AGF MANAGEMENT LIMITED

2018 ANNUAL REPORT

An Independent and Diversified Global Asset Management Firm

As an independent and diversified global asset management firm, AGF brings a disciplined approach to delivering excellence in investment management and to providing an exceptional client experience.

Being an independent firm has allowed AGF to make strategic acquisitions that improve its client service experience and enable the firm to offer new and innovative products, while enhancing its research capabilities.

AGF's suite of diverse investment solutions extends globally to a wide range of clients, from individual investors and financial advisors to institutions, including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

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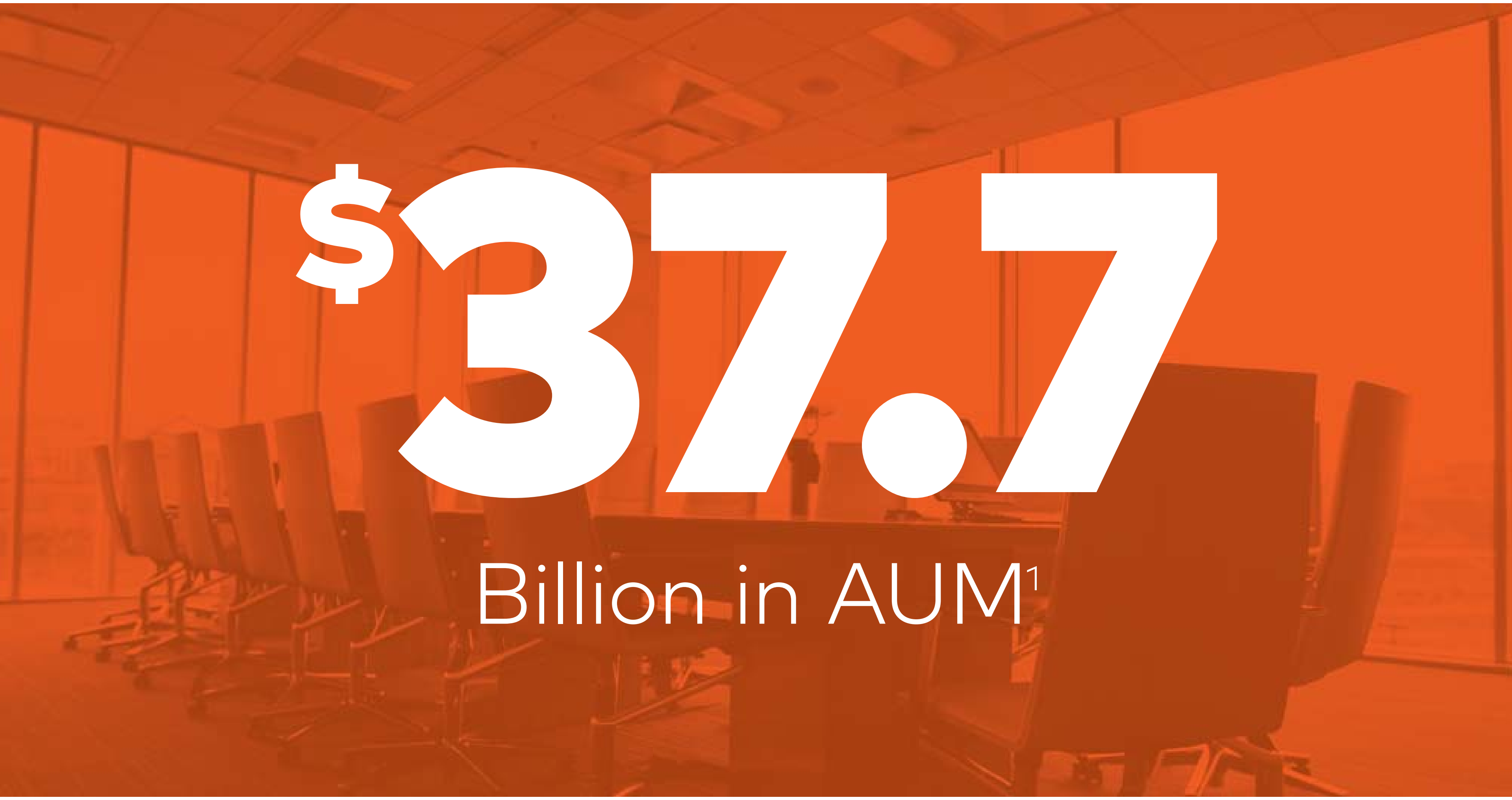


AGF remains focused on delivering strong long-term investment performance and exceptional service.

[1] Amounts presented as at November 30, 2018, and are updated for public disclosure on a quarterly basis. Expressed in Canadian dollars.

Our Strategies are Managed Across Four Key Platforms

As a diversified global asset management firm, AGF has fundamental, quantitative, alternatives and private client investment management businesses.

Fundamental

$24.4

Billion AUM[1]

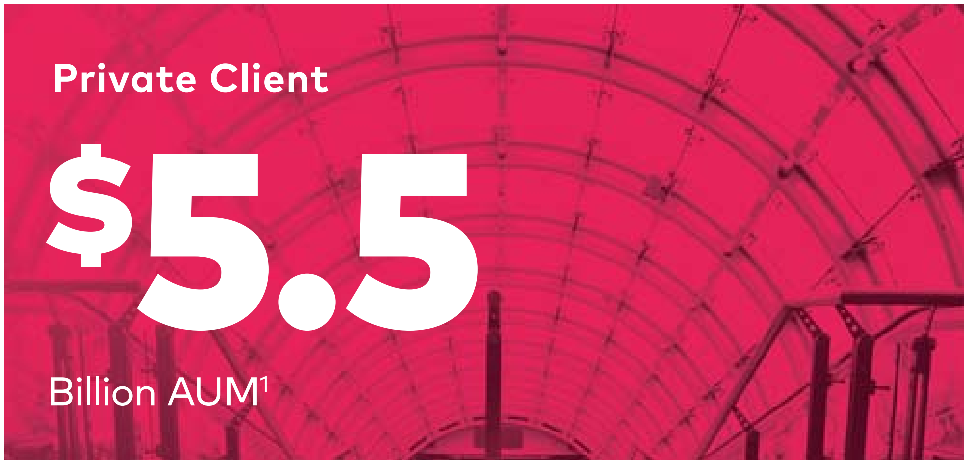
AGF's fundamental actively-managed investment platform includes a broad range of solutions ranging from equities and fixed income to sustainable investing strategies. This platform delivers products to retail and institutional investors as well as strategic partners globally in pursuit of a wide range of investment objectives.

Quantitative

$6.8

Billion AUM[1]

AGFiQ is the quantitative investment platform delivering access to a variety of market exposures ranging from equities, fixed income and sustainable investing solutions to alternatives for retail and institutional investors as well as strategic partners globally. Utilizing disciplined, factor-based approaches allows us to view risk through multiple lenses as we work to achieve our objective of providing better risk-adjusted returns.



AGF's alternatives business includes distinctive investment products like the flagship InstarAGF Essential Infrastructure Fund (EIF) and Stream Asset Financial LP (Stream). In 2014, AGF established a joint venture with Instar Group Inc. (Instar) to form InstarAGF Inc. (InstarAGF), in which the firm holds a 51% economic interest. InstarAGF is an integral element of AGF's alternatives business strategy, an alternative asset management firm with an emphasis on infrastructure in the North American middle market, with the goal of delivering sustainable and attractive returns to investors.

AGF's private client platform – which includes Cypress Capital Management Ltd., Doherty & Associates Ltd. and the private client business of Highstreet Asset Management Inc. – provides investment solutions for high-net-worth individuals, endowments and foundations in key markets across Canada.

Vancouver, BC

Ottawa, ON
Montreal, QC

London, ON

[1] Amounts presented as at November 30, 2018, and are updated for public disclosure on a quarterly basis. Expressed in Canadian dollars.

Financial Highlights

Consolidated 10-year Review (from continuing operations)

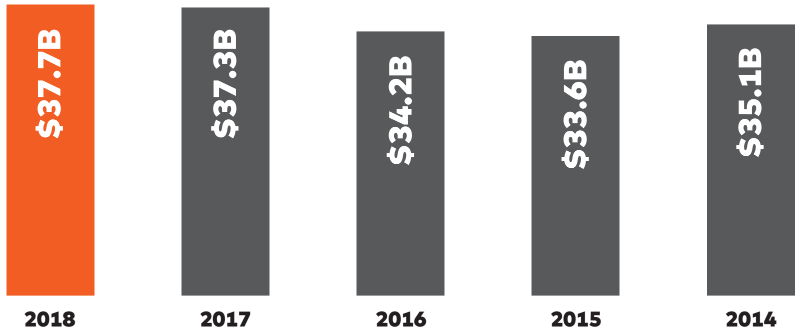
(in millions of Canadian dollars, except per share amounts)		IFRS		IFRS		IFRS		IFRS		IFRS
Years ended November 30		**2018**		**2017**		**2016**		**2015**		**2014**
Income	**$**	**450.2**	$	455.5	$	428.7	$	449.6	$	464.5
Expenses[2]		**343.7**		339.1		319.2		322.4		309.6
EBITDA[3]		**106.5**		116.4		109.5		127.2		154.9
Pre-tax income		**62.5**		61.8		52.7		63.9		79.1
Net income attributable to equity owners of the Company		**73.9**		52.1		42.5		48.3		61.3
Earnings per share attributable to equity owners of the Company										
Basic	**$**	**0.94**	$	0.66	$	0.53	$	0.59	$	0.69
Diluted		**0.92**		0.64		0.53		0.58		0.68
Dividends per share	**$**	**0.32**	$	0.32	$	0.32	$	0.51	$	1.08
Long-term debt[4]	**$**	**188.6**	$	138.6	$	188.2	$	268.8	$	308.2
Weighted average basic shares		**79,292,775**		79,330,190		79,278,876		82,295,595		86,000,437
Weighted average fully diluted shares		**80,637,948**		81,245,279		80,253,600		83,584,539		87,384,880

[1] Refer to Annual Report 2012 for transition adjustments from GAAP to IFRS.
[2] Includes selling, general and administrative (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.

(in millions of Canadian dollars, except per share amounts)	IFRS	IFRS	IFRS	GAAP	GAAP
Years ended November 30	**2013**	**2012[1]**	**2011**	**2010**	**2009**
Income	$ 484.5	$ 510.2	$ 585.7	$ 513.0	$ 476.0
Expenses[2]	320.9	321.2	337.5	303.2	293.8
EBITDA[3]	163.6	189.0	248.1	209.7	182.2
Pre-tax income	66.0	58.5	114.7	119.0	82.4
Net income attributable to equity owners of the Company	22.4	52.3	103.6	85.7	74.6
Earnings per share attributable to equity owners of the Company					
Basic	$ 0.25	$ 0.29	$ 0.80	$ 0.96	$ 0.84
Diluted	0.25	0.29	0.80	0.95	0.83
Dividends per share	$ 1.08	$ 1.08	$ 1.07	$ 1.04	$ 1.00
Long-term debt[4]	$ 307.9	$ 312.3	$ 315.1	$ 143.7	$ 143.7
Weighted average basic shares	88,163,616	94,117,889	94,295,903	89,112,595	88,845,141
Weighted average fully diluted shares	88,690,410	94,932,213	95,111,318	90,157,585	89,660,844

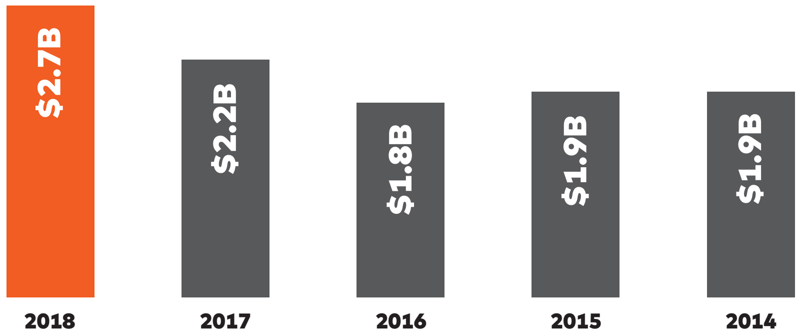
Assets Under Management

$37.7B



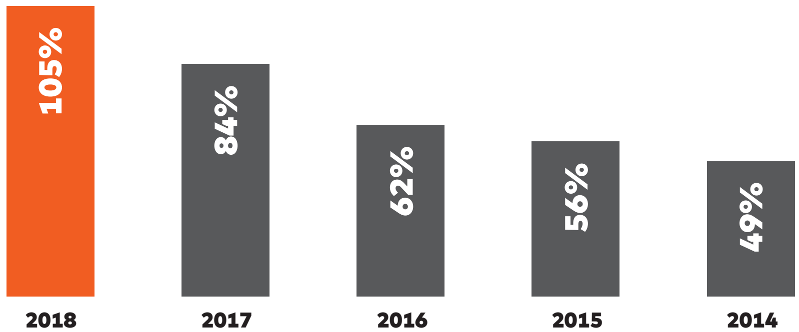
Retail Gross Sales

$2.7B



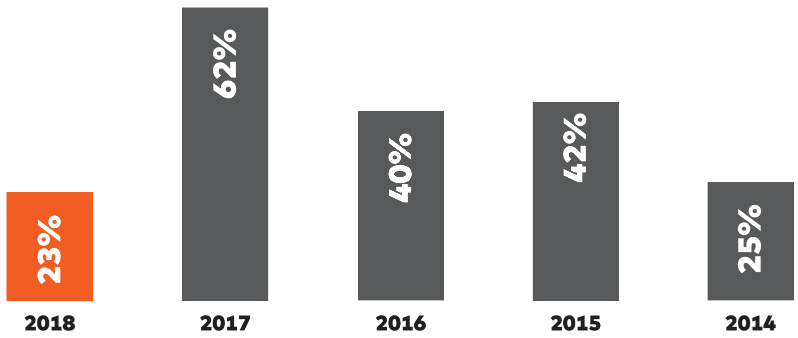
Retail Gross Sales as % of Retail Redemptions

105%



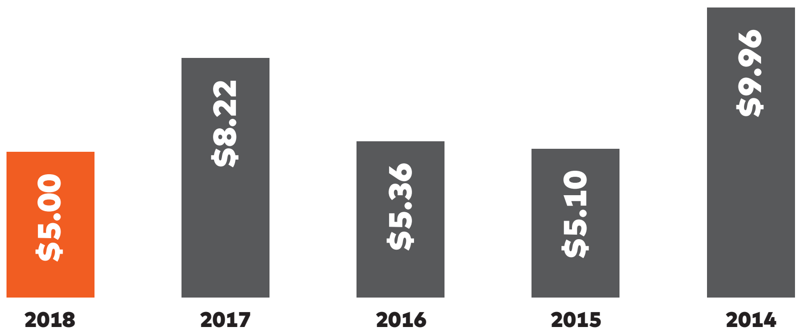
Investment Performance
% Above Median (3-year period)

23%



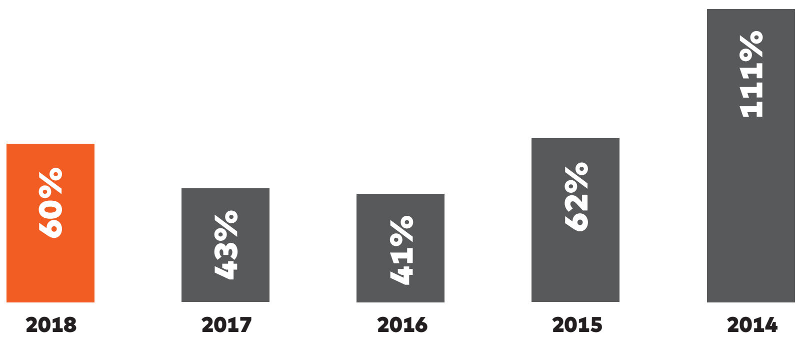
Share Price

$5.00



Dividend Payout Ratio

60%



A Message to Shareholders

Blake C. Goldring
Executive Chairman

In a year that will be remembered for market volatility, political uncertainty and regulatory change, AGF continued to execute against its strategic plan and experienced organic growth across all business lines.

This success can be attributed to a plan we put in place to purposefully diversify our business with thoughtful entries into new markets and enhancements to our investment management capabilities. In a challenging environment, AGF gained momentum, saw real results and achieved key milestones.

In September 2018, AGF announced a leadership transition. After nearly 20 years as CEO, **Blake Goldring** made the decision to transition into a new role as Executive Chairman and **Kevin McCreadie** was named Chief Executive Officer in conjunction with his Chief Investment Officer role.

Blake (BG) and Kevin (KM), recently participated in an interview reflecting on 2018 and looking ahead to 2019.

Looking back at 2018, what was AGF's biggest accomplishment?

BG: At a time when the industry is slowing, we experienced organic growth across all business lines. For the fiscal year ended November 30, 2018, total assets under management (AUM) increased 1.1% to $37.7 billion compared to the same period in 2017.

Mutual fund net sales were $136 million in fiscal 2018, an improvement from net redemptions of $405 million in fiscal 2017, reflecting the Company's continued focus on our clients.

Adjusting for net sales from institutional clients invested in mutual funds, net redemptions in our retail mutual fund business were $59 million in fiscal 2018, compared to net redemptions of $433 million in the prior year.

AGFiQ, our quantitative platform, continued to gain traction in both the retail and institutional space with an AUM of $6.8 billion at end of 2018, up $2 billion versus end of 2017. We launched three new ETFs in Canada, including most recently, AGFiQ's Enhanced Core Global Multi-Sector Bond ETF, which is the first ETF in Canada to use a multi-factor approach to select fixed income securities.

Our alternatives AUM increased 12% in 2018. InstarAGF's latest fund raised considerable capital from institutional investors in Canada, the U.S., Europe and Asia and is expected to reach final close sometime in 2019.

And our private client business continued to be a sure and steady performer with growth in the high single digits.

What strategy did you put in place to improve performance?

BG: We put a strategic plan in place to purposefully diversify across the investment spectrum through organic growth and acquisition. For example, in May 2018 we announced the successful 100% acquisition of FFCM, LLC to further strengthen our quantitative and factor-based investing platform.

Under my leadership tenure, AGF has diversified its footprint from its traditional mutual fund roots to a global asset management firm with strategies managed across key investment platforms – fundamental, quantitative, private client and alternatives.

KM: We know that clients want to do business with investment managers with a global view and presence. They want managers who are not reliant on a single market or product. They want a wide breadth of experience and capabilities that can provide stability through market cycles.

On the investment management side, our improvement is the result of better risk management and process enhancements. We have implemented risk protocols to ensure we are delivering consistent and repeatable results over the long term.

You announced a leadership transition in 2018. Can you provide some insight into that decision?

BG: After nearly 20 years as CEO, I made the decision to transition into a new role as Executive Chairman. Kevin McCreadie was named Chief Executive Officer in conjunction with his Chief Investment Officer role, Judy Goldring was named President and Chief Administration Officer and Chris Jackson was named Chief Operating Officer.

It has always been my personal belief that leadership renewal is a hallmark of great organizations, especially one that has the deep bench strength that AGF does. I take enormous satisfaction in knowing that the firm is positioned for success based on the strategic decisions I have made over nearly two decades.

Why was this the right time to transition?

BG: When I assumed the CEO position in 2000, I set out an aggressive strategy to broaden AGF's business beyond its traditional retail mutual fund roots to become a diversified global asset management firm.

I feel I accomplished what I set out to do for the firm and for myself and the timing was right to transition the leadership to Kevin.

Succession planning began in 2014 when I brought Kevin to the firm as President and CIO. Working closely with the AGFML Board, we identified Kevin as my natural successor, and together we recognized the need for a multi-year on-boarding plan to ensure continued success for the firm as well as Kevin.

This plan gave me the time and opportunity to realize my strategic plan, while ensuring a smooth transition to AGF's next CEO. It also afforded Kevin the necessary time to fully integrate into the culture of AGF.

KM: I would add that these leadership changes demonstrate AGF's commitment to regularly evolving the organization to broaden the team's experience, capitalizing on the depth of our leaders and ensuring ongoing succession planning, while anticipating the needs of our clients and shareholders, and positioning the firm for future growth.

It's an honour to be named CEO at such a dynamic time for our company and industry. I look forward to building on the momentum AGF is experiencing today, while continuing to focus on strengthening our investment management capabilities and global reach and driving growth and profitability throughout the business to deliver long-term value for our clients and shareholders.

Can you describe your new roles and responsibilities?

BG: As Executive Chairman, I will be actively involved in business development and strategic growth opportunities for the firm with a focus on furthering key partner relationships and the evolution of AGF within the alternatives space.

I will also maintain my Board seat at Smith & Williamson – a U.K.-based private client investment management firm with £20 billion in AUM – in which AGF has a 33.6% interest. This firm is performing very well and plans are underway for an IPO in 2020.

This new role will allow me more time to participate in and support a number of other organizations and causes I am passionate about. As a long-standing participant and advocate for the Canadian financial industry and broader community, I have been increasingly balancing my time across a number of private and non-profit organizations.

KM: As CEO, I will be responsible for establishing the mission, vision and strategic direction for the firm, while leading our executive team and the Office of the CIO – a structure established in 2018 to encourage collaboration and active accountability across the investment management team and broader organization.

I will also continue to establish a strong practice of succession planning and leadership development for future talent, while acting as the liaison between the Board and Management of the firm.

Blake, what advice did you share with Kevin as he transitioned to role of CEO?

BG: As we began working through the transition, I let Kevin know that the key to his success in this role will be finding balance, both at AGF and outside of it. As you can imagine, there are many demands associated with the role of CEO. When it comes to work, I think it's important that Kevin surrounds himself with the right people to support the growth of the business. This means turning to the AGF Board, the executive management team and his colleagues for support.

What is AGF focused on for 2019?

KM: We are focused on profitable growth and ensuring our balance sheet is strong. As we continue to experience pressure on our margins, we will focus on controlling and aligning our cost structure, while ensuring our operations are efficient and our sales and service are best-in-class. Of particular importance will be maintaining the trajectory of improvement in retail and establishing institutional as a perennial growth engine.

To accomplish our goals, we will be prioritizing our focus on:

- Delivering above-median investment performance – targeting 50% of our ranked AUM above median over one year and 60% above median over three years; and leveraging AGFiQ (AGF's quantitative investment platform) globally across both retail and institutional client bases;
- Positioning AGF to reach $5 billion in alternative assets, including bringing a subsequent fund to market managed by InstarAGF focused on mid-sized infrastructure assets in Canada and the United States; and
- Reducing our overall expenses to drive further efficiencies within our business.

Finally, in 2018 we continued to reduce our management fees across our MF Series, F Series and high-net-worth series (Q/W). We expanded our preferred pricing offering, allowing eligible investors to automatically benefit from the lowest fee option.

In 2019, we will continue to review our line-up to ensure we have the best presentation of our strengths, while providing our clients with the choice and diversity needed to adapt to the regulatory landscape.

Finally Kevin, as we look ahead, what message would you like to share with AGF shareholders?

KM: As we head into 2019, AGF is well-positioned for success. After years of talking about change – whether it was about the changes we needed to make ourselves or the changes our environment has been making for us – we are prepared.

We are a firm better positioned for where the market is going and now is the time to execute. While others across our industry are playing catch up, we have done the work and we are prepared for what tomorrow will bring. This is thanks to the strategy Blake put in place and of course the hard work and dedication of all employees at AGF.

Kevin McCreadie
Chief Executive Officer and
Chief Investment Officer

Invested in Discipline

Our Approach

At AGF, our approach is defined by three principles. Together, they create a disciplined process that is transparent, repeatable, and deeply woven into our DNA – delivering consistent outcomes for our clients, whatever tomorrow may bring.

Shared Intelligence

Our teams work together to form a global perspective, while maintaining the autonomy required to deliver on distinct investment philosophies.

+

Measured Approach

Our teams diligently apply real-time research, data and analytics across everything we do at AGF, minimizing drastic changes and protecting long-term growth.

+

Active Accountability

Our teams apply consistent processes designed to deliver repeatable results where active management truly equals active expectations.

Differentiated Investment Management Platform

Our investment teams manage a diverse range of investment strategies and are empowered with the latitude to pursue distinct, research-driven investment philosophies and processes.

AGF: Fundamental

Equities

- Global
- Canadian
- United States
- International
- Emerging Markets
- Sustainable
- Income

Asset Allocation

- Managed Solutions – Elements
- Managed Solutions – Harmony
- Balanced Funds

Alternatives

Real Assets:

- Resources
- Precious Metals

Fixed Income

- Canadian Core
- Global Rate Sensitive
- Global Credit
- Emerging Market Debt

AGFiQ: Quantitative

Equities

- Global
- Canadian
- United States
- International
- Emerging Markets
- ESG
- Income

Managed Solutions

- Multi-Asset ETF Strategies

Alternatives

- Infrastructure
- Market Neutral and Long-Short

Fixed Income

- Global Multi-Sector

Investment Stewardship

In 2018, AGF voted at 1,890 public company meetings and voted against the management recommendation on 7.85% of agenda items at shareholder meetings.

We supported 366 shareholder proposals on environmental, social and governance (ESG) issues:

28

Environmental issues

(Climate change, GHG emissions, recycling)

29

Social issues

(human rights, equal employment, drug pricing)

303

Governance issues

(Board independency, remuneration, diversity, lobbying, etc)

6

Overall ESG or Disclosure

At AGF, we believe that sound, forward-thinking practices related to ESG factors will not only help deliver better investment outcomes to our clients but also have a positive influence on the future of our organization.

We believe that consideration of ESG factors into our investment decision-making and ownership practices across platforms will contribute to better investment outcomes and is a necessary component of our fiduciary duty as an asset manager.

All investment professionals at AGF recognize that effective research, analysis and evaluation of ESG issues is a fundamental part of assessing the value and performance of an investment over the medium and longer term and that this analysis should inform asset allocation, security selection, portfolio construction, shareholder engagement and voting. We have seen that integrating ESG factors into investment processes has helped us to identify key risk and return drivers in our portfolios.

In 2015, AGF established our Responsible Investment Policy to formalize our practice of integrating ESG issues into investment decision making, voting and company engagement through active management.

We believe strongly that it is ultimately the responsibility of each investment management team to determine the precise implementation of ESG integration within their own investment processes as it relates to each specific mandate.

Our approach to sustainable investing is defined by three principles – Shared Intelligence, Measured Approach and Active Accountability.

UNPRI Assessment

As a signatory to the United Nations-supported Principles for Responsible Investment (UNPRI), AGF is assessed and scored on our responsible investment activities.

Principles for Responsible Investment

When opportunity presents itself, AGF engages in dialogue where we seek to influence the company's approach on ESG factors that are material and relevant for each specific circumstance. AGF also participates in broader discussions about standards and best practices in responsible investing. We engage with companies and policy makers on a wide range of issues to understand better the quality of the businesses that we invest in and how they are positioned for future challenges, including their approach to ESG issues.

RIA

AGF is a sustaining member of the Responsible Investment Association (RIA), Canada's industry association for responsible investment. AGF's Hyewon Kong is Co-Founder/Chair of RIA's Toronto Responsible Investment (RI) Working Group which enables collaboration and sharing of best practices in responsible investment. She is also a member of RIA's Policy Stewardship Group.

CDP

AGF is a member of CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP is committed to a thriving economy that works for both people and the planet in the long term.

30% Club Canada

As a member of the 30% Club Canada, AGF has near gender parity – with six men and four women – in the Boardroom. The 30% Club encourages and supports companies to appoint more women at the board level as well as senior management levels.

Ceres INCR

As a member of The Ceres Investor Network on Climate Risk and Sustainability, AGF engages and collaborates on environmental, social and governance issues to advance leading investment practices, corporate engagement strategies and policy solutions.

A Message from our President and CAO

Judy Goldring
President and
Chief Administration Officer

Judy Goldring is President and Chief Administration Officer (CAO) of AGF Management Limited. She transitioned to this role in December 2018 and oversees the execution of strategic plans in support of business priorities, counsels the CEO on business planning and provides direction for operational and corporate initiatives.

As a member of the Board of Directors for AGF Management Limited and AGF Mutual Funds, she provides strategic leadership and vision that promotes AGF's long-term growth. Judy is also an integral member of the executive management team where she assists in the development and execution of AGF's strategy.

Judy recently participated in a Q&A to provide insight into her new role and to discuss how AGF creates value for shareholders and the importance of embracing diversity.

What is your focus in your new role as President and Chief Administration Officer?

In this new role I am responsible for driving business and strategic planning, while providing daily oversight of the execution of strategic priorities. Working closely with our CEO, Kevin McCreadie, I will help accelerate profitable growth by ensuring our investment processes are continually optimized, our operations are efficient and our sales and client services functions are best-in-class.

I oversee the firm's Legal & Compliance, Human Resources, Product and Marketing & Communications teams as well as AGF's Private Client businesses: Cypress Capital Management Ltd., Doherty & Associates Ltd. and Highstreet Asset Management Inc. At the same time, I remain committed to looking for opportunities to create value for our shareholders over the long term.

How does AGF create value for shareholders?

We have created value by building excellence in our core business of investment management. In addition to delivering an exceptional client experience, we believe that sound, forward-thinking practices related to environmental, social and governance (ESG) factors is a positive differentiator for AGF. With increasing demands in this space, we have developed products and become a signatory to the United Nations-supported Principles for Responsible Investment (UNPRI).

We recognize that these initiatives create value for shareholders, while allowing AGF to evolve and thrive as a global asset management firm.

What is AGF's approach to sustainable practices?

At AGF, responsible and sustainable practices are more than simply an approach to investing, this thinking shapes our organization at all levels. We believe strongly that responsible and sustainable corporate behavior with respect to ESG factors will have a positive influence on the future of our organization.

We have established a Sustainability Council to provide oversight on our policies, programs and related risks that concern key public policy and sustainability matters, including public issues of significance to AGF and its stakeholders that may affect AGF's business, strategy, operations, performance, and/or reputation.

What is the mandate of the Sustainability Council?

Our mandate covers a wide spectrum. We are evaluating AGF's involvement in national and international initiatives or agreements related to ESG and corporate sustainability matters, while looking for ways to engage in corporate social responsibility that creates a positive impact in the communities in which we operate.

At the same time, the Council is also about our people – retaining the best talent and incorporating inclusion and diversity throughout the organization.

What does diversity mean to AGF?

When it comes to diversity, we believe that smart corporate decision-making requires different points of view, which come from people with diverse backgrounds, experiences and perspectives working together.

For example, we know that diverse boards are good for companies and good for the economy. Our Board is comprised of talented and dedicated directors with a diverse mix of expertise, skills and background. They bring new ideas, different perspectives and distinct voices to help AGF succeed.

We currently have four women and six men – an industry leader at 40% – on our Board, which reflects our commitment to workplace diversity. In fact, the representation of women on our Board has set the tone for hiring practices throughout AGF. With 33% of women in executive roles, we are committed to the advancement of women throughout the firm.

AGF is a member of the 30% Club – an organization that encourages and supports companies to appoint more women at the board level as well as to senior management roles.

Understanding that diversity extends beyond gender, we are committed to looking for opportunities to champion social change and improve diversity across the industry.

A Message from our Chief Operating Officer

Chris Jackson
Chief Operating Officer

Chris Jackson is Chief Operating Officer (COO) at AGF Management Limited. He transitioned to this role in December 2018 and provides strategic leadership and vision to promote AGF's operational effectiveness and long-term growth. Reporting to the CEO, he oversees operations, technology, and fund administration for the firm, supporting AGF's Canadian and global offices. Chris is also a member of the executive management team where he assists in the development and execution of AGF's strategy.

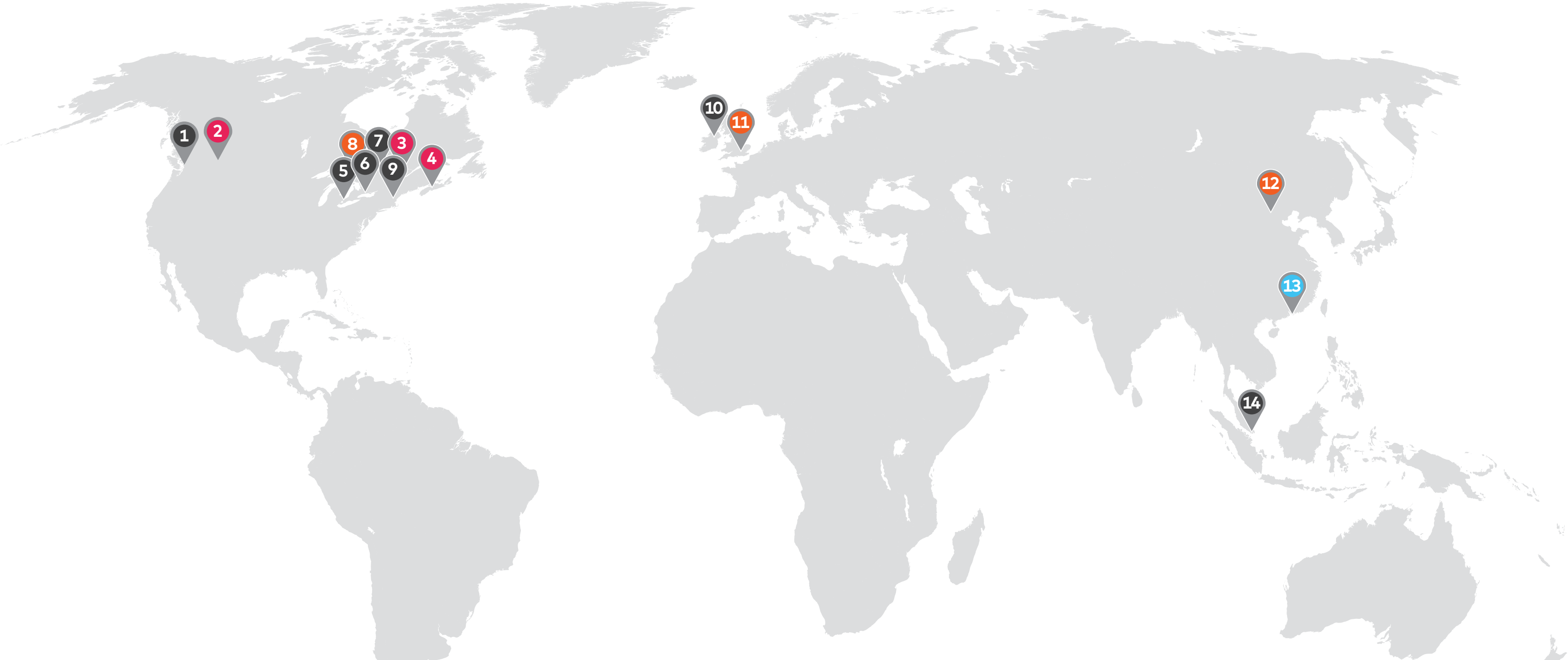
Previously Chris served as Chief Information Officer and Senior Vice President, IT & Operations at AGF Investments Inc. In this role, he was responsible for enhancing AGF's operational performance and strengthening the information technology infrastructure to support the growing business.

He recently discussed his new role as COO and how he will continue to leverage his background in IT to contribute to AGF's strategic goals.

What is your key priority in your new role as COO?

In this new role, my key priority is ensuring that AGF's global operations are working efficiently and effectively, while supporting our business goals.

Our Operational Footprint



1 Vancouver
2 Calgary
3 Montreal
4 Halifax

5 London, ON
6 Toronto (Head Office)
7 Ottawa
8 Mississauga

9 Boston
10 Dublin
11 London, U.K.[1]

12 Beijing[1]
13 Hong Kong
14 Singapore

LEGEND
- Investment Management and Research Office
- Wholesale Office
- Sales and Service Office
- Institutional Business Development

[1] Representative office.

In particular, I am focused on process and efficiency when it comes to AGF's strategic priorities. It is my responsibility to make sure we are directing our resources at the right priorities, that our processes are optimized and that we are delivering an exceptional client and business stakeholder experience in a cost-effective manner.

What do you enjoy about this new role?

What I like about this new role is the ability to take a broader look at our processes across the organization. Sometimes when you look at the work we do through the lens of the standard functional departments you may miss the bigger opportunity for change. Looking more broadly, from the lens of the customer experience, will allow us the opportunity to deliver exceptional value and do so in a very efficient way.

How will your IT experience shape this role?

My background in IT is an important prerequisite to the COO role. Digital transformation has moved from an industry buzz word to a working practice at all leading organizations.

In that context technology is at the heart of everything we do at AGF and will be a key enabler to our strategic goals.

How is technology contributing to AGF's strategic goals? Can you provide any examples?

We are leveraging technology to improve the sales and service experience, to automate operational processes, and to enhance the investment management process.

This is being done to improve insight, operational effectiveness and scalability, all with the goal of promoting long-term growth.

Corporate Governance Practices

AGF is committed to ensuring its corporate governance practices evolve with best practices. Each of its directors is actively engaged in his or her duties as a steward of the corporation, tasked with the protection and promotion of shareholder interests. To help galvanize the alignment of interests, AGF's Board has established a policy that each Board member own at least three times his or her annual retainer in AGF Class B Non-Voting shares and/or Deferred Share Units.

AGF operates in a highly regulated environment and complies with all legislative and regulatory requirements for its businesses. Regulators include securities commissions and regulators of financial institutions in the respective jurisdictions in which AGF operates.

Best practices in Corporate Governance in place at AGF Management Limited

- All three of the Board's committees meet independence guidelines in terms of composition.
- The Board conducts an annual review of its performance, the performance of each of the Board's committees, and the performance of each director.
- All directors are required to own at least three times their annual retainer in AGF Class B Non-Voting shares and/or Deferred Share Units. New directors have 24 months upon appointment to obtain such ownership.
- At each regularly scheduled meeting of the Board and Board committees, time is specifically reserved for independent discussion without management present.
- An orientation and education program is in place for all new directors, as well as a continuing education program for all directors.
- All directors, officers and employees of AGF must acknowledge their adherence annually to AGF's Code of Business Conduct and Ethics.

The Board of Directors

Mandate of the Board

AGF's Board is responsible for the stewardship of the Corporation, including overseeing the conduct of the business and affairs of the Corporation. The Board has a written charter that is reviewed annually. All material relating to the strategic plan, which takes into account the risks and opportunities of the business, is reviewed at least annually by the Board and discussed with management. Any transaction having a significant impact on the strategic plan and other significant decisions that affect the AGF Group of Companies is approved by the Board. It assesses the effectiveness of the Board committees based on reports from the committees. In addition, each director annually completes a Board and Board Committee Effectiveness Evaluation questionnaire and a Self-Assessment questionnaire, the results of which are taken into consideration for the annual election of directors and appointment of Board committee members. The Board appoints the Chief Executive Officer and other executive officers.

The Board meets with senior executives on a regular basis to receive and consider reports on the affairs of the Corporation. The Board expects these reports to be comprehensive, accurate and timely. All material communications to shareholders are approved by the Board. Additionally, the Board reviews and approves annual and interim reports to shareholders, including financial statements and management's discussion and analysis.

Independence from Management

AGF Management Limited's Board has ten directors, the majority of whom are independent from management. The independent directors are: Jane Buchan, Kathleen Camilli, Sarah Davis, Douglas L. Derry, Charles Guay, and G. Wayne Squibb (lead director). Representatives from management on the Board are Blake C. Goldring, W. Robert Farquharson, Judy G. Goldring, and Kevin McCreadie. Blake C. Goldring indirectly owns all of the voting shares of Goldring Capital Corporation, which owns 80% of the voting shares of the Corporation. Blake C. Goldring and Judy G. Goldring are indirect shareholders of Goldring Capital Corporation and are parties to a unanimous shareholders' agreement. W. Robert Farquharson holds 20% of the voting shares of the Corporation.

Blake C. Goldring, C.M., M.S.M., C.D., CFA (2000)
Executive Chairman,
AGF Management Limited

Blake C. Goldring is the Executive Chairman of AGF. He first joined AGF in 1987 and held a series of senior positions before being appointed President in 1997, CEO in 2000, and Chairman in 2006. Prior to that, he worked in corporate banking for a major Canadian bank. Mr. Goldring holds an Honours BA in Economics from the University of Toronto and an MBA from INSEAD in France. He holds the Chartered Financial Analyst designation and is a member of the Toronto Society of Financial Analysts and a Fellow of the Institute of Canadian Bankers. Mr. Goldring sits on a number of private and not-for-profit boards.

In December 2018, he was appointed a Member of the Order of Canada for his contributions to business and philanthropy.

Jane Buchan, PHD, CAIA (2017)
Chief Executive Officer,
Martlet Asset Management LLC

Ms. Buchan is the Chief Executive Officer of Martlet Asset Management, an independent asset management firm focused on liquid alternatives. Until August 1, 2018, she was CEO of PAAMCO. She served as Director and Chairwoman of the Board for the Chartered Alternative Investment Analyst Association (CAIA) until 2018. She also serves as a member of the Board of Directors for Torchmark (NYSE: TMK), is a founding Angel for 100 Women in Finance, is an active board member for Girls Who Invest, is a trustee for the Standards Board of Alternative Investments and she serves on the Advisory Board for the Journal of Alternative Investments.

Kathleen Camilli (2015)
Founder and Principal,
Camilli Economics, LLC

Ms. Camilli is one of the top macro-economic forecasters in the USA. She started her career at the Federal Reserve Bank of NY, was the US economist on the global team at Credit Suisse Asset Management, and the Chief Economist at Tucker Anthony Sutro. Ms. Camilli has served on three public company boards, and is currently an independent director at the UniFirst Corporation (NYSE). She is a strategic advisor to two start-ups, one in social media, and the other in fintech. She is a National Association of Corporate Directors Governance Fellow, a member of Women Corporate Directors, and a member of the National Association for Business Economists. Ms. Camilli has an MBA in Finance/ MA in French Studies from New York University. She has served on the boards of numerous not-for-profit organizations.

Sarah Davis, FCPA, FCA (2014)
President,
Loblaw Companies Limited

As President, Sarah Davis is responsible for the day-to-day operations of Loblaw Companies Limited, Canada's largest retailer. Before taking on this role, Ms. Davis served as Chief Administrative Officer of Loblaw, where she had a broad portfolio of responsibilities including corporate strategy, supply chain, information technology, real estate and human resources. Prior to this, Ms. Davis served as Chief Financial Officer of Loblaw. Ms. Davis was named one of Canada's Most Powerful Women: Top 100 in 2011 by the Women's Executive Network and was executive sponsor of the Women@Loblaw network from 2009 to 2017. Ms. Davis holds an Honours Bachelor of Commerce degree from Queen's University. Currently, Ms. Davis sits on the Board of Directors for PC Financial and is Chair of the Board of PC Children's Charity and T&T Supermarkets.

Douglas L. Derry, FCPA, FCA (2000)
Corporate Director

Douglas Derry is chairman of Poplar Lane Holdings Ltd., a family company. In addition to AGF Management, he currently serves or has recently served as audit committee chair on the board of directors of public, public interest and private companies, including Equitable Life of Canada (2000-2016), Keewhit Investments and closed-end funds administered by Scotiabank. He also serves on the Independent Review Committee of the above funds and others administered by BMO Nesbitt Burns Inc.
A former senior partner in PricewaterhouseCoopers LLP, he has current or past membership on the board of directors of a wide variety of not-for-profit organizations.

Douglas holds an Honours B.A. from the Western University's Ivey School of Business and is a Fellow of Ontario's Institute of Chartered Accountants and Chartered Professional Accountants. He was in 2012 awarded the Queen Elizabeth II Diamond Jubilee Medal.

The date next to each name indicates the year in which that person first became a director.

W. Robert Farquharson, CFA (1977)
Vice-Chairman,
AGF Management Limited

W. Robert (Bob) Farquharson serves as Vice-Chairman at AGF. He joined AGF as an analyst and over a period of 50 years has managed a number of AGF funds and served the Company in senior executive and director roles. Mr. Farquharson earned a Bachelor of Commerce degree from the University of Toronto, holds an honorary LL.D. from the University of Guelph, and holds the Chartered Financial Analyst designation. Mr. Farquharson sits on a number of private and not-for-profit boards.

Judy G. Goldring, LL.B (2007)
President and
Chief Administration Officer,
AGF Management Limited

Judy G. Goldring joined AGF as Vice-President and General Counsel in 1998, became General Counsel and Senior Vice-President, Business Operations, in 2001, and became General Counsel and Senior Vice-President, Law and Corporate Affairs in 2004. In 2009, Ms. Goldring became Executive Vice President, Chief Operating Officer and General Counsel, and in 2011, she became Executive Vice President and Chief Operating Officer. Effective December 1, 2018, she became President and Chief Administration Officer. Before joining AGF, Ms. Goldring specialized in regulatory and administrative law. She earned her LL.B from Queen's University and was called to the Bar in Ontario. Judy sits on the Board of the Investment Funds Institute of Canada (IFIC). She is a member of the Law Society of Upper Canada and the Canadian Bar Association.

Charles Guay (2017)
President & Chief Operating Officer, SuccessFinder

A recognized transformational business leader and builder, Charles was President and Chief Executive Officer of National Bank Securities, Standard Life Canada and Manulife Quebec, where he left an impressive track record. He joined SuccessFinder in September 2018 as President and Chief Operating Officer. He sits on several boards of directors, including Pomerleau and the CHU Sainte-Justine Foundation. He is a recipient of several excellence awards, such as the "Top 40 under 40", the Arista of the Junior Chamber of Commerce of Montreal and the Hermès Career Achievement award of Laval University, from which he graduated in 1994.

Kevin McCreadie (2018)
Chief Executive Officer and
Chief Investment Officer
AGF Management Limited

Kevin McCreadie is Chief Executive Officer (CEO) and Chief Investment Officer (CIO) of AGF Management Limited. In the role of CEO, Mr. McCreadie is responsible for the overall success of AGF, overseeing the firm's mission, vision and strategic direction. He also leads AGF's Executive Management Team and serves as its liaison with AGF's Board of Directors. As CIO, Mr. McCreadie provides direction and leadership to AGF's investment management teams and leads the firm's global institutional business.

Mr. McCreadie brings 35 years of investment management experience to AGF, with extensive expertise in retail and institutional asset management, direct portfolio management and over a decade of combined experience as CIO for two major U.S. financial services firms. He earned an MBA in Finance from the Wharton Graduate School of Business and holds the Chartered Financial Analyst designation.

G. Wayne Squibb (2009)
President and CEO,
Realstar Group and
Lead Director, AGF

G. Wayne Squibb is the co-founder of Realstar Group and has been CEO since 1983. One of the leading real estate investment and management organizations in Canada, Realstar Group is focused on strategic investing in the multi-unit residential rental, hospitality, residential land-lease and sports/entertainment sectors in Canada and the United Kingdom. The company holds the Canadian master franchise rights to the Days Inn, Motel 6 and Studio 6 hotel brands and previously owned and operated Delta Hotels and Resorts. Mr. Squibb serves on a number of not-for-profit and corporate boards.

Committees of the Board

The Board has established three committees: the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee. The key responsibilities under the mandate of each committee are described below. Each Chair, who is an independent director, is responsible for directing the meetings of the committee and for ensuring that the roles and responsibilities of the committee have been met. The Chair of the committee is also responsible for reporting to the Board on those matters that the committee has dealt with since the last regular meeting of the Board. Each committee regularly examines its effectiveness in fulfilling its roles and responsibilities and reports its findings to the Board. The committees may convene meetings without management present whenever the committees feel it is necessary. Each Chair also acts as a liaison between management and the Board.

Committee	Members	Key Responsibilities
Nominating and Corporate Governance Committee	Kathleen Camilli (chair) Jane Buchan Douglas L. Derry Charles Guay G. Wayne Squibb	Review, at least annually, the committee charter as well as the charters of the Board and Board committees and recommend to the Board the adoption of or amendment to such charters. Consider the size and composition of the Board to facilitate effective decision-making and make recommendations to the Board on changes to board composition. Identify, review and make recommendations to the Board regarding new director nominees. Evaluate the contribution of each individual director.
Audit Committee	Douglas L. Derry (chair) Jane Buchan Kathleen Camilli Sarah Davis G. Wayne Squibb	Oversee the integrity of financial reporting. Oversee internal controls and disclosure controls. Oversee the performance of the internal audit function, including the resolution of disagreements between management and the internal auditor regarding internal controls. Oversee adequacy of compliance policies and review reports from regulators. Be directly responsible for the selection, compensation, retention and oversight of the work of the external auditors, including the resolution of disagreements between management and the external auditors. The external auditors report directly to the committee.
Compensation Committee	Sarah Davis (chair) Kathleen Camilli Douglas L. Derry Charles Guay G. Wayne Squibb	Review, assess and oversee the executive compensation policies and programs and monitor the overall effectiveness of the AGF Group's general compensation programs in achieving its strategic objectives. Set performance objectives for the CEO that encourage the AGF Group of Companies' long-term financial success and regularly measure the CEO's performance against these objectives. Review AGF's plans for the CEO's and the executive officers' succession. Review the compensation and performance objectives of all executive officers.

Board of Directors and Executive Officers

Board of Directors

AGF Management Limited
Blake C. Goldring, C.M., M.S.M., C.D., CFA[1]
Jane Buchan, PHD, CAIA
Kathleen Camilli[5]
Sarah Davis, FCPA, FCA[6]
Douglas L. Derry, FCPA, FCA[3]
W. Robert Farquharson, CFA
Judy G. Goldring, LL.B
Charles Guay
Kevin McCreadie
G. Wayne Squibb[7]

Mutual Fund Corporations and Trusts
John B. Newman[3,4]
Louise Anne Morwick, CFA[2]
Paul Hogan
Judy G. Goldring, LL.B
W. Robert Farquharson, CFA
William Donald Cameron, CPA, CA

AGF Asset Management Asia Ltd.
Blake C. Goldring, C.M., M.S.M., C.D., CFA
Dr. Soo Ann Lee
Eng Hock Ong, CFA

AGF International Advisors Company Limited
Blake C. Goldring, C.M., M.S.M., C.D., CFA[2]
Michael C. Brady
Brian Brennan
Viscount Cobham
David M. Kennedy
Richard McGrath

Executive Officers

Blake C. Goldring, C.M., M.S.M., C.D., CFA
Executive Chairman

W. Robert Farquharson, CFA
Vice-Chairman

Kevin McCreadie, MBA, CFA
Chief Executive Officer and
Chief Investment Officer

Adrian Basaraba, CPA, CA, CFA
Senior Vice-President and
Chief Financial Officer

Judy G. Goldring, LL.B
President and
Chief Administration Officer

Chris Jackson
Chief Operating Officer

[1] Executive Chairman of the Board of AGF Management Limited
[2] Chair of the Board
[3] Chair of the Audit Committee
[4] Chair of the Audit Advisory Committee
[5] Chair of the Nominating and Corporate Governance Committee of AGF Management Limited
[6] Chair of the Compensation Committee of AGF Management Limited
[7] Lead Director

A Message from our Chief Financial Officer

Adrian Basaraba
CPA, CA, CFA
Senior Vice President and
Chief Financial Officer

Adrian Basaraba is Chief Financial Officer (CFO) of AGF Management Limited. In this role he oversees AGF's financial management, corporate development, reporting, treasury, taxation and investor relations functions. He is also involved in the development and execution of AGF's overall strategy as a member of the executive management team.

Adrian recently took part in a Q&A to discuss his role and how he's positioning AGF for future growth.

What are your priorities as CFO?

My key priorities are organic growth, containing expenses and driving efficiencies, while continuing to deliver shareholder value.

When it comes to containing expenses and driving efficiencies, we are investing in our internal systems and processes to prepare for changes in market dynamics and customer preferences. These investments will help us reduce our expense base, allowing us to invest in new capabilities and avenues for growth.

In 2019, we have committed to reducing our expenses by 4%. This is part of a process initiated in 2017 to reengineer internal processes and increase resource discipline with an aim to free capacity to invest in new areas of growth. The expense program has included a number of efficiency initiatives as well as the use of automation and digital outreach to clients. We anticipate making some additional changes over the course of the year, prioritizing and focusing resources against our stated strategic imperatives. With targeted investments in areas of future growth and a leaner expense base, AGF will be positioned to take advantage of its operating leverage in a scenario of a market recovery and continued organic growth.

Looking back at 2018 what were some of your key accomplishments?

I'm pleased with everything we accomplished in 2018. We made a lot of progress to position ourselves for profitable growth in the coming years.

We achieved organic growth across all lines of business. In particular, both our retail and institutional businesses finished the year in net sales and showed significant year-over-year improvements.

We reached final resolution of our transfer pricing case and finalized arrangements for the latest infrastructure fund. As well, we reported adjusted diluted earnings per share of $0.64 for the year, which is 21% higher than the prior year.

Finally, we performed favorably on SG&A guidance coming in $2 million lower and have kick-started efficiency initiatives that will result in savings in 2019 and beyond.

How is Finance contributing to AGF's strategic goals? Can you provide any examples?

Finance is integral to the company's efforts to prudently manage expenses, while accelerating growth. The Finance team provides financial and decision support services which allows the executive team to prioritize resource allocations while protecting the capital position and financial health of the company.

One of our strategic imperatives for 2019 is to position AGF to reach $5 billion in alternative assets by 2022. We are exploring all avenues for growth, while prudently managing our capital and liquidity.

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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,' 'estimates,' '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 income, revenues, earnings or growth rates), ongoing business strategies or prospects, fund performance, 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, client-driven asset allocation decisions, 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 general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, technological changes, cybersecurity, catastrophic events, and our ability to complete strategic transactions and integrate acquisitions, and attract and retain key personnel. 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 the 2018 Annual MD&A.

Summary of Annual Results

(from continuing operations)

(in millions of Canadian dollars, except per share amounts) **Years ended November 30**	**IFRS 2018[1]**	**IFRS 2017[2]**	**IFRS 2016[3]**	**IFRS 2015[4]**	**IFRS 2014**
Income	**$ 450.2**	$ 455.5	$ 428.7	$ 449.6	$ 464.5
Expenses[7]	**343.7**	339.1	319.2	322.4	309.6
EBITDA[8]	**106.5**	116.4	109.5	127.2	154.9
Pre-tax income	**62.5**	61.8	52.7	63.9	79.1
Net income attributable to equity owners of the Company	**73.9**	52.1	42.5	48.3	61.3
Earnings per share attributable to equity owners of the Company					
Basic	**$ 0.94**	$ 0.66	$ 0.53	$ 0.59	$ 0.69
Diluted	**0.92**	0.64	0.53	0.58	0.68
Dividends per share	**$ 0.32**	$ 0.32	$ 0.32	$ 0.51	$ 1.08
Long-term debt[9]	**$ 188.6**	$ 138.6	$ 188.2	$ 268.8	$ 308.2
Weighted average basic shares	**79,292,775**	79,330,190	79,278,876	82,295,595	86,000,437
Weighted average fully diluted shares	**80,637,948**	81,245,279	80,253,600	83,584,539	87,384,880

(in millions of Canadian dollars, except per share amounts) **Years ended November 30**	**IFRS 2013[5]**	**IFRS 2012[6]**	**IFRS 2011**	**GAAP 2010**	**GAAP 2009**
Income	$ 484.5	$ 510.2	$ 585.7	$ 513.0	$ 476.0
Expenses[7]	320.9	321.2	337.5	303.2	293.8
EBITDA[8]	163.6	189.0	248.1	209.7	182.2
Pre-tax income	66.0	58.5	114.7	119.0	82.4
Net income attributable to equity owners of the Company	22.4	52.3	103.6	85.7	74.6
Earnings per share attributable to equity owners of the Company					
Basic	$ 0.25	$ 0.29	$ 0.80	$ 0.96	$ 0.84
Diluted	0.25	0.29	0.80	0.95	0.83
Dividends per share	$ 1.08	$ 1.08	$ 1.07	$ 1.04	$ 1.00
Long-term debt[9]	$ 307.9	$ 312.3	$ 315.1	$ 143.7	$ 143.7
Weighted average basic shares	88,163,616	94,117,889	94,295,903	89,112,595	88,845,141
Weighted average fully diluted shares	88,690,410	94,932,213	95,111,318	90,157,585	89,660,844

[1] 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal for Smith & Williamson Holdings Limited (S&WHL), $5.2 million of one-time restructuring and administrative costs, $21.9 million provision release and $2.2 million of interest recovery related to the transfer pricing case.
[2] 2017 includes $10.0 million of income related to a litigation settlement.
[3] 2016 includes a $2.1 million charge in income related to the Company's share of a one-time tax levy for S&WHL and $3.7 million of one-time net expense recovery related to a reversal of a provision from prior years related to Harmonized Sales Tax (HST) offset by fund transition costs.
[4] 2015 includes a $5.7 million distribution related to a crystallization of an asset and a one-time restructuring cost of $7.2 million.
[5] 2013 includes a $25.0 million one-time adjustment to tax provision related to the transfer pricing case.
[6] Refer to Annual Report 2012 for transition adjustments from GAAP to IFRS.
[7] Includes selling, general, and administrative (SG&A), trailing commissions and investment advisory fees.
[8] See "Key Performance Indicators, Additional IFRS and Non-IFRS Measures" section.
[9] From 2011 to 2012 includes cash consideration related to the Acuity acquisition.

Summary of Quarterly Results

(from continuing operations)

(in millions of Canadian dollars, except per share amounts) **Three months ended**		**Nov.30, 2018**		**Aug.31 2018**		**May31, 2018**		**Feb.28, 2018**
Income	**$**	**108.5**[1]	$	116.5	$	114.2	$	110.9
Expenses[6]		**79.8**		84.3		93.6[3]		86.0
EBITDA[7]		**28.7**		32.2		20.6		24.9
Pre-tax income		**17.2**		19.8		11.3[3]		14.1
Net income attributable to equity owners of the Company		**14.7**		20.7[2]		17.0[3]		21.5[4]
Earnings per share attributable to equity owners of the Company								
Basic	**$**	**0.19**	$	0.26	$	0.21	$	0.27
Diluted		**0.19**		0.26		0.21		0.27
Free cash flow[7]		**16.1**		12.8		2.1		10.5
Dividends per share		**0.08**		0.08		0.08		0.08
Long-term debt		**188.6**		168.7		168.6		168.6
Weighted average basic shares		**78,996,510**		79,318,325		79,666,007		79,616,259
Weighted average fully diluted shares		**79,900,283**		80,885,103		81,214,021		81,081,521

(in millions of Canadian dollars, except per share amounts) **Three months ended**		**Nov.30, 2017**		**Aug.31, 2017**		**May31, 2017**		**Feb.28, 2017**
Income	$	120.9[5]	$	110.3	$	117.1	$	107.2
Expenses[6]		87.8		81.7		87.9		81.5
EBITDA[7]		33.1		28.6		29.2		25.7
Pre-tax income		19.8		15.5		16.7		9.8
Net income attributable to equity owners of the Company		17.3		12.3		13.2		9.2
Earnings per share attributable to equity owners of the Company								
Basic	$	0.22	$	0.16	$	0.17	$	0.12
Diluted		0.21		0.15		0.16		0.11
Free cash flow[7]		21.6		16.4		10.4		10.4
Dividends per share		0.08		0.08		0.08		0.08
Long-term debt		138.6		148.5		168.4		198.3
Weighted average basic shares		79,256,388		79,397,164		79,359,653		79,398,426
Weighted average fully diluted shares		81,608,744		81,276,280		80,934,689		80,615,418

[1] November 30, 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal for S&WHL.
[2] August 31, 2018 includes $4.5 million of provision release related to the transfer pricing case.
[3] May 31, 2018 includes $5.2 million of one-time restructuring and administrative costs, $7.4 million of provision release and $2.2 million of interest recovery related to the transfer pricing case.
[4] February 28, 2018 includes $10.0 million provision release related to the transfer pricing case.
[5] November 30, 2017 includes $10.0 million of income related to a litigation settlement.
[6] Includes SG&A, trailing commissions and investment advisory fees.
[7] See 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

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

This Management's Discussion and Analysis (MD&A) is as of January 22, 2019, and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries as at November 30, 2018, compared to November 30, 2017. The MD&A should be read in conjunction with the 2018 Consolidated Financial Statements for the year ended November 30, 2018. 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 and Strategy

Founded in 1957, AGF Management Limited (AGF) is a diversified global asset management firm offering investment solutions to a wide range of clients, from individual investors and financial advisors to institutions, including pension plans, corporate plans, sovereign wealth funds, endowments and foundations. AGF has investment operations and client servicing teams in North America, Europe and Asia. With $37.7 billion in total assets under management as at November 30, 2018, AGF serves more than one million investors. AGF trades on the Toronto Stock Exchange (TSX) under the symbol AGF.B.

AGF holds a 33.6% 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 chartered accountancy firms in the U.K. and its investment management business has over $34.3 billion (£20.2 billion) of funds under management and advice as at November 30, 2018.

AGF, through its subsidiary AGF CustomerFirst Inc. (AGFC), provides fund administration services to the AGF mutual funds.

As an independent firm, AGF brings a disciplined approach to delivering excellence in investment management and providing an exceptional client experience. Being independent has allowed us to improve our client service experience and enabled us to offer new and innovative products, while enhancing our research capabilities. We are committed to delivering best-in-class quality of service, consistent and repeatable investment performance that delivers long-term capital growth with downside protection, and innovative products designed to meet the evolving needs of today's investors.

Our Investment Approach

We aim to deliver consistent and repeatable investment performance, targeting 50% of our AUM above median over one year and 60% of our AUM above median over three years. To ensure we meet these targets, our investment approach is defined by three principles: (1) shared intelligence; (2) a measured approach; and (3) active accountability. These principles are the basis of creating a disciplined process that is transparent and repeatable, delivering consistent outcomes for our clients. Our team of over 65 investment professionals work together to form a global perspective, applying research, data and analytics across everything we do to minimize volatility and protect long-term growth. We promote team-based decision-making, while maintaining the autonomy required to deliver on distinct investment philosophies. Our teams apply consistent processes designed to deliver repeatable results where active management truly equals active expectations. We have dedicated investment professionals who manage risk metrics across AGF's investment platform.

Investment Stewardship

AGF is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). We are committed to the principles of good stewardship and responsible investing is a positive differentiator for AGF. We believe integrating Environmental, Social and Governance (ESG) issues into our investment decision-making and ownership practices across platforms will help deliver better investment outcomes to our clients. AGF's ESG Committee has oversight related to corporate governance and responsible investing matters. Portfolio-level ESG investment risk is monitored and reviewed regularly. AGF also has Sustainability Proxy Voting Guidelines to support sustainable business practices.

Our Investment Strategies

As a diversified global asset management firm, we offer individuals and institutions a broad array of investment strategies through four key investment management platforms as follows:

Fundamental Solutions

AGF's fundamental actively managed platform, with $24.4 billion in AUM, operates under the AGF brand and includes a broad range of investment strategies, including equities, asset allocation and fixed income. Our equities strategies include global, North American, emerging markets and sustainable investment solutions. Our asset allocation strategy offers managed solutions and balanced funds to investors. AGF's Asset Allocation Committee consists of senior investment professionals who analyze and allocate across global bond and equity markets. They provide an active asset allocation outlook for many of AGF's products, including the AGF Elements Portfolios. AGF also offers investor solutions within resources and precious metals. Our fixed-income strategy offers both domestic and global solutions.

Quantitative and Factor-based Solutions

AGF's quantitative and factor-based investing platform, with $6.8 billion in AUM, operates under the AGFiQ Asset Management (AGFiQ) brand. AGFiQ's portfolio and investment management team has over 20 years of experience in quantitative investing and research with a core investment discipline focused on factor-based investing. AGFiQ is grounded in the belief that investment outcomes can be improved by assessing and targeting the factors that drive market returns with the objective to provide better risk-adjusted returns by utilizing a flexible, multi-factor process centred on the principle of viewing risk through multiple lenses. All of its research and analysis is done internally, backed by an investment team with a diverse skill set ranging from scientists to academics to traditional fundamental analysts. The AGFiQ platform provides the capability to deliver complete trading infrastructure to support ETFs and has the ability to offer long and short products in the U.S. market and provide custom solutions within a variety of vehicles.

Private Client

AGF's private client platform, with $5.5 billion in AUM, includes Cypress Capital Management Limited (Cypress), located in Vancouver, Doherty & Associates Ltd. (Doherty), with offices in Ottawa and Montreal, and the private client business of Highstreet Asset Management Inc. (Highstreet), located in London, Ontario. This platform provides investment solutions and services for high-net-worth individuals, endowments and foundations in key markets across Canada.

Alternatives Business

AGF's alternative platform, with $1.0 billion in AUM, includes Stream Asset Financial LP (Stream) and the InstarAGF Essential Infrastructure Fund (EIF). In 2014, AGF established a joint venture with Instar Group Inc. (Instar) to form InstarAGF Asset Management Inc. (InstarAGF), in which AGF holds a 51% economic interest. InstarAGF, which is an integral element of AGF's alternative business strategy, is an alternative asset management firm with an emphasis on essential infrastructure in the North American middle market, with the goal of delivering sustainable and attractive returns to investors. EIF's portfolio includes high-quality infrastructure assets in the energy, utilities, and civil and social infrastructure categories in Canada and the United States. Stream invests in oil and gas infrastructure assets and structured products linked to oil and gas infrastructure investments. As alternative assets continue to grow in prominence and represent a greater proportion of institutional portfolios, AGF is well positioned to deliver the long-duration, risk-adjusted solutions that institutional, retail and high-net-worth investors are seeking to generate predictable cash flow and meet long-dated liabilities.

Our Distribution Channels

Retail and Strategic Accounts

Our sales teams manage a national integrated distribution strategy including advisor and strategic account relationships via regional sales offices across Canada. AGF's wholesaler teams cover over 35,000 external advisors and 200 investment dealers in support of our retail products. We provide products and services to both the Mutual Fund Dealers Association (MFDA) and Insurance Managing General Agent (MGA) advisors, who distribute mutual funds, and Investment Industry

Regulatory Organization of Canada (IIROC) advisors, who offer mutual funds as well as exchange traded investment solutions. Strategic account relationships are often with the same firms that employ advisors. These firms have centralized groups that approve products that can be offered by advisors and control allocations made to subadvisors, such as AGF, within internal products.

We are sustaining net sales by developing new strategic relationships while capitalizing on our existing relationships. We will do this by providing innovative products and solutions around specific needs and delivering consistent and repeatable investment performance. In 2017, we launched our Canadian suite of AGFiQ ETFs and continue to expand this offering, with the launch of three additional ETFs in 2018. We are also committed to providing investors and their advisors with choice. Through our fee-based product offerings, we offer a series of our mutual funds that are suitable for wrap accounts, which are fee-based series typically used by IIROC advisors, to provide advisors and their clients with the product and pricing options that they require.

On June 21, 2018, the Canadian Securities Administrators (the CSA) published proposed rules aimed at enhancing the client-registrant relationship – dubbed the "Client Focused Reforms." These reforms take the form of proposed amendments to National Instrument 31-103 (Registration Requirements, Exemptions and Ongoing Registrant Obligations). The predominant principle behind the proposed amendments is the requirement for registrants to promote the best interests of clients and to put clients' interests first, including with respect to conflicts of interest and suitability determinations. If implemented, these proposed amendments would also enhance registrants' obligations with respect to know-your-client (KYC), know-your-product (KYP) and disclosure obligations. The publication on June 21, 2018 also specified that the Ontario Securities Commission and the Financial and Consumer Services Commission of New Brunswick will not pursue the adoption of an overarching regulatory best interest standard, consistent with all other CSA jurisdictions.

On September 13, 2018, the CSA commenced a comment period (as expected from a June 21, 2018 announcement) with respect to proposed amendments to mutual fund sales practices, including policy changes that would: (a) prohibit investment fund managers from paying upfront sales commissions to dealers, likely to result in the discontinuation of all forms of the deferred sales charge option, and (b) eliminate the payment of trailing commissions through non-advice channels (discounted broker/"order-execution only" channels). In reaction to the CSA's announcement on September 13, 2018, Ontario's Minister of Finance, the Honourable Vic Fedeli, issued a statement indicating that the Ontario government does not agree with the proposals put forward as currently drafted, and that they would work to explore other potential alternatives to ensure "fair, efficient, capital markets and strong investor protections."

As a long-standing participant in the Canadian financial services industry, the Company and its subsidiaries will continue to be an advocate for sound regulatory changes that are grounded in the needs of all investors. The Company strongly believes in upholding the value of advice, preserving investor choice, and limiting the negative effects of unintended consequences. While the impact and outcome of these regulatory proposals remain uncertain for the entire industry, the Company and its subsidiaries will continue to monitor the status of these initiatives, and will actively participate in engagement with the regulators on each of these subjects, including taking the opportunity to provide further input throughout the consultation period(s).

Institutional

AGF's institutional sales team covers North America, Europe and Asia. AGF has strong relationships and markets directly to plan sponsors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations. AGF also has a consultant relations program and has earned buy ratings from a number of major firms. Investment consultants act as gatekeepers in the industry, and advise their clients on issues such as asset allocation and manager selection. This constituency is important, as a buy rating from a major consultant can lead to an increased number of request for proposal (RFP) searches, which in turn enhances the chance of winning new business. Our key competencies in global equities are aligned with the increasing appetite for emerging markets and ESG strategies; and our quantitative investing capabilities are well-positioned to meet the increasing demand for customized factor-based solutions.

Our institutional clients have an option to invest in custom series offerings within our mutual fund products reported under our mutual fund AUM category. Net sales of such investment totalled $194.0 million for the year ended November 30, 2018.[1]

Outlook

The asset management industry continues to face many headwinds but opportunities exist. Investors continue to allocate money to passive strategies and ETFs. Industry sales of long-term mutual funds experienced significant net redemptions in 2018 compared to net sales a year earlier. Margin pressure continues for active managers impacting top line revenue. AGF is well positioned to capitalize on future industry trends. We have focused our efforts and developed capabilities in areas where strong growth is expected – global investing, alternatives, factor-based investing and ETFs. At a time when the industry is in redemptions, we reported net sales across all of our lines of business in 2018.

[1] Net sales in retail mutual funds are calculated as reported mutual fund net sales (redemptions) less non-recurring institutional net sales (redemptions) in excess of $5.0 million invested in our mutual funds

With an aim to maintain our positive trajectory, we target consistent above-median investment performance. Our target is to have 50% of our ranked AUM above median over one year and 60% above median over three years. While there could be volatility in these measures due to short-term factors, our goal is to consistently achieve this target. As at December 31, 2018, 43% (2017 – 22%) of our AUM was above median over one year and 23% (2017 – 62%) of our AUM was above median over three years. Our portfolio has a quality bias due to our disciplined risk management processes. On a three-year basis, such investments have underperformed relative to securities with strong momentum characteristics. We are comfortable with our positioning and believe the quality inherent in our portfolio is appropriate for our investors over the long term given these market conditions.

In response to pricing pressure, we will focus on controlling and aligning our cost structure to support our free cash flow, strengthen our balance sheet and position the firm to provide the capital required to grow our alternative business. Although AGF has been able to continue to garner net sales in this period of disruption, a continued industry downturn and volatile markets could negatively affect our future level of sales.

Operating Highlights

AGF achieved a number of significant milestones while continuing to successfully execute our planned strategy:

- In September 2018, Blake Goldring announced his decision to transition to the role of Executive Chairman for the firm, and together with the Board, to name Kevin McCreadie as the new Chief Executive Officer in conjunction with his Chief Investment Officer role for AGF. Additionally, Judy Goldring was named to President and Chief Administration Officer. These changes were effective December 1, 2018.
- AGF achieved net sales of $478.0 million in the Institutional channel for fiscal 2018.
- AGF launched AGFiQ Enhanced Core Global Multi-Sector Bond ETF (QGB) during the fourth quarter. This is in addition to the launch of AGFiQ Enhanced Global ESG Factors ETF (QEF) and AGFiQ Enhanced Global Infrastructure ETF (QIF) launched earlier in the year to bring the Canadian exchange-listed ETF lineup to 10.
- AGF expanded its preferred pricing offering, allowing eligible investors to automatically benefit from the lowest fee option.
- Achieved final resolution of AGF's transfer pricing case and recognized a $24.1 million tax provision release related to the relief of penalties.
- Repurchased 996,400 Class B Non-Voting shares under the Company's normal course issuer bid during the year for a total cash consideration of $6.0 million.
- AGF's "Invested in Discipline" campaign was recognized with a Canadian Marketing Association (CMA) Award in the Business Impact category.
- AGF announced that the Company will be moving its Toronto headquarters to CIBC SQUARE by 2022.
- On January 11, 2019, AGF committed an additional $75.0 million to a closed-end fund, managed by InstarAGF Asset Management Inc., that invests in North American, middle-market infrastructure.

Assets Under Management

(in millions of Canadian dollars)	Three months ended November 30, 2018	Three months ended August 31, 2018	Three months ended November 30, 2017	Years ended November 30, 2018	Years ended November 30, 2017
Mutual fund AUM (including retail pooled funds),[1] beginning of the period	**$ 19,401**	$ 19,118	$ 18,165	**$ 19,111**	$ 17,774
Gross sales	**718**	594	481	**2,682**	2,196
Redemptions	**(607)**	(603)	(620)	**(2,546)**	(2,601)
Net sales (redemptions)	**111**	(9)	(139)	**136**	(405)
Market appreciation (depreciation) of fund portfolios	**$ (799)**	$ 292	$ 1,085	**$ (534)**	$ 1,742
Mutual fund AUM (including retail pooled funds),[1] end of the period	**$ 18,713**	$ 19,401	$ 19,111	**$ 18,713**	$ 19,111
Average daily mutual fund AUM[1]	**$ 18,382**	$ 18,788	$ 18,220	**$ 18,643**	$ 18,228
Institutional, sub-advisory and ETF accounts AUM, beginning of period	**$ 12,694**	$ 12,823	$ 10,665	**$ 11,782**	$ 10,810
Net change in institutional, sub-advisory and ETF accounts, including market performance	**(219)**	(129)	1,117	**693**	972
Institutional, sub-advisory and ETF accounts AUM, end of the period	**$ 12,475**	$ 12,694	$ 11,782	**$ 12,475**	$ 11,782
Private client AUM	**$ 5,513**	$ 5,714	$ 5,517	**$ 5,513**	$ 5,517
AUM, end of the period	**$ 36,701**	$ 37,809	$ 36,410	**$ 36,701**	$ 36,410
Alternative asset management platform AUM[2]	**$ 1,011**	$ 1,009	$ 902	**$ 1,011**	$ 902
Total AUM, including alternative asset management platform, end of the period	**$ 37,712**	$ 38,818	$ 37,312	**$ 37,712**	$ 37,312

[1] Mutual fund AUM includes retail AUM and institutional client AUM invested in customized series offered within mutual funds.

[2] Represents fee-earning committed and/or invested capital from AGF and external investors held through joint ventures. AGF's portion of this commitment is $150.0 million, of which $115.1 million has been funded as at November 30, 2018, which includes $10.1 million return of capital related to the monetization of its seed assets.

Consolidated Operating Results

(in millions of Canadian dollars, except per share data)	Three months ended November 30, 2018	Three months ended August 31, 2018	Three months ended November 30, 2017	Years ended November 30, 2018	Years ended November 30, 2017
Income					
Management, advisory and administration fees	**$ 98.3**	$ 104.7	$ 102.4	**$ 411.8**	$ 409.9
Deferred sales charges	**1.6**	1.6	1.6	**6.5**	6.9
Share of profit of associate and joint ventures[1]	**7.7**	7.1	3.5	**25.1**	15.2
Fair value adjustments and other income[2]	**0.9**	3.1	13.4	**6.8**	23.5
	108.5	116.5	120.9	**450.2**	455.5
Expenses					
Selling, general and administrative[3]	**48.8**	51.0	56.1	**213.3**	211.0
Trailing commissions	**30.1**	32.6	31.2	**127.0**	125.4
Investment advisory fees	**0.9**	0.7	0.5	**3.4**	2.7
	79.8	84.3	87.8	**343.7**	339.1
EBITDA[4]	**28.7**	32.2	33.1	**106.5**	116.4
Amortization, derecognition and depreciation	**9.8**	10.6	10.6	**39.6**	47.5
Interest expense[5]	**1.7**	1.8	2.7	**4.4**	7.1
Income before income taxes	**17.2**	19.8	19.8	**62.5**	61.8
Income tax expense (benefit)[6]	**2.5**	(0.9)	2.8	**(10.5)**	13.4
Income from continuing operations, net of tax	**14.7**	20.7	17.0	**73.0**	48.4
Income (loss) from discontinued operations, net of tax	**0.4**	–	(0.2)	**0.4**	(0.2)
Net income for the period	**15.1**	20.7	16.8	**73.4**	48.2
Net income (loss) attributable to:					
Equity owners of the Company	**$ 15.1**	$ 20.7	$ 17.1	**$ 74.3**	$ 51.9
Non-controlling interest	**–**	–	(0.4)	**(0.9)**	(3.7)
	15.1	20.7	16.7	**73.4**	48.2
Earnings per share attributable to equity owners of the Company					
Basic earnings per share					
Continuing operations	**$ 0.19**	$ 0.26	$ 0.22	**$ 0.94**	$ 0.66
Discontinued operations	**–**	–	–	**–**	–
	$ 0.19	$ 0.26	$ 0.22	**$ 0.94**	$ 0.66
Diluted earnings per share					
Continuing operations	**$ 0.19**	$ 0.26	$ 0.21	**$ 0.92**	$ 0.64
Discontinued operations	**–**	–	–	**–**	–
	$ 0.19	$ 0.26	$ 0.21	**$ 0.92**	$ 0.64

[1] Three months and year ended November 30, 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal related to S&WHL.
[2] Year ended November 30, 2017 includes $10.0 million one-time litigation settlement.
[3] Year ended November 30, 2018 includes one-time restructuring and administrative costs of $5.2 million.
[4] 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, a defined term under IFRS, are detailed above.
[5] Year ended November 30, 2018 includes $2.2 million reversal of interest expense related to the transfer pricing case.
[6] Three months ended August 31, 2018 includes a reversal of tax provision related to the transfer pricing case of $4.5 million. Year ended November 30, 2018 includes a reversal of tax provision related to the transfer pricing case of $21.9 million.

One-time Adjustments

(in millions of Canadian dollars, except per share data)	Three months ended November 30, 2018	Three months ended August 31, 2018	Three months ended November 30, 2017	Years ended November 30, 2018	Years ended November 30, 2017
EBITDA	**$ 28.7**	$ 32.2	$ 33.1	**$ 106.5**	$ 116.4
Add (deduct):					
One-time restructuring and administrative costs	**–**	–	–	**5.2**	–
One-time S&WHL tax levy reversal	**(1.5)**	–	–	**(1.5)**	–
One-time litigation settlement	**–**	–	(10.0)	**–**	(10.0)
Adjusted EBITDA	**$ 27.2**	$ 32.2	$ 23.1	**$ 110.2**	$ 106.4
Net income from continuing operations attributable to equity owners of the Company	**$ 14.7**	$ 20.7	$ 17.3	**$ 73.9**	$ 52.1
Add (deduct):					
Adjustments to EBITDA from above	**(1.5)**	–	(10.0)	**3.7**	(10.0)
One-time interest expense recovery related to the transfer pricing case	**–**	–	–	**(2.2)**	–
One-time net recovery related to transfer pricing provision	**–**	(4.5)	–	**(21.9)**	–
Tax impact on the adjustments to EBITDA above	**–**	–	1.3	**(1.4)**	1.3
Adjusted net income from continuing operations attributable to equity owners of the company	**$ 13.2**	$ 16.2	$ 8.6	**$ 52.1**	$ 43.4
Adjusted diluted EPS	**$ 0.17**	$ 0.20	$ 0.11	**$ 0.64**	$ 0.53

Income

For the three months and year ended November 30, 2018, income decreased by 10.3% and 1.2%, respectively, over the previous year, with changes in the categories as follows:

Management, Advisory and Administration Fees

Management and advisory fees are directly related to our AUM levels while administration fees are directly related to the number of client accounts and transactions incurred. Management, advisory and administration fees are recognized on an accrual basis. For the three months and year ended November 30, 2018, management, advisory and administration fees were $98.3 million and $411.8 million compared to $102.4 million and $409.9 million in 2017. The increase year-over-year is attributable to growth in our institutional and ETF business, positive markets for part of the year and an increase in average daily retail fund AUM due to improved net sales. These positive effects were partially offset by a declining revenue rate resulting from a trend towards lower fee earning AUM, fee reductions in 2018 and the expansion of our lowest fee offering.

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 revenue was $1.6 million and $6.5 million for the three months and year ended November 30, 2018, compared to $1.6 million and $6.9 million for the same periods in 2017, reflecting redemption levels.

Share of Profit of Associate and Joint Ventures

Share of profit of associate and joint ventures includes earnings from S&WHL as well as our ownership interest in infrastructure joint ventures. These investments are accounted for under the equity method. Share of profit of associates and joint ventures was $7.7 million and $25.1 million for the three months and year ended November 30, 2018, compared to $3.5 million and $15.2 million during the same period in 2017.

For the three months and year ended November 30, 2018, earnings from our 33.6% ownership in S&WHL increased 123.5% and 67.6% to $7.6 million and $24.8 million, compared to $3.4 million and $14.8 million during the same period in 2017 primarily due to improved results at S&WHL and the inclusion of $1.5 million in earnings related to the Company's share of a one-time tax levy provision reversal recorded by S&WHL. Excluding the one-time tax levy provision reversal, the three months and year ended November 30, 2018 earnings increased to $6.1 million and $23.3 million.

For the three months and year ended November 30, 2018, earnings related to our ownership in the joint ventures that manage our infrastructure funds were $0.1 million and $0.3 million (2017 – $0.1 million and $0.4 million). For additional information see Note 5 of the Consolidated Financial Statements.

A breakdown of the share of profit of associate and joint ventures is as follows:

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	**August 31, 2018**	**November 30, 2017**	**November 30, 2018**	**November 30, 2017**
Share of profit of S&WHL[1,2]	**$ 7.6**	$ 7.0	$ 3.4	**$ 24.8**	$ 14.8
Share of profit of joint ventures[3]	**0.1**	0.1	0.1	**0.3**	0.4
	$ 7.7	$ 7.1	$ 3.5	**$ 25.1**	$ 15.2

[1] Three months and year ended November 30, 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision for S&WHL.

[2] Year ended November 30, 2017 includes $3.4 million or charges recorded in investment in associate and joint ventures on the consolidated statement of financial position related to the amortization of the finite life intangible assets associated with the purchase of the investment in S&WHL. The intangibles were fully amortized as at November 30, 2017.

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

Fair Value Adjustments and Other Income

Fair value adjustments and other income include mark to market adjustments related to AGF mutual funds that are held as seed capital investments and fair value adjustments and distributions associated with our long-term investments. Long-term investments include investments in Stream and EIF, which are accounted for at fair value through profit or loss. During the three months and year ended November 30, 2018, we recorded $1.0 million and $5.7 million (2017 – $1.2 million and $5.4 million) as fair value adjustments and income distributions related to our economic interest in the investments in our alternative asset management platform. The amounts recorded as income fluctuate primarily with the amount of capital invested and changes in fair value.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	**August 31, 2017**	**November 30, 2017**	**November 30, 2018**	**November 30, 2017**
Fair value adjustment related to investment in AGF mutual funds[1]	**$ (0.5)**	$ 0.1	$ 0.5	**$ (0.3)**	$ 4.3
Fair value adjustment and distributions related to long-term investments	**1.0**	3.2	1.2	**5.7**	5.4
Interest income[2]	**0.2**	0.1	0.1	**2.0**	0.8
Other[3]	**0.2**	(0.3)	11.6	**(0.6)**	13.0
	$ 0.9	$ 3.1	$ 13.4	**$ 6.8**	$ 23.5

[1] Year ended November 30, 2017 includes $2.8 million gain related to the sale of a short-term investment.

[2] Three months ended and year ended November 30, 2018 include $0.1 million and $1.5 million, respectively, of interest income related to a tax reassessment received related to the transfer pricing case.

[3] Three months and year ended November 30, 2017 include a one-time litigation settlement of $10.0 million.

Expenses

For the three months and year ended November 30, 2018, expenses decreased by 9.1% and increased by 1.4% from the same periods in 2017. Changes in specific categories are described in the discussion that follows:

Selling, General and Administrative Expenses (SG&A)

SG&A decreased by $7.3 million or 13.0% and increased by $2.3 million or 1.1% for the three months and year ended November 30, 2018, compared to the same periods in 2017. Excluding one-time costs, SG&A decreased by $7.3 million and $2.9 million for the three months and year ended November 30, 2018, compared to the same periods in 2017.

A breakdown of the increase is as follows:

(in millions of Canadian dollars)	Three months ended November 30, 2018	Year ended November 30, 2018
Decrease in compensation expenses	$ (3.6)	$ (0.2)
Decrease in other expenses	(3.7)	(2.7)
SG&A decrease before one-time costs	$ (7.3)	$ (2.9)
Increase in one-time costs	–	5.2
Total change in SG&A	$ (7.3)	$ 2.3

The following explains expense changes in the three months and year ended November 30, 2018, compared to the same periods in the prior year:

- Salaries and benefits decreased $3.6 million and $0.2 million primarily due to a decrease in performance and sales-based compensation.
- Other expense decreased by $3.7 million and $2.7 million. The decrease in the quarter is primarily due to timing of sales and marketing, and hardware and software expenditures, and the year-to-date decrease is primarily due to lower professional fees related to consulting, litigation and outsourcing.
- During the year ended November 30, 2018, we recognized $5.2 million related to restructuring costs primarily as a result of a realignment in our retail sales organization, as well as administrative costs related to a change in terms used to calculate fund administration fees.

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 were 0.65% and 0.68% for the three months and year ended November 30, 2018, compared to 0.69% and 0.69% for the same periods in 2017. The decrease in the current quarter is primarily attributable to the impact of a series mix change that occurred in the second half of 2018.

EBITDA and EBITDA Margin (Non-IFRS Measures)

The impact of the above revenue and expense items resulted in EBITDA from continuing operations of $28.7 million and $106.5 million for the three months and year ended November 30, 2018, compared to $33.1 million and $116.4 million for the same periods of 2017. Adjusted EBITDA from continuing operations was $27.2 million and $110.2 million for the three months and year ended November 30, 2018, compared to $23.1 million and $106.4 million for the same periods of 2017.

EBITDA margin was 26.5% and 23.7% for the three months and year ended November 30, 2018, compared to 27.4% and 25.6% in the corresponding period in 2017. Adjusted EBITDA margin was 25.4% and 24.6% for the three months and year ended November 30, 2018, compared to 20.8% and 23.9% in the corresponding periods in 2017. The improved margin is related to increased earnings from our investment in S&WHL.

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 $8.6 million and $34.9 million for the three months and year ended November 30, 2018, compared to $8.5 million and $35.0 million for the same periods in 2017. During the three months and year ended November 30, 2018, we paid $9.1 million and $40.0 million in selling commissions, compared to $8.0 million and $33.8 million in the same periods of 2017. As at November 30, 2018, the unamortized balance of deferred selling commissions financed was $96.1 million (2017 – $91.0 million).

Customer contracts amortization and derecognition decreased $0.1 million and $3.7 million for the three months and year ended November 30, 2018, compared to the same periods in 2017, as a result of a lower carrying value. Customer contracts are immediately expensed upon redemption of the AUM.

Other intangibles amortization and derecognition decreased $0.9 million and $3.8 million for the three months and year ended November 30, 2018, compared to the same periods in 2017, as a result of a lower carrying value.

Depreciation remained flat for the three months ended November 30, 2018 and decreased $0.3 million for the year ended November 30, 2018, compared to the same periods in 2017, as a result of a lower base cost.

Interest expense decreased by $0.8 million and $2.8 million for the three months and year ended November 30, 2018, compared to the same periods in 2017. During the year ended November 30, 2018, a one-time reversal of $2.2 million in interest related to the transfer pricing case was recorded. During the three months ended November 30, 2017, $1.3 million representing interest on certain tax provisions was reallocated from income taxes.

Income Tax Expense

Income tax expense for the three months and year ended November 30, 2018 was an expense of $2.5 million and a recovery of $10.5 million, as compared to an expense of $2.8 million and $13.4 million in the corresponding period in 2017. The estimated effective tax rate for the year ended November 30, 2018 was a recovery of 16.8% (2017 – expense of 21.6%). During the year ended November 30, 2018, the Company recorded a tax contingency recovery of $21.9 million (2017 – expense of $1.5 million) in relation to the Canada Revenue Agency (CRA) transfer pricing audit. Excluding the tax contingencies and the tax effect of the related reversal of interest expense, the estimated effective tax rate for the year ended November 30, 2018 was 19.2% (2017 – 19.1%).

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 an ongoing dispute 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 determining the amounts of its income tax assets and liabilities.

(a) CRA Audit – Acquisition of Tax-related Benefits

In July 2015, the Company received a notice of reassessment (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 $9.0 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 paid $13.5 million (including interest and penalties), $0.1 million and $0.3 million during the years ended November 30, 2015, 2017 and 2018, respectively. The amount was recorded as income tax receivable on the consolidated statement of financial position. 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.

(b) CRA Audit – Transfer Pricing

As previously disclosed in the 2017 Annual Consolidated Financial Statements, the CRA reassessed the Company for additional income as a result of its transfer pricing audit of the Company's 2005 to 2010 taxation years. The Company objected to those reassessments. As well, the Company was accepted by the CRA into a Bilateral Advance Pricing Arrangement (BAPA) between CRA and the tax authority in the foreign jurisdiction to establish the appropriate transfer pricing methodologies for the tax years 2011 through 2016.

On November 2, 2017, the Company reached a settlement with the CRA and the applicable tax authority in the relevant foreign jurisdiction, subject to uncertainties in implementing the settlements. The settlements related to the allocation of income for tax purposes between one of the Company's Canadian legal entities and a foreign subsidiary relating to the 2005 to 2016 taxation years. Taxation years prior to 2005 are statute barred with the CRA.

Under the settlements, the Company accepted the agreements between the CRA and the tax authority in the foreign jurisdiction (i) under the Mutual Agreement Procedure under the relevant tax treaty for the Company's 2005 to 2010 taxation years and (ii) for a Bilateral Advance Pricing Arrangement for the Company's 2011 to 2016 taxation years.

During the year, the Company received tax reassessments reflecting the settlements, including waiver of the transfer pricing penalties, and resolved the uncertainties in implementing the settlements with the CRA.

As a result, the Company received net refunds of $18.2 million, released $24.1 million from its transfer pricing provision (including $21.9 million in tax expense and $2.2 million in reversal of interest expense) and recorded $1.5 million in interest income during the year ended November 30, 2018. The Company expects to receive a refund of the amount paid for transfer pricing penalties of approximately $4.0 million from the CRA, which is netted in the current tax receivable on the consolidated statement of financial position. The transfer pricing matter is resolved. Starting in 2017, the Company implemented transfer pricing methodologies that were consistent with the BAPA settlement.

Net Income

The impact of the above income and expense items resulted in net income from continuing operations attributable to the equity owners of the Company of $14.7 million and $73.9 million for the three months and year ended November 30, 2018, as compared to net income from continuing operations attributable to the equity owners of the company of $17.3 million and $52.1 million in the corresponding period in 2017. Excluding one-time items, the net income from continuing operations attributable to the equity owners of the Company was $13.2 million and $52.1 million for the three months and year ended November 30, 2018, as compared to $8.6 million and $43.4 million for the same period prior year. Refer to the 'One-time Adjustments' section of this MD&A for additional information about the one-time adjustments for the three months and years ended November 30, 2018 and 2017.

Earnings per Share

Diluted earnings per share from continuing operations was $0.19 and $0.92 per share for the three months and year ended November 30, 2018, as compared to earnings of $0.21 and $0.64 per share in the corresponding period of 2017. Adjusted diluted earnings per share from continuing operations was $0.17 and $0.64 per share for the three months and year ended November 30, 2018, as compared to earnings of $0.11 and $0.53 per share in the corresponding period of 2017.

Discontinued Operations

On August 1, 2012, the Company completed its sale of 100% of the shares of AGF Trust. As part of the agreement, 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 expired on October 31, 2017. During the year ended November 30, 2018, the Company reversed a provision resulting in net income of $0.4 million for discontinued operations (2017 – $0.2 million of net loss). As at November 30, 2018, the final amount of the provision was nil (2017 – $0.6 million) as there are no further obligations related to this put option.

Liquidity and Capital Resources

As at November 30, 2018, the Company had total cash and cash equivalents of $46.8 million (2017 – $25.8 million). Free cash flow generated, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, was $16.1 million and $41.4 million for the three months and year ended November 30, 2018, compared to $21.6 million and $58.7 million in the prior periods. During the year ended November 30, 2018, we generated $20.9 million (2017 – used $17.2 million) in cash as follows:

(in millions of Canadian dollars)

Years ended November 30	**2018**	**2017**
Net cash provided by operating activities less amounts received from (paid to) CRA in relation to ongoing tax matters	**$ 39.8**	$ 60.2
Received from (paid to) CRA in relation to transfer pricing settlement process and other tax contingency	**17.9**	(0.1)
Repurchase of shares under normal course issuer bid and purchase of treasury stock for employee benefit trust (EBT)	**(10.7)**	(3.5)
Dividends paid	**(25.1)**	(25.1)
Issuance (repayment) of long-term debt	**50.0**	(50.0)
Interest paid	**(6.2)**	(5.5)
Purchase of long-term investments, net of return on capital	**(29.4)**	2.2
Other, including seed capital	**(15.4)**	4.5
Change in cash and cash equivalents	**$ 20.9**	$ (17.2)

The Company's working capital increased $40.7 million for the year ended November 30, 2018.

Total long-term debt outstanding at November 30, 2018 was $188.6 million (2017 – $138.6 million). The Company's revolving credit facility has a maximum aggregate principal amount of $320.0 million and a $10.0 million swingline facility commitment. As at November 30, 2018, $124.9 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.

Contractual Obligations

The table below is a summary of our contractual obligations at November 30, 2018. See also Notes 11 and 28 of the Consolidated Financial Statements.

(in millions of Canadian dollars)	Total	2019	2020	2021	2022	2023	Thereafter
Long-term debt	$ 190.0	$ –	$ –	$ 190.0	$ –	$ –	$ –
Operating leases	153.2	9.0	8.6	8.3	12.6	9.6	105.1
Purchase obligations	61.1	23.0	20.0	11.1	7.0	–	–
Total contractual obligations	$ 404.3	$ 32.0	$ 28.6	$ 209.4	$ 19.6	$ 9.6	$ 105.1

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 2018, we paid $127.0 million (2017 – $125.4 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, 2018 is $1.7 million, compared to $2.2 million in 2017.
- We have committed $150.0 million under the alternative asset management platform. As at November 30, 2018, $115.1 million (2017 – $86.1 million) of this commitment had been funded with $34.9 million (2017 – $63.9 million) remaining committed capital expected to be funded in 2019.

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. and AGFC are deemed for IFRS purposes to be a related party to AGF Funds (the Funds) since it is the manager and administrator of the Funds, respectively.

The Company receives management, advisory and administration 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, investment advisory, and administration services and all costs connected with the distribution of securities of the Funds. A majority of the management, advisory and administration fees the Company earned in the years ended November 30, 2018 and 2017 were from the AGF Funds. As at November 30, 2018, the Company had $23.4 million (2017 – $17.9 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, 2018 on behalf of the Funds were approximately $13.2 million (2017 – $12.1 million).

Capital Management Activities

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, while ensuring there is available capital to fund our capital commitments related to the alternative asset management platform.

As part of our ongoing strategic and capital planning, the Company regularly reviews its holdings in short- and long-term investments, including its investments in associates and joint ventures, to determine the best strategic use of these assets in order to achieve our long-term capital and strategic goals.

AGF capital consists of shareholders' equity and long-term debt. The Company reviews its three-year capital plan annually while detailing projected operating budgets and capital requirements. AGF is required to submit this plan to AGF's Executive Management Committee for approval prior to seeking Board approval. AGF's Executive Management Committee consists of the Executive Chairman, Chief Executive Officer and Chief Investment Officer, President and Chief Administration Officer, Senior Vice-President and CFO, and Chief Operating Officer. Once approved by the Executive Management 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

An 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, 2018, the Company was in full compliance with the regulatory requirements.

Normal Course Issuer Bid

On February 2, 2018, AGF announced that the TSX had approved AGF's notice of intention to renew its normal course issuer bid (NCIB) in respect of its Class B Non-Voting 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 (EBT) 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. Shares purchased for the EBT are also purchased under the Company's NCIB and recorded as a reduction to capital stock. Under its NCIB, 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 6, 2018 and February 5, 2019, up to 6,124,051 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 6, 2017 and February 5, 2018, up to 4,899,168 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).

During the three months and year ended November 30, 2018, AGF repurchased 611,000 and 996,400 Class B Non-Voting shares for cancellation for a total consideration of $3.4 million and $6.0 million at an average price of $5.64 and $6.05 per share. During the same period of 2017, no shares were repurchased under AGF's normal course issuer bid.

During the three months and year ended November 30, 2018, AGF purchased nil and 696,196 (2017 – 300,000 and 470,000) Class B Non-Voting shares for the EBT for a total consideration of nil and $4.7 million (2017 – $2.4 million and $3.5 million) at an average price of nil and $6.70 per share (2017 – $8.18 and $5.65).

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 credit facility 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	2018[1]	2017	2016	2015	2014
Per share	$ 0.32	$ 0.32	$ 0.32	$ 0.51	$ 1.08

[1] Represents the total dividends paid in April 2018, July 2018, October 2018 and to be paid in January 2019.

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 October 18, 2018 was $0.08 per share.

On December 14, 2018, 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, 2018.

Outstanding Share Data

Set out below is our outstanding share data as at November 30, 2018 and 2017. For additional detail, see Notes 14 and 19 of the Consolidated Financial Statements.

November 30	2018	2017
Shares		
Class A Voting common shares	**57,600**	57,600
Class B Non-Voting shares	**78,260,674**	79,017,813
Stock Options		
Outstanding options	**7,854,300**	7,719,199
Exercisable options	**4,359,690**	4,072,290

Key Performance Indicators, Additional IFRS and Non-IFRS Measures

We measure the success of our business strategies using a number of key performance indicators (KPI), which are outlined below. With the exception of income, the following KPIs are non-IFRS measures, which are not defined under IFRS. They should not be considered as an alternative to or comparable with net income attributable to equity owners of the Company or any other measure of performance under IFRS. Non-IFRS measures may not be comparable with similar measures presented by other companies.

Income

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

We derive our income principally from a combination of:

- Management and advisory fees directly related to AUM from our retail, institutional and private client lines of businesses,
- Effective October 1, 2018, fund administration fees are based on a fixed transfer agency administrative fee. Prior to October 1, 2018, fund administration fees were based on the number of client accounts and transactions incurred,
- DSC earned from investors when mutual fund securities sold on a DSC basis are redeemed,
- 33.6% equity interest in S&WHL, and
- General partnership interest and long-term investments in the alternative asset management platform.

EBITDA and Adjusted EBITDA

We define EBITDA as earnings before interest, taxes, depreciation and amortization and adjusted EBITDA as EBITDA net of one-time provisions and adjustments. EBITDA is a standard measure used in the mutual fund industry by management, investors and investment analysts to understand and compare results among participants. We believe this is an important measure as it allows us to assess our investment management businesses without the impact of non-operational items.

The following table outlines how our EBITDA measures are determined:

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	August 31, 2018	November 30, 2017	**November 30, 2018**	November 30, 2017
Income from continuing operation, net of tax	**$ 14.7**	$ 20.7	$ 17.0	**$ 73.0**	$ 48.4
Adjustments:					
Amortization, derecognition and depreciation	**9.8**	10.6	10.6	**39.6**	47.5
Interest expense	**1.7**	1.8	2.7	**4.4**	7.1
Income tax expense (benefit)	**2.5**	(0.9)	2.8	**(10.5)**	13.4
EBITDA	**$ 28.7**	$ 32.2	$ 33.1	**$ 106.5**	$ 116.4
Other one-time adjustments:					
One-time restructuring and administrative costs	**$ –**	$ –	$ –	**$ 5.2**	$ –
One-time S&WHL tax levy reversal	**(1.5)**	–	–	**(1.5)**	–
One-time litigation settlements	**–**	–	(10.0)	**–**	(10.0)
Adjusted EBITDA	**$ 27.2**	$ 32.2	$ 23.1	**$ 110.2**	$ 106.4

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in our alternative asset management platform and general corporate purposes. We define free cash flow 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. We believe free cash flow is a relevant measure in our operations since a substantial amount of cash is spent on upfront deferred sales commission payments.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	August 31, 2018	November 30, 2017	**November 30, 2018**	November 30, 2017
Net income for the period	**$ 15.1**	$ 20.7	$ 16.8	**$ 73.4**	$ 48.2
Adjusted for net (income) loss from discontinued operations, non-cash items and non-cash working capital balances	**8.7**	(0.9)	13.1	**(15.7)**	11.9
Net cash provided by operating activities	**$ 23.8**	$ 19.8	$ 29.9	**$ 57.7**	$ 60.1
Adjusted for:					
Net changes in non-cash working capital balances related to operations	**(4.3)**	(3.6)	(5.6)	**6.0**	(0.4)
Taxes paid (received) related to transfer pricing audit and other tax contingencies	**(0.1)**	–	–	**(17.9)**	0.1
Interest paid	**(1.9)**	(1.7)	(1.5)	**(6.2)**	(5.5)
Prior years' cash taxes paid (refunded) and anticipated cash taxes to be refunded (paid) related to current year	**(1.4)**	(1.7)	(1.2)	**1.8**	4.4
Free cash flow	**$ 16.1**	$ 12.8	$ 21.6	**$ 41.4**	$ 58.7

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 income. We define EBITDA margin as the ratio of EBITDA from continuing operations to income. Please see the EBITDA and Adjusted EBITDA section of this MD&A for a reconciliation between EBITDA and net income.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	August 31, 2018	November 30, 2017	**November 30, 2018**	November 30, 2017
EBITDA	**$ 28.7**	$ 32.2	$ 33.1	**$ 106.5**	$ 116.4
Divided by income	**108.5**	116.5	120.9	**450.2**	455.5
EBITDA margin	**26.5%**	27.6%	27.4%	**23.7%**	25.6%

Adjusted EBITDA Margin

We define adjusted EBITDA margin as the ratio of adjusted EBITDA from continuing operations to income. Please see the EBITDA and Adjusted EBITDA section of this MD&A for a reconciliation between adjusted EBITDA and net income.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	August 31, 2018	November 30, 2017	**November 30, 2018**	November 30, 2017
Adjusted EBITDA	**$ 27.2**	$ 32.2	$ 23.1	**$ 110.2**	$ 106.4
Divided by adjusted income	**107.0**	116.5	110.9	**448.7**	445.5
Adjusted EBITDA margin	**25.4%**	27.6%	20.8%	**24.6%**	23.9%

Net Debt to EBITDA Ratio

Net debt to EBITDA ratio provides useful information to management and investors as an indicator of its leverage capabilities. We define the net debt to EBITDA ratio as long-term debt offset against cash and cash equivalents at the end of the period divided by the 12-month trailing EBITDA from continuing operations for the period.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2018**	August 31, 2018	November 30, 2017	**November 30, 2018**	November 30, 2017
Net debt	**$ 141.8**	$ 135.7	$ 112.8	**$ 141.8**	$ 112.8
Divided by EBITDA (12-month trailing)	**106.4**	110.8	116.6	**106.4**	116.6
Net debt to EBITDA ratio	**133.3%**	122.5%	96.7%	**133.3%**	96.7%

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, private client relationships and alternative asset management platform. AUM will fluctuate in value as a result of investment performance, sales and redemptions and crystallization of long-term investments. 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)

Retail gross sales and redemptions are monitored separately and the sum of these two amounts comprises retail net sales (redemptions). Retail 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 private client and alternative businesses separately. We do not compute an average daily AUM figure for them.

Significant Accounting Policies

Accounting Standards Issued but Not Yet Applied

The following standards and interpretations have been issued, but are not yet effective for the November 30, 2018 reporting periods and have not been early adopted by the Company.

IFRS 9 Financial Instruments:

IFRS 9 Financial Instruments (IFRS 9) was issued by the IASB in July 2014 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 addition, the IASB 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 is effective for financial years commencing on or after January 1, 2018 and is to be applied retrospectively, though providing comparative information is not compulsory.

Under IFRS 9, financial assets are classified as either fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost and financial liabilities are categorized as either FVTPL or amortized cost. For financial liabilities designated as fair value through profit or loss, IFRS 9 requires the presentation of the effects of changes in the liability's credit risk in other comprehensive income instead of net income.

The application will result in the following changes:

- Certain equity instruments of $0.5 million currently classified as available for sale will be designated as FVTOCI.
- Term deposit of $4.2 million currently classified as available for sale will be reclassified to FVTPL.

The classification of all other assets and liabilities are consistent with previous classification under IAS 39. The changes in classification do not have an impact on the Company's consolidated financial statements.

The Company will adopt IFRS 9 effective December 1, 2018, and will elect not to restate its comparative information, as permitted by the transitional provisions within IFRS 9. Under this approach, the Company will recognize transitional adjustments in retained earnings on the date of initial application. The Company will recognize a reduction to retained earnings of $0.3 million related to S&WHL's adoption of IFRS 9, which resulted in an increased provision for expected credit losses.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 Revenue from Contracts with Customers (IFRS 15) was issued by the IASB in May 2014 and will replace prior guidance, including IAS 18 Revenue, which covers accounting for revenue arising from contracts with customers. The new standard is based on the principle that revenue is recognized at an expected amount of consideration in exchange for transferring promised goods or services to a customer.

IFRS 15 outlines various criteria for eligibility of capitalizing contracts costs. Costs associated with obtaining a contract should be capitalized, while costs associated with the fulfillment of a contract should be expensed. The determination of whether the customer is the investment fund or the individual investor impacts whether costs are capitalized or expensed. Currently, commissions paid on sales of deferred sales charge mutual funds (DSC commissions) are capitalized and amortized over the redemption period. The Company has determined the investment fund is its customer and thus the DSC commissions paid do not qualify as an incremental cost of acquiring its fund contracts and should be expensed under IFRS 15.

IFRS 15 specifies that consideration paid to customers is accounted for as part of the transaction price unless the payment is in exchange for a distinct good or service. The Company has determined certain fee waivers and reimbursements made to the funds are within the scope of IFRS 15 and should be accounted for as part of the transaction price. These payments are currently recorded in selling, general and administration expenses. Upon adoption of IFRS 15, these payments will be netted against management, advisory and administration fees.

The Company will adopt the new standard on December 1, 2018 and will elect not to restate its comparative information, as permitted by the transitional provisions within IFRS 15. Under this approach, the Company will recognize transitional adjustments in retained earnings on the date of initial application. The Company will recognize a reduction to retained earnings of $70.6 million related to the derecognition of previously recognized deferred sales commissions and the related deferred tax liability.

Impact of Adopting IFRS 9 and 15:

The application of IFRS 9 and 15 as at December 1, 2018 will result in the following changes to retained earnings:

(in thousands of Canadian dollars)	Retained earnings
Balance at November 30, 2018, prior to application of IFRS 9 and 15	$ 447,060
Derecognition of deferred sales commissions, net of accumulated depreciation and derecognition	(96,085)
Decrease in deferred income tax liability	25,479
Decrease in investment in S&WHL	(321)
Total transitional adjustments	(70,927)
Balance at December 1, 2018, subsequent to application of IFRS 9 and 15	$ 376,133

The following table shows the impact of IFRS 15 on the consolidated financial statement of net income for the year ended November 30, 2018. There will be no impact on the consolidated financial statement of net income in relation to IFRS 9.

(in thousands of Canadian dollars, except per share data) **Year ended November 30**	**2018**	**IFRS 15 adjustments**	**IFRS 15 2018**
Total income[1]	$ 450,203	$ (12,210)	**$ 437,993**
Expenses			
Selling, general and administration[1]	213,334	(12,210)	**201,124**
Amortization and derecognition of deferred sales commissions	34,921	(34,921)	**–**
Deferred selling commissions paid	–	40,043	**40,043**
All other expenses	139,447	–	**139,447**
Total expenses	387,702	(7,088)	**380,614**
Income before income taxes	**62,501**	**(5,122)**	**57,379**
Income tax expense (benefit)	(10,492)	(1,357)	**(11,849)**
Income from continuing operations, net of tax	72,993	(3,765)	**69,228**
Income from discontinued operations, net of tax	360	–	**360**
Net income for the year	**$ 73,353**	**$ (3,765)**	**$ 69,588**
Net income (loss) attributable to:			
Equity owners of the Company	$ 74,284	$ (3,765)	**$ 70,519**
Non-controlling interest	(931)	–	**(931)**
	$ 73,353	$ (3,765)	**$ 69,588**
Earnings (loss) per share attributable to:			
Basic earnings per share			
Continuing operations	$ 0.94	$ (0.05)	**$ 0.89**
Discontinued operations	–	–	**–**
	$ 0.94	$ (0.05)	**$ 0.89**
Diluted earnings per share			
Continuing operations	$ 0.92	$ (0.05)	**$ 0.87**
Discontinued operations	–	–	**–**
	$ 0.92	$ (0.05)	**$ 0.87**

[1] Adjustment relates to fee waivers and fund reimbursements.

The application of IFRS 9 and 15 will not result in any changes to the consolidated statement of comprehensive income or cash flow.

IFRS 2 Share-based Payment:

The IASB issued amendments to IFRS *2 Share-based Payment* that address the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for financial years commencing on or after January 1, 2018. The amendments are applied prospectively, but retrospective application is permitted if certain criteria are met. The Company has determined there is no material impact on its consolidated financial statements.

IFRS 16 Leases:

IFRS 16 Leases (IFRS 16) was issued by the IASB in January 2016 and will replace IAS 17 Leases. The standard requires lessees to recognize a lease liability and a 'right-of-use asset' for most lease contracts. IFRS 16 is effective for financial years commencing on or after January 1, 2019. 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. The Company is in the process of assessing the impact of IFRS 16 on its consolidated financial statements.

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments:

The IASB issued IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments in June 2017. IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments, including whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances. The interpretation is applicable for financial years commencing on or after January 1, 2019. The Company is in the process of assessing the impact of IFRIC Interpretation 23 on its consolidated financial statements.

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 the higher of its fair value less cost to sell (FVLCTS) and its value in use (VIU). In certain instances, the Company uses a discounted cash flow methodology to estimate these amounts. 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 19 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 27 of the Consolidated Financial Statements for further details.

(d) Fair Value Estimates of Level 3 Financial Instruments

The fair value estimates of the Company's level 3 financial instruments may require management to make judgements and estimates that can affect the amounts recognized in the Consolidated Financial Statements. Such judgements and estimates include parameter inputs that are unobservable and have an impact on the fair value of the instrument. Refer to Note 25 of the Consolidated Financial Statements for further details.

In addition, 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. Refer to the 'Discontinued Operations' section of this MD&A for additional information.

Market Capitalization

AGF's market capitalization is $395.0 million as compared to its recorded net assets of $972.4 million as at November 30, 2018. During the year ended November 30, 2018, the company completed its annual impairment test on its goodwill and indefinite life intangibles. Based on the result of the assessment, the recoverable amount of each of AGF's cash-generating units (CGU) exceeded its carrying value as at November 30, 2018. 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.

Risk Factors and Management of Risk

Risk is the responsibility of the Executive Management Committee. The Executive Management Committee is made up of the Executive Chairman; the Chief Executive Officer (CEO) and Chief Investment Officer (CIO); the Chief Financial Officer (CFO); the Chief Operating Officer; and the President and Chief Administration Officer. The Executive Chairman 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 the Executive Management Committee and the Board of Directors. Plans for addressing the key risks are developed by management and agreed to and monitored by the Executive Management Committee and the Internal Audit Department. Quarterly, the Internal Audit Department provides a status report on ERM to the Board of Directors.

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

The Company's main foreign exchange risk derives from the U.S. and international portfolio securities held in the AGF funds. Changes 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. Using average balances for the year, the effect of a 5% change in the Canadian dollar in relation to underlying U.S. and international AUM held in the AGF funds would have resulted in a corresponding change of approximately $1.1 billion in AUM for the year ended November 30, 2018. In general, for every $1.0 billion reduction of AUM, management fee revenues would decline by approximately $11.9 million.

The Company is 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 statement of financial position 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 statement of financial position date. Unrealized translation gains and losses are reported in other comprehensive income. Based on the carrying value at November 30, 2018, a 5% change in the value of the Canadian dollar versus the U.K. pound would have resulted in a change in other comprehensive income of $5.4 million.

Interest Rate Risk

The Company has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances. 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 2018 would have resulted in a corresponding change of approximately $1.9 million in interest expense for the year ended November 30, 2018.

At November 30, 2018, approximately 17% of AGF's retail assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. A 1% change in interest rates would have resulted in a corresponding change of approximately $0.5 million in revenue for the year ended November 30, 2018.

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 and long-term investments in infrastructure funds. The Company's investments that have price risk include investments in mutual funds managed by the Company, equity securities and long-term investments. As at November 30, 2018, the effect of a 10% decline or increase in the value of investments would have resulted in a $12.9 million pre-tax unrealized gain or loss in net income and a nil impact on pre-tax unrealized gain or loss to other comprehensive income.

Political and Market Risk in Assets Under Management

AGF performance and assets under management are impacted by financial markets and political conditions, including any political change in the United States, Europe and abroad. Changes in these areas may result in significant volatility and decline in the global economy or specific international, regional and domestic financial markets, which are beyond the control of AGF. 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 $16.6 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	2018	2017
Domestic equity funds	**18.1%**	13.5%
U.S. and international equity funds	**45.1%**	50.6%
Domestic balanced funds	**3.0%**	7.9%
U.S. and international balanced funds	**6.1%**	5.1%
Domestic fixed-income funds	**6.6%**	10.5%
U.S. and international fixed-income funds	**20.5%**	11.7%
Domestic money market	**0.6%**	0.7%
	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 $4.3 million.

Credit Risk

The Company is exposed to the risk that third parties, including clients, who owe AGF money, securities or other assets will not perform their obligations. 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. 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 deferred selling commissions paid on mutual funds, dividends paid to shareholders, obligations to taxation authorities, investment-related commitments in the alternative asset management platform, 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. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined under Capital Management Activities. 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 or 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 and 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. Reduced access or the loss of key strategic partners could materially affect sales and revenue.

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.

Reputation Risk

Reputation risk is the risk of negative publicity regarding our business conduct or practices which, whether true or not, could significantly damage AGF's reputation, resulting in lost revenue, increased costs or destruction of shareholder value. Reputational risk could result from operational errors, poor performance, unfavourable regulatory sanctions, litigation, cyber-attacks, or employee misconduct. While AGF mitigates this risk through a corporate-wide Code of Conduct policy, governance practices, risk-management programs, business continuity planning, a cybersecurity program and corporate policies, there can be no assurance that unauthorized or unsuccessful activities could occur resulting in damage to AGF's reputation.

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.

In addition, there are uncertainties involved in the introduction of new products and services, including technical requirements, operational controls and procedures, compliance with regulatory requirements, and shifting market preferences. The development and introduction of new products and services may require ongoing support and investment. A failure to manage the risks involved in the implementation of new products and services may lead to operational lapses, increased capital requirements, and competitive alternatives, which could adversely affect AGF's standing, market share or investment performance relative to its competitors and negatively impact the business, financial condition or operating results of AGF.

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.

On June 21, 2018, the Canadian Securities Administrators (the CSA) published proposed rules aimed at enhancing the client-registrant relationship – dubbed the "Client Focused Reforms." These reforms take the form of proposed amendments to National Instrument 31-103 (Registration Requirements, Exemptions and Ongoing Registrant Obligations). The predominant principle behind the proposed amendments is the requirement for registrants to promote the best interests of clients and to put clients' interests first, including with respect to conflicts of interest and suitability determinations. If implemented, these proposed amendments would also enhance registrants' obligations with respect to know-your-client (KYC), know-your-product (KYP) and disclosure obligations. The publication on June 21, 2018 also specified that the Ontario Securities Commission and the Financial and Consumer Services Commission of New Brunswick will not pursue the adoption of an overarching regulatory best interest standard, consistent with all other CSA jurisdictions.

On September 13, 2018, the CSA commenced a comment period (as expected from a June 21, 2018 announcement) with respect to proposed amendments to mutual fund sales practices, including policy changes that would: (a) prohibit investment fund managers from paying upfront sales commissions to dealers, likely to result in the discontinuation of all forms of the deferred sales charge option, and (b) eliminate the payment of trailing commissions through non-advice channels (discounted broker/'order-execution only' channels). In reaction to the CSA's announcement on September 13, 2018 Ontario's Minister of Finance, the Honourable Vic Fedeli, issued a statement indicating that the Ontario government does not agree with the proposals put forward as currently drafted, and that they would work to explore other potential alternatives to ensure "fair, efficient, capital markets and strong investor protections."

As a long-standing participant in the Canadian financial services industry, the Company and its subsidiaries will continue to be an advocate for sound regulatory changes that are grounded in the needs of all investors. The Company strongly believes in upholding the value of advice, preserving investor choice, and limiting the negative effects of unintended consequences. While the impact and outcome of these regulatory proposals remain uncertain for the entire industry, the Company and its subsidiaries will continue to monitor the status of these initiatives, and will actively participate in engagement with the regulators on each of these subjects, including taking the opportunity to provide further input throughout the consultation period(s).

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 Risk

Strategic risk is the potential for negative impacts as a result of AGF's ability to execute its strategic plan or correctly identify strategic priorities. The key strategic risk is the risk that management fails to anticipate, and respond to, changes in the business environment, including product demand, regulatory changes and competition. AGF's performance is directly affected by the financial market and business conditions, including applicable laws. These are beyond the control of AGF; however, AGF's risk management process includes the ongoing review and assessment of industry and economic trends and changes. Strategies are then designed to effectively respond to any anticipated changes, including identifying acquisition opportunities, developing new business lines, introducing new products, and implementing cost control strategies.

In addition, 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 and/or effectively integrate such acquisitions into existing operations and attain the expected benefits. 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, cyber and network liability insurance and general commercial liability insurance. There can be no assurance that (i) a claim or claims will not exceed the limits of available insurance coverage, (ii) any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost, or (iii) 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 and Cybersecurity Risk

The Company 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, the Company (and each of its affiliates, subsidiaries and funds) are exposed to information technology events, through cybersecurity breaches, which could potentially have an adverse impact on their business. In general, a cybersecurity breach can result from either a deliberate attack or an unintentional event, and may arise from external or internal sources.

Cybersecurity breaches include, but are not limited to, unauthorized access to the Company's digital information systems (e.g.,. through 'hacking' or other malicious software code) for the purpose of misappropriating assets or sensitive information (e.g.,. personal securityholder information), corrupting data, equipment or systems, or causing operational disruption. Cybersecurity breaches could cause the Company or the funds to be in violation of applicable privacy and other laws, and incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or reimbursement, and/or financial loss. In addition, substantial costs may be incurred to prevent any cyber incidents in the future.

Cyber incidents affecting the funds and/or their service providers (including, but not limited to, a fund's portfolio manager, sub-advisor(s), transfer agent, and custodian) have the ability to interfere with the funds' ability to calculate their net asset value, and impede trading, the ability of securityholders to transact business with the funds, and the ability of the funds to process transactions including redemptions. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions.

While the funds and the Company have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due to the ever-changing nature of technology and cybersecurity attack tactics, and the possibility that certain risks have not been identified. Furthermore, although the Company has vendor oversight policies and procedures, it cannot control the cybersecurity plans and systems put in place by its service providers or any other third party whose operations may affect the Company, funds or their securityholders. As a result, the Company, funds and their securityholders could be negatively affected.

Environmental, Social and Governance Risk

Environmental, social and governance (ESG) risk is the risk that an ESG issue associated with a client, transaction, product, supplier, investment, joint venture, or activity to create a risk of loss of financial, operational, legal and/or reputational value to AGF. AGF Investments Inc. and InstarAGF Asset Management Inc. are each signatories to the United Nations Principles for Responsible Investment (PRI). Under the PRI, investors formally commit to incorporate ESG issues into their investment processes. AGF Investments Inc. and InstarAGF Asset Management Inc. regularly review their investment processes and underlying investments as they pertain to ESG issues.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human interaction or external risks. AGF is exposed to a broad range of operational risk, including information technology and system failures, processing and execution errors, third-party service failures, business disruption, theft and fraud. Operational risks can result in significant financial loss, reputational damage or regulatory action.

AGF's business leaders are responsible for the management of the day-to-day operational risks. Operational risks related to people and processes are mitigated through internal policies and controls. Oversight of risks and the ongoing evaluation of effectiveness of controls are provided by AGF's Compliance and Internal Audit Departments. The Company has business continuity plans and vendor oversight policies in place to support the sustainment, management and recovery of critical operations and processes in the event of a business disruption.

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, 2018, 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, 2018, 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.

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, 2018, the Company's 2018 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedar.com.

Management's Responsibility for Financial Reporting

Toronto, January 22, 2019

The accompanying consolidated financial statements of AGF Management Limited (the Company) were prepared by management, who are 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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.

Chief Executive Officer & Chief Investment Officer

Senior 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, 2018 and November 30, 2017 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, as issued by the International Accounting Standards Board, 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, 2018 and November 30, 2017 and their financial performance and their cash flows for the years then ended, in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants
January 22, 2019
Toronto, Canada

Consolidated Statement of Financial Position

(in thousands of Canadian dollars)

November 30	Note	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents		$ **46,791**	$ 25,842
Investments	4	**28,912**	18,551
Accounts receivable, prepaid expenses and other assets	5, 24	**52,910**	47,549
Income tax receivable	21, 27	**415**	–
		129,028	91,942
Investment in associate and joint ventures	5	**117,295**	104,642
Long-term investments	5	**105,377**	75,362
Management contracts	8	**689,759**	689,759
Customer contracts, net of accumulated amortization and derecognition	8	**675**	1,520
Goodwill	8	**250,830**	250,830
Other intangibles, net of accumulated amortization and derecognition	8	**863**	1,085
Deferred selling commissions, net of accumulated amortization and derecognition	8	**96,085**	90,963
Property, equipment and computer software, net of accumulated depreciation	9	**11,012**	11,141
Deferred income tax assets	12	**1,646**	2,622
Income tax receivable	27	**13,919**	13,610
Other assets		**1,192**	–
Total assets		$ **1,417,681**	$ 1,333,476

(in thousands of Canadian dollars)

November 30	Note	2018	2017
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10, 19	**$ 73,317**	$ 69,995
Income tax liability	27	**–**	6,680
Provision for Elements Advantage	13	**948**	1,317
		74,265	77,992
Long-term debt	11	**188,605**	138,612
Deferred income tax liabilities	12	**173,371**	171,077
Provision for Elements Advantage	13	**721**	921
Other long-term liabilities	19	**8,296**	10,655
Total liabilities		**445,258**	399,257
EQUITY			
Equity attributable to owners of the Company			
Capital stock	14	**474,319**	478,883
Contributed surplus	19	**41,277**	40,453
Retained earnings	7	**447,060**	405,345
Accumulated other comprehensive income	15	**9,767**	12,076
		972,423	936,757
Non-controlling interest	7	**–**	(2,538)
Total equity		**972,423**	934,219
Total liabilities and equity		**$ 1,417,681**	$ 1,333,476

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

Approved by the Board:

Kevin McCreadie, CFA, MBA
Director

Douglas L. Derry, FCPA, FCA
Director

Consolidated Statement of Income

(in thousands of Canadian dollars) **Years ended November 30**	**Note**		**2018**		**2017**
INCOME					
Management, advisory and administration fees		**$**	**411,822**	$	409,905
Deferred sales charges			**6,535**		6,888
Share of profit of associate and joint ventures	5		**25,092**		15,190
Fair value adjustments and other income	5, 16		**6,754**		23,460
			450,203		455,443
EXPENSES					
Selling, general and administrative	17		**213,334**		211,034
Trailing commissions			**126,990**		125,352
Investment advisory fees			**3,442**		2,667
Amortization and derecognition of deferred selling commissions	8		**34,921**		34,994
Amortization and derecognition of customer contracts	8		**845**		4,575
Amortization and derecognition of other intangibles	8		**222**		4,008
Depreciation of property, equipment and computer software	9		**3,616**		3,890
Interest expense	20		**4,332**		7,124
			387,702		393,644
INCOME BEFORE INCOME TAXES			**62,501**		61,799
Income tax expense (benefit)					
Current	21		**(13,513)**		13,760
Deferred	12, 21		**3,021**		(401)
			(10,492)		13,359
Income from continuing operations, net of tax			**72,993**		48,440
Income (loss) from discontinued operations, net of tax	6		**360**		(249)
NET INCOME FOR THE YEAR		**$**	**73,353**	$	48,191
Net income (loss) attributable to:					
Equity owners of the Company		**$**	**74,284**	$	51,858
Non-controlling interest	7		**(931)**		(3,667)
		$	**73,353**	$	48,191
EARNINGS PER SHARE FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY					
Basic earnings per share					
Continuing operations	22	**$**	**0.94**	$	0.66
Discontinued operations	22		**–**		–
		$	**0.94**	$	0.66
Diluted earnings per share					
Continuing operations	22	**$**	**0.92**	$	0.64
Discontinued operations	22		**–**		–
		$	**0.92**	$	0.64

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

Consolidated Statement of Comprehensive Income

(in thousands of Canadian dollars) Years ended November 30	2018	2017
NET INCOME FOR THE YEAR	**$ 73,353**	$ 48,191
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Cumulative translation adjustment		
Foreign currency translation adjustments related to net investments in foreign operations	**(2,804)**	4,073
	(2,804)	4,073
Net unrealized and realized gains (losses) on investments		
Unrealized gains	**495**	344
Reclassification of realized gain to earnings	**–**	(2,197)
Total other comprehensive gains (losses), net of tax	**$ (2,309)**	$ 2,220
COMPREHENSIVE INCOME	**$ 71,044**	$ 50,411
Comprehensive income (loss) attributable to:		
Equity owners of the Company	**$ 71,975**	$ 54,078
Non-controlling interest	**(931)**	(3,667)
Net comprehensive income	**$ 71,044**	$ 50,411

All items presented in other comprehensive income (loss) will be reclassified to the consolidated statement of income (loss) in subsequent periods.
(The accompanying notes are an integral part of these Consolidated Financial Statements.)

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, 2016	$ 477,290	$ 40,591	$ 379,202	$ 9,856	$ 906,939	$ 1,129	$ 908,068
Net income (loss) for the year	–	–	51,858	–	51,858	(3,667)	48,191
Other comprehensive income (net of tax)	–	–	–	2,220	2,220	–	2,220
Comprehensive income (loss) for the year	–	–	51,858	2,220	54,078	(3,667)	50,411
Issued through dividend reinvestment plan	314	–	–	–	314	–	314
Stock options	133	1,258	–	–	1,391	–	1,391
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.3 million	–	–	(25,715)	–	(25,715)	–	(25,715)
Equity-settled Restricted Share Units and Partner Points, net of tax	–	(1,396)	–	–	(1,396)	–	(1,396)
Treasury stock purchased	(3,489)	–	–	–	(3,489)	–	(3,489)
Treasury stock released	4,635	–	–	–	4,635	–	4,635
Balance, November 30, 2017	$ 478,883	$ 40,453	$ 405,345	$ 12,076	$ 936,757	$ (2,538)	$ 934,219
Balance, December 1, 2017	**$ 478,883**	**$ 40,453**	**$ 405,345**	**$ 12,076**	**$ 936,757**	**$ (2,538)**	**$ 934,219**
Net income (loss) for the year	–	–	74,284	–	**74,284**	(931)	**73,353**
Other comprehensive loss (net of tax)	–	–	–	(2,309)	**(2,309)**	–	**(2,309)**
Comprehensive income (loss) for the year	–	–	74,284	(2,309)	**71,975**	(931)	**71,044**
Issued through dividend reinvestment plan	306	–	–	–	**306**	–	**306**
Stock options	1,948	1,104	–	–	**3,052**	–	**3,052**
AGF Class B Non-Voting shares repurchased for cancellation	(6,045)	–	19	–	**(6,026)**	–	**(6,026)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.3 million	–	–	(25,691)	–	**(25,691)**	–	**(25,691)**
Equity-settled Restricted Share Units and Partner Points, net of tax	–	(280)	–	–	**(280)**	–	**(280)**
Treasury stock purchased	(4,663)	–	–	–	**(4,663)**	–	**(4,663)**
Treasury stock released	3,890	–	–	–	**3,890**	–	**3,890**
Increase in ownership in FFCM, LLC	–	–	(6,897)	–	**(6,897)**	3,469	**(3,428)**
Balance, November 30, 2018	**$ 474,319**	**$ 41,277**	**$ 447,060**	**$ 9,767**	**$ 972,423**	**$ –**	**$ 972,423**

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

Consolidated Statement of Cash Flow

(in thousands of Canadian dollars)

Years ended November 30	Note	2018	2017
OPERATING ACTIVITIES			
Net income for the year		**$ 73,353**	$ 48,191
Adjustments for			
Net (income) loss from discontinued operations	6	**(360)**	249
Amortization, derecognition and depreciation		**39,604**	47,467
Interest expense		**4,332**	7,124
Income tax expense (benefit)	21	**(10,492)**	13,359
Income taxes refunded (paid)		**7,701**	(16,889)
Stock-based compensation	19	**4,839**	6,042
Share of profit of associate and joint ventures	5	**(25,092)**	(15,190)
Distributions from associate	5	**9,926**	8,562
Deferred selling commissions paid	8	**(40,043)**	(33,825)
Fair value adjustment on long-term investments	5	**(626)**	712
Net realized and unrealized gain (loss) on short-term investments		**374**	(4,145)
Other		**190**	(1,882)
		63,706	59,775
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		**(5,625)**	4,515
Other assets		**(1,192)**	–
Accounts payable and accrued liabilities		**4,770**	(4,081)
Other liabilities		**(3,994)**	(80)
		(6,041)	354
Net cash provided by operating activities		**57,665**	60,129
FINANCING ACTIVITIES			
Repurchase of Class B Non-Voting shares for cancellation	14	**(6,026)**	–
Issue of Class B Non-Voting shares	14	**1,948**	133
Purchase of treasury stock	14	**(4,663)**	(3,489)
Dividends paid	23	**(25,084)**	(25,075)
Issuance (repayment) of long-term debt	11	**50,000**	(50,000)
Interest paid		**(6,172)**	(5,458)
Net cash provided by (used in) financing activities		**10,003**	(83,889)
INVESTING ACTIVITIES			
Increase in ownership interest in FFCM, LLC	7	**(3,325)**	(292)
Purchase of long-term investments	5	**(33,784)**	(14,141)
Return of capital from long-term investments	5	**4,395**	16,298
Purchase of property, equipment and computer software, net of disposals	9	**(3,487)**	(2,611)
Purchase of short-term investments	4	**(18,933)**	(4,337)
Proceeds from sale of short-term investments	4	**8,415**	11,620
Net cash provided by (used in) investing activities		**(46,719)**	6,537
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**20,949**	(17,223)
BALANCE OF CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		**25,842**	43,065
BALANCE OF CASH AND CASH EQUIVALENTS, END OF THE YEAR		**$ 46,791**	$ 25,842

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

Notes to Consolidated Financial Statements

For the years ended November 30, 2018 and 2017

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, factor-based exchange-traded funds (ETF), institutions and corporations, as well as high-net-worth clients. The Company conducts the management and distribution of mutual funds and ETFs in Canada under the brand names AGF, Elements, Harmony and AGFiQ Asset Management (AGFiQ), (collectively, AGF Investments). The Company's wholly owned subsidiary AGF CustomerFirst Inc. (AGFC) provides fund administration services to the AGF mutual funds. The Company also holds an investment in an associate, Smith & Williamson Holdings Limited (S&WHL), and in joint ventures InstarAGF Asset Management Inc. (InstarAGF), Stream Asset Financial Management LP (SAFM LP) and Stream Asset Financial LP (Stream).

These consolidated financial statements were authorized for issue by the Board of Directors on January 22, 2019.

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, effective December 1, 2017. These changes were adopted in accordance with the application transitional provisions of each new or revised standard.

Amendment to IAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*, on deferred income taxes assets. This amendment clarifies the accounting for recognizing deferred income tax assets on unrealized losses and other aspects of the accounting for deferred income tax assets. There was no significant impact on the Company's consolidated financial statements as a result of the adoption of the amended standard.

Amendments to IAS 7, *Statement of Cash Flow*. This amendment is part of the IASB's Disclosure Initiative to provide disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There was no significant impact on the Company's consolidated financial statements as a result of the adoption of the amended standard.

The Company has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective.

3.3 Investment 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) within equity and the related income (loss) 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 19 for additional information.

The principal subsidiaries and consolidated structured entities of AGF as at November 30, 2018 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%
AGF Asset Management Asia Limited	Investment management	Singapore	100%
AGF CustomerFirst Inc.	Transfer agency	Canada	100%
AGF International Advisors Company Limited	Investment management	Ireland	100%
AGF Investments America Inc.	Investment management	Canada	100%
AGF Investments Inc.	Investment management	Canada	100%
AGF Securities (Canada) Limited	Securities dealer	Canada	100%
Cypress Capital Management Limited (Cypress)	Investment management	Canada	100%
Doherty & Associates Limited (Doherty)	Investment management	Canada	100%
Employee Benefit Plan Trust	Trust	Canada	100%
FFCM, LLC (FFCM)	Investment management	United States	100%
Highstreet Asset Management Inc.	Investment management	Canada	100%

(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	33.6%
InstarAGF Asset Management Inc. (InstarAGF)	Joint venture	Asset manager – alternative/infrastructure	Canada	50.1%
InstarAGF Essential Infrastructure Fund LP (EIF)	Joint venture	Limited partnership – investment entity	Canada	13.5%
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 (SAFM LP)	Joint venture	Asset manager – alternative/infrastructure	Canada	37.0%

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 after initially being recognized at cost. 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.

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 the mutual 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, 2018, the carrying amount of the Company's interests in investment funds that it manages was $23.9 million (2017 – $13.7 million), which represents 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 $0.3 million in charges for the year ended November 30, 2018 (2017 – $4.3 million in 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.

(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.

(c) Group of Companies

The financial statements of entities that have a functional currency different from that of AGF Management Limited (foreign entities) 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 differences are recognized in OCI.

3.5 Assets Under Management (AUM)

The Company, through its investments in subsidiaries, 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 $37.7 billion as at November 30, 2018 (2017 – $37.3 billion).

3.6 Cash and Cash Equivalents

Cash represents highly liquid temporary deposits, while cash equivalents consist 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. The Company's FVTPL consist of certain investments.

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 others. 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, and other long-term liabilities.

Accounts payable and accrued liabilities, long-term debt, 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.

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 as the contractual right to manage the assets has no fixed term. 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 historical derecognition rates.

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 two to seven years
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 contractual 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 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, 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.

Effective October 1, 2018, administration fees are based on a fixed transfer agency administration fee. Prior to October 1, 2018, administration fees were directly related to the number of client accounts and transactions incurred and recognized on an accrual basis.

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 RSUs or Performance Share Units (PSUs) of Class B Non-Voting shares. All RSUs shall 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 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.

The Company has an Employee Benefit Trust (EBT), which acquires Class B Non-Voting shares of the Company in the open market, net of tax, to be delivered to employees upon vesting of their RSUs. Pursuant to the plan, the employees of AGF's Canadian subsidiaries will not have an option to receive cash settlement for their RSUs. 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 receive cash settlements 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 at the vesting date 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 and 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, at the option of AGF, the Company will redeem all of the participants' DSUs in cash or shares equal to the value of one Class B Non-Voting share at the termination date for each DSU.

The Company has an incentive program for the investment team that provides compensation based on the performance of the designated AUM managed by the employee. The total compensation pool for this plan is determined by the total team's AUM multiplied by the applicable basis points. Upon grant, the employees will select RSUs or investment in any of AGF's mutual fund products. The compensation expense and the related liability are expensed over the vesting period based on the marked to market value of the AUM. Each plan fully vests on the third anniversary of the grant date. Upon vesting, the award is settled in cash.

(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) Other Plans

The Company has a Unit Appreciation Rights (UAR) plan for certain employees of Doherty. The Company has a Long-term Incentive plan for certain employees of Cypress. The purpose of these plans 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 plans provide 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's earnings before interest, taxes, depreciation and amortization (EBITDA) and Cypress's net revenue. Obligations related to the plans are recorded under accounts payable and accrued 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 income 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 declared 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 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 the higher of its fair value less cost to sell (FVLCTS) and its value in use (VIU). In certain instances, the Company uses a discounted cash flow methodology to estimate these amounts. 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 19 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 27 for further details.

(d) Fair Value Estimates of Level 3 Financial Instruments

The fair value estimates of the Company's level 3 financial instruments may require management to make judgements and estimates that can affect the amounts recognized in the consolidated financial statements. Such judgements and estimates include parameter inputs that are unobservable and have an impact on the fair value of the instrument. Refer to Note 25 for further details.

In addition, 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 identification of CGUs, the determination of whether intangible assets have finite or indefinite lives and the accounting implications related to certain legal matters.

3.19 Accounting Standards Issued but Not Yet Applied

The following standards and interpretations have been issued, but are not yet effective for the November 30, 2018 reporting periods and have not been early adopted by the Company.

IFRS 9 Financial Instruments:

IFRS 9 Financial Instruments (IFRS 9) was issued by the IASB in July 2014 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 addition, the IASB 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 is effective for financial years commencing on or after January 1, 2018 and is to be applied retrospectively, though providing comparative information is not compulsory.

Under IFRS 9, financial assets are classified as either fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost and financial liabilities are categorized as either FVTPL or amortized cost. For financial liabilities designated as fair value through profit or loss, IFRS 9 requires the presentation of the effects of changes in the liability's credit risk in other comprehensive income instead of net income.

The application of IFRS 9 will result in the following classification changes:

- Certain equity instruments of $0.5 million currently classified as available for sale will be designated as FVTOCI.
- Term deposit of $4.2 million currently classified as available for sale will be reclassified to FVTPL.

The classification of all other assets and liabilities are consistent with previous classification under IAS 39. The changes in classification do not have an impact on the Company's consolidated financial statements.

The Company will adopt IFRS 9, effective December 1, 2018 and will elect not to restate its comparative information, as permitted by the transitional provisions within IFRS 9. Under this approach, the Company will recognize transitional adjustments in retained earnings on the date of initial application. The Company will recognize a reduction to retained earnings of $0.3 million related to S&WHL's adoption of IFRS 9, which resulted in an increased provision for expected credit losses.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 Revenue from Contracts with Customers (IFRS 15) was issued by the IASB in May 2014 and will replace prior guidance, including IAS 18 Revenue, which covers accounting for revenue arising from contracts with customers. The new standard is based on the principle that revenue is recognized at an expected amount of consideration in exchange for transferring promised goods or services to a customer.

IFRS 15 outlines various criteria for eligibility of capitalizing contracts costs. Costs associated with obtaining a contract should be capitalized, while costs associated with the fulfillment of a contract should be expensed. The determination of whether the customer is the investment fund or the individual investor impacts whether costs are capitalized or expensed. Currently, commissions paid on sales of deferred sales charge mutual funds (DSC commissions) are capitalized and amortized over the redemption period. The Company has determined the investment fund is its customer and thus the DSC commissions paid do not qualify as an incremental cost of acquiring its fund contracts and should be expensed under IFRS 15.

IFRS 15 specifies that consideration paid to customers is accounted for as part of the transaction price unless the payment is in exchange for a distinct good or service. The Company has determined certain fee waivers and reimbursements made to the funds are within the scope of IFRS 15 and should be accounted for as part of the transaction price. These payments are currently recorded in selling, general and administration expenses. Upon adoption of IFRS 15, these payments will be netted against management, advisory and administration fees.

The Company will adopt the new standard on December 1, 2018 and will elect not to restate its comparative information, as permitted by the transitional provisions within IFRS 15. Under this approach, the Company will recognize transitional adjustments in retained earnings on the date of initial application. The Company will recognize a reduction to retained earnings of $70.6 million related to the derecognition of previously recognized deferred sales commissions and the related deferred tax liability.

Impact of Adopting IFRS 9 and 15:

The application of IFRS 9 and 15 as at December 1, 2018 will result in the following changes to retained earnings:

(in thousands of Canadian dollars)	**Retained earnings**
Balance at November 30, 2018, prior to application of IFRS 9 and 15	$ 447,060
Derecognition of deferred sales commissions, net of accumulated depreciation and derecognition	(96,085)
Decrease in deferred income tax liability	25,479
Decrease in investment in S&WHL	(321)
Total transitional adjustments	(70,927)
Balance at December 1, 2018, subsequent to application of IFRS 9 and 15	$ 376,133

The following table shows the impact of IFRS 15 on the consolidated statement of net income for the year ended November 30, 2018. There will be no impact on the consolidated financial statement of net income in relation to IFRS 9.

(in thousands of Canadian dollars, except per share data) **Year ended November 30**	**2018**	**IFRS 15 adjustments**	**IFRS 15 2018**
Total income[1]	$ 450,203	$ (12,210)	**$ 437,993**
Expenses			
Selling, general and administration[1]	213,334	(12,210)	**201,124**
Amortization and derecognition of deferred sales commissions	34,921	(34,921)	**–**
Deferred selling commissions paid	–	40,043	**40,043**
All other expenses	139,447	–	**139,447**
Total expenses	387,702	(7,088)	**380,614**
Income before income taxes	**62,501**	**(5,122)**	**57,379**
Income tax expense (benefit)	(10,492)	(1,357)	**(11,849)**
Income from continuing operations, net of tax	72,993	(3,765)	**69,228**
Income from discontinued operations, net of tax	360	–	**360**
Net income for the year	**$ 73,353**	**$ (3,765)**	**$ 69,588**
Net income (loss) attributable to:			
Equity owners of the Company	$ 74,284	$ (3,765)	**$ 70,519**
Non-controlling interest	(931)	–	**(931)**
	$ 73,353	$ (3,765)	**$ 69,588**
Earnings (loss) per share attributable to:			
Basic earnings per share			
Continuing operations	$ 0.94	$ (0.05)	**$ 0.89**
Discontinued operations	–	–	**–**
	$ 0.94	$ (0.05)	**$ 0.89**
Diluted earnings per share			
Continuing operations	$ 0.92	$ (0.05)	**$ 0.87**
Discontinued operations	–	–	**–**
	$ 0.92	$ (0.05)	**$ 0.87**

[1] Adjustment relates to fees waivers and fund reimbursements.

The application of IFRS 9 and 15 will not result in any changes to the consolidated statement of comprehensive income or cash flow.

IFRS 2 Share-based Payment:

The IASB issued amendments to IFRS 2 *Share-based Payment* that address the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for financial years commencing on or after January 1, 2018. The amendments are applied prospectively, but retrospective application is permitted if certain criteria are met. The Company has determined there is no material impact on its consolidated financial statements.

IFRS 16 Leases:

IFRS 16 Leases (IFRS 16) was issued by the IASB in January 2016 and will replace IAS 17 Leases. The standard requires lessees to recognize a lease liability and a 'right-of-use asset' for most lease contracts. IFRS 16 is effective for financial years commencing on or after January 1, 2019. 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. The Company is in the process of assessing the impact of IFRS 16 on its consolidated financial statements.

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments:

The IASB issued IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments in June 2017. IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments, including whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances. The interpretation is applicable for financial years commencing on or after January 1, 2019. The Company is in the process of assessing the impact of IFRIC Interpretation 23 on its consolidated financial statements.

Note 4: Investments

The following table presents a breakdown of investments:

(in thousands of Canadian dollars) **November 30**	**2018**	2017
Fair value through profit or loss		
AGF mutual funds and other	**$ 23,912**	$ 13,725
	23,912	13,725
Available for sale		
Equity securities and term deposits	**4,692**	4,516
Loans and receivables		
Canadian government debt – Federal	**308**	310
	$ 28,912	$ 18,551

During the years ended November 30, 2018 and 2017, no impairment charges were recognized.

The continuity of investments for the years ended November 30, 2018 and 2017 is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2018**	2017
Balance, beginning of the year	**$ 18,551**	$ 22,864
Additions	**18,933**	4,337
Disposals	**(8,415)**	(11,620)
Net realized and unrealized gains (losses) on investments classified as FVTPL	**(288)**	2,055
Re-classification of realized gain/loss in OCI related to available for sale	**–**	2,197
Reinvested dividends and interest	**74**	206
Net unrealized and realized gains (losses) on investments classified as available for sale	**57**	(1,488)
Balance, end of the year	**$ 28,912**	$ 18,551

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

(a) Investment in Associate

The Company holds a 33.6% investment in S&WHL accounted for using the equity method. At November 30, 2018, the carrying value was $115.0 million (2017 – $102.7 million). During the year ended November 30, 2018, the Company recognized earnings of $24.8 million (2017 – $14.8 million) from S&WHL, including a one-time tax levy provision reversal of $1.5 million, and received $9.9 million (2017 – $8.6 million) in dividends from S&WHL.

The continuity for the investment in S&WHL for the years ended November 30, 2018 and 2017 is as follows:

(in thousands of Canadian dollars)

Years ended November 30	2018	2017
Balance, beginning of the year	$ 102,651	$ 92,701
Share of profit[1]	24,758	14,828
Foreign exchange differences	(2,959)	4,251
Dividends received	(9,926)	(8,562)
Share of other comprehensive income	446	(567)
Balance, end of the year	$ 114,970	$ 102,651

[1] 2017 includes $3.4 million of charges recorded in investment in associate and joint ventures on the consolidated statement of financial position related to the amortization of the finite life intangible assets associated with the purchase of the investment in S&WHL. The intangibles were fully amortized as at November 30, 2017.

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

(in thousands of Canadian dollars)

November 30	2018	2017
Statement of financial position		
Current assets	$ 2,538,962	$ 1,196,775
Non-current assets	228,519	209,501
Current liabilities	2,284,327	949,930
Non-current liabilities	1,860	2,057

(in thousands of Canadian dollars)

Years ended November 30	2018	2017
Statement of comprehensive income		
Revenue	$ 471,126	$ 433,531
Expenses	401,788	375,721
Net earnings after tax	69,338	57,809

(b) Investment in Joint Ventures

The Company accounts for SAF GP, SAFM LP and InstarAGF, a joint venture with Instar Group Inc. (Instar), using the equity method of accounting. The continuity for the years ended November 30, 2018 and 2017 is as follows:

Years ended November 30	2018			2017		
(in thousands of Canadian dollars)	**SAFM LP**	**InstarAGF**	**Total**	**SAFM LP**	**InstarAGF**	**Total**
Balance, beginning of year	**$ 1,991**	**$ –**	**$ 1,991**	$ 1,629	$ –	$ 1,629
Share of profit	**334**	**–**	**334**	362	–	362
Balance, end of year	**$ 2,325**	**$ –**	**$ 2,325**	$ 1,991	$ –	$ 1,991

The Company's share of profit excludes its portion of the estimated carried interest to be earned by SAF GP and InstarAGF and 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.

The Company holds a 37.0% interest in SAFM LP. For the year ended November 30, 2018, the Company recognized earnings of $0.3 million (2017 – $0.4 million) from SAFM LP.

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, 2018, the Company accumulated unrecognized losses of $1.1 million (2017 – $0.7 million) related to its interest in InstarAGF. 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. As at November 30, 2018, the Company had recorded a receivable of $4.6 million (2017 – $3.1 million), included in accounts receivable, prepaid expenses and other assets on the consolidated statement of financial position.

As at November 30, 2018, the Company had recorded a $0.7 million promissory note receivable from Instar (2017 – $0.4 million). The note bears interest at prime and has been included in accounts receivable, prepaid expenses and other assets on the consolidated statement of financial position.

(c) Investment in Long-term Investments

Fair value adjustments and income distributions related to Stream and EIF are included in fair value adjustments and other income in the consolidated statement of income.

The continuity for the Company's long-term investment, accounted for at fair value through profit or loss (FVTPL), for the years ended November 30, 2018 and 2017 is as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**2018**	**2017**
Balance, beginning of the year	**$ 75,362**	$ 78,231
Purchase of long-term investments	**33,784**	14,141
Return of capital related to rebalancing	**(4,395)**	(16,298)
Fair value adjustment[1]	**626**	(712)
Balance, end of the year	**$ 105,377**	$ 75,362

[1] Fair value adjustment 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 following table presents a breakdown of the fair value adjustment and distributions related to long-term investments:

(in thousands of Canadian dollars)

Years ended November 30		2018		2017
Distribution income	**$**	**5,065**	$	6,090
Fair value adjustment[1]		**626**		(712)
	$	**5,691**	$	5,378

[1] Fair value adjustment 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 a 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 FVTPL.

As at November 30, 2018, of its $150.0 million allocation, the Company had invested $115.1 million (2017 – $86.1 million). As at November 30, 2018, the Company had $34.9 million (2017 – $63.9 million) remaining committed capital to be invested in Stream and EIF.

As at November 30, 2018, the carrying value of the Company's long-term investments in the alternative asset management platform was $105.1 million (2017 – $75.4 million).

Note 6: Discontinued Operations

On August 1, 2012, the Company completed its sale of 100% of the shares of AGF Trust. As part of the agreement, 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 expired on October 31, 2017. During the year ended November 30, 2018, the Company reversed a provision resulting in net income of $0.4 million for discontinued operations (2017 – $0.2 million of net loss). As at November 30, 2018, the final amount of the provision was nil (2017 – $0.6 million) as there are no further obligations related to this put option.

Note 7: Acquisition of FFCM, LLC

During the year ended November 30, 2018, the Company increased its ownership interest in FFCM from 51% to 100% for a cash purchase price of $3.3 million. The payment was recorded as a reduction to non-controlling interest and retained earnings as this transactions was between equity owners.

Note 8: Intangible Assets

(in thousands of Canadian dollars)	Management contracts	Customer contracts	Goodwill	Other intangibles	Deferred selling commissions	Total
AT DECEMBER 1, 2016						
Cost, net of derecognition and impairment	$ 689,759	$ 35,210	$ 250,538	$ 22,531	$ 244,164	$ 1,242,202
Less: fully amortized assets	–	–	–	(83)	(39,274)	(39,357)
	689,759	35,210	250,538	22,448	204,890	1,202,845
Accumulated amortization	–	(29,115)	–	(17,438)	(152,032)	(198,585)
Less: fully amortized assets	–	–	–	83	39,274	39,357
	–	(29,115)	–	(17,355)	(112,758)	(159,228)
Net book amount	$ 689,759	$ 6,095	$ 250,538	$ 5,093	$ 92,132	$ 1,043,617
YEAR ENDED NOVEMBER 30, 2017						
Opening net book amount	$ 689,759	$ 6,095	$ 250,538	$ 5,093	$ 92,132	$ 1,043,617
Additions	–	–	292	–	33,825	34,117
Derecognition	–	(3,175)	–	(718)	(8,435)	(12,328)
Amortization	–	(1,400)	–	(3,290)	(26,559)	(31,249)
Closing net book amount	$ 689,759	$ 1,520	$ 250,830	$ 1,085	$ 90,963	$ 1,034,157
AT NOVEMBER 30, 2017						
Cost, net of derecognition and impairment	$ 689,759	$ 32,035	$ 250,830	$ 21,730	$ 230,280	$ 1,224,634
Less: fully amortized assets	–	(10,509)[1]	–	–[1]	(34,587)	(45,096)
	689,759	21,526	250,830	21,730	195,693	1,179,538
Accumulated amortization	–	(30,515)	–	(20,645)	(139,317)	(190,477)
Less: fully amortized assets	–	10,509[1]	–	–[1]	34,587	45,096
	–	(20,006)	–	(20,645)	(104,730)	(145,381)
Net book amount	$ 689,759	$ 1,520	$ 250,830	$ 1,085	$ 90,963	$ 1,034,157
YEAR ENDED NOVEMBER 30, 2018						
Opening net book amount	**$ 689,759**	**$ 1,520**	**$ 250,830**	**$ 1,085**	**$ 90,963**	**$ 1,034,157**
Additions	**–**	**–**	**–**	**–**	**40,043**	**40,043**
Derecognition	**–**	**(116)**	**–**	**(166)**	**(8,698)**	**(8,980)**
Amortization	**–**	**(729)**	**–**	**(56)**	**(26,223)**	**(27,008)**
Closing net book amount	**$ 689,759**	**$ 675**	**$ 250,830**	**$ 863**	**$ 96,085**	**$ 1,038,212**
AT NOVEMBER 30, 2018						
Cost, net of derecognition and impairment	**$ 689,759**	**$ 21,410**	**$ 250,830**	**$ 21,564**	**$ 227,038**	**$ 1,210,601**
Less: fully amortized assets	**–**	**(1,516)**	**–**	**(17,018)**	**(31,597)**	**(50,131)**
	689,759	**19,894**	**250,830**	**4,546**	**195,441**	**1,160,470**
Accumulated amortization	**–**	**(20,735)**	**–**	**(20,701)**	**(130,953)**	**(172,389)**
Less: fully amortized assets	**–**	**1,516**	**–**	**17,018**	**31,597**	**50,131**
	–	**(19,219)**	**–**	**(3,683)**	**(99,356)**	**(122,258)**
Net book amount	**$ 689,759**	**$ 675**	**$ 250,830**	**$ 863**	**$ 96,085**	**$ 1,038,212**

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). 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, 2017					
Opening net book amount	$ 157,313	$ 76,762	$ 12,548	$ 3,915	$ 250,538
Additions	–	–	–	292	292
Closing net book amount	$ 157,313	$ 76,762	$ 12,548	$ 4,207	$ 250,830
YEAR ENDED NOVEMBER 30, 2018					
Opening net book amount	**$ 157,313**	**$ 76,762**	**$ 12,548**	**$ 4,207**	**$ 250,830**
Additions	**–**	**–**	**–**	**–**	**–**
Closing net book amount	**$ 157,313**	**$ 76,762**	**$ 12,548**	**$ 4,207**	**$ 250,830**

During the year ended November 30, 2018, in accordance with its accounting policies, the Company completed its impairment test on its goodwill and indefinite life intangibles. The total carrying value, net of deferred tax liability, for all CGUs as at November 30, 2018 was $863,809 (2017 – $860,127), of which $768,748 was in the retail CGU (2017 – $762,250).

To determine whether an impairment loss should be recognized, the carrying value of the assets and liabilities of each CGU is compared to its recoverable amount, which is the higher of fair value less costs to sell (FVLCTS) and its value in use (VIU). As at November 30, 2018 and 2017, the Company has performed a discounted cash flow analysis for each CGU to assess the FVLCTS.

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, market growth, and revenue rate.

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 were estimated based on the Company's experience with prior acquisitions and giving consideration to the attributes of a likely purchaser of each CGU. A strategic purchaser would be able to realize synergies related to sales distribution and marketing activities, certain back office and support functions and other general and administrative costs. The estimated synergies were 65% of total costs in the retail CGU and 60% of total costs in the institutional CGU. These synergies were further discounted by the synergies' inclusion rate of 50%, resulting in synergies of approximately 30% included in the FVLCTS valuation. No synergies were assumed for the Cypress CGU and Doherty CGU, given the nature of private client businesses.

Based on the results of the impairment test, the Company concluded that no goodwill or intangible assets were impaired as at November 30, 2018. The recoverable amounts determined in accordance with FVLCTS are categorized within level 3 in the fair value hierarchy. The recoverable amount is further supported by AUM multiples from recent transactions for similar assets within the same industry.

The following is a summary of the valuation results for the Company's most significant CGU as at November 30, 2018:

(in thousands of Canadian dollars)	**Investment Management – Retail**
Recoverable amount applied – overall	$ 926,343
Carrying amount	768,748
Excess	$ 157,595
AUM	$ 18,485,228
AUM multiple applied	5.00%
FVLCTS APPROACH	
Discount rate	11.05%
Terminal growth rate	3.50%
Synergies inclusion rate	50.00%

The following is a summary of a sensitivity analysis performed based on alternative assumptions as at November 30, 2018.

(in thousands of Canadian dollars)	**Investment Management – Retail**
FVLCTS APPROACH	
Discount rate	(0.50%)
Terminal growth rate	0.50%
Synergies inclusion rate	20.0%
Recoverable amount – high	$986,535 – $1,061,775
Discount rate	0.50%
Terminal growth rate	(0.50%)
Synergies inclusion rate	(20.00%)
Recoverable amount – low	$790,713 – $873,378

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, 2016					
Cost	$ 8,681	$ 5,924	$ 11,841	$ 4,426	$ 30,872
Less: fully depreciated assets	(2)	(4)	(1,791)	(1,287)	(3,084)
	8,679	5,920	10,050	3,139	27,788
Accumulated depreciation	(6,524)	(1,295)	(8,069)	(2,564)	(18,452)
Less: fully depreciated assets	2	4	1,791	1,287	3,084
	(6,522)	(1,291)	(6,278)	(1,277)	(15,368)
Net book amount	$ 2,157	$ 4,629	$ 3,772	$ 1,862	$ 12,420
YEAR ENDED NOVEMBER 30, 2017					
Opening net book amount	$ 2,157	$ 4,629	$ 3,772	$ 1,862	$ 12,420
Additions	412	795	468	936	2,611
Depreciation	(455)	(682)	(1,618)	(1,135)	(3,890)
Closing net book amount	$ 2,114	$ 4,742	$ 2,622	$ 1,663	$ 11,141
AT NOVEMBER 30, 2017					
Cost	$ 9,091	$ 6,715	$ 10,518	$ 4,075	$ 30,399
Less: fully depreciated assets	(101)	(24)	(4,593)	(557)	(5,275)
	8,990	6,691	5,925	3,518	25,124
Accumulated depreciation	(6,977)	(1,973)	(7,896)	(2,412)	(19,258)
Less: fully depreciated assets	101	24	4,593	557	5,275
	(6,876)	(1,949)	(3,303)	(1,855)	(13,983)
Net book amount	$ 2,114	$ 4,742	$ 2,622	$ 1,663	$ 11,141
YEAR ENDED NOVEMBER 30, 2018					
Opening net book amount	**$ 2,114**	**$ 4,742**	**$ 2,622**	**$ 1,663**	**$ 11,141**
Additions	**40**	**1,488**	**888**	**1,071**	**3,487**
Depreciation	**(405)**	**(1,017)**	**(1,134)**	**(1,060)**	**(3,616)**
Closing net book amount	**$ 1,749**	**$ 5,213**	**$ 2,376**	**$ 1,674**	**$ 11,012**
AT NOVEMBER 30, 2018					
Cost	**$ 9,030**	**$ 8,179**	**$ 6,813**	**$ 4,589**	**$ 28,611**
Less: fully depreciated assets	**(1)**	**(71)**	**(1,478)**	**(1,430)**	**(2,980)**
	9,029	**8,108**	**5,335**	**3,159**	**25,631**
Accumulated depreciation	**(7,281)**	**(2,966)**	**(4,437)**	**(2,915)**	**(17,599)**
Less: fully depreciated assets	**1**	**71**	**1,478**	**1,430**	**2,980**
	(7,280)	**(2,895)**	**(2,959)**	**(1,485)**	**(14,619)**
Net book amount	**$ 1,749**	**$ 5,213**	**$ 2,376**	**$ 1,674**	**$ 11,012**

Note 10: Accounts Payable and Accrued Liabilities

(in thousands of Canadian dollars) **Years ended November 30**		**2018**		**2017**
Compensation related payable	**$**	**34,872**	$	33,549
HST payable		**10,928**		9,549
Other		**27,517**		26,897
Accounts payable and accrued liabilities	**$**	**73,317**	$	69,995

Note 11: Long-term Debt

On August 19, 2016, the Company, through its subsidiary AGF Investments Inc., amended and restated its loan agreement to extend the term to 2021. The Company's unsecured revolving credit facility (the Facility) has a maximum aggregate principal amount of $320.0 million (2017 – $320.0 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, 2021, and no principal repayments are due until this date. During the year ended November 30, 2018, the Company borrowed $50.0 million (2017 – repaid $50.0 million). As at November 30, 2018, AGF had drawn $190.0 million (2017 – $140.0 million) against the facility in the form of a one-month banker's acceptance (BA) at an effective average interest rate of 3.7% (2017 – 2.8%) per annum and a $5.1 million (2017 – $5.1 million) letter of credit. Of the $190.0 million (2017 – $140.0 million), $1.4 million (2017 – $1.4 million) has been deducted related to the transaction and stamping fees incurred on the Facility. As at November 30, 2018, $124.9 million was available to be drawn from the Facility.

Note 12: Deferred Income Tax 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**		**2018**		**2017**
Deferred income tax assets				
Deferred income tax asset to be recovered after more than 12 months	**$**	**981**	$	1,883
Deferred income tax asset to be recovered within 12 months		**665**		739
		1,646		2,622
Deferred income tax liabilities				
Deferred income tax liability to be settled after more than 12 months		**175,898**		172,246
Deferred income tax liability to be settled within 12 months		**(2,527)**		(1,169)
		173,371		171,077
Net deferred income tax liabilities	**$**	**171,725**	$	168,455

The movement in deferred income tax assets and liabilities during the years ended November 30, 2018 and 2017, 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, 2018**	**Balance, beginning of year**	**Recognized in income**	**Recognized in contributed surplus**	**Recognized in OCI**	**Recognized in discontinued operations**	**Balance, end of year**
Deferred income tax assets						
Expenses deductible in future periods	**$ 5,443**	**$ (372)**	**$ (157)**	**$ –**	**$ (84)**	**$ 4,830**
Loss carryforwards	**1,596**	**227**	**–**	**–**	**–**	**1,823**
Deferred charges	**969**	**(302)**	**–**	**–**	**–**	**667**
Other credits and carryforwards	**69**	**(22)**	**–**	**–**	**–**	**47**
	$ 8,077	**$ (469)**	**$ (157)**	**$ –**	**$ (84)**	**$ 7,367**
Deferred income tax liabilities						
Management contracts and other intangibles	**$ 151,352**	**$ 48**	**$ –**	**$ –**	**$ –**	**$ 151,400**
Deferred sales commissions	**22,550**	**1,594**	**–**	**–**	**–**	**24,144**
Investments	**2,415**	**733**	**–**	**8**	**–**	**3,156**
Property and equipment	**188**	**192**	**–**	**–**	**–**	**380**
Other	**27**	**(15)**	**–**	**–**	**–**	**12**
	$ 176,532	**$ 2,552**	**$ –**	**$ 8**	**$ –**	**$ 179,092**
Net deferred income tax liabilities	**$ 168,455**	**$ 3,021**	**$ 157**	**$ 8**	**$ 84**	**$ 171,725**

(in thousands of Canadian dollars) **Year ended November 30, 2017**	**Balance, beginning of year**	**Recognized in income**	**Recognized in contributed surplus**	**Recognized in OCI**	**Acquired in business combinations**	**Balance, end of year**
Deferred income tax assets						
Expenses deductible in future periods	$ 4,497	$ 442	$ 419	$ –	$ 85	$ 5,443
Property and equipment	8	(196)	–	–	–	(188)
Loss carryforwards	1,390	206	–	–	–	1,596
Deferred charges	1,360	(391)	–	–	–	969
Other credits and carryforwards	120	(51)	–	–	–	69
	$ 7,375	$ 10	$ 419	$ –	$ 85	$ 7,889
Deferred income tax liabilities						
Management contracts and other intangibles	$ 152,149	$ (797)	$ –	$ –	$ –	$ 151,352
Deferred sales commissions	22,644	(94)	–	–	–	22,550
Investments	2,124	486	–	(195)	–	2,415
Other	13	14	–	–	–	27
	$ 176,930	$ (391)	$ –	$ (195)	$ –	$ 176,344
Net deferred income tax liabilities	$ 169,555	$ (401)	$ (419)	$ (195)	$ (85)	$ 168,455

(b) Deferred income tax assets are recognized for tax loss carryforwards and other deductible expenses 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, 2018, deferred income tax assets have not been recognized for $15.4 million of non-capital losses and $2.0 million of deductible expenses.

Non-capital loss carryforwards by year of expiry as at November 30, 2018 are summarized below:

(in thousands of Canadian dollars)		
2029	$	31
2030		77
2031		8
2032		100
2033		87
Thereafter		14,532
No expiry		597

(c) As at November 30, 2018, 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 nil (2017 – $2.6 million). The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognized is $10.0 million (2017 – $2.3 million).

Note 13: **Provision for Elements Advantage**

(in thousands of Canadian dollars) **Years ended November 30**		**2018**		**2017**
Beginning of the year	**$**	**2,238**	$	2,105
Additional provision charged to the income statement		**833**		1,144
Used during the year		**(1,402)**		(1,011)
End of the year		**1,669**		2,238
Less: non-current portion		**721**		921
Current portion	**$**	**948**	$	1,317

Note 14: **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 Year

The change in capital stock is summarized as follows:

Years ended November 30	**2018**			**2017**		
(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	**79,017,813**	**$**	**478,883**	78,951,603	$	477,290
Issued through dividend reinvestment plan	**44,993**		**306**	47,295		314
Stock options exercised	**346,616**		**1,948**	23,642		133
Repurchased for cancellation	**(996,400)**		**(6,045)**	–		–
Treasury stock purchased for employee benefit trust	**(696,196)**		**(4,663)**	(470,000)		(3,489)
Treasury stock released for employee benefit trust[1]	**543,848**		**3,890**	465,273		4,635
Balance, end of the year	**78,260,674**	**$**	**474,319**	79,017,813	$	478,883

[1] In December 2018, an additional 337,818 share units were released (2017 – 502,688).

(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 6,124,051 shares for the period from February 6, 2018 to February 5, 2019 and up to 4,899,168 shares for the period from February 6, 2017 to February 5, 2018. During the year ended November 30, 2018, AGF purchased 996,400 (2017 – nil) Class B Non-Voting shares under the normal course issuer bid at a cost of $6.0 million (2017 – nil). The excess paid over the recorded capital stock value of the shares repurchased for cancellation was recorded in retained earnings but was not material. There was no excess paid recorded in the same period prior year.

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

During the year ended November 30, 2018, 696,196 (2017 – 470,000) Class B Non-Voting shares were purchased for the employee benefit trust at a cost of $4.7 million (2017 – $3.5 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, 2018, 543,848 (2017 – 465,273) Class B Non-Voting shares purchased as treasury stock were released. As at November 30, 2018, 735,203 (2017 – 582,855) Class B Non-Voting shares were held as treasury stock.

Note 15: Accumulated Other Comprehensive Income

(in thousands of Canadian dollars)	Foreign currency translation	Available for sale securities	Total
OPENING COMPOSITION OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) AT DECEMBER 1, 2016			
Other comprehensive income	$ 4,484	$ 5,604	$ 10,088
Income tax expense	–	(232)	(232)
Balance, December 1, 2016	4,484	5,372	9,856
Transactions during the year ended November 30, 2017			
Other comprehensive income (loss)	4,073	(2,048)	2,025
Income tax recovery	–	195	195
Balance, November 30, 2017	8,557	3,519	12,076
Transactions during the year ended November 30, 2018			
Other comprehensive income (loss)	**(2,804)**	**503**	**(2,301)**
Income tax expense	**–**	**(8)**	**(8)**
Balance, November 30, 2018	**$ 5,753**	**$ 4,014**	**$ 9,767**

Note 16: **Fair Value Adjustments and Other Income**

(in thousands of Canadian dollars)

Years ended November 30		**2018**		**2017**
Fair value adjustment related to investment in AGF mutual funds and reclassification of realized gain in OCI to earnings (Note 4)	**$**	**(288)**	$	4,252
Fair value adjustment related to long-term investments (Note 5(c))		**626**		(712)
Distributions from long-term investments (Note 5(c))		**5,065**		6,090
Interest income[1]		**2,009**		771
Other[2]		**(658)**		13,059
	$	**6,754**	$	23,460

[1] Year ended November 30, 2018 includes $1.5 million of interest income related to a tax reassessment received related to the transfer pricing case.

[2] Year ended November 30, 2017 includes a $10.0 million one-time litigation settlement.

Note 17: **Expenses by Nature**

(in thousands of Canadian dollars)

Years ended November 30		**2018**		**2017**
Selling, general and administrative				
Employee benefit expense	**$**	**124,807**	$	124,957
Sales and marketing		**15,463**		15,708
Information technology and facilities		**36,460**		36,130
Professional fees		**15,251**		19,414
Fund absorption and other fund costs		**13,528**		13,812
Other		**2,600**		1,013
Restructuring and administrative costs		**5,225**		–
	$	**213,334**	$	211,034

Note 18: **Employee Benefit Expense**

(in thousands of Canadian dollars)

Years ended November 30		**2018**		**2017**
Salaries and benefits	**$**	**118,770**	$	117,781
Stock option plans		**1,151**		1,191
Share purchase plan		**1,198**		1,134
RSU plans		**3,509**		3,076
DSU plan		**(343)**		1,417
Partners Incentive Plan		**522**		358
	$	**124,807**	$	124,957

Note 19: **Stock-based Compensation and Other Stock-based Payments**

(a) Stock Option Plans

Under the Company's stock option plans, an additional maximum of 171,560 Class B Non-Voting shares could have been granted as at November 30, 2018 (2017 – 653,277).

The change in stock options during the years ended November 30, 2018 and 2017 is summarized as follows:

	2018			2017		
Years ended November 30	**Options**		**Weighted average exercise price**	**Options**		**Weighted average exercise price**
CLASS B NON-VOTING SHARE OPTIONS						
Balance, beginning of the year	**7,719,199**	**$**	**8.38**	6,854,582	$	8.85
Options granted	**1,405,373**		**6.08**	1,095,909		6.06
Options forfeited	**(495,246)**		**9.75**	(132,650)		9.29
Options expired	**(428,410)**		**17.84**	(75,000)		16.20
Options exercised	**(346,616)**		**5.00**	(23,642)		5.03
Balance, end of the year	**7,854,300**	**$**	**7.52**	7,719,199	$	8.38

The outstanding stock options as at November 30, 2018 have expiry dates ranging from 2019 to 2025. The following table summarizes additional information about stock options outstanding as at November 30, 2018 and 2017:

November 30, 2018 **Range of exercise prices**	**Number of options outstanding**	**Weighted average remaining life**		**Weighted average exercise price**	**Number of options exercisable**		**Weighted average exercise price**
$0.01 to $8.00	**5,356,718**	**4.7 years**	**$**	**5.96**	**1,980,376**	**$**	**6.14**
$8.01 to $15.00	**2,137,399**	**1.9**		**10.03**	**2,019,131**		**10.13**
$15.01 to $25.00	**360,183**	**0.2**		**15.87**	**360,183**		**15.87**
	7,854,300	**3.8 years**	**$**	**7.52**	**4,359,690**	**$**	**8.79**

November 30, 2017 **Range of exercise prices**	**Number of options outstanding**	**Weighted average remaining life**		**Weighted average exercise price**	**Number of options exercisable**		**Weighted average exercise price**
$0.01 to $8.00	4,506,058	5.1 years	$	5.86	1,294,410	$	6.18
$8.01 to $15.00	2,406,708	2.9		10.09	1,971,447		10.15
$15.01 to $25.00	806,433	0.7		17.38	806,433		17.38
	7,719,199	4.0 years	$	8.38	4,072,290	$	10.32

During the year ended November 30, 2018, 1,405,373 (2017 – 1,095,909) stock options were granted and compensation expense and contributed surplus of $1.1 million (2017 – $1.3 million) was recorded. The fair value of options granted during the year ended November 30, 2018 has been estimated at $0.63 to $1.19 per option (2017 – $0.90 to $0.92) 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, 2018 and 2017:

Years ended November 30	2018	2017
Risk-free interest rate	**2.1% – 2.3%**	1.1%
Expected dividend yield	**4.7% – 6.5%**	5.2% – 5.3%
Five-year historical-based expected share price volatility	**28.3% – 28.5%**	30.3%
Forfeiture rate	**4.7%**	4.9%
Option term	**5.1 years**	5.0 years

(b) Other Stock-based Compensation

Other stock-based compensation includes RSUs, DSUs and PIP. Compensation expense related to cash-settled stock-based compensation for the year ended November 30, 2018 was a recovery of $0.3 million (2017 – $1.8 million of expense) and the liability recorded as at November 30, 2018 related to cash-settled stock-based compensation was $2.8 million (2017 – $3.4 million). Compensation expense related to equity-settled RSUs and PIP for the year ended November 30, 2018 was $4.0 million (2017 – $3.0 million) and contributed surplus related to equity-settled RSUs and PIP, net of tax, as at November 30, 2018 was $6.6 million (2017 – $6.8 million).

The change in share units of RSUs and DSUs during the years ended November 30, 2018 and 2017 is as follows:

Years ended November 30	2018 Number of share units	2017 Number of share units
Outstanding, beginning of the year, non-vested	**2,060,771**	1,924,613
Issued		
Initial grant	**1,817,263**	644,663
In lieu of dividends	**94,210**	76,333
Settled in cash	**(54,739)**	(44,012)
Settled in equity	**(543,848)**	(465,273)
Forfeited and cancelled	**(113,889)**	(75,554)
Outstanding, end of the year, non-vested	**3,259,768**	2,060,770

Note 20: Interest Expense

(in thousands of Canadian dollars)

Years ended November 30	2018	2017
Interest on long-term debt and standby fees[1]	**$ 4,332**	$ 5,853
Other interest and penalties	**–**	1,271
	$ 4,332	$ 7,124

[1] Year ended November 30, 2018 includes $2.2 million of interest recovery related to the transfer pricing case.

Note 21: **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**	**2018**	2017
Current income tax		
Current income tax on profits for the year	**$ 8,355**	$ 11,795
Adjustments in respect of prior years	**240**	778
Accrual (reversal of provision) with respect to the transfer pricing tax audit	**(21,900)**	829
Other	**(208)**	358
Total current income tax expense (benefit)	**$ (13,513)**	$ 13,760
Deferred income tax		
Origination and reversal of temporary differences	**$ 1,529**	$ (70)
Adjustments in respect of prior years	**(130)**	(1,120)
Other	**1,622**	789
Total deferred income tax expense (benefit)	**3,021**	(401)
Income tax expense (benefit)	**$ (10,492)**	$ 13,359

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

(in thousands of Canadian dollars) **Years ended November 30**	**2018**	2017
Canadian corporate tax rate	**26.5%**	26.5%
Rate differential on earnings of subsidiaries	**0.5**	(1.0)
Tax-exempt income	**(12.1)**	(10.8)
Accrual with respect to the transfer pricing tax audit and tax effect of the related reversal of interest expense	**(36.0)**	2.5
Non-deductible expenses	**1.3**	1.6
Change in deferred tax assets not recognized	**3.1**	1.5
Other	**(0.1)**	1.3
Effective income tax rate	**(16.8%)**	21.6%

(c) 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**	**2018**	2017
Fair value gains on available for sale investments	**$ 8**	$ (195)
	$ 8	$ (195)

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

(in thousands of Canadian dollars) **Years ended November 30**	**2018**	2017
Equity-settled share-based compensation	**$ 157**	$ (419)

Note 22: Earnings per Share

(in thousands of Canadian dollars, except per share data) **Years ended November 30**		**2018**		**2017**
Numerator				
Net income for the year from continuing operations attributable to equity owners of the Company	**$**	**73,924**	$	52,107
Net income (loss) for the year from discontinued operations attributable to equity owners of the Company		**360**		(249)
Net income for the year attributable to equity owners of the Company		**74,284**		51,858
Denominator				
Weighted average number of shares – basic		**79,292,775**		79,330,190
Dilutive effect of employee stock-based compensation awards		**1,345,173**		1,915,089
Weighted average number of shares – diluted		**80,637,948**		81,245,279
Basic earnings per share				
Continuing operations	**$**	**0.94**	$	0.66
Discontinued operations		**–**		–
	$	**0.94**	$	0.66
Diluted earnings per share				
Continuing operations	**$**	**0.92**	$	0.64
Discontinued operations		**–**		–
	$	**0.92**	$	0.64

Note 23: Dividends

During the year ended November 30, 2018, the Company paid dividends of $0.32 (2017 – $0.32) per share. Total dividends paid, including dividends reinvested, in the year ended November 30, 2018 were $25.4 million (2017 – $25.4 million). On December 14, 2018, 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, 2018, amounting to a total dividend of approximately $6.3 million. These consolidated financial statements do not reflect this dividend payable.

Note 24: Related Party Transactions

(a) Key Management Compensation

The Company is controlled by Blake C. Goldring, Executive Chairman, 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**		**2018**		**2017**
Salaries and other short-term employee benefits	**$**	**6,437**	$	8,155
Share-based payments		**1,217**		2,704
	$	**7,654**	$	10,859

(b) Mutual Funds and Other Investments

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, advisory and administration fees from the Funds in accordance with the respective agreements between the Funds and the Company. In return, the Company is responsible for management, administration and investment advisory services and all costs connected with the distribution of securities of the Funds. A majority of the management and advisory fees the Company earned in the years ended November 30, 2018 and 2017 were from the Funds. As at November 30, 2018, the Company had $23.4 million (2017 – $17.9 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, 2018 on behalf of the Funds were approximately $13.2 million (2017 – $12.1 million).

The Company also invests in seed capital in the Funds and the alternative asset management platform. For additional information on these investments refer to Notes 4 and 5(c), respectively.

Note 25: 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

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.

(i) Foreign Exchange Risk

The Company's main foreign exchange risk derives from the U.S. and international portfolio securities held in the AGF funds. Changes 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. Using average balances for the year, the effect of a 5% change in the Canadian dollar in relation to underlying U.S. and international AUM held in the AGF funds would have resulted in a corresponding change of approximately $1.1 billion in AUM for the year ended November 30, 2018. In general, for every $1.0 billion reduction in AUM, management fee revenue would decline by approximately $11.9 million (2017 – $11.3 million).

The Company is 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 statement of financial position 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 statement of financial position date. Unrealized translation gains and losses are reported in other comprehensive income. Based on the carrying value at November 30, 2018, a 5% change in the value of the Canadian dollar versus the U.K. pound would have resulted in a change in other comprehensive income of $5.4 million (2017 – $4.9 million).

(ii) Interest Rate Risk

The Company has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances. Using average balances for the year, the effect of a 1% change in variable interest rates on floating-rate debt and cash balances in fiscal 2018 would have resulted in a corresponding change of approximately $1.9 million (2017 – $1.4 million) in interest expense for the year ended November 30, 2018.

At November 30, 2018, approximately 17% of AGF's retail assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. A 1% change in interest rates would have resulted in a corresponding change of approximately $0.5 million in revenue for the year ended November 30, 2018.

(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 and long-term investments in infrastructure funds. The Company's investments that have price risk include investments in mutual funds managed by the Company of $23.9 million (2017 – $13.7 million), equity securities of $0.5 million (2017 – $0.4 million) and long-term investments of $105.4 million (2017 – $75.4 million) as at November 30, 2018. As at November 30, 2018, the effect of a 10% decline or increase in the value of investments would result in a $12.9 million (2017 – $8.9 million) pre-tax unrealized gain or loss in net income and nil (2017 – nil) pre-tax unrealized gain or loss to other comprehensive income.

Credit Risk

The Company is exposed to the risk that third parties, including clients, who owe the Company money, securities or other assets will not perform their obligations. 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. The Company does not have significant exposure to any individual counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company 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 deferred selling commissions paid on mutual funds, dividends paid to shareholders, obligations to taxation authorities, investment-related commitments in the alternative asset management platform, and the repayment of long-term debt. While the Company currently has access to financing, unfavourable market conditions may affect its ability to obtain loans or make other arrangements on terms acceptable to AGF. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Capital Management (below) and Note 11. 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 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, 2018 and 2017 to the contractual maturity date.

(in thousands of Canadian dollars)	1 year or less	1 to 5 years
YEAR ENDED NOVEMBER 30, 2018		
Accounts payable and accrued liabilities	**$ 73,317**	**$ –**
Provision for Elements Advantage	**948**	**721**
Long-term debt	**–**	**190,000**
Other liabilities	**–**	**8,296**
Total	**$ 74,265**	**$ 199,017**
YEAR ENDED NOVEMBER 30, 2017		
Accounts payable and accrued liabilities	$ 69,995	$ –
Provision for Elements Advantage	1,317	921
Long-term debt	–	140,000
Other liabilities	–	10,655
Total	$ 71,312	$ 151,576

(b) Capital Management

The Company actively manages capital to maintain a strong and efficient capital base to maximize risk-adjusted returns to shareholders and to invest in future growth opportunities, while ensuring there is available capital to fund capital commitments related to the alternative asset management platform.

As part of the ongoing strategic and capital planning, the Company regularly reviews its holdings in short- and long-term investments, including its investments in associates and joint ventures, to determine the best strategic use of these assets in order to achieve our long-term capital and strategic goals.

The Company's capital consists of shareholders' equity and long-term debt. Refer to Notes 11 and 14 for additional information. The Company reviews its three-year capital plan annually while detailing projected operating budgets and capital requirements. 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. The AGF Executive Management 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's 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.

(c) Fair Value Estimation

The carrying value of accounts receivable and other assets, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Long-term debt approximates fair value as a result of the floating rate portion of the effective interest rate.

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 that are measured at fair value at November 30, 2018:

(in thousands of Canadian dollars)

November 30, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	**$ 46,791**	**$ –**	**$ –**	**$ 46,791**
AGF mutual funds and other	**23,912**	**–**	**–**	**23,912**
Long-term investments	**–**	**–**	**105,377**	**105,377**
Available for sale				
Equity securities and term deposits	**4,692**	**–**	**–**	**4,692**
Loans and receivables				
Canadian government debt – Federal	**–**	**308**	**–**	**308**
Total financial assets	**$ 75,395**	**$ 308**	**$ 105,377**	**$ 181,080**

The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2017:

(in thousands of Canadian dollars)

November 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 25,842	$ –	$ –	$ 25,842
AGF mutual funds and other	13,725	–	–	13,725
Long-term investments	–	–	75,362	75,362
Available for sale				
Equity securities and term deposits	4,516	–	–	4,516
Loans and receivables				
Canadian government debt – Federal	–	310	–	310
Total financial assets	$ 44,083	$ 310	$ 75,362	$ 119,755

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. 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. 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, 2018 has been estimated using the net asset value (NAV) as calculated by the asset manager of the fund. The fair value of the Company's investment in the Stream fund is determined using 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 $10.5 million. Refer to Note 5(c) for additional information.

The following table presents changes in level 3 instruments for the year ended November 30, 2018 and 2017:

(in thousands of Canadian dollars)	**Long-term investments**
Balance at December 1, 2017	**$ 75,362**
Purchase of investment	**33,784**
Return of capital	**(4,395)**
Fair value adjustment recognized in profit or loss	**626**
Balance at November 30, 2018	**$ 105,377**

(in thousands of Canadian dollars)	**Long-term investments**	**Contingent consideration payable**
Balance at December 1, 2016	$ 78,231	$ 2,091
Purchase of investment	14,141	–
Return of capital	(16,298)	–
Fair value adjustment recognized in profit or loss	(712)	(2,091)
Balance at November 30, 2017	$ 75,362	$ –

There were no transfers into or out of level 1 and level 2 during the year ended November 30, 2018.

Note 26: 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, 2018 and 2017, 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, 2018**		**Amounts offset**		**Amounts not offset**	**Net**
	Gross asset	**Gross liability offset**	**Net amount presented**		
FINANCIAL ASSETS					
Cash and cash equivalents (Note 26(a),(b))	**$ 587,547**	**$ (540,756)**	**$ 46,791**	**$ (46,791)**	**$ –**
Total financial assets	**$ 587,547**	**$ (540,756)**	**$ 46,791**	**$ (46,791)**	**$ –**

		Amounts offset		**Amounts not offset**	**Net**
	Gross liability	**Gross asset offset**	**Net amount presented**		
FINANCIAL LIABILITIES					
Long-term debt (Note 26(b))	**$ 188,605**	**$ –**	**$ 188,605**	**$ (46,791)**	**$ 141,814**
Total financial liabilities	**$ 188,605**	**$ –**	**$ 188,605**	**$ (46,791)**	**$ 141,814**

(in thousands of Canadian dollars) **November 30, 2017**		**Amounts offset**		**Amounts not offset**	**Net**
	Gross asset	**Gross liability offset**	**Net amount presented**		
FINANCIAL ASSETS					
Cash and cash equivalents (Note 26(a),(b))	$ 520,572	$ (494,730)	$ 25,842	$ (25,842)	$ –
Total financial assets	$ 520,572	$ (494,730)	$ 25,842	$ (25,842)	$ –

		Amounts offset		**Amounts not offset**	**Net**
	Gross liability	**Gross asset offset**	**Net amount presented**		
FINANCIAL LIABILITIES					
Long-term debt (Note 26(b))	$ 138,612	$ –	$ 138,612	$ (25,842)	$ 112,770
Total financial liabilities	$ 138,612	$ –	$ 138,612	$ (25,842)	$ 112,770

(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.

Note 27: Contingencies

There are certain general tax claims against the Company, none of which 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 an ongoing dispute 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 determining the amounts of its income tax assets and liabilities.

(a) CRA Audit – Acquisition of Tax-related Benefits

In July 2015, the Company received a notice of reassessment (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 $9.0 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 paid $13.5 million (including interest and penalties), $0.1 million and $0.3 million during the years ended November 30, 2015, 2017 and 2018, respectively. The amount was recorded as income tax receivable on the consolidated statement of financial position. 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.

(b) CRA Audit – Transfer Pricing

As previously disclosed in the 2017 Annual Consolidated Financial Statements, the CRA reassessed the Company for additional income as a result of its transfer pricing audit of the Company's 2005 to 2010 taxation years. The Company objected to those reassessments. As well, the Company was accepted by the CRA into a Bilateral Advance Pricing Arrangement (BAPA) between CRA and the tax authority in the foreign jurisdiction to establish the appropriate transfer pricing methodologies for the tax years 2011 through 2016.

On November 2, 2017, the Company reached a settlement with the CRA and the applicable tax authority in the relevant foreign jurisdiction, subject to uncertainties in implementing the settlements. The settlements related to the allocation of income for tax purposes between one of the Company's Canadian legal entities and a foreign subsidiary relating to the 2005 to 2016 taxation years. Taxation years prior to 2005 are statute barred with the CRA.

Under the settlements, the Company accepted the agreements between the CRA and the tax authority in the foreign jurisdiction (i) under the Mutual Agreement Procedure under the relevant tax treaty for the Company's 2005 to 2010 taxation years and (ii) for a Bilateral Advance Pricing Arrangement for the Company's 2011 to 2016 taxation years.

During the year, the Company received tax reassessments reflecting the settlements, including waiver of the transfer pricing penalties, and resolved the uncertainties in implementing the settlements with the CRA.

As a result, the Company received net refunds of $18.2 million, released $24.1 million from its transfer pricing provision (including $21.9 million in tax expense and $2.2 million in reversal of interest expense) and recorded $1.5 million in interest income during the year ended November 30, 2018. The Company expects to receive a refund of the amount paid for transfer pricing penalties of approximately $4.0 million from the CRA, which is netted in the current tax receivable on the consolidated statement of financial position. The transfer pricing matter is resolved. Starting in 2017, the Company implemented transfer pricing methodologies that were consistent with the BAPA settlement.

Note 28: **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**	
2019	$ 32,019
2020	28,552
2021	19,407
2022	19,646
2023	9,705
Thereafter	104,997

In addition, the Company has committed a total of $150.0 million to the funds and investments associated with the alternative asset management platform. As at November 30, 2018, the Company has $34.9 million (2017 – $63.9 million) remaining committed capital to be invested in Stream and EIF.

(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.

Note 29: **Subsequent Events**

On January 11, 2019, the Company committed to invest $75.0 million in capital to a closed-end subsequent fund managed by InstarAGF in its infrastructure strategy, increasing the total commitment to the alternative platform to $225.0 million.

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.

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