Fix fund performance
    - Refocus on portfolio management and centres of excellence
    - Research capabilities
    - Fund rationalization
  - #2 Increase gross sales
    - Focus on more roadshows and advisor meetings to re-engage brand awareness
    - Develop additional partnership and opportunities with large distribution channels in Canada and the U.S.

# INSTITUTIONAL BUSINESS SEGMENT 2011 ORGANIC GROWTH & PIPELINE FOR 2012



**Institutional Segment Priorities**

- Increase gross sales
- Increase global presence



**AGF Strategy Engaged**

- Build-out global sales team
- Active in U.S., China and Europe

\* Does not include retail strategic sub-advisory



# AGF MANAGEMENT LIMITED: 2011 CONSOLIDATED RESULTS OVERVIEW

(\$ millions, except for per share amounts)

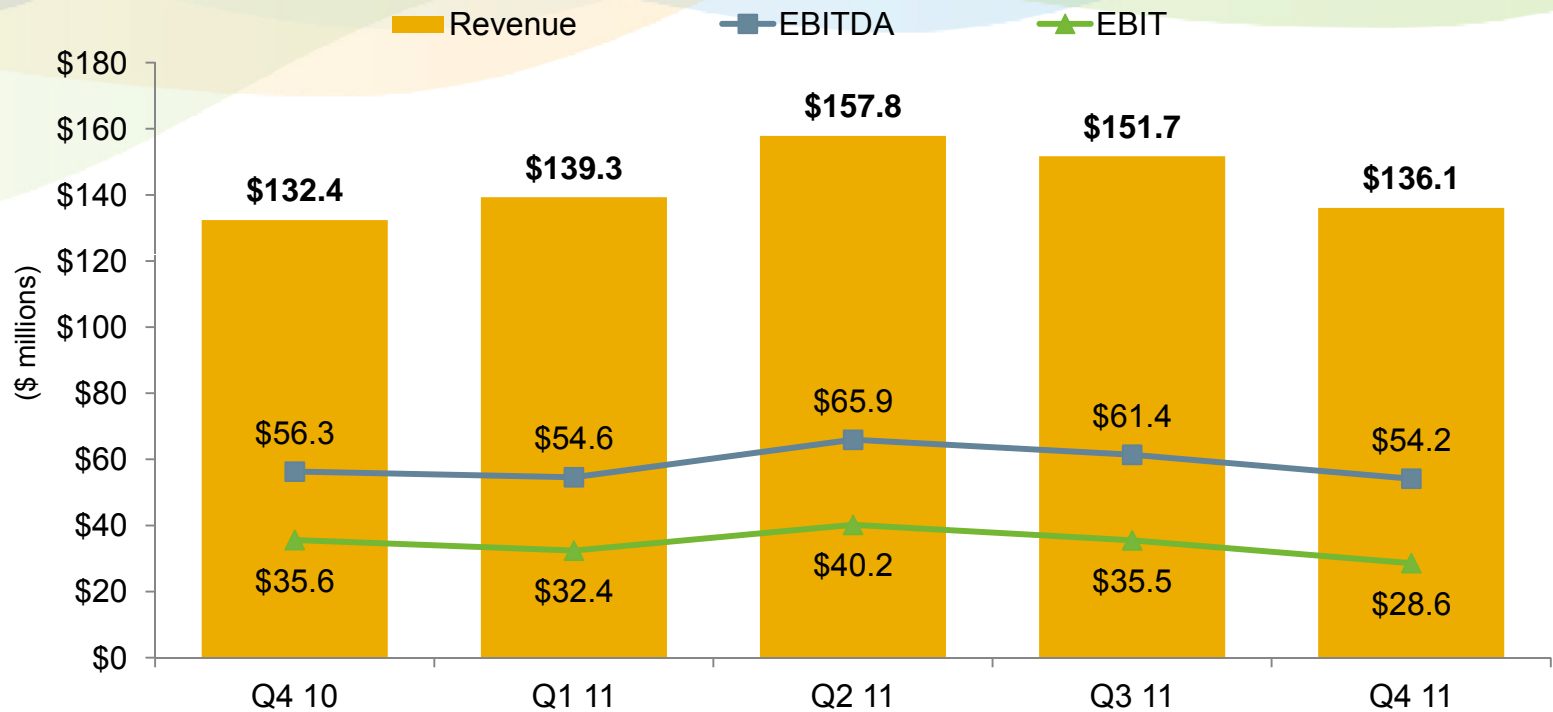
FINANCIAL RESULTS	2011	2010	% Change
Revenue	\$675.3	\$614.6	9.9%
SG&A	\$212.8	\$192.4	10.6%
EBITDA	\$275.5	\$256.8	7.3%
EBITDA Margin	40.8%	41.8%	(1.0%)
<b>Adjusted EBITDA</b>	<b>\$287.4<sup>(1)</sup></b>	<b>\$262.3<sup>(2)</sup></b>	<b>9.6%</b>
Net Income	\$112.2	\$116.8	(3.9%)
EPS (Diluted)	\$1.18	\$1.30	(9.2%)
<b>Adjusted EPS (Diluted)</b>	<b>\$1.27<sup>(1)</sup></b>	<b>\$1.34<sup>(2)</sup></b>	<b>(5.2%)</b>
Free Cash Flow	\$173.8	\$173.8	-

(1) Adjusted for integration and acquisition costs of Acuity and Smith & Williamson Holdings Limited levy

(2) Adjusted for Smith & Williamson Holdings Limited one-time costs



# INVESTMENT MANAGEMENT REVENUE, EBIT & EBITDA



<b>EBITDA Margin</b>	<b>42.5%</b>	<b>39.2%</b>	<b>41.8%</b>	<b>40.5%</b>	<b>39.8%</b>
<b>EBITDA Margin Adjusted<sup>(1)</sup></b>		<b>43.1%</b>	<b>44.0%</b>	<b>41.6%</b>	<b>40.0%</b>

(1) Adjusted for Acuity integration and acquisition costs



# INVESTMENT MANAGEMENT SEGMENT: ADJUSTED EBITDA

	Q4-11	TTM	Q4-10
<b>Average AUM (\$ billions)</b>	\$46.2	\$48.7	\$43.7
<b>Average Retail</b>	\$22.9	\$24.6	\$22.2
<b>Average Institutional and H-N-W</b>	\$23.3	\$24.1	\$21.5
<b>Revenue (bps)</b>	118	120	121
<b>Less:</b>			
<b>Trailer Fees (bps)</b>	31	32	32
<b>SG&amp;A (bps)<sup>(2)(3)</sup></b>	40	38	38
<b>EBITDA (bps)<sup>(3)</sup></b>	47	50	51

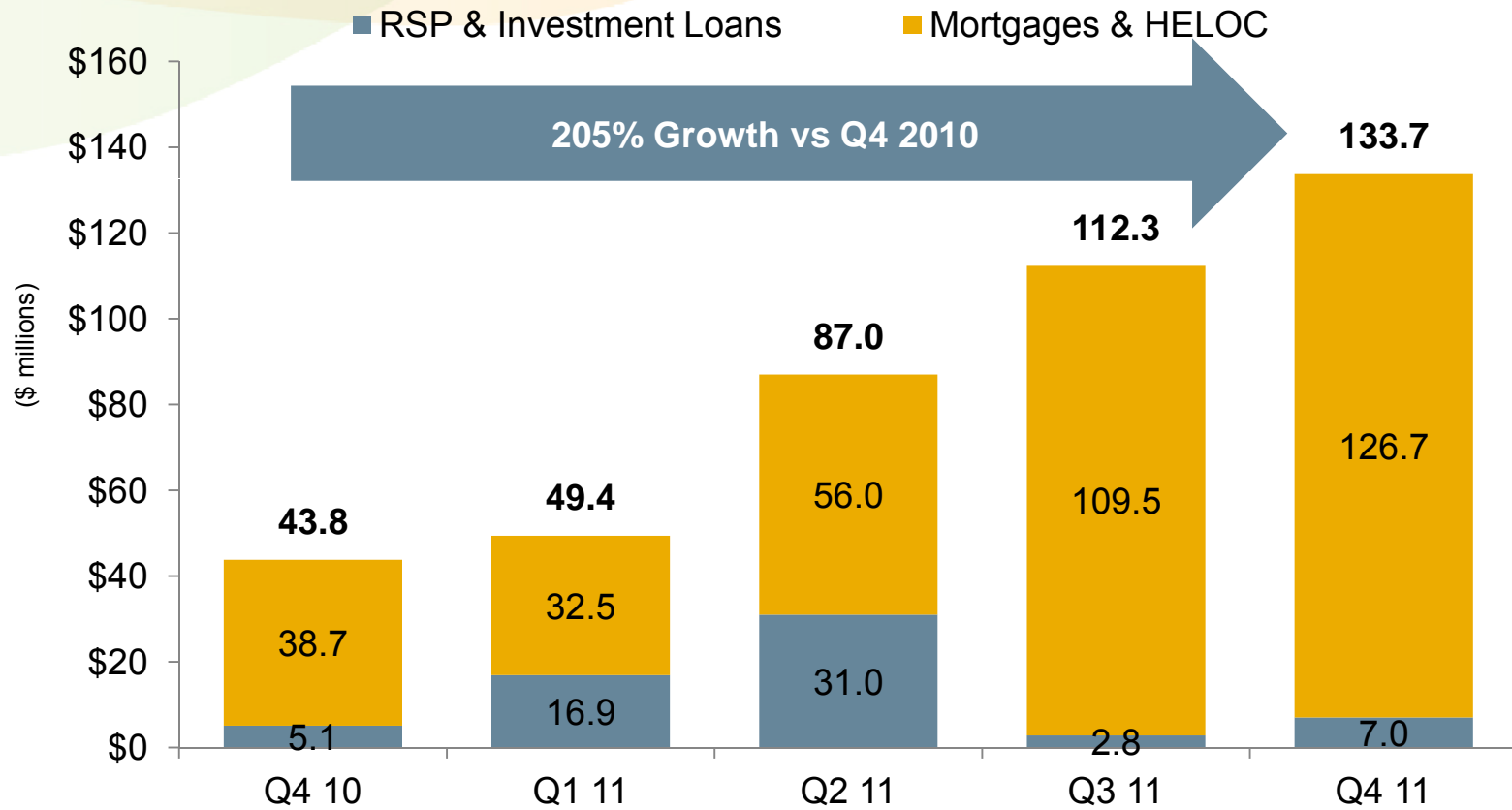
(1) Trailing twelve months

(2) Includes investment advisory fees

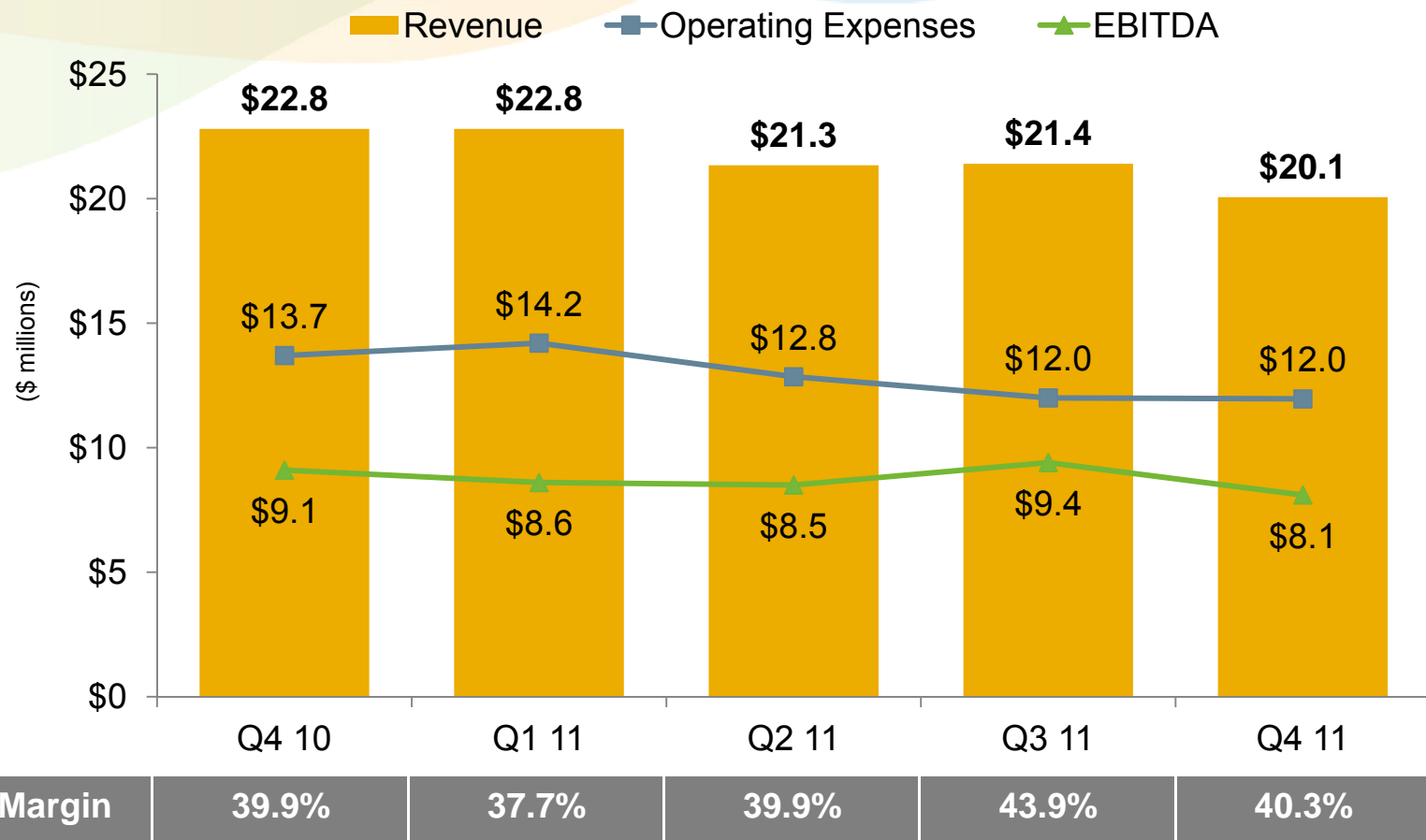
(3) Adjusted to exclude one-time expenses



# AGF TRUST IMPROVEMENT IN GROSS LOAN ORIGINATIONS

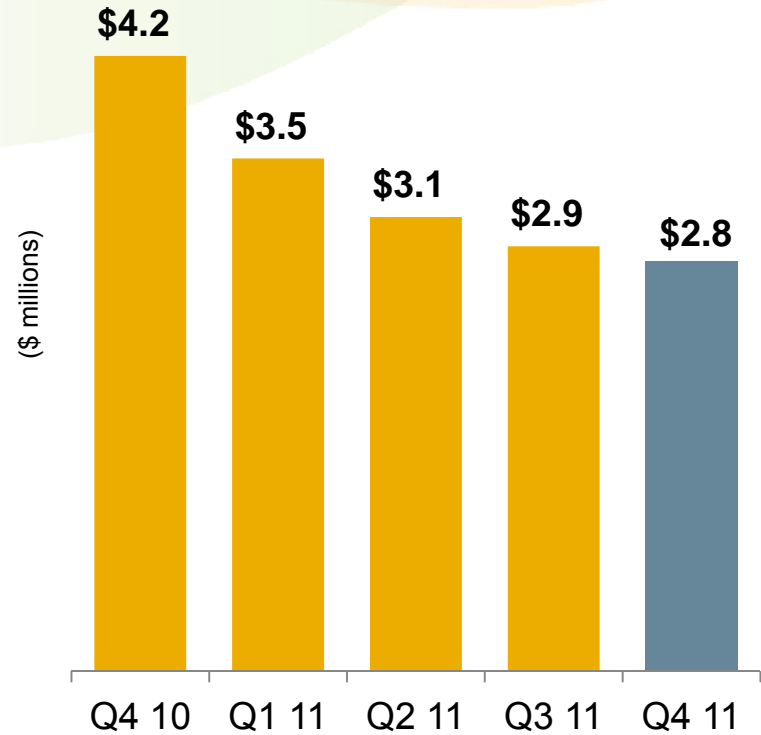


# AGF TRUST REVENUE, OPERATING EXPENSES & EBITDA

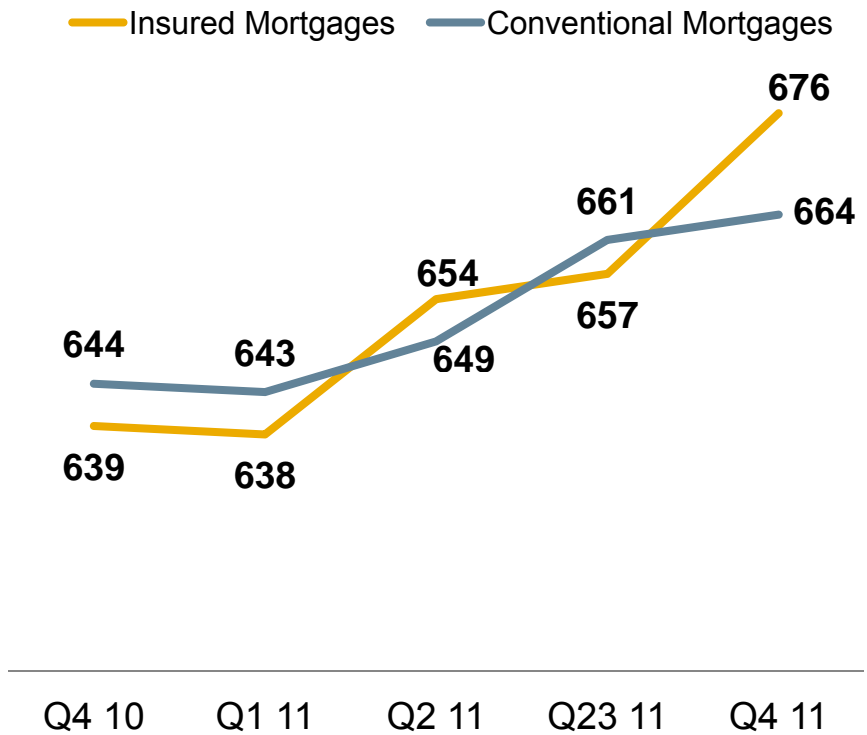


# AGF TRUST IMPROVED CREDIT METRICS

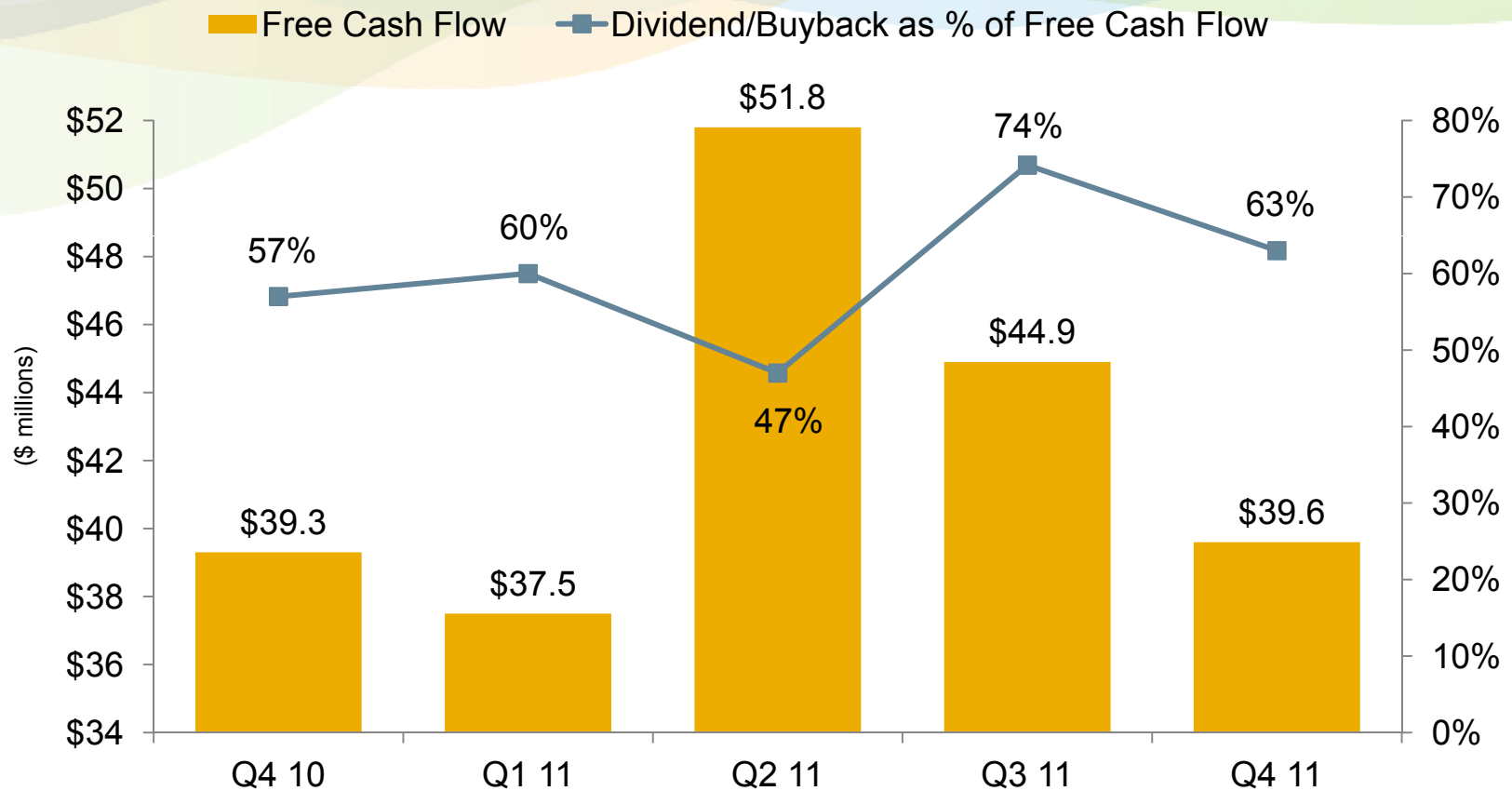
### Loan Loss Provisions



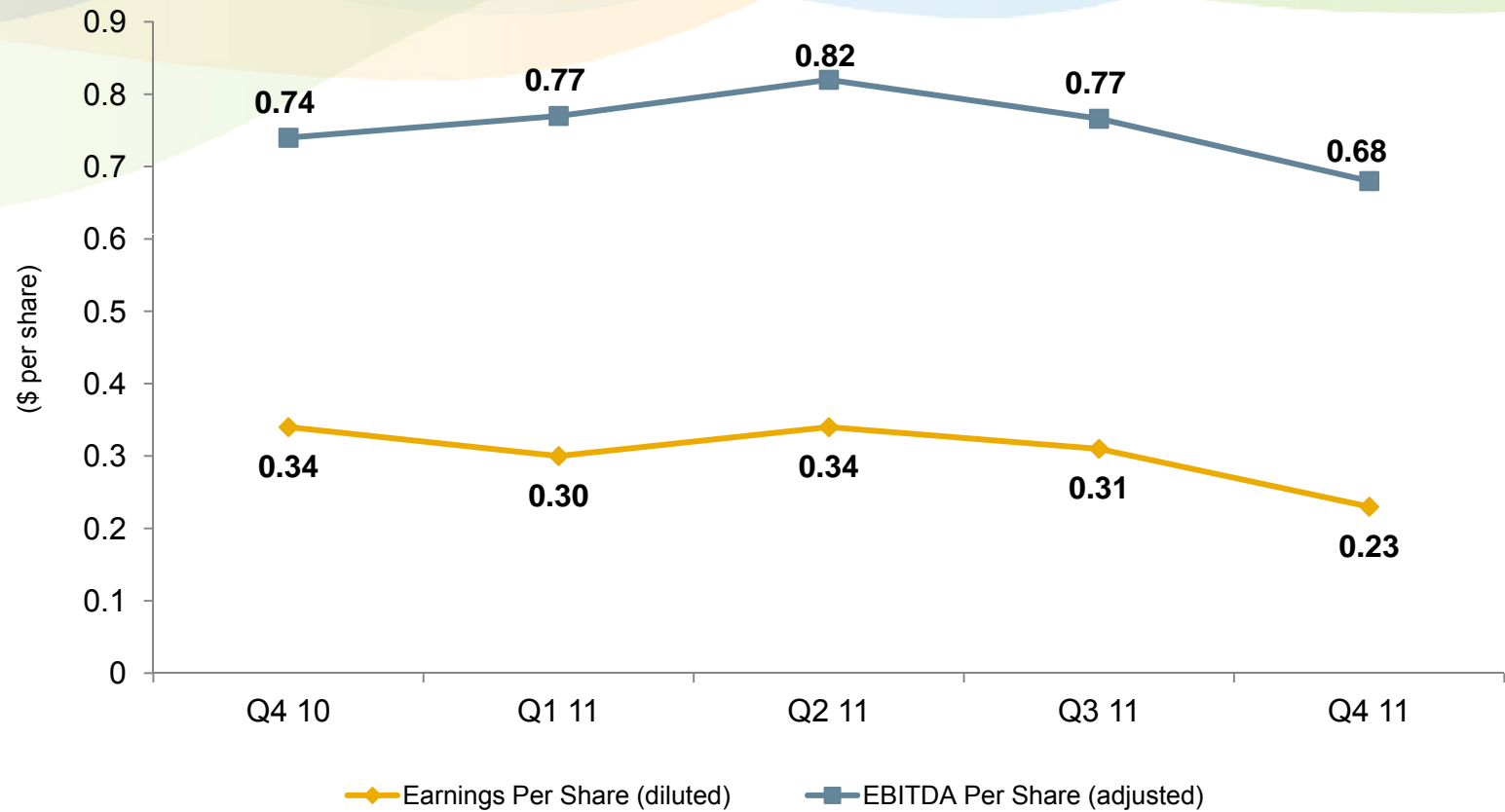
### Average Beacon Score



# AGF MANAGEMENT LIMITED FREE CASH FLOW GENERATION



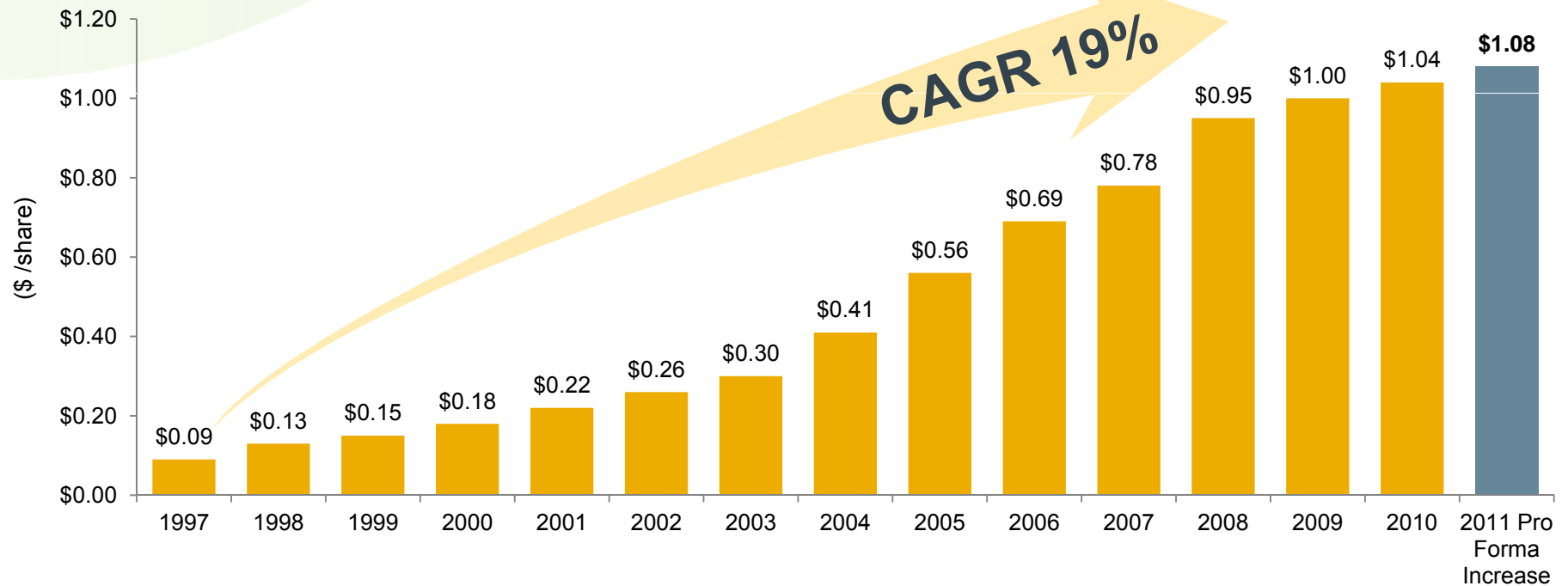
# EPS & ADJUSTED EBITDA PER SHARE



# AGF MANAGEMENT LIMITED: INCREASED DIVIDEND IN Q2 2011

## Dividends Paid per Share

Current Yield:  
6.4%<sup>(1)</sup>



(1) Share price for current yield was at January 24, 2011

AGF Management Limited

# QUESTIONS

Strength  
in diversification



What are you doing after work?®