AGF MANAGEMENT LIMITED

2020 ANNUAL REPORT

AGF™

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In an era of rapidly changing environments, we continue to deliver excellence in investment management, provide an exceptional client experience and remain disciplined to stay ahead of change.

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

$38.8 Billion in AUM[1]

[1]Amounts presented as at November 30, 2020. Expressed in Canadian Dollars.

Our Investment Capabilities

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

$22.8

Billion in AUM[1]

[1] Assets under management as of November 30, 2020.

Fundamental

AGF's fundamental investment management teams are focused on consistently delivering on investment objectives for our clients by leveraging our industry experience. Our fundamental teams' lead equity and fixed income portfolio managers have a combined 280+ years of experience in investment management, with deep relationships across the industry.

Throughout the years, as we have embraced change and innovation, our motivation has remained consistent. We carry a deep sense of accountability to our investors to deliver on our objectives, allowing them to achieve their goals.

In an increasingly challenging environment, the ability to meet these objectives requires substantial experience and skill. At AGF, our tenure, expertise and access to global firm resources has allowed us to maintain a disciplined approach while at the same time embracing a spirit of research and innovation to adapt.

We believe a culture of curiosity, open dialogue and challenging each other's ideas leads to better investment outcomes and helps to continually raise the bar for all of our clients.

AGF's fundamental, actively-managed platform includes a broad range of equity and fixed income strategies covering a spectrum of objectives from wealth accumulation and risk management to income-generating solutions. In addition to our Global and North American equity and fixed income capabilities we have demonstrated specialist expertise in the areas of sustainable and alternative investing.

$7.2

Billion in AUM[1]

[1] Assets under management as of November 30, 2020.

Quantitative

AGFiQ is the quantitative platform for AGF powered by an intellectually diverse, multi-disciplined team.

Led by pioneers in factor-based investing, the team's approach is grounded in the belief that investment outcomes can be improved by assessing and targeting the factors that drive market returns. 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.

Our Un-artificial Intelligence

We collectively believe that in quantitative approaches, it's the people behind the strategies that truly drive innovation. We pride ourselves on thinking differently and do so by combining diverse and complementary strengths which lead to innovative investment approaches. Our relentless passion for research and understanding drives our ability to advance the wealth accumulation and preservation goals of investors.

Our In-house Research Platform

We have found that external, third-party systems are not keeping pace with our ideas, our research and the flexibility and customization requirements we need to deliver better outcomes. As a result, we have developed an in-house research and database platform that enables us to define customized factors and build risk models and portfolio optimizations tailored for the unique investment objectives of each strategy.

$2.8

Billion in AUM[1]

[1] Assets under management as of November 30, 2020 includes InstarAGF and SAF.

Alternatives

At AGF, our expertise and partnerships across the alternatives spectrum allows investors to have access to and benefit from allocations to alternative investments as part of a disciplined investment approach. From alternative asset classes to alternatives strategies, we offer solutions for a wide range of objectives.

Publicly Listed Liquid Alternatives

Alternative Asset Classes

Through our fundamental and quantitative platforms, we offer investments in publicly-listed companies related to real assets including infrastructure, energy, precious metals and real estate through a variety of vehicles including mutual funds, ETFs and separately managed accounts.

Alternative Strategies

AGFiQ offers deep expertise employing innovative quantitative and alternative approaches, including long/short, market neutral and derivative-based strategies to meet investment objectives.

Private Alternative Investments

INSTARAGF™

Private Infrastructure

Innovative investment solutions with an emphasis on essential infrastructure in the North American middle market offered through InstarAGF Asset Management Inc. – AGF's joint venture with Instar Group Inc., in which AGF holds a 51% economic interest.

SAF GROUP

Structured Credit

Structured credit opportunities in partnership with SAF Group, a Canadian-based investment firm with expertise constructing bespoke financial products across the capital structure, including secured credit and asset-backed loans.

$6.0

Billion in AUM[1]

[1] Assets under management as of November 30, 2020.

Private Client

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

DOHERTY & ASSOCIATES INVESTMENT COUNSEL

Doherty & Associates was founded on the principle that their clients come first in all they do. Their philosophy of "Great Companies at Great Prices" coupled with a disciplined investment process guides them to grow wealth responsibly over time.

CYPRESS CAPITAL MANAGEMENT

Cypress Capital Management provides quality investment services at a reasonable cost, where the best interest of the client is paramount. They are committed to being honest and transparent regarding return expectations, risks, fees and their capabilities as investment managers.

HIGHSTREET™ ASSET MANAGEMENT

Highstreet Asset Management is committed to their core principles of doing two things exceptionally well – serving their clients and managing money. They believe that investment success can be achieved through blending quantitative and fundamental analysis to capture alpha drivers.

Financial Highlights

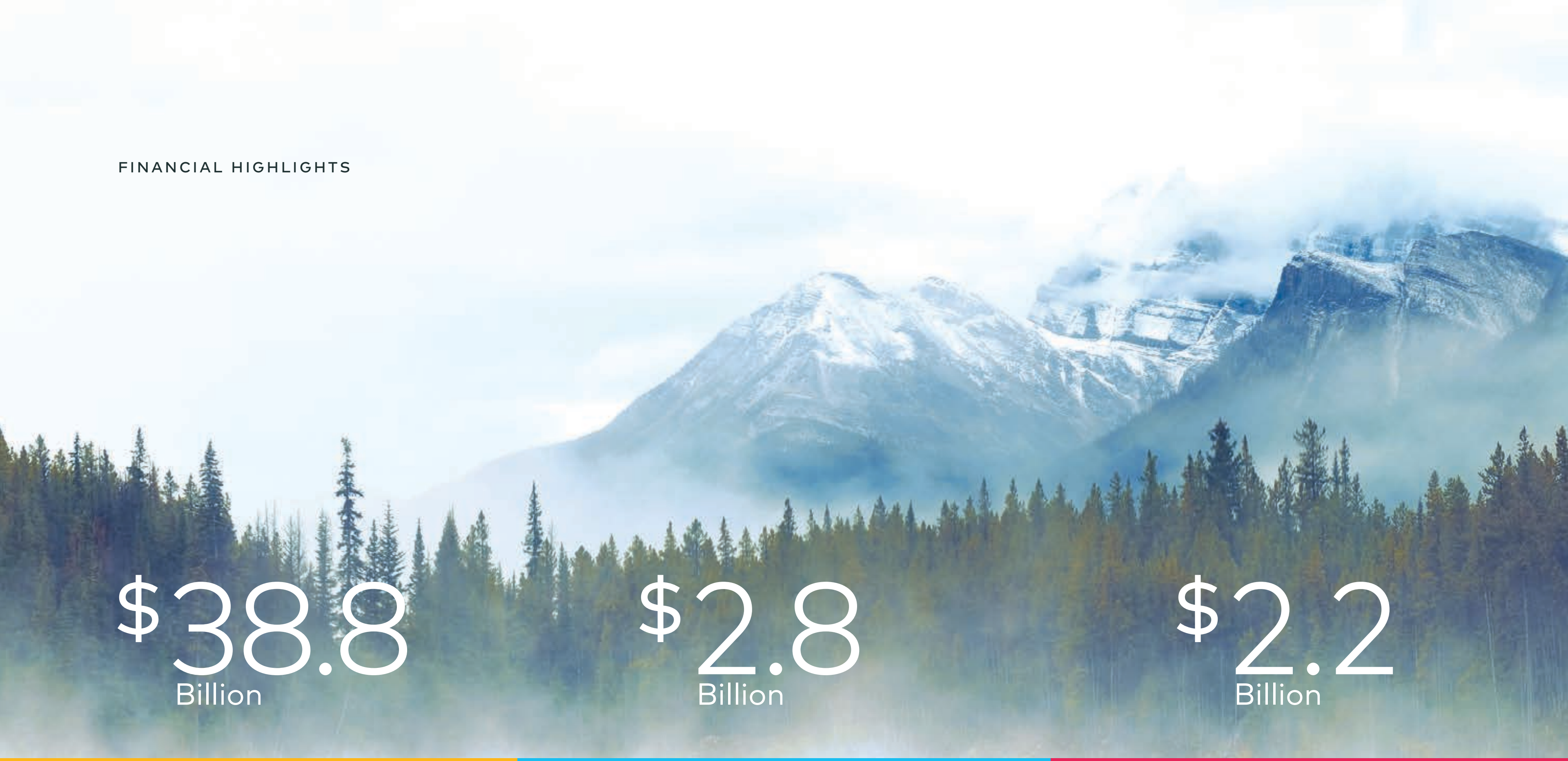
Consolidated 10-year Review (from continuing operations)

(in millions of Canadian dollars, except per share amounts)	IFRS	IFRS	IFRS	IFRS	IFRS
Years ended November 30	**2020[1,2]**	**2019[3,4]**	**2018[5]**	**2017[6]**	**2016[7]**
Income	$ 543.9	$ 436.7	$ 450.2	$ 455.5	$ 428.7
Expenses[11]	292.8	326.7	343.7	339.1	319.2
EBITDA before commissions[12]	251.1	110.0	106.5	116.4	109.5
Pre-tax income	194.4	57.3	62.5	61.8	52.7
Net income attributable to equity owners					
of the Company	173.9	47.9	73.9	52.1	42.5
Earnings per share attributable to equity owners					
of the Company					
Basic	$ 2.25	0.61	$ 0.94	$ 0.66	$ 0.53
Diluted	2.22	0.60	0.92	0.64	0.53
Free cash flow[12]	$ 46.1	$ 52.8	$ 41.4	$ 58.7	$ 61.5
Dividends per share	$ 0.32	$ 0.32	$ 0.32	$ 0.32	$ 0.32
Long-term debt	$ –	$ 207.3	$ 188.6	$ 138.6	$ 188.2
Weighted average basic shares	77,326,775	78,739,081	79,292,775	79,330,190	79,278,876
Weighted average fully diluted shares	78,359,570	79,672,961	80,637,948	81,245,279	80,253,600

1 Refer to Note 3 in the 2020 Consolidated Financial Statements for more information on the adoption of IFRS 16.
2 2020 includes $104.4 million related to gain on sale of Smith & Williamson Holdings Limited (S&WHL), net of currency hedge, and $41.3 million of dividends, net of currency hedge, from S&WHL, recognized as income.
3 Refer to Note 3 in the 2019 Consolidated Financial Statements for more information on the adoption of IFRS 15.
4 2019 includes income of $4.1 million related to one-time fund expense tax recovery, and $14.4 million related to restructuring costs.
5 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal for S&WHL, $5.2 million of one-time restructuring and administrative costs, $21.9 million provision release, $2.2 million of interest recovery related to the transfer pricing case.
6 2017 includes $10.0 million of income related to a litigation settlement.
7 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.

(in millions of Canadian dollars, except per share amounts)	IFRS	IFRS	IFRS	IFRS	IFRS
Years ended November 30	**2015[8]**	**2014**	**2013[9]**	**2012[10]**	**2011**
Income	$ 449.6	$ 464.5	$ 484.5	$ 510.2	$ 585.7
Expenses[11]	322.4	309.6	320.9	321.2	337.5
EBITDA before commissions[12]	127.2	154.9	163.6	189.0	248.1
Pre-tax income	63.9	79.1	66.0	58.5	114.7
Net income attributable to equity owners of the Company	48.3	61.3	22.4	52.3	103.6
Earnings per share attributable to equity owners of the Company					
Basic	$ 0.59	$ 0.69	$ 0.25	$ 0.29	$ 0.80
Diluted	0.58	0.68	0.25	0.29	0.80
Free cash flow[12]	$ 67.8	$ 82.0	$ 102.3	$ 95.8	$ 135.9
Dividends per share	$ 0.51	$ 1.08	$ 1.08	$ 1.08	$ 1.07
Long-term debt	$ 268.8	$ 308.2	$ 307.9	$ 312.3	$ 315.1
Weighted average basic shares	82,295,595	86,000,437	88,163,616	94,117,889	94,295,903
Weighted average fully diluted shares	83,584,539	87,384,880	88,690,410	94,932,213	95,111,318

[8] 2015 includes a $5.7 million distribution related to a crystallization of an asset and a one-time restructuring cost of $7.2 million.
[9] 2013 includes a $25.0 million one-time adjustment to tax provision related to the transfer pricing case.
[10] Refer to Annual Report 2012 for transition adjustments from GAAP to IFRS.
[11] Includes selling, general, and administrative (SG&A), restructuring provisions, trailing commissions and investment advisory fees.
[12] See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

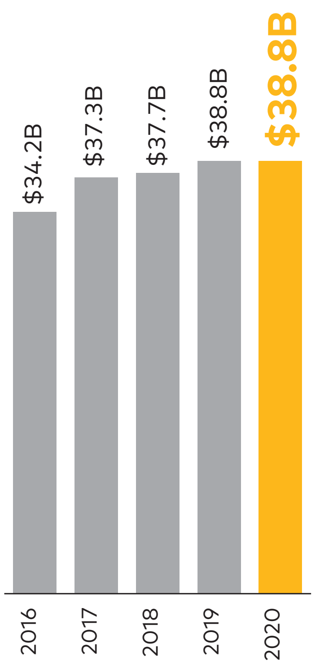


$38.8 Billion

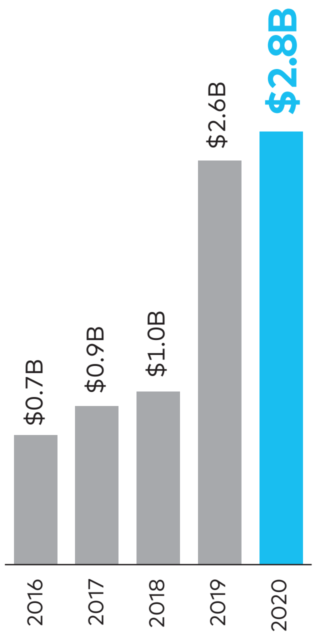
$2.8 Billion

$2.2 Billion

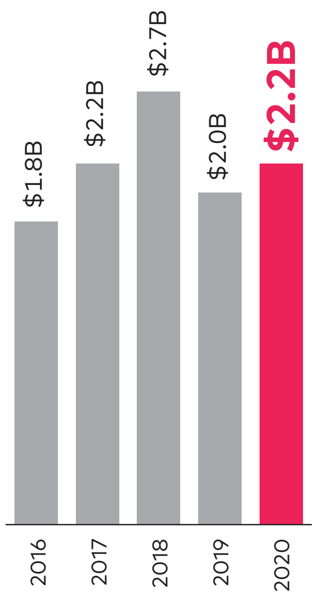
Assets Under Management

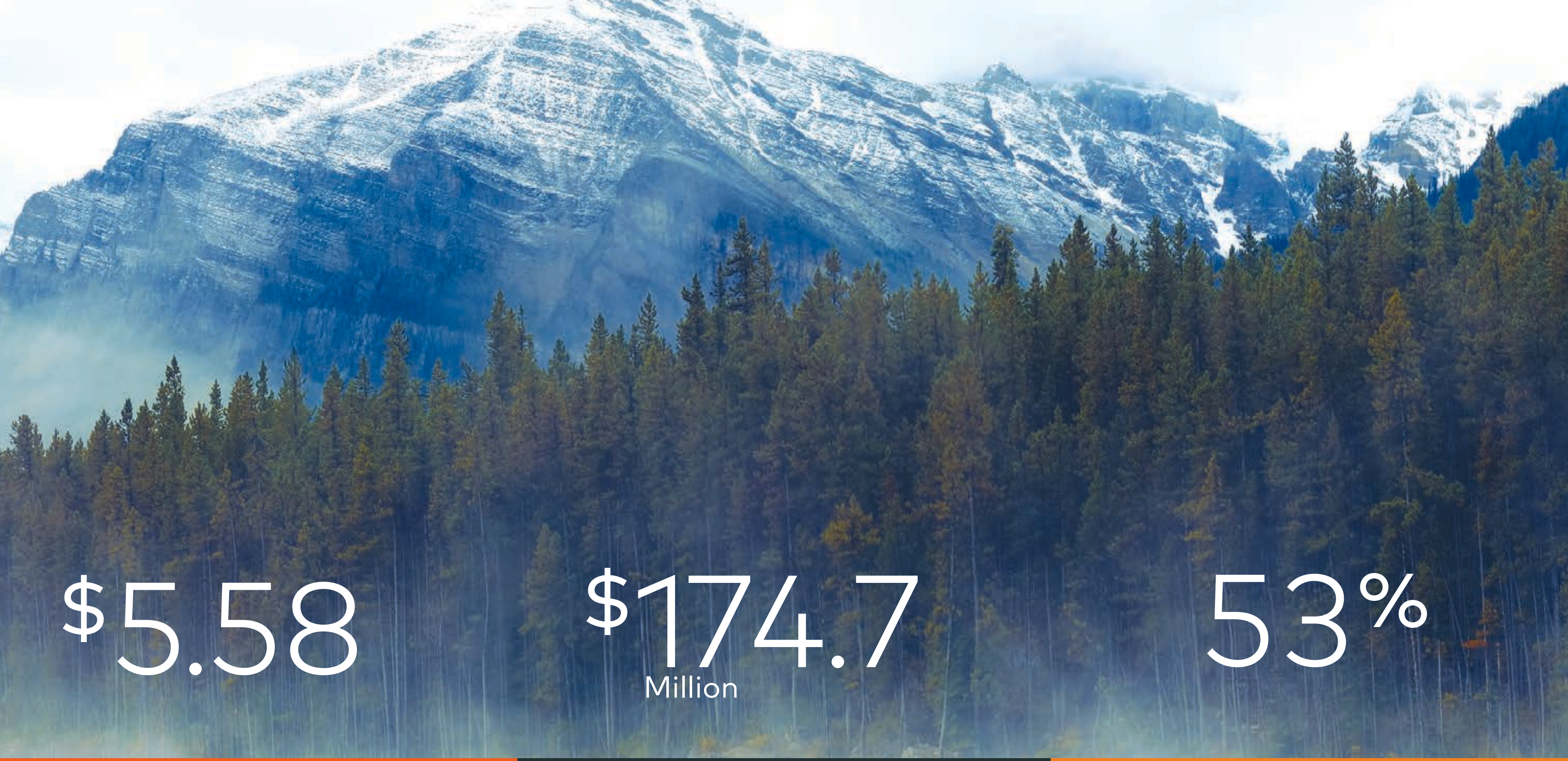


Private Alternative AUM

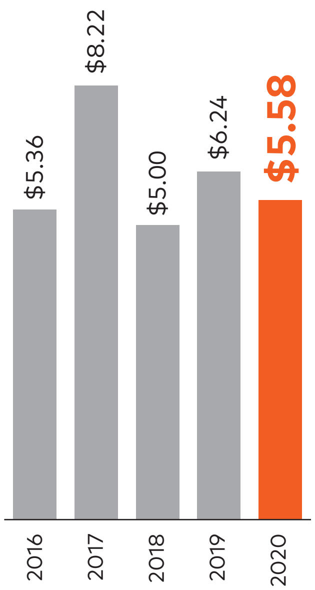


Mutual Fund Gross Sales



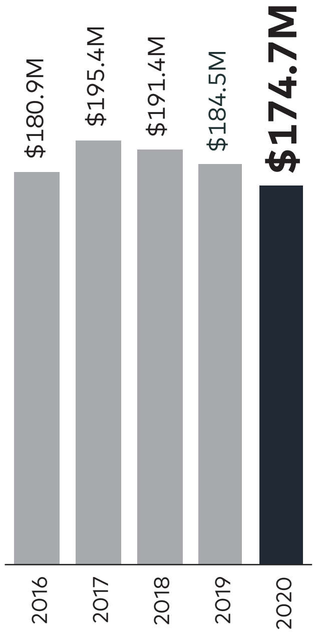


Share Price

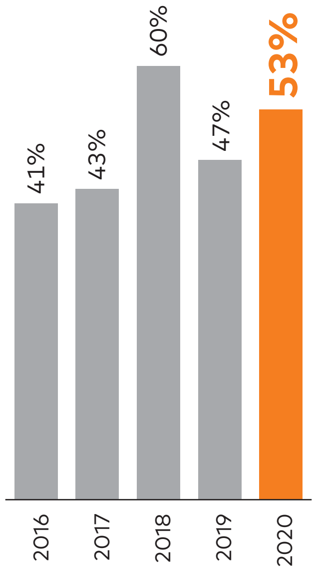


Selling, General and Administration

Adjusted for one-time items, IFRS 15 and IFRS 16[1]



Dividend Payout Ratio



[1] AGF CustomerFirst was acquired in February 2016.

A Message to Shareholders

No one could have imagined the impact of the pandemic or fully prepared for the challenges of 2020. But by acting swiftly to protect the health and safety of our employees, making effective use of technology and accelerating our digital transformation, we put ourselves in a position to succeed in spite of all that weighed on our hearts and minds – and on those of our clients and partners – during a most tumultuous year.

Responding effectively to all that we were faced with, we continually evolved, embracing new ways of doing business while staying true to our legacy to deliver strong relative investment performance. Because of this, we made significant progress against our strategic priorities, all while experiencing a positive shift in our culture.

Advanced Our Strategic Imperatives

We continued to execute against our long-term strategy and stated goals, successfully monetizing our interest in Smith & Williamson (S&WHL) on September 1, 2020. The sale of S&WHL significantly improved our financial position. As at November 30, 2020, AGF had $94.0 million in cash and no debt on its balance sheet, providing the financial strength and liquidity to execute on our future growth plans.

The close of this transaction allowed us to invest in areas of strategic growth to deliver continued value to our clients and shareholders.

In September 2020, we accelerated our commitment to private alternatives through an expanded partnership with the SAF Group (SAF). In early 2021, AGF and SAF expect to bring to market offerings with varying liquidity and return profiles designed to meet the needs of our respective target segments of the investor market. This will include a direct lending private credit strategy with a focus on originating, structuring and lending to middle- and lower-middle market companies, primarily in Canada and the United States.

We were also able to launch AGFWave Asset Management Inc. (AGFWave), a joint venture between AGF and WaveFront Global Asset Management Corp. (WaveFront), to deliver our investment management capabilities to the rapidly growing China and South Korean markets.

Throughout 2020, we continued to review our offerings to ensure clients have access to a line-up of products that are relevant, competitive and responsive to market trends. This included the launch of new ETFs and Mutual Funds offering access to leading investment strategies across multiple investment vehicles.

Kevin McCreadie
Chief Executive Officer and
Chief Investment Officer

In addition, AGF remains committed to the principles of good stewardship and responsible investing. We are a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and are a sustaining member of the Responsible Investment Association. In 2020, we reinforced our commitment to furthering responsible and sustainable investing practices across the organization with new dedicated investment management hires and a new industry membership focused on enhancing sustainability research and training.

Furthermore, our consistent, outstanding risk-adjusted investment performance in 2020 was recognized with multiple FundGrade A+® Awards and Lipper Fund Awards, while our culture was also recognized with a Wealth Professional Award for Employer of Choice.

I would be proud of these accomplishments and accolades at any time, but the fact that we were able to do this despite all the obstacles in our way is truly remarkable.

Provided Clients with an Essential Service

During this challenging year, our industry has been providing an essential service. At AGF, we have been committed to demonstrating our value by remaining close to our clients, keeping the lines of communication open and providing valuable insights and resources to help them navigate the ever-changing market environment.

We remained focused on providing the best possible stewardship of the investments entrusted to our care and to providing an exceptional client experience. This approach has strengthened existing relationships and helped us develop new ones, while improving our sales activity and positioning us well for 2021.

AGF's mutual fund net sales totaled $88 million in Q4 2020, compared to net redemptions of $181 million in Q4 2019. Gross sales for our long-term mutual funds improved 37% year-over-year, outpacing the industry's overall year-over-year improvement of 21%.

Evolved our Culture

When I look back at 2020, what I'm most proud of is our people. We truly came together to support one another with empathy and compassion and, as a result, have become a more tightly knit workplace even as we've been working remotely. At AGF, we have always believed that our most important asset is our people and that they play an integral role in our success. That's why we acted quickly to protect the health and safety of our employees at the outset of the COVID-19 pandemic by transitioning nearly all staff globally to working from home in mid-March 2020. We also realized the importance of offering additional support throughout the pandemic by providing employees with mental health days, expanded health benefits and increasing the frequency of employee communications.

This past year, we also took the opportunity to hear directly from our employees through a series of surveys to assess our work-from-home experience, inform our post-pandemic "future of work" plans and help us better understand our employee population as it relates to diversity, inclusion and AGF's culture.

As a firm, we are taking what we have learned in 2020 and are looking at ways to adjust our workday, integrate more technology solutions and further evolve our culture going forward. We have experienced a positive shift in our culture and in our latest employee survey 85% of employees rated their work motivation level at an 8, 9 or 10 and 92% had an engagement level of 7 or greater.

This time next year, we expect to be in our new offices in Toronto at CIBC SQUARE. This is an exciting move that will be pivotal in helping us capitalize on our existing momentum and grow as a firm.

There will still be challenges ahead, to be sure. As always, we will need to continue to work hard, be prudent and practice expense discipline while prioritizing and being empathetic to our colleagues' needs.

But every crisis creates opportunities and by seizing them, we've seen some great things come out of this difficult situation. The AGF story is evolving and we are ready – and excited – for the next chapter.

In 2021, our Strategic Imperatives are to:

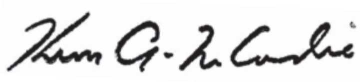
- Deliver consistent and repeatable investment performance;
- Drive the organization to sustainable net inflows;
- Position AGF to reach $5 billion in private alternative assets by 2022; and
- Meet expense guidance of $180 million while continuing to invest in key growth areas.

Our ability to deliver consistent and repeatable investment performance across our investment solutions is imperative to returning our Retail and Institutional sales to sustainable net inflows. This is also the key ingredient as we grow our ETF sales. We will continue to collaborate to advance our capabilities ensuring our investors have access to a line-up of products that exhibit our strengths and are relevant, competitive and responsive to market trends. We will also continue to leverage and advance our digital foundation to improve our lead generation capabilities and the virtual sales experience for our clients.

We will continue to build out a diversified private alternatives business through the launch of a private credit product with SAF Group. We will also explore other unique opportunities to grow our platform and product offerings further.

Finally, we will meet our SG&A guidance of $180 million through continued efficiency and automation improvements while investing back into the key growth areas of our business.

We have a strong plan in place for 2021 and I know we can deliver. We're entering the year with terrific sales momentum, relevant products and strong performance. We have the opportunity to capitalize on our experiences in 2020 by embracing the positive changes we have made this year and I look forward to all we'll accomplish together as a team in the year ahead.



Our Approach: Invested in Discipline

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.

A Differentiated Investment 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 Strategies*

Equities

Global/International

North American

Emerging Markets

Sustainable (Thematic, Impact)

Dividends/Income

Fixed Income

Global Credit/Rate Sensitive

Canadian Core

Emerging Market Debt

Asset Allocation

Managed Solutions
(Risk Spectrum, Outcomes)

Alternative Real Assets

Global Real Assets
(Precious Metals, Natural Resources)

AGFiQ: Quantitative Strategies

Equities

Global/International

North American

Emerging Markets

Sustainable (ESG Factors)*

Dividends/Income

Fixed Income

Global

Asset Allocation

Multi-Asset ETF Strategies
(Risk Spectrum, Outcomes)

Alternative Real Assets

Infrastructure

Alternative Strategies

Market Neutral

Long/Short

Cash Call

Absolute Return

Private Real Assets

Private Infrastructure*

InstarAGF Asset Management Inc.
(Essential Infrastructure)

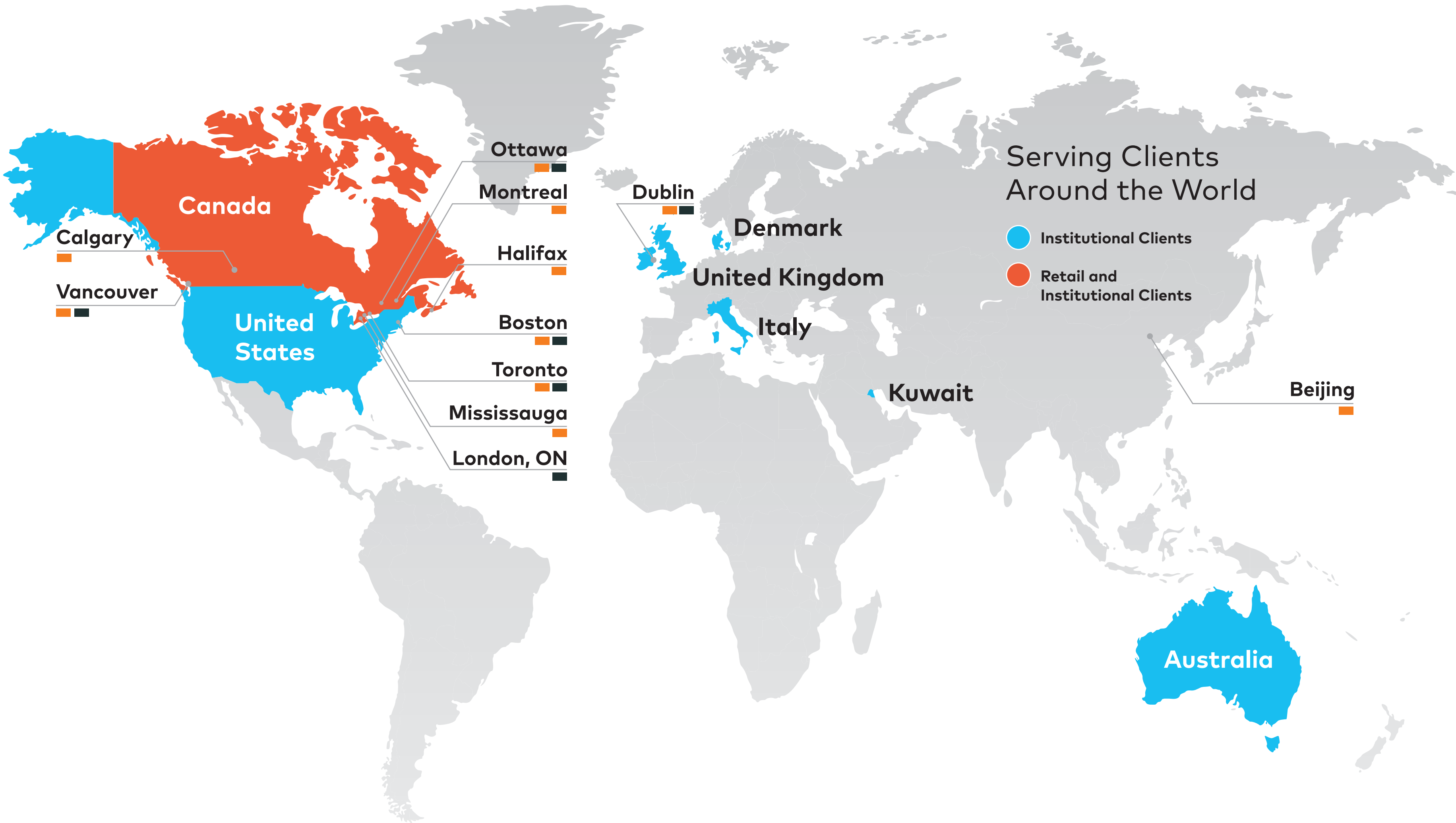
Structured Credit

SAF Group (Stream Asset Financial LP)

***ESG Integration**

Currency Management

Our Global Footprint



■ Investment Management and Research Office	Toronto / Vancouver / London, ON / Ottawa / Boston / Dublin
■ Sales and Service Office	Toronto / Vancouver / Calgary / Mississauga / Montreal / Halifax / Boston / Dublin / Beijing

Sales Distribution

In 2020, I took on an expanded role as President and Head of Global Distribution, with responsibility for all retail and institutional sales channels globally, including our private client business.

Judy Goldring, LL.B, LL.D, ICD.D
President and Head of Global Distribution

In 2020, I took on an expanded role as President and Head of Global Distribution, with responsibility for all retail and institutional sales channels globally, including our private client business.

As part of transitioning into this new role, my initial plan and focus was to be on building relationships with our clients and partners through in-person meetings and events. Of course, when the pandemic hit, we all had to pivot, including transitioning our distribution plan to take a virtual approach.

AGF as a firm has been focused, for many years, on diversifying our client base, our investment offerings and investing in our technology platforms. This forward-thinking planning and preparation allowed us to shepherd our business through a successful transition to remote work in mid-March and to actually grow our business throughout the unpredictable times that have followed.

While providing an essential service, we have been focused on demonstrating our value by keeping the lines of communication open through insights, resources and virtual events to help our clients and partners make sense of this ever-changing market environment.

This approach – powered by our accelerating digital transformation – has strengthened existing relationships and helped us develop new ones, while improving our sales activity and positioning us well for 2021.

We are having more candid conversations with our clients, giving us a better understanding of what they need, and we are responding to growing investor demand for alternatives and sustainable investing, while taking steps towards a vehicle-agnostic platform to ensure investors can access our strategies regardless of how their portfolios are constructed.

As always, we remain focused on providing the best possible stewardship of the investments entrusted to our care and to providing an exceptional client experience.

Client Engagement

- » We planned, managed and executed 20+ sponsored events, while hosting 40+ AGF-owned events, including market updates and roadshows across Retail and Institutional.
- » We reached thousands of financial advisors through digital channels and events while also achieving our largest institutional and U.S. audience reach in our history.
- » Our sales team had over 66,000 interactions/engagements with clients.
- » As investors continue to move away from domestic strategies towards global and international opportunities, AGF is well positioned to capture this trend.

Building Momentum

- » Our mutual fund net sales totaled $88 million in Q4 2020, compared to net redemptions of $181 million in Q4 2019.
- » AGF's sales improvement has outpaced that of the industry. Gross sales flowing into our long-term funds increased 37% year-over-year, compared to 21% for the industry.
- » The positive sales momentum has continued into the first quarter of 2021 and we are seeing strong inflows across multiple categories.
- » Our U.S. institutional business is also starting to see momentum and we are in the process of onboarding two large institutional clients, who selected four of our global equity investment strategies for sub-advisory and SMA mandates.
- » Private client continued to deliver consistent results and above median performance for our high-net-worth clients.

At AGF, we are defined by our disciplined investment approach and commitment to our clients. We lean on these central tenets every day to guide our actions – and they've prepared us well to execute in difficult times like these.

I'm very proud of how we came together to deliver for our clients and partners. In addition to providing standout investment management, I believe our multipronged approach to client service and engagement will continue to keep us top of mind now – and as we move ahead.

Our Corporate Responsibility

At AGF, responsible and sustainable practices are more than simply an approach to investing. This thinking shapes our organization at all levels.

We apply forward-thinking practices related to environmental, social and governance factors in establishing strategic priorities to benefit all of our stakeholders.

AGF Sustainability Council

AGF's Sustainability Council provides 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.

Council objectives include:

» Evaluate AGF's involvement in national and international initiatives or agreements related to ESG and corporate sustainability matters.

» Identify ways to engage in corporate social responsibility that creates a positive impact in the communities in which we operate.

» Retaining the best talent and incorporating inclusion and diversity throughout the organization.

Our Employees

At AGF, the most important asset is our people as they play an integral role in our success. That's why we acted quickly to protect the health and safety of our employees at the outset of the COVID-19 pandemic by transitioning nearly all staff globally to working from home in mid-March 2020. It's also why we've continued to offer support throughout the pandemic by granting additional mental health days to all staff, expanding the health benefits we offer, making support resources available and increasing the frequency of employee communications.

We are committed to being an employer of choice, which also means looking at responsible practices and initiatives to attract, develop and reward our employees.

In addition, we believe that embracing the strength of diversity and providing a satisfying human and physical environment increases our ability to serve and support each other, our clients and our communities.

33%

of senior management roles are held by women[1]

Exceed minimum wage by at least

20%[2]

Workforce Diversity

We are committed to employing a diverse workforce that reflects the diversity of our communities.

The Living Wage

We are believers of the philosophy of The Living Wage and practice paying our employees a higher base pay than established by government standards.

Employee Surveys

We also believe strongly in hearing directly from our employees and having their feedback shape our actions and plans for the future, as well as our understanding of key issues. To this end, we carried out multiple employee surveys in 2020 to assess our work-from-home experience over time, inform our post-pandemic "future of work" plans and help us better understand our employee population as it relates to diversity, inclusion and our culture.

CEO-to-Employee Pay Ratio

We measure and evaluate our vertical pay ratios to ensure fair salaries for our employees.

Exceed minimum wage by at least 20%[1]

33% of senior management roles are held by women[2].

[1] Senior Vice-President and above.

[2] In all countries where we have salaried employees.

Our Clients

We are committed to the principles of good stewardship and responsible investing, and believe that 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.

ESG Committee

AGF's ESG Committee meets monthly to govern responsible investment matters within the firm. The Committee consists of representatives from each investment team and assists the Office of the Chief Investment Officer and AGF's Sustainability Council with:

» Incorporating ESG issues into our investment management process.

» Reporting of and establishing processes to monitor adherence with stewardship activities related to ESG matters that impact AGF's investment management operations, policies and processes.

» Educational training of the investment management team on ESG issues.

» Establishing processes for monitoring portfolio manager engagement of investee companies on sustainability matters.

» Drafting and updating the responsible investment policies and establishing processes to monitor adherence with such policies.

Foundations of Our Investment Stewardship

Research and Analysis

We 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, stock selection, portfolio construction, shareholder engagement and voting.

Risk Oversight

Portfolio level ESG investment risk is monitored in the AGF portfolio analytics and risk management process and reviewed at the quarterly review with every Portfolio Manager, CIO and Risk and Portfolio Analytics team.

Active Ownership

Proxy voting is an important component of active ownership. AGF adopted Sustainability Proxy Voting Guidelines to support sustainable business practices and enhance shareholder value. We vote proxies in the best interests of the Funds.

Engagement

AGF engages in dialogue with companies and policy makers to influence and promote ESG value-adding practices, better understand the quality of the businesses that we invest in and how they are positioned for future challenges. We also participate in broader discussions about standards and best practices in responsible investing.

AGF is a Signatory to:

Principles for Responsible Investment

AGF Investments Inc. is the signatory to United Nations-supported Principles for Responsible Investment.

Responsible Investment Association

AGF is a sustaining member of the Responsible Investment Association, Canada's membership association for Responsible Investment.

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.

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.

SASB Alliance

As a member of the SASB Alliance, AGF supports the need for more standardized, cost-effective sustainability disclosure.

Our Shareholders

We are committed to ensuring our corporate governance practices evolve with best practices. Each of AGF's directors is actively engaged in his or her duties as a steward of the corporation, tasked with the protection and promotion of our shareholders' interests.

Direct Ownership

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.

Annual Assessment

The Board conducts an annual review of its performance, the performance of each of the Board's committees, and the performance of each director.

Ethical Conduct

All directors, officers and employees of AGF are subject to a code of business conduct and ethics and must acknowledge their adherence annually to AGF's Code of Business Conduct and Ethics.

Our Board

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. Our Board is comprised of talented and dedicated directors who bring new ideas and distinct voices to help AGF succeed.

AGF is a member of the 30% Club Canada, which encourages and supports companies to appoint more women at board level as well as senior management levels.

30% Club
GROWTH THROUGH DIVERSITY

Our Communities

Sponsorships and partnerships help us fulfill our commitment to our social responsibility pillars while raising awareness of and supporting these important causes. Our employees also contribute beyond their jobs and are encouraged to lead by example and make a difference in their communities.

Active member of the

30%

Club

40%

of our Board are women

Education

We foster educational development and opportunities to invest in our future.

Diversity

We embrace diverse backgrounds, experiences and perspectives and champion social change.

Environment

We are considerate of our environmental impact and promote sustainability of our planet.

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.

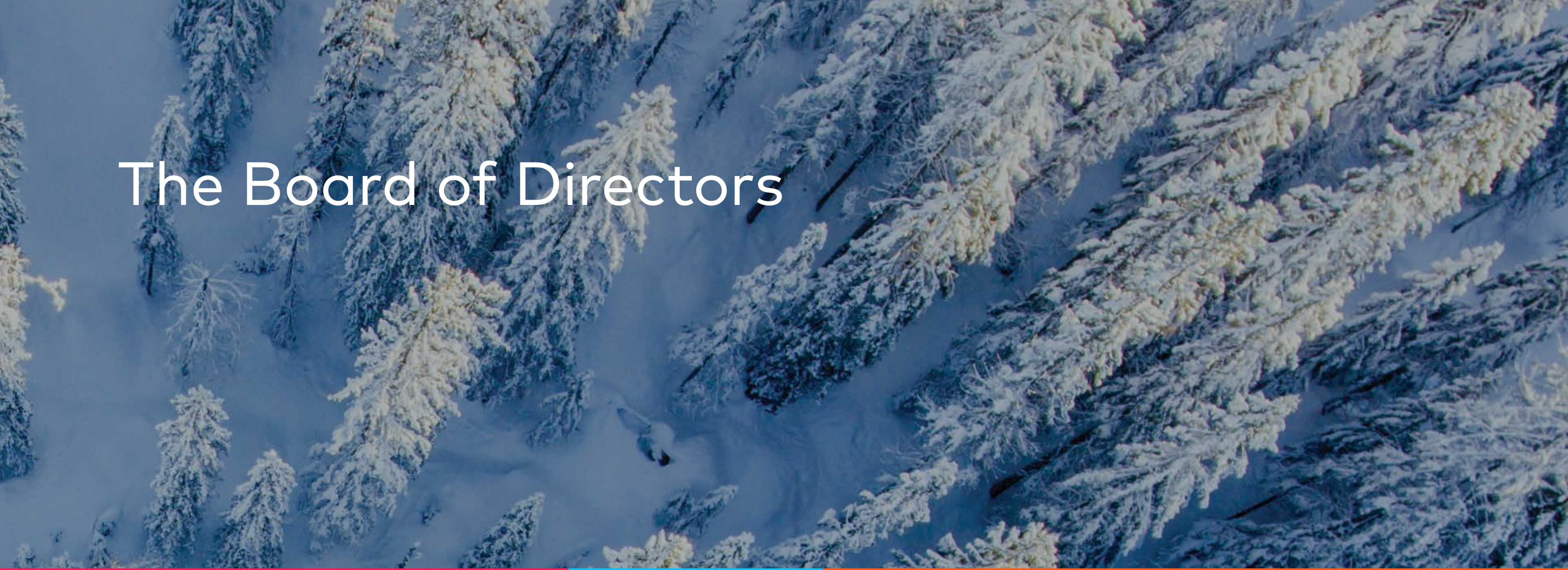
» The Board conducts an annual review of its performance, the performance of each of the Board's committees and the performance of each director.

» 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 10 directors, the majority of whom are independent from management. The following are the independent directors: Jane Buchan, Kathleen Camilli, Sarah Davis, Douglas L. Derry, Charles Guay, and G. Wayne Squibb, . Mr. Squibb is the lead director and chairs the meetings of the independent directors to ensure the independent directors have regular opportunities to meet and discuss issues without management present. The following directors are not independent due to their current or former roles in management at AGF: Blake C. Goldring, Executive Chairman of AGF; W. Robert Farquharson, Former Executive Officer of AGF; Judy G. Goldring, President & Head of Global Distribution of AGF; and Kevin McCreadie, Chief Executive Officer and Chief Investment Officer of AGF. 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 private investment office. 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 Globe Life Inc. (NYSE), is a founding Angel for 100 Women in Finance, 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

Sarah Davis is the President of Loblaw Companies Limited, Canada's largest retailer and the nation's food and pharmacy leader. Before taking on the role of President in 2017, Ms. Davis served as Chief Administrative Officer of Loblaw Companies Limited 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 Companies Limited. Ms. Davis has deep experience in the implementation of large and complex infrastructure programs, including the implementation of SAP across Loblaw. Ms. Davis holds an Honours Bachelor of Commerce degree from Queen's University. She is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant. Ms. Davis currently sits on the board of directors for PC Financial, T&T Supermarkets and is the chair of the board of directors of PC Children's Charity.

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 in a non-executive capacity. He joined AGF as an analyst and over a period of 50 years has managed a number of AGF funds and served the Corporation 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, LL.D, ICD.D (2007)

President and Head of Global Distribution, 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. On December 1, 2018, she was named President and Chief Administration Officer. Effective January 23, 2020, she became President and Head of Global Distribution. 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. In 2019, she received an Honorary Doctorate of Laws (LL.D) from the University of Toronto. Judy sits on the board of directors of the Investment Funds Institute of Canada (IFIC) and serves as Chair of the board of directors of Toronto French School (TFS).

Charles Guay

(2017)

President & Chief Operating Officer, SuccessFinder

A recognized transformational business leader and builder, Mr. Guay was President and Chief Executive Officer of National Bank Securities, Standard Life Canada and Manulife Quebec. He joined SuccessFinder, an emerging leading HR/Talent data platform, 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. He brings over 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 of that entity 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, 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 has for many years been an active community minded citizen, and active on 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) G. Wayne Squibb Jane Buchan Kathleen Camilli Sarah Davis	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, LL.D, ICD.D
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, LL.D, ICD.D
Blake C. Goldring, C.M., M.S.M., C.D., CFA
Jamie Bowland

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

Executive Officers

Blake C. Goldring, C.M., M.S.M., C.D., CFA
Executive 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, LL.D, ICD.D
President and Head of Global Distribution

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

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, the possible effects of war or terrorist activities, outbreaks of disease or illness that affect local, national or international economies (such as COVID-19), natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply or other 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 2020 Annual MD&A.

Financial Highlights

(in millions of dollars, except share data) Three months ended	Nov. 30, 2020[1,3]	Aug. 31, 2020[1,4]	May 31, 2020[1]	Feb. 29, 2020[1]	Nov. 30, 2019[2,5]	Aug. 31, 2019[2]	May 31, 2019[2]	Feb. 28, 2019[2,6]
Assets under management	$ **38,813**	$ 37,012	$ 36,336	$ 37,426	$ 38,781	$ 37,421	$ 38,338	$ 38,824
Mutual fund net sales (redemptions)	**88**	(22)	(93)	(344)	(181)	(103)	(498)	(104)
Income	**209.4**	138.7	89.0	106.7	114.5	107.4	109.8	105.0
Selling, general & administrative	**43.1**	46.1	40.2	45.3	45.4	47.3	48.6	48.0
EBITDA before commissions[7]	**137.0**	62.6	21.2	30.2	38.7	29.0	29.2	12.9
Adjusted EBITDA before commissions[8]	**31.6**	30.1	21.2	30.2	35.8	30.2	30.4	28.5
Net income (loss) before tax	**123.1**	50.6	7.0	13.6	27.5	16.9	14.1	(1.3)
Net income (loss)	**110.4**	47.3	5.3	10.8	22.2	14.4	11.5	(0.2)
Adjusted net income[8]	**15.0**	14.8	5.3	10.8	19.4	14.6	11.7	11.3
Earnings per share								
Basic	$ **1.46**	$ 0.61	$ 0.07	$ 0.14	$ 0.28	$ 0.18	$ 0.15	$ –
Diluted	**1.43**	0.60	0.07	0.13	0.28	0.18	0.14	–
Adjusted diluted[8]	**0.19**	0.19	0.07	0.13	0.24	0.18	0.14	0.14
Free cash flow[8]	**9.9**	15.5	6.1	14.5	18.3	9.7	8.2	16.6
Dividends per share	**0.08**	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Long-term debt[8]	**–**	194.3	199.9	216.9	207.3	158.9	164.9	168.7
Average basic shares	**75,882,292**	77,803,877	78,393,086	78,570,122	78,503,480	78,715,118	78,699,275	78,664,067
Average fully diluted shares	**77,022,549**	78,904,921	79,058,740	80,530,285	79,624,609	79,818,712	79,771,774	79,836,248

1 Refer to Note 3 in the 2020 Consolidated Financial Statements for more information on the adoption of IFRS 16.
2 Refer to Note 3 in the 2019 Consolidated Financial Statements for more information on the adoption of IFRS 15.
3 November 30, 2020 includes $104.4 million related to gain on sale of Smith & Williamson Holdings Limited (S&WHL), net of currency hedge.
4 Three months ended August 31, 2020 includes $41.3 million of dividends, net of currency hedge, from S&WHL, recognized as income.
5 November 30, 2019 includes $4.1 million of one-time fund expense tax recovery.
6 February 28, 2019 includes $14.4 million related to restructuring costs. Refer to the 'Restructuring Provision' section for more information.
7 For the definition of EBITDA before commissions, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA before commissions to net income, a defined term under IFRS, are detailed in the Consolidated Statement of Income.
8 Adjusted net income, adjusted diluted earnings per share, free cash flow, adjusted EBITDA before commissions and long-term debt are not standardized earnings measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to IFRS, where necessary, are provided in the MD&A.

Selected Quarterly and Annual Information

(in millions of dollars, except share data)	Three months ended Nov. 30, 2020	Aug. 31, 2020	Nov. 30, 2019	Years ended Nov. 30, 2020	Nov. 30, 2019
AUM end of the period					
Mutual Funds	$ **20,322**	$ 19,232	$ 19,346	$ **20,322**	$ 19,346
Institutional, sub-advisory, ETFs	**9,638**	9,252	10,755	**9,638**	10,755
Private Client	**6,043**	5,773	6,100	**6,043**	6,100
Private Alternatives	**2,810**	2,755	2,580	**2,810**	2,580
Total AUM end of the period	**$ 38,813**	**$ 37,012**	**$ 38,781**	**$ 38,813**	**$ 38,781**
Mutual Fund net sales (redemptions)	$ **88.0**	$ (22.0)	$ (181.0)	$ **(371.0)**	$ (886.0)
EBITDA before commissions[1]	**137.0**	62.6	38.7	**251.1**	110.0
Net income	**110.4**	47.3	22.2	**173.9**	47.9
Diluted earnings per share	**1.43**	0.60	0.28	**2.22**	0.60
Free cash flow[2]	**9.9**	15.5	18.3	**46.1**	52.8
ADJUSTED FINANCIAL INFORMATION					
Adjusted EBITDA before commissions					
Adjusted EBITDA before Private Alternatives & S&WHL[3]	**24.5**	20.1	25.3	**89.2**	84.9
From Private Alternative Managers[4]	**1.6**	0.6	0.1	**2.9**	0.3
From Private Alternative Long-term Investments[5]	**5.5**	0.6	2.6	**7.8**	15.2
Adjusted EBITDA before commissions excluding EBITDA from S&WHL	**$ 31.6**	**$ 21.3**	**$ 28.0**	**$ 99.9**	**$ 100.4**
From S&WHL[6]	**–**	8.8	7.8	**13.3**	24.6
Adjusted EBITDA before commissions[2]	**$ 31.6**	**$ 30.1**	**$ 35.8**	**$ 113.2**	**$ 125.0**
Adjusted net income					
Adjusted net income before Private Alternatives & S&WHL	**8.7**	4.9	9.4	**23.4**	19.2
From Private Alternative Managers[4]	**1.6**	0.6	0.1	**2.9**	0.3
From Private Alternative Long-term Investments[5]	**4.7**	0.5	2.1	**6.4**	12.6
Adjusted net income excluding net income from S&WHL	**$ 15.0**	**$ 6.0**	**$ 11.6**	**$ 32.7**	**$ 32.1**
From S&WHL[6]	**–**	8.8	7.8	**13.3**	24.6
Adjusted net income[2]	**$ 15.0**	**$ 14.8**	**$ 19.4**	**$ 46.0**	**$ 56.7**
Adjusted diluted earning per share					
Adjusted diluted earnings per share before Private Alternatives & S&WHL	**0.11**	0.06	0.12	**0.30**	0.24
From Private Alternative Managers[4]	**0.02**	0.01	0.00	**0.04**	0.00
From Private Alternative Long-term Investments[5]	**0.06**	0.01	0.02	**0.08**	0.16
Adjusted diluted earnings per share excluding S&WHL	**$ 0.19**	**$ 0.08**	**$ 0.14**	**$ 0.42**	**$ 0.40**
From S&WHL[6]	**–**	0.11	0.10	**0.17**	0.31
Adjusted diluted earnings per share[2]	$ **0.19**	$ 0.19	$ 0.24	$ **0.59**	$ 0.71

1 For the definition of EBITDA before commissions, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA before commissions to net income, a defined term under IFRS, are detailed in the Consolidated Statement of Income.

2 Adjusted net income, adjusted diluted earnings per share, free cash flow, adjusted EBITDA before commissions and long-term debt are not standardized earnings measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to IFRS, where necessary, are provided in the MD&A.

3 S&WHL refers to Smith & Williamson Holdings Limited.

4 Private Alternative Manager earnings represents share of profit of joint ventures, which are recorded under equity accounting and recorded after tax.

5 Private Alternative Long-term Investments represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and other income.

6 S&WHL earnings represents share of profit of associate, dividend income, net of currency hedge and gain on sale of asset classified as held for sale, net of hedge.

A Year in Review

2020 was an unprecedented year for countries and companies around the globe. The worldwide pandemic continues to create economic upheaval and uncertainty that was unforeseeable. Despite this, AGF has continued to make progress on its strategic priorities. Below is a summary of our strategic and financial highlights for the year.

Strategic and Financial Highlights

Sale of Smith & Williamson Holdings Limited (S&WHL)

On September 1, 2020, AGF sold its 28.0% interest in S&WHL achieving one of its key strategic goals in realizing the value of its long-term investment. The Company received total cash of $296.2 million, excluding tax and one-time expenses. Total cash includes $250.4 million proceeds received from the sale of S&WHL, net of currency hedge, excluding tax and one-time expenses, and dividends and distributions of $45.8 million comprised of an interim dividend of $13.3 million and a special distribution, net of currency hedge, of $32.5 million. Net cash received, after tax and one-time expenses, was $231.4 million, resulting in a gain on the transaction of $94.4 million. The transaction was hedged at a rate of 1.68.

The sale of S&WHL significantly improved the strength of the Company's statement of financial position. As at November 30, 2020, AGF had $94.0 million in cash and no debt on its statement of financial position, providing the financial strength and liquidity to execute on its future growth plans.

Use of Proceeds from the Sale of S&WHL

The Company used a portion of the proceeds from the sale of S&WHL to fully repay its long-term debt to achieve immediate interest expense savings. In addition, $40.0 million of the proceeds were used to return capital to shareholders through the completion of a substantial issuer bid (SIB) on November 6, 2020, where AGF purchased for cancellation 7,017,542 Class B non-voting shares at a price of $5.70 per share.

Private Alternatives – AUM and Financial Highlights

Private Alternatives AUM increased to 8.9% to $2.8 billion as at November 30, 2020 from $2.6 billion in 2019.

During the year, AGF expanded its partnership with the SAF Group. In September 2020, AGF entered into a definitive option agreement with SAF that grants AGF the right to acquire management contracts of select SAF funds, and any new private credit funds, exercisable at any time until September 2021. The expanded partnership is focused on bringing new investment products to market and creating a path forward to a private credit capability that positions AGF to capitalize on the expected growth in private debt investments.

In June 2020, InstarAGF Asset Management Inc. announced the final closing of the InstarAGF Essential Infrastructure Fund II, with approximately USD$1.2 billion in aggregate equity commitments.

AGF's interest in private alternative managers generated EBITDA of $1.6 million and $2.9 million for the three and twelve months ended November 30, 2020 (2019 – $0.1 million and $0.3 million). The increase includes $1.0 million of carried interest revenue recognized in the fourth quarter of 2020 related to one of AGF's private alternative funds which has exceeded its performance threshold.

AGF's investments in private alternative long-term investments generated EBITDA of $4.7 million and $6.4 million for the three and twelve months ended November 30, 2020 (2019 – $2.1 million and $12.6 million). EBITDA related to long-term investments is impacted by the timing and size of monetizations and fair value adjustments on our investments in private alternative funds.

New Joint Venture

In September 2020, AGF entered into a joint venture agreement with WaveFront Global Asset Management Corp. (WaveFront) and launched AGFWave Asset Management Inc. (AGFWave), a new joint venture for providing asset management services and products in China and South Korea. AGFWave combines AGF's investment expertise and global brand strength with WaveFront's existing distribution capabilities in China and South Korea, including partnerships with industry leaders in both regions.

AUM and Sales

Excluding Private Alternatives, AGF reported $36.0 billion in asset under management (AUM) as at November 30, 2020, increasing from $34.3 billion at August 31, 2020 and remaining steady compared to $36.2 billion at November 30, 2019.

During the three months ended November 30, 2020, sales momentum continued to improve as AGF reported mutual fund net sales of $88.0 million compared to net redemptions of $22 million for the three months ended August 31, 2020 and $181.0 million in the comparative prior year period. Retail mutual fund[1] net sales were $66.0 million for the quarter compared to net redemptions of $4.0 million for the three months ended August 31, 2020 and $181.0 million in the comparative prior year period. For the full year, mutual fund net redemptions were significantly lower at $371.0 million compared to net redemptions of $886.0 million in 2019. Retail mutual fund net redemptions, which exclude net flows from institutional clients invested in mutual funds[1], were $172.0 million for the year compared to $556.0 million in the prior year.

The sales momentum has continued into Q1 2021.

Investment Performance

AGF aims to deliver consistent and repeatable investment performance with a target of 50% over one year and 40% over three years when looking at AGF's mutual fund gross returns (before fees) relative to peers within the same category. As at November 30, 2020, AGF's average percentile over the past one year was 41% (above target) and the average percentile over the past three years was 53% (below target).

For the year ended November 30, 2020, AGF received honours from the FundGrade A+® Awards, Lipper Fund Awards and Wealth Professional Awards.

[1] Net sales (redemptions) 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.

Financial Highlights

Selling, general and administrative costs were $174.7 million for the twelve months ended November 30, 2020, compared to $184.5 million (adjusted for IFRS 16) in 2019. The reduction in costs is attributable to management's continued focus on cost control combined with lower travel and entertainment costs as a result of the ongoing pandemic.

For the three and twelve months ended November 30, 2020, AGF reported adjusted EBITDA before commissions and S&WHL of $31.6 million and $99.9 million compared to $28.0 million and $100.4 million in the comparative prior year periods.

For the three and twelve months ended November 30, 2020, adjusted diluted earnings per share, excluding S&WHL, was $0.19 and $0.42 compared to $0.14 and $0.40 in the comparative prior year periods. The private alternative business contributed $0.08 and $0.12 in the three and twelve months ended November 30, 2020 compared to $0.02 and $0.16 in the prior year.

For the three and twelve months ended November 30, 2020, total adjusted diluted earnings per share was $0.19 compared to $0.24 in the prior year. For the full year, AGF reported total adjusted diluted earnings per share of $0.59 compared to $0.71 in the prior year.

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is as of January 26, 2021 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and AGF's subsidiaries for the three months and year ended November 30, 2020, compared to the three months and year ended November 30, 2019. The MD&A should be read in conjunction with the Consolidated Financial Statements for the year ended November 30, 2020. The financial statements for the year ended November 30, 2020, including comparative information, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including International Accounting Standard 34 (IAS 34), Interim Financial Reporting, unless otherwise noted. 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 and facilitate a comparison of quarterly and full-year results from period to period. These non-IFRS measures may not be comparable with similar measures presented by other companies. 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.

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 because of 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.'

Our Business and Strategy

Founded in 1957, AGF Management Limited 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. AGF trades on the Toronto Stock Exchange (TSX) under the symbol AGF.B.

AGF provides fund administration services to the AGF mutual funds through AGF's subsidiary AGF CustomerFirst Inc. (AGFC), and provides the capability to deliver complete trading infrastructure to support ETFs and 40-Act vehicles in the U.S. through AGF's subsidiary AGF Investments LLC.

Smith & Williamson Sale

On September 1, 2020, AGF sold our 28.0% interest in Smith & Williamson Holdings Limited (S&WHL), executing on AGF's strategic priority to monetize the S&WHL asset, realizing the value of AGF's long-term investment in the U.K. Based on the terms of the transaction structure, the Company received total cash of $296.2 million, excluding tax and one-time expenses, for the year ended November 30, 2020. Total cash includes $250.4 million proceeds received from the sale of S&WHL, net of currency hedge, excluding tax and one-time expenses, and dividends and distributions of $45.8 million, comprised of an interim dividend of $13.3 million and a special distribution, net of currency hedge, of $32.5 million. Net cash received, after tax and one-time item expenses, was

$231.4 million, resulting in a gain on the transaction of $94.4 million. The transaction was hedged at a rate of 1.68. For additional information, refer to Note 6 and Note 7 of the Consolidated Financial Statements. With proceeds fully received, AGF no longer has an interest in or association with S&WHL.

Along with the successful close of this transaction, AGF will continue to focus on executing against our strategic goals to deliver continued value to shareholders while optimizing the Company's capital structure. As part of this, a portion of the proceeds received for the transaction were used to fully repay the Company's long-term debt to achieve immediate interest expense savings. Proceeds were also used to return capital to shareholders through the completion of a substantial issuer bid (SIB) on November 6, 2020, where AGF purchased for cancellation 7,017,542 Class B non-voting shares at a price of $5.70 per share for a total cost of $40.0 million. Going forward, the Company will redeploy capital utilizing a balanced approach to reinvest in the business, pursue new growth initiatives, pay dividends and utilize our NCIB opportunistically.

COVID-19

While the beginning of a new economic cycle seems inevitable, the timing of it remains tenuous. In the first few months of 2021, markets may become more volatile before giving way to a less tumultuous, more favourable trajectory in the second half of the year.

The key, of course, is the ongoing fight to end the pandemic, which continues to rage around the world and recently forced new temporary lockdowns in several countries including the United States and Canada. In turn, a double dip recession cannot be ruled out entirely in 2021, even as optimism about a COVID-19 vaccine continues to grow, as governments work through the roll-out of the approved vaccines to their populations.

AGF continues to monitor the impact of the pandemic and is managing expenses and capital position accordingly. The Company has a comprehensive business continuity plan, which the Company activated in March 2020, and has taken specific measures to mitigate any business risks and ensure business continuity and the protection of our employees around the world in light of the rapidly evolving situation related to the novel coronavirus: COVID-19. To date, AGF has experienced no impact to our business operations and no instances of business operations interruption.

To maintain business-as-usual operations and importantly to protect the health and safety of AGF's employees, clients and communities the following measures remain in place:

- The majority of AGF's employees continue to work remotely.
- Offices have reopened on a limited-scale voluntary basis, where permitted, with employees requiring pre-approval from management to schedule and track time in the office.
- Existing business travel bans and bans on participation in external conferences and events remain in place until further notice.

Back-to-Office Guiding Principles

With a limited voluntary return-to-office plan in place, AGF has identified the following guiding principles, in priority order, as critical to our planning and activities.

1. Employee physical safety will be paramount, ensuring all of our facilities meet the recommendations of local Government and Public Health agencies before allowing return.

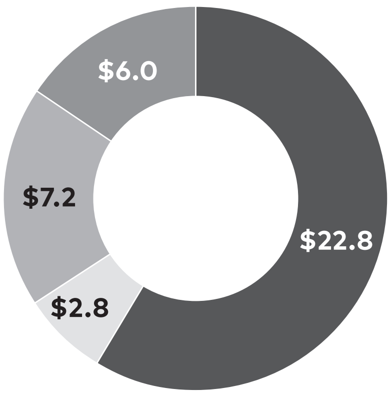
2. Employee mental health will be top of mind. As current capabilities are allowing the firm to operate effectively, any return is expected to be gradual and measured.
3. As an essential service AGF must maintain the ability to meet and exceed client service needs. Preference, priority and any declaration of mandatory presence in the office will consider these needs.
4. Culturally, AGF believes we must provide the capability to ensure ongoing collaboration and teamwork in a mixed at home and at work environment, so no employee feels disadvantaged by their present choice.

AGF has proven our employees can effectively work from home and, by embracing technology, has also found new ways to do things finding efficiency and benefits in this environment.

The COVID-19 pandemic has the potential to expose the Company to a number of risk factors that may impact our operating and financial performance. Refer to the 'Risk Factors and Management of Risk' section of this report for a more detailed discussion.

Our Investment Capabilities

As a diversified global asset management firm, AGF offers individuals and institutions a broad array of investment strategies through four key investment management platforms – fundamental, quantitative, private alternatives and private client.



$38.8B: AGF's assets under management distribute across four key platforms:

- Fundamental
- Private Alternatives
- Quantitative
- Private Client

Fundamental

AGF's fundamental investment management teams are focused on consistently delivering on investment objectives for our clients by leveraging our industry experience. AGF's fundamental teams' lead equity and fixed income portfolio managers have a combined 280+ years of experience in investment management, with deep relationships across the industry.

Throughout the years, as AGF has embraced change and innovation, our motivation has remained consistent. AGF carries a deep sense of accountability to investors to deliver on our objectives, allowing them to achieve their goals.

In an increasingly challenging environment, the ability to meet these objectives requires substantial experience and skill. At AGF, tenure, expertise and access to global firm resources has allowed the firm to maintain a disciplined approach while at the same time embracing a spirit of research and innovation to adapt.

AGF believes a culture of curiosity, open dialogue and challenging each other's ideas leads to better investment outcomes and helps to continually raise the bar for all of AGF's clients.

AGF's fundamental, actively managed platform includes a broad range of equity and fixed income strategies covering a spectrum of objectives from wealth accumulation and risk management to income-generating solutions. In addition to AGF's Global and North American equity and fixed income capabilities the firm has demonstrated specialist expertise in the areas of sustainable and alternative investing.

Quantitative

AGFiQ is the quantitative platform for AGF powered by an intellectually diverse, multidisciplined team. Led by pioneers in factor-based investing, the team's approach is grounded in the belief that investment outcomes can be improved by assessing and targeting the factors that drive market returns. Utilizing disciplined, factor-based approaches allows the firm to view risk through multiple lenses, while working to achieve our objective of providing better risk-adjusted returns.

The AGFiQ team collectively believes that in quantitative approaches, it's the people behind the strategies that truly drive innovation. AGF prides itself on thinking differently and does so by combining diverse and complementary strengths, which leads to innovative investment approaches.

AGF's relentless passion for research and understanding drives our ability to advance the wealth accumulation and preservation goals of investors.

AGF has found that external, third-party systems are not keeping pace with our ideas, research and the flexibility and customization requirements needed to deliver better outcomes.

As a result, AGF has developed an in-house research and database platform that enables the firm to define customized factors and build risk models and portfolio optimizations tailored for the unique investment objectives of each strategy.

Private Alternatives

Our expertise and partnerships across the alternatives spectrum allows investors to access and benefit from allocations to alternative investments as part of a disciplined investment approach. From alternative asset classes to alternatives strategies, AGF offers solutions for a wide range of objectives.

AGF's private alternatives business, with a focus on private investments from infrastructure to credit, is central to our mission to bring stability to the world of investing. In an ever-evolving and increasingly complex market environment, investors are actively seeking out opportunities to diversify their sources of return away from traditional equity and fixed income investments.

AGF's private alternatives business, with $2.8 billion in AUM, includes a joint venture with Instar Group Inc. (Instar): InstarAGF Asset Management Inc. (InstarAGF) and a joint venture partnership with SAF Group (SAF). InstarAGF 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. SAF is a Canadian-based alternative capital provider with expertise constructing bespoke financial products across the capital structure, including secured credit and asset-backed loans.

In September 2020, AGF entered into a definitive option agreement with SAF that grants AGF the right to acquire management contracts of select SAF funds, and any new private credit funds, exercisable until September 2021. While the extension of AGF and SAF's partnership is initially focused on bringing new investment products to market, including opportunistic funds, the option agreement also creates a path forward to a private credit capability that is well-positioned to capitalize on the expected growth in private debt investments.

AGF and SAF expect to initially bring to market a series of products for retail, institutional and high-net worth investors, with a focus on originating, structuring and lending to middle and lower middle market companies, primarily in Canada and the United States. The partnership expects to make a capital commitment of $15 million to the funds, of which $12 million will be funded by AGF. The products will have varying levels of liquidity, redemption privileges and return profiles designed to meet the needs of different segments of the investor market.

Since its inception, an objective for AGF's private alternatives business has been to generate recurring income, most importantly management fee profits for our shareholders. As we move forward, the expansion of AGF's footprint with SAF into the private credit space will accelerate this objective while also delivering against the needs of our clients who are demanding access to uncorrelated asset classes in the face of changing market dynamics.

Private Client

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

Cypress Capital Management provides quality investment services at a reasonable cost, where the best interest of the client is paramount. They are committed to being honest and transparent regarding return expectations, risks, fees and their capabilities as investment managers.

Doherty & Associates was founded on the principle that their clients come first in all they do. Their philosophy of "Great Companies at Great Prices" coupled with a disciplined investment process guides them to grow wealth responsibly over time.

Highstreet Asset Management is committed to their core principles of doing two things exceptionally well – serving their clients and managing money. They believe that investment success can be achieved through blending quantitative and fundamental analysis to capture alpha drivers.

Corporate Responsibility

AGF Sustainability Council

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

Council Objectives Include:

Evaluate AGF's involvement in global initiatives related to ESG and corporate sustainability matters

Identify ways to engage in corporate social responsibility that creats a positive impact in our communities

Retain the best talent and incorporate inclusion and diversity throughout the organization

Employees

At AGF, the most important asset is our people as they play an integral role in the firm's success. AGF is committed to being an employer of choice, which means looking at responsible practices and initiatives to attract, develop and reward employees.

AGF believes that embracing the strength of diversity and providing a satisfying human and physical environment increases our ability to serve and support each other, our clients and communities.

Workforce Diversity

AGF actively engages employees in the advancement of our inclusion and diversity initiatives and is committed to employing a workforce through inclusive hiring and recruiting practices that reflects the diversity of AGF's communities.

The Living Wage

AGF believes in the philosophy of The Living Wage and practices paying employees a higher base pay than established by government standards.

CEO-to-Employee Pay Ratio

AGF measures and evaluates vertical pay ratios to ensure fair salaries for our employees.

Clients

AGF is committed to the principles of good stewardship and responsible investing, and believes that integrating Environmental, Social and Governance (ESG) issues into our investment decision-making and ownership practices across platforms will help deliver better investment outcomes to clients.

Environmental, Social and Governance (ESG) Integration

ESG Committee: Oversees responsible investment matters within AGF, including the implementation of our Responsible Investment Policy

Fundamental Analysis

- Identify and assess material ESG factors as part of the investment strategy
- ESG data incorporated into investment research

ESG Risk Oversight

- Quarterly Portfolio Review with CIO: portfolio level ESG investment risks
- Ongoing monitoring of ESG data 'flags'

Active Ownership

- Proxy voting to support responsible practices and enhance shareholder value
- Engagement to promote ESG value-adding practices

ESG Thought Leadership

- Lead collaborative initiatives with other institutional investors
- Founder/Chair of Toronto Responsible Investment Working Group

Signatory and member of:*

Signatory of:

PRI Principles for Responsible Investment · 30% Club Growth Through Diversity · Investor Network on Climate Risk, a project of Ceres · RIA Responsible Investment Association · CDP Driving Sustainable Economies · Climate Action 100+ Global Investors Driving Business Transition

*AGF Management Limited is a member of the 30% Club. AGF Investments Inc. is a member/signatory of UNPRI, CERES, RIA, CDP and Climate Action 100.

Foundations of Investment Stewardship

Research and Analysis

AGF recognizes 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, stock selection, portfolio construction, shareholder engagement and voting.

Risk Oversight

Portfolio-level ESG investment risk is monitored in the AGF portfolio analytics and risk management process and reviewed at the quarterly review with every Portfolio Manager, CIO and Risk and Portfolio Analytics team.

Active Ownership

Proxy voting is an important component of active ownership. AGF adopted Sustainability Proxy Voting Guidelines to support sustainable business practices and enhance shareholder value. AGF votes proxies in the best interests of AGF Funds.

Engagement

AGF engages in dialogue with companies and policy makers to influence and promote ESG value-adding practices, better understand the quality of the businesses that AGF invests in and how they are positioned for future challenges. AGF also participates in broader discussions about standards and best practices in responsible investing.

Shareholders

AGF is committed to ensuring our corporate governance practices evolve with best practices. Each of AGF's directors is actively engaged in his or her duties as a steward of the corporation, tasked with the protection and promotion of shareholders' interests.

Direct Ownership

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.

Annual Assessment

AGF's Board conducts an annual review of our performance, the performance of each of the Board's committees, and the performance of each director.

Ethical Conduct

All directors, officers and employees of AGF are subject to a code of business conduct and ethics and must acknowledge their adherence annually to AGF's Code of Business Conduct and Ethics.

Board

When it comes to diversity, AGF believes that smart corporate decision-making requires different points of view, which come from people with diverse backgrounds, experiences and perspectives working together. AGF's Board is comprised of talented and dedicated directors who bring new ideas and distinct voices to help the firm succeed.

AGF is a member of the 30% Club Canada, which encourages and supports companies to appoint more women at board level as well as senior management levels.

Communities

Sponsorships and partnerships help AGF fulfil our commitment to the firm's social responsibility pillars while raising awareness of and supporting these important causes. AGF employees also contribute beyond their jobs through our employee-driven community engagement committee, the Making a Difference Committee, which aims to support local community organizations that matter most to AGF's employees across AGF's key pillars.

Education

AGF fosters educational development and opportunities to invest in our future.

Environment

AGF is considerate of our environmental impact and promotes the sustainability of our planet.

Diversity

AGF embraces diverse backgrounds, experiences and perspectives and champions social change.

Assets Under Management

	Three months ended					Years ended	
(in millions of dollars)	Nov. 30, 2020	Aug. 31, 2020	May 31, 2020	Feb. 29, 2020	Nov. 30, 2019	Nov. 30, 2020	Nov. 30, 2019
Mutual fund AUM beginning of the period[1]	**$ 19,232**	$ 18,259	$ 18,492	$ 19,346	$ 18,839	$ 19,346	$ 18,713
Gross sales	**679**	490	509	562	479	2,240	2,046
Redemptions	**(591)**	(512)	(602)	(906)	(660)	(2,611)	(2,932)
Net sales (redemptions)	**88**	(22)	(93)	(344)	(181)	(371)	(886)
Market appreciation (depreciation) of fund portfolios	**$ 1,002**	$ 995	$ (140)	$ (510)	$ 688	$ 1,347	$ 1,519
Mutual fund AUM end of the period[1]	**$ 20,322**	$ 19,232	$ 18,259	$ 18,492	$ 19,346	$ 20,322	$ 19,346
Average daily mutual fund AUM[1]	**$ 19,487**	$ 18,879	$ 17,386	$ 19,462	$ 19,015	$ 18,804	$ 18,908
Institutional, sub-advisory, ETF AUM beginning of period	**$ 9,252**	$ 9,591	$ 10,313	$ 10,755	$ 10,391	$ 10,755	$ 12,475
Net change including market performance	**386**	(339)	(722)	(442)	364	(1,117)	(1,720)
Institutional, sub-advisory, ETF AUM end of the period	**$ 9,638**	$ 9,252	$ 9,591	$ 10,313	$ 10,755	$ 9,638	$ 10,755
Private client AUM	**$ 6,043**	$ 5,773	$ 5,624	$ 5,905	$ 6,100	$ 6,043	$ 6,100
Subtotal excluding private alternatives AUM, end of the period	**$ 36,003**	**$ 34,257**	**$ 33,474**	**$ 34,710**	**$ 36,201**	**$ 36,003**	**$ 36,201**
Private alternatives AUM[2]	**$ 2,810**	$ 2,755	$ 2,862	$ 2,716	$ 2,580	$ 2,810	$ 2,580
Total AUM end of the period	**$ 38,813**	**$ 37,012**	**$ 36,336**	**$ 37,426**	**$ 38,781**	**$ 38,813**	**$ 38,781**

[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 AUM is $188.7 million. Of the $2.8 billion of AUM, 19% are non-fee earning assets.

Change in Assets Under Management

Total assets under management was $38.8 billion as at November 30, 2020, compared to $38.8 billion at November 30, 2019 and $37.0 billion at August 31, 2020. Equity markets performed strongly in the fourth quarter with many regions continuing to recover losses experienced during the market downturn despite high levels of volatility from the continued impacts of the COVID-19 pandemic. In addition, the markets experienced a surge from the news of forthcoming vaccines. Economies, however, are still not back to full strength and the pandemic is likely to remain a serious threat to future growth, with risk of a setback in the economic restart remaining high until such time that the vaccines are approved and safely and efficiently administered across populations around the world.

Reported mutual funds net redemptions were $371.0 million for the year ended November 30, 2020, compared to net redemptions of $886.0 million for the year ended November 30, 2019. Retail mutual fund net redemptions, which exclude net flows from institutional clients invested in mutual funds[1], were $172.0 million for the year compared to $556.0 million in the prior year.

AGF reported mutual funds net sales of $88.0 million for the three months ended November 30, 2020, compared to net redemptions of $181.0 million for the three months ended November 30, 2019. Retail mutual fund[1] net sales were $66.0 million for the quarter compared to net redemptions of $181.0 million in the prior year.

[1] Net sales (redemptions) 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.

Consolidated Operating Results

(in millions of dollars, except per share data)	Three months ended November 30, 2020[1]	Three months ended August 31, 2020	Three months ended November 30, 2019[2]	Years ended November 30, 2020[1]	Years ended November 30, 2019[2]
Income					
Management, advisory and administration fees[2,3]	**$ 95.9**	$ 93.5	$ 100.5	**$ 374.7**	$ 386.1
Deferred sales charges	**1.6**	1.4	1.9	**6.0**	7.2
Share of profit of joint ventures	**1.6**	0.6	0.1	**2.9**	0.3
Share of profit of associate[4]	**–**	–	7.8	**–**	24.6
Dividend income, net of currency hedge[5]	**–**	41.3	–	**45.8**	–
Gain on sale of asset classified as held for sale, net of currency hedge	**104.4**	–	–	**104.4**	–
Fair value adjustments and other income	**5.9**	1.9	4.2	**10.1**	18.5
Total income	**$ 209.4**	$ 138.7	$ 114.5	**$ 543.9**	$ 436.7
Expenses					
Selling, general and administrative[1,2]	**43.1**	46.1	45.4	**174.7**	189.2
Restructuring provision	**(1.0)**	–	–	**(1.0)**	14.4
Trailing commissions	**30.1**	29.8	29.9	**118.0**	120.7
Investment advisory fees	**0.2**	0.2	0.5	**1.1**	2.4
	$ 72.4	$ 76.1	$ 75.8	**$ 292.8**	$ 326.7
EBITDA before commission[6]	**$ 137.0**	**$ 62.6**	**$ 38.7**	**$ 251.1**	**$ 110.0**
Deferred selling commissions[2]	**10.3**	8.9	8.9	**42.0**	41.8
Amortization, derecognition and depreciation[1,2]	**2.5**	1.8	1.0	**8.2**	4.2
Interest expense[1]	**1.1**	1.3	1.3	**6.5**	6.7
Net income before income taxes	**$ 123.1**	$ 50.6	$ 27.5	**$ 194.4**	$ 57.3
Income tax expense[7]	**12.7**	3.3	5.3	**20.5**	9.4
Net income for the period	**$ 110.4**	**$ 47.3**	**$ 22.2**	**$ 173.9**	**$ 47.9**
Basic earnings per share	**$ 1.46**	$ 0.61	$ 0.28	**$ 2.25**	$ 0.61
Diluted earnings per share	**$ 1.43**	$ 0.60	$ 0.28	**$ 2.22**	$ 0.60

1 Refer to Note 3 in the 2020 Consolidated Financial Statements for more information on the adoption of IFRS 16.
2 Refer to Note 3 in the 2019 Consolidated Financial Statements for more information on the adoption of IFRS 15.
3 Three months and year ended November 30, 2019 includes $4.1 million of one-time fund expense tax recovery.
4 Three months and year ended November 30, 2019 includes $6.9 million of dividends recognized as income.
5 Three months ended August 31, 2020 includes $41.3 million and year ended November 30, 2020 includes $45.8 million of dividends, net of currency hedge, from S&WHL, recognized as income.
6 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.
7 Year ended November 30, 2020 includes $10.0 million income tax expense related to the gain on sale of S&WHL. Year ended November 30, 2019 includes a $3.1 million tax benefit related to the restructuring provision.

One-time Adjustments and Adoption of IFRS 16

	Three months ended			Years ended	
(in millions of dollars, except per share data)	November 30, 2020	August 31, 2020	November 30, 2019	November 30, 2020	November 30, 2019
Management, advisory and administration fees	$ 95.9	$ 93.5	$ 100.5	$ 374.7	$ 386.1
Deduct:					
One-time fund expense tax recovery	–	–	(4.1)	–	(4.1)
Adjusted management, advisory and administration fees	$ 95.9	$ 93.5	$ 96.4	$ 374.7	$ 382.0
Dividend income, net of currency hedge	$ –	$ 41.3	$ –	$ 45.8	$ –
Deduct:					
One-time S&WHL special distribution, net of currency hedge	–	(32.5)	–	(32.5)	–
Adjusted dividend income	$ –	$ 8.8	$ –	$ 13.3	$ –
Selling, general and administrative	$ 43.1	$ 46.1	$ 45.4	$ 174.7	$ 189.2
Deduct:					
IFRS 16 adjustments to prior year for comparative purposes	–	–	(1.2)	–	(4.7)
Adjusted selling, general and administrative	$ 43.1	$ 46.1	$ 44.2	$ 174.7	$ 184.5
EBITDA before commissions[1]	$ 137.0	$ 62.6	$ 38.7	$ 251.1	$ 110.0
Add (deduct):					
Gain on sale of asset classified as held for sale, net of currency hedge	(104.4)	–	–	(104.4)	–
One-time S&WHL special distribution, net of currency hedge	–	(32.5)	–	(32.5)	–
One-time fund expense tax recovery	–	–	(4.1)	–	(4.1)
One-time restructuring costs (release)	(1.0)	–	–	(1.0)	14.4
IFRS 16 adjustments to prior year for comparative purposes	–	–	1.2	–	4.7
Adjusted EBITDA before commissions[1]	$ 31.6	$ 30.1	$ 35.8	$ 113.2	$ 125.0
Amortization, derecognition and depreciation	$ 2.5	$ 1.8	$ 1.0	$ 8.2	$ 4.2
Add:					
IFRS 16 adjustments to prior year for comparative purposes	–	–	0.8	–	3.3
Adjusted amortization, derecognition and depreciation	$ 2.5	$ 1.8	$ 1.8	$ 8.2	$ 7.5
Interest expense	$ 1.1	$ 1.3	$ 1.3	$ 6.5	$ 6.7
Add:					
IFRS 16 adjustments to prior year for comparative purposes	–	–	0.2	–	0.8
Adjusted interest expense	$ 1.1	$ 1.3	$ 1.5	$ 6.5	$ 7.5
Income tax expense	$ 12.7	$ 3.3	$ 5.3	$ 20.5	$ 9.4
Add:					
Tax impact on the one-time adjustments to EBITDA before commissions	(10.0)	–	(1.1)	(10.0)	2.1
Adjusted income tax expense	$ 2.7	$ 3.3	$ 4.2	$ 10.5	$ 11.5
Net income for the period before one-time adjustments	$ 110.4	$ 47.3	$ 22.2	$ 173.9	$ 47.9
Add (deduct):					
One-time adjustments to EBITDA before commissions from above	(105.4)	(32.5)	(4.1)	(137.9)	10.3
Tax impact on the one-time adjustments to EBITDA before commissions	10.0	–	1.1	10.0	(2.1)
IFRS 16 adjustments to prior year for comparative purposes	–	–	0.2	–	0.6
Adjusted net income for the period	$ 15.0	$ 14.8	$ 19.4	$ 46.0	$ 56.7

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

Results of Operations Adjusted for One-time Items and the Adoption of IFRS 16

The Company adopted IFRS 16 Leases, effective December 1, 2019. These changes were adopted in accordance with the application transitional provisions of the revised standard. Note 3 in the 2020 Consolidated Financial Statements provides more information regarding the new accounting standard.

The below table shows results from operations adjusted for one-time items and prior year adjusted for IFRS 16.

	Three months ended			Years ended	
(in millions of dollars, except per share data)	**November 30, 2020**	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
Income					
Adjusted management, advisory and administration fees	**$ 95.9**	$ 93.5	$ 96.4	**$ 374.7**	$ 382.0
Deferred sales charges	**1.6**	1.4	1.9	**6.0**	7.2
Share of profit of joint ventures	**1.6**	0.6	0.1	**2.9**	0.3
Share of profit of associate (from S&WHL)	**–**	–	7.8	**–**	24.6
Adjusted dividend income (from S&WHL)	**–**	8.8	–	**13.3**	–
Fair value adjustments and other income	**5.9**	1.9	4.2	**10.1**	18.5
Total adjusted income	**$ 105.0**	$ 106.2	$ 110.4	**$ 407.0**	$ 432.6
Expenses					
Adjusted selling, general and administrative	**43.1**	46.1	44.2	**174.7**	184.5
Trailing commissions	**30.1**	29.8	29.9	**118.0**	120.7
Investment advisory fees	**0.2**	0.2	0.5	**1.1**	2.4
	$ 73.4	$ 76.1	$ 74.6	**$ 293.8**	$ 307.6
Adjusted EBITDA before commissions[1]	**$ 31.6**	**$ 30.1**	**$ 35.8**	**$ 113.2**	**$ 125.0**
Deferred selling commissions	**$ 10.3**	$ 8.9	$ 8.9	**$ 42.0**	$ 41.8
Adjusted amortization, derecognition and depreciation	**2.5**	1.8	1.8	**8.2**	7.5
Adjusted interest expense	**1.1**	1.3	1.5	**6.5**	7.5
Adjusted income tax expense	**2.7**	3.3	4.2	**10.5**	11.5
Adjusted net income for the period	**$ 15.0**	**$ 14.8**	**$ 19.4**	**$ 46.0**	**$ 56.7**
Adjusted diluted earnings per share	**$ 0.19**	**$ 0.19**	**$ 0.24**	**$ 0.59**	**$ 0.71**

[1] For the definition of EBITDA before commissions, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA before commission to net income, a defined term under IFRS, are detailed in the Consolidated Statement of Income.

Financial Review – Year Ended November 30, 2020

Total adjusted income for the year ended November 30, 2020 was $407.0 million, a decrease of 5.9% compared to $432.6 million in the prior year.

Adjusted management, advisory and administration fees decreased $7.3 million compared to the prior year, driven by lower average AUM during the year, associated with market volatility attributable to the COVID-19 pandemic as well as lower institutional and strategic AUM as a result of partners repositioning their platforms and internalizing investment management capabilities. Despite the volatility during the year, AUM was $38.8 billion as at November 30, 2020, flat compared to the year ended November 30, 2019.

Share of profit of joint ventures, which relates to our interest in private alternative managers, increased $2.6 million compared to the prior year driven by an increase in equity earnings related to management fees as well as the recognition of $1.0 million of carried interest revenue from one of our private alternative funds which has exceeded its performance threshold.

Share of profit of associate, which relates to our interest in S&WHL, was nil during the year compared to $24.6 million in the prior year. S&WHL was accounted for using the equity method of accounting through to September 18, 2019. Effective September 19, 2019, our investment in S&WHL was classified as 'held for sale' and equity accounting ceased. As a result, no equity earnings were recognized, and dividends received subsequent to September 18, 2019 were recorded through dividend income. Adjusted dividend income, which related to dividend received from S&WHL, was $13.3 million compared to nil in the prior year. As at November 30, 2020, our interest in S&WHL was fully divested.

Fair value adjustments and other income decreased $8.4 million compared to the prior year driven by the timing and size of monetizations and fair value adjustments on our investments in private alternative funds. Current year fair value adjustments as well as cash distributions from the alternative long-term investments were impacted by the COVID-19 pandemic and the corresponding market uncertainty and volatility. The investments in our private alternative funds represent a long-term strategic priority to seed and support our private alternative business. The investments are accounted for under fair value through profit and loss (FVTPL), which can result in variability of income recorded over the life of the investment.

Adjusted selling, general & administrative (SG&A) for the year ended November 30, 2020 was $174.7 million, a decrease of $9.8 million compared to $184.5 million in the prior year driven by expense savings initiatives and a decline in travel and entertainment costs attributable to the pandemic

Adjusted EBITDA before commissions for the year ended November 30, 2020 was $113.2 million compared to $125.0 million in the prior year.

Adjusted net income was $46.0 million ($0.59 per diluted share) compared to $56.7 million ($0.71 per diluted share) in the corresponding period in 2019.

Financial Review – Quarter Ended November 30, 2020

Total adjusted income for the three months ended November 30, 2020 was $105.0 million, a decrease of 4.9% and 1.1% compared to $110.4 million in the prior year and $106.2 million recorded in the three months ended August 31, 2020, respectively.

Adjusted management, advisory and administration fees was comparable to the three months ended November 30, 2019, as lower institutional and strategic AUM was offset by higher mutual fund AUM which earns a higher management fee rate. Compared to the three months ended August 31, 2020, management, advisory and administration fees increased $2.4 million driven by higher mutual fund AUM.

Share of profit of joint ventures, which relates to our interest in private alternative managers, was $1.6 million in the quarter, an increase of $1.5 million compared to the prior year and an increase of $1.0 million compared to the prior quarter. During the quarter, we recognized $1.0 million of carried interest revenue from one of our private alternative funds which has exceeded its performance threshold. Equity earnings related to management fees has increased $0.7 million compared to the prior year.

Share of profit of associate, which relates to our interest in S&WHL, was nil during the three months ended November 30, 2020, compared to $7.8 million in the prior year and nil in the three months ended August 31, 2020. S&WHL was accounted for using the equity method of accounting through to September 18, 2019. Effective September 19, 2019, our investment in S&WHL was classified as 'held for sale' and equity accounting ceased. As a result, no equity earnings are recognized, and dividends received subsequent to September 18, 2019 are recorded through dividend income. Adjusted dividend income, which related to dividend received from S&WHL, was nil during the three months ended November 30, 2020, compared to nil in the prior year and $8.8 million in the three months ended August 31, 2020. As at November 30, 2020, our interest in S&WHL was fully divested.

Fair value adjustments and other income was $5.9 million in the quarter, an increase of $1.7 million compared to $4.2 million in the prior year and an increase of $4.0 million compared to $1.9 million in the three months ended August 31, 2020. The increase is driven by positive fair value adjustments in our private alternative funds during the quarter related to a monetization in one fund.

Adjusted selling, general & administrative (SG&A) for the three months ended November 30, 2020 was $43.1 million, a decrease of $1.1 million compared to the prior year, and a decrease of $3.0 million compared to the three months ended August 31, 2020. Compared to the prior year, the reduction in expenses can be attributed to expense savings initiatives and a decline in travel and entertainment costs attributable to the pandemic. Compared to the three months ended August 31, 2020, the decrease was driven by performance-based compensation and expense savings initiatives.

Adjusted EBITDA before commissions for the three months ended November 30, 2020 was $31.6 million compared to $35.8 million in the three months ended November 30, 2019 and $30.1 million in the three months ended August 31, 2020.

For the three months ended November 30, 2020, AGF reported adjusted net income of $15.0 million ($0.19 per diluted share) compared to $19.4 million ($0.24 per diluted share) in the corresponding period in 2019 and adjusted net income of $14.8 million ($0.19 per diluted share) in the three months ended August 31, 2020.

Consolidated Results of Operations

Income

Management, Advisory and Administration Fees

Management, advisory and administration fees are directly related to our AUM levels and are recognized on an accrual basis. For the three months and year ended November 30, 2020, management, advisory and administration fees were $95.9 million and $374.7 million, a decrease of $4.6 million and $11.4 million or 4.6% and 3.0%, compared to $100.5 million and $386.1 million in the same periods in 2019. A breakdown of the changes is as follows.

(in millions of dollars)	Three months ended November 30, 2020	Year ended November 30, 2020
Increase (decrease) in management, advisory and administration fees	$ 0.2	$ (8.2)
Decrease (increase) in fund expense and waivers	(0.7)	0.9
One-time fund expense tax recovery in 2019	(4.1)	(4.1)
Total change in management, advisory and administration fees	**$ (4.6)**	**$ (11.4)**

Management, advisory and administration fees was comparable for the three months and decreased by $8.2 million for the year ended November 30, 2020, compared to the prior year. The decrease for the year is attributable to lower average AUM during the year, associated with market volatility attributable to the COVID-19 pandemic as well as lower institutional and strategic AUM as a result of partners repositioning their platforms and internalizing investment management capabilities.

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 $6.0 million for the three months and year ended November 30, 2020, compared to $1.9 million and $7.2 million for the same periods in 2019.

Share of Profit of Joint Ventures

Share of profit of joint ventures refers to earnings related to our ownership in the joint ventures that manage our private alternatives funds and is recorded under the equity method. For the three months and year ended November 30, 2020, earnings were $1.6 million and $2.9 million (2019 – $0.1 million and $0.3 million). The increase compared to prior year is driven by an increase in equity earnings related to management fees as well as the recognition of $1.0 million of carried interest revenue from one of our private alternative funds which has exceeded its performance threshold. For additional information, see Note 5(a) of the Consolidated Financial Statements.

Income from Smith & Williamson

Total income from the Company's interest in S&WHL for the three months and year ended November 30, 2020 was $104.4 million and $150.2 million compared to $7.8 million and $24.6 million in the same periods in 2019. On September 1, 2020, the Company sold our 28.0% interest in S&WHL, recognizing a gain before taxes of $104.4 million. Income in 2020 also includes $45.8 million in dividend income, net of currency hedge, of which $32.5 million relates to a special distribution. Income from S&WHL was recorded in the following three categories:

Share of Profit of Associate

Share of profit of associate relates to our interest in S&WHL, which was accounted for using the equity method of accounting through to September 18, 2019. Effective September 19, 2019, the investment in S&WHL was classified as 'held for sale' and equity accounting ceased. Dividends received subsequent to September 18, 2019 have been recorded as income. Foreign exchange revaluation on the carrying value of S&WHL has continued to be recorded through other comprehensive income. For the three months and year ended November 30, 2020, earnings from S&WHL were nil and nil (2019 – $7.8 million and $24.6 million). Earnings for the three months and year ended November 30, 2019 include $6.9 million of dividends received from S&WHL after the asset was classified as 'held for sale'.

Dividend Income, Net of Currency Hedge

During the three months and year ended November 30, 2020, the Company recorded dividend income, net of currency hedge, of nil and $45.8 million, including $32.5 million related to a special distribution (2019 – nil and nil).

Gain on Sale of Asset Classified as Held for Sale, Net of Currency Hedge

During the three months and year ended November 30, 2020, the Company sold our 28.0% interest in S&WHL, recognizing a gain before taxes of $104.4 million. Tax expense of $10.0 million on the sale was recognized in income tax expense, resulting in an after-tax gain of $94.4 million. For additional information on the gain on sale, refer to Note 6 of the Consolidated Financial Statements.

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 our private alternative business, which are accounted for at fair value through profit or loss. During the three months and year ended November 30, 2020, the Company recorded income of $5.5 million and $7.8 million (2019 – $2.6 million and $15.2 million) as fair value adjustments and income distributions related to our economic interest in the investments in our private alternative business. The amounts recorded as income fluctuate primarily with the amount of capital invested, monetizations, and changes in fair value.

During the three months and year ended November 30, 2020, the Company recorded interest income of nil and $0.9 million (2019 – $0.7 million and $1.2 million).

	Three months ended			Years ended	
(in millions of dollars)	November 30, 2020	August 31, 2020	November 30, 2019	November 30, 2020	November 30, 2019
Fair value adjustment related to investment in AGF mutual funds	**$ 0.5**	$ 0.8	$ 0.6	**$ 0.8**	$ 1.3
Fair value adjustment and distributions related to long-term investments	**5.5**	0.6	2.6	**7.8**	15.2
Interest income	**–**	0.7	0.7	**0.9**	1.2
Other	**(0.1)**	(0.2)	0.3	**0.6**	0.8
	$ 5.9	$ 1.9	$ 4.2	**$ 10.1**	$ 18.5

Expenses

Selling, General and Administrative Expenses (SG&A)

SG&A decreased by $2.3 million or 5.1% and $14.5 million or 7.7% for the three months and year ended November 30, 2020, compared to the same periods in 2019. A breakdown of the decrease is as follows:

	Three months ended	Year ended
(in millions of dollars)	November 30, 2020	November 30, 2020
Decrease in non-stock-based compensation expenses	**$ –**	$ (0.9)
Increase (decrease) in stock-based compensation expenses	**0.2**	(0.2)
Decrease in other expenses	**(1.3)**	(8.7)
Total SG&A decrease before IFRS 16	**$ (1.1)**	**$ (9.8)**
IFRS 16	**(1.2)**	(4.7)
Total decrease in SG&A	**$ (2.3)**	**$ (14.5)**

The following explains expense changes in the three months and year ended November 30, 2020, compared to the same periods in the prior year:

- Non-stock-based compensation expenses was compared to the prior year quarter and decreased by $0.9 million on a full year basis, driven by expense savings initiatives, lower headcount and lower commissions.
- Other expenses decreased by $1.3 million and $8.7 million attributed to expense savings initiatives and a decline in travel and entertainment costs attributable to the pandemic.
- As a result of the adoption of IFRS 16 on December 1, 2019, rent expenses related to property and equipment leases will no longer be recognized in SG&A. Refer to Note 3 in the Consolidated Financial Statements for more information regarding the new accounting standard.

Restructuring Provision

During the year ended November 30, 2019, the Company implemented a plan to achieve certain organizational and operational efficiencies, resulting in a restructuring charge of $14.4 million. During the year end November 30, 2020, the Company completed the execution of the plan and as a result, the remaining restructuring provision balance of $1.0 million was released as at November 30, 2020.

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 0.62% and 0.63% for the three months and year ended November 30, 2020, compared to 0.63% and 0.64% for the same periods in 2019. The decrease is primarily attributable to the impact of asset mix changes.

Deferred Selling Commissions

Deferred selling commissions are expensed on an accrual basis. For the three months and year ended November 30, 2020, the total deferred selling commissions expense was $10.3 million and $42.0 million (2019 – $8.9 million and $41.8 million). The increase in deferred selling commissions is driven by a higher amount of mutual fund sales sold on a deferred selling commission basis.

Amortization and Interest Expense

The category represents customer contracts, other intangible assets, right of use assets, property, equipment, and computer software and interest expense.

- Customer contracts amortization and derecognition decreased by $0.1 million and $0.3 million for the three months and year ended November 30, 2020, compared to the same periods in 2019. Customer contracts are fully amortized as at November 30, 2020.
- Depreciation increased by $1.7 million and $4.3 million for the three months and year ended November 30, 2020, compared to the same periods in 2019, as a result of the adoption of IFRS 16 and the addition of the Company's new CIBC Square lease.
- Interest expense decreased by $0.5 million and $0.4 million for the three months and year ended November 30, 2020, compared to the same periods in 2019, as a result of reduced long-term debt balance, partially offset by the adoption of IFRS 16.

Income Tax Expense

Income tax expense for the three months and year ended November 30, 2020 was $12.7 million and $20.5 million, as compared to an expense of $5.3 million and $9.4 million in the corresponding periods in 2019. A breakdown of tax expense is as follows:

	Three months ended			Years ended	
(in millions of dollars)	**November 30, 2020**	August 31, 2020	November 30, 2019	**November 30, 2020**	November 30, 2019
Income tax	**$ 3.0**	$ 3.2	$ 4.2	**$ 10.6**	$ 11.4
Total income tax on profits for the year					
Tax impact on gain on sale of asset classified as held for sale, net of currency hedge	**10.0**	–	–	**10.0**	–
Adjustment in respect of restructuring provision	**–**	–	–	**–**	(3.1)
Tax impact on one-time fund expense tax recovery	**–**	–	1.1	**–**	1.1
Adoption of IFRS 16	**(0.3)**	0.1	–	**(0.1)**	–
Total income tax expense	**$ 12.7**	**$ 3.3**	**$ 5.3**	**$ 20.5**	**$ 9.4**

The effective tax rate for the year ended November 30, 2020 was an expense of 10.6% (2019 – 16.4%). The main items impacting the effective tax rate in the period relate to tax-exempt investment income, gains from investment subject to different tax rates, non-taxable profits arising on disposition of S&WHL, and temporary differences for which no deferred tax assets were recognized.

Excluding one-time items, the effective tax rate for the year ended November 30, 2020 was 18.6%. In the corresponding period in 2019, the Company recorded a tax benefit of $2.1 million related to the restructuring provision, fund expense tax recovery, and IFRS 16 adjustment for comparative purposes. Excluding those items, the effective tax rate for the year ended November 30, 2019 was 16.9%. A breakdown of the adjusted effective tax rate is as follows:

(in millions of dollars) **Years ended November 30**		**2020**		2019
Net income before tax	**$**	**194.4**	$	57.2
One-time restructuring costs (release)		**(1.0)**		14.4
One-time S&WHL special distribution, net of currency hedge		**(32.5)**		–
One-time gain on sale of asset classified as held for sale, net of currency hedge		**(104.4)**		–
One-time fund expense tax recovery		**–**		(4.1)
IFRS 16 adjustments to prior year for comparative purposes		**–**		0.6
Adjusted net income before tax	**$**	**56.5**	$	68.1
Total income tax expense		**20.5**		9.4
Adjustment in respect of gain on sale of asset classified as held for sale, net of currency hedge		**(10.0)**		–
Adjustment in respect of restructuring provision		**–**		3.1
Adjustment in respect of fund expense tax recovery		**–**		(1.1)
Adjustment in respect of IFRS 16 adjustments to prior year for comparative purposes		**–**		0.1
Adjusted income tax expense	**$**	**10.5**	$	11.5
Adjusted effective tax rate		**18.6%**		**16.9%**

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 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 disagreed with the CRA's position and filed an objection to the NOR. As a result of receiving the NOR, the Company paid $13.9 million (including interest and penalties). The amount was recorded as income tax receivable on the consolidated statement of financial position. In 2019, the Company accrued $0.6 million of interest income ($0.3 million for federal and $0.3 million for provincial) in the consolidated statement of income related to this matter.

During 2020, the Company received correspondences from the CRA and Ministry of Finance (Ontario) confirming that the Company's objection had been allowed in full. Consequently, the Company recorded an additional $1.1 million of interest income in the consolidated statement of income. As of November 30, 2020, a substantial portion of the $13.9 million income tax receivable had been refunded.

(b) CRA Audit – Transfer Pricing

As previously disclosed in prior years' Annual Consolidated Financial Statements, the Company reached a settlement with the CRA and the applicable tax authority in the relevant foreign jurisdiction on 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.

The issue had been resolved in prior years. During 2020, the Company received the final refund of $1.8 million from the CRA.

Net Income

The impact of the above income and expense items resulted in net income of $110.4 million and $173.9 million for the three months and year ended November 30, 2020, as compared to net income of $22.2 million and $47.9 million in the corresponding periods in 2019. Excluding one-time items, net income was $15.0 million and $46.0 million for the three months and year ended November 30, 2020. Adjusting for the one-time restructuring costs of $14.4 million that occurred during the year ended November 30, 2019, fund expense tax recovery and IFRS 16 adjustments, the net income was $19.4 million and $56.7 million for the three months and year ended November 30, 2019. Refer to the 'One-time Adjustments and Adoption of IFRS16' section of this MD&A for additional information about the one-time adjustments and the adoption of IFRS 16 for the three months and year ended November 30, 2020 and 2019.

Earnings per Share

Diluted earnings per share from continuing operations was $1.43 and $2.22 per share for the three months and year ended November 30, 2020, as compared to earnings of $0.28 and $0.60 per share in the corresponding periods of 2019. Adjusted diluted earnings per share from continuing operations was $0.19 and $0.59 per share for the three months and year ended November 30, 2020, as compared to earnings of $0.24 and $0.71 per share in the corresponding periods of 2019.

Liquidity and Capital Resources

As at November 30, 2020, the Company had total cash and cash equivalents of $94.0 million (2019 – $51.7 million). Total long-term debt outstanding at November 30, 2020 was nil (2019 – $207.3 million). Free cash flow, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, generated $9.9 million and $46.1 million for the three months and year ended November 30, 2020, compared to $18.3 million and $52.8 million in the prior periods. During the year ended November 30, 2020, cash increased $42.3 million (2019 – $4.9 million) as follows:

(in millions of dollars)

Years ended November 30	**2020**	2019
Net cash provided by operating activities	**$ 92.5**	$ 67.5
Proceeds from sale of asset classified as held for sale, net of currency hedge	**250.4**	–
Issuance (repayment) of long-term debt	**(208.5)**	18.5
Repurchase of shares under normal course issuer bid, substantial issuer bid and purchase of treasury stock for employee benefit trust (EBT)	**(48.2)**	(3.5)
Dividends paid	**(24.6)**	(24.9)
Interest paid	**(4.8)**	(7.1)
Purchase of long-term investments, net of return on capital	**(10.7)**	(33.5)
Purchase of investment in associate	**–**	(14.8)
Lease principal payments	**(4.7)**	–
Other	**0.9**	2.7
Change in cash and cash equivalents	**$ 42.3**	**$ 4.9**

The Company's working capital increased $38.3 million for the year ended November 30, 2020.

During the year ended November 30, 2020, the Company utilized a portion of the proceeds received from the sale of S&WHL to fully repay the Company's long-term debt and restructure the debt facility to align with the future capital needs of the Company. On November 6, 2020, the Company signed a new debt agreement. The new debt facility has a maximum aggregate principal amount of $140.0 million (2019 – $320.0 million), and a $10.0 million swingline facility. As at November 30, 2020, $150.0 million was available to be drawn from the revolving credit facility and swingline facility commitment. The loan facility, along with the proceeds from the sale of S&WHL, will be available to meet future operational investment needs.

The Company recorded total lease liabilities of $85.7 million on the consolidated statement of financial position as of November 30, 2020 compared to $19.9 million as of December 1, 2019. The increase is a result of the recognition of right-of-use asset and lease liability of $73.5 million, primarily related to the Company's new lease of CIBC Square. The Company obtained control of the space of CIBC Square for design and renovation in the year ended November 30, 2020; as such, the corresponding right-of-use asset and lease liability were recorded. The right-of-use asset and lease liability for CIBC Square is calculated based on a 22 year period, which includes a 5 year optional renewal period reasonably assumed to be exercised. The Company plans to complete the move from the current Toronto-Dominion Centre to the CIBC Square in fiscal 2021. As well, as at November 30, 2020, the Company has funded $149.2 million (November 30, 2019 – $138.5 million) in funds and investments associated with the private alternatives business and has $70.2 million (November 30, 2019 – $70.3 million) remaining of committed capital to be invested.

The cash balances and cash flow from operations, together with the available loan facility, will be sufficient in the near term to implement our business plan, fund our alternatives asset management business commitments, finance selling commissions, satisfy regulatory and tax requirements, service debt repayment obligations and pay quarterly dividends. We continue to closely monitor our capital plan and the related impacts of the current market volatility and will reassess and adjust our use of capital as required. Refer to the section 'Market Risk' of this MD&A for more information.

Contractual Obligations

The table below is a summary of our contractual obligations at November 30, 2020. See also Notes 11 and 30 of the Consolidated Financial Statements.

(in millions of dollars)	Total	2021	2022	2023	2024	2025	Thereafter
Long-term debt	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Leases[1]	82.0	4.3	7.0	5.7	5.4	5.4	54.2
Service commitment	80.2	20.3	13.4	5.3	4.4	3.5	33.3
Total contractual obligations	$ 162.2	$ 24.6	$ 20.4	$ 11.0	$ 9.8	$ 8.9	$ 87.5

[1] Leases include remaining contractual payments related to the office premises and equipment used in the normal course of business.

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 2020, we paid $118.0 million (2019 – $120.7 million) in trailing commissions.
- The Company has funded $149.2 million (November 30, 2019 – $138.5 million) in funds and investments associated with the private alternative business and has $70.2 million (November 30, 2019 – $70.3 million) remaining committed capital to be invested.

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 since it is the manager and administrator of AGF Funds, respectively.

The Company receives management, advisory and administration fees from AGF Funds in accordance with the respective agreements between AGF 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 AGF Funds. A majority of the management, advisory and administration fees the Company earned in the years ended November 30, 2020 and 2019 were from AGF Funds. As at November 30, 2020, the Company had $15.3 million (2019 – $14.3 million) receivable from AGF Funds. The Company also acts as trustee for 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, 2020 on behalf of AGF Funds was approximately $10.1 million as compared to $6.0 million for the prior year. Excluding the one-time fund expense tax recovery in 2019, the aggregate unitholder services cost absorbed and management and advisory fees waived by the Company was approximately $10.1 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 business.

As part of our ongoing strategic and capital planning, the Company regularly reviews our 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 the 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 Head of Global Distribution, 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. AGF's Investment Management businesses, in general, is 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 AGF's Investment Management Operations is approximately $6.0 million. As at November 30, 2020, the Company was in full compliance with the regulatory requirements.

Normal Course Issuer Bid and Substantial Issuer Bid

On February 4, 2020, AGF announced that the TSX had approved the Company's notice of intention to renew the normal course issuer bid (NCIB) in respect of our 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 AGF to purchase the 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 AGF's 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, 2020 and February 5, 2021, up to 5,947,786 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, 2019 and February 5, 2020, up to 5,980,078 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, 2020, AGF repurchased nil and 1,000,000 (2019 – 596,890 and 596,890) Class B Non-Voting shares for cancellation for a total consideration of nil and $5.1 million (2019 – $3.5 million and $3.5 million) at an average price of nil and $5.12 per share (2019 – $6.09 and $6.09).

During the year ended November 30, 2020, AGF completed a substantial issuer bid (SIB), where AGF purchased for cancellation 7,017,542 (2019 – nil) Class B non-voting shares at a price of $5.70 per share for a total cost of $40.0 million (2019 – nil). The purchase price of shares acquired through the SIB is allocated between capital stock and retained earnings. The reduction to capital stock in connection with the SIB was $42.6 million (2019 – nil). The excess over the purchase price of $2.6 million was charged to retained earnings along with $0.5 million of transaction costs and $0.3 million of taxes associated with the SIB.

During the three months and year ended November 30, 2020, AGF purchased nil and 750,000 Class B Non-Voting shares for the EBT for a total consideration of nil and $2.6 million at an average price of nil and $3.50 per share. During the three months and year ended November 30, 2019, AGF did not purchase Class B Non-Voting shares for the EBT.

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	2020[1]	2019	2018	2017	2016
Per share	**$ 0.32**	$ 0.32	$ 0.32	$ 0.32	$ 0.32

[1] Represents the total dividends paid in April 2020, July 2020 and October 2020 and to be paid in January 2021.

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 19, 2020 was $0.08 per share.

On December 18, 2020, 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, 2020.

Outstanding Share Data

Set out below is our outstanding share data as at November 30, 2020 and 2019. For additional detail, see Notes 14 and 21 of the Consolidated Financial Statements.

November 30	2020	2019
Shares		
Class A Voting common shares	**57,600**	57,600
Class B Non-Voting shares[1]	**69,868,569**	78,223,104
Stock Options		
Outstanding options	**7,214,162**	7,416,929
Exercisable options	**5,155,516**	4,657,693

[1] During the year ended November 30, 2020, the Company completed a substantial issuer bid for 7,017,542 shares.

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,
- Fund administration fees based on a fixed transfer agency administrative fee,
- DSC earned from investors when mutual fund securities sold on a DSC basis are redeemed, and
- General partnership interest and long-term investments in the private alternatives asset management business.

EBITDA Before Commissions and Adjusted EBITDA Before Commissions

We define EBITDA before commissions as earnings before interest, taxes, depreciation, amortization and deferred selling commissions and adjusted EBITDA before commissions as EBITDA before commissions net of one-time provisions and adjustments as well as IFRS 16 adjustments. EBITDA before commissions is an alternative measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. This non-IFRS measure may not be directly comparable to similar measures used by other companies.

The following table outlines how our EBITDA before commissions measures are determined:

	Three months ended			Years ended	
(in millions of dollars)	**November 30, 2020**	August 31, 2020	November 30, 2019	**November 30, 2020**	November 30, 2019
Net income	**$ 110.4**	$ 47.3	$ 22.2	**$ 173.9**	$ 47.9
Adjustments:					
Deferred selling commissions	**10.3**	8.9	8.9	**42.0**	41.8
Amortization, derecognition and depreciation	**2.5**	1.8	1.0	**8.2**	4.2
Interest expense	**1.1**	1.3	1.3	**6.5**	6.7
Income tax expense[1]	**12.7**	3.3	5.3	**20.5**	9.4
EBITDA before commissions	**$ 137.0**	**$ 62.6**	**$ 38.7**	**$ 251.1**	**$ 110.0**
Other one-time adjustments and adoption of IFRS 16:					
Gain on sale of asset classified as held for sale, net of currency hedge	**(104.4)**	–	–	**(104.4)**	–
S&WHL special distribution, net of currency hedge	**–**	(32.5)	–	**(32.5)**	–
Fund expense tax recovery	**–**	–	(4.1)	**–**	(4.1)
Restructuring costs (release)	**(1.0)**	–	–	**(1.0)**	14.4
IFRS 16 adjustments to prior year for comparative purposes	**–**	–	1.2	**–**	4.7
Adjusted EBITDA before commissions	**$ 31.6**	$ 30.1	$ 35.8	**$ 113.2**	$ 125.0

[1] Three months and year ended November 30, 2020 includes $10.0 million tax expense related to gain on sale of assets classified as held for sale. Year ended November 30, 2019 includes $3.1 million tax benefit related to the restructuring provision.

EBITDA Before Commissions Margin

EBITDA before commissions margin provides useful information to management and investors as an indicator of our overall operating performance. We believe EBITDA before commissions margin is a valuable measure because it assesses the extent we are able to earn profit from each dollar of income. We define EBITDA before commissions margin as the ratio of EBITDA before commissions to income. Please see the EBITDA before commissions section of this MD&A for a reconciliation between EBITDA before commissions and net income.

	Three months ended			Years ended	
(in millions of dollars)	**November 30, 2020**	August 31, 2020	November 30, 2019	**November 30, 2020**	November 30, 2019
EBITDA before commissions	**$ 137.0**	$ 62.6	$ 38.7	**$ 251.1**	$ 110.0
Divided by income	**209.4**	138.7	114.5	**543.9**	436.7
EBITDA before commissions margin	**65.4%**	**45.1%**	**33.8%**	**46.2%**	**25.2%**

Adjusted EBITDA Before Commissions Margin

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

	Three months ended			Years ended	
(in millions of dollars)	**November 30, 2020**	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
Adjusted EBITDA before commissions	**$ 31.6**	$ 30.1	$ 35.8	**$ 113.2**	$ 125.0
Divided by adjusted income	**105.0**	106.2	110.4	**407.0**	432.6
Adjusted EBITDA before commissions margin	**30.1%**	**28.3%**	**32.4%**	**27.8%**	**28.9%**

Net Debt to Adjusted EBITDA Before Commissions Ratio

Net debt to adjusted EBITDA before commissions ratio provides useful information to management and investors as an indicator of the Company's leverage capabilities. We define the net debt to adjusted EBITDA before commissions ratio as long-term debt offset against cash and cash equivalents at the end of the period divided by the 12-month trailing adjusted EBITDA before commissions for the period.

	Three months ended			Years ended	
(in millions of dollars)	**November 30, 2020**	**August 31, 2020**	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
Net debt[1]	**$ –**	$ 162.9	$ 155.6	**$ –**	$ 155.6
Divided by adjusted EBITDA before commissions (12-month trailing)	**113.2**	117.3	125.0	**113.2**	125.0
Net debt to adjusted EBITDA before commissions ratio	**0.0%**	**138.9%**	**124.5%**	**0.0%**	**124.5%**

[1] Three months and year ended November 30, 2020 have nil debt.

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in our alternative asset management business 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 dollars)	November 30, 2020	August 31, 2020	November 30, 2019	November 30, 2020	November 30, 2019
Net income for the period	**$ 110.4**	$ 47.3	$ 22.2	**$ 173.9**	$ 47.9
Adjusted for non-cash items and non-cash working capital balance	**49.2**	(23.5)	4.1	**23.0**	19.6
Adjusted for net proceeds from sale of asset held for sale recorded as investing activity	**(104.4)**	–	–	**(104.4)**	–
Net cash provided by operating activities	**$ 55.2**	$ 23.8	$ 26.3	**$ 92.5**	$ 67.5
Adjusted for:					
Net changes in non-cash working capital balances related to operations	**3.4**	1.5	2.5	**16.1**	(9.8)
Income taxes paid (refunded) during the year	**(7.6)**	(3.2)	0.8	**(2.5)**	2.2
Cash taxes to be refunded (paid) related to current year free cash flow	**(6.2)**	(4.3)	(6.5)	**(17.0)**	(8.3)
Interest paid	**(0.2)**	(1.1)	(1.8)	**(4.8)**	(7.1)
Lease principal payments	**(1.2)**	(1.2)	–	**(4.7)**	–
Special distribution from associate, net of anticipated cash tax to be paid	**(32.5)**	–	–	**(32.5)**	–
Restructuring provision, net of anticipated cash tax to be refunded	**(1.0)**	–	–	**(1.0)**	11.3
Fund expense recovery, net of anticipated cash tax to be paid	**–**	–	(3.0)	**–**	(3.0)
Free cash flow	**$ 9.9**	**$ 15.5**	**$ 18.3**	**$ 46.1**	**$ 52.8**

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 alternatives asset management business. 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), 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 our 2020 Annual MD&A.

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 mutual fund AUM, which is the basis on which management fees are charged. The average daily mutual fund AUM is equal to the aggregate average daily net asset value of the AGF mutual funds. We monitor AUM in our institutional, sub-advisory and private client and alternatives businesses separately. We do not compute an average daily AUM figure for them.

Significant Accounting Policies

Critical Accounting Estimates and Judgements

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

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

(a) Impairment of Non-financial Assets

The Company determines the recoverability of each of our CGUs based on the higher of its fair value less costs 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's 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 21 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 29 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 27 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.

Market Capitalization

AGF's market capitalization is $394.6 million as compared to the Company's recorded net assets of $1,016.2 million as at November 30, 2020. During the year ended November 30, 2020, the Company completed its annual impairment test on the Company's 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, 2020. 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 Head of Global Distribution. 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.

COVID-19 has introduced uncertainty and volatility in global markets and economies and even though equity markets are at all-time highs again, the economy is still not back to full strength and the pandemic is likely to remain a serious threat to future growth.

Governments around the world have responded with emergency measures, lockdowns, social distancing, and travel bans, which have resulted in material disruptions to business globally. Although certain of these restrictions have eased, there can be no certainty when they will be fully lifted or that they will not be expanded. While many governments have applied monetary and fiscal interventions to stabilize the economy, the full impact of these measures as well as the length and severity of the pandemic still remains unknown. The COVID-19 pandemic has the potential to expose the Company to a number of risk factors that may have a material impact on our operating and financial performance.

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 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 AGF 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 AGF Funds would have resulted in a corresponding change of approximately $1.1 billion in AUM for the year ended November 30, 2020. In general, for every $1.0 billion reduction of AUM, management fee revenues would decline by approximately $14.7 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.

Interest Rate Risk

The Company has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances. As the Company does not have any outstanding debt as at November 30, 2020 there is no interest rate risk as of November 30, 2020. Using maximum available debt balance for the year, the effect of a 1% change in variable interest rates on our floating-rate debt and cash balances in fiscal 2020 would have resulted in a corresponding change of approximately $1.5 million into interest expense for the year ended November 30, 2020.

At November 30, 2020, 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 $0.9 million in revenue for the year ended November 30, 2020.

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 alternative funds. The Company's investments that have price risk include investments in investment funds managed by the Company, equity securities and long-term investments. As at November 30, 2020, the effect of a 10% decline or increase in the value of investments would have resulted in a $16.9 million pre-tax unrealized gain or loss in net income and a $0.1 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. The COVID-19 pandemic has introduced uncertainty and volatility in the global markets and economies. 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 $8.7 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	**2020**	2019
Domestic equity funds	**18.0%**	17.9%
U.S. and international equity funds	**47.1%**	45.1%
Domestic balanced funds	**2.1%**	2.7%
U.S. and international balanced funds	**7.5%**	7.1%
Domestic fixed-income funds	**7.8%**	7.7%
U.S. and international fixed-income funds	**16.7%**	19.0%
Domestic money market	**0.8%**	0.5%
	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 $4.7 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 the Company's obligations as they come due. The key liquidity requirements are the funding of redemptions from AGF Funds, deferred selling commissions paid on mutual funds, dividends paid to shareholders, obligations to taxation authorities, investment-related commitments in the private alternative asset management business, and the repayment of the Company's long-term debt. While AGF currently has access to financing, unfavourable market conditions may affect the Company's 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 our liquidity by monitoring actual and projected cash flows to ensure that AGF has sufficient liquidity through cash received from operations as well as borrowings under AGF's 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 the Company's revolving credit facility and has met all of these conditions.

There are many factors that affect the liquidity of AGF Funds, including but not limited to general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the underlying securities held by an AGF Fund, such as changes in management, strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events. In addition, the impact of unanticipated market disruptions (such as the volatility and uncertainty caused by COVID-19) may cause exchanges to suspend trading and/or investment funds to suspend dealing (which could be for an extended period of time), may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. These impacts may have an effect on the performance of the underlying securities in which an AGF Fund invests and may lead to an increase in the amount of redemptions experienced by an AGF Fund. An AGF Fund may be unable to meet redemption requests due to the inability to sell the underlying securities in a timely manner. As a result, there could be an insufficient amount of liquid assets in the AGF Funds. AGF measures and monitors liquidity risk in the AGF Funds at all times. AGF has a dedicated team that assesses risk, utilizing industry best in class and up-to-date third party tools and systems to ensure quality analysis. While AGF has no control over external market events impacting the performance of the AGF Funds and/or the loss of liquidity, AGF strives to act on adverse events as they occur.

Performance, Sales and Redemption Risk

Demand for our products depends on, among other things, 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. Since this is a relative as well as an absolute measure, there is a risk that AGF may not perform as well as the market or our peers, or in line with our clients' expectations. A specific investment strategy 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. As well, significant redemptions could adversely affect investment fund returns by impacting market values and increasing transaction costs or taxable distributions. Continued significant redemptions could negatively impact the prospects and operating results of AGF. As the duration and severity of the COVID-19 pandemic still remains uncertain, it may result in increased client redemptions because of general market declines and sentiment or investors' need for cash.

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. As a result of COVID-19 and remote working arrangements, the Company has increased its lines of communication with our strategic partners, clients and prospects, delivering timely market updates and relevant information about the Company's products through a variety of digital channels including AGF.com, weekly conference calls, webcasts, and direct-to-client emails, to ensure they have the tools and resources they need to provide ongoing support to investors.

Key Personnel Risk

AGF's success depends on our 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 we have the resources necessary to hire and retain AGF's 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, among other things, 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 resulting in damage to AGF's reputation will not occur.

Industry Competition Risk

The level of competition in the industry is high, driven by factors including product variety, innovation, 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 our 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 AGF's competitors and negatively impact the business, financial condition or operating results of AGF.

Regulatory Risk

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 AGF's subsidiaries are also subject to regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

On October 3, 2019, the Canadian Securities Administrators (the CSA) published final rule amendments (the CFR Amendments) aimed at enhancing the client-registrant relationship, as set out in National Instrument 31-103 (Registration Requirements, Exemptions and Ongoing Registrant Obligations) – dubbed the "Client Focused Reforms." Among other things, the CFR Amendments require registrants to promote the best interests of clients when addressing material conflicts of interest and to put clients' interests first when making suitability determinations. When implemented, the CFR Amendments will also enhance registrants' obligations with respect to know-your-client (KYC), know-your-product (KYP) and disclosure obligations, and will require registrants to clarify for clients what they should expect from their registrants. The CFR Amendments came into force on December 31, 2019, with a phased transition period over a two-year period. The Executive Management committee meets on a regular basis to assess potential impacts to, and opportunities for, AGF as a result of the CFR Amendments.

On February 20, 2020, the CSA (except the Ontario Securities Commission (OSC)) published a multilateral notice with final rule amendments to ban the payment of upfront sales commissions by fund organizations to dealers and, in so doing, discontinue sales charge options that involve such payments, such as all forms of the deferred sales charge option, including low-load options (the DSC Option). These amendments will take effect on June 1, 2022.

The OSC published proposed OSC Rule 81-502 Restrictions on the Use of the Deferred Sales Charge Option for Mutual Funds, on February 20, 2020, to limit (not ban) the use of the DSC Option in Ontario. The proposed restrictions on the DSC Option include, among others, shortening the maximum term of the redemption fee schedule to three years and limiting the use of the DSC Option to clients under the age of 60 and clients with smaller accounts, $50K or less. The OSC is proposing that OSC Rule 81-502 take effect on June 1, 2022 to coincide with the ban on the DSC Option by the other CSA members. Comments on OSC Rule 81-502 were due July 6, 2020.

On September 17, 2020, all members of the CSA published final amendments to ban trailing commission payments by fund organizations to dealers who do not make a suitability determination, such as order-execution-only (OEO) dealers. These amendments will take effect on June 1, 2022.

AGF, as an investment fund manufacturer, offers a wide range of mutual fund series and purchase options that align with industry norms. AGF continually reviews our lineup to ensure we have the best representation of the Company's strengths, while providing the Company's partners and clients with the choice and diversity needed to adapt to the evolving regulatory landscape, including that of offering a wide range of product solutions with a variety of purchase options that provide dealers, and their advisors, with the opportunity to structure compensation they determine to be most suitable based on the best interest of the investor.

As a long-standing participant in the Canadian financial services industry, the Company and the Company's 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 of these regulatory initiatives still remains uncertain until they are effective, the Company and the Company's subsidiaries will continue to monitor the implementation of these initiatives throughout the industry, and will actively participate in engagement with the regulators as necessary.

Strategic Risk

Strategic risk is the potential for negative impacts as a result of AGF's inability to execute our strategic plan or correctly identify strategic priorities. A 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, achieving synergies 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 the Company's affiliates, subsidiaries and AGF Funds) is 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. As a result of COVID-19, the increased use of electronic and remote communication tools and services may lead to heightened cybersecurity risk.

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

While AGF 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, the Company cannot control the cybersecurity plans and systems put in place by the Company's service providers or any other third party whose operations may affect the Company, AGF Funds or their securityholders. As a result, the Company, AGF 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 may 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 risks, 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.

The Company has a comprehensive business continuity plan, which was activated in March 2020, and has taken specific measures to address and mitigate any business risks to ensure the protection of our employees and clients around the world.

As a result of COVID-19 and remote working arrangements, the Company has increased our lines of communication with our strategic partners, clients and prospects globally, delivering timely market updates and relevant information about our products through a variety of digital channels including AGF.com, weekly conference calls, webcasts and direct-to-client emails, to ensure they have the tools and resources they need to provide ongoing support to investors.

In parallel, our Executive and Crisis Management Teams are refining our back-to-office plan. AGF continues to operate effectively through remote access so any return will be gradual and measured, keeping the safety of our employees, clients and communities top of mind.

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, 2020, 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, 2020, 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, 2020, the Company's 2020 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.

Summary of Annual Results

(from continuing operations)

(in millions of dollars, except per share amounts) Years ended November 30		IFRS 2020[1,2]		IFRS 2019[3,4]		IFRS 2018[5]		IFRS 2017[6]		IFRS 2016[7]
Income	$	**543.9**	$	436.7	$	450.2	$	455.5	$	428.7
Expenses[11]		**292.8**		326.7		343.7		339.1		319.2
EBITDA before commissions[12]		**251.1**		110.0		106.5		116.4		109.5
Pre-tax income		**194.4**		57.3		62.5		61.8		52.7
Net income attributable to equity owners of the Company		**173.9**		47.9		73.9		52.1		42.5
Earnings per share attributable to equity owners of the Company										
Basic	$	**2.25**	$	0.61	$	0.94	$	0.66	$	0.53
Diluted		**2.22**		0.60		0.92		0.64		0.53
Free cash flow[12]	$	**46.1**	$	52.8	$	41.4	$	58.7	$	61.5
Dividends per share	$	**0.32**	$	0.32	$	0.32	$	0.32	$	0.32
Long-term debt	$	**–**	$	207.3	$	188.6	$	138.6	$	188.2
Weighted average basic shares		**77,326,775**		78,739,081		79,292,775		79,330,190		79,278,876
Weighted average fully diluted shares		**78,359,570**		79,672,961		80,637,948		81,245,279		80,253,600

(in millions of dollars, except per share amounts) Years ended November 30		IFRS 2015[8]		IFRS 2014		IFRS 2013[9]		IFRS 2012[10]		IFRS 2011
Income	$	449.6	$	464.5	$	484.5	$	510.2	$	585.7
Expenses[11]		322.4		309.6		320.9		321.2		337.5
EBITDA before commissions[12]		127.2		154.9		163.6		189.0		248.1
Pre-tax income		63.9		79.1		66.0		58.5		114.7
Net income attributable to equity owners of the Company		48.3		61.3		22.4		52.3		103.6
Earnings per share attributable to equity owners of the Company										
Basic	$	0.59	$	0.69	$	0.25	$	0.29	$	0.80
Diluted		0.58		0.68		0.25		0.29		0.80
Free cash flow[12]	$	67.8	$	82.0	$	102.3	$	95.8	$	135.9
Dividends per share	$	0.51	$	1.08	$	1.08	$	1.08	$	1.07
Long-term debt	$	268.8	$	308.2	$	307.9	$	312.3	$	315.1
Weighted average basic shares		82,295,595		86,000,437		88,163,616		94,117,889		94,295,903
Weighted average fully diluted shares		83,584,539		87,384,880		88,690,410		94,932,213		95,111,318

1 Refer to Note 3 in the 2020 Consolidated Financial Statements for more information on the adoption of IFRS 16.
2 2020 includes $104.4 million related to gain on sale of Smith & Williamson Holdings Limited (S&WHL), net of currency hedge, and $41.3 million of dividends, net of currency hedge, from S&WHL, recognized as income.
3 Refer to Note 3 in the 2019 Consolidated Financial Statements for more information on the adoption of IFRS 15.
4 2019 includes income of $4.1 million related to one-time fund expense tax recovery, and $14.4 million related to restructuring costs.
5 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal for S&WHL, $5.2 million of one-time restructuring and administrative costs, $21.9 million provision release, $2.2 million of interest recovery related to the transfer pricing case.
6 2017 includes $10.0 million of income related to a litigation settlement.
7 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.
8 2015 includes a $5.7 million distribution related to a crystallization of an asset and a one-time restructuring cost of $7.2 million.
9 2013 includes a $25.0 million one-time adjustment to tax provision related to the transfer pricing case.
10 Refer to Annual Report 2012 for transition adjustments from GAAP to IFRS.
11 Includes selling, general, and administrative (SG&A), restructuring provisions, trailing commissions and investment advisory fees.
12 See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

Management's Responsibility for Financial Reporting

Toronto, January 26, 2021

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.

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

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

Independent auditor's report

To the Shareholders of AGF Management Limited

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AGF Management Limited and its subsidiaries (together, the Company) as at November 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at November 30, 2020 and 2019;
- the consolidated statements of income for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flow for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Derek Hatoum.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
January 26, 2021

Consolidated Statement of Financial Position

(in thousands of dollars)

November 30	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents		**$ 94,009**	$ 51,660
Investments	4	**18,169**	21,245
Accounts receivable, prepaid expenses and other assets	5, 26	**38,113**	45,502
Derivative instrument	7	**–**	4,787
Total current assets		**150,291**	123,194
Investment in joint ventures	5	**1,780**	2,626
Long-term investments	5	**151,949**	136,664
Management contracts	8	**689,759**	689,759
Customer contracts, net of accumulated amortization and derecognition	8	**–**	195
Goodwill	8	**250,830**	250,830
Other intangibles, net of accumulated amortization and derecognition	8	**667**	766
Right-of-use assets	3	**81,139**	–
Property, equipment and computer software, net of accumulated depreciation	9	**8,340**	8,889
Deferred income tax assets	12	**6,593**	5,122
Income tax receivable	23, 29	**–**	13,919
Other assets		**6,191**	1,523
Total non-current assets		**1,197,248**	1,110,293
Assets classified as held for sale	6	**–**	146,812
Total assets		**$ 1,347,539**	$ 1,380,299

Consolidated Statement of Financial Position

(in thousands of dollars) **November 30**	**Note**	**2020**	**2019**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10, 21	**$ 67,837**	$ 80,651
Provision for Elements Advantage	13	**914**	652
Current lease liability	3	**4,582**	–
Income tax liability	23, 29	**17,212**	6,154
Total current liabilities		**90,545**	87,457
Long-term lease liability	3	**81,081**	–
Long-term debt	11	**–**	207,283
Deferred income tax liabilities	12	**150,043**	151,038
Provision for Elements Advantage	13	**424**	798
Other long-term liabilities	21	**9,267**	8,947
Total liabilities		**331,360**	455,523
Equity			
Equity attributable to owners of the Company			
Capital stock	14	**425,460**	474,178
Contributed surplus	21	**40,465**	40,781
Retained earnings	3	**547,614**	398,559
Accumulated other comprehensive income	15	**2,640**	11,258
Total equity		**1,016,179**	924,776
Total liabilities and equity		**$ 1,347,539**	$ 1,380,299

(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 dollars) **Years ended November 30**	**Note**		**2020**		**2019**
Income					
Management, advisory and administration fees	16	**$**	**374,658**	$	386,109
Deferred sales charges			**5,991**		7,157
Share of profit of joint ventures	5		**2,877**		301
Share of profit of associate	6		**12**		24,634
Dividend income, net of currency hedge	6, 7		**45,832**		–
Gain on sale of asset classified as held for sale, net of currency hedge	6, 7		**104,394**		–
Fair value adjustments and other income	5, 17		**10,155**		18,486
Total income			**543,919**		436,687
Expenses					
Selling, general and administrative	3, 18, 26		**174,734**		189,270
Restructuring provision (release)	20		**(1,002)**		14,361
Trailing commissions			**118,030**		120,708
Investment advisory fees			**1,146**		2,353
Deferred selling commissions			**41,999**		41,761
Amortization and derecognition of customer contracts and other intangibles	8		**294**		577
Depreciation of property, equipment and computer software	9		**3,851**		3,663
Depreciation of right-of-use asset	3		**4,072**		–
Interest expense	3, 22		**6,366**		6,777
Total expenses			**349,490**		379,470
Income before income taxes			**194,429**		**57,217**
Income tax expense (benefit)					
Current	23		**21,948**		9,562
Deferred	3, 23		**(1,427)**		(203)
Total income tax expense			**20,521**		9,359
Net income for the year		**$**	**173,908**	$	**47,858**
Earnings per share					
Basic	24	**$**	**2.25**	$	0.61
Diluted	24	**$**	**2.22**	$	0.60

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

Consolidated Statement of Comprehensive Income

(in thousands of dollars) **Years ended November 30**	**Note**	**2020**	**2019**
Net income for the year		**$ 173,908**	**$ 47,858**
Other comprehensive income, net of tax			
Cumulative translation adjustment			
Other comprehensive gain arising from assets classified as held for sale	6, 15	**–**	8,350
Foreign currency translation adjustments related to net investments in foreign operations		**(32)**	(5,860)
		(32)	2,490
Net unrealized gain on investments			
Unrealized gain		**64**	63
		64	63
Net unrealized loss on derivative instrument			
Unrealized loss	6, 7, 15	**–**	(1,062)
		–	(1,062)
Total other comprehensive income, net of tax		**$ 32**	$ 1,491
Net comprehensive income		**$ 173,940**	**$ 49,349**

Items presented in other comprehensive income (loss) will be reclassified to the consolidated statement of income (loss) in subsequent periods, with the exception of equity instruments classified as fair value through other comprehensive income.
(The accompanying notes are an integral part of these Consolidated Financial Statements.)

Consolidated Statement of Changes in Equity

(in thousands of dollars)	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance, December 1, 2018	$ 474,319	$ 41,277	$ 376,133	$ 9,767	**$ 901,496**
Net income for the year	–	–	47,858	–	**47,858**
Other comprehensive income (net of tax)	–	–	–	1,491	**1,491**
Comprehensive income for the year	–	–	47,858	1,491	**49,349**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	329	–	–	–	**329**
Stock options	757	582	–	–	**1,339**
AGF Class B Non-Voting shares repurchased for cancellation	(3,620)	–	111	–	**(3,509)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.3 million	–	–	(25,543)	–	**(25,543)**
Equity-settled Restricted Share Units and Partner Points, net of tax	–	(1,078)	–	–	**(1,078)**
Treasury stock released	2,393	–	–	–	**2,393**
Balance, November 30, 2019	**$ 474,178**	**$ 40,781**	**$ 398,559**	**$ 11,258**	**$ 924,776**
Balance, November 30, 2019	$ 474,178	$ 40,781	$ 398,559	$ 11,258	**$ 924,776**
Change in accounting policy (Note 3) IFRS 16	–	–	(3,134)	–	**(3,134)**
Balance, December 1, 2019	474,178	40,781	395,425	11,258	**921,642**
Net income for the year	–	–	173,908	–	**173,908**
Other comprehensive income (net of tax)	–	–	–	32	**32**
Comprehensive income for the year	–	–	173,908	32	**173,940**
Reclassification of AOCI to net income from the sale of asset classified as held for sale (Note 6, Note 7, Note 15)	–	–	–	(8,650)	**(8,650)**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	319	–	–	–	**319**
Stock options	361	(290)	941	–	**1,012**
AGF Class B Non-Voting shares repurchased for cancellation including tax of $0.3 million (Note 14)	(48,618)	–	2,738	–	**(45,880)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.3 million	–	–	(25,229)	–	**(25,229)**
Equity-settled Restricted Share Units and Partner Points, net of tax	–	(26)	–	–	**(26)**
Treasury stock purchased	(2,628)	–	–	–	**(2,628)**
Treasury stock released	1,848	–	(169)	–	**1,679**
Balance, November 30, 2020	**$ 425,460**	**$ 40,465**	**$ 547,614**	**$ 2,640**	**$ 1,016,179**

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

Consolidated Statement of Cash Flow

(in thousands of dollars) **Years ended November 30**	**Note**	**2020**	**2019**
Operating Activities			
Net income for the year		$ **173,908**	$ 47,858
Adjustments for			
Gain on sale of asset classified as held for sale, net of currency hedge	6	**(104,394)**	–
Amortization, derecognition and depreciation		**8,217**	4,240
Interest expense		**6,366**	6,777
Income tax expense	23	**20,521**	9,359
Income taxes refunded (paid)		**2,454**	(2,233)
Stock-based compensation	21	**5,817**	6,041
Share of profit of associate and joint ventures	5, 6	**(2,889)**	(18,037)
Distributions from associate and joint ventures	5	**3,723**	2,798
Fair value adjustment on long-term investments	5	**(4,538)**	2,166
Net realized and unrealized loss on short-term investments		**(812)**	(1,238)
Other		**179**	(79)
		108,552	57,652
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		**4,188**	7,151
Other assets		**(3,950)**	(330)
Accounts payable and accrued liabilities		**(16,094)**	3,576
Other liabilities		**(240)**	(574)
		(16,096)	9,823
Net cash provided by operating activities		**92,456**	67,475
Financing Activities			
Repurchase of Class B Non-Voting shares for cancellation	14	**(45,613)**	(3,509)
Issue of Class B Non-Voting shares	14	**361**	757
Purchase of treasury stock	14	**(2,628)**	–
Dividends paid	25	**(24,610)**	(24,874)
Issuance (repayment) of long-term debt	11	**(208,500)**	18,500
Interest paid		**(4,819)**	(7,096)
Lease principal payments	3	**(4,728)**	–
Net cash used in financing activities		**(290,537)**	(16,222)
Investing Activities			
Purchase of long-term investments	5	**(12,110)**	(60,114)
Return of capital from long-term investments	5	**1,363**	26,661
Proceeds from sale of asset classified as held for sale, net of currency hedge	6	**250,354**	–
Purchase of property, equipment and computer software, net of disposals	9	**(3,303)**	(1,540)
Purchase of short-term investments	4	**(2,891)**	(12,347)
Proceeds from sale of short-term investments	4	**7,017**	21,571
Net cash provided by (used in) investing activities		**240,430**	(46,384)
Increase in cash and cash equivalents		**42,349**	**4,869**
Balance of cash and cash equivalents, beginning of the year		**51,660**	**46,791**
Balance of cash and cash equivalents, end of the year		$ **94,009**	**$ 51,660**
Cash and cash equivalents comprise of:			
Cash at bank and on hand		$ **89,508**	$ 47,485
Deposits on call		**4,501**	4,175
Total cash and cash equivalents		$ **94,009**	**$ 51,660**

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

Notes to the Consolidated Financial Statements

For the years ended November 30, 2020 and 2019

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, and 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's private alternatives business includes joint ventures with InstarAGF Asset Management Inc. (InstarAGF), Stream Asset Financial Management LP (SAFM LP) and SAF Jackson Management LP (SAFJM LP).

These consolidated financial statements were authorized for issue by the Board of Directors on January 26, 2021.

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). Amounts are expressed in Canadian dollars, unless otherwise stated.

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 COVID-19 Impact

The Company continues to monitor the impact of the pandemic and is managing expenses and capital position accordingly. The Company has a comprehensive business continuity plan, which was activated in March 2020, and has taken specific measures to mitigate any business risks and ensure business continuity and the protection of its employees around the world in light of the rapidly evolving situation related to the novel coronavirus: COVID-19. To date, the Company has experienced no impact to its business operations and no instances of business operations interruption.

The Executive and Crisis Management Teams continue to refine the Company's back-to-office plan. The Company has proven to operate effectively through remote access, and, as a result, any return to offices will be gradual and measured keeping the safety of its employees, clients and communities top of mind.

3.3 Adoption of New and Revised Accounting Standards

The Company has adopted the following new and revised standards, effective December 1, 2019. These changes were adopted in accordance with the application transitional provisions of each new or revised standard.

IFRS 16 Leases:

Effective December 1, 2019, the Company has adopted IFRS 16 Leases (IFRS 16) which replaced prior guidance, IAS 17 Leases, and related interpretations. The new standard provides guidance for the recognition, measurement and disclosure of the leases and requires a lessee to recognize right-of-use assets and lease liabilities for all qualified lease contracts, effectively eliminating the concept of an operating lease from a lessee perspective. A lessee recognizes depreciation expense on the right-of-use asset and interest expense on the lease liability.

The Company adopted the new standard under the modified retrospective approach and has elected not to restate its comparative financial information for the effect of applying IFRS 16, as permitted by the transitional provisions within IFRS 16. Under this approach, the Company recognized lease liabilities at the present value of the remaining lease payments discounted using the Company's incremental borrowing rate as at December 1, 2019. Right-of-use assets for property leases were measured at their carrying value on transition as if IFRS 16 had been applied since the inception of the lease but discounted using the Company's incremental borrowing rate as at December 1, 2019. All other right-of-use assets were measured at the amount of the lease liabilities on adoption. In addition, the Company assessed the classification of its sub-leased property with reference to the IFRS 16 guidance and concluded that it should be classified as an operating lease under the new standard. The transitional adjustments were recognized as a reduction in opening retained earnings of $3.1 million on December 1, 2019.

The Company had elected the following practical expedients:

- Apply a single discount rate to a portfolio of assets that share the same characteristics.
- Use hindsight in areas for which the standard would otherwise require the lessee to reconstruct historical judgements and estimates.
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application.
- Not recognize leases with a term of 12 months or less and with no purchase option.
- Not recognize leases of low value.

The application of IFRS 16 results in a reduction to selling, general and administrative expenses and an increase in depreciation and interest expense. There is not a significant impact on net income. Cash provided by operating activities increased and financing cash flows decreased as a result of the adoption of IFRS 16 as the lease payments moved from an operating activity to a financing activity. Total cash flows remained unchanged.

Impact of Adopting IFRS 16 Leases:

The application as at December 1, 2019 resulted in the following changes to the consolidated statement of financial position:

(in thousands of dollars)	November 30, 2019	IFRS 16 Transitional Adjustments	December 1, 2019
Assets			
Current Assets	$ 123,194	$ –	$ 123,194
Right-of-use assets	–	15,757	15,757
Deferred income tax assets	5,122	989	6,111
Other long-term assets	1,105,171	–	1,105,171
Assets classified as held for sale	146,812	–	146,812
Total assets	$ 1,380,299	$ 16,746	$ 1,397,045
Liabilities			
Current lease liabilities	$ –	$ 4,653	$ 4,653
Other current liabilities	87,457	–	87,457
Total current liabilities	87,457	4,653	92,110
Long-term lease liabilities	–	15,227	15,227
Other long-term liabilities	368,066	–	368,066
Total liabilities	455,523	19,880	475,403
Equity			
Capital stock	474,178	–	474,178
Contributed surplus	40,781	–	40,781
Retained earnings	398,559	(3,134)	395,425
Accumulated other comprehensive income	11,258	–	11,258
Total equity	924,776	(3,134)	921,642
Total liabilities and equity	$ 1,380,299	$ 16,746	$ 1,397,045

The lease liabilities recognized as at December 1, 2019 can be reconciled to the operating lease commitments as at November 30, 2019 as follows:

(in thousands of dollars)	
Commitment as at November 30, 2019	$ 178,311
Less:	
Service commitments not applicable under IFRS 16	(91,905)
Future commitment where control is not yet obtained as at December 1, 2019[1]	(70,863)
Add:	
Optional renewal period payments considered reasonably certain to be exercised	7,041
Gross lease liability as at December 1, 2019	**$ 22,584**
Incremental borrowing rate as at December 1, 2019	3.71%
Present value of lease liability as at December 1, 2019	**$ 19,880**
Current lease liability	4,653
Long-term lease liability	15,227

[1] This commitment represents a future lease obligation that will increase the Company's right-of-use asset and lease liability at the time the Company obtains right of use.

The Company, at transition, recorded $15.8 million of right-of-use assets and $19.9 million of lease liabilities. In addition, the Company also had commitments of $91.9 million related to service commitments not applicable under IFRS 16.

The following shows the carrying amounts of the Company's right-of-use assets and lease liabilities by class and the movements during the year ended November 30, 2020.

(in thousands of dollars)	Right-of-use assets: Property leases	Right-of-use assets: Equipment leases	Right-of-use assets: Total	Lease liabilities
As at December 1, 2019	$ 14,569	$ 1,188	$ 15,757	$ 19,880
Depreciation expense	(3,801)	(271)	(4,072)	–
Lease modification	(4,029)	–	(4,029)	(4,029)
New lease addition	73,442	41	73,483	73,483
Interest expense	–	–	–	1,057
Payments	–	–	–	(4,728)
As at November 30, 2020	**$ 80,181**	**$ 958**	**$ 81,139**	**$ 85,663**

The Company recorded total lease liabilities of $85.7 million on the consolidated statement of financial position as of November 30, 2020 compared to $19.9 million as of December 1, 2019. The increase is a result of the recognition of right-of-use asset and lease liability of $73.5 million, primarily related to the Company's new lease of CIBC Square. The Company obtained control of the space of CIBC Square for design and renovation in the year ended November 30, 2020, as such, the corresponding right-of-use asset and lease liability were recorded. The right-of-use asset and lease liability for CIBC Square is calculated based on a 22 year period, which includes a 5 year optional renewal period reasonably assumed to be exercised. The Company plans to complete its move from the current Toronto-Dominion Centre to the CIBC Square in fiscal 2021. Refer to Note 30 for summary of contractual payments required for office premises and equipment recognized under IFRS 16.

The following are the new accounting policies under IFRS 16:

A contract is determined to contain a lease under IFRS 16 if all the following criteria are met:

- The contract contains an identifiable asset
- The lessee obtains the right of direct use of the asset
- The lessee obtains substantially all the economic benefits of the asset

Recognition of qualified leases

Right-of-use asset and lease liability are recognized at the lease commencement date, which is defined as the date on which the lessor makes the underlying asset available for use by the lessee. The right-of-use asset is initially measured at cost less indirect costs, removal and restoration costs, prepaid lease payments and lease incentive received and subsequently amortized, on a straight-line basis, over the earlier of the useful life of the right-of-use asset or the term of the lease. The lease term includes the non-cancellable period of the lease and periods covered by an option to extend or terminate the lease if the Company is reasonably certain to exercise the option.

The lease liability is measured based on the present value of the fixed lease payments using either the implicit interest rate of the lease or the incremental borrowing rate. Subsequently, the lease liability is reduced by the lease payments made, partially offset by an increase in accretion interest expense using the effective interest rate method.

Any lease with variable lease payments that do not depend on an index or rate, a lease term less than 12 months or deemed as low value is exempt from IFRS 16 and will continue to be expensed on an accrual basis. The exempted leases do not have a material impact on the consolidated financial statements.

Subsequent lease modification

The right-of-use asset and lease liability are remeasured if a modification occurs. A modification includes changing the scope of the lease by adding or removing the right to use one or more underlying assets, extending or shortening the contractual lease term and changing the consideration in the lease by increasing or decreasing the lease payment. When the lease liability is remeasured due to a modification, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

3.4 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.

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 21 for additional information.

The principal subsidiaries and consolidated structured entities of AGF as at November 30, 2020 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%
AGF Investments LLC	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.

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 conformed where necessary to ensure consistency with the policies adopted by AGF.

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 the United States. At November 30, 2020, the carrying amount of the Company's interests in investment funds that it manages was $17.2 million (2019 – $16.4 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 $0.8 million in income for the year ended November 30, 2020 (2019 – $1.3 million). Refer to Note 4 for additional information about the Company's investments in funds that it manages.

The joint ventures of AGF as at November 30, 2020 are as follows:

	Investment type	Nature of activities	Country of incorporation	Interest held
InstarAGF Asset Management Inc. (InstarAGF)	Joint venture	Asset manager – alternative/infrastructure	Canada	51.0%
InstarAGF EI-C I LP	Joint venture	Asset manager – carried interest entity	Canada	25.0%[1]
Stream Asset Financial GP LP (SAF GP)	Joint venture	Asset manager – alternative/private credit	Canada	31.6%
Stream Asset Financial Management LP (SAFM LP)	Joint venture	Asset manager – alternative/private credit	Canada	31.6%
Stream Asset Financial GP LP	Joint venture	Asset manager – carried interest entity	Canada	32.4%[1]
SAF Jackson Management LP (SAFJM LP)	Joint venture	Asset manager – alternative/private credit	Canada	45.9%
SAF Jackson Performance LP	Joint venture	Asset manager – carried interest entity	Canada	23.8%[1]
AGFWave Asset Management Inc. (AGFWave)	Joint venture	Investment Management	Canada	50.0%

[1] Represents carried interest allocation.

Following the sale of the Company's interest in Smith & Williamson (S&WHL) in September 2020, the Company has no investments classified as associates. Refer to Note 6 for additional information regarding the sale of S&WHL.

The Company will receive performance-based fees or carried interest distributions from the carried interest entities it has ownership interest in, if a private alternative fund exceeds its performance threshold.

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.

(c) Long-term Investments

Long-term investments are accounted for at fair value through profit or loss, which is consistent with the Company's accounting for investments in the mutual funds it manages. Refer to Note 5 for additional information about the Company's interests in long-term investments.

The long-term investments of AGF as at November 30, 2020 are as follows:

	Investment type	Nature of activities	Country of incorporation	Interest held
InstarAGF Essential Infrastructure Fund LP I (EIF)	Long-term investment	Limited partnership – investment entity	Canada	13.5%
InstarAGF Essential Infrastructure Fund LP II (EIF II)	Long-term investment	Limited partnership – investment entity	Canada	5.3%
Stream Asset Financial LP (Stream)	Long-term investment	Limited partnership – investment entity	Canada	25.1%
SAF Jackson LP (SAF Jackson)	Long-term investment	Limited partnership – investment entity	Canada	15.5%

3.5 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.

3.6 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 $38.8 billion as at November 30, 2020 (2019 – $38.8 billion).

3.7 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.

3.8 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 expired. 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 into the following categories depending on the entity's business model for management of the financial assets and the contractual terms of the cash flows.

(i) Fair Value through Profit or Loss

Financial instruments classified at FVTPL are recognized initially at fair value and are subsequently carried at fair value in the consolidated statements of financial position. Gains or losses 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. Equity instruments are classified as FVTPL unless the Company irrevocably elects at initial recognition to designate it as FVTOCI. Debt instruments are classified as FVTPL if the assets do not meet criteria for FVTOCI or amortized cost. Financial instruments classified as FVTPL include investments in AGF mutual funds, terms deposits and other certain investments.

(ii) Fair Value through Other Comprehensive Income

Financial instruments classified at FVTOCI are initially recognized at fair value and are subsequently carried at fair value in the consolidated statements of financial position. Gains or losses in fair value are presented in the consolidated statement of comprehensive income under other comprehensive income. Transaction costs on FVTOCI financial instruments are added to the initial carrying value of the asset or liability.

For equity investments designated as FVTOCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of income following derecognition of the investment. Dividends are recognized in the consolidated statement of income as part of fair value adjustments and other income on the date they become legally receivable. Equity investments designated as FVTOCI include certain equity securities held for long-term investments.

Debt instruments are classified as FVTOCI if the assets are held for the collection of contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principal and interest. For debt investments classified as FVTOCI, the cumulative gain or loss previously recognized in OCI is reclassified to the consolidated statement of income upon derecognition and is included in fair value adjustments and other income. Interest income from these financial assets, calculated using the effective interest method, is recognized in the consolidated statement of income. The Company does not currently have any debt investments classified as FVTOCI.

(iii) Amortized Cost

Financial instruments classified at amortized costs are initially recognized at the amount expected to be received, less, when material, a discount to reduce the asset balance to fair value. Subsequently, these assets are measured using the effective interest method less a provision for impairment. Financial assets are classified at amortized cost if the assets are held for the collection of contractual cash flows. Financial assets classified at amortized costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include accounts receivable and other financial assets.

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.

3.9 Derivative Instruments

Derivative instruments are used to manage the Company's exposure to foreign currency rate risks. The Company does not enter into derivative financial instruments for trading or speculative purposes. When derivative instruments are used, the Company determines whether hedge accounting can be applied. The derivative instrument must be highly effective in accomplishing the objective of offsetting either changes in the fair value or forecasted cash flows attributable to the risk being hedged both at inception and over the life of the hedge. In accordance with IFRS 9, to qualify for hedge accounting three requirements must be met. These requirements are economic relationship, effect of credit risk, and hedge ratio. At the inception of the hedging relationship, there must be a formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

If hedge accounting is applied, the effective portion of the change in fair value of the hedging instrument will be recognized in other comprehensive income (OCI). Any ineffective portion of fair value is recognized immediately in the consolidated statement of income. When a hedging instrument matures or no longer meets the criteria for hedge accounting, the amount that has been recorded in the OCI will be reclassified to the consolidated statement of income. When a forecast transaction is no longer expected to occur, the amount that has been recorded in OCI is immediately transferred to the consolidated statement of income.

3.10 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.

3.11 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

3.12 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.

3.13 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.

3.14 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, joint ventures, and associates, except, in the case of subsidiaries, joint ventures, 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.

3.15 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 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 PIP was discontinued in 2020.

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.

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.

3.16 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.

3.17 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.

3.18 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.

3.19 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 multiplied by an agreed rate with the customer. Fees are recognized on an accrual basis as the service is performed. These fees are shown net of management fee rebates, fee waivers and expenses reimbursed to the funds or paid on the funds' behalf. Administration fees are recognized on an accrual basis as the service is performed.

Fees paid to institutional consultants related to the referral and placement of clients where the fee is paid at the commencement of client onboarding are not dependent on future revenue streams, and where the Company receives a fee directly from the client are capitalized and amortized over their estimated useful lives, not exceeding a period of three years. All other commissions, including selling commissions paid to dealers or brokers on mutual fund securities sold on a deferred sales charge (DSC) basis, are recognized as an expense on an accrual basis.

3.20 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 costs to sell (FVLCTS) and its value in use (VIU). 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, or RSUs 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 21 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.

(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 27 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.

3.21 Future Accounting Standards

The Company continues to monitor future accounting standards and analyze the effect the standards may have on the Company's operations.

Note 4: Investments

The following table presents a breakdown of investments:

(in thousands of dollars) **November 30**	**2020**	2019
Fair value through profit or loss		
AGF mutual funds and other	**$ 17,248**	$ 16,356
Term deposits	**–**	4,045
	17,248	20,401
Fair value through other comprehensive income		
Equity securities	**610**	536
Amortized cost		
Canadian government debt – Federal	**311**	308
	$ 18,169	$ 21,245

During the years ended November 30, 2020 and 2019, no impairment charges were recognized.

The continuity of investments for the years ended November 30, 2020 and 2019 is as follows:

(in thousands of dollars) **November 30**	**2020**	2019
Balance, beginning of the year	**$ 21,245**	$ 28,912
Additions	**2,891**	12,347
Disposals	**(7,017)**	(21,571)
Net realized and unrealized gains on investments classified as FVTPL	**759**	1,253
Reinvested dividends and interest	**220**	245
Net unrealized and realized gains on investments at FVTOCI	**71**	59
Balance, end of the year	**$ 18,169**	$ 21,245

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

(a) Investment in Joint Ventures

The Company has ownership in joint ventures that manage our private alternatives funds. Refer to Note 3.4(b) for details and ownership percentages. These joint ventures are accounted for using the equity method of accounting. The Company, through its interest in joint ventures, may be entitled to performance-based fees or carried interest distributions. These amounts are recognized by the Company and its joint ventures when the fund exceeds the related performance thresholds and when the risk of reversal is low. The continuity for the years ended November 30, 2020 and 2019 is as follows:

(in thousands of dollars) **Years ended November 30**	**2020**	2019
Balance, beginning of year	**$ 2,626**	$ 2,325
Share of profit	**2,877**	301
Dividends received	**(3,723)**	–
Balance, end of year	**$ 1,780**	$ 2,626

For the year ended November 30, 2020, the Company recognized earnings of $2.9 million (2019 – $0.3 million) and received dividends of $3.7 million (2019 – nil) from its private alternatives business. Included in the $2.9 million of recognized earnings is $1.0 million of carried interest revenue related to one of the Company's private alternative funds which has exceeded its performance threshold.

For one of these joint ventures, the Company has recorded losses 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, 2020, the Company accumulated unrecognized losses of $3.3 million (2019 – $0.1 million), which includes an accrual for future compensation for which the ultimate amount that may be paid will depend on carried interest realized in the future. The compensation accrual represents a non-cash liability that will be funded through carried interest payments from the funds.

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, 2020, the Company had recorded a receivable of $0.1 million (2019 – $4.5 million), included in accounts receivable, prepaid expenses and other assets on the consolidated statement of financial position. In addition, as at November 30, 2020, the Company had recorded a $0.6 million promissory note receivable from Instar Investments Inc. (2019 – $0.6 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.

On September 21, 2020, the Company announced a new joint venture, AGFWave Asset Management Inc. (AGFWave), with WaveFront Global Asset Management Corp. (WaveFront) for providing asset management services and products in China and South Korea. As at November 30, 2020, the carrying value of AGF's investment in AGFWave was nil.

(b) Investment in Long-term Investments

Fair value adjustments and income distributions related to the Company's long-term investments in private alternatives 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, 2020 and 2019 is as follows:

(in thousands of dollars) **Years ended November 30**	**2020**	2019
Balance, beginning of the year	**$ 136,664**	$ 105,377
Purchase of long-term investments	**12,110**	60,114
Return of capital	**(1,363)**	(26,661)
Fair value adjustment[1]	**4,538**	(2,166)
Balance, end of the year	**$ 151,949**	$ 136,664

[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.

As at November 30, 2020, the Company has funded $149.2 million (2019 – $138.5 million) in funds and investments associated with the private alternative business and has $70.2 million (2019 – $70.3 million) remaining committed capital to be invested. 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.

During the year ended November 30, 2020, the Company recognized $7.8 million (2019 – $15.2 million) in fair value adjustments and distributions related to its long-term investments.

As at November 30, 2020, the carrying value of the Company's long-term investments in the private alternative asset management business was $151.9 million (2019 – $136.7 million).

Note 6: Assets Classified as Held for Sale

As at November 30, 2020, the Company no longer retains any equity consideration (November 30, 2019 – 35.0%) in S&WHL as a result of the completion of the S&WHL sale on September 1, 2020. Based on the terms of the transaction structure, the Company received total cash of $296.2 million, excluding tax and one-time expenses, for the year ended November 30, 2020. Total cash includes $250.4 million proceeds received from the sale of S&WHL, net of currency hedge, excluding tax and one-time expenses, and dividends and distributions of $45.8 million comprised of an interim dividend of $13.3 million and a special distribution, net of currency hedge, of $32.5 million. Net cash received upon close, after tax and one-time item expenses, was $231.4 million, resulting in a gain on the transaction of $94.4 million. The transaction was hedged at a rate of 1.68.

The investment in S&WHL was accounted for using the equity method through to September 18, 2019. Effective September 19, 2019, the long-term investment in S&WHL was classified as 'held for sale' and equity accounting ceased. Assets classified as 'held for sale' are measured at the lower of their carrying amount and fair value less costs to sell. Dividends received when S&WHL was classified as held for sale were recorded as dividend income and did not reduce the carrying value of the investment. Foreign exchange revaluation on the carrying value of S&WHL was recorded through other comprehensive income. As at November 30, 2020, the carrying value was nil (2019 – $146.8 million). During the year ended November 30, 2020, the Company received $45.8 million in dividends, net of currency hedge, after the long-term asset was classified as 'held for sale' which was recorded as dividend income. During the year ended November 30, 2019, $24.6 million was recorded as equity earnings from S&WHL of which $6.9 million was received as dividends from S&WHL, after the asset was classified as held for sale.

(in thousands of dollars) **Year ended November 30**		**2020**
Share of profit of associate	$	**12**
Dividend income		
Interim dividend		**13,326**
Special distribution, net of currency hedge		**32,506**
Gain on sale		
Proceeds received from sale of S&WHL, net of currency hedge (Note 7, Note 15)		**250,354**
Carrying value of S&WHL		**(148,973)**
Reclassification from OCI of foreign currency translation on S&WHL investment (Note 15)		**11,861**
Transaction expenses		**(8,848)**
Pre-tax gain on sale		**104,394**
Tax expense		**(10,000)**
Gain on sale	$	**94,394**

Note 7: Derivative Instrument

To reduce the Company's foreign exchange risk on the transaction value of the sale of S&WHL, the Company entered into the following derivative instruments which were designated as cash flow hedge instruments.

(a) Forward

On June 23, 2020, the Company entered into forward contracts to secure the cash consideration on the special distribution of £19.8 million and cash receivable at closing of £148.8 million at an exchange rate of 1.68. The forward contracts had an expiry of November 30, 2020. As at November 30, 2020, the forward contracts have been fully settled as a result of the completion of the S&WHL transaction. During the year ended November 30, 2020, a total loss of $11.1 million was recognized related to the forward contracts (2019 – nil), of which $1.3 million was netted against the special distribution recorded as dividend income during the three months ended August 31, 2020 and $9.8 million was recognized in other comprehensive income and subsequently reclassified to the Consolidated Statement of Income and netted against the proceeds received from the sale of S&WHL of $250.4 million. Refer to Note 6 for additional information.

(b) Put Option

On September 19, 2019, the Company purchased a put option, which gave the Company the right, but not the obligation, to sell £167.1 million at a strike price of 1.6130. The put option protected AGF's cash consideration if the British pound declined below 1.6130 and expired on March 31, 2020. As at November 30, 2020, the value of the put option was nil (November 30, 2019 – asset of $4.8 million). During the year ended November 30, 2020, a total loss of $4.8 million was recognized related to the put option (2019 – $1.1 million) in other comprehensive income and subsequently reclassified to the Consolidated Statement of Income, along with the $1.1 million loss in opening accumulated other comprehensive income. $0.7 million of the loss reclassified to the Consolidated Statement of Income was netted against the special distribution recorded as dividend income during the three months ended August 31, 2020 and $5.2 million was netted against the gain on sale of asset classified as held for sale of $104.4 million.

Note 8: Intangible Assets

(in thousands of dollars)	Management contracts	Customer contracts	Goodwill	Other intangibles	Deferred selling commissions	Total
At December 1, 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
Year ended November 30, 2019						
Opening net book amount	$ 689,759	$ 675	$ 250,830	$ 863	$ 96,085	$ 1,038,212
Additions	–	–	–	–	–	–
IFRS 15 transitional adjustment	–	–	–	–	(96,085)	(96,085)
Derecognition	–	–	–	–	–	–
Amortization	–	(480)	–	(97)	–	(577)
Closing net book amount	$ 689,759	$ 195	$ 250,830	$ 766	$ –	$ 941,550
At November 30, 2019						
Cost, net of derecognition and impairment	$ 689,759	$ 19,894	$ 250,830	$ 4,546	$ –	$ 965,029
Less: fully amortized assets	–	(17,254)	–	–	–	(17,254)
	689,759	2,640	250,830	4,546	–	947,775
Accumulated amortization	–	(19,699)	–	(3,780)	–	(23,479)
Less: fully amortized assets	–	17,254	–	–	–	17,254
	–	(2,445)	–	(3,780)	–	(6,225)
Net book amount	$ 689,759	$ 195	$ 250,830	$ 766	$ –	$ 941,550
Year ended November 30, 2020						
Opening net book amount	**$ 689,759**	**$ 195**	**$ 250,830**	**$ 766**	**$ –**	**$ 941,550**
Additions	**–**	**–**	**–**	**–**	**–**	**–**
Derecognition	**–**	**(195)**	**–**	**–**	**–**	**(195)**
Amortization	**–**	**–**	**–**	**(99)**	**–**	**(99)**
Closing net book amount	**$ 689,759**	**$ –**	**$ 250,830**	**$ 667**	**$ –**	**$ 941,256**
At November 30, 2020						
Cost, net of derecognition and impairment	**$ 689,759**	**$ 2,445**	**$ 250,830**	**$ 4,546**	**$ –**	**$ 947,580**
Less: fully amortized assets	**–**	**(2,445)**	**–**	**–**	**–**	**(2,445)**
	689,759	**–**	**250,830**	**4,546**	**–**	**945,135**
Accumulated amortization	**–**	**(2,445)**	**–**	**(3,879)**	**–**	**(6,324)**
Less: fully amortized assets	**–**	**2,445**	**–**	**–**	**–**	**2,445**
	–	**–**	**–**	**(3,879)**	**–**	**(3,879)**
Net book amount	**$ 689,759**	**$ –**	**$ 250,830**	**$ 667**	**$ –**	**$ 941,256**

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 dollars)	Investment Management – Retail	Investment Management – Institutional	Cypress Capital Management Ltd.	Doherty & Associates Ltd.	Total
Year ended November 30, 2019					
Opening net book amount	$ 157,313	$ 76,762	$ 12,548	$ 4,207	$ 250,830
Closing net book amount	$ 157,313	$ 76,762	$ 12,548	$ 4,207	$ 250,830
Year ended November 30, 2020					
Opening net book amount	**$ 157,313**	**$ 76,762**	**$ 12,548**	**$ 4,207**	**$ 250,830**
Closing net book amount	**$ 157,313**	**$ 76,762**	**$ 12,548**	**$ 4,207**	**$ 250,830**

During the year ended November 30, 2020, 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, 2020 was $869,987[1] (2019 – $788,832), of which $740,585 was in the Retail CGU (2019 – $694,397).

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, 2020 and 2019, 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 67% of total costs in the Retail CGU and 68% of total costs in the Institutional CGU. These synergies were further discounted by the synergies' inclusion rate of 50%, resulting in synergies of approximately 34% included in the FVLCTS valuation. No synergies were assumed for the Cypress CGU and Doherty CGU, given the nature of private client businesses.

[1] Includes right-of-use assets of $81.1 million as part of the IFRS 16 transition.

Based on the results of the impairment test, the Company concluded that no goodwill or intangible assets were impaired as at November 30, 2020. 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, 2020:

(in thousands of dollars)	Investment Management – Retail
Recoverable amount applied – overall	$ 955,449
Carrying amount	740,585
Excess	$ 214,864
AUM	$ 17,607,680
AUM multiple	5.40%
FVLCTS approach	
Discount rate	10.25%
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, 2020.

(in thousands of dollars)	Investment Management – Retail
FVLCTS approach	
Discount rate	9.80%
Terminal growth rate	4.00%
Synergies inclusion rate	70.0%
Recoverable amount – high	$1,003,167 – $1,085,238
Discount rate	10.70%
Terminal growth rate	3.00%
Synergies inclusion rate	30.00%
Recoverable amount – low	$825,561 – $912,087

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

Note 9: Property, Equipment and Computer Software

(in thousands of dollars)	Furniture and equipment	Leasehold improvements	Computer hardware	Computer software	Total
At December 1, 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
Year ended November 30, 2019					
Opening net book amount	$ 1,749	$ 5,213	$ 2,376	$ 1,674	$ 11,012
Additions	14	100	372	1,054	1,540
Depreciation	(338)	(1,140)	(1,122)	(1,063)	(3,663)
Closing net book amount	$ 1,425	$ 4,173	$ 1,626	$ 1,665	$ 8,889
At November 30, 2019					
Cost	$ 9,043	$ 8,208	$ 5,707	$ 4,213	$ 27,171
Less: fully depreciated assets	(10)	–	(821)	(845)	(1,676)
	9,033	8,208	4,886	3,368	25,495
Accumulated depreciation	(7,618)	(4,035)	(4,081)	(2,548)	(18,282)
Less: fully depreciated assets	10	–	821	845	1,676
	(7,608)	(4,035)	(3,260)	(1,703)	(16,606)
Net book amount	$ 1,425	$ 4,173	$ 1,626	$ 1,665	$ 8,889
Year ended November 30, 2020					
Opening net book amount	**$ 1,425**	**$ 4,173**	**$ 1,626**	**$ 1,665**	**$ 8,889**
Additions	**80**	**537**	**987**	**1,731**	**3,335**
Disposals	**(33)**	**–**	**–**	**–**	**(33)**
Depreciation	**(276)**	**(1,225)**	**(1,051)**	**(1,299)**	**(3,851)**
Closing net book amount	**$ 1,196**	**$ 3,485**	**$ 1,562**	**$ 2,097**	**$ 8,340**
At November 30, 2020					
Cost	**$ 9,113**	**$ 8,745**	**$ 5,873**	**$ 5,099**	**$ 28,830**
Disposals	**(172)**	**–**	**–**	**–**	**(172)**
Less: fully depreciated assets	**(5)**	**(94)**	**(1,776)**	**(935)**	**(2,810)**
	8,936	**8,651**	**4,097**	**4,164**	**25,848**
Accumulated depreciation	**(7,884)**	**(5,260)**	**(4,311)**	**(3,002)**	**(20,457)**
Disposals	**139**	**–**	**–**	**–**	**139**
Less: fully depreciated assets	**5**	**94**	**1,776**	**935**	**2,810**
	(7,740)	**(5,166)**	**(2,535)**	**(2,067)**	**(17,508)**
Net book amount	**$ 1,196**	**$ 3,485**	**$ 1,562**	**$ 2,097**	**$ 8,340**

Note 10: Accounts Payable and Accrued Liabilities

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Compensation related payable	**$**	**37,533**	$	42,609
HST payable		**8,900**		10,131
Other		**21,404**		27,911
Accounts payable and accrued liabilities	**$**	**67,837**	$	80,651

Note 11: Long-term Debt

During the three months ended November 30, 2020, the Company utilized a portion of the proceeds received from the sale of S&WHL to fully repay its long-term debt and restructure its debt facility to align with the future capital needs of the Company. On November 6, 2020, the Company, through its subsidiary AGF Investments Inc., amended and restated its loan agreement. The Company's unsecured revolving credit facility (the Facility) has a maximum aggregate principal amount of $140.0 million (2019 – $320.0 million), and a $10.0 million swingline facility. Advances under the Facility are made available by prime-rate loans in U.S. or Canadian dollars, under banker's acceptance (BAs) or by issuance of letters of credit. The Facility is due in full on November 6, 2023.

As at November 30, 2020, AGF had drawn nil (2019 – $208.5 million at an effective average interest rate of 3.7%) against the Facility and had a nil (2019 – $5.1 million) letter of credit outstanding. During the year ended November 30, 2020, the Company repaid $208.5 million (2019 – borrowed $18.5 million). For the year ended November 30, 2020, AGF incurred $0.7 million (2019 – $1.2 million) of standby, transaction and stamping fees on the Facility. As at November 30, 2020, $150.0 million was available to be drawn from the revolving credit facility and swingline facility commitment.

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 dollars) **November 30**		**2020**		**2019**
Deferred income tax assets				
Deferred income tax asset to be recovered after more than 12 months	**$**	**2,555**	$	1,008
Deferred income tax asset to be recovered within 12 months		**4,038**		4,114
	$	**6,593**	$	5,122
Deferred income tax liabilities				
Deferred income tax liability to be settled after more than 12 months	**$**	**150,043**	$	150,999
Deferred income tax liability to be settled within 12 months		**–**		39
		150,043		151,038
Net deferred income tax liabilities	**$**	**143,450**	$	145,916

The movement in deferred income tax assets and liabilities during the years ended November 30, 2020 and 2019, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(in thousands of dollars) **Year ended November 30, 2020**	**Balance, beginning of year**	**IFRS 16 transitional adjustment**	**Recognized in income**	**Recognized in contributed surplus**	**Recognized in OCI**	**Balance, end of year**
Deferred income tax assets						
Expenses deductible in future periods	**$ 7,082**	**$ –**	**$ 2,574**	**$ 60**	**$ –**	**$ 9,716**
Loss carryforwards	**1,697**	**–**	**(862)**	**–**	**–**	**835**
Deferred charges	**365**	**–**	**(302)**	**–**	**–**	**63**
Deferred sales commissions	**1,164**	**–**	**(137)**	**–**	**–**	**1,027**
Other credits and carryforwards	**34**	**–**	**20**	**–**	**–**	**54**
	$ 10,342	**$ –**	**$ 1,293**	**$ 60**	**$ –**	**$ 11,695**
Deferred income tax liabilities						
Management contracts and other intangibles	**$ 151,026**	**$ –**	**$ (39)**	**$ –**	**$ –**	**$ 150,987**
Investments	**4,773**	**–**	**(371)**	**–**	**10**	**4,412**
Property and equipment	**679**	**(989)**	**45**	**–**	**–**	**(265)**
Other	**(220)**	**–**	**231**	**–**	**–**	**11**
	$ 156,258	**$ (989)**	**$ (134)**	**$ –**	**$ 10**	**$ 155,145**
Net deferred income tax liabilities	**$ 145,916**	**$ (989)**	**$ (1,427)**	**$ (60)**	**$ 10**	**$ 143,450**

(in thousands of dollars) **Year ended November 30, 2019**	**Balance, beginning of year**	**IFRS 15 transitional adjustment**	**Balance, beginning of year after adjustment**	**Recognized in income**	**Recognized in contributed surplus**	**Recognized in OCI**	**Balance, end of year**
Deferred income tax assets							
Expenses deductible in future periods	$ 4,830	$ –	$ 4,830	$ 2,117	$ 135	$ –	$ 7,082
Loss carryforwards	1,823	–	1,823	(126)	–	–	1,697
Deferred charges	667	–	667	(302)	–	–	365
Other credits and carryforwards	47	–	47	(13)	–	–	34
	$ 7,367	$ –	$ 7,367	$ 1,676	$ 135	$ –	$ 9,178
Deferred income tax liabilities							
Management contracts and other intangibles	$ 151,400	$ –	$ 151,400	$ (374)	$ –	$ –	$ 151,026
Deferred sales commissions	24,144	(25,479)	(1,335)	171	–	–	(1,164)
Investments	3,156	–	3,156	1,609	–	8	4,773
Property and equipment	380	–	380	299	–	–	679
Other	12	–	12	(232)	–	–	(220)
	$ 179,092	$ (25,479)	$ 153,613	$ 1,473	$ –	$ 8	$ 155,094
Net deferred income tax liabilities	$ 171,725	$ (25,479)	$ 146,246	$ (203)	$ (135)	$ 8	$ 145,916

(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, 2020, deferred income tax assets have not been recognized for $24.6 million of non-capital losses and $2.3 million of deductible expenses.

Non-capital loss carryforwards by year of expiry as at November 30, 2020 are summarized below:

(in thousands of dollars)		
2029	$	31
2030		77
2031		8
2032		100
2033		87
Thereafter		10,959
No expiry		13,323

(c) As at November 30, 2020, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognized is $5.6 million (2019 – $8.0 million).

Note 13: Provision for Elements Advantage

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Balance, beginning of the year	**$**	**1,450**	$	1,669
Additional provision charged to the income statement		**605**		865
Paid during the year		**(717)**		(1,084)
Balance, end of the year		**1,338**		1,450
Less: non-current portion		**424**		798
Current portion	**$**	**914**	$	652

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 (in thousands of dollars, except share amounts)	2020 Shares	2020 Stated value	2019 Shares	2019 Stated value
Class A Voting common shares	**57,600**	**$ –**	57,600	$ –
Class B Non-Voting shares				
Balance, beginning of the year	**78,223,104**	**$ 474,178**	78,260,674	$ 474,319
Issued through dividend reinvestment plan	**68,243**	**319**	60,692	329
Stock options exercised	**60,582**	**361**	143,031	757
Repurchased for cancellation	**(8,017,542)**	**(48,618)**	(596,890)	(3,620)
Treasury stock purchased for employee benefit trust	**(750,000)**	**(2,628)**	–	–
Treasury stock released for employee benefit trust[1]	**284,182**	**1,848**	355,597	2,393
Balance, end of the year	**69,868,569**	**$ 425,460**	78,223,104	$ 474,178

[1] In December 2020, an additional 297,384 share units were released (2019 – 255,261).

(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 5,947,786 shares for the period from February 6, 2020 to February 5, 2021 and up to 5,980,078 shares for the period from February 6, 2019 to February 5, 2020. During the year ended November 30, 2020, AGF purchased 1,000,000 (2019 – 596,890) Class B Non-Voting shares under the normal course issuer bid at a cost of $5.1 million (2019 – $3.5 million). The excess over the recorded capital stock value of the shares repurchased for cancellation was $0.9 million (2019 – $0.1 million).

During the year ended November 30, 2020, AGF completed a substantial issuer bid (SIB), where AGF purchased for cancellation 7,017,542 (2019 – nil) Class B non-voting shares at a price of $5.70 per share for a total cost of $40.0 million (2019 – nil). The purchase price of shares acquired through the SIB is allocated between capital stock and retained earnings. The reduction to capital stock in connection with the SIB was $42.6 million (2019 – nil). The excess over the purchase price of $2.6 million was charged to retained earnings along with $0.5 million of transaction costs and $0.3 million of taxes associated with the SIB.

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

During the year ended November 30, 2020, 750,000 (2019 – nil) shares were purchased for the employee benefit trust at a cost of $2.6 million (2019 – nil) under the Company's normal course issuer bid and recorded as a reduction to capital stock. During the year ended November 30, 2020, 284,182 (2019 – 355,597) Class B Non-Voting shares purchased as treasury stock were released. As at November 30, 2020, 845,428 (2019 – 379,606) Class B Non-Voting shares were held as treasury stock.

Note 15: Accumulated Other Comprehensive Income

(in thousands of dollars)	Foreign currency translation	Fair value through OCI	Fair value on derivative instrument	Total
Opening composition of accumulated other comprehensive income at December 1, 2018				
Other comprehensive income	$ 5,753	$ 4,022	$ –	$ 9,775
Income tax expense	–	(8)	–	(8)
Balance, December 1, 2018	5,753	4,014	–	9,767
Transactions during the year ended November 30, 2019				
Other comprehensive income (loss)	2,490	71	(1,062)	1,499
Income tax expense	–	(8)	–	(8)
Balance, November 30, 2019	8,243	4,077	(1,062)	11,258
Transactions during the year ended November 30, 2020				
Other comprehensive income (loss)	**(32)**	**74**	**–**	**42**
Reclassification of AOCI to net income from the sale of asset classified as held for sale[1] (Note 6, Note 7)	**(9,712)**	**–**	**1,062**	**(8,650)**
Income tax expense	**–**	**(10)**	**–**	**(10)**
Balance, November 30, 2020	**$ (1,501)**	**$ 4,141**	**$ –**	**$ 2,640**

[1] During the year ended November 30, 2020, the Company recorded foreign currency translation of $2.2 million related to the S&WHL investment, which was subsequently reclassified to the Consolidated Statement of Income, along with the opening AOCI balance of $9.7 million, for a total balance of $11.9 million.

During the year ended November 30, 2020, the Company recorded losses on the fair value on the foreign currency derivative instruments related to the sale of S&WHL of $14.6 million, which were subsequently reclassified to the Consolidated Statement of Income along with the opening fair value on derivative loss of $1.1 million, for a total loss of $15.7 million reclassified to the Consolidated Statement of Income. Refer to Note 7 for additional information. The following is a summary of the derivative loss recognized for the year ended November 30, 2020:

(in thousands of dollars) **Year ended November 30, 2020**	Opening AOCI balance	Change in fair value of derivative instrument recorded in OCI	Derivative loss recorded in net income	Reclassification of derivative loss from OCI to net income	Total derivative loss recorded in net income
S&WHL forward	N/A	$ (9,834)	$ 1,297	$ 9,834	$ 11,131
S&WHL put option	$ (1,062)	(4,775)	–	5,837	5,837
	$ (1,062)	$ (14,609)	$ 1,297	$ 15,671	$ 16,968

Note 16: Management, Advisory and Administration Fees

(in thousands of dollars) **Years ended November 30**	2020	2019
Management, advisory and administration fees	**$ 383,067**	$ 391,241
Fund expenses and waivers	**(8,409)**	(9,265)
Fund expense tax recovery	**–**	4,133
	$ 374,658	$ 386,109

Note 17: Fair Value Adjustments and Other Income

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Fair value adjustment related to investment gain in OCI to earnings (Note 4)	**$**	**759**	$	1,253
Fair value adjustment and distributions related tolong-term investments (Note 5(b))		**7,767**		15,185
Interest income		**936**		1,210
Other		**693**		838
	$	**10,155**	$	18,486

Note 18: Expenses by Nature

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Selling, general and administrative				
Compensation expense excluding stock-based compensation	**$**	**115,661**	$	116,514
Stock-based compensation		**7,009**		7,244
Sales and marketing		**7,783**		12,719
Information technology and facilities (Note 3)		**28,708**		32,696
Professional fees		**11,014**		15,264
Other fund costs		**1,253**		1,546
Other		**3,306**		3,287
	$	**174,734**	$	189,270

Note 19: Employee Benefit Expense

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Compensation expense excluding stock-based compensation	**$**	**115,661**	$	116,514
Stock option plans		**656**		642
Share purchase plan		**1,192**		1,203
RSU plans		**4,122**		3,376
DSU plan		**1,039**		1,866
Partners Incentive Plan		**–**		157
Stock-based compensation	**$**	**7,009**	$	7,244
	$	**122,670**	$	123,758

Note 20: Restructuring Provision

During the year ended November 30, 2019, the Company implemented a plan to achieve certain organizational and operational efficiencies, resulting in a restructuring charge of $14.4 million. During the year end November 30, 2020, the Company completed the execution of the plan and as a result, the remaining restructuring provision balance of $1.0 million was released as at November 30, 2020.

Note 21: Stock-based Compensation and Other Stock-based Payments

(a) Stock Option Plans

Under the Company's stock option plans, an additional maximum of 608,085 Class B Non-Voting shares could have been granted as at November 30, 2020 (2019 – 465,900).

The change in stock options during the years ended November 30, 2020 and 2019 is summarized as follows:

	2020			2019		
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	**7,416,929**	**$**	**6.91**	7,854,300	$	7.52
Options granted	**511,415**		**5.64**	800,496		6.20
Options forfeited	**(303,792)**		**7.18**	(30,315)		7.37
Options expired	**(349,808)**		**10.62**	(1,064,521)		11.18
Options exercised	**(60,582)**		**5.28**	(143,031)		4.74
Balance, end of the year	**7,214,162**	**$**	**6.64**	7,416,929	$	6.91

The outstanding stock options as at November 30, 2020 have expiry dates ranging from 2021 to 2027. The following table summarizes additional information about stock options outstanding as at November 30, 2020 and 2019:

November 30, 2020 **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 $8.00	**6,193,614**	**3.6 years**	**$**	**6.00**	**4,134,968**	**$**	**6.00**
$8.01 to $15.00	**1,020,548**	**0.8 years**		**10.51**	**1,020,548**		**10.51**
	7,214,162	**3.2 years**	**$**	**6.64**	**5,155,516**	**$**	**6.89**

November 30, 2019 **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	5,981,247	4.2 years	$	6.02	3,222,011	$	6.11
$8.01 to $15.00	1,435,682	1.4 years		10.59	1,435,682		10.59
	7,416,929	3.7 years	$	6.91	4,657,693	$	7.49

During the year ended November 30, 2020, 511,415 (2019 – 800,496) stock options were granted and compensation expense and contributed surplus of $0.7 million (2019 – $0.6 million) was recorded. The fair value of options granted during the year ended November 30, 2020 has been estimated at $1.01 per option (2019 – $0.96) 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, 2020 and 2019:

Years ended November 30	2020	2019
Risk-free interest rate	**0.4%**	1.5%
Expected dividend yield	**5.7%**	5.2%
Five-year historical-based expected share price volatility	**37.0%**	30.3%
Forfeiture rate	**4.5%**	4.7%
Option term	**5.2 years**	5.1 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, 2020 was $1.5 million (2019 – $2.1 million) and the liability recorded as at November 30, 2020 related to cash-settled stock-based compensation was $5.9 million (2019 – $4.6 million). Compensation expense related to equity-settled RSUs and PIP for the year ended November 30, 2020 was $3.6 million (2019 – $3.3 million) and contributed surplus related to equity-settled RSUs and PIP, net of tax, as at November 30, 2020 was $5.5 million (2019 – $5.5 million).

The change in share units of RSUs and DSUs during the years ended November 30, 2020 and 2019 is as follows:

Years ended November 30	2020 Number of share units	2019 Number of share units
Outstanding, beginning of the year, non-vested	**3,216,960**	3,259,768
Issued		
Initial grant	**846,525**	803,099
In lieu of dividends	**168,982**	149,521
Settled in cash	**(371,342)**	(470,947)
Settled in equity	**(284,182)**	(355,597)
Forfeited and cancelled	**(66,886)**	(168,884)
Outstanding, end of the year, non-vested	**3,510,057**	3,216,960

Note 22: Interest Expense

(in thousands of dollars) Years ended November 30	2020	2019
Interest on long-term debt and standby fees[1]	**$ 5,502**	$ 7,223
Lease interest expense (Note 3)	**1,057**	–
Tax-related interest expense (refund)	**(193)**	(446)
	$ 6,366	$ 6,777

[1] In September 2020, the Company fully repaid the long-term debt.

Note 23: Income Tax Expense

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

(in thousands of dollars) Years ended November 30	2020	2019
Current income tax		
Current income tax on profits for the year	$ 23,860	$ 9,466
Adjustments in respect of prior years	(1,291)	69
Other	(621)	27
Total current income tax expense	$ 21,948	$ 9,562
Deferred income tax		
Origination and reversal of temporary differences	$ (1,778)	$ (290)
Adjustments in respect of prior years	1,095	87
Tax benefit arising from a previously unrecognized tax loss, tax credit or temporary difference	(744)	–
Total deferred income tax benefit	(1,427)	(203)
Income tax expense	$ 20,521	$ 9,359

A breakdown of income tax expense is as follows:

(in thousands of dollars) Years ended November 30	2020	2019
Income tax		
Total income tax on profits for the year	$ 10,646	$ 11,394
Tax impact on gain on sale of asset classified as held for sale, net of currency hedge	10,000	–
Adjustment in respect of restructuring provision	–	(3,131)
Tax impact on one-time fund expense tax recovery	–	1,095
Adoption of IFRS 16	(125)	–
Total income tax expense	$ 20,521	$ 9,359

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

(in thousands of dollars) Years ended November 30	2020	2019
Canadian corporate tax rate	26.5%	26.5%
Rate differential on earnings of subsidiaries	0.2	0.5
Tax-exempt income	(6.5)	(11.6)
Gains subject to different tax rates	(0.5)	(4.0)
Non-taxable profits arising on disposal of investment	(9.1)	–
Non-deductible expenses	0.2	1.7
Utilization of previously unrecognized tax losses	(0.4)	–
Change in deferred tax assets not recognized	0.7	3.3
Other	(0.5)	–
Effective income tax rate	10.6%	16.4%

(c) The tax charged relating to components of other comprehensive income is as follows:

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Fair value gains on available for sale investments	**$**	**10**	$	8
	$	**10**	$	8

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

(in thousands of dollars) **Years ended November 30**		**2020**		**2019**
Equity-settled share-based compensation	**$**	**(60)**	$	(135)
	$	**(60)**	$	(135)

Note 24: Earnings per Share

(in thousands of dollars, except per share data) **Years ended November 30**		**2020**		**2019**
Numerator				
Net income for the year	**$**	**173,908**	$	47,858
Denominator				
Weighted average number of shares – basic		**77,326,775**		78,739,081
Dilutive effect of employee stock-based compensation awards		**1,032,795**		933,880
Weighted average number of shares – diluted		**78,359,570**		79,672,961
Earnings per share for the year				
Basic	**$**	**2.25**	$	0.61
Diluted	**$**	**2.22**	$	0.60

Note 25: Dividends

During the year ended November 30, 2020, the Company paid dividends of $0.32 (2019 – $0.32) per share. Total dividends paid, including dividends reinvested, in the year ended November 30, 2020 were $24.9 million (2019 – $25.2 million). On December 18, 2020, 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, 2020, amounting to a total dividend of approximately $5.6 million. These consolidated financial statements do not reflect this dividend payable.

Note 26: 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 dollars) **Years ended November 30**	**2020**	2019
Salaries and other short-term employee benefits	**$ 8,501**	$ 7,668
Share-based compensation	**2,999**	3,484
	$ 11,500	$ 11,152

(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 since it is the manager of AGF Funds.

The Company receives management, advisory and administration fees from AGF Funds in accordance with the respective agreements between AGF 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 AGF Funds. A majority of the management and advisory fees the Company earned in the years ended November 30, 2020 and 2019 were from AGF Funds. As at November 30, 2020, the Company had $15.3 million (2019 – $14.3 million) receivable from AGF Funds. The Company also acts as trustee for 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, 2020 on behalf of AGF Funds were approximately $10.1 million (2019 – $6.0 million).

The Company also invests in seed capital in AGF Funds and the private alternative business. For additional information on these investments refer to Notes 4 and 5(b), respectively.

Note 27: Financial Risk Management

(a) COVID-19

The COVID-19 pandemic has introduced uncertainty and volatility in global markets and economies. The pandemic continues to rage around the world and recently forced new temporary lockdowns in several countries including the United States and Canada.

Sustained and material volatility in the financial markets has the potential to create market risk to the Company's capital position and profitability. A significant portion of AGF's revenue is driven by its total average AUM excluding private alternatives. These AUM levels are impacted by both net sales and changes in the market. In general, for every $1.0 billion reduction in average AUM excluding private alternatives, management fee revenues, net of trailer fees, would decline by approximately $7.5 million.

(b) 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, 2020. In general, for every $1.0 billion reduction in AUM, management fee revenue would decline by approximately $14.7 million (2019 – $11.4 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.

(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 2020 would have resulted in a corresponding change of approximately nil (2019 – $2.1 million) in interest expense for the year ended November 30, 2020.

At November 30, 2020, 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 $0.9 million in revenue for the year ended November 30, 2020.

(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 alternative funds. The Company's investments that have price risk include investments in mutual funds managed by the Company of $17.2 million (2019 – $16.4 million), equity securities of $0.6 million (2019 – $0.5 million) and long-term investments of $151.9 million (2019 – $136.7 million) as at November 30, 2020.

As at November 30, 2020, the effect of a 10% decline or increase in the value of investments would result in a $16.9 million (2019 – $15.3 million) pre-tax unrealized gain or loss in net income and $0.1 million (2019 – $0.1 million) 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 business, 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, 2020 and 2019 to the contractual maturity date.

(in thousands of dollars)	1 year or less	1 to 5 years
Year ended November 30, 2020		
Accounts payable and accrued liabilities	**$ 67,837**	**$ –**
Provision for Elements Advantage	**914**	**424**
Long-term debt	**–**	**–**
Other liabilities	**–**	**9,267**
Total	**$ 68,751**	**$ 9,691**
Year ended November 30, 2019		
Accounts payable and accrued liabilities	$ 80,651	$ –
Provision for Elements Advantage	652	798
Long-term debt	–	208,500
Other liabilities	–	8,947
Total	$ 81,303	$ 218,245

(c) 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 business.

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.

(d) 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, 2020:

(in thousands of dollars) **November 30, 2020**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	**$ 94,009**	**$ –**	**$ –**	**$ 94,009**
AGF mutual funds and other	**17,248**	**–**	**–**	**17,248**
Long-term investments	**–**	**–**	**151,949**	**151,949**
Financial assets at fair value through other comprehensive income				
Equity securities	**610**	**–**	**–**	**610**
Amortized cost				
Canadian government debt – Federal	**–**	**311**	**–**	**311**
Total financial assets	**$ 111,867**	**$ 311**	**$ 151,949**	**$ 264,127**

The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2019:

(in thousands of dollars) **November 30, 2019**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 51,660	$ –	$ –	$ 51,660
AGF mutual funds and other	16,356	–	–	16,356
Equity securities	4,045	–	–	4,045
Long-term investments	–	–	136,664	136,664
Financial assets at fair value through other comprehensive income				
Derivative instrument	–	4,787	–	4,787
Equity securities	536	–	–	536
Amortized cost				
Canadian government debt – Federal	–	308	–	308
Total financial assets	$ 72,597	$ 5,095	$ 136,664	$ 214,356

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 business. 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 long-term investments and special purpose vehicle as at November 30, 2020 has been estimated using the net asset value (NAV) as calculated by the asset manager of the fund. 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 $15.2 million. Refer to Note 5(b) for additional information.

The following table presents changes in level 3 instruments for the year ended November 30, 2020 and 2019:

(in thousands of dollars)	**Long-term investments**
Balance at December 1, 2019	**$ 136,664**
Purchase of investment	**12,110**
Return of capital	**(1,363)**
Fair value adjustment recognized in profit or loss[1]	**4,538**
Balance at November 30, 2020	**$ 151,949**

[1] The change in unrealized gains in investments currently held included in Level 3 of the fair value hierarchy is $4,538 (2019 – losses of $2,166) for the year ended November 30, 2020.

(in thousands of dollars)		Long-term investments
Balance at December 1, 2018	$	105,377
Purchase of investment		60,114
Return of capital		(26,661)
Fair value adjustment recognized in profit or loss		(2,166)
Balance at November 30, 2019	$	136,664

There were no transfers into or out of level 1 and level 2 during the year ended November 30, 2020.

Note 28: 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, 2020 and 2019, 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 dollars) **November 30, 2020**	**Amounts offset**			**Amounts not offset**	**Net**
	Gross asset	**Gross liability offset**	**Net amount presented**		
Financial assets					
Cash and cash equivalents (Notes 28(a),(b))	$ 480,385	$ (386,376)	$ 94,009	$ –	$ 94,009
Total financial assets	$ 480,385	$ (386,376)	$ 94,009	$ –	$ 94,009

	Amounts offset			**Amounts not offset**	**Net**
	Gross liability	**Gross asset offset**	**Net amount presented**		
Financial liabilities					
Long-term debt (Note 28(b))	$ –	$ –	$ –	$ –	$ –
Total financial liabilities	$ –	$ –	$ –	$ –	$ –

(in thousands of dollars) November 30, 2019	Amounts offset			Amounts not offset	Net
	Gross asset	Gross liability offset	Net amount presented		
Financial assets					
Cash and cash equivalents (Notes 28(a),(b))	$ 641,405	$ (589,745)	$ 51,660	$ (51,660)	$ –
Total financial assets	$ 641,405	$ (589,745)	$ 51,660	$ (51,660)	$ –

	Amounts offset			Amounts not offset	Net
	Gross liability	Gross asset offset	Net amount presented		
Financial liabilities					
Long-term debt (Note 28(b))	$ 207,283	$ –	$ 207,283	$ (51,660)	$ 155,623
Total financial liabilities	$ 207,283	$ –	$ 207,283	$ (51,660)	$ 155,623

(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. As at November 30, 2020, the Company does not have any outstanding long-term debt balance.

Note 29: Contingencies

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

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

The 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 disagreed with the CRA's position and filed an objection to the NOR. As a result of receiving the NOR, the Company paid

$13.9 million (including interest and penalties). The amount was recorded as income tax receivable on the consolidated statement of financial position. In 2019, the Company accrued $0.6 million of interest income ($0.3 million for federal and $0.3 million for provincial) in the consolidated statement of income related to this matter.

During 2020, the Company received correspondences from the CRA and Ministry of Finance (Ontario) confirming that the Company's objection had been allowed in full. Consequently, the Company recorded an additional $1.1 million of interest income in the consolidated statement of income. As of November 30, 2020, a substantial portion of the $13.9 million income tax receivable had been refunded.

(b) CRA Audit – Transfer Pricing

As previously disclosed in prior years' Annual Consolidated Financial Statements, the Company reached a settlement with the CRA and the applicable tax authority in the relevant foreign jurisdiction on 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.

The issue had been resolved in prior years. During 2020, the Company received the final refund of $1.8 million from the CRA.

Note 30: Commitments and Guarantees

(a) Commitments

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

(in thousands of Canadian dollars) **Years ended November 30**	**Leases[1]**	**Service commitment**	**Total**
2021	$ 4,344	$ 20,256	$ 24,600
2022	7,050	13,350	20,400
2023	5,692	5,290	10,982
2024	5,440	4,443	9,883
2025	5,365	3,514	8,879
Thereafter	54,213	33,258	87,471
Total	$ 82,104	$ 80,111	$ 162,215

[1] Leases include remaining contractual payments related to the office premises and equipment used in the normal course of business.

In addition, as at November 30, 2020, the Company has funded $149.2 million (November 30, 2019 – $138.5 million) in funds and investments associated with the private alternative business and has $70.2 million (November 30, 2019 – $70.3 million) remaining committed capital to be invested.

(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.

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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