AGF Management Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the years ended November 30, 2015 and 2014

What are you doing after work?®

Management's Discussion and Analysis

Table of Contents

Basis of Presentation and Summary of Accounting Policies 4
Our Business 4
Key Performance Indicators 5
Our Strategy 5
Our Priorities and Progress 5
Outlook 6
2015 Financial and Operational Performance Overview 7
Assets Under Management 8
Consolidated Operating Results 9
Liquidity and Capital Resources 14
Intercompany and Related Party Transactions 15
Capital Management Activities from Continuing Operations 16
Dividends 16
Key Performance Indicators, Additional IFRS and Non-IFRS Measures 17
Significant Accounting Policies 19
Market Capitalization 20
Risk Factors and Management of Risk 21
Controls and Procedures 25
Fourth Quarter Analysis 26
Selected Quarterly Information 31
Selected Annual Information 32
Additional Information 32

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis (MD&A) includes forward-looking statements about the Company, including its 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' and '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 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, pipeline, 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 the 'Risk Factors and Management of Risk' section of this MD&A.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis (MD&A) is as of January 26, 2016, and presents an analysis of the financial condition of AGF and its subsidiaries as at November 30, 2015, compared to November 30, 2014. The MD&A should be read in conjunction with the 2015 Consolidated Financial Statements for the year ended November 30, 2015. All dollar amounts are in Canadian dollars unless otherwise indicated. Throughout this discussion, percentage changes are calculated based on numbers rounded to the decimals that appear in this MD&A. Results, except per share information, are presented in millions of dollars. Certain totals, subtotals and percentages may not reconcile due to rounding. For purposes of this discussion, the operations of AGF and our subsidiary companies are referred to as 'we,' 'us,' 'our,' 'the firm' or 'the Company.'

Basis of Presentation and Summary of Accounting Policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation in the current year.

We also utilize non-IFRS financial measures to assess our overall performance. Details of non-IFRS measures used are outlined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section, which provides calculations of the non-IFRS measures.

Our Business

AGF Management Limited, with $33.6 billion in assets under management (AUM) as at November 30, 2015, is one of the largest independent Canadian-based investment management firms, with operations and investments in Canada, the United States, the United Kingdom, Ireland and Asia.

The origin of our Company dates back to 1957 with the introduction of the American Growth Fund, the first mutual fund available to Canadians seeking to invest in the United States. As of November 30, 2015, our products and services include a diverse lineup of investment solutions for retail, institutional and high-net-worth clients. Our multi-disciplined investment management teams have expertise across the balanced, fixed income, equity and specialty asset categories and are located in Toronto, London (Ontario), Boston, Dublin and Singapore.

Our retail business delivers a wide range of products across a number of investment strategies, including AGF mutual funds, the AGF Elements portfolios and the Harmony Private Investment Program. Our products are delivered through multiple channels, including advisors, financial planners, banks, life insurance companies and brokers. We have sales organizations located across Canada serving regional advisors and their clients, while our strategic accounts team serves our corporate distribution partners.

Our institutional business offers a variety of investment mandates through pooled funds and segregated accounts. Our global institutional business provides investment management services for a variety of clients including institutions, pension funds, foundations, sovereign wealth funds and endowments. We offer a diverse range of investment strategies and have sales and client service offices in Toronto, London (Ontario), Boston, Dublin, London (England), Hong Kong and Beijing.

Our high-net-worth business delivers investment management and counselling services in local markets. It includes the operations of Cypress Capital Management Limited in Vancouver; Highstreet Asset Management Inc. (Highstreet) in London, Ontario; and Doherty & Associates Ltd. in Ottawa and Montreal.

We hold a 50.0% interest in InstarAGF Inc. (InstarAGF), a joint venture with Instar Group Inc. (Instar), to develop an alternative asset management platform offering new alternative investment products to support our retail, institutional and high-net-worth channels. InstarAGF holds a 37.0% interest in Stream Asset Financial Management LP (SAFMLP), manager of a midstream oil and gas infrastructure fund. All income earned through the interest in SAFMLP is allocated to AGF. In addition, InstarAGF expects to achieve first close of InstarAGF Essential Infrastructure Fund LP (EIF) with external investors in the first quarter of 2016. AGF is a cornerstone investor in this fund, with $105.1 million of capital invested as at November 30, 2015. Upon close of the fund, the Company will receive a partial return of its capital in excess of its proportionate participation. The fund will invest in utilities, civil, social and power infrastructure assets, including renewable energy.

We hold a 32.3% interest in Smith & Williamson Holdings Limited (S&WHL), a leading independent private client investment management, financial advisory and accounting group based in the U.K.. S&WHL is one of the top 10 largest firms of accountants in the U.K. and its investment management business has over £16.0 billion of funds under management and advice as at November 30, 2015.

Key Performance Indicators

AGF uses several key performance indicators (KPIs) to measure the success of our business strategies. Refer to the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A.

Our Strategy

AGF is a global firm focused exclusively on investment management, with investment research capabilities and institutional sales offices in Canada and abroad. The Company believes that superior investment performance and product innovation are key to its success. It also believes strongly in diversification, both in terms of investment styles and product solutions offered to clients, and in the client segments in which it operates.

Measuring long-term shareholder growth, we look to the following KPIs:

- Delivering investment performance above benchmarks
- AUM growth through organic sales
- Revenue growth driven by AUM growth and joint ventures
- Earnings before interest, taxes, depreciation and amortization (EBITDA) growth

Improvement in these measures is expected to result in improved cash flows as well as improved return on equity. We believe in creating value for our shareholders through share buybacks, dividend payments and reinvesting in our business.

Our strategy also recognizes that our business will experience cycles related to the global stock markets, credit availability, employment levels and other economic factors. We believe that a successful strategy is founded on the ability of our operations to effectively operate through economic downturns and upturns by controlling cost and maintaining an effective operating infrastructure.

Our Priorities and Progress

AGF is committed to our mission of 'Helping Investors Succeed.' Throughout 2015, we remained focused on our three key priorities:

- Delivering consistent investment performance
- Offering our advisors and clients innovative product solutions
- Driving growth through the development of an alternative asset platform

During the year, we made the following progress on our priorities:

Improving Investment Performance

We are focused on improving our investment performance. We are supporting our investment platforms and ensuring we have the requisite investment management talent to achieve our stated goal. During the past 12 months, as part of an overall review of our investment management function, we have identified and acted upon a number of initiatives with the goal to improve investment performance. This included a review of our investment management teams, which resulted in a reduction in teams for certain strategies and an enhancement of talent and support for other strategies. In addition, we have made significant enhancements to our back office processes, including the implementation of a new risk analytic system and the conversion to a new trade order management system.

Offering Our Advisors and Clients Innovative Product Solutions

Our strategy is to provide our advisors and clients a product platform that offers innovative solutions around specific needs, resulting in organic AUM growth.

- In November 2015, we acquired a majority interest in FFCM, LLC (FFCM), a U.S.-based advisor that manages market- and sector-neutral ETFs and a number of ETF managed strategies, to strengthen our core competency in developing and managing quantitative solutions. FFCM, along with Highstreet, has taken over advisor duties relating to AGF U.S. AlphaSector Class, which was renamed to AGF U.S. Sector Class.

- On September 15, 2015, we extended our low volatility lineup with the launch of AGF Flex Asset Allocation Fund, a global multi-asset class solution that offers long-term growth while managing downside risk. The Fund is advised by State Street Global Advisors.
- During the past three years, we have addressed investor needs related to rising interest rates and market volatility with the launch of several funds, including AGF U.S. Sector Class, AGF Floating Rate Income Fund and AGF Focus Funds.
- During 2015, in response to the continuing demand for fee-based products, AGF announced the reduction of management fees on select funds, offering a fee-based series (Series F) to help advisors that wish to transition to a fee-based business model. In addition, we announced an expansion of the number of funds offered under AGF's Gold Label offering. AGF Gold Label provides affluent investors with access to reduced pricing based on the amount they invest as well as the opportunity to reduce pricing further through household and account aggregation.
- We intend to develop products that leverage our capability in the alternative asset categories.
- We are actively promoting the AGF brand, ensuring brand recognition throughout the market. During the past two years, we have made a significant investment in our brand. Based on the results of a 2015 Credo brand perception survey completed by over 1,000 advisors, AGF's brand recognition and perception showed the greatest improvement among all the firms over the past year.

Developing an Alternative Asset Platform and Driving Organic Growth

Our strategy is to leverage our world-class global equity capabilities and distribute our products through structures and platforms that work within their local markets. To date, we have made the following advancements:

- Through InstarAGF we have launched an alternative asset management platform that has $268.0 million of fee-bearing AUM as at November 30, 2015 (2014 – $210.0 million). AGF has committed a total of $150.0 million to funds and investments associated with the alternative asset management platform. This includes a $50.0 million commitment to Stream Asset Financial LP (Stream), a midstream oil and gas infrastructure fund with equity commitments of approximately $210.0 million (2014 – $210.0 million). As at November 30, 2015, AGF had invested a total of $38.4 million in Stream, with $11.6 million remaining committed capital to be invested in the Stream fund.
- On January 27, 2015, InstarAGF announced the acquisition of the Billy Bishop Toronto City Airport passenger terminal by Nieuport Aviation Infrastructure Partners GP, a consortium of Canadian and international investors led by InstarAGF. AGF has committed and invested $105.1 million related to this investment, which is a cornerstone asset for EIF. The fund is expected to achieve its first closing with external investors in the first quarter of 2016, at which point the Company will receive a partial return of its capital in excess of its proportionate participation.

Outlook

Over the past two years, we have continued to focus on improving the fundamentals of our business, which we believe will ultimately lead to positive net sales and increased profitability. We are beginning to see encouraging results as we implement this plan and expect that this momentum will continue into 2016:

- We are seeing sustained improved investment performance. As at November 30, 2015, 51% of our AUM was above median over one year (2014 – 34%), while 42% (2014 – 25%) of our AUM was above median over three years. As at December 31, 2015, 58% of our AUM was above median over one year, while 50% our AUM was above median over three years. Our target is to consistently have 50% of our AUM above median over any one year and 60% above median over three years.
- Our retail fund flows continue to improve. With continued improved investment performance, strong strategic relationships and new product offerings that meet investor demands, we expect this positive progress to continue.
- Activity within the institutional business is increasing as performance within our Global Core and Global Dividend strategies continues to remain strong, while plan sponsors and consultants are continuing to reduce home country bias and invest in global-oriented strategies.

As we look forward, we are also mindful of the state of the financial markets. The instability of the markets has increasingly become a concern for investors, retail and institutional alike. We see this as an opportunity to deliver solution-oriented products that help investors in volatile markets. In November 2015, we announced the acquisition of a majority interest in FFCM, a Boston-based firm that manages ETFs and related investment strategies. Currently, FFCM and Highstreet manage AGF U.S. Sector Class, a fund that employs risk-control strategies in down markets while still participating in up markets. With the acquisition of FFCM we expect that there will be further opportunity to launch additional risk-oriented solutions in Canada and North America more broadly.

Regulators in Canada are currently reviewing the advisor and client relationship under a broad set of potential reforms. One set of reforms, CRM2, will be effective as of July 2016 and will increase disclosure related to the cost and performance of retail mutual funds. In addition, the industry is now awaiting the results of the regulators' review of the advisor best interest standard as well as recommendations stemming from studies related to retail mutual fund compensation models that took place in 2015. Regulators have stated that they intend to communicate a policy direction by the end of the first half of 2016.

We believe that any further changes in regulation to the retail industry will be introduced in a thoughtful manner, giving industry participants time to respond. Should there be changes to the advisor compensation model, AGF already has fee-disclosed products, and we are planning further development in the way we structure our products to help advisors transition to fee-based solutions. As well, AGF has a diversified business across multiple channels in addition to our retail platform including private client management and institutional business.

2015 Financial and Operational Performance Overview

Summary of Key Financial and Operational Results

- Total AUM was $33.6 billion at November 30, 2015, as compared to $35.1 billion at November 30, 2014.
- Retail fund net redemptions improved 20.0% to $1.6 billion for the year ended November 30, 2015, compared to net redemptions of $1.9 billion for the year ended November 30, 2014, resulting in retail AUM of $18.0 billion, as compared to $19.1 billion at November 30, 2014.
- Institutional AUM was $10.9 billion, compared to $11.3 billion at November 30, 2014.
- High-net-worth AUM remained stable at $4.4 billion.
- Performance consistently improved throughout the year with 51% of ranked AUM performing above median for the one-year period ended November 30, 2015, compared to 34% in 2014.
- We acquired a majority interest in FFCM, an ETF manager with $1.3 billion in AUM.
- We invested $126.9 million in our alternative asset management platform during the year ended November 30, 2015.
- During the year ended November 30, 2015, Stream monetized one of its seed assets, which resulted in the Company receiving $15.9 million, of which $10.1 million represented a return of capital and $5.7 million represented a special distribution that was recognized as income.
- Revenue from continuing operations was $449.6 million, compared to $464.5 million in the same period of 2014, reflecting lower average AUM levels and overall reduction in the fee revenue rate.
- As part of our review of our investment management teams and cost structure, we recognized a one-time $7.2 million restructuring cost.
- EBITDA from continuing operations was $127.2 million, compared to $154.9 million in 2014.
- Diluted EPS from continuing operations for the year ended November 30, 2015 was $0.58 per share, compared to diluted EPS of $0.68 per share in 2014.
- We delivered value directly to our shareholders through dividend payments and share buybacks. During 2015, we paid dividends of $0.51 per share (2014 – $1.08 per share). Dividends paid, including dividends reinvested, on Class A Voting common shares and Class B Non-Voting shares were $42.5 million in fiscal 2015, compared to $92.9 million in fiscal 2014. Under the normal course issuer bid, 5,599,964 Class B Non-Voting shares were repurchased for a total consideration of $39.1 million at an average price of $6.98 per share.

Assets Under Management

The following table illustrates the composition of the changes in total AUM during the years ended November 30, 2015 and 2014:

(in millions of Canadian dollars) **Years ended November 30**		**2015**		**2014**	**% change**
Retail fund AUM (including retail pooled funds), beginning of year	$	19,109	$	19,591	(2.5%)
Gross sales[1]		1,949		1,888	3.2%
Redemptions[1]		(3,508)		(3,837)	(8.6%)
Net redemptions		(1,559)		(1,949)	(20.0%)
Market appreciation of fund portfolios		480		1,467	(67.3%)
Retail fund AUM (including retail pooled funds), end of year	$	18,030	$	19,109	(5.6%)
Average daily retail fund AUM for the year	$	19,182	$	19,789	(3.1%)
Institutional and sub-advisory accounts AUM, beginning of year	$	11,342	$	10,877	4.3%
Net change in institutional and sub-advisory accounts, including market performance		(475)		465	n/m
Institutional and sub-advisory accounts AUM, end of year	$	10,867	$	11,342	(4.2%)
High-net-worth AUM	$	4,414	$	4,448	(0.8%)
AUM, end of year	$	33,311	$	34,899	(4.6%)
Alternative asset management platform AUM[2]	$	268	$	210	27.6%
Total AUM, including alternative asset management platform, end of year	$	33,579	$	35,109	(4.4%)

[1] Gross sales and redemptions include rebalancing of AGF Concert Series of $76.9 million (2014 – $44.4 million).

[2] Represents fee-earning committed capital from AGF and external investors held through joint ventures. AGF's portion of this commitment is $150.0 million, of which $143.5 million has been funded as at November 30, 2015. InstarAGF holds a 37.0% interest in the manager of the fund.

Institutional Pipeline

The following represents forward-looking information. We define the institutional pipeline as client commitments to fund or redeem a portion or all of their account. As at the date of this MD&A, AGF had a modestly positive net sales pipeline. Commitments are not necessarily contractual obligations. Actual amounts funded or redeemed may vary.

Consolidated Operating Results

The table below summarizes our consolidated operating results for the years ended November 30, 2015 and 2014:

(in millions of Canadian dollars, except per share data) **Years ended November 30**	**2015**	**2014**	**% change**
Income			
Management and advisory fees	$ 413.3	$ 433.1	(4.6%)
Deferred sales charges	9.6	12.5	(23.2%)
Share of profit of associate and joint ventures	12.2	12.4	(1.6%)
Fair value adjustments and other income[1]	14.5	6.5	123.1%
	449.6	464.5	(3.2%)
Expenses			
Selling, general and administrative[2]	188.7	175.0	7.8%
Trailing commissions	128.7	128.5	0.2%
Investment advisory fees	5.0	6.1	(18.0%)
	322.4	309.6	4.1%
EBITDA from continuing operations[3]	127.2	154.9	(17.9%)
Amortization, derecognition and depreciation	52.9	63.8	(17.1%)
Interest expense	10.4	12.0	(13.3%)
Income before taxes	63.9	79.1	(19.2%)
Income taxes	15.6	20.0	(22.0%)
Net income from continuing operations	48.3	59.1	(18.3%)
Net income (loss) from discontinued operations	(0.3)	2.1	n/m
Net income attributable to equity owners of the Company	$ 48.0	$ 61.3	(21.7%)
Diluted earnings per share			
From continuing operations	$ 0.58	$ 0.68	(14.7%)
From discontinued operations	–	0.02	n/m
Diluted earnings per share	$ 0.58	$ 0.70	(17.1%)

[1] Fair value adjustments and other income include a $5.7 million special distribution from a long-term investment for the year ended November 30, 2015.

[2] Selling, general and administrative expenses include a one-time restructuring charge of $7.2 million for the year ended November 30, 2015.

[3] For the definition of EBITDA, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA to net income from continuing operations, a defined term under IFRS, are detailed above.

One-time Adjustments

The table below summarizes one-time adjustments for the year ended November 30, 2015:

(in millions of Canadian dollars, except per share data) **Years ended November 30**	**2015**	**2014**
EBITDA from continuing operations	$ 127.2	$ 154.9
Add (deduct):		
Special distribution from a long-term investment	(5.7)	–
Restructuring charge	7.2	–
Adjusted EBITDA from continuing operations	$ 128.7	$ 154.9
Net income from continuing operations	$ 48.3	$ 59.1
Add (deduct):		
Adjustments to EBITDA from above	1.5	–
Tax impact on the adjustments to EBITDA above	(1.1)	–
Adjusted net income from continuing operations	$ 48.7	$ 59.1
Adjusted diluted EPS from continuing operations	$ 0.58	$ 0.68

Income

For the year ended November 30, 2015, income decreased by 3.2% over the previous year, with changes in the categories as follows:

Management and Advisory Fees

Management and advisory fees are directly related to our AUM levels. A 3.1% decline in average daily retail fund AUM and a 4.2% decline in institutional and sub-advisory accounts AUM contributed to a decrease of 4.6% in management and advisory fees revenue compared to 2014.

Deferred Sales Charges (DSC)

We receive deferred sales charges upon redemption of securities sold on the contingent DSC or low-load commission basis for which we finance the selling commissions paid to the dealer. The DSC ranges from 1.5% to 5.5%, depending on the commission option of the original subscription price of the funds purchased if the funds are redeemed within the first two years and declines to zero after three or seven years. DSC revenue fluctuates based on the level of redemptions, the age of the assets being redeemed and the proportion of redemptions composed of back-end assets. DSC revenues decreased by 23.2% for the year ended November 30, 2015 as compared to 2014, reflecting lower redemption levels and redemption of a larger proportion of older, lower-yielding DSC assets.

Share of Profit of Associate and Joint Ventures

Share of profit of associate and joint ventures was $12.2 million for the year ended November 30, 2015, compared to $12.4 million during the same period in 2014. Earnings in S&WHL's business decreased 4.1% during the year ended November 30, 2015. Earnings in SAFMLP increased during the year ended November 30, 2015, reflecting the impact of a full year of earnings. For additional information see Note 5 of the consolidated financial statements. A breakdown is as follows:

(in millions of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Share of profit of S&WHL	$ 11.6	$ 12.1
Share of profit of joint ventures[1]	0.6	0.3
	$ 12.2	$ 12.4

[1] Excludes the Company's portion of the estimated carried interest to be distributed to AGF on crystallization.

Fair Value Adjustments and Other Income

The following table illustrates the fair value adjustments and other income for the years ended November 30, 2015 and 2014:

(in millions of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Fair value adjustment related to investment in AGF mutual funds	$ (0.6)	$ 0.3
Fair value adjustment related to acquisition consideration payable	–	0.4
Fair value adjustment and distributions related to long-term investments	13.9	1.0
Interest income	1.1	4.2
Other	0.1	0.6
	$ 14.5	$ 6.5

The following table presents a breakdown of the fair value adjustment and distributions related to long-term investments for the years ended November 30, 2015 and 2014:

(in millions of Canadian dollars)	**2015**			**2014**		
Years ended November 30	**Stream**	**EIF**	**Total**	**Stream**	**EIF**	**Total**
Distribution income	$ 3.0	$ 1.0	$ 4.0	$ 1.1	$ –	$ 1.1
Fair value adjustment[1]	(2.7)	6.9	4.2	(0.1)	–	(0.1)
Special distribution from long-term investment	5.7	–	5.7	–	–	–
Fair value adjustment and distributions related to long-term investments	$ 6.0	$ 7.9	$ 13.9	$ 1.0	$ –	$ 1.0

[1] Fair value adjustment in Stream is based on the net assets of the fund less the Company's portion of the carried interest that would be payable by the fund upon crystallization.

During the year ended November 30, 2015, Stream monetized one of its seed assets, which resulted in the Company receiving a special distribution of $15.9 million, of which $10.1 million represented a return of capital and $5.7 million was recognized as distribution income.

Expenses

For the year ended November 30, 2015, expenses increased 4.1% from the previous year. Changes in specific categories are described in the discussion that follows:

Selling, General and Administrative Expenses (SG&A)

During 2015, the Company recognized a one-time $7.2 million charge related to the restructuring of the organization. Excluding this charge, SG&A expenses increased by $6.5 million, or 3.7%, for the year ended November 30, 2015, compared to the same period in 2014. A breakdown of the increase is as follows:

(in millions of Canadian dollars)	**Year ended November 30, 2015**
Decrease in salaries and benefits expenses	$ (0.4)
Increase in stock-based compensation expenses	1.4
Increase in fund absorption expenses and other fund costs	0.9
Increase in information technology and facilities costs	1.7
Increase in professional fees	0.2
Increase in harmonized sales tax provision	1.8
Increase in other expenses	0.9
	$ 6.5

The following explains expense changes in the year ended November 30, 2015, compared to the same period in the prior year:

- Salaries and benefits expenses decreased $0.4 million for the year ended November 30, 2015, compared to the prior year, reflecting lower staff levels.
- Stock-based compensation increased $1.4 million for the year ended November 30, 2015, compared to the same period in 2014. During 2014, prior to the establishment of the employee benefit trust, a decline in the Class B Non-

Voting share price resulted in lower expenses. Subsequent to the establishment of the trust, the majority of Restricted Share Units are no longer marked to market.

- Absorption and other fund costs expenses increased $0.9 million for the year ended November 30, 2015, as a result of higher absorption costs.
- Information technology and facilities costs increased $1.7 million for the year ended November 30, 2015, reflecting investments in our back office process, including the implementation of a new risk analytic system and the conversion to a new trade order management system.
- Professional fees increased $0.2 million for the year ended November 30, 2015, due to an increase in legal fees related to ongoing tax matters and acquisitions.
- Harmonized sales tax provision increased $1.8 million for the year ended November 30, 2015, compared to the same period in 2014. During the year ended November 30, 2014, the provision included one-time tax recoveries of $1.2 million.

Trailing Commissions

Trailing commissions paid to distributors depend on total AUM, the proportion of mutual fund AUM sold on a front-end versus back-end commission basis and the proportion of equity fund AUM versus fixed-income fund AUM. Annualized trailing commissions as a percentage of average daily retail fund AUM increased to 0.67% for the year ended November 30, 2015, compared to 0.65% in 2014, reflecting an increase in rates associated with mature assets and a movement of assets to funds with higher management fees.

Investment Advisory Fees

External investment advisory fees decreased 18.0% for the year ended November 30, 2015, as compared to 2014, reflecting lower AUM levels and the internalization of fund management.

EBITDA, EBITDA Margin and EBITDA per Share

EBITDA from continuing operations were $127.2 million for the year ended November 30, 2015, compared to $154.9 million for the same period of 2014. EBITDA margin was 28.3% for the year ended November 30, 2015, compared to 33.3% in the corresponding period in 2014. Diluted EBITDA per share from continuing operations for the year ended November 30, 2015 was $1.52, compared to $1.77 for the year ended November 30, 2014.

Amortization and Interest Expense

The category represents amortization of deferred selling commissions, customer contracts, other intangible assets, property, equipment, and computer software and interest expense. Deferred selling commissions amortization represents the most significant category of amortization. We internally finance all selling commissions paid. These selling commissions are capitalized and amortized on a straight-line basis over a period that corresponds with their applicable DSC schedule. Unamortized deferred selling commissions related to units redeemed prior to the end of the schedule are immediately expensed. Amortization expense related to deferred selling commissions was $41.4 million for the year ended November 30, 2015, compared to $48.5 million for the same period of 2014. During the year ended November 30, 2015, we paid $35.9 million in selling commissions, compared to $38.4 million in the same period of 2014, reflecting a trend towards front-end sales, which do not pay a DSC commission. As at November 30, 2015, the unamortized balance of deferred selling commissions financed was $99.3 million (2014 – $104.8 million).

Customer contracts amortization and derecognition decreased $0.7 million for the year ended November 30, 2015, as a result of a lower carrying value. Customer contracts are immediately expensed upon redemption of the AUM.

Other intangibles amortization and derecognition decreased $2.8 million for the year ended November 30, 2015, as a result of a lower carrying value.

Interest expense decreased as a result of lower average debt levels.

Income Tax Expense

Income tax expense for the year ended November 30, 2015 was $15.6 million, as compared to $20.0 million in the corresponding period in 2014. The estimated effective tax rate for the year ended November 30, 2015 was 24.4% (2014 – 25.3%).

The Company believes that it has adequately provided for income taxes based on all of the information that is currently available. The calculation of income taxes in many cases, however, requires significant judgement in interpreting tax rules and regulations. The Company's tax filings are subject to audits, which could materially change the amount of the current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

The Company has several ongoing disputes with the CRA, of which the final result of the audit and appeals process may vary and may be materially different compared to the estimates and assumptions used by management in determining the Company's consolidated income tax provision and in valuing its income tax assets and liabilities.

(a) CRA Audit – Transfer Pricing

During the period November 30, 2013 to November 30, 2015, the Company received five notices of reassessment (NOR) from the CRA for its 2005 through 2009 fiscal years relating to the transfer pricing and allocation of income between one of the Company's Canadian legal entities and a foreign subsidiary. The reassessments would increase the Company's taxes payable from its original tax filings by $53.2 million (before the application of interest and penalties of $29.0 million).

The Company strongly disagrees with the CRA's position and filed various objections to the NOR for the periods 2005, 2006, 2007 and 2008. The Company will also object to the NOR for 2009 in the first quarter of 2016. In connection with the filing of an objection to the NOR for the applicable periods 2005 through 2009, the Company has paid approximately $56.4 million of which $14.5 million was paid (including interest and penalties) during the year ended November 30, 2015 and $2.4 million was paid subsequent to year-end (including interest and penalties) in relation to the 2009 NOR.

In relation to this transfer pricing tax audit, the estimated total exposure based on the CRA's position for years 2005 to 2015 (including interest and penalties and double taxation relief) is $77.4 million. In consultation with its external advisors, the Company believes that its tax filing positions continue to be reasonable based on its transfer pricing methodology and the Company is contesting the CRA's position and any related transfer pricing penalty. The Company believes it is likely that the CRA will reassess its taxes for subsequent years on a similar basis and that these may result in future cash payments on receipt of the reassessments. During the year ended November 30, 2015, the Company has recorded a tax expense of $2.7 million (2014 – $2.0 million) in relation to this transfer pricing audit. The amount of tax provision recorded on the consolidated statement of financial position of $58.8 million (prior to netting the cumulative payments of $54.0 million as at November 30, 2015 and $2.0 million interest relief refunded by the CRA in 2015 with respect to the 2005 through 2007 NOR) reflects management's best estimate on the ultimate resolution of this matter and includes any related estimated interest and penalties for the 2005 to 2015 fiscal years.

Further to the Company's objection to the NOR, the Company is also seeking Competent Authority relief from double taxation under the applicable tax treaty. The Company's provision, which reflects its best estimate of the ultimate resolution of this matter, includes an expected recovery of approximately $14.8 million for the tax years 2005 through 2010. Any relief from double taxation should be granted at the completion of the mutual agreement procedures (MAP) under the applicable tax treaty.

In 2013, the Company was accepted by the CRA into a Bilateral Advance Pricing Arrangement (BAPA) between Canada and the relevant tax authorities to establish the appropriate transfer pricing methodologies for the tax years 2011 through 2016. Under a BAPA, the taxpayer will receive certainty as to its transfer pricing arrangements for the years under consideration, will not be assessed transfer-pricing penalties, and can avoid double taxation on transactions covered by the BAPA according to the provisions of the income tax treaty between Canada and the foreign country.

(b) CRA Audit – Foreign Accrual Property Income

In May 2015, the Company received a proposal letter from the CRA relating to foreign accrual property income (FAPI) earned by its foreign subsidiaries for the 2007 to 2012 fiscal years. The 2007 fiscal year has since been statute-barred and in September 2015, as a result of further review, the CRA has withdrawn its proposal on this issue for the 2008 to 2012 fiscal years. Despite the withdrawal of the proposal letter, the audit for the 2008 to 2012 fiscal years continues. Management continues to believe that its tax position is correct and has not recorded a provision for this issue.

(c) CRA Audit – Acquisition of Tax-Related Benefits

In July 2015, the Company received a NOR from the CRA denying $30.5 million of tax-related benefits acquired and utilized by the Company in the 2005 fiscal year. The NOR would increase the Company's taxes payable from its original tax filings by $10.9 million (before the application of interest and penalties of $9.7 million). The Company strongly disagrees with the CRA's position and has filed an objection to the NOR.

As a result of receiving the NOR, the Company has paid $13.5 million (including interest and penalties) during the year ended November 30, 2015, which was recorded in the income tax receivable on the consolidated statement of financial position. The ultimate outcome of this matter is not yet determinable. In consultation with its external advisors, the Company believes that its tax position is probable of being sustained and, as a result, has not recorded a provision in relation to this matter.

Net Income

The impact of the above revenue and expense items resulted in net income from continuing operations of $48.3 million for the year ended November 30, 2015, as compared to net income from continuing operations of $59.1 million in the corresponding period in 2014.

Earnings per Share

Diluted earnings per share from continuing operations was $0.58 per share for the year ended November 30, 2015, as compared to earnings of $0.68 per share in the corresponding period of 2014.

Discontinued Operations

On August 1, 2012, the Company completed its sale of 100% of the shares of AGF Trust for cash consideration corresponding to the net book value of AGF Trust at closing of $246.3 million. The agreement included a contingent consideration to a maximum of $20.0 million over five years if the credit performance of AGF Trust's loan portfolio met certain thresholds. In May 2014, the Company finalized an early settlement of the contingent consideration receivable for $10.0 million. The amount receivable was settled on June 4, 2014. As a result, during the year ended November 30, 2014, the Company recognized a gain on discontinued operations of $2.8 million, net of tax. In addition, the Company indemnified the purchaser of AGF Trust against unenforceable loans outstanding or committed as at the date of closing, which may be put back to the Company on a quarterly basis, subject to certain conditions. The put option will expire on October 31, 2017 and indemnifies only against errors in underwriting and not credit deterioration. The carrying value of the loans subject to indemnification was $3.1 billion at the date of sale. The Company records a provision for indemnified loans when the loan is in default and the put option becomes probable of being exercised, which generally coincides with the receipt of notification by the purchaser that it intends to exercise the put. During the year ended November 30, 2015, $0.3 million (2014 – $0.7 million) was recorded related to these loans. As at November 30, 2015, the amount of the provision was $0.5 million (2014 – $0.7 million) and was included in accounts payable and accrued liabilities on the consolidated statement of financial position. As a result, the Company realized a net loss on discontinued operations related to the provision of $0.3 million during the year ended November 30, 2015 (2014 – $0.7 million).

Liquidity and Capital Resources

As at November 30, 2015, the Company had total cash and cash equivalents of $48.7 million. Free cash flow, as defined on page 17, generated from continuing operating activities was $67.8 million for the year ended November 30, 2015, compared to $82.0 million in the prior year. During the year ended November 30, 2015, we used $212.8 million in cash to fund the following:

- We invested $126.9 million in the alternative asset management platform.
- We received $15.9 million from Stream related to the monetization of an investment.
- We repurchased a total of 5,599,964 (2014 – 1,762,200) shares for $39.1 million (2014 – $22.1 million).
- We purchased a total of 1,093,506 (2014 – 470,000) shares for $6.8 million (2014 – $5.4 million) as treasury stock for the employee benefit trust.
- We paid $42.0 million in dividends for the year ended November 30, 2015, compared to $90.7 million in 2014.
- We repaid $40.0 million of long-term debt in the first quarter of 2015.
- We paid $25.9 million to the CRA in relation to the ongoing tax matters.
- We acquired a majority interest in FFCM.

Total long-term debt outstanding at November 30, 2015 was $268.8 million (2014 – $308.2 million). On November 20, 2015, the Company, through its subsidiary AGF Investments Inc., amended and restated its loan agreement. The amended unsecured revolving credit facility has a maximum aggregate principal amount of $320.0 million and includes a $10.0 million swingline facility commitment. As at November 30, 2015, $44.9 million was available to be drawn. The loan facility will be available to meet future operational and investment needs. We anticipate that cash balances and cash flow from operations, together with the available loan facility, will be sufficient in the foreseeable future to implement our business plan, fund our alternative asset management platform commitments, finance selling commissions, satisfy regulatory and tax requirements, service debt repayment obligations, pay quarterly dividends, and fund any future share buybacks.

On January 26, 2015, the Company arranged a $100.0 million bridge facility through a Canadian chartered bank to fund its alternative asset investment. The bridge facility was secured by the Company's term deposits held by the bank and was fully repaid on February 2, 2015.

On December 7, 2015, the Board of Directors of AGF declared a quarterly dividend on both the Class A Voting common shares and Class B Non-Voting shares of the Company of $0.08 per share in respect of the three months ended November 30, 2015.

On December 9, 2014, we announced our intention to reduce the quarterly dividend in fiscal 2015 to $0.08 per share as part of our amended capital allocation strategy.

Contractual Obligations

The table below is a summary of our contractual obligations at November 30, 2015. See also Notes 10 and 27 of the Consolidated Financial Statements.

(in millions of Canadian dollars)	Total	2016	2017	2018	2019	2020	Thereafter
Long-term debt	$ 320.0	$ –	$ 320.0	$ –	$ –	$ –	$ –
Operating leases	46.0	7.7	6.9	6.6	6.5	6.4	11.9
Purchase obligations	35.7	11.1	9.1	7.6	6.7	1.2	–
Total contractual obligations	$ 401.7	$ 18.8	$ 336.0	$ 14.2	$ 13.2	$ 7.6	$ 11.9

In addition to the contractual obligations detailed above, the following obligations exist that vary depending upon business volume and other factors:

- We pay trailing commissions to financial advisors based on AUM of their respective clients. This obligation varies based on fund performance, sales and redemptions. In 2015 we paid $128.7 million (2014 – $128.5 million) in trailing commissions.
- In conjunction with the Elements Advantage Commitment on certain Elements portfolios, AGF has committed to investors that if a portfolio does not match or outperform its customized benchmark over a three-year average annualized period, investors will receive up to 90 basis points in new units. Payments related to this began in fiscal 2009 for the applicable funds. AGF capped the AGF Elements Advantage feature on its Elements products to new purchases effective June 22, 2009. Eligible units purchased prior to June 22, 2009 have been grandfathered. The estimated liability as at November 30, 2015 is $2.6 million, compared to $3.5 million in 2014.
- During the year ended November 30, 2015, AGF entered into an agreement with Citigroup Fund Services Canada Inc. (CFSC) to transition the Company's transfer agency function from CFSC to AGF. The transition, which will include the transfer of approximately 185 employees from CFSC to AGF, is expected to be completed early in 2016. AGF will not compensate CFSC for the business but will invest approximately $6.0 million of capital for leaseholds, facilities and technology. As part of this transition agreement, AGF also entered into a four-year service agreement with L&T Infotech Financial Services Technologies Inc. (L&T). The agreement with L&T includes a minimum annual revenue commitment of $7.8 million per year. This commitment expires in 2019.
- We have committed $150.0 million under the alternative asset management platform over the next two to three years, subject to certain conditions being achieved. Of this commitment $100.0 million was allocated to EIF and $50.0 million was allocated to Stream, a midstream oil and gas infrastructure fund. As at November 30, 2015, $143.5 million of this commitment had been funded as follows: $105.1 million was invested into EIF and $38.4 million was invested in Stream.

Intercompany and Related Party Transactions

Under IFRS, entities are deemed to be related parties if one entity provides key management personnel services to another entity. As such, AGF Investments Inc. is deemed for IFRS purposes to be a related party to AGF Funds (the Funds) since it is the manager of the Funds.

The Company receives management and advisory fees from the AGF Funds in accordance with the respective agreements between the Funds and the Company. In return, the Company is responsible for management and investment advisory services and all costs connected with the distribution of securities of the Funds. A vast majority of the management and advisory fees the Company earned in the years ended November 30, 2015 and 2014 were from the AGF Funds. As at November 30, 2015, the Company had $19.7 million (2014 – $19.4 million) receivable from the AGF Funds. The Company also acts as trustee for the AGF Funds that are mutual fund trusts.

The aggregate unitholder services costs absorbed and management and advisory fees waived by the Company during the year ended November 30, 2015 on behalf of the Funds were approximately $4.7 million (2014 – $3.8 million).

Capital Management Activities from Continuing Operations

We actively manage our capital to maintain a strong and efficient capital base to maximize risk-adjusted returns to shareholders, to invest in future growth opportunities, including acquisitions, and to ensure that the regulatory capital requirements are met for each of our subsidiary companies.

AGF capital consists of shareholders' equity and long-term debt. On an annual basis, AGF prepares a three-year plan detailing projected operating budgets and capital requirements. AGF is required to submit this plan to AGF's Finance Committee for approval prior to seeking Board approval. AGF's Finance Committee consists of the Chairman and CEO, the Vice-Chairman, Executive Vice-President and CFO, the Executive Vice-President and Chief Operating Officer, and the President and CIO. Once approved by the Finance Committee, the three-year plans are reviewed and approved by AGF's Board of Directors. These plans become the basis for the payment of dividends to shareholders, the repurchase of Class B Non-Voting shares and, combined with the reasonable use of leverage, the source of funds for expansion through organic growth and strategic investments.

Investment Management Operations – Regulatory Capital

A significant objective of the Capital Management program is to ensure regulatory requirements are met for capital. Our Investment Management businesses, in general, are not subject to significant regulatory capital requirements in each of the jurisdictions in which they are registered and operate. The cumulative amount of minimum regulatory capital across all of our Investment Management Operations is approximately $6.0 million. As at November 30, 2015, the Company was in full compliance with the regulatory requirements.

Normal Course Issuer Bid

On February 2, 2015, AGF announced that the Toronto Stock Exchange (TSX) had approved AGF's notice of intention to renew its normal course issuer bid in respect of its Class B Non-Voting shares. AGF believes that the purchase for cancellation of Class B Non-Voting shares represents a desirable use of capital when, if in the opinion of management, the value of the Class B Non-Voting shares is attractive relative to the trading price of said shares. Purchase for cancellation by AGF of outstanding Class B Non-Voting shares may also be used to offset the dilutive effect of treasury stock released for the employee benefit trust and of shares issued through the Company's stock option plans and dividend reinvestment plan. AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares during certain pre-determined black-out periods, subject to certain parameters. Outside of these pre-determined black-out periods, shares will be purchased in accordance with management's discretion. Under its normal course issuer bid, the Class B Non-Voting shares may be repurchased from time to time at prevailing market prices or such other price as may be permitted by the TSX for amounts as follows:

- between February 4, 2015 and February 3, 2016, up to 6,707,999 Class B Non-Voting shares, or 10% of the public float for such shares, through the facilities of the TSX (or as otherwise permitted by the TSX); and
- between February 4, 2014 and February 3, 2015, up to 6,904,647 Class B Non-Voting shares, or 10% of the public float for such shares, through the facilities of the TSX (or as otherwise permitted by the TSX).

Subject to regulatory approval, the Company will apply for renewal of its normal course issuer bid in 2016.

During the year ended November 30, 2015, under its normal course issuer bid, AGF repurchased 5,599,964 Class B Non-Voting shares for a total consideration of $39.1 million at an average price of $6.98 per share.

During the year ended November 30, 2015, under its normal course issuer bid, 1,093,506 Class B Non-Voting shares were purchased for the employee benefit trust for a total consideration of $6.8 million at an average price of $6.26 per share.

Dividends

The holders of Class B Non-Voting and Class A Voting common shares are entitled to receive cash dividends. Dividends are paid in equal amounts per share on all the Class B Non-Voting shares and all the Class A Voting common shares at the time outstanding without preference or priority of one share over another. No dividends may be declared in the event that there is a default of a condition of our revolving loan or acquisition facilities or where such payment of dividends would create a default.

Our Board of Directors may determine that Class B Non-Voting shareholders shall have the right to elect to receive part or all of such dividend in the form of a stock dividend. They also determine whether a dividend in Class B Non-Voting shares is substantially equal to a cash dividend. This determination is based on the weighted average price at which the Class B Non-Voting shares traded on the TSX during the 10 trading days immediately preceding the record date applicable to such dividend.

The following table sets forth the dividends paid by AGF on Class B Non-Voting shares and Class A Voting common shares for the years indicated:

Years ended November 30	2015 [1]	2014	2013	2012	2011
Per share	$ 0.51	$ 1.08	$ 1.08	$ 1.08	$ 1.07

[1] Represents the total dividends paid in April 2015, July 2015, October 2015 and December 2015.

We review our dividend distribution policy on a quarterly basis, taking into account our financial position, profitability, cash flow and other factors considered relevant by our Board of Directors. The quarterly dividend paid on December 29, 2015 was $0.08 per share. On December 9, 2014 we announced a change in our capital allocation strategy that resulted in retained capital being deployed to initiatives with greater potential to increase shareholder value. As part of this strategy, the Company announced an adjustment to the quarterly dividend to $0.08 per share on both the Class B Non-Voting shares and the Class A Voting common shares. This change in strategy was completed to provide us with increased flexibility to execute our growth strategy and invest in the growth of the business, while being active in AGF's share buyback program.

Outstanding Share Data

Set out below is our outstanding share data as at November 30, 2015 and 2014. For additional detail, see Notes 13 and 18 of the consolidated financial statements.

November 30	2015	2014
Shares		
Class A Voting common shares	57,600	57,600
Class B Non-Voting shares	79,517,587	85,703,751
Stock Options		
Outstanding options	6,102,781	4,428,542
Exercisable options	2,423,716	2,251,917

Key Performance Indicators, Additional IFRS and Non-IFRS Measures

We measure the success of our business strategies using a number of KPIs, which are outlined below. With the exception of revenue, the following KPIs are non-IFRS measures, which are not defined under IFRS. They should not be considered as an alternative to net income attributable to equity owners of the Company or any other measure of performance under IFRS.

Revenue

Revenue is a measurement defined by IFRS and is recorded net of fee rebates and sales taxes. Revenue is indicative of our potential to deliver cash flow.

We derive our revenue principally from a combination of:

- management and advisory fees based on AUM,
- DSC earned from investors when mutual fund securities sold on a DSC basis are redeemed,
- 32.3% equity interest in S&WHL, and
- long-term investments in the alternative asset management platform.

EBITDA

We define EBITDA from continuing operations as earnings before interest, taxes, depreciation and amortization and impairment of goodwill and management contracts. EBITDA is a standard measure used in the mutual fund industry by management, investors and investment analysts to understand and compare results. We believe this is an important measure as it allows us to assess our investment management businesses without the impact of non-operational items.

Please see the Consolidated Operating Results section on page 9 of this MD&A for a schedule showing how EBITDA reconciles to our IFRS financial statements.

Free Cash Flow

Free cash flow from continuing operations represents cash available for distribution to our shareholders, share buybacks and general corporate purposes. We define free cash flow from continuing operations as cash flow from operations before net changes in non-cash balances related to operations less interest paid and adjusted for certain tax items outlined below. Free cash flow is a relevant measure in the investment management business since a substantial amount of cash is spent on upfront commission payments.

(in millions of Canadian dollars) **Years ended November 30**		**2015**		**2014**
Net cash provided by continuing operating activities	$	52.1	$	43.1
Adjusted for:				
Net changes in non-cash working capital balances related to continuing operations		(4.8)		13.1
Taxes paid related to transfer pricing audit and other tax contingencies		25.9		39.5
Interest paid		(10.0)		(11.8)
Prior years' cash taxes paid (refunded) and anticipated cash taxes to be refunded (paid) related to the current year continuing operations		4.6		(1.9)
Free cash flow	$	67.8	$	82.0

EBITDA Margin

EBITDA margin provides useful information to management and investors as an indicator of our overall operating performance. We believe EBITDA margin is a valuable measure because it assesses the extent we are able to earn profit from each dollar of revenue. We define EBITDA margin as the ratio of EBITDA to revenue.

(in millions of Canadian dollars) **Years ended November 30**		**2015**		**2014**
EBITDA	$	127.2	$	154.9
Divided by revenue		449.6		464.5
EBITDA margin		28.3%		33.3%

Pre-tax Profit Margin

Pre-tax profit margin provides useful information to management and investors as an indicator of our overall operating performance. We believe pre-tax profit margin is a valuable measure because it assesses the extent we are able to earn profit from each dollar of revenue. We define pre-tax profit margin as the ratio of income before taxes to revenue.

(in millions of Canadian dollars) **Years ended November 30**		**2015**		**2014**
Net income from continuing operations	$	48.3	$	59.1
Add: income taxes		15.6		20.0
Income before taxes	$	63.9	$	79.1
Divided by revenue		449.6		464.5
Pre-tax profit margin		14.2%		17.0%

Return on Equity (ROE)

We monitor ROE to assess the profitability of the consolidated Company on an annual basis. We calculate ROE by dividing net income from continuing operations attributable to equity owners of the Company by average shareholders' equity.

(in millions of Canadian dollars) Years ended November 30	2015	2014
Net income from continuing operations	$ 48.3	$ 59.1
Divided by average shareholders' equity	918.7	948.0
Return on equity	5.3%	6.2%

Long-term Debt to EBITDA Ratio

Long-term debt to EBITDA ratio provides useful information to management and investors as an indicator of our ability to service our long-term debt. We define long-term debt to EBITDA ratio as long-term debt at the end of the period divided by annualized EBITDA from continuing operations for the period.

(in millions of Canadian dollars) Years ended November 30	2015	2014
Long-term debt	$ 268.8	$ 308.2
Divided by EBITDA	127.2	154.9
Long-term debt to EBITDA ratio	211.3%	199.0%

Assets Under Management

The amount of AUM and the related fee rates are important to our business as these are the drivers of our revenue from our mutual fund, institutional and sub-advisory accounts and high-net-worth relationships. AUM will fluctuate in value as a result of investment performance, sales and redemptions. Mutual fund sales and AUM determine a significant portion of our expenses because we pay upfront commissions on gross sales and trailing commissions to financial advisors as well as investment advisory fees based on the value of AUM.

Investment Performance

Investment performance, which represents market appreciation (depreciation) of fund portfolios and is shown net of management fees received, is a key driver of the level of AUM and is central to the value proposition that we offer advisors and unitholders. Growth in AUM resulting from investment performance increases the wealth of our unitholders and, in turn, we benefit from higher revenues. Alternatively, poor investment performance will reduce our AUM levels and result in lower management fee revenues. Strong relative investment performance may also contribute to growth in gross sales or reduced levels of redemptions. Conversely, poor relative investment performance may result in lower gross sales and higher levels of redemptions. Refer to the 'Risk Factors and Management of Risk' section of this report for further information.

Net Sales (Redemptions)

Gross sales and redemptions are monitored separately and the sum of these two amounts comprises net sales (redemptions). Net sales (redemptions), together with investment performance and fund expenses, determine the level of average daily retail fund AUM, which is the basis on which management fees are charged. The average daily retail fund AUM is equal to the aggregate average daily net asset value of the AGF retail funds. We monitor AUM in our institutional, sub-advisory and high-net-worth businesses separately. We do not compute an average daily retail fund AUM figure for them.

Significant Accounting Policies

Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised if the revision affects both current and future periods.

Key areas of estimation where management has made difficult, complex or subjective judgements – often about matters that are inherently uncertain – include provision for useful lives of depreciable assets, commitments and contingencies, as well as the specific items discussed below.

(a) Impairment of Non-financial Assets

The Company determines the recoverability of each of its CGUs based on an analysis of the discounted cash flows associated with the CGU. Such analysis involves management judgement in selecting the appropriate discount rate, terminal growth rate, cash flows and synergies' inclusion rate to be used in the assessment of the impairment of non-financial assets. Refer to Note 8 of the consolidated financial statements for further details on the impairment of non-financial assets.

(b) Stock-based Compensation and Other Stock-based Payments

In determining the fair value of the stock-based rewards and the related charge to the consolidated statement of income, the Company makes assumptions about future events and market conditions. In particular, judgement must be formed as to the likely number of shares, RSUs or PSUs that will vest, and the fair value of each award granted. The fair value of stock options granted is determined using the Black-Scholes option-pricing model, which is dependent on further estimates, including the Company's future dividend policy and the future volatility in the price of the Class B Non-Voting shares. Refer to Note 18 of the Consolidated Financial Statements for the assumptions used. Such assumptions are based on publicly available information and reflect market expectation. Different assumptions about these factors to those made by AGF could materially affect reported net income.

(c) Income Taxes

The Company is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. AGF recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the estimated outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Refer to Note 26 of the consolidated financial statements for further details.

(d) Critical Judgements in Applying the Company's Accounting Policies

The application of the Company's accounting policies may require management to make judgements, apart from those involving estimates, that can affect the amounts recognized in the consolidated financial statements. Such judgements include the determination of whether intangible assets have finite or indefinite lives, the accounting implications related to certain legal matters. In addition, judgement was applied in determining the recognition and measurement of the provision related to the put option liability for loans related to AGF Trust. Refer to Note 6 of the consolidated financial statements for further details.

Market Capitalization

The Company's Class B Non-Voting share price continued to experience downward pressure during 2015. As a result, AGF's market capitalization of $411.7 million remained below its recorded book value of $910.9 million. During the year, we utilized independent valuation specialists to determine the fair value of AGF's cash-generating units (CGUs). Based on the result of the valuation, the recoverable amount of each CGU exceeded its carrying value as at November 30, 2015. Estimating the fair value of CGUs is a subjective process that involves the use of estimates and judgements, particularly related to cash flows, the appropriate discount rates, terminal growth rates and an applicable control premium. Refer to Note 8 of the consolidated financial statements for further details.

Risk Factors and Management of Risk

Risk is the responsibility of the Executive Management Committee. The Executive Management Committee is made up of the Chairman and Chief Executive Officer (CEO); the Chief Financial Officer (CFO); the Chief Operating Officer; the Chief Investment Officer (CIO); the Chief Information Officer; and the Head of Marketing, Product and Retail. The Chairman and CEO is directly accountable to the Board of Directors for all risk-related activities. The Executive Management Committee reviews and discusses significant risks that arise in developing and executing the enterprise-wide strategy and ensures risk oversight and governance at the most senior levels of management. Each of the business units and shared services owns and assumes responsibility for managing its risk. They do this by ensuring that policies, processes and internal controls are in place and by escalating significant risks identified in the business units to the Executive Management Committee.

AGF operates an Enterprise Risk Management (ERM) program. Key risks are identified and evaluated by senior management. Plans for addressing the key risks are developed by management and agreed to and monitored by the Executive Management Committee. The Board of Directors receives a quarterly report on ERM.

AGF's risk governance structure is designed to balance risk and reward and to promote business activities consistent with our standards and risk tolerance levels, with the objective of maximizing long-term shareholder value.

Risk Factors That May Affect Future Results

There are many factors that may affect our ability to execute against our strategy. Some of these factors are within our control and others, because of their nature, are beyond our control. These factors apply to our corporate strategy as well as business-specific strategies, which are included in the discussions that follow.

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors, such as foreign exchange rate, interest rates, and equity and commodity prices.

Foreign Exchange Risk

Our main foreign exchange risk derives from the U.S. and international portfolio securities held in the retail fund AUM. Change in the value of the Canadian dollar relative to foreign currencies will cause fluctuations in the Canadian-dollar value of non-Canadian AUM upon which our management fees are calculated. This risk is monitored since currency fluctuation may impact the financial results of AGF; however, it is at the discretion of the fund manager to decide whether to enter into foreign exchange contracts to hedge foreign exposure on U.S. and international securities held in funds.

We are subject to foreign exchange risk on our integrated foreign subsidiaries in the United States, Ireland and Singapore, which provide investment advisory services. These subsidiaries retain minimal monetary exposure to the local currency and their revenues are calculated in Canadian dollars. The local currency expenses are translated at the average monthly rate, and local currency assets and liabilities are translated at the rate of exchange in effect at the balance sheet date.

The Company is exposed to foreign exchange risks through its equity interest in S&WHL, which is denominated in U.K. pounds. The investment is translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Unrealized translation gains and losses are reported in other comprehensive income. Based on the carrying value at November 30, 2015, a 5% change in the value of the Canadian dollar versus the U.K. pound would result in a change in other comprehensive income of $5.1 million.

Interest Rate Risk

AGF has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances at November 30, 2015. Using average balances for the year, the effect of a 1% change in variable interest rates on our floating-rate debt and cash balances in fiscal 2015 would have resulted in a corresponding change of approximately $1.5 million in interest expense for the year ended November 30, 2015.

Price Risk

AGF is exposed to equity securities price risk on certain equity securities held by AGF, on certain derivative positions and on long-term investments in infrastructure funds. The Company's investments that have price risk include seed capital investments in mutual funds managed by AGF Investments Inc. and equity securities.

Market Risk in Assets Under Management

In addition, AGF is also exposed to market risk in assets under management. A general economic downturn, market volatility and an overall lack of investor confidence could result in lower sales, higher redemption levels and lower AUM levels. In addition, market uncertainty could result in retail investors avoiding traditional equity funds in favour of money market funds.

Market risk in our AUM transfers to the Company as our management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed. The Company does not quantify this risk in isolation; however, in general, for every $1.0 billion reduction of retail fund AUM, management fee revenues would decline by approximately $18.5 million. The Company monitors this risk as it may impact earnings; however, it is at the discretion of the fund manager to decide on the appropriate risk-mitigating strategies for each fund.

To provide additional details on the Company's exposure to market risk, the following provides further information on our retail fund AUM by asset type as at November 30:

Percentage of total retail fund AUM	2015	2014
Domestic equity funds	14.4%	16.1%
U.S. and international equity funds	50.5%	46.0%
Domestic balanced funds	10.6%	15.1%
U.S. and international balanced funds	3.6%	2.5%
Domestic fixed-income funds	11.3%	12.1%
U.S. and international fixed-income funds	8.5%	7.2%
Domestic money market	1.1%	1.0%
	100.0%	100.0%

Institutional and high-net-worth AUM are exposed to the same market risk as retail fund AUM. In general, for every $1.0 billion reduction of institutional and high-net-worth AUM, management fee revenues would decline by approximately $4.6 million.

Credit Risk

AGF is exposed to the risk that third parties, including clients, who owe AGF money, securities or other assets will not perform their obligations. AGF's overall credit risk strategy and credit risk policy are developed by senior management and further refined at the business unit level, through the use of policies, processes and internal controls designed to promote business activities, while ensuring these activities are within the standards of risk tolerance levels. AGF does not have significant exposure to any individual counterparty.

Liquidity Risk

Liquidity risk is the risk that AGF may not be able to generate sufficient funds and within the time required to meet its obligations as they come due. The key liquidity requirements are the funding of commissions paid on mutual funds, dividends paid to shareholders, obligations to taxation authorities, investment-related commitments and the repayment of its long-term debt. While AGF currently has access to financing, unfavourable market conditions may affect its ability to obtain loans or make other arrangements on terms acceptable to AGF. AGF manages its liquidity by monitoring actual and projected cash flows to ensure that it has sufficient liquidity through cash received from operations as well as borrowings under its revolving credit facility. Cash surpluses are invested in interest-bearing short-term deposits and investments with a maturity up to 90 days. AGF is subject to certain financial loan covenants under its revolving credit facility and has met all of these conditions.

Performance and Sales Risk

Demand for our products depends on the ability of our investment management team to deliver value in the form of strong investment returns, as well as the demand for specific investment products. This is a relative as well as an absolute measure, because the risk is that AGF may not perform as well as the market, its peers or in line with our clients' expectations. A specific fund manager's style may fall out of favour with the market, resulting in lower sales and/or higher redemptions.

Our future financial performance will be influenced by our ability to successfully execute our strategy and generate net sales. If sales do not materialize as planned or key personnel cannot be retained, margins may erode.

Distribution Risk

Our retail AUM is obtained through third-party distribution channels including financial advisors or strategic partners that offer our products to investors along with similar products from our competitors. Our future success is dependent on continued access to these distribution channels that are independent of our company.

Key Personnel Risk

AGF's success depends on its key personnel, and in particular senior management and portfolio managers. The investment management industry is highly competitive. Reliance on investment performance to sell financial products has increased the demand for experienced and high-performing portfolio managers. Compensation packages for these portfolio managers may increase at a rate well above the rates of increase observed in other industries. Losing key individuals or being unable to attract and retain such individuals could adversely affect AGF's business. AGF believes it has the resources necessary to hire and retain its key personnel.

Industry Competition Risk

The level of competition in the industry is high, driven by factors including product variety, brand recognition, investment performance, management, sales and distribution relationships, fee and commission rates and other compensation matters. Sales and redemptions of mutual funds may be influenced by relative service levels, management fees, attributes of specific products in the marketplace and actions taken by competitors. AGF's competition includes other mutual fund companies, investment management firms, banks and insurance companies, some of whom have greater resources than AGF. The investment management industry's trend toward consolidation has increased the strength of some of AGF's competitors. While AGF continues to develop new products and explore new opportunities, there can be no assurance that AGF will maintain its current standing or market share. This may adversely affect AGF's business, financial condition and operating results.

Regulatory and Legal Risk

AGF conducts its business in Canada and abroad and is subject to extensive and changing legal, taxation and regulatory requirements. The governments and other regulatory bodies in the jurisdictions where we conduct our business regularly adopt new laws, rules, regulations and policies that apply to AGF. These requirements include those that apply to AGF Management Limited as a publicly traded company and those that apply to AGF's subsidiaries based on the nature of their activities. They include regulations related to capital markets, the provision of financial products and services, including fund management and discretionary managed accounts and their sale and distribution, and other activities carried on by AGF in the markets in which it operates. The current environment of heightened regulatory scrutiny in the financial services sector may reasonably be expected to lead to increasingly stringent interpretation and enforcement of existing laws and rules or additional regulations, changes in existing laws and rules, or changes in interpretation or enforcement of existing laws and rules. Regulatory developments may also impact product structures, pricing and dealer and advisor compensation. While AGF actively monitors such initiatives, and where feasible comments upon or discusses them with regulators, the ability of AGF to mitigate the imposition of differential regulatory treatment of financial products or services is limited. AGF and its subsidiaries are also subject to regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

We take all reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies, however such changes may affect directly the method of operation and profitability of AGF or may have a material adverse effect on our financial results and financial condition. Failure to comply with statutes, regulations or regulatory policies could result in sanctions or fines that could adversely affect earnings and reputation.

AGF may, in the normal course of its business operations, be subject to claims or complaints from time to time from investors or others. These claims or complaints involve legal risks for AGF, and its directors, officers, employees and agents, including potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Certain violations or breaches could lead to civil liability, fines or sanctions. AGF may incur significant costs in connection with such potential liabilities.

Strategic Transactions Risk

Our strategy includes strategic acquisitions and investments in associates, joint ventures and limited partnerships. There is no assurance that we will be able to complete acquisitions on the terms and conditions that satisfy our investment criteria. After transactions are completed, meeting target return objectives is contingent upon many factors, including retaining key employees and growth in AUM of the acquired companies.

Our strategic investments may involve risks and uncertainties including, but not limited to, our dependency on partners and co-venturers that are not under our control and that might become bankrupt or otherwise fail to fund their share of required

capital contributions, or suffer reputational damage that could have an adverse impact on us. We do not have sole control over certain major decisions relating to these assets and businesses, which could affect our future returns on these investments.

The success of our strategic investments, including infrastructure investments, may be influenced by government and economic regulations, capital expenditure requirements, performance under customer or client contracts, general economic conditions and other material disruptions that may be outside our control such as weather conditions, natural disasters, major accidents, acts of malicious destruction, sabotage and terrorism.

Insurance Risk

AGF maintains various types of insurance coverage, which include a financial institutions bond, professional liability (errors and omissions) insurance, directors' and officers' liability insurance and general commercial liability insurance. There can be no assurance that a claim or claims will not exceed the limits of available insurance coverage that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due to ambiguities in the relevant policies. A judgement against AGF in excess of available coverage could have a material adverse effect on AGF both in terms of damages awarded and the impact on the reputation of AGF.

Information Technology Risk

AGF uses information technology and the Internet to streamline business operations and to improve client and advisor experience. However, with the use of information technology and the Internet, AGF is exposed to information technology events that could potentially have an adverse impact on its business. These events could result in unauthorized access to sensitive information, theft and operational disruption. While AGF is actively monitoring this risk and continues to develop controls to protect against cyber threats that are becoming more sophisticated and pervasive, it is possible that AGF may not be able to fully mitigate the risk associated with information technology security.

Operational Risk

Operational risk is related to the processes and systems that support AGF's business, including fund accounting and administration. Since 2005, AGF has outsourced its fund administration function, including client servicing, to CFSC. CFSC's decision to exit the fund administration business has provided AGF the opportunity to repatriate the transfer agency business and transition its fund accounting and custody functions to another third-party service provider. In April 2015, AGF entered into a transition agreement with CFSC. The transition will encompass the transfer of the revenue and expenses associated with the provision of the transfer agency operations on behalf of the AGF-managed mutual funds and investment pools. The transition of the business, which will include the transfer of approximately 185 employees from CFSC to AGF, is expected to be completed early in 2016. AGF will not compensate CFSC for the business but will invest approximately $6.0 million of capital for leaseholds, facilities and technology. The transition of our custody and fund accounting functions from CFSC to another third-party provider has been completed. The transfer agency business is expected to be managed on a profitable basis, while lowering the overall costs to the funds. By insourcing our client service function, AGF can better align its client servicing with the sales and marketing function, to ensure continued enhancement to the client service and experience. Any delays or issues related to the transition of these functions could lead to operational and business disruption, as well as a potential negative financial impact.

Taxation Risk

AGF is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with AGF's application of such tax laws, AGF's profitability and cash flows could be adversely affected. AGF is considered a large case file by the Canada Revenue Agency, and as such, is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit, which may result in an adjustment.

The foregoing discussion is not an exhaustive list of all risks and uncertainties regarding our ability to execute against our strategy. Readers are cautioned to consider other potential risk factors when assessing our ability to execute against our strategy.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by AGF Management Limited in reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

AGF Management Limited's management, under the direction of the CEO and CFO, has evaluated the effectiveness of AGF Management Limited's disclosure controls and procedures (as defined in National Instrument 52-109 of the Canadian Securities Commission) as at November 30, 2015, and has concluded that such disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

The CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and receipts and expenditures of the Company are made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

Management, under the direction of the CEO and CFO, has evaluated the effectiveness of the Company's internal control over financial reporting as at November 30, 2015, and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management's assessment was based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes in Internal Controls Over Financial Reporting

During 2015, the Company completed a transition of its fund accounting function to a new third-party provider. The transition was successfully completed with no material impact to internal controls.

Changes in Information Technology Systems

During 2015, there were no significant changes to Information Technology Systems.

Fourth Quarter Analysis

Assets Under Management

The following table illustrates the composition of the changes in retail fund AUM during the three months ended November 30, 2015 and 2014:

	Three months ended November 30,		
(in millions of Canadian dollars)	2015	2014	% change
Retail fund AUM (including retail pooled funds), beginning of period	$ 18,215	$ 19,905	(8.5%)
Gross sales[1]	458	494	(7.3%)
Redemptions[1]	(707)	(893)	(20.8%)
Net redemptions	(249)	(399)	(37.6%)
Market appreciation (depreciation) of fund portfolios	64	(397)	(116.1%)
Retail fund AUM (including retail pooled funds), end of period	$ 18,030	$ 19,109	(5.6%)
Average daily retail fund AUM for the period	$ 17,964	$ 19,174	(6.3%)
Institutional and sub-advisory accounts AUM, beginning of period	$ 10,461	$ 12,410	(15.7%)
Net change in institutional and sub-advisory accounts, including market performance	406	(1,068)	(138.0%)
Institutional and sub-advisory accounts AUM, end of period	$ 10,867	$ 11,342	(4.2%)
High-net-worth AUM	$ 4,414	$ 4,448	(0.8%)
AUM, end of period	$ 33,311	$ 34,899	(4.6%)
Alternative asset management platform AUM[2]	$ 268	$ 210	27.6%
Total AUM, including alternative asset management platform, end of period	$ 33,579	$ 35,109	(4.4%)

[1] Gross sales and redemptions include rebalancing of AGF Concert Series of nil (2014 – $32.1 million).

[2] Represents fee-earning committed capital from AGF and external investors held through joint ventures. AGF's portion of this commitment is $150.0 million, of which $143.5 million has been funded as at November 30, 2015. InstarAGF holds a 37.0% interest in the manager of the fund.

Consolidated Operational Results

The table below summarizes the consolidated operating results for the three months ended November 30, 2015 and 2014:

	Three months ended November 30,		
(in millions of Canadian dollars, except per share data)	2015	2014	% change
Income			
Management and advisory fees	$ 97.8	$ 105.1	(6.9)%
Deferred sales charges	2.4	2.5	(4.0)%
Share of profit of associate and joint ventures[1]	2.0	3.6	(44.4)%
Fair value adjustments and other income [1]	2.8	0.5	460.0%
	105.0	111.7	(6.0)%
Expenses			
Selling, general and administrative[2]	47.3	44.1	7.3%
Trailing commissions	31.2	31.6	(1.3)%
Investment advisory fees	1.0	1.6	(37.5)%
	79.5	77.3	2.8%
EBITDA from continuing operations[3]	25.5	34.4	(25.9)%
Amortization, derecognition and depreciation	12.8	14.5	(11.7)%
Interest expense	2.4	3.2	(25.0)%
Income before taxes	10.3	16.7	(38.3)%
Income taxes	2.2	4.1	(46.3)%
Net income from continuing operations	8.1	12.6	(35.7)%
Net loss from discontinued operations	(0.3)	(0.7)	(57.1)%
Net income attributable to equity owners of the Company	$ 7.8	$ 11.9	(34.5)%
Diluted earnings per share			
From continuing operations	$ 0.11	$ 0.14	(21.4)%
From discontinued operations	–	(0.01)	n/m
Diluted earnings per share	$ 0.11	$ 0.13	(15.4)%

[1] Includes a reclassification of $0.6 million related to share of profit in joint venture during the three months ended November 30, 2014.

[2] Selling, general and administrative expenses include a one-time restructuring charge of $2.8 million for the three months ended November 30, 2015.

[3] For the definition of EBITDA, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA to net income from continuing operations, a defined term under IFRS, are detailed above.

One-time Adjustments

The table below summarizes one-time adjustments for the three months ended November 30, 2015 and 2014:

(in millions of Canadian dollars, except per share data) Three months ended November 30		2015		2014
EBITDA from continuing operations	$	25.5	$	34.4
Add:				
Restructuring charge		2.8		–
Adjusted EBITDA from continuing operations	$	28.3	$	34.4
Net income from continuing operations	$	8.1	$	12.6
Add:				
Adjustments to EBITDA from above		2.8		–
Tax impact on the adjustments to EBITDA above		(0.7)		–
Adjusted net income from continuing operations	$	10.2	$	12.6
Adjusted diluted EPS from continuing operations	$	0.12	$	0.14

Income

For the three months ended November 30, 2015, income decreased 6.0% over the previous year, with changes in the categories as follows:

Management and Advisory Fees

Management and advisory fees are directly related to our AUM levels. A 6.3% decline in average daily retail fund AUM and a 4.2% decline in institutional and sub-advisory accounts AUM contributed to a 6.9% decrease in management and advisory fee revenue compared to the fourth quarter of 2014.

Deferred Sales Charges (DSC)

We receive deferred sales charges upon redemption of securities sold on the contingent DSC or low-load commission basis for which we finance the selling commissions paid to the dealer. The DSC ranges from 1.5% to 5.5%, depending on the commission option of the original subscription price of the funds purchased if the funds are redeemed within the first two years, and declines to zero after three or seven years. DSC revenue fluctuates based on the level of redemptions, the age of the assets being redeemed and the proportion of redemptions composed of back-end assets. DSC revenues decreased by 4.0%, or $0.1 million, to $2.4 million in the fourth quarter of 2015 compared to 2014, reflecting a 20.8% decline in redemption levels as well as the redemption of a larger proportion of older, lower-yielding DSC assets.

Share of Profit of Associate and Joint Ventures

Share of profit of associate and joint ventures decreased to $2.0 million for the three months ended November 30, 2015, compared to the same period in 2014, reflecting the impact of global markets on S&WHL's business, and includes equity earnings from our joint venture with SAFMLP. A breakdown is as follows:

(in millions of Canadian dollars) Three months ended November 30		2015		2014
Share of profit of S&WHL	$	1.9	$	3.5
Share of profit of joint ventures[1]		0.1		0.1
	$	2.0	$	3.6

[1] Excludes the Company's portion of the estimated carried interest to be distributed to AGF on crystallization.

Fair Value Adjustments and Other Income

The following table illustrates the fair value adjustments and other income for the three months ended November 30, 2015 and 2014:

(in millions of Canadian dollars) **Three months ended November 30**		**2015**		**2014**
Fair value adjustment related to investment in AGF mutual funds	$	0.2	$	(0.4)
Fair value adjustment and distributions from alternative asset management platform		2.3		0.3
Interest income		0.2		0.5
Other		0.1		0.1
	$	2.8	$	0.5

The following table presents a breakdown of the fair value adjustment and distribution related to long-term investments for the years ended November 30, 2015 and 2014:

(in millions of Canadian dollars)	**2015**			**2014**		
Three months ended November 30	**Stream**	**EIF**	**Total**	**Stream**	**EIF**	**Total**
Distribution income	$ 0.8	$ 0.8	$ 1.6	$ 1.0	$ –	$ 1.0
Fair value adjustment[1]	(1.3)	2.0	0.7	(0.7)	–	(0.7)
Fair value adjustment and distributions related to long-term investments	$ (0.5)	$ 2.8	$ 2.3	$ 0.3	$ –	$ 0.3

[1] Fair value adjustment in Stream is based on the net assets of the fund less the Company's portion of the carried interest that would be payable by the fund upon crystallization.

Expenses

For the three months ended November 30, 2015, expenses increased 2.8% from the previous year. Changes in specific categories are described in the discussion that follows:

Selling, General and Administrative Expenses

During the quarter, the Company recognized a one-time $2.8 million restructuring charge. Excluding this charge, SG&A increased by $0.4 million or 0.9% in the fourth quarter of 2015 compared to the same period in 2014. A breakdown of the increase is as follows:

(in millions of Canadian dollars) **Three months ended November 30**		**2015**
Decrease in salaries and benefits expenses	$	(0.5)
Decrease in stock-based compensation expenses		(0.9)
Increase in fund absorption expenses and other fund costs		1.9
Increase in information technology and facilities costs		0.6
Decrease in other expenses		(0.7)
	$	0.4

The following explains expense changes in the three months ended November 30, 2015, compared to the same periods in the prior year:

- Salaries and benefits expenses decreased $0.5 million for the three months ended November 30, 2015, compared to the prior year, reflecting lower salaries and performance-based compensation.
- Stock-based compensation decreased $0.9 million for the three months ended November 30, 2015, compared to the same period in 2014, reflecting the impact of the restructuring.
- Absorption and other fund costs expenses increased $1.9 million for the year ended November 30, 2015, as a result of higher absorption costs.

- Information technology and facilities costs increased $0.6 million for the year ended November 30, 2015, reflecting investments in our back office process.
- Other expenses decreased $0.7 million for the three months ended November 30, 2015, due to decreased sales and marketing activity.

Trailing Commissions

Trailing commissions paid to distribution depend on total AUM, the proportion of retail fund AUM sold on a front-end versus back-end commission basis and the proportion of equity fund AUM versus fixed-income fund AUM. Annualized trailing commissions as a percentage of average daily retail fund AUM were 0.69% for the three months ended November 30, 2015, compared to 0.66% in the same 2014 period, reflecting an increase in rates associated with mature assets and a movement of assets to funds with higher management fees.

Investment Advisory Fees

External investment advisory fees decreased to $1.0 million in the fourth quarter of 2015, compared to $1.6 million during the same period in 2014, reflecting lower AUM levels and the internalization of investment management.

EBITDA, EBITDA Margin and EBITDA per Share

EBITDA from continuing operations for the three months ended November 30, 2015 was $25.5 million, a 25.9% decrease from $34.4 million for the same period in 2014. EBITDA margin was 24.3% for the fourth quarter of 2015, compared to 30.8% in 2014. Diluted EBITDA per share from continuing operations for the three months ended November 30, 2015 was $0.30, compared to $0.41 for the three months ended November 30, 2014.

Amortization and Interest Expense

The category represents amortization of deferred selling commissions, customer contracts, other intangible assets, property, equipment and computer software. Deferred selling commission amortization represents the most significant category of amortization. We internally finance all selling commissions paid. The selling commissions are capitalized and amortized on a straight-line basis over a period that corresponds with their applicable DSC schedule. Amortization expense related to deferred selling commissions was $9.7 million in the fourth quarter of 2015, compared to $11.0 million in 2014.

For the three months ended November 30, 2015, we paid $7.3 million in selling commissions, compared to $8.6 million in 2014.

Customer contracts amortization decreased $0.3 million for the three months ended November 30, 2015, as a result of a lower carrying value. Customer contracts are immediately expensed upon redemption of the AUM. Interest expense increased as a result of higher interest rates.

Other intangibles amortization decreased $0.4 million for the three months ended November 30, 2015, as a result of a lower carrying value.

Income Tax Expense

Income tax expense for the three months ended November 30, 2015 was $2.2 million, as compared to $4.1 million in the corresponding period in 2014.

Net Income

The impact of the above revenue and expense items resulted in a net income from continuing operations of $8.1 million for the three months ended November 30, 2015, as compared to net income from continuing operations of $12.6 million in the corresponding period in 2014.

Earnings per Share

Diluted earnings per share from continuing operations was $0.11 per share for the three months ended November 30, 2015, as compared to earnings of $0.14 per share in the corresponding period of 2014.

Discontinued Operations

During the three months ended November 30, 2015, a provision of $0.3 million (2014 – $0.7 million) was recorded related to loans that may be returned to the Company by the purchaser of AGF Trust under an indemnification agreement.

Selected Quarterly Information

(in millions of Canadian dollars, except per share amounts) **For the three-month period ended**	**Nov. 30, 2015**	**Aug. 31, 2015**	**May 31, 2015**	**Feb. 28, 2015**
Income (continuing operations)	$ 105.0	$ 115.8	$ 117.1	$ 111.7
Expenses (continuing operations)[1, 2]	79.5	84.0	81.1	77.8
EBITDA (continuing operations)[3]	25.5	31.8	36.0	33.9
Pre-tax income (continuing operations)	10.3	15.9	19.6	18.1
Net income attributable to equity owners of the Company (continuing operations)	8.1	11.9	14.7	13.6
EBITDA per share (continuing operations)				
Basic	$ 0.31	$ 0.38	$ 0.43	$ 0.40
Diluted	0.30	0.38	0.42	0.40
Earnings per share attributable to equity owners of the Company (continuing operations)				
Basic	$ 0.11	$ 0.14	$ 0.17	$ 0.16
Diluted	0.11	0.14	0.17	0.16
Free cash flow [3]	18.6	17.0	16.8	15.4
Dividends per share	0.08	0.08	0.08	0.27
Total long-term debt	268.8	268.7	268.6	268.5
Weighted average basic shares	82,532,707	82,826,845	84,489,294	84,644,212
Weighted average fully diluted shares	83,663,389	83,814,065	85,426,944	85,447,450

(in millions of Canadian dollars, except per share amounts) **For the three-month period ended**	**Nov. 30, 2014**	**Aug. 31, 2014**	**May 31, 2014**	**Feb. 28, 2014**
Income (continuing operations)	$ 111.7	$ 116.9	$ 119.1	$ 116.9
Expenses (continuing operations)[1]	77.3	78.4	81.0	73.0
EBITDA (continuing operations)[3]	34.4	38.5	38.1	43.9
Pre-tax income (continuing operations)	16.7	19.6	19.5	23.2
Net income (loss) attributable to equity owners of the Company (continuing operations)	12.6	14.8	14.5	19.9
EBITDA per share (continuing operations)				
Basic	$ 0.40	$ 0.45	$ 0.44	$ 0.51
Diluted	0.40	0.45	0.44	0.51
Earnings (loss) per share attributable to equity owners of the Company (continuing operations)				
Basic	$ 0.15	$ 0.17	$ 0.17	$ 0.20
Diluted	0.14	0.17	0.17	0.20
Free cash flow [3]	22.0	22.2	18.0	19.8
Dividends per share	0.27	0.27	0.27	0.27
Total long-term debt	308.2	308.2	308.1	308.0
Weighted average basic shares	85,812,669	85,950,736	86,009,993	86,188,463
Weighted average fully diluted shares	87,000,054	86,459,914	86,563,621	86,742,830

[1] Includes SG&A, trailing commissions and investment advisory fees.

[2] Includes one-time restructuring costs of $2.8 million and $4.4 million for the three months ended November 30, 2015 and August 31, 2015, respectively.

[3] As previously defined, see 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

Selected Annual Information

(in millions of Canadian dollars, except per share amounts) **Years ended November 30**	**IFRS 2015**	**IFRS 2014**	**IFRS 2013**	**IFRS 2012**	**IFRS 2011**
Income (continuing operations)	$ 449.6	$ 464.5	$ 484.5	$ 510.2	$ 585.7
Expenses (continuing operations)[1, 2]	322.4	309.6	320.9	321.2	347.7
EBITDA (continuing operations)[3]	127.2	154.9	163.6	189.0	248.1
Pre-tax income (continuing operations)	63.9	79.1	66.0	58.6	114.7
Net income attributable to equity owners of the Company (continuing operations)	48.0	61.3	22.4	52.3	103.6
EBITDA per share (continuing operations)					
Basic	$ 1.55	$ 1.80	$ 1.86	$ 2.01	$ 2.63
Diluted	1.52	1.77	1.85	1.99	2.61
Earnings per share attributable to equity owners of the Company (continuing operations)					
Basic	$ 0.59	$ 0.69	$ 0.25	$ 0.29	$ 0.80
Diluted	0.58	0.68	0.25	0.29	0.80
Dividends per share	$ 0.51	$ 1.08	$ 1.08	$ 1.08	$ 1.07
Total long-term debt[4]	$ 268.8	$ 308.2	$ 307.9	$ 312.3	$ 315.2
Weighted average basic shares	82,295,595	86,000,437	88,163,616	94,117,889	94,295,903
Weighted average fully diluted shares	83,584,539	87,384,880	88,690,410	94,932,213	95,111,318

[1] Includes SG&A, trailing commissions and investment advisory fees.

[2] 2015 includes one-time restructuring costs of $7.2 million.

[3] As previously defined, see 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

[4] From 2011 to 2012 includes deferred cash consideration related to the Acuity acquisition.

Additional Information

Additional information relating to the Company can be found in the Company's Consolidated Financial Statements and accompanying notes for the year ended November 30, 2015, the Company's 2015 Annual Information Form (AIF) and other documents filed with applicable securities regulators in Canada and may be accessed at www.sedar.com.

AGF Management Limited
CONSOLIDATED FINANCIAL STATEMENTS

For the years ended November 30, 2015 and 2014

What are you doing after work?®

Management's Responsibility for Financial Reporting

Toronto, January 26, 2016

The accompanying consolidated financial statements of AGF Management Limited (the Company) were prepared by management, which is responsible for the integrity and fairness of the information presented, including the amounts based on estimates and judgements. These consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP). Financial information appearing throughout this Annual Report is consistent with these consolidated financial statements.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements and for the accounting systems from which they are derived, management maintains internal controls designed to ensure that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal controls is supported by a compliance function, which ensures that the Company and its employees comply with securities legislation and conflict of interest rules, and by an internal audit staff, which conducts periodic audits of all aspects of the Company's operations.

The Board of Directors oversees management's responsibilities for financial reporting through an Audit Committee, which is comprised entirely of independent directors. This Committee reviews the consolidated financial statements of the Company and recommends them to the Board for approval.

PricewaterhouseCoopers LLP, an independent auditor appointed by the shareholders of the Company upon the recommendation of the Audit Committee, has performed an independent audit of the consolidated financial statements, and its report follows. The shareholders' auditor has full and unrestricted access to the Audit Committee to discuss their audit and related findings.

Blake C. Goldring, M.S.M., CFA
Chairman & Chief Executive Officer

Robert J. Bogart
Executive Vice-President & Chief Financial Officer

Independent Auditor's Report

To the Shareholders of AGF Management Limited:

We have audited the accompanying consolidated financial statements of AGF Management Limited and its subsidiaries, which comprise the consolidated statements of financial position as at November 30, 2015 and 2014 and the consolidated statements of income, comprehensive income, changes in equity and cash flow for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of AGF Management Limited and its subsidiaries as at November 30, 2015 and 2014 and their financial performance and their cash flows for the years then ended, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

January 26, 2016
Toronto, Canada

AGF Management Limited
Consolidated Statement of Financial Position

(in thousands of Canadian dollars) **November 30**	**Note**		**2015**		**2014**
Assets					
Current Assets					
Cash and cash equivalents		$	48,669	$	261,498
Investments	4		23,427		23,832
Accounts receivable, prepaid expenses and other assets	5, 23		40,242		42,227
Income tax receivable	20, 26		149		–
			112,487		327,557
Investment in associate and joint venture	5		106,229		91,948
Long-term investments	5		140,534		19,671
Management contracts	8		689,759		689,759
Customer contracts, net of accumulated amortization and derecognition	8		9,660		6,595
Goodwill	8		249,952		244,549
Other intangibles, net of accumulated amortization and derecognition	8		8,130		12,548
Deferred selling commissions, net of accumulated amortization and derecognition	8		99,291		104,773
Property, equipment and computer software, net of accumulated depreciation	9		9,990		9,353
Deferred income tax assets	11		3,102		4,503
Income tax receivable	20, 26		6,683		–
Other assets	5		1,108		167
Total assets		$	1,436,925	$	1,511,423
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	6, 18	$	69,325	$	65,961
Income tax liability	20, 26		–		4,189
Provision for Elements Advantage	12		1,412		2,045
Derivative financial instrument	10		1,763		1,596
			72,500		73,791
Long-term debt	10		268,782		308,199
Contingent consideration payable	7		1,990		–
Deferred income tax liabilities	11		175,548		175,472
Income tax liability	20, 26		–		16,513
Derivative financial instrument	10		–		1,032
Provision for Elements Advantage	12		1,159		1,419
Other long-term liabilities	18		6,093		5,222
Total liabilities			526,072		581,648
Equity					
Equity attributable to owners of the Company					
Capital stock	13		481,265		517,467
Contributed surplus	18		40,336		39,584
Retained earnings			361,383		361,628
Accumulated other comprehensive income	14		24,734		11,096
			907,718		929,775
Non-controlling interest	7		3,135		–
Total equity			910,853		929,775
Total liabilities and equity		$	1,436,925	$	1,511,423

Approved by the Board:

Blake C. Goldring, M.S.M., CFA
Director

Douglas L. Derry, FCPA, FCA
Director

AGF Management Limited
Consolidated Statement of Income

(in thousands of Canadian dollars, except per share data) **Years ended November 30**	**Note**	**2015**	**2014**
Income			
Management and advisory fees		$ 413,257	$ 433,118
Deferred sales charges		9,606	12,507
Share of profit of associate and joint ventures	5	12,233	12,386
Fair value adjustments and other income	5, 15	14,504	6,469
Total income		449,600	464,480
Expenses			
Selling, general and administrative	16	188,727	175,039
Trailing commissions		128,736	128,482
Investment advisory fees		4,977	6,129
Amortization and derecognition of deferred selling commissions	8	41,425	48,476
Amortization and derecognition of customer contracts	8	3,248	3,970
Amortization and derecognition of other intangibles	8	4,418	7,191
Depreciation of property, equipment and computer software	9	3,792	4,203
Interest expense	19	10,365	11,815
		385,688	385,305
Income before income taxes		**63,912**	**79,175**
Income tax expense (benefit)			
Current	20	15,416	24,270
Deferred	20	168	(4,222)
		15,584	20,048
Income from continuing operations, net of tax		48,328	59,127
Income (loss) from discontinued operations, net of tax	6	(300)	2,128
Net income for the year		**$ 48,028**	**$ 61,255**
Earnings per share attributable to equity owners of the Company			
Basic earnings per share			
Continuing operations	21	$ 0.59	$ 0.69
Discontinued operations	21	–	0.02
		$ 0.59	$ 0.71
Diluted earnings per share			
Continuing operations	21	$ 0.58	$ 0.68
Discontinued operations	21	–	0.02
		$ 0.58	$ 0.70

(The accompanying notes are an integral part of these Consolidated Financial Statements.)

AGF Management Limited
Consolidated Statement of Comprehensive Income

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Net income for the year	$ 48,028	$ 61,255
Other comprehensive income (losses), net of tax		
Cumulative translation adjustment		
Foreign currency translation adjustments related to net investments in foreign operations	12,366	2,717
	12,366	2,717
Net unrealized gains on investments		
Unrealized gains	684	725
	684	725
Net unrealized losses on cash flow hedge		
Unrealized losses	(643)	(467)
Reclassification of realized loss to earnings	1,231	1,004
	588	537
Total other comprehensive income from continuing operations, net of tax	13,638	3,979
Comprehensive income	$ 61,666	$ 65,234

All items presented in other comprehensive income will be reclassified to the consolidated statement of income in subsequent years.

(The accompanying notes are an integral part of these Consolidated Financial Statements.)

AGF Management Limited
Consolidated Statement of Changes in Equity

(in thousands of Canadian dollars)	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Attributable to equity owners of the Company	Non-controlling interest	Total equity
Balance, December 1, 2013	$ 524,681	$ 28,440	$ 405,989	$ 7,117	**$ 966,227**	$ –	**$ 966,227**
Net income for the year	–	–	61,255	–	**61,255**	–	**61,255**
Other comprehensive income (net of tax)	–	–	–	3,979	**3,979**	–	**3,979**
Comprehensive income for the year	–	–	61,255	3,979	**65,234**	–	**65,234**
Issued through dividend reinvestment plan	2,238	–	–	–	**2,238**	–	**2,238**
Stock options	4,613	880	–	–	**5,493**	–	**5,493**
AGF Class B Non-Voting shares repurchased for cancellation	(10,623)	–	(11,486)	–	**(22,109)**	–	**(22,109)**
AGF Class B Non-Voting shares issued on acquisition of Acuity	1,941	–	–	–	**1,941**	–	**1,941**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $1.2 million	–	–	(94,130)	–	**(94,130)**	–	**(94,130)**
Equity-settled Restricted Share Units and Partner Points, net of tax	–	10,264	–	–	**10,264**	–	**10,264**
Treasury stock	(5,383)	–	–	–	**(5,383)**	–	**(5,383)**
Balance, November 30, 2014	**$ 517,467**	**$ 39,584**	**$ 361,628**	**$ 11,096**	**$ 929,775**	**$ –**	**$ 929,775**
Balance, December 1, 2014	$ 517,467	$ 39,584	$ 361,628	$ 11,096	**$ 929,775**	$ –	**$ 929,775**
Net income for the year	–	–	48,028	–	**48,028**	–	**48,028**
Other comprehensive income (net of tax)	–	–	–	13,638	**13,638**	–	**13,638**
Comprehensive income for the year	–	–	48,028	13,638	**61,666**	–	**61,666**
Issued through dividend reinvestment plan	563	–	–	–	**563**	–	**563**
Stock options	101	1,584	–	–	**1,685**	–	**1,685**
AGF Class B Non-Voting shares repurchased for cancellation	(33,981)	–	(5,158)	–	**(39,139)**	–	**(39,139)**
Dividends on AGF Class A					**–**		**–**
Voting common shares and AGF Class B Non-Voting					**–**		**–**
shares, including tax of $0.6 million	–	–	(43,115)	–	**(43,115)**	–	**(43,115)**
Equity-settled Restricted Share Units and Partner Points, net of tax	–	(832)	–	–	**(832)**	–	**(832)**
Treasury stock	(2,885)	–	–	–	**(2,885)**	–	**(2,885)**
Acquisition of FFCM, LLC	–	–	–	–	**–**	3,135	**3,135**
Balance, November 30, 2015	**$ 481,265**	**$ 40,336**	**$ 361,383**	**$ 24,734**	**$ 907,718**	**$ 3,135**	**$ 910,853**

(The accompanying notes are an integral part of these Consolidated Financial Statements.)

AGF Management Limited
Consolidated Statement of Cash Flow

(in thousands of Canadian dollars) Years ended November 30	Note		2015		2014
Operating Activities					
Net income for the year		$	48,028	$	61,255
Adjustments for					
Net loss (income) from discontinued operations	6		300		(2,128)
Amortization, derecognition and depreciation			52,883		63,840
Interest expense			10,365		11,815
Income tax expense	20		15,584		20,048
Income taxes paid			(43,548)		(59,055)
Stock-based compensation	17		5,632		3,703
Share of profit of associate and joint venture	5		(12,233)		(12,386)
Dividends from associate	5		9,370		7,636
Deferred selling commissions paid	8		(35,943)		(38,401)
Fair value adjustment on long-term investments	5		(4,115)		83
Other			1,000		(152)
			47,323		56,258
Net change in non-cash w orking capital balances related to operations					
Accounts receivable			2,117		6,946
Other assets			(8,445)		(1,621)
Accounts payable and accrued liabilities			9,269		(11,993)
Other liabilities			1,863		(6,480)
			4,804		(13,148)
Net cash provided by operating activities			52,127		43,110
Financing Activities					
Repurchase of Class B Non-Voting shares for cancellation	13		(39,139)		(22,109)
Issue of Class B Non-Voting shares	13		91		4,232
Purchase of treasury stock	13		(6,842)		(5,440)
Dividends paid	22		(41,988)		(90,651)
Repayment of long-term debt	10		(40,000)		–
Issuance of short-term bridge facility	10		89,100		–
Repayment of short-term bridge facility	10		(89,100)		–
Interest paid			(10,023)		(11,844)
Net cash used in financing activities			(137,901)		(125,812)
Investing Activities					
Acquisition of Acuity Funds Ltd. and Acuity Investment Management, net of cash acquired	7		–		(4,440)
Acquisition of interest in FFCM, LLC, net of cash acquired	7		(6,425)		–
Purchase of investment in joint venture	5		–		(1)
Purchase of long-term investments	5		(126,930)		(30,700)
Return of capital from long-term investments	5		10,120		10,946
Proceeds from sale of discontinued operations	6		–		10,000
Purchase of property, equipment and computer softw are, net of disposals	9		(4,429)		(1,387)
Purchase of short-term investments	4		(5,987)		(12,829)
Proceeds from sale of short-term investments	4		6,596		2,746
Net cash used in investing activities			(127,055)		(25,665)
Decrease in cash and cash equivalents			(212,829)		(108,367)
Balance of cash and cash equivalents, beginning of year			261,498		369,865
Balance of cash and cash equivalents, end of year		$	48,669	$	261,498

(The accompanying notes are an integral part of these Consolidated Financial Statements.)

Notes to Consolidated Financial Statements

For the years ended November 30, 2015 and 2014

Note 1: General Information

AGF Management Limited (AGF or the Company) is a limited liability company incorporated and domiciled in Canada under the *Business Corporations Act* (Ontario). The address of its registered office and principal place of business is Toronto-Dominion Bank Tower, 66 Wellington Street West, Toronto, Ontario.

The Company is an integrated, global wealth management corporation whose principal subsidiaries provide investment management for mutual funds, institutions and corporations, as well as high-net-worth clients. The Company conducts the management and distribution of mutual funds in Canada under the brand names AGF, Elements and Harmony (collectively, AGF Investments). The Company also holds a controlling interest in FFCM, LLC and investments in an associate, Smith & Williamson Holdings Limited (S&WHL), and in joint ventures InstarAGF Inc. (InstarAGF), Stream Asset Financial Management LP (SAFMLP) and Stream Asset Financial LP (Stream).

These consolidated financial statements were authorized for issue by the Board of Directors on January 26, 2016.

Note 2: Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation in the current year.

Note 3: Significant Accounting Policies, Judgements and Estimation Uncertainty

3.1 Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

3.2 Adoption of New and Revised Accounting Standards

The Company has adopted the following new and revised standards, along with all consequential amendments to other standards, effective December 1, 2014. These changes were adopted in accordance with the applicable transitional provisions of each new or revised standard.

Amendment to IAS 32, ‘Financial instruments: Presentation’ on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Company’s financial statements.

Amendments to IAS 36, ‘Impairment of assets’ on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units (CGUs) that had been included in IAS 36 by the issue of IFRS 13. The amendment did not have a significant effect on the Company's financial statements.

Amendment to IAS 39, ‘Financial instruments: Recognition and measurement’ on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to ‘over-the-counter’ derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. There was no impact to the Company as a result of the adoption of the amended standard.

3.3 Investments in subsidiaries, associates, joint ventures and structured entities

(a) Subsidiaries and Consolidated Structured Entities

The consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries. Subsidiaries are all entities for which the Company has exposure to variable returns and power over the investee, which it can use to affect the amounts of such returns and is often accompanied by a shareholding of more than

half of the investee's voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases. If the Company loses control of a subsidiary, it accounts for all amounts recognized in other comprehensive income (OCI) in relation to that subsidiary on the same basis as it would if the Company had directly disposed of the related assets or liabilities.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Intercompany transactions and balances are eliminated on consolidation. For subsidiaries where the Company does not own all of the equity, the non-controlling shareholders' interest is presented in the consolidated statement of financial position as non-controlling interest (NCI) and the related income is disclosed as a separate line in the consolidated statement of income.

Consolidated structured entities are entities over which the Company has control over the relevant activities of the entity by means of a contractual agreement. The Company established an employee benefit trust as a consolidated structured entity with the purpose of acquiring Class B Non-Voting shares to be delivered to employees upon vesting of their Restricted Share Units (RSUs). Under the contractual agreement, the Company will provide financial support to the trust to fund the purchase of these shares. Refer to Note 3.14 and Note 18 for additional information.

The principal subsidiaries and consolidated structured entities of AGF as at November 30, 2015 are as follows:

	Principal activity	Country of incorporation	Interest held
1801882 Alberta Ltd.	Alternative investments	Canada	100%
20/20 Financial Corporation	Holding company	Canada	100%
Acuity Investment Management Inc.[1]	Investment management	Canada	100%
AGF Asset Management Asia Limited	Investment management	Singapore	100%
AGF CustomerFirst Inc.[2]	Transfer agency	Canada	100%
AGF International Advisors Company Limited[3]	Investment management	Ireland	100%
AGF Investments America Inc.	Investment management	Canada	100%
AGF Investments Inc.[1]	Investment management	Canada	100%
AGF Securities (Canada) Limited	Securities dealer	Canada	100%
Cypress Capital Management Limited	Investment management	Canada	100%
Doherty & Associates Limited	Investment management	Canada	100%
Employee Benefit Plan Trust	Trust	Canada	100%
FFCM, LLC (FFCM)[2]	Investment management	United States	51%
Highstreet Asset Management Inc.	Investment management	Canada	100%

[1] Amalgamated on December 1, 2015.

[2] Subsidiaries acquired during the year ended November 30, 2015.

[3] During the year ended November 30, 2015, the Company wound up AGFIA Limited and transferred its operations to AGF International Advisors Company Limited.

(b) Associates and Joint Ventures

Associates are entities over which the Company has significant influence, but not control, generally accompanying between 20% and 50% of the voting rights. Joint ventures are arrangements whereby the parties have joint control over, and rights to the net assets of, the arrangement.

	Investment type	Nature of activities	Country of incorporation	Interest held
Smith & Williamson Holdings Limited (S&WHL)	Associate	Asset management, tax, accounting, and financial advisory	United Kingdom	32.3%
InstarAGF Inc. (InstarAGF)	Joint venture	Asset manager – alternative/infrastructure	Canada	50.1%
InstarAGF Essential Infrastructure Fund LP (EIF)[1]	Joint venture	Limited partnership – investment entity	Canada	98.1%
Stream Asset Financial LP (Stream)	Joint venture	Limited partnership – investment entity	Canada	23.6%
Stream Asset Financial GP LP (SAF GP)	Joint venture	Asset manager – alternative/infrastructure	Canada	37.0%
Stream Asset Financial Management LP (SAFMLP)	Joint venture	Asset manager – alternative/infrastructure	Canada	37.0%

[1] Interest held is subject to change upon the first closing.

The Company's interests in the associates and joint ventures, other than its interest in funds that it manages, are generally accounted for using the equity method of accounting. The Company's investment in associates includes goodwill and other intangible assets identified on acquisition. AGF's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of income and its share of post-acquisition other comprehensive income (loss) is recognized in OCI. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in the associates and joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' and joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by AGF.

The Company assesses at each period-end whether there is any objective evidence that its interests in associates and joint ventures are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates or joint ventures is written down to its estimated recoverable amounts (being the higher of fair value less costs to sell and value in use) and charged to the consolidated statement of income.

The Company accounts for InstarAGF, SAF GP and SAFMLP using the equity method of accounting. The Company's share of profit in SAF GP excludes its portion of the estimated carried interest to be distributed to AGF on crystallization. Carried interest will be recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company, which is generally subsequent to the return of capital and contractual rate of return provided to investors.

Consistent with the Company's accounting for investments in the mutual funds it manages, the Company has also designated investments in funds managed by its joint ventures at fair value through profit or loss. Refer to Note 5 for additional information about the Company's interests in associates and joint ventures.

Additionally, the Company has determined that interests it holds in funds it manages may be associates as a result of the Company's power conveyed through investment management and other agreements it has with the funds that permit the Company to make decisions about their investing and operating activities. None of these interests are individually significant and the Company has elected to designate its investments in these funds at fair value through profit or loss. These funds conduct their trading activities, which may include trading of foreign denominated securities, in Canada and Ireland. At November 30, 2015, the carrying amount of the Company's interests in investment funds that it manages was $17.2 million (2014 – $17.7 million), which represent the Company's maximum exposure to loss with respect to these interests. The fair value adjustment related to the Company's interests in investment funds recognized on the consolidated statement of income was $0.6 million in charges for the year ended November 30, 2015 (2014 – $0.3 million of income). Refer to Note 4 for additional information about the Company's investments in funds that it manages.

3.4 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is AGF Management Limited's functional currency.

The financial statements of entities that have a functional currency different from that of AGF Management Limited (foreign operations) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates). Resulting changes are recognized in OCI.

(b) Transactions and Balances

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the consolidated statement of financial position date and non-monetary assets and liabilities are translated at historical exchange rates. Foreign currency income and expenses are translated at average exchange rates prevailing throughout the year. Unrealized translation gains and losses and all realized gains and losses are included in net income on the consolidated statement of income.

3.5 Assets Under Management (AUM)

The Company manages a range of mutual funds and other investment assets owned by clients and third parties that are not reflected on the consolidated statement of financial position, certain of which are held through investment funds that meet the definition of structured entities under IFRS. The Company earns fees for providing management and administrative services to these investment funds. Fees from these funds and other investment assets are calculated based on AUM, which was $33.6 billion as at November 30, 2015 (2014 – $35.1 billion).

3.6 Cash and Cash Equivalents

Cash represents highly liquid temporary deposits, while cash equivalents consists of bank term deposits, both of which are readily convertible to known amounts of cash, are subject to insignificant risk of changes in fair value and have short-term maturities of less than three months at inception.

3.7 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. Regular way purchases and sales of financial assets and liabilities are accounted for at the trade date.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(a) Financial Assets and Liabilities at Fair Value Through Profit or Loss (FVTPL)

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term or long term. Derivatives are also included in the category unless they are designated as hedges. The Company's FVTPL consist of certain investments and contingent consideration payable related to FFCM. The contingent consideration receivable related to discontinued operations and acquisition consideration payable related to Acuity Funds Ltd. and Acuity Investment Management Inc. were extinguished during the year ended November 30, 2014.

The non-cash payment portion of the acquisition consideration payable was classified as FVTPL and was recognized initially and subsequently at fair value. Gains and losses arising from changes in fair value and distributions received from certain investments are presented in the consolidated statement of income under fair value adjustments and other income. Transaction costs on FVTPL financial instruments are accounted for in net income as incurred.

(b) Available for Sale

Available for sale assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company's available for sale assets consist of investments in debt and equity securities.

Available for sale assets are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in OCI. Available for sale investments are classified as current.

Interest on available for sale debt investments, calculated using the effective interest method, is recognized in the consolidated statement of income as part of fair value adjustments and other income. Dividends on available for sale equity instruments are recognized in the consolidated statement of income as part of fair value adjustments and other income on the date they become legally receivable. When an available for sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated OCI to the consolidated statement of income and are included in fair value adjustments and other income.

(c) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables consist of accounts receivable and other financial assets.

Accounts receivable and other financial assets are initially recognized at the amount expected to be received, less, when material, a discount to reduce the asset balance to fair value. Subsequently, accounts receivable and other financial assets are measured at amortized cost using the effective interest method less a provision for impairment.

(d) Financial Liabilities at Amortized Cost

Financial liabilities at amortized cost include accounts payable and accrued liabilities, long-term debt, the cash payment portion of the acquisition consideration payable, and other long-term liabilities.

Accounts payable and accrued liabilities, long-term debt, the cash payment portion of the acquisition consideration payable, and other long-term liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, these balances are measured at amortized cost using the effective interest method.

A financial liability is derecognized when it is extinguished. When a liability is extinguished, the difference between its carrying amount and the consideration paid including any non-cash assets transferred and any new liabilities assumed is recognized in profit or loss. A modification of the terms of a liability is accounted for as an extinguishment of the original liability and recognition as a new liability when the modification is substantial. The Company deems an amendment of the terms of a liability to be substantially different if the net present value of the cash flows under the new liability, including any fees paid, is at least 10% different from the net present value of the remaining cash flows of the existing liability, both discounted at the original effective interest rate of the original liability.

Financial liabilities are classified as current liabilities if payment is due within 12 months of the consolidated statement of financial position date. Otherwise, they are presented as non-current liabilities.

Derivative instruments are used to manage the Company's exposure to interest rate risks. The Company does not enter into derivative financial instruments for trading or speculative purposes. When derivative instruments are used, the Company determines whether hedge accounting can be applied. The derivative instrument must be highly effective in accomplishing the objective of offsetting either changes in the fair value or forecasted cash flows attributable to the risk being hedged both at inception and over the life of the hedge. In accordance with IAS 39, the accumulated ineffectiveness of hedging relationships must be measured, and the ineffective portion of changes in fair value must be recognized in the consolidated statement of income. Where hedge accounting cannot be applied, changes in fair value are recognized in the consolidated statement of income.

Cash flow hedges are used to hedge the Company's exposure to fluctuating interest rates on its long-term debt. The effective portion of the change in fair value of the derivative instruments designated as cash flow hedges, net of taxes, is recorded in OCI, while the ineffective portion is recognized in the consolidated statement of income under fair value adjustments and other income. Amounts recorded in OCI are subsequently recognized in the consolidated statement of income consistent with the timing of the recognition of cash flows associated with the hedged instruments. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of income.

Transaction costs related to financial instruments at fair value through profit or loss are accounted for as expense on initial recognition. For all other financial instruments, transaction costs are included in the initial carrying amount in the consolidated statement of financial position.

3.8 Intangibles

(a) Goodwill and Management Contracts

Goodwill represents the excess of the fair value of consideration paid over the fair value of the Company's share of the identifiable net assets, including management contracts, of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Management contracts have been determined to have an indefinite life. Management contracts acquired separately or in a business combination are recorded at fair value on initial recognition and subsequently reduced by the amount of impairment losses, if any.

(b) Customer Contracts and Other Intangibles

Customer contracts and other intangibles are stated at cost (which generally coincides with their fair values at the dates acquired), net of accumulated amortization and impairment, if any. Amortization for customer contracts and certain other intangibles is computed on a straight-line basis over five to 15 years based on the estimated useful lives of these assets. For the remaining other intangibles, amortization is based on the expected discounted cash flow and amortized over the contractual life of the assets. Unamortized customer contracts and other intangibles for which client attrition occurs is immediately charged to net income and included in amortization and derecognition of customer contracts.

(c) Deferred Selling Commissions

Selling commissions paid to brokers on mutual fund securities sold on a deferred sales charge (DSC) basis are recorded at cost and are amortized on a straight-line basis over the period that the associated economic benefits are expected to arise, which corresponds with the applicable DSC schedule and ranges from three to seven years. Unamortized deferred selling commissions related to units redeemed prior to the end of the expected investment period are derecognized and immediately charged to net income and included in amortization and derecognition of deferred selling commissions. Derecognition is calculated based on actual DSC units redeemed.

3.9 Property, Equipment and Computer Software

Property, equipment and computer software, which consists of furniture and equipment, computer hardware, computer software and leasehold improvements, is stated at cost, net of accumulated depreciation and impairment, if any. Depreciation is calculated using the following methods based on the estimated useful lives of these assets:

Furniture and equipment	20% declining balance
Computer hardware	straight-line over useful life of an asset
Leasehold improvements	straight-line over term of lease
Computer software	straight-line over three years

3.10 Impairment of Non-financial Assets

Assets that have an indefinite useful life, for example, goodwill and management contracts, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where such evidence exists, the portion of the previous impairment that no longer is impaired is reversed through net income with a corresponding increase in the carrying value of the asset.

3.11 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured as the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

In November 2005, the Company launched AGF Elements, which consists of five diversified fund-of-fund portfolios. Four of these portfolios include the Elements Advantage Commitment, which is a commitment to the investor that if their portfolio does not match or outperform its customized benchmark over a three-year period, AGF will provide each individual investor up to 90 basis points in additional units. This will be calculated based on the value of such investment at the end of its related three-year period.

The Company records a provision of up to 30 basis points per year of each investor's AUM and the Company's expectation of amounts ultimately to be reimbursed to the investor, adjusted for redemptions, until the end of the three-year measurement period of each investment made by such investor. If an individual investor's returns match or exceed the corresponding benchmark, amounts previously recorded as a provision are reversed and recognized in net income.

Effective June 22, 2009, AGF capped the AGF Elements Advantage Program (the Program). Any eligible units purchased prior to June 22, 2009 remain eligible for the Program. Any units purchased on or after June 22, 2009 are not entitled to participate in the Program. Elements Advantage distributions that are reinvested continue to be eligible to participate in the Program.

3.12 Current and Deferred Income Tax

Income tax consists of current and deferred tax. Income tax is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in OCI or directly in equity, in which case the income tax is also recognized directly in OCI or equity, respectively.

Management regularly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, interest and penalties on taxes owing, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of tax losses and credits carryforwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries or associates, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the deferred tax asset is realized or liability settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are presented as non-current.

3.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. In addition to these general principles, AGF applies the following specific revenue recognition policies:

Management and advisory fees are based on the net asset value of funds under management and are recognized on an accrual basis. These fees are shown net of management fee rebates and distribution fees payable to third parties and selling-commission financing entities.

DSC revenue is received from investors when mutual fund securities sold on a DSC basis are redeemed. DSC revenue is recognized on the trade date of the redemption of the applicable mutual fund securities.

Share of profit of associate and joint venture is recognized using the equity method and is recognized based on the most recent financial information received from the associate and joint venture.

3.14 Employee Benefits

(a) Stock-based Compensation and Other Stock-based Payments

The Company has established stock option plans for senior employees and utilizes the fair-value-based method of accounting for stock options. The fair value of stock options, determined on the grant date using an option pricing model, is recorded over the vesting period as a charge to net earnings with a corresponding credit to contributed surplus, taking into account forfeitures. Awards are settled by issuance of AGF Class B Non-Voting shares upon exercise of the options. The stock options are issued with an exercise price not less than the market price of the Class B Non-Voting shares immediately prior

to the grant date. Stock option awards are granted on a four-year graded-vesting basis whereby 25% of the total awards vest each year on the anniversary of the grant date.

The Company also has a share purchase plan under which employees can have a percentage of their annual earnings withheld subject to a maximum of 6% to purchase AGF's Class B Non-Voting shares. The Company matches up to 60% of the amounts contributed by the employee. The Company's contribution vests immediately and is recorded as a charge to net income in the period that the benefit is earned. All contributions are used by the plan trustee to purchase Class B Non-Voting shares on the open market.

The Company has an Executive Share Unit Plan for senior employees under which certain employees are granted Restricted Share Units (RSUs) or Performance Share Units (PSUs) of Class B Non-Voting shares. RSUs vest three years from the grant date.

The Company has a Partners Incentive Plan (PIP) for senior employees under which certain employees are designated to participate. The plan consists of a number of points, which are allocated among participating employees. The value of each point is determined using a funding rate that is based on a set percentage of targeted earnings before interest and tax (EBIT) that defines the funding pool for the year. At the end of each fiscal year, the funding pool is adjusted up or down to reflect the Company's EBIT performance. The adjusted dollar value is then settled in the form of RSUs or stock options. Stock options are granted under the Company's stock option plan, which is described above. RSUs are granted under the PIP. During the first year of the plan, compensation expense and the related liability are expensed based on the targeted funding pool over a graded four-year vesting period. Upon granting of the RSU or stock option, the remaining expense is accounted for under the RSU or stock option model.

On January 30, 2014, the Company amended its plan agreements to require share-based settlement of all RSUs granted to the employees of AGF and its Canadian subsidiaries and communicated this change to affected employees on February 11, 2014. In connection with the amendments, an employee benefit trust was established that is controlled and consolidated by the Company. The purpose of the trust is to acquire Class B Non-Voting shares of the Company in the open market to be delivered to employees upon vesting of their RSUs. Pursuant to the revised plan, the employees of AGF and its Canadian subsidiaries will not have an option to receive cash settlement for their RSUs and consequently, the Company has transferred the liabilities related to these awards from liabilities to equity. Compensation expense and contributed surplus related to these awards is recognized over the remaining vesting period based on the fair value of the Class B Non-Voting shares at the date of the plan change communication to employees and taking into account forfeitures.
Effective February 11, 2014, new grants are expensed over the vesting period based on the fair value of the Class B Non-Voting shares at the date of grant and taking into account forfeitures.

Employees of non-Canadian subsidiaries participating in the plans continue to have the option to receive cash settlement for their RSUs. The compensation expense and the related liability for these awards are recorded equally or graded over the three-year vesting period, taking into account fluctuations in the market price of Class B Non-Voting shares, dividends paid and forfeitures. AGF will redeem all of the participants' RSUs in cash equal to the value of one Class B Non-Voting share for each RSU.

PSU compensation expense and the related liability are recorded equally over the vesting period, taking into account the likelihood of the performance criteria being met, fluctuations in the market price of Class B Non-Voting shares, dividends paid and forfeitures. These PSUs vest three years from the grant date provided employees meet certain performance criteria. AGF will redeem all of the participants' PSUs in cash equal to the value of one Class B Non-Voting share for each PSU.

The Company has a Deferred Share Unit (DSU) plan for non-employee Directors and certain employees. The plan enables Directors of the Company to elect to receive their remuneration in DSUs. These units vest immediately and compensation expense and the related liability are charged to net income in the period the DSUs are granted. DSUs granted to certain employees vest between one to 10 years from the grant date. Compensation expense and the related liability are recorded equally over the respective vesting periods, taking into account fluctuations in the market price of Class B Non-Voting shares, dividends paid and forfeitures. On termination, AGF will redeem all of the participants' DSUs in cash equal to the value of one Class B Non-Voting share at the termination date for each DSU.

(b) Termination Benefits

The Company recognizes termination benefits at the earlier of when it can no longer withdraw the offer of those benefits, or when it recognizes costs for a restructuring that involves termination benefits.

(c) Unit Appreciation Rights (UAR) Plan

The Company has a UAR plan for certain employees of Doherty & Associates Limited (Doherty) and Cypress Capital Management Limited (Cypress). The purpose of the plan is retention of key employees, including senior management and key succession employees, and to promote the profitability and growth of these two subsidiaries by creating a performance

incentive for such key employees so that they may benefit from any appreciation in the value of Doherty and Cypress. The plan provides for the grant of performance appreciation rights to certain employees, the value of which are linked to the change in value of Doherty and Cypress by reference to changes in Doherty and Cypress earnings before interest, taxes, depreciation and amortization (EBITDA). Obligations related to the UAR plan are recorded under accounts payable and accrued liabilities and other long-term liabilities on the consolidated statement of financial position.

3.15 Capital Stock

AGF Class A Voting common shares and Class B Non-Voting shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of tax.

3.16 Dividends

Dividends to AGF shareholders are recognized in the Company's consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

3.17 Earnings per Share

Basic earnings per share are calculated by dividing net income applicable to AGF Class A Voting common shares and Class B Non-Voting shares by the daily weighted average number of shares outstanding. Diluted earnings per share are calculated using the daily weighted average number of shares that would have been outstanding during the year had all potential common shares been issued at the beginning of the year, or when other potentially dilutive instruments were granted or issued, if later.

The treasury stock method is employed to determine the incremental number of shares that would have been outstanding had the Company used proceeds from the exercise of options to acquire shares.

3.18 Accounting Standards Issued but Not Yet Applied

Certain new accounting standards and interpretations have been published that are not mandatory for the November 30, 2015 reporting periods and have not been early adopted by the Company. The Company is currently evaluating the impact the following new standards will have on its financial statements.

IFRS 9, *Financial Instruments*, was issued by the IASB and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and introduced a new impairment model. The standard provides a single, principle-based approach for determining the classification of financial assets driven by cash flow characteristics and the business model in which an asset is held. The impairment model will be an expected credit loss model, which will apply to all financial instruments and require more timely recognition of expected credit losses. IFRS 9 must be applied for financial years commencing on or after January 1, 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before February 1, 2015. After that date, the new rules must be adopted in their entirety. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

IFRS 15, *Revenue from Contracts with Customers*, was issued by the IASB and will replace IAS 18, which covers contracts for goods and services, and IAS 11, which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach, entities will recognize transitional adjustments in retained earnings on the date of initial application without restating the comparative financial period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. IFRS 15 must be applied for financial years commencing on or after January 1, 2018. The Company is in the process of assessing the impact of IFRS 15 and has not yet determined when it will adopt the new standard.

IFRS 16, *Leases*, was issued by the IASB and will replace IAS 17. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use-asset' for most lease contracts. The standard permits a 'simplified approach' that includes certain reliefs related to the measurement of the right-of-use-asset and the lease liability, rather than full retrospective application. IFRS 16 must be applied for financial years commencing on or after January 1, 2019. Early adoption is permitted, but only in conjunction with IFRS 15. The Company is in the process of assessing the impact of IFRS 16 and has not yet determined when it will adopt the new standard.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3.19 Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised if the revision affects both current and future periods.

Key areas of estimation where management has made difficult, complex or subjective judgements – often about matters that are inherently uncertain – include provision for useful lives of depreciable assets, commitments and contingencies, as well as the specific items discussed below.

(a) Impairment of Non-financial Assets

The Company determines the recoverability of each of its CGUs based on an analysis of the discounted cash flows associated with the CGU. Such analysis involves management judgement in selecting the appropriate discount rate, terminal growth rate, cash flows and synergies' inclusion rate to be used in the assessment of the impairment of non-financial assets. Refer to Note 8 for further details on the impairment of non-financial assets.

(b) Stock-based Compensation and Other Stock-based Payments

In determining the fair value of the stock-based rewards and the related charge to the consolidated statement of income, the Company makes assumptions about future events and market conditions. In particular, judgement must be formed as to the likely number of shares, RSUs or PSUs that will vest, and the fair value of each award granted. The fair value of stock options granted is determined using the Black-Scholes option-pricing model, which is dependent on further estimates, including the Company's future dividend policy and the future volatility in the price of the Class B Non-Voting shares. Refer to Note 18 for the assumptions used. Such assumptions are based on publicly available information and reflect market expectation. Different assumptions about these factors to those made by AGF could materially affect reported net income.

(c) Income Taxes

The Company is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. AGF recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the estimated outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Refer to Note 26 for further details.

(d) Critical Judgements in Applying the Company's Accounting Policies

The application of the Company's accounting policies may require management to make judgements, apart from those involving estimates, that can affect the amounts recognized in the consolidated financial statements. Such judgements include the determination of whether intangible assets have finite or indefinite lives and the accounting implications related to certain legal matters. In addition, judgement was applied in determining the recognition and measurement of the provision related to the put option liability for loans related to AGF Trust Company (AGF Trust). Refer to Note 6 for further details.

Note 4: Investments

The following table presents a breakdown of investments:

(in thousands of Canadian dollars) **November 30**	**2015**	**2014**
Fair value through profit or loss		
AGF mutual funds and other	$ 17,201	$ 17,676
Equity securities	531	544
	17,732	18,220
Available for sale		
Equity securities and term deposits	5,385	5,304
Loans and receivables		
Canadian government debt – Federal	310	308
	$ 23,427	$ 23,832

During the years ended November 30, 2015 and 2014, no impairment charges were required.

The continuity of investments for the years ended November 30, 2015 and 2014 is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Beginning of the year	$ 23,832	$ 12,272
Additions	5,987	12,829
Additions on acquisition of FFCM	4	–
Disposals	(6,596)	(2,746)
Net gains (losses) recognized on the consolidated statement of income	(587)	327
Reinvested dividends and interest	405	917
Net unrealized and realized gains transferred to/from other comprehensive income	382	233
End of the year	$ 23,427	$ 23,832

Note 5: Investment in Associate, Joint Ventures and Long-term Investments

(a) Investment in Associate

The Company holds a 32.3% investment in S&WHL accounted for using the equity method. At November 30, 2015, the carrying value was $105.3 million (2014 – $91.6 million). During the year ended November 30, 2015, the Company recognized earnings of $11.6 million (2014 – $12.1 million) and received $9.4 million (2014 – $7.6 million) in dividends from S&WHL. During the year ended November 30, 2015, $4.0 million (2014 – $3.7 million) was recorded in amortization related to the finite life intangible assets related to the purchase of investment in S&WHL.

The continuity for the investment in S&WHL for the years ended November 30, 2015 and 2014 is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Balance, beginning of year	$ 91,636	$ 84,876
Share of profit	11,612	12,074
Foreign exchange differences	11,065	2,197
Dividends received	(9,370)	(7,636)
Share of other comprehensive income	353	125
Balance, end of year	$ 105,296	$ 91,636

The following is a summary of S&WHL's gross financial information:

(in thousands of Canadian dollars) **November 30**	**2015**	**2014**
Statement of financial position		
Current assets	$ 996,351	$ 881,988
Non-current assets	242,285	220,720
Current liabilities	781,088	714,568
Non-current liabilities	2,655	2,125

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Statement of comprehensive income		
Revenue	$ 421,955	$ 374,156
Expenses	371,807	324,108
Net earnings after tax	50,148	50,048

(b) Investment in Joint Ventures

The continuity for the investment in SAFMLP and InstarAGF, a joint venture with Instar Group Inc., accounted for under the equity method, for the years ended November 30, 2015 and 2014 is as follows:

	2015			**2014**		
(in thousands of Canadian dollars)	**SAFMLP**	**InstarAGF**	**Total**	**SAFMLP**	**InstarAGF**	**Total**
Balance, beginning of year	$ 312	$ –	$ 312	$ –	$ –	$ –
Share of profit[1]	621	–	621	312	–	312
Balance, end of year	$ 933	$ –	$ 933	$ 312	$ –	$ 312

[1] Excludes the Company's portion of the estimated carried interest to be distributed to AGF on crystallization.

The Company has recorded losses with respect to its equity investment in InstarAGF only to the extent of its initial investment, which has a carrying value of nil, because it is not contractually obligated to fund the losses. As at November 30, 2015, the Company accumulated unrecognized losses of $1.3 million related to its interest in InstarAGF (2014 – $0.7 million). In addition, AGF has agreed to advance up to $5.0 million to InstarAGF on an as-needed basis as a working capital loan facility. The loan facility is non-interest bearing and is repayable on a priority basis once InstarAGF begins to earn fees from funds under management. As at November 30, 2015, the Company had recorded a receivable of $2.2 million (2014 – $2.1 million), included in accounts receivable, prepaid expenses and other assets on the consolidated statement of financial position.

In addition, during the year ended November 30, 2015, AGF advanced $1.1 million to Instar Group Inc. in the form of a promissory note, which bears interest at prime. This amount has been included in long-term other assets on the consolidated statement of financial position.

(c) Investment in Long-term Investments

The continuity for the investment in Stream and EIF, accounted for at fair value through profit or loss, for the years ended November 30, 2015 and 2014 is as follows:

	2015			**2014**		
(in thousands of Canadian dollars)	**Stream**	**EIF**	**Total**	**Stream**	**EIF**	**Total**
Balance, beginning of year	$ 16,471	$ 3,200	$ 19,671	$ –	$ –	$ –
Purchase of long-term investments	21,851	105,079	126,930	27,500	3,200	30,700
Return of capital	(10,120)	–	(10,120)	(10,946)	–	(10,946)
Reclassification of investment	–	(63)	(63)	–	–	–
Fair value adjustment[1]	(2,769)	6,885	4,116	(83)	–	(83)
Balance, end of year	$ 25,433	$ 115,101	$ 140,534	$ 16,471	$ 3,200	$ 19,671

[1] Fair value adjustment in Stream is based on the net assets of the fund less the Company's portion of the carried interest that would be payable by the fund upon crystallization.

The Company has committed a total of $150.0 million to funds and investments associated with the alternative asset management platform. The Company may temporarily provide capital to warehouse investments prior to formation of a fund. Upon closing of a fund with external investors, the Company receives a return of its capital in excess of its proportionate participation in the fund. The Company has designated its long-term investments in the funds at fair value through profit or loss (FVTPL).

As at November 30, 2015, of its $150.0 million allocation, the Company had committed $50.0 million to Stream, a midstream oil and gas infrastructure fund. As at November 30, 2015, the Company had invested $38.4 million (November 30, 2014 – $16.6 million) with $11.6 million remaining committed capital to be invested in the Stream fund. During the year ended November 30, 2015, Stream monetized one of its seed assets, which resulted in the Company receiving $15.9 million, of which $10.1 million represented a return of capital and $5.7 million represented a special distribution.

The Company has committed $100.0 million to EIF. This fund is expected to achieve its first closing with external investors in the first quarter of 2016, at which point the Company will receive a return of its capital in excess of its proportionate participation. On January 27, 2015, the capital invested by the Company, together with amounts invested by Instar, was deployed to acquire an interest in the passenger terminal at Billy Bishop Toronto City Airport alongside other Canadian and international equity investors.

The following table presents a breakdown of the amounts included in fair value adjustment and other income on the consolidated statement of income for the years ended November 30, 2015 and 2014:

	2015			2014		
(in thousands of Canadian dollars)	Stream	EIF	Total	Stream	EIF	Total
Distribution income	$ 3,039	$ 986	$ 4,025	$ 1,083	$ –	$ 1,083
Fair value adjustment[1]	(2,769)	6,885	4,116	(83)	–	(83)
Special distribution from long-term investment	5,742	–	5,742	–	–	–
	$ 6,012	$ 7,871	$ 13,883	$ 1,000	$ –	$ 1,000

[1] Fair value adjustment in Stream is based on the net assets of the fund less the Company's portion of the carried interest that would be payable by the fund upon crystallization.

Note 6: Discontinued Operations

On August 1, 2012, the Company completed its sale of 100% of the shares of AGF Trust for cash consideration corresponding to the net book value of AGF Trust at closing of $246.3 million. The agreement included a contingent consideration to a maximum of $20.0 million over five years if the credit performance of AGF Trust's loan portfolio met certain thresholds. In May 2014, the Company finalized an early settlement of the contingent consideration receivable for $10.0 million. The amount receivable was settled on June 4, 2014. As a result, during the year ended November 30, 2014, the Company recognized a gain on discontinued operations of $2.8 million, net of tax. In addition, the Company indemnified the purchaser of AGF Trust against unenforceable loans outstanding or committed as at the date of closing, which may be put back to the Company on a quarterly basis, subject to certain conditions. The put option will expire on October 31, 2017 and indemnifies only against errors in underwriting and not credit deterioration. The carrying value of the loans subject to indemnification was $3.1 billion at the date of sale. The Company records a provision for indemnified loans when the loan is in default and the put option becomes probable of being exercised, which generally coincides with the receipt of notification by the purchaser that it intends to exercise the put. During the year ended November 30, 2015, $0.3 million (2014 – $0.7 million) was recorded related to these loans. As at November 30, 2015, the amount of the provision was $0.5 million (2014 – $0.7 million) and was included in accounts payable and accrued liabilities on the consolidated statement of financial position. As a result, the Company realized a net loss related to the provision on discontinued operations of $0.3 million during the year ended November 30, 2015 (2014 – $0.7 million).

Note 7: Acquisitions

(a) Acquisition of Acuity Funds Ltd. and Acuity Investment Management Inc.

On February 1, 2011, the Company completed its acquisition of 100% of the shares of Acuity Funds Ltd. and Acuity Investment Management Inc. (Acuity) for a purchase price of $335.5 million.

On February 1, 2014, the Company fully extinguished its acquisition consideration payable to the Acuity vendors with a payment of $6.4 million, consisting of $4.4 million in cash and a settlement of the Class E exchangeable preferred shares

through the issuance of 175,367 Class B Non-Voting shares valued at $1.9 million. As part of the consideration paid, 185,119 Class B Non-Voting shares held in escrow were released to the Acuity vendors on February 1, 2014.

During the year ended November 30, 2014, a $0.3 million recovery was recognized related to the fair value adjustment on the mark to market related to the AGF Class B Non-Voting shares and interest accretion on the acquisition consideration payable.

(b) Acquisition of FFCM, LLC

On November 16, 2015, the Company acquired 51.0% of FFCM for a cash purchase price of $6.7 million. FFCM is a Boston-based exchange-traded funds (ETFs) advisor and asset management firm whose expertise is delivered through a family of alternative and smart-beta ETFs and a number of ETF managed solutions.

In addition, the agreement includes contingent consideration if the annualized advisory revenue of FFCM exceeds certain thresholds in 2018, up to a maximum of $6.7 million. Accordingly, a contingent consideration payable of $2.0 million was recorded on the acquisition of FFCM and is included on the statement of financial position, representing management's best estimate of the fair value thereof. The key assumption used in the analysis was the growth rate in annualized advisory revenue. A 1% increase or decrease in the growth rate would result in an increase or decrease to the undiscounted contingent consideration payable of $0.1 million and $0.3 million, respectively.

The non-controlling interest was measured based on its proportionate share of FFCM.

The preliminary fair value of the net assets acquired and consideration paid are summarized as follows:

(in thousands of Canadian dollars)		
Net assets acquired		
Cash	$	253
Investments		4
Accounts receivable, prepaid expenses and other assets		130
Customer contracts		6,313
Goodwill		5,403
Accounts payable and accrued liabilities		(300)
Non-controlling interest		(3,135)
	$	8,668
Consideration paid		
Cash	$	6,678
Contingent consideration payable		1,990
	$	8,668

Note 8: Intangible Assets

(in thousands of Canadian dollars)	Management contracts	Customer contracts	Goodwill	Other intangibles	Deferred selling commissions	Total
At December 1, 2013						
Cost, net of derecognition and impairment	$ 689,759	$ 50,628	$ 244,549	$ 48,450	$ 404,379	$ 1,437,765
Less: fully amortized assets	–	(7,778)	–	(576)	(70,656)	(79,010)
	689,759	42,850	244,549	47,874	333,723	1,358,755
Accumulated amortization	–	(40,063)	–	(28,711)	(289,531)	(358,305)
Less: fully amortized assets	–	7,778	–	576	70,656	79,010
	–	(32,285)	–	(28,135)	(218,875)	(279,295)
Net book amount	$ 689,759	$ 10,565	$ 244,549	$ 19,739	$ 114,848	$ 1,079,460
Year ended November 30, 2014						
Opening net book amount	$ 689,759	$ 10,565	$ 244,549	$ 19,739	$ 114,848	$ 1,079,460
Additions	–	–	–	–	38,401	38,401
Derecognition	–	(196)	–	(1,354)	(10,885)	(12,435)
Amortization	–	(3,774)	–	(5,837)	(37,591)	(47,202)
Closing net book amount	$ 689,759	$ 6,595	$ 244,549	$ 12,548	$ 104,773	$ 1,058,224
At November 30, 2014						
Cost, net of derecognition and impairment	$ 689,759	$ 42,654	$ 244,549	$ 46,520	$ 361,239	$ 1,384,721
Less: fully amortized assets	–	(10,924)	–	(23,500)	(102,614)	(137,038)
	689,759	31,730	244,549	23,020	258,625	1,247,683
Accumulated amortization	–	(36,059)	–	(33,972)	(256,466)	(326,497)
Less: fully amortized assets	–	10,924	–	23,500	102,614	137,038
	–	(25,135)	–	(10,472)	(153,852)	(189,459)
Net book amount	$ 689,759	$ 6,595	$ 244,549	$ 12,548	$ 104,773	$ 1,058,224
Year ended November 30, 2015						
Opening net book amount	$ 689,759	$ 6,595	$ 244,549	$ 12,548	$ 104,773	$ 1,058,224
Additions	–	6,313	5,403	–	35,943	47,659
Derecognition	–	(885)	–	(38)	(9,774)	(10,697)
Amortization	–	(2,363)	–	(4,380)	(31,651)	(38,394)
Closing net book amount	$ 689,759	$ 9,660	$ 249,952	$ 8,130	$ 99,291	$ 1,056,792
At November 30, 2015						
Cost, net of derecognition and impairment	$ 689,759	$ 37,158	$ 249,952	$ 22,982	$ 284,794	$ 1,284,645
Less: fully amortized assets	–	(1,117)	–	(1,338)	(61,995)	(64,450)
	689,759	36,041	249,952	21,644	222,799	1,220,195
Accumulated amortization	–	(27,498)	–	(14,852)	(185,503)	(227,853)
Less: fully amortized assets	–	1,117	–	1,338	61,995	64,450
	–	(26,381)	–	(13,514)	(123,508)	(163,403)
Net book amount	$ 689,759	$ 9,660	$ 249,952	$ 8,130	$ 99,291	$ 1,056,792

During the year ended November 30, 2015, in accordance with its accounting policies, the Company completed its impairment test on its goodwill and indefinite life intangibles. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Substantially all of the management contracts are in the retail CGU. The following is a summary of the goodwill allocation by CGU:

(in thousands of Canadian dollars)	Investment Management – Retail	Investment Management – Institutional	Cypress Capital Management Ltd.	Doherty & Associates Ltd.	Total
Year ended November 30, 2014					
Opening net book amount	$ 151,624	$ 76,656	$ 12,548	$ 3,721	$ 244,549
Impairment	–	–	–	–	–
Disposal	–	–	–	–	–
Closing net book amount	$ 151,624	$ 76,656	$ 12,548	$ 3,721	$ 244,549
Year ended November 30, 2015					
Opening net book amount	$ 151,624	$ 76,656	$ 12,548	$ 3,721	$ 244,549
Additions	–	5,403	–	–	5,403
Impairment	–	–	–	–	–
Disposal	–	–	–	–	–
Closing net book amount	$ 151,624	$ 82,059	$ 12,548	$ 3,721	$ 249,952

To determine whether an impairment loss should be recognized, the carrying value of the assets and liabilities of the CGU is compared to its recoverable amount, which is the higher of its fair value less costs to sell (FVLCTS) and its value in use (VIU). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Historically, the Company has determined the recoverable amount of each of its CGUs based on an analysis of the underlying AUM associated with the CGU and available AUM multiples implied by recent precedent transactions for similar assets within the industry. As there has only been a limited number of recent comparable transactions, and none within the last year involving similar businesses, the Company has performed a discounted cash flow analysis for each CGU to assess both the FVLCTS and the VIU.

The discounted cash flow analysis was based on projected cash flows expected over the next three fiscal years and thereafter based on an assumed terminal growth rate all discounted to present value at a market participant discount rate. Future cash flow projections are based on assets under management of which key drivers are assumptions about gross sales, redemptions and market growth. In the case of the FVLCTS approach, the analysis also incorporated an estimate of the anticipated synergies that could be realized by a market participant upon acquisition.

To arrive at a discount rate specific to each CGU, a base rate for the total Company was determined and a specific risk premium was applied for each CGU to reflect the CGU's non-systematic risk characteristics. The inputs for the base rate were derived based on observable market information and/or empirical studies. The specific risk premium took into consideration factors specific to each CGU, including but not limited to, historical sales and redemption trends, fund performance, asset mix, and potential changes to the regulatory environment.

The terminal growth rate was selected taking into consideration the AUM composition within each CGU and long-term expected market returns, net of management expenses.

Market participant synergies of 60.0% were estimated based on the Company's experience with prior acquisitions and giving consideration to the attributes of a likely purchaser of each CGU. These synergies were further discounted by the synergies inclusion rate.

Based on the results of the impairment test, which were premised on the recoverable amount determined subject to the higher of a FVLCTS and VIU approaches, the Company concluded that no goodwill or intangible assets were impaired as at November 30, 2015. The recoverable amounts determined in accordance with FVLCTS are categorized within level 3 in the fair value hierarchy.

The following is a summary of the key inputs for the company's two most significant CGUs as at November 30, 2015:

(in thousands of Canadian dollars)	Investment Management – Retail	Investment Management – Institutional
Recoverable amount applied – overall	$ 1,015,200	$ 180,000
Carrying amount	768,800	77,500
Excess	$ 246,400	$ 102,500
FVLCTS approach		
Discount rate	11.25%	15.40%
Terminal growth rate	3.50%	3.50%
Synergies inclusion rate	50.00%	50.00%
VIU approach		
Discount rate	11.25%	15.40%
Terminal growth rate	4.50%	4.50%

The following is a summary of a sensitivity analysis performed based on alternative assumptions as at November 30, 2015:

(in thousands of Canadian dollars)	Investment Management – Retail	Investment Management – Institutional
FVLCTS approach		
Discount rate	-0.50%	-0.40%
Terminal growth rate	+0.50%	+0.50%
Synergies inclusion rate	+20.0%	+20.0%
Recoverable amount – high	$1,153,200 – $1,225,900	$193,500 – $227,200
Discount rate	+0.50%	+0.40%
Terminal growth rate	-0.50%	-0.50%
Synergies inclusion rate	-20.0%	-20.0%
Recoverable amount – low	$829,400 – $908,800	$135,500 – $168,300
VIU approach		
Discount rate	-0.50%	-0.40%
Terminal growth rate	+0.50%	+0.50%
Recoverable amount – high	$ 891,600	$ 95,200
Discount rate	+0.50%	+0.40%
Terminal growth rate	-0.50%	-0.50%
Recoverable amount – low	$ 675,400	$ 80,400

Management will continue to regularly monitor its intangibles for indications of potential impairment.

Note 9: Property, Equipment and Computer Software

(in thousands of Canadian dollars)	Furniture and equipment	Leasehold improvements	Computer hardware	Computer software	Total
At December 1, 2013					
Cost	$ 8,370	$ 5,813	$ 18,301	$ 4,193	$ 36,677
Less: disposals	–	–	(62)	–	(62)
Less: fully depreciated assets	(993)	(242)	(2,123)	(895)	(4,253)
	7,377	5,571	16,116	3,298	32,362
Accumulated depreciation	(6,282)	(3,535)	(12,377)	(2,279)	(24,473)
Less: depreciation on disposals	–	–	27	–	27
Less: fully depreciated assets	993	242	2,123	895	4,253
	(5,289)	(3,293)	(10,227)	(1,384)	(20,193)
Net book amount	$ 2,088	$ 2,278	$ 5,889	$ 1,914	$ 12,169
Year ended November 30, 2014					
Opening net book amount	$ 2,088	$ 2,278	$ 5,889	$ 1,914	$ 12,169
Additions	63	133	588	609	1,393
Disposals, net of depreciation	(4)	(1)	(1)	–	(6)
Depreciation	(422)	(543)	(2,168)	(1,070)	(4,203)
Closing net book amount	$ 1,725	$ 1,867	$ 4,308	$ 1,453	$ 9,353
At November 30, 2014					
Cost	$ 7,440	$ 5,704	$ 16,704	$ 3,907	$ 33,755
Less: disposals	(11)	(55)	(6,552)	–	(6,618)
Less: fully depreciated assets	–	(3,096)	(10)	(956)	(4,062)
	7,429	2,553	10,142	2,951	23,075
Accumulated depreciation	(5,711)	(3,836)	(12,395)	(2,454)	(24,396)
Less: depreciation on disposals	7	54	6,551	–	6,612
Less: fully depreciated assets	–	3,096	10	956	4,062
	(5,704)	(686)	(5,834)	(1,498)	(13,722)
Net book amount	$ 1,725	$ 1,867	$ 4,308	$ 1,453	$ 9,353
Year ended November 30, 2015					
Opening net book amount	$ 1,725	$ 1,867	$ 4,308	$ 1,453	$ 9,353
Additions	653	495	2,019	1,262	4,429
Depreciation	(356)	(293)	(2,164)	(979)	(3,792)
Closing net book amount	$ 2,022	$ 2,069	$ 4,163	$ 1,736	$ 9,990
At November 30, 2015					
Cost	$ 8,082	$ 3,048	$ 12,161	$ 4,213	$ 27,504
Less: fully depreciated assets	–	(206)	(1,824)	(950)	(2,980)
	8,082	2,842	10,337	3,263	24,524
Accumulated depreciation	(6,060)	(979)	(7,998)	(2,477)	(17,514)
Less: fully depreciated assets	–	206	1,824	950	2,980
	(6,060)	(773)	(6,174)	(1,527)	(14,534)
Net book amount	$ 2,022	$ 2,069	$ 4,163	$ 1,736	$ 9,990

Note 10: Long-term Debt

(a) Revolving Credit Facility

On November 20, 2015, the Company, through its subsidiary AGF Investments Inc., amended and restated its loan agreements to decrease the total credit availability. The Company's unsecured revolving credit facility (the Facility) has a maximum aggregate principal amount of $320.0 million (2014 – $400.0 million). In addition, the agreement includes a $10.0 million swingline facility commitment. Advances under the Facility are made available by prime-rate loans in U.S. or Canadian dollars, under banker's acceptances (BAs) or by issuance of letters of credit. The Facility is due in full on November 29, 2017, and no principal repayments are due until this date. During the year ended November 30, 2015, the Company repaid $40.0 million of its revolving credit facility. As at November 30, 2015, AGF had drawn $270.0 million (2014 – $310.0 million) against the Facility in the form of two one-month BAs at an effective average interest rate of 3.5% per annum.

On January 26, 2015, the Company arranged for a seven-day $100.0 million short-term bridge facility (the Bridge Facility) through a Canadian chartered bank to fund an alternative asset investment. On January 26, 2015, AGF drew $89.1 million against the Bridge Facility, which was secured by the Company's term deposits held by the bank. The Bridge Facility was fully repaid on February 2, 2015. Refer to Note 5(c) for additional information on the alternative asset investment.

(b) Interest Rate Swap

To hedge the Company's exposure to fluctuating interest rates on its long-term debt, AGF has entered into an interest rate swap transaction with a Canadian chartered bank, which involves the exchange of a one-month BA rate, plus 150 basis points, to pay a fixed interest rate of 3.8%. The swap transaction expires in July 2016. The swap contract is designated as a cash flow hedging instrument and is used to mitigate interest expense volatility on the issuances of BAs over the term to maturity. As at November 30, 2015, the notional amount of the swap was $125.0 million (2014 – $125.0 million) and its fair value was $1.8 million (2014 – $2.6 million), which was recorded as a liability on the consolidated statement of financial position.

Note 11: Deferred Income Tax Assets and Liabilities

(a) The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

(in thousands of Canadian dollars) **November 30**	**2015**	**2014**
Deferred income tax assets		
Deferred income tax asset to be recovered after more than 12 months	$ 2,277	$ 3,377
Deferred income tax asset to be recovered within 12 months	825	1,126
	3,102	4,503
Deferred income tax liabilities		
Deferred income tax liability to be settled after more than 12 months	175,464	164,331
Deferred income tax liability to be settled within 12 months	84	11,141
	175,548	175,472
Net deferred income tax liabilities	$ 172,446	$ 170,969

The movement in deferred income tax assets and liabilities during the years ended November 30, 2015 and 2014, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(in thousands of Canadian dollars)

Year ended November 30, 2015	Balance, beginning of year	Recognized in income	Recognized in contributed surplus	Recognized in OCI	Balance, end of year
Deferred income tax assets					
Expenses deductible in future periods	$ 6,270	$ 225	$ (1,046)	$ –	$ 5,449
Property and equipment	1,769	(521)	–	–	1,248
Loss carryforwards	165	(112)	–	–	53
Investments	439	(1,903)	–	(263)	(1,727)
Other credits and carryforwards	187	(77)	–	–	110
	$ 8,830	$ (2,388)	$ (1,046)	$ (263)	$ 5,133
Deferred income tax liabilities					
Management contracts and other intangibles	$ 154,575	$ (1,350)	$ –	$ –	$ 153,225
Deferred sales commissions	25,099	(884)	–	–	24,215
Other	125	14	–	–	139
	$ 179,799	$ (2,220)	$ –	$ –	$ 177,579
Net deferred income tax liabilities	$ 170,969	$ 168	$ 1,046	$ 263	$ 172,446

(in thousands of Canadian dollars)

Year ended November 30, 2014	Balance, beginning of year	Recognized in income	Recognized in contributed surplus	Recognized in OCI	Balance, end of year
Deferred income tax assets					
Expenses deductible in future periods	$ 6,727	$ (471)	$ 14	$ –	$ 6,270
Property and equipment	2,437	(668)	–	–	1,769
Loss carryforwards	635	(470)	–	–	165
Investments	316	(50)	–	173	439
Other credits and carryforwards	198	(11)	–	–	187
	$ 10,313	$ (1,670)	$ 14	$ 173	$ 8,830
Deferred income tax liabilities					
Management contracts and other intangibles	$ 156,533	$ (1,958)	$ –	$ –	$ 154,575
Deferred sales commissions	27,414	(2,315)	–	–	25,099
Other	1,744	(1,619)	–	–	125
	$ 185,691	$ (5,892)	$ –	$ –	$ 179,799
Net deferred income tax liabilities	$ 175,378	$ (4,222)	$ (14)	$ (173)	$ 170,969

(b) Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability to realize the tax benefits of these losses is dependent upon a number of factors, including the future profitability of operations in the jurisdictions in which the tax losses arose. As at November 30, 2015, the Company recognized deferred income tax assets of $0.1 million related to $0.2 million of non-capital losses. Deferred income tax assets have not been recognized for $16.7 million of capital losses carryforward that have no expiry date and $0.8 million of non-capital losses carried forward.

Non-capital loss carryforwards by year of expiry as at November 30, 2015 are summarized below:

(in thousands of Canadian dollars)		
2029	$	31
2030		77
2031		8
2032		100
2033		87
Thereafter		430
No expiry		299

(c) As at November 30, 2015, the amount of temporary differences associated with the Company's investment in S&WHL for which deferred income tax assets have not been recognized is $0.1 million (2014 – $13.7 million). The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognized is $11.5 million.

Note 12: Provision for Elements Advantage

(in thousands of Canadian dollars) **Years ended November 30**		**2015**		**2014**
Beginning of the year	$	3,464	$	3,664
Additional provision charged to the income statement		1,267		1,617
Used during the year		(2,160)		(1,817)
		2,571		3,464
Less: non-current portion		1,159		1,419
	$	1,412	$	2,045

Note 13: Capital Stock

(a) Authorized Capital

The authorized capital of AGF consists of an unlimited number of AGF Class B Non-Voting shares and an unlimited number of AGF Class A Voting common shares. The Class B Non-Voting shares are listed for trading on the Toronto Stock Exchange (TSX).

(b) Changes During the Period

The change in capital stock is summarized as follows:

Years ended November 30	**2015**			**2014**		
(in thousands of Canadian dollars, except share amounts)	**Shares**		**Stated value**	**Shares**		**Stated value**
Class A Voting common shares	57,600	$	–	57,600	$	–
Class B Non-Voting shares						
Balance, beginning of the year	85,703,751	$	517,467	87,091,646	$	524,681
Issued through dividend reinvestment plan	79,181		563	179,081		2,238
Stock options exercised	10,179		101	485,058		4,613
Issued on acquisition of Acuity	–		–	175,367		1,941
Repurchased for cancellation	(5,599,964)		(33,981)	(1,762,200)		(10,623)
Treasury stock purchased for employee benefit trust	(1,093,506)		(6,842)	(470,000)		(5,440)
Treasury stock released for employee benefit trust[1]	417,946		3,957	4,799		57
Balance, end of the year	79,517,587	$	481,265	85,703,751	$	517,467

[1] An additional 702,883 share units were released in December 2015.

(c) Class B Non-Voting Shares Purchased for Cancellation

AGF has obtained applicable regulatory approval to purchase for cancellation, from time to time, certain of its Class B Non-Voting shares through the facilities of the TSX (or as otherwise permitted by the TSX). AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares during certain pre-determined black-out periods, subject to certain parameters. Outside of these pre-determined black-out periods, shares will be purchased in accordance with management's discretion. Under its normal course issuer bid, AGF may purchase up to 10% of the public float outstanding on the date of the receipt of regulatory approval or up to 6,707,999 shares for the period from February 4, 2015 to February 3, 2016 and up to 6,904,647 shares for the period from February 4, 2014 to February 3, 2015. Subject to regulatory approval, the Company will apply for renewal of its normal course issuer bid in 2016. During the year ended November 30, 2015, under AGF's normal course issuer bid, 5,599,964 (2014 – 1,762,200) Class B Non-Voting shares were repurchased at a cost of $39.1 million (2014 – $22.1 million) and the excess paid of $5.2 million (2014 – $11.5 million) over the recorded capital stock value of the shares repurchased for cancellation was charged to retained earnings.

(d) Class B Non-Voting Shares Purchased as Treasury Stock for Employee Benefit Trust

During the year ended November 30, 2015, 1,093,506 (2014 – 470,000) Class B Non-Voting shares were purchased for the employee benefit trust at a cost of $6.8 million (2014 – $5.4 million). Shares purchased for the trust are also purchased under the Company's normal course issuer bid and recorded as a reduction to capital stock. During the year ended November 30, 2015, 417,946 (2014 – 4,799) Class B Non-Voting shares purchased as treasury stock were released. As at November 30, 2015, 1,140,761 (2014 – 465,201) Class B Non-Voting shares were held as treasury stock.

Note 14: Accumulated Other Comprehensive Income (Loss)

(in thousands of Canadian dollars)	Foreign currency translation	Available for sale securities	Cash flow hedge	Total
Opening composition of accumulated other comprehensive income (loss) at November 30, 2013				
Accumulated other comprehensive income (loss)	$ 6,625	$ 3,154	$ (3,046)	$ 6,733
Income tax recovery (expense)	–	(424)	808	384
Balance, November 30, 2013	6,625	2,730	(2,238)	7,117
Transactions during the year ended November 30, 2014				
Other comprehensive income (loss)	2,717	358	731	3,806
Income tax recovery (expense)	–	367	(194)	173
Balance, November 30, 2014	9,342	3,455	(1,701)	11,096
Transactions during the year ended November 30, 2015				
Other comprehensive income	12,366	735	800	13,901
Income tax recovery (expense)	–	(51)	(212)	(263)
Balance, November 30, 2015	$ 21,708	$ 4,139	$ (1,113)	$ 24,734

Note 15: Fair Value Adjustments and Other Income

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Fair value adjustment related to investment in AGF mutual funds (Note 4)	$ (587)	$ 327
Fair value adjustment related to acquisition consideration payable (Note 7(a))	–	422
Fair value adjustment and distributions related to long-term investments (Note 5(c))	13,883	1,000
Interest income	1,086	4,239
Other	122	481
	$ 14,504	$ 6,469

Note 16: Expenses by Nature

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Selling, general and administrative		
Employee benefit expense	$ 104,820	$ 103,770
Restructuring expense[1]	7,229	–
Sales and marketing	13,837	13,645
Information technology and facilities	25,401	23,745
Professional fees	16,272	16,031
Fund absorption and other fund costs	16,721	15,871
Other	4,447	1,977
	$ 188,727	$ 175,039

[1] Severance costs related to organizational restructuring, of which $3.0 million remains to be paid in the first quarter of 2016.

Note 17: Employee Benefit Expense

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Salaries and benefits	$ 97,979	$ 98,381
Stock option plans	1,388	1,094
Share purchase plan	1,209	1,169
RSU and PSU plans	3,566	1,629
DSU plan	(290)	(157)
Partners Incentive Plan	968	1,654
	$ 104,820	$ 103,770

Note 18: Stock-based Compensation and Other Stock-based Payments

(a) Stock Option Plans

Under the Company's stock option plans, an additional maximum of 2,293,337 Class B Non-Voting shares could have been granted as at November 30, 2015 (2014 – 3,977,755).

The change in stock options during the years ended November 30, 2015 and 2014 is summarized as follows:

Years ended November 30	2015			2014		
	Options	Weighted average exercise price		Options	Weighted average exercise price	
Class B Non-Voting share options						
Balance, beginning of the period	4,428,542	$	12.86	4,823,331	$	14.37
Options granted	2,465,122		7.16	794,896		11.82
Options forfeited	(111,938)		14.82	(215,228)		16.93
Options expired	(668,766)		11.35	(489,399)		28.38
Options exercised	(10,179)		8.93	(485,058)		8.73
Balance, end of the period	6,102,781	$	10.69	4,428,542	$	12.86

The outstanding stock options as at November 30, 2015 have expiry dates ranging from 2016 to 2022. The following table summarizes additional information about stock options outstanding as at November 30, 2015 and 2014:

November 30, 2015 Range of exercise prices	Number of options outstanding	Weighted average remaining life		Weighted average exercise price	Number of options exercisable		Weighted average exercise price
$0.00 to $8.00	1,915,466	6.5 years	$	6.84	–	$	–
$8.01 to $15.00	2,780,797	4.9		10.03	1,122,747		9.89
$15.01 to $25.00	1,406,518	2.0		17.24	1,300,969		17.35
	6,102,781	4.7 years	$	10.69	2,423,716	$	13.90

November 30, 2014 Range of exercise prices	Number of options outstanding	Weighted average remaining life		Weighted average exercise price	Number of options exercisable		Weighted average exercise price
$8.01 to $15.00	2,803,735	4.6 years	$	10.12	989,846	$	8.90
$15.01 to $25.00	1,589,807	2.8		17.26	1,227,071		17.33
$25.01 to $45.00	35,000	0.2		31.90	35,000		31.90
	4,428,542	3.9 years	$	12.86	2,251,917	$	13.85

During the year ended November 30, 2015, 2,465,122 (2014 – 794,896) stock options were granted. Refer to Note 17 for expenses related to stock options. The fair value of options granted during the year ended November 30, 2015 has been estimated at $0.63 to $1.40 per option (2014 – $1.01 to $1.77 per option) using the Black-Scholes option-pricing model. The following assumptions were used to determine the fair value of the options granted during the years ended November 30, 2015 and 2014:

Years ended November 30	2015	2014
Risk-free interest rate	0.7% – 0.9%	1.4% – 1.6%
Expected dividend yield	3.9% – 6.3%	3.1% – 9.6%
Five-year historical-based expected share price volatility	28.3% – 33.1%	26.9% – 33.3%
Forfeiture rate	5.1% – 5.2%	5.1% – 5.2%
Option term	5.0 years	5.0 years

(b) Other Stock-based Compensation

Other stock-based compensation includes RSUs, PSUs, DSUs and PIP. Refer to Note 17 for a breakdown of these expenses. As at November 30, 2015, the Company recorded a liability of $1.8 million (2014 – $2.3 million) related to other cash-settled stock-based compensation. As at November 30, 2015, the Company recorded contributed surplus of $9.4 million (2014 – $10.3 million), net of tax, related to equity-settled RSUs and PIP. During the year ended November 30, 2014, $6.2 million of the amount recorded in contributed surplus was transferred from liabilities upon conversion of RSU and PIP plans to an equity-settled plan effective February 11, 2014.

The change in share units of RSUs, PSUs and DSUs during the years ended November 30, 2015 and 2014 is as follows:

Years ended November 30	2015	2014
	Number of share units	Number of share units
Outstanding, beginning of the year		
Non-vested	1,662,192	1,311,817
Issued		
Initial grant	847,113	561,529
In lieu of dividends	113,448	142,727
Settled in cash	(111,138)	(40,998)
Settled in equity	(1,120,829)	(4,798)
Expired	–	(4,564)
Forfeited and cancelled	(241,723)	(303,521)
Outstanding, end of the year	1,149,063	1,662,192

Note 19: Interest Expense

(in thousands of Canadian dollars) Years ended November 30	2015	2014
Interest on long-term debt and standby fees	$ 8,690	$ 10,376
Interest on cash flow hedge	1,675	1,366
Unwinding of discount on notes portion of acquisition consideration payable	–	73
	$ 10,365	$ 11,815

Note 20: Income Tax Expense

(a) The following are major components of income tax expense from continuing operations:

(in thousands of Canadian dollars) Years ended November 30	2015	2014
Current income tax		
Current income tax on profits for the year	$ 12,521	$ 21,793
Adjustments in respect of prior years	(54)	38
Accrual with respect to the transfer pricing tax audit	2,714	2,000
Other	235	439
Total current income tax expense	$ 15,416	$ 24,270
Deferred income tax		
Origination and reversal of temporary differences	$ 167	$ (4,308)
Adjustments in respect of prior years	(53)	6
Other	54	80
Total deferred income tax benefit	168	(4,222)
Income tax expense	$ 15,584	$ 20,048

(b) The Company's effective income tax rate for continuing operations is comprised as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Canadian corporate tax rate	26.5%	26.5%
Rate differential on earnings of subsidiaries	(1.0)	(1.1)
Tax-exempt investment income	(7.7)	(4.3)
Accrual with respect to the transfer pricing tax audit	4.2	2.5
Non-deductible expenses	1.5	0.9
Other	0.9	0.8
Effective income tax rate	24.4%	25.3%

The income tax expense related to income from discontinued operations for the year ended November 30, 2015 was nil (2014 – $1.0 million).

(c) The Company's statutory corporate tax rate was 26.5% (2014 – 26.5%).

(d) The tax charged (credited) relating to components of other comprehensive income, excluding discontinued operations, is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Fair value gains on available for sale investments	$ 51	$ 31
Cash flow hedge	212	194
Other	–	(398)
	$ 263	$ (173)

(e) The tax charged (credited) relating to components of equity is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Equity-settled share-based compensation	$ 1,046	$ (14)

Note 21: Earnings per Share

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Numerator		
Net income for the year from continuing operations attributable to the equity holders of the Company	$ 48,328	$ 59,127
Net income (loss) for the year from discontinued operations attributable to the equity holders of the Company	(300)	2,128
Net income for the year attributable to the equity holders of the Company	48,028	61,255
Denominator		
Weighted average number of shares – basic	82,295,595	86,000,437
Dilutive effect of employee stock-based compensation awards	1,288,944	1,384,443
Weighted average number of shares – diluted	83,584,539	87,384,880
Basic earnings per share		
Continuing operations	$ 0.59	$ 0.69
Discontinued operations	–	0.02
	0.59	0.71
Diluted earnings per share		
Continuing operations	$ 0.58	$ 0.68
Discontinued operations	–	0.02
	$ 0.58	$ 0.70

Note 22: Dividends

During the year ended November 30, 2015, the Company paid dividends of $0.51 (2014 – $1.08) per share. Total dividends paid, including dividends reinvested, in the year ended November 30, 2015 were $42.5 million (2014 – $92.9 million). On December 7, 2015, the Board of Directors of AGF declared a quarterly dividend on both the Class A Voting common shares and Class B Non-Voting shares of the Company of $0.08 per share in respect of the three months ended November 30, 2015, amounting to a total dividend of approximately $6.4 million. These consolidated financial statements do not reflect this dividend payable.

Note 23: Related Party Transactions

(a) Key Management Compensation

The Company is controlled by Blake C. Goldring, Chairman and Chief Executive Officer of AGF, through his indirect ownership of all the voting shares of Goldring Capital Corporation, which owns 80% of the Company's Class A Voting common shares. The remaining 20% of the Class A Voting common shares are held by the Vice-Chairman of AGF, who is also a Director.

The remuneration of Directors and other key management personnel of AGF is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2015**	**2014**
Salaries and other short-term employee benefits	$ 6,577	$ 7,995
Share-based payments	1,412	1,370
	$ 7,989	$ 9,365

(b) Agreements with Mutual Funds

Under IFRS, entities are deemed to be related parties if one entity provides key management personnel services to another entity. As such, AGF Investments Inc. is deemed for IFRS purposes to be a related party to AGF Funds (the Funds) since it is the manager of the Funds.

The Company receives management and advisory fees from the Funds in accordance with the respective agreements between the Funds and the Company. In return, the Company is responsible for management and investment advisory services and all costs connected with the distribution of securities of the Funds. A vast majority of the management and advisory fees the Company earned in the years ended November 30, 2015 and 2014 were from the Funds. As at November 30, 2015, the Company had $19.7 million (2014 – $19.4 million) receivable from the Funds. The Company also acts as trustee for the Funds that are mutual fund trusts.

The aggregate unitholder services costs absorbed and management and advisory fees waived by the Company during the year ended November 30, 2015 on behalf of the Funds were approximately $4.7 million (2014 – $3.8 million).

Note 24: Financial Risk Management

(a) Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. In the normal course of business, the Company manages these risks as they arise as a result of its use of financial instruments.

Market Risk

(i) Foreign Exchange Risk
The Company operates internationally and is exposed to foreign exchange risk on its foreign currency denominated financial instruments, of which it has limited use, thus resulting in minimal foreign exchange risk.

(ii) Interest Rate Risk
The Company's cash flow interest rate risk arises due to its floating-rate debt and cash balances. The Company entered into an interest swap to manage interest rate exposure on a portion of its long-term debt. As at November 30, 2015, if interest rates had been 1% higher/lower with all other variables held constant, profit before tax for the year would have been $1.5 million (2014 – $1.9 million) lower/higher, mainly as a result of higher/lower interest expense on floating-rate borrowings.

(iii) Price Risk
The Company is not exposed to commodity price risk. The Company is exposed to equity securities price risk on certain equity securities held by the Company, on certain derivative positions and long-term investments in infrastructure funds. The Company's investments that have price risk include mutual funds managed by the Company of $17.2 million (2014 – $17.7 million), equity securities of $1.8 million (2014 – $1.5 million) and long-term investments of $141.5 million (2014 – $19.7 million) as at November 30, 2015. As at November 30, 2015, the effect of a 10% decline or increase in the value of investments would result in a $15.9 million (2014 – $3.7 million) pre-tax unrealized gain or loss in net income and a $0.1 million (2014 – $0.1 million) pre-tax unrealized gain or loss to other comprehensive income.

Credit Risk

Credit risk arises from cash and cash equivalents, investments, accounts receivable and other assets. Cash and cash equivalents consist primarily of highly liquid temporary deposits with Canadian banks, an Irish bank and non-Irish banks in Ireland, as well as bank term deposits. The Company's overall credit risk strategy and credit risk policy are developed by senior management and further refined at the business unit level, through the use of policies, processes and internal controls designed to promote business activities, while ensuring these activities are within the standards of risk tolerance levels.

Liquidity Risk

The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Capital Management (below) and Note 10. The Company manages its liquidity by monitoring actual and projected cash flows to ensure that it has sufficient liquidity through cash received from operations as well as borrowings under its revolving credit facility. Cash surpluses are invested in interest-bearing short-term deposits and investments with a maturity up to 90 days.

The key liquidity requirements are the funding of commissions paid on mutual funds, dividends paid to shareholders, obligations to taxation authorities, commitments related to investing and the repayment of the Company's long-term debt. The Company is subject to certain financial loan covenants under its revolving credit facility and has met all of these conditions.

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on the remaining period from November 30, 2015 and 2014 to the contractual maturity date.

(in thousands of Canadian dollars) **November 30, 2015**	Demand	1 year or less	1 to 5 years
Accounts payable and accrued liabilities	$ –	$ 69,325	$ –
Provision for Elements Advantage	–	1,412	1,159
Long-term debt	–	–	270,000
Derivative financial instrument	–	1,519	–
Contingent consideration payable	–	–	2,270
Other liabilities	–	–	6,093
Total	$ –	$ 72,256	$ 279,522

(in thousands of Canadian dollars) **November 30, 2014**	Demand	1 year or less	1 to 5 years
Accounts payable and accrued liabilities	$ –	$ 65,961	$ –
Provision for Elements Advantage	–	2,045	1,419
Long-term debt	–	–	310,000
Derivative financial instrument	–	1,291	1,054
Other liabilities	–	–	5,222
Total	$ –	$ 69,297	$ 317,695

(b) Capital Management

The Company's objectives when managing capital are to provide returns for shareholders through the payment of dividends, the repurchase of Class B Non-Voting shares and the reasonable use of leverage while ensuring there is available capital to fund its capital commitments related to the alternative asset management platform.

The AGF Finance Committee is responsible for the management of capital. The AGF Board of Directors is responsible for overseeing the Company's capital policy and management. The Company reviews its three-year capital plan annually. Consistent with others in the industry, the Company monitors capital based on its long-term debt and common shares. Refer to Notes 10 and 13 for additional information.

The Company's long-term debt is subject to certain covenants and the Company was in compliance with these covenants as at November 30, 2015. The Company is not subject to significant regulatory capital requirements in each of the jurisdictions in which it is registered and operates.

(c) Fair Value Estimation

The carrying value of accounts receivable and other assets, accounts payable and accrued liabilities and long-term debt approximate fair value.

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities,

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's assets and liabilities that are measured at fair value at November 30, 2015:

(in thousands of Canadian dollars) **November 30, 2015**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 48,669	$ –	$ –	$ 48,669
AGF mutual funds and other	17,201	–	–	17,201
Equity securities	531	–	–	531
Long-term investments	–	–	140,534	140,534
Available for sale				
Equity securities and term deposits	5,385	–	–	5,385
Loans and receivables				
Canadian government debt – Federal	–	310	–	310
Total financial assets	$ 71,786	$ 310	$ 140,534	$ 212,630
Liabilities				
Financial liabilities at fair value through profit or loss				
Contingent consideration payable	$ –	$ –	$ 1,990	$ 1,990
Derivatives used for hedging	–	1,763	–	1,763
Total financial liabilities	$ –	$ 1,763	$ 1,990	$ 3,753

The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2014:

(in thousands of Canadian dollars) **November 30, 2014**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 261,498	$ –	$ –	$ 261,498
AGF mutual funds and other	17,676	–	–	17,676
Equity securities	544	–	–	544
Long-term investments	–	–	19,671	19,671
Available for sale				
Equity securities	5,304	–	–	5,304
Loans and receivables				
Canadian government debt – Federal	–	308	–	308
Total financial assets	$ 285,022	$ 308	$ 19,671	$ 305,001
Liabilities				
Derivatives used for hedging	$ –	$ 2,628	$ –	$ 2,628
Total financial liabilities	$ –	$ 2,628	$ –	$ 2,628

The fair value of financial instruments traded in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

Level 1 instruments include listed equity securities on major exchanges, investments in AGF mutual funds, highly liquid temporary deposits with an Irish bank and non-Irish banks in Ireland, as well as Singapore bank term deposits.

Level 2 instruments include derivative instruments with major Canadian chartered banks and Canadian federal government debt. The fair value of derivatives used to manage interest rate exposure on deposits and long-term debt is calculated through discounting future expected cash flows using the BA-based swap curve. Since the BA-based swap curve is an observable input, these financial instruments are considered level 2. Canadian federal government debt is measured at amortized cost and its fair value approximates its carrying value due to its short-term nature.

Level 3 instruments include long-term investments related to the alternative asset management platform and contingent consideration payable. Instruments classified in this category have a parameter input or inputs that are unobservable and

that have a more than insignificant impact on either the fair value of the instrument or the profit or loss of the instrument. The fair value of the long-term investments is calculated using the Company's percentage ownership and the fair market value of the investment derived from financial information provided by investees. The fair value of the Company's investment in EIF as at November 30, 2015 has been estimated using the net asset value as calculated by the asset manager of the fund, adjusted to reflect the Company's agreement to limit its initial return to a specified maximum percentage on the portion of its interest that it expects to be sold to new investors upon closing of the fund. The fair value of the Company's investment in the Stream fund is determined using net asset value (NAV) as calculated by the asset manager. If the NAV were to increase or decrease by 10%, the fair value of the Company's long-term investment and pre-tax income would increase or decrease by $2.6 million. Refer to Note 5(c) for additional information.

Contingent consideration payable is determined based on the present value of the expected payment to the sellers of FFCM, if the annualized advisory revenue in 2018 exceeds certain thresholds. Refer to Note 7(b) for additional information.

Contingent consideration receivable was determined based on an early settlement agreement with the purchaser for $10.0 million. During the year ended November 30, 2014, the contingent consideration receivable was transferred from level 3 to level 2 as the amount became fixed and guaranteed upon the signing of the early settlement agreement, at which point it was no longer contingent and thus reclassified to accounts receivable. The amount was settled on June 4, 2014. Refer to Note 6 for additional information.

The following table presents changes in level 3 instruments for the year ended November 30, 2015:

(in thousands of Canadian dollars)	Long-term investments	Contingent consideration payable
Balance at December 1, 2014	$ 19,671	$ –
Purchase of investment, net of return of capital	116,810	–
Fair value adjustment recognized in profit or loss	4,116	–
Fair value based on purchase price allocation	–	1,990
Reclassification of investment	(63)	–
Balance at November 30, 2015	$ 140,534	$ 1,990

The following table presents changes in level 3 instruments for the year ended November 30, 2014:

(in thousands of Canadian dollars)	Long-term investments	Acquisition consideration payable	Contingent consideration receivable
Balance at December 1, 2013	$ –	$ 6,731	$ 6,107
Purchase of investment, net of return of capital	19,754	–	–
Gains and losses recognized in profit or loss	(83)	(350)	28
Gain recognized in profit or loss as discontinued operations[1]	–	–	3,865
Consideration paid	–	(6,381)	–
Reclassification to accounts receivable	–	–	(10,000)
Balance at November 30, 2014	$ 19,671	$ –	$ –

[1] Before taxes of $1.0 million.

There were no transfers into or out of level 1 and level 2 during the year ended November 30, 2015.

Note 25: Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where AGF currently has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, AGF has entered into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the consolidated statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as default or bankruptcy.

The following table presents the recognized financial instruments that are offset or subject to enforceable master netting arrangements or other similar agreements but not offset, as at November 30, 2015 and 2014, and shows what the net impact would be on the Company's consolidated statement of financial position if all set-off rights were exercised:

(in thousands of Canadian dollars) **November 30, 2015**	**Amounts offset**			**Amounts not offset**	**Net**
	Gross asset	Gross liability offset	Net amount presented		
Financial assets					
Cash and cash equivalents (Note 25(a),(b),(c))	$ 579,093	$ (530,424)	$ 48,669	$ 73,639	$ 122,308
Total financial assets	$ 579,093	$ (530,424)	$ 48,669	$ 73,639	$ 122,308
	Amounts offset			**Amounts not offset**	**Net**
	Gross liability	Gross asset offset	Net amount presented		
Financial liabilities					
Long-term debt (Note 25(b))	$ 268,782	$ –	$ 268,782	$ 75,402	$ 344,184
Derivative financial instrument (Note 25(c))	1,763	–	1,763	(1,763)	–
Total financial liabilities	$ 270,545	$ –	$ 270,545	$ 73,639	$ 344,184

(in thousands of Canadian dollars) **November 30, 2014**	**Amounts offset**			**Amounts not offset**	**Net**
	Gross asset	Gross liability offset	Net amount presented		
Financial assets					
Cash and cash equivalents (Note 25(a),(b),(c))	$ 764,689	$ (503,191)	$ 261,498	$ (163,118)	$ 98,380
Total financial assets	$ 764,689	$ (503,191)	$ 261,498	$ (163,118)	$ 98,380
	Amounts offset			**Amounts not offset**	**Net**
	Gross liability	Gross asset offset	Net amount presented		
Financial liabilities					
Long-term debt (Note 25(b))	$ 308,199	$ –	$ 308,199	$ (160,490)	$ 147,709
Derivative financial instrument (Note 25(c))	2,628	–	2,628	(2,628)	–
Total financial liabilities	$ 310,827	$ –	$ 310,827	$ (163,118)	$ 147,709

(a) Based on an agreement with a Canadian chartered bank, certain bank deposits are pooled into one concentration account and offset with bank overdrafts of the Company and its subsidiaries that are part of the pooling agreement. The net amount is included in cash and cash equivalents in the consolidated statement of financial position.

(b) The Company, through its subsidiary AGF Investments Inc. (AGFII), has a loan agreement with two Canadian chartered banks. Based on this agreement, in the event of a default or bankruptcy, the creditors have the right to offset the liability against any deposits of the Company and certain subsidiaries held by the creditors. These cash deposits are recorded under cash and cash equivalents in the consolidated statement of financial position.

(c) The Company, through its subsidiary AGFII, has entered into an interest rate swap transaction with a Canadian chartered bank. Under the terms of this agreement, the swap liability may be offset against AGFII's cash deposits held in the counterparty's bank, which are recorded under cash and cash equivalents in the consolidated statement of financial position. As the swap transaction is with one of the creditors mentioned in Note 25(b), the cash deposits of AGFII held with this creditor have been offset against both financial liabilities in the table above.

Note 26: Contingencies

There are certain claims and potential claims against the Company. None of these claims or potential claims are expected to have a material adverse effect on the consolidated financial position of the company.

The Company believes that it has adequately provided for income taxes based on all of the information that is currently available. The calculation of income taxes in many cases, however, requires significant judgement in interpreting tax rules and regulations. The Company's tax filings are subject to audits, which could materially change the amount of the current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

The Company has several ongoing disputes with the CRA, of which the final result of the audit and appeals process may vary and may be materially different compared to the estimates and assumptions used by management in determining the Company's consolidated income tax provision and in valuing its income tax assets and liabilities.

(a) CRA Audit – Transfer Pricing

During the period November 30, 2013 to November 30, 2015, the Company received five notices of reassessment (NOR) from the CRA for its 2005 through 2009 fiscal years relating to the transfer pricing and allocation of income between one of the Company's Canadian legal entities and a foreign subsidiary. The reassessments would increase the Company's taxes payable from its original tax filings by $53.2 million (before the application of interest and penalties of $29.0 million).

The Company strongly disagrees with the CRA's position and filed various objections to the NOR for the periods 2005, 2006, 2007 and 2008. The Company will also object to the NOR for 2009 in the first quarter of 2016. In connection with the filing of an objection to the NOR for the applicable periods 2005 through 2009, the Company has paid approximately $56.4 million of which $14.5 million was paid (including interest and penalties) during the year ended November 30, 2015 and $2.4 million was paid subsequent to year-end (including interest and penalties) in relation to the 2009 NOR.

In relation to this transfer pricing tax audit, the estimated total exposure based on the CRA's position for years 2005 to 2015 (including interest and penalties and double taxation relief) is $77.4 million. In consultation with its external advisors, the Company believes that its tax filing positions continue to be reasonable based on its transfer pricing methodology and the Company is contesting the CRA's position and any related transfer pricing penalty. The Company believes it is likely that the CRA will reassess its taxes for subsequent years on a similar basis and that these may result in future cash payments on receipt of the reassessments. During the year ended November 30, 2015, the Company has recorded a tax expense of $2.7 million (2014 – $2.0 million) in relation to this transfer pricing audit. The amount of tax provision recorded on the consolidated statement of financial position of $58.8 million (prior to netting the cumulative payments of $54.0 million as at November 30, 2015 and $2.0 million interest relief refunded by the CRA in 2015 with respect to the 2005 through 2007 NOR) reflects management's best estimate on the ultimate resolution of this matter and includes any related estimated interest and penalties for the 2005 to 2015 fiscal years.

Further to the Company's objection to the NOR, the Company is also seeking Competent Authority relief from double taxation under the applicable tax treaty. The Company's provision, which reflects its best estimate of the ultimate resolution of this matter, includes an expected recovery of approximately $14.8 million for the tax years 2005 through 2010. Any relief from double taxation should be granted at the completion of the mutual agreement procedures (MAP) under the applicable tax treaty.

In 2013, the Company was accepted by the CRA into a Bilateral Advance Pricing Arrangement (BAPA) between Canada and the relevant tax authorities to establish the appropriate transfer pricing methodologies for the tax years 2011 through 2016. Under a BAPA, the taxpayer will receive certainty as to its transfer pricing arrangements for the years under consideration, will not be assessed transfer-pricing penalties, and can avoid double taxation on transactions covered by the BAPA according to the provisions of the income tax treaty between Canada and the foreign country.

(b) CRA Audit – Foreign Accrual Property Income

In May 2015, the Company received a proposal letter from the CRA relating to foreign accrual property income (FAPI) earned by its foreign subsidiaries for the 2007 to 2012 fiscal years. The 2007 fiscal year has since been statute-barred and in September 2015, as a result of further review, the CRA has withdrawn its proposal on this issue for the 2008 to 2012 fiscal years. Despite the withdrawal of the proposal letter, the audit for the 2008 to 2012 fiscal years continues. Management continues to believe that its tax position is correct and has not recorded a provision for this issue.

(c) CRA Audit – Acquisition of Tax-Related Benefits

In July 2015, the Company received a NOR from the CRA denying $30.5 million of tax-related benefits acquired and utilized by the Company in the 2005 fiscal year. The NOR would increase the Company's taxes payable from its original tax filings by $10.9 million (before the application of interest and penalties of $9.7 million). The Company strongly disagrees with the CRA's position and has filed an objection to the NOR.

As a result of receiving the NOR, the Company has paid $13.5 million (including interest and penalties) during the year ended November 30, 2015, which was recorded in the income tax receivable on the consolidated statement of financial position. The ultimate outcome of this matter is not yet determinable. In consultation with its external advisors, the Company believes that its tax position is probable of being sustained and, as a result, has not recorded a provision in relation to this matter.

Note 27: Commitments and Guarantees

(a) Commitments

The Company is committed under operating leases for office premises and equipment. The approximate minimum annual cash payments related to the above are as follows:

(in thousands of Canadian dollars) **Years ended November 30**		
2016	$	18,831
2017		15,948
2018		14,244
2019		13,238
2020		7,520
Thereafter		11,941

During the year ended November 30, 2015, AGF entered into an agreement with Citigroup Fund Services Canada Inc. (CFSC) to internalize the Company's transfer agency function from CFSC to AGF. The transition, which will include the transfer of approximately 185 employees from CFSC to AGF, is expected to be completed early in 2016. AGF will not compensate CFSC for the business but will invest approximately $6.0 million of capital for leaseholds, facilities and technology. As part of this transition agreement, AGF also entered into a four-year service agreement with L&T Infotech Financial Services Technologies Inc. (L&T). The agreement with L&T includes a minimum annual revenue commitment of $7.8 million per year. This commitment expires in 2019.

In addition, the Company has allocated $150.0 million to funds and investments associated with the alternative asset management platform. Refer to Note 5(c) for additional information.

(b) Guarantees

The Company, under an indemnification agreement with each of the directors of the Company, as well as directors of the mutual fund corporations, has agreed to indemnify the directors against any costs in respect of any action or suit brought against them in respect of the proper execution of their duties. To date, there have been no claims under these indemnities.

Consolidated 10-year Review

(in thousands of Canadian dollars, except per share amounts) Years ended November 30	IFRS 2015	IFRS 2014	IFRS 2013	IFRS[1] 2012	IFRS 2011
Income (continuing operations)	$ 449,600	$ 464,480	$ 484,535	$ 510,216	$ 585,672
Expenses (continuing operations)[2]	322,440	309,650	320,842	321,218	337,532
EBITDA (continuing operations)[3]	127,160	154,830	163,693	188,998	248,140
Pre-tax income (continuing operations)	63,912	79,175	65,693	58,530	114,681
Net income attributable to equity owners of the Company (continuing operations)	48,028	61,255	22,447	52,260	103,573
EBITDA per share (continuing operations)					
Basic	$ 1.55	$ 1.80	$ 1.86	$ 2.01	$ 2.63
Diluted	1.52	1.77	1.85	1.99	2.61
Earnings per share attributable to equity owners of the Company (continuing operations)					
Basic	$ 0.59	$ 0.69	$ 0.25	$ 0.29	$ 0.80
Diluted	0.58	0.68	0.25	0.29	0.80
Dividends per share	$ 0.51	$ 1.08	$ 1.08	$ 1.08	$ 1.07
Long-term debt[4]	268,782	308,199	307,888	312,309	315,138
Weighted average basic shares	82,295,595	86,000,437	88,163,616	94,117,889	94,295,903
Weighted average fully diluted shares	83,584,539	87,384,880	88,690,410	94,932,213	95,111,318

(in thousands of Canadian dollars, except per share amounts) Years ended November 30	GAAP 2010	GAAP 2009	GAAP 2008	GAAP 2007	GAAP 2006
Income (continuing operations)	$ 512,967	$ 476,022	$ 609,104	$ 678,531	$ 540,052
Expenses (continuing operations)[2]	303,238	293,774	338,782	375,730	326,094
EBITDA (continuing operations)[3]	209,729	182,248	270,322	302,801	213,958
Pre-tax income (continuing operations)	119,000	82,384	101,589	171,064	80,520
Net income attributable to equity owners of the Company (continuing operations)	85,743	74,620	102,020	141,498	80,292
EBITDA per share (continuing operations)					
Basic	$ 2.35	$ 2.05	$ 3.03	$ 3.37	$ 2.40
Diluted	2.33	2.03	2.96	3.32	2.38
Earnings per share attributable to equity owners of the Company (continuing operations)					
Basic	$ 0.96	$ 0.84	$ 1.14	$ 1.57	$ 0.90
Diluted	0.95	0.83	1.12	1.55	0.89
Dividends per share	$ 1.04	$ 1.00	$ 0.95	$ 0.78	$ 0.69
Long-term debt	143,678	143,678	123,740	184,486	56,000
Weighted average basic shares	89,112,595	88,845,141	89,321,964	89,945,162	89,105,541
Weighted average fully diluted shares	90,157,585	89,660,844	91,333,944	91,295,411	89,840,051

[1] Refer to Annual Report 2012 for transition adjustments from GAAP to IFRS.
[2] Includes SG&A, trailing commissions and investment advisory fees.
[3] EBITDA is defined as earnings before interest, taxes, depreciation and amortization.
[4] From 2011 to 2012 includes cash consideration related to the Acuity acquisition.

This report contains forward-looking statements with respect to AGF, including its business operations, strategy, financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause results to differ materially include, among other things, general economic and market factors including interest rates, business competition, changes in government regulations or in tax laws, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time.