AGF MANAGEMENT LIMITED

ANNUAL REPORT 2022

In 2022, AGF celebrated its 65th anniversary. The Firm's longevity is a testament to a history of innovation, a disciplined investment approach and an unwavering commitment to clients.

AGF was founded in 1957 when C. Warren Goldring and his business partner, Allan Manford had the innovative (at the time) idea to pool the funds of Canadian investors to allow greater access to the U.S. equity. Their fund – named the American Growth Fund – became the very first U.S. equity fund for Canadian investors, and its initials, AGF, were adopted as the firm's name.

AGF is an organization rooted in innovation, with a global mindset and a steadfast commitment to delivering for our clients – principles that ring as true today as they did 65 years ago. The launch of the American Growth Fund encapsulated this perfectly: as an industry first that enabled Canadians to easily invest beyond our borders, it was, by definition, innovative and international in focus – and its success continues to this day to help our clients achieve their financial goals.

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

$41.8

Billion in AUM[1]

[1]AGF Management Limited reported total assets under management (AUM) and fee-earning assets of $41.8 billion as at November 30, 2022.

Our Investment Capabilities

AGF | Investments™

AGF Investments is AGF's group of companies who manage and advise on a variety of investment solutions managed by its fundamental and quantitative investing teams. AGF services a wide range of clients from financial advisors and individual investors to institutional investors, including pension plans, corporate plans, sovereign wealth funds, and endowments and foundations.

Fundamental

$24.1 Billion in AUM[1]

[1] Assets under management as of November 30, 2022.

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.

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.

As a diversified global asset management firm, AGF has fundamental, quantitative, private capital and private wealth businesses.

Quantitative

$8.3 Billion in AUM[1]

[1] Assets under management as of November 30, 2022

AGF's quantitative investment team is 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.

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.

AGF | Private Capital

AGF's private markets business, **AGF Private Capital**, combines diversified private alternative capabilities alongside participation as a core investor in bespoke and distinct opportunities that aim to deliver added value for the firm's shareholders and clients. AGF Private Capital is continually looking to diversify its private market offerings to expand the firm's value proposition, client, and partner relationships.

$2.1 Billion in AUM[1]

[1] Assets under management and fee-earning assets as of November 30, 2022

AGF Private Capital (Private Capital), AGF's private markets business, is central to the firm's mission to bring stability to the world of investing. The Company's strategic vision as a well-established participant in this ever-evolving industry is to continue to build a diversified best-in-class private markets business that will meet the needs of retail brokers, family offices and institutions. With a target of $5 billion in AUM, AGF is focused on expanding its existing relationships and continues to explore other unique opportunities to grow the Company's platform and product offerings.

Private market investments can be key components in a well-constructed portfolio for all investor types, contributing to lower volatility and opportunities for better long-term risk-adjusted returns. Private Capital combines diversified private markets capabilities alongside participation as a core investor in bespoke and distinct opportunities that deliver added value for the firm's shareholders and clients. Private Capital delivers value to the firm across multiple streams: management fee-related earnings, carried interest, other fee arrangements, and invested capital.

AGF | PrivateWealth™

AGF Private Wealth is 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.

$7.3 Billion in AUM[1]

[1] Assets under management as of November 30, 2022

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.

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.

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)

Years ended November 30		2022		2021		2020[1,2]		2019[3,4]		2018[5]
Income	$	469.0	$	461.6	$	543.9	$	436.7	$	450.2
Expenses[10]		330.4		333.9		292.8		326.7		343.7
EBITDA before commissions[11]		138.6		127.7		251.1		110.0		106.5
Pre-tax income		87.2		51.8		194.4		57.3		62.5
Net income attributable to equity owners of the Company		66.6		39.3		173.9		47.9		73.9
Earnings per share attributable to equity owners of the Company										
Basic	$	0.97	$	0.56	$	2.25	$	0.61	$	0.94
Diluted		0.96		0.55		2.22		0.60		0.92
Free cash flow[11]	$	70.3	$	54.8	$	46.1	$	52.8	$	41.4
Dividends per share	$	0.40	$	0.34	$	0.32	$	0.32	$	0.32
Long-term debt	$	21.6	$	–	$	–	$	207.3	$	188.6
Weighted average basic shares		68,430,165		70,009,123		77,326,775		78,739,081		79,292,775
Weighted average fully diluted shares		69,437,213		71,660,642		78,359,570		79,672,961		80,637,948

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.

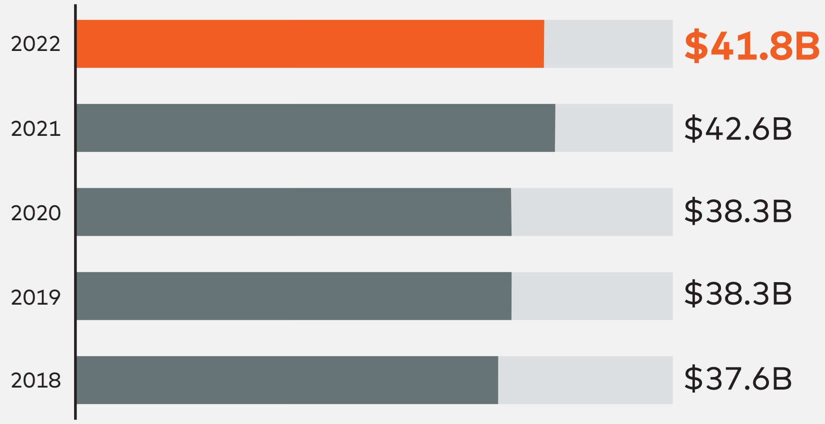
(in millions of Canadian dollars, except per share amounts)

Years ended November 30		2017[6]		2016[7]		2015[8]		2014		2013[9]
Income	$	455.5	$	428.7	$	449.6	$	464.5	$	484.5
Expenses[10]		339.1		319.2		322.4		309.6		320.9
EBITDA before commissions[11]		116.4		109.5		127.2		154.9		163.6
Pre-tax income		61.8		52.7		63.9		79.1		66.0
Net income attributable to equity owners of the Company		52.1		42.5		48.3		61.3		22.4
Earnings per share attributable to equity owners of the Company										
Basic	$	0.66	$	0.53	$	0.59	$	0.69	$	0.25
Diluted		0.64		0.53		0.58		0.68		0.25
Free cash flow[11]	$	58.7	$	61.5	$	67.8	$	82.0	$	102.3
Dividends per share	$	0.32	$	0.32	$	0.51	$	1.08	$	1.08
Long-term debt	$	138.6	$	188.2	$	268.8	$	308.2	$	307.9
Weighted average basic shares		79,330,190		79,278,876		82,295,595		86,000,437		88,163,616
Weighted average fully diluted shares		81,245,279		80,253,600		83,584,539		87,384,880		88,690,410

[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] Includes selling, general and administrative (SG&A), restructuring provisions, trailing commissions and investment advisory fees.
[11] See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

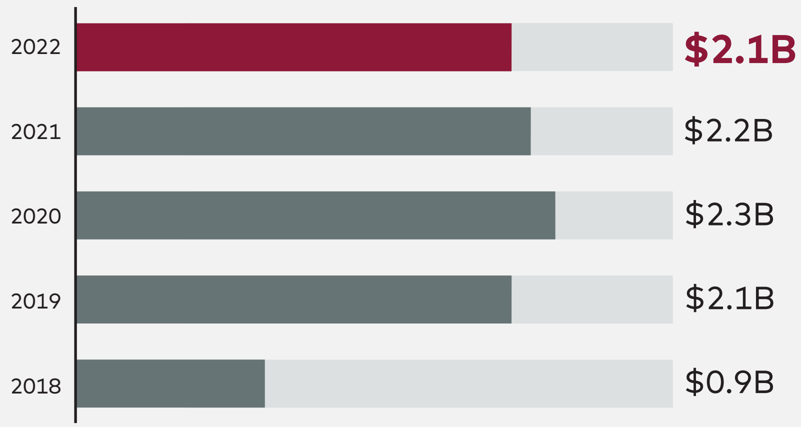
ASSETS UNDER MANAGEMENT
& FEE-EARNING ASSETS

$41.8 Billion



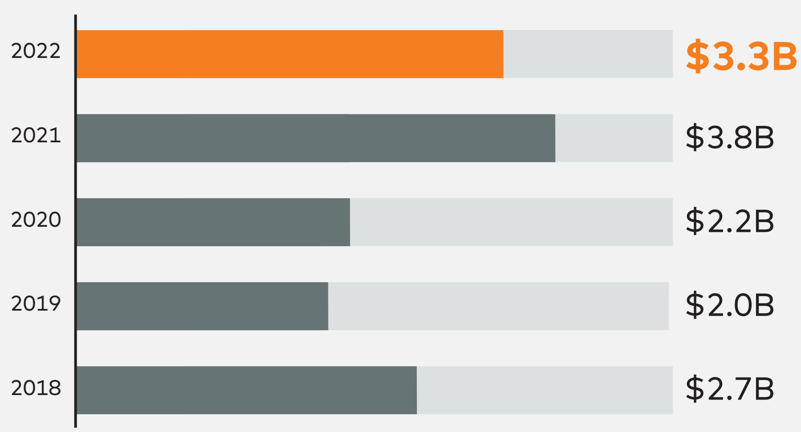
PRIVATE CAPITAL AUM AND
FEE-EARNING ASSETS

$2.1 Billion



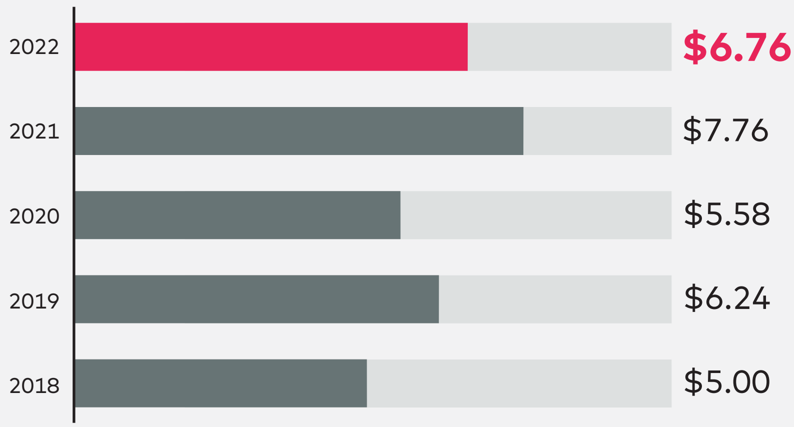
MUTUAL FUND GROSS SALES

$3.3 Billion



SHARE PRICE

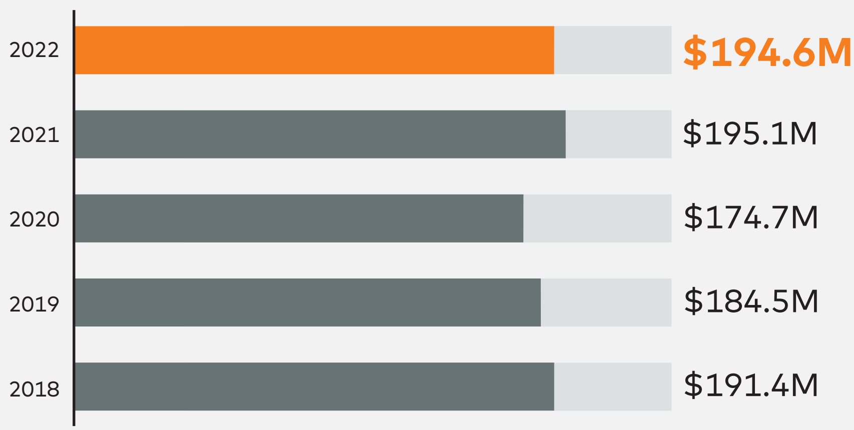
$6.76



SELLING, GENERAL AND ADMINISTRATION

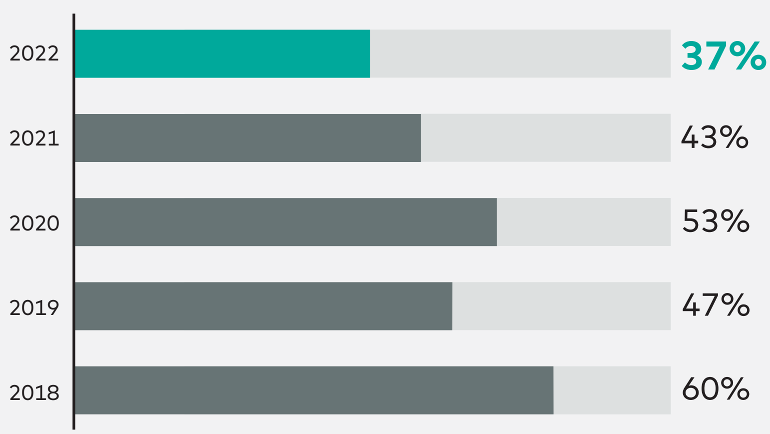
Adjusted for one-time items, IFRS 15 and IFRS 16

$194.6 Million



DIVIDEND PAYOUT RATIO

37%



A MESSAGE TO SHAREHOLDERS

Our Time is Now

This year we celebrated our 65th anniversary. This is an impressive milestone, and we're proud of our success story. Our longevity is a testament to many things, such as our history of innovation, our disciplined investment approach and our unwavering commitment to our clients. But most of all, it is the result of the collective contributions of our employees. None of our success this year – or over the decades, for that matter – would have been possible without their outstanding efforts, and for that we are truly appreciative.

Kevin McCreadie
Chief Executive Officer and
Chief Investment Officer

Our success also speaks to our ability to constantly grow and evolve. Nowhere was this more evident in the past year than our successful transition to hybrid work. We've all come to greatly value flexibility in recent years, and our move to CIBC SQUARE this year – along with the technology solutions we've implemented – have enabled us to effectively connect and collaborate as we seamlessly transition back and forth from home to office. Further, for our Toronto-area employees, having the opportunity to work in such a beautiful and well-designed space undoubtedly re-energized us as we entered this new phase for the firm.

That energy – which was felt across our offices and regions – was especially important amid the volatility that characterized markets and created difficult operating conditions across our industry in 2022. Despite these headwinds, and despite being in partial lockdown the first three months of the fiscal year, we pushed forth and made progress against our strategic imperatives. And we continued to execute against our long-term strategy and stated goals, positioning ourselves for continued success.

2022 Highlights

Despite the challenging backdrop, AGF continued to outperform the industry in a testament to disciplined investment approaches, risk management processes and a product line-up that was designed to be resilient through all market conditions. AGF was one of only three firms in Canada that tallied positive net flows overall in its Canadian mutual funds this year.

As at November 30, 2022, AGF's Canadian mutual funds outperformed one-year and three-year investment targets with average percentiles of 41% (target 50%) and 30% (target 40%), respectively, with 1st percentile being best possible performance.

The momentum in AGF's separately managed accounts (SMA) business continued this year. To date, the firm has successfully onboarded SMA strategies onto several U.S. SMA platforms, including, Vestmark, SMArtX Advisory Solutions LLC and Envestnet.

Ash Lawrence joined AGF as Head of AGF Private Capital this year and has started efforts to expand the team. Ash has been charged with leading the continued growth of AGF's private capital business and has presented a formalized strategic plan to the Board.

When it comes to responsible investing practices, AGF International Advisors Company Limited was once again accepted as a signatory to the UK Stewardship Code – a best-practice benchmark in investment stewardship. This stands as a testament to the rigor of our responsible investing practices.

In November 2022, AGF announced the completion of its substantial issuer bid (SIB). AGF purchased for cancellation 3,488,646 Class B non-voting shares at a price of $6.75 per share for a total cost of $23.5 million, which represented approximately 5.1% of the total number of AGF's issued and outstanding Class B Non-Voting Shares as of October 3, 2022, the date the SIB was commenced.

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.

In addition, our brand is currently in its strongest position since it was re-launched back in 2017, according to our annual third-party brand tracking study. According to the study, AGF is now at the leading edge for overall impression and consideration among advisors polled.

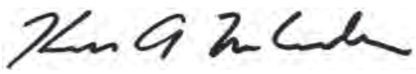
Looking Ahead

The fact we accomplished all we did in 2022, through an incredibly volatile market, is remarkable and I'm proud of how we persevered.

We have been bringing stability to the world of investing since 1957 and we are committed to building on our legacy, while continuing to evolve our culture and grow our firm. In 2023, we are focused on the following strategic imperatives that further support the growth of our business:

- Deliver consistent and repeating investment performance
- Maintain sales momentum and generate net inflows
- Build a diversified private market business
- Meet expense guidance while continuing to invest in key growth areas
- Enhance corporate sustainability

Following our success in 2022, I'm excited about our momentum and the opportunities we have in front of us. But we know we need to be diligent to seize those opportunities. Further success won't be handed to us; it's going to take our entire team pulling together. Our brand is resonating, our balance sheet is solid, and our performance is strong – and we plan to take full advantage.



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 team 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 Management Platform

AGF | Investments

AGF | Private Capital

Fundamental Strategies*	Quantitative Strategies	Private Alternatives
Equities	**Equities***	**Structured Credit**
Global/International	Global/International	AGF SAF Private Credit LP
North American	North American	AGF SAF Private Credit Trust
Emerging Markets	Emerging Markets	
Sustainable (Thematic, Impact)	Sustainable (ESG Factors)*	
Dividends/Income	Dividends/Income	
Fixed Income	**Fixed Income**	
Global Credit/Rate Sensitive	Global	
Canadian Core	**Asset Allocation**	
Emerging Market Debt	Multi-Asset ETF Strategies (Risk Spectrum, Outcomes)	
Asset Allocation	**Alternative Real Assets**	
Managed Solutions (Risk Spectrum, Outcomes)	Infrastructure*	
Alternative Real Assets	**Alternative Strategies**	
Global Real Assets (Precious Metals, Natural Resources)	Market Neutral	
	Long/Short	
	Cash Call	
	Absolute Return	

*ESG Integration

Currency Management

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.

Our Global Footprint

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

Sales Distribution

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

AGF has been bringing stability to the world of investing since 1957. Over our 65 years in business, we've become well known for several things, including our disciplined investment approach and, of course, our unwavering commitment to our clients.

These hallmarks were on full display this past year as we weathered the ongoing pandemic and extreme market volatility to accomplish some great things from a sales distribution standpoint.

Throughout the past 12 months, we have been focused on maintaining and building upon our impressive momentum – and I'm pleased that we've been able to deliver notable successes again in 2022, including the following:

Sales Momentum

- While market volatility softened the Canadian mutual fund industry as a whole, AGF continued to outperform its industry peers. On the strength of our standout investment performance, we ended the fiscal year as one of only three firms in Canada in positive mutual fund net flows.
- Q4 2022 marked AGF's ninth consecutive quarter of mutual fund net positive sales, as we reported $251 million for the quarter.
- While volatility was a major headwind in 2022, it was, in fact, a key driver of our strong U.S. ETF growth. The main beneficiary was BTAL, the AGFiQ US Market Neutral Anti-Beta Fund, which is an equity hedge designed to generate positive returns in volatile markets and preserve capital in a downturn. Overall, AUM for our U.S. ETFs grew to $0.5b in November, which is a 284% increase compared to the end of 2021.
- We also built-up momentum in our U.S. separately managed accounts (SMA) business as we successfully onboarded SMA strategies onto several U.S. SMA platforms, including, Vestmark, SMArtX Advisory Solutions LLC and Envestnet, in 2022.

Client Engagement

Our sales success is a credit to our disciplined investment approach, which resulted in strong relative performance across our portfolios. It's also a credit to our deep client relationships and robust sales support through effective outreach and digital client engagement efforts, which helped translate our standout performance into increased market share.

In 2022, we continued to leverage technology to keep the lines of communication open with our clients and partners by providing them with valuable insights, resources and virtual events to navigate the markets.

As we entered a third year of the pandemic, the need for lock downs lessened, and we saw the return of travel, more in-person events and the continued integration of hybrid activities. This resulted in increased engagement with our partners and clients, including:

- Planning, managing and executing 36 events, including market updates, roadshows and webcasts, across retail and institutional.
- Reaching thousands of financial advisors through digital channels and events while focusing on the growth of our U.S. audience.
- More than 68,000 interactions/engagements with clients, which included phone calls, virtual meetings and in-person advisor and branch meetings.
- Successfully launching a new, unique product suite as part of our commitment to meet the needs of a key strategic partner.

Accomplishing all this – and more – in spite of the volatility we experienced is truly remarkable, and a credit to our entire team.

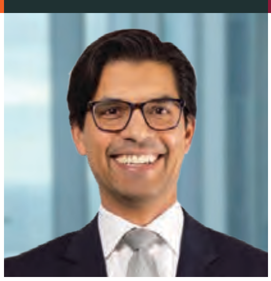
The dedication we've shown not just to our clients, but to one another, throughout the pandemic has been essential to our success, and is perhaps what I am most proud of.

Working together, we are focused on maintaining our momentum and building upon the strong legacy we've established over the past 65 years. As we look ahead to our next 65 years, we remain committed to strengthening our key relationships and delivering the right products and strong performance our clients deserve.

AGF | Private Capital™

A Q&A WITH ASH LAWRENCE

Why Privatizing Part of Your Portfolio Is a Priority



Ash Lawrence, MBA
Head of AGF Private Capital

In 2022, Ash Lawrence joined AGF as the Head of AGF Private Capital. He is a respected and seasoned leader with a wide breath of expertise in investments, portfolio and asset management, development and deal structuring. As head of AGF's private markets business, he discussed the vision for AGF Private Capital and the growing importance of private assets in the ongoing evolution of investor portfolios.

What was the goal in establishing AGF Private Capital?

The goal is straightforward. We want to be one of North America's top experts in private market investing and put that together in our broader client proposition alongside our public markets offerings. To build the foundations of the private markets business, we're aiming to create an investment platform over the next few years that includes multiple private market strategies run by experienced managers within their respective asset classes that we bring into AGF's asset management complex.

How does AGF's ETF and mutual fund business complement that vision?

The broader AGF platform is hugely important. Not many alternative managers are in the same position to leverage the kind of knowledge and experience it affords in areas like product development, distribution and marketing. That said, structuring a mutual fund is very different than structuring a private capital product that, for starters, may have unique redemption and valuation characteristics. So, it's crucial that our private market business has its own identity and skill set. In this way, we can work better with our manager partners to structure strategies, while also taking advantage of AGF's broader asset management infrastructure.

What is the advantage of having a private markets business in addition to AGF's existing line up of strategies that still mostly invest in publicly traded securities?

There are several benefits, the first and most important of which relates to the changing appetite of our clients. It's no secret that investors are allocating more money to private assets than ever before. In fact, by some estimates, the split between public and private is now close to 50/50 among the largest institutional investors in the world. If we want to serve clients across the full spectrum of assets they now demand, we need to be in the private capital business. On the retail side, the shifting allocations are in their early stages, but the sheer scale of incremental moves in allocation offers a huge potential growth opportunity for the firm. Assets under management in global private markets hit US$10 trillion in September 2021, representing a five-fold increase since 2007, according to Preqin, a financial data provider. Meanwhile, public markets, which are still far bigger but have grown more slowly, roughly doubled in the same period.

As portfolio construction continues to evolve, and as private capital strategies take a new and growing place in portfolios, we're evolving our business to make those strategies available to our clients and complement our existing public markets strategies. Put simply, we want to be able to offer clients products they need to build something like a 50/30/20 mix, including private capital, rather than just a 60/40 portfolio.

By some estimates, the split between public and private is

is now close to

50/50

among the largest institutional investors in the world.

Why has demand for private market assets grown so substantially?

Alternatives – which include private market assets – serve numerous functions in an investor's portfolio. For many, the primary goal is to provide uncorrelated returns to publicly traded stocks and/or bonds, which, in turn, can help reduce overall volatility in a traditional 60/40 mix.

Certainly, private capital's long term performance track record contributes to its attractiveness in a portfolio. Based on Preqin data, private equity has returned 23%, 21% and 18% on a 3-, 5- and 10-year basis, respectively. This is a meaningful spread to public markets returns over similar time frames. Meanwhile, at the lower end, private debt has returned 8%, 7% and 8%, respectively, for the same time periods, which looks attractive versus where fixed income and interest rates have been for the last decade. When you also take into consideration the low correlation these strategies have to the public markets, you can see why increasing amounts of capital are being directed to private capital strategies.

But often overlooked is the additional benefit of direct control that comes from owning shares in a private market investment.

For example, when a private equity firm invests in a company, they typically buy a 100% controlling interest, which allows them to influence the company's direction in a way that is very difficult for even the largest public-market investors to do. This is especially true these days when it comes to contentious issues like environmental, social and governance (ESG) mandates. They may be necessary to implement, but require complete buy-in from shareholders to achieve.

There's an argument to be made that one of the reasons private capital tends to be uncorrelated to publicly traded stocks and bonds is precisely because of the direct control. In other words, private investors can hold their investments through an entire market cycle if they so choose, which only helps differentiate their returns and lowers market volatility in the process.

What is your outlook for private markets in 2023?

It depends on your investment style. For more conservative investors that are worried about inflation, infrastructure and private credit may offer some good opportunities. Real estate, as we alluded to above, probably warrants more caution right now due to the impact that rising interest rates is having on the asset class, but we could be looking at a value opportunity in 2023 and a good time to be putting capital to work. Unlike in public markets, it often takes longer for buyers and sellers in the private market to reach agreement when macro conditions adjust like they have over the past year, but in this instance, once they do, it could lead to a new value opportunity for investors.

Introducing AGF Investor Services

Chris Jackson
Chief Operating Officer

Introducing AGF Investor Services

We announced in 2022 that in January 2023, we would amalgamate AGF CustomerFirst (AGFC) with AGF Investments Inc. (AGF) under the new department name Investor Services.

This announcement was a long time coming as AGFC has always been a part of AGF. Over the years, the business requirement for that separate company was reduced to the point where it was no longer needed, and we took the opportunity to update this legacy corporate structure.

The timing of this transition worked out extremely well as we amalgamated AGFC's physical office presence into our new head office at CIBC SQUARE earlier this year – helping reduce the firm's office footprint by approximately 22% – while also introducing a hybrid work model.

The Future of Work at AGF

At AGF, we believe the future is ours to create together. We recognize the importance of balancing the benefits of working remotely with the benefits of working in person. To maximize these benefits, AGF moved into its state-of-the-art new head office at CIBC SQUARE in Toronto and adopted a hybrid working model in 2022.

We are committed to providing employees with a seamless in-office and at-home working environment that supports work-life balance, while encouraging greater connection, communication and heightened collaboration. We believe this will enable our best work as we continue to deliver for our clients and evolve our culture.

We believe the energy we gain from collaboration and being together in person will serve as a catalyst for our continued success. AGF's Hybrid Work Environment must preserve our collective ability to continue to deliver disciplined results for our clients, our firm and our employees.

Sustainability at AGF

Creating a Sustainable Future

At AGF[1], we recognize that responsible and sustainable practices are more than simply an approach to investing; this thinking influences the shape of our organization. As we look ahead, corporate sustainability – which has become a major priority for us in recent years – will remain a key focus as we further embed sustainability into our corporate DNA.

I'm honoured to serve as Chair of AGF's Sustainability Council, which 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 its stakeholders that may affect AGF's business, strategy, operations, performance and/or reputation.

Importantly though, we recognize that our approach must continue to evolve to meet the changing needs of our multiple stakeholders and manage for reputational, commercial and regulatory risks.

As part of our commitment, a multi-year roadmap has been defined to guide our actions.

In 2022, enhancing AGF's corporate sustainability was formally adopted as a strategic imperative for the firm. We completed a holistic assessment of material ESG factors – the areas that we believe are most relevant to our stakeholders and have the greatest potential to impact our company's value. We reviewed AGF's governance structures related to ESG factors and management's accountability for each area; and we took numerous steps forward to enhance our processes for managing and monitoring key factor risks and opportunities.

In 2023, AGF will continue this review and will enhance our processes for managing material ESG risks and opportunities and will focus on enhancing our corporate sustainability reporting to provide more decision-useful information to our stakeholders, and to meet increasing regulatory requirements.

This year we celebrated our 65th year in business. It has been a great opportunity to look back on our long and storied history. But it's an even better opportunity to look ahead to our next 65 years.

The opportunities and obligations for companies like AGF have never been greater. Our commitment to sustainability will continue to shape us and guide our actions in support of all our stakeholders, and we are confident in our ability to contribute to a more sustainable future.

As a tenured leader in sustainable investing, we're proud of how far we've come and how much we've evolved over the decades. Yet, to ensure the longevity of our firm, we must continue to progress our corporate sustainability practices to remain a stable and successful organization well into the future.

Judy Goldring, LL.B, LL.D, ICD.D

President and Head of Global Distribution
& Chair of AGF Sustainability Council

[1] Unless specified, the term AGF may refer to one or more of the direct and indirect subsidiaries of AGF Management Limited, or to all of them jointly.

Corporate Strategy

AGF has been bringing stability to the world of investing since 1957. And to ensure our own stability and the continued longevity of our firm, we recognize that responsible and sustainable practices must continue to shape our organization. That's why, in 2022, corporate sustainability was formally adopted as a strategic imperative for the firm.

Guided by the thinking, "Our Responsibility Today for a Sustainable Tomorrow," we have developed a detailed corporate responsibility framework that applies forward-thinking practices related to environmental, social and governance (ESG) factors to deliver long-term successful outcomes for each of our stakeholders.

We have identified the following key areas of focus that we believe are central to our firm's long-term success:

Sustainable Investing

The continued advancement of responsible and sustainable investing practices across all our investment management teams.

Talent, Culture & DEI

Improving the employee experience by fostering high engagement, advancing diversity initiatives, ensuring equitable and inclusive practices, and attracting and nurturing talent with ongoing support and thoughtful succession planning.

Sustainable Operations & Governance

Managing the risks and opportunities related to AGF's operations and governance as well as our community involvement.

Recognizing that client and market expectations continue to evolve, we remain committed to our guiding principles of shared intelligence, taking a measured approach and having active accountability. These principles will continue to guide us, shaping our practices and approach to managing material ESG risks while ensuring we continue to deliver and/or track toward successful outcomes in support of our stakeholders.

Our History in Sustainability

2022

Corporate sustainability was formally adopted as one of AGF's strategic imperatives, reflecting its importance to the organization.

AGF International Advisors Company Limited was once again accepted as a signatory to the UK Stewardship Code.

AGF moved to its new head office at CIBC SQUARE in Toronto. The state-of-the-art building has provided employees with a flexible workspace, enhanced collaboration and greater communication, while reducing the firm's total office footprint by approximately 22%. The building achieved WELL Health-Safety Rating and WiredScore Platinum accreditation, and is expected to attain LEED® Platinum Core & Shell certification and WELL Platinum Certification, which would make it the first triple-platinum building in Toronto.

In honour of our 65th anniversary and to mark Earth Week, AGF announced a partnership with Trees for Life to plant 650 trees at the Claireville Conservation Area in Brampton, ON. Employees participated in the planting onsite, building on AGF's commitment to supporting environmental initiatives.

2021

AGF established its Diversity, Equity & Inclusion Committee to develop and create organizational awareness and promote best DEI practices at the firm.

AGF becomes a founding participant and contributor of Climate Engagement Canada.

AGF Global Sustainable Growth Equity Fund, with one of the longest track records in sustainable investing, celebrates its 30th anniversary.

AGF International Advisors Company Limited, a subsidiary of AGF, was accepted as a signatory to the UK Stewardship Code, a best-practice benchmark in investment stewardship. This stands as a testament to the rigor of AGF's responsible investing practices.

2020

AGF becomes a member of SASB Alliance.

AGF launches AGF Global Sustainable Growth Equity ETF on the NEO Exchange, bringing AGF's proven sustainable investing strategy to an ETF vehicle.

AGF signed the Canadian Investor Statement on Diversity & Inclusion, an initiative coordinated by the Responsible Investment Association.

2019

AGF establishes its Sustainability Council, chaired by its President, to provide corporate oversight of the firm's policies, programs and related risks that concern key public policy and sustainability matters.

2018

AGF launches AGFiQ Enhanced Global ESG Factors ETF, one of the first dedicated ESG ETFs launched in Canada.

2017

AGF establishes its ESG Committee to provide investment management oversight of the integration and monitoring of ESG factors and risks into our processes.

2016

AGF becomes a member of the 30% Club after achieving near gender parity – with six men and four women – in the Boardroom.

2015

AGF develops its Responsible Investing Policy.

AGF becomes a signatory to PRI.

2003

AGF (Acuity) was selected as the only Canadian company to participate as a member of the United Nations Environment Program Asset Management Working Group 2. A precursor to the United Nations-supported Principles for Responsible Investment (PRI), this group published seminal reports on ESG materiality and fiduciary responsibility.

1991

The Clean Environment mutual fund was launched.

1989

AGF (Acuity) becomes a founding member of the Responsible Investment Association, a national non-profit organization dedicated to the advancement of responsible investing in Canada[2].

Memberships Signatories and Supporters

AGF Management Limited is a member of the 30% Club and IFRS Sustainability Alliance (formerly SASB Alliance). AGF Investments Inc. is a member/signatory of UN Supported Principle for Responsible Investment, CERES, RIA, CDP and Climate Action 100+. AGF International Advisors Company Limited is a signatory to the LGPS Code of Transparency and UK Stewardship Code.

Sustainability Oversight

The advancement of responsible and sustainable practices is integrated at various levels of the organization.

Corporate Sustainability Governance Oversight of AGF's policies, programs and related risks that concern key public policy and sustainability matters.	Executive Management Team	AGF Sustainability Council	
Investment Management Oversight AGF's ESG Committee assists the Sustainability Council and OCIO on integration of ESG criteria, implementation of AGF's Responsible Investment Policy and establishing guidance for stewardship activities.	Office of the Chief Investment Officer	ESG Committee	Head of ESG
ESG Implementation ESG data and risks are incorporated into investment processes which are monitored and reviewed on an ongoing basis. Active engagements with investee companies.	AGF Investment Management Teams	Dedicated ESG Resources	Proxy Voting Committee

Beginning with our corporate governance, the AGF Sustainability Council provides oversight of AGF's (and its affiliates') 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 or reputation.

The Council's objectives include:

- Providing guidance and support related to incorporating environmental, social, and governance factors into our investment management processes and stewardship activities.
- Engaging in corporate social responsibility that creates a positive social impact in the communities in which we operate.
- Managing our environmental footprint.
- Retaining best talent and incorporating diversity and inclusion throughout the organization.
- Evaluating and proposing AGF join/remain on national or international initiatives or agreements related to environmental, social, and governance matters.

Our People

At AGF, the most important asset is our people.

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

Diversity, Equity & Inclusion (DEI)

At AGF, it is our belief that smart corporate decision-making requires different points of view, which come from people with diverse backgrounds, experiences and perspectives working together.

AGF remains firmly committed to inclusive hiring practices and culture, ensuring everyone has an opportunity to join our team and contribute to its success. AGF is an equal opportunity employer. It is the company's policy to recruit and select applicants for employment solely on the basis of their qualifications and relevant related work experiences, with emphasis on selecting the best qualified person for the job. AGF does not discriminate against applicants based on race, colour, religion, gender, national origin, sexual orientation, age or disability or any other status or condition protected by applicable legislation. Accommodations are available on request in all aspects of our recruitment and selection process as well as to our employees.

Central to AGF's commitment to employing a diverse workforce is fostering a supportive and inclusive culture in which all voices are heard, respected and valued. As a result, we have developed a multi-year plan to accelerate DEI initiatives at AGF that will continue to strengthen the fabric of our corporate culture and our collective employee experience.

As a member of the 30% Club Canada, we are proud to be leaders in our industry with women comprising 36% of our Board and 21% of senior management roles. In fact, the representation of women on our Board has set the tone for hiring practices throughout AGF.

AGF is also engaging with external organizations to help advance DEI in our communities. Kevin McCreadie, AGF's CEO and Chief Investment Officer, serves as Co-Chair of the Canadian Chamber of Commerce's Council for Women's Advocacy and AGF is a supporter of the Canadian Chamber of Commerce's National Inclusive Growth Initiative.

In 2022, we launched unconscious bias and leadership training with the intention of embedding this framework across our employee base.

To cultivate an even more inclusive culture, we observe events and holidays such as Pride Month, National Indigenous History Month, Chinese Lunar New Year and Martin Luther King Day as examples to bring awareness and education on the significance and history of these events.

*Senior management is comprised of Vice-President roles and above.

DEI Committee

AGF's DEI Committee is comprised of employees in all levels from across the organization with Kevin McCreadie, AGF's CEO, as the Executive Sponsor. Through a grass-roots approach, the Committee develops and creates organizational awareness and promotes best DEI practices at AGF.

The Committee's mandate includes:

» Identifying and recommending education and awareness programs that will strengthen and promote a culture of tolerance and inclusions for all employees.

» Identifying and recommending proactive strategies and/or practices that support an environment where employees can bring their authentic selves to work.

» Identifying and recommending policies that show the firm's commitment to diversity, equity and inclusion for all employees.

Employee Representation

AGF has conducted employee-wide DEI Surveys in an effort to build an accurate profile of who we are as a collective, how we can enhance efforts to cultivate a diverse and inclusive workplace, and, finally, identify strengths and opportunities for improving engagement at AGF. The surveys are voluntary and the collection of employee information is also embedded into AGF's onboarding processes. The vast majority (73%[2]) of employees have completed the survey, providing AGF with valuable insight into the make-up of our employee population.

Please refer to the ESG Disclosures on page 48 for further information.

[2] As of November 30, 2022

Fair Compensation

AGF believes in the philosophy of The Living Wage and provides all employees a competitive base pay to cover their basic needs and to participate in the community.

AGF's Compensation Committee, consisting of five independent Directors, is responsible for reviewing, assessing, and overseeing executive compensation policies and programs. On an annual basis, the Compensation Committee reviews various published reports on compensation and retains independent consultants and surveys professionals, as appropriate, to assess competitiveness of the components of the Company's compensation program. The Committee believes AGF's compensation program provides a fair and competitive pay package that reflects an appropriate relationship between an executive's compensation and performance.

Exceed minimum wage by

at least 20%

in all countries where we have salaried employees

Education, Training & Development

AGF is committed to continually enhancing the skills, abilities and knowledge of all its employees through technical, leadership and interpersonal training. Training enables our workforce to prepare for changing conditions crucial to AGF's future.

Courses to develop a number of personal and professional skills that are common to many career paths, as well as other specialized skills that will be in demand as AGF grows, have been identified by Human Resources. We also recognize that many activities that do not involve the classroom can also be valuable to employees and the organization. Taking the opportunity to provide coverage for someone else through job rotation gives employees a more valuable skill base and a wider understanding of how we do business.

Through AGF's Education Allowance and Professional Associate & Membership Allowance program, employees are reimbursed for fees on education courses and professional development to assist them with their own personal growth and development, subject to an employee lifetime maximum.

ESG Education

Investment professionals receive training from both internal experts and external experts to advance our understanding and expertise within the ESG space.

In 2020, AGF became an IFRS Sustainability Alliance member. As part of this commitment, many AGF investment staff have attained, or are pursuing, the Fundamentals of Sustainability Accounting ("FSA") Credential (17 as of November 30, 2021). Given the continued increased focus on climate risk, AGF also has an investment team member that has received the Global Association of Risk Professionals ("GARP") Sustainability and Climate Risk Certificate.

Further, members of AGF's executive and senior leadership teams have completed accredited courses through organizations such as Competent Boards, CEREs and PRI Academy.

We continue to roll out ESG training sessions across the firm, including for our senior leadership and Board of Directors. Topics covered in 2022 included awareness of emerging ESG investing and corporate sustainability trends, as well as diversity, equity, and inclusion topics. These sessions also covered familiarizing groups with the elements of the TCFD recommendations to improve disclosure and practices surrounding climate-related risks, along with regulatory frameworks including the European Commission's Sustainable Finance Action Plan.

Cybersecurity Education

In recognition of our shared responsibility to manage and reduce risk of cybersecurity threats to the organization and our clients – especially during a pandemic with increased cybersecurity threats to individuals and organizations – AGF conducts monthly cybersecurity training and education to all employees.

To mark Cybersecurity Awareness Month in October, we issued cybersecurity "Tips" emails on a weekly basis throughout the month. In addition, a Cybersecurity Awareness Webinar was held for employees to provide them with a forum to learn more about protecting our workplace and ask questions regarding cybersecurity.

AGF's employee intranet also contains "Cybersecurity Tips and News" to educate employees, increase cybersecurity awareness and help protect AGF.

Business & Industry Updates

Events and communications on industry news and trends are one of the many ways AGF engages employees to encourage critical thinking and dialogue to drive innovation and positively 'disrupt' the way we do business.

AGF hosts company-wide Employee Townhalls with its Executive Management Team on a quarterly basis, designed as a two-way forum to discuss business updates and results as well as other important topics to the organization such as Diversity, Equity and Inclusion.

In 2022, AGF continued its end of year speaker series with sessions offered to all employees featuring industry leaders sharing their insights on timely and thought-provoking topics shaping our business and future areas of growth for the industry.

Health & Safety

The health, safety and well-being of employees is a priority at AGF.

AGF's Health & Safety Committee is accountable for ensuring all employees are protected – whether it's practicing a full-scale building evacuation during annual fire drills, monitoring our floors for unsafe conditions, responding to an employee's medical crisis or ensuring everyone safely leaves the building in an actual emergency situation.

All employees also have access to AGF’s Employee and Family Assistance Program which provides a one-stop resource for professional counselling (psychologists or psychiatrists), career counselling and naturopathic services, as well as support for financial, legal, family and nutrition-related matters.

Additionally, all salaried employees receive six wellness days annually. Wellness days are paid time off for reasons related to personal situations which are generally unplanned or planned within a short period of their actual usage.

COVID-19

AGF was well prepared for the challenges that the company faced with COVID-19. AGF had a Business Recovery Plan in place that had been tested regularly leading up to the pandemic. The office was shut down, and the vast majority of employees began working from home. Through this period, we supported our employees with technology needs, additional mental health days, support resources and increased frequency of employee communications from AGF’s leadership teams, including the CEO, HR, the Office of the CIO, and the COO.

After these challenging years, AGF continues to prioritize the health and well-being of employees by offering expanded health benefits, promoting greater work-life balance and hosting social engagements to bring colleagues from across the organization together.

Employee Engagement

In 2020, 2021, and 2022 AGF conducted several employee engagement surveys. From the latest survey:

93%

of employees trust that AGF’s CEO and Executive Management Team have **their health and safety top of mind**

95%

feel **well-supported** by their manager

92%

feel that their **manager gives them the autonomy** to perform their work

Future of Work

Looking ahead at a post-COVID environment, and as a testament to our evolving culture, AGF put revised guidelines and practices in place that aim to contribute positively to employee mental and physical health while also reducing our environmental impact. This includes supporting a hybrid approach to work where employees can work from home and in the office.

CIBC SQUARE

In 2022, AGF relocated its headquarters in Toronto to new offices at the landmark CIBC SQUARE complex in Toronto.

CIBC SQUARE has achieved WELL Health-Safety Rating and WiredScore Platinum accreditation, and is expected to attain LEED® Platinum Core & Shell certification and WELL Platinum Certification, which would make it the first triple-platinum building in Toronto.

With a commitment to sustainability, CIBC SQUARE leads Toronto in reduced greenhouse gas emissions and greater energy efficiency relative to comparable buildings. The buildings contain smart metering technology that monitors real-time energy consumption and provides a feedback loop for conservation initiatives. The buildings utilize high-efficiency water filters, regular monitoring, rainwater collection, and treatment that not only reduce water consumption but eliminate harmful and unwanted pollutants. AGF also actively participates in CIBC SQUARE's enhanced and progressive recycling systems that collect and dispose of items such as batteries, lamps, and electronic waste.

In support of eco-friendly methods of transportation and sustainability, AGF employees have access to the building's advanced parking stalls, which include dedicated Electric Vehicle Charging Stations, and over 500 secure bicycle parking spots.

CIBC SQUARE was also specifically designed to give employees access to maximal daylight and views of the outdoors while reducing energy consumption via the building's high-performance glazing. Further, in support of physical and mental health, AGF

employees have access to CIBC SQUARE's first-class fitness facility and one-acre public park space.

Finally, in recognition of a desire for greater accessibility and inclusion, CIBC SQUARE campus includes gender-neutral washrooms, a library of resources that focus on mental and physical health, 10 accessible parking spots, a support dog relief area and complimentary Wi-Fi.

Contributing to Our Environment

At AGF, we are considerate of our environmental impact as it relates to our fiduciary duty as an asset manager as well as our own business operations.

We have continually taken actions to modify or adopt new business practices through technology, logistics and facilities to reduce our environmental footprint, and our move to CIBC SQUARE has further enhanced these efforts.

Highlights:

» Moved to paperless by offering electronic statements and other account documents to clients in 2018.

» Recycle all old and unused electronics through certified vendors.

» Transition to cloud-based platforms – targeting 95% of our services and systems by 2023.

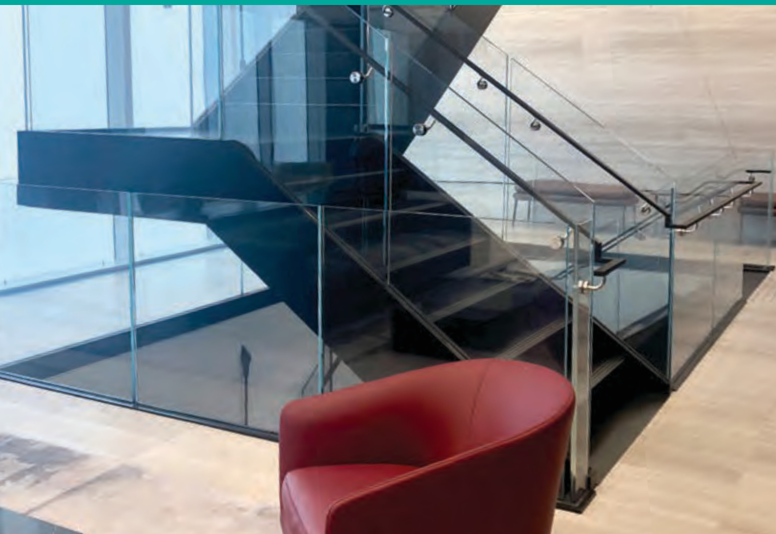
» Participate in Stewardship Ontario and Quebec to promote recycling and waste reduction.

» Donate used office furniture and carpeting, all of which are made of recyclable materials.

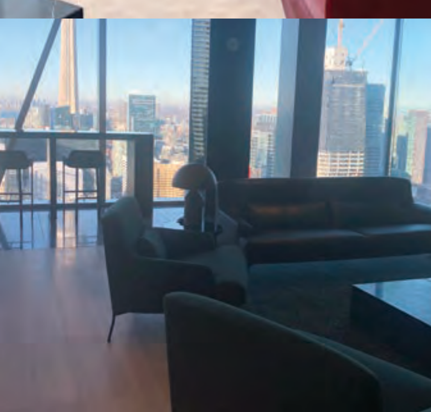
» Minimize single-use containers in our office locations by providing reusable dishes and drinkware.

» Participate in sustainability programs and features such as recycling, LED lighting, energy management, water conservation and waste reduction offered by AGF's commercial landlords.

[1] https://www.cibcsquare.com/about/#more-than-being-green



In 2022, AGF moved into our new head office at CIBC SQUARE in Toronto, **reducing our overall office footprint by 22%**



Community Giving

AGF's mission to bring stability to the world of investing extends to the communities in which we work and live. Since 1957, we've demonstrated a commitment to our communities that is central to who we are. We have a rich history of giving back and partnering with organizations that support and align with our pillars of social responsibility:

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.

Making a Difference

AGF's Making a Difference program was launched in 2017 to recognize and celebrate the work that AGF employees do outside the office to make a difference in their communities.

Through this program, employees are given **one paid volunteer day annually** and are encouraged to give back by participating in volunteer opportunities and events that are organized throughout the year in support of our three pillars of social responsibility, in addition to supporting AGF's long-standing initiatives such as our annual United Way campaign.

In 2022, employees participated in various activities such as making environmental pledges to adopt new practices that positively affect the environment, as well as volunteering opportunities with organizations of their choice. Employees planted 650 trees participating in voluntary half-day tree planting activities coordinated with Trees for Life.

AGF was recognized in the 2022 United Way Local Leaders List for its contributions to United Way. United Way provides urgent support to community agencies across the country for basic needs such as food, support for isolated seniors and mental health resources.

Organizations We Support

Sponsorships and partnerships help fulfill our commitment to our social responsibility pillars while raising awareness of and supporting these important causes.

Junior Achievement

Junior Achievement (JA) is the world's largest not-for-profit organization dedicated to educating young people about business. AGF partners with Junior Achievement of Central Ontario, supporting financial literacy programs and bringing AGF employees into the classroom. A group of AGF employees presented Junior Achievement's "Economics for Success" program to approximately 100 grade 7 and 8 students this year. The program emphasizes the advantages of staying in school and how this choice today can positively impact their future dreams and career choices.

Indspire

Indspire is a national, Indigenous-led organization that invests in the education of Indigenous people, enabling their success through financial awards, resources and role models. It is the largest funder of Indigenous education outside the federal government. Through Indspire's Building Brighter Futures program, AGF launched the AGF Scholarship Fund for Indigenous Students – an investment that creates four $5,500 scholarships annually for Indigenous students who are entering a Business program at a Canadian accredited college or university.

Canada Company

As champions for our soldiers, Canada Company strives to protect the legacy of our soldiers and leverage their unique skillset and experiences to improve our nation. By educating, empowering, and connecting military members with business leaders, Canada Company is making a positive impact on the future of Canada.

100 Women in Finance

100 Women in Finance (100WF) is an organization committed to building a more diverse and gender equitable finance industry by promoting diversity of thought, raising visibility and empowering women to find their personal path to success. With our shared goal to advance the careers of women, AGF is a proud sponsor of 100WF and committed to providing our employees with resources, opportunities and tools that enable them to achieve their fullest potential.

Women in ETFs

Women in ETFs (WE) is the first women's group for the ETF industry. Founded in January 2014, WE is a non-profit organization that brings together over 4,400 members, including women and men, in chapters in major financial centres across the United States, Canada, EMEA and Asia Pacific to further the careers of women by leveraging our collective skill and ambition.

30% Club Canada

The 30% Club promotes gender balance on boards and senior management to encourage better leadership and corporate governance. As a member of the 30% Club Canada, AGF achieved near-gender parity – with six men and four women – in the Boardroom. The 30% Club encourages and supports companies to appoint more women at board level as well as senior management levels.

The Prosperity Project

AGF is a Corporate Partner of the Prosperity Project, a not-for-profit organization founded with a mission to mitigate the impact of the COVID-19 pandemic on Canadian women who are being disproportionately affected. The Project is pan-Canadian in scope and fills an important need to explicitly link women and prosperity, underscoring the economic importance of gender equality during the COVID-19 pre-recovery, recovery and post-recovery periods.

Trees for Life

Trees for Life provide Canadian tree-planting organizations with the tools, resources, and networks to allow them to: grow their existing tree-planting initiatives, implement new ones and educate members of their communities about the value of trees. AGF has been a donor since 2019, contributing to projects which have helped to maximize urban tree planting and beautify our communities while supporting local biodiversity.

Corporate Governance

Corporate Governance Practices

AGF has a strong track record of creating value for our shareholders over the long term. We believe that sound, forward-thinking practices related to environmental, social and governance (ESG) factors will allow AGF to continue to evolve and thrive as a global asset management firm and have a positive influence on the future of our organization.

Beginning with our own corporate governance, AGF is committed to ensuring its corporate governance practices evolve with best practices.

- 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 five years upon appointment to obtain such ownership.
- At each 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.

Ethical Conduct

All directors, officers and employees of AGF are subject to a code of business conduct and ethics (the 'Code') that outlines the standards by which they must conduct themselves in their business dealings. Compliance with the Code is a matter of utmost importance, and a breach of any of its provisions is grounds for warning, revision of responsibilities, suspension or dismissal, with or without notice, depending on the particular circumstances. All directors, officers and employees of the AGF are required to acknowledge their understanding and agreement to **comply with the Code annually**.

While the Code sets out a common baseline of ethical standards, all directors, officers, employees, and contractors of AGF are also subject to other related enterprise-wide policies and are expected to abide thereby.

Enterprise-wide Policies

- Anti-Money Laundering and Anti-Terrorist Policy
- Code of Ethics for Personal Trading
- Complaints Principles and Guidelines
- Corporate Information Security Policy
- Corporate Human Resources Policies
- Disclosure Policy
- Document Management Policy
- Insider Reporting, Insider Trading and Black-Out Policy
- Marketing Policy
- Privacy Policy
- Social Media Policy and Guidelines
- Whistleblowing Policy
- Fraud Policy & Procedures
- Employee Privacy Policy

Third-Party Risk Management

We recognize that AGF's utilization and dependency on third parties subsequently increases our organization's risk profile. AGF's Third-Party Risk Management program focuses on understanding and managing risks associated with third parties including vendors, suppliers, and all other outsourced services.

The program is centrally managed and governs roles and responsibilities throughout the third-party relationship lifecycle, annual risk/tier materiality assessments for each third party, monitoring guidelines and management reporting for a robust view of third-party risk across the organization.

Our robust program ensures our ability to meet contractual obligations, comply with regulatory requirements where applicable, mitigate risks associated with the third-party relationships and create an environment of partnership with trusted third parties.

Board Diversity

AGF believes that diverse boards are good for companies and good for the economy.

We're proud that **36%** of **AGF's board members are women,** reflecting our commitment to workplace diversity.[1]

[1] As of November 30, 2021.

Privacy & Cybersecurity

Privacy

At AGF, we are committed to protecting the privacy of our clients, employees and associates and regard this as an integral part of the service we provide. We respect the confidentiality of information we receive and have adopted privacy practices to comply with current federal and applicable provincial legislation as well as regional privacy laws including General Data Protection Regulation (GDPR).

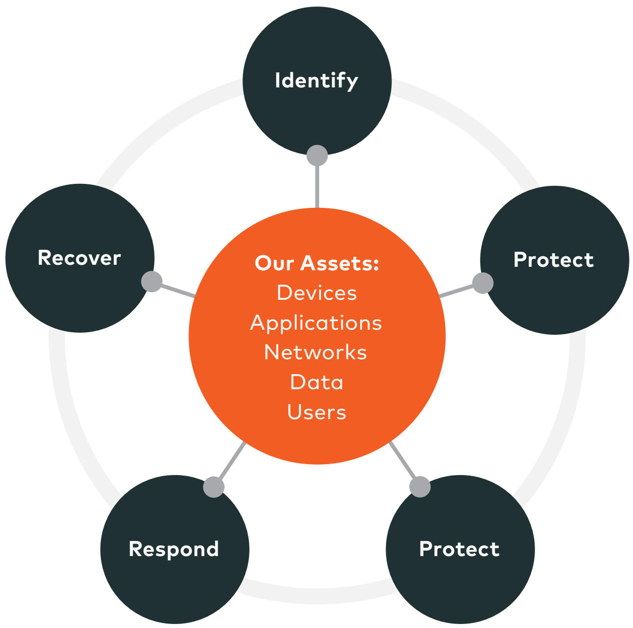
As a commitment to our clients, every AGF employee is responsible for ensuring the confidentiality of all personal information they may access. Each employee annually signs off on AGF's Privacy Policy and completes mandatory privacy training to ensure they understand their obligations and expectations as it relates to the activities they perform.

Cybersecurity

Protecting AGF's data and information systems is critical to managing and reducing our risk – especially during the pandemic with increased cybersecurity threats to individual and organizations.

Cybersecurity activities are reported to AGF's Board on an annual basis, consisting of updates on the current cybersecurity landscape, a progress report on AGF's cybersecurity projects and key metrics. Quarterly metrics are also shared internally with senior leadership and other stakeholders throughout the organization.

AGF's Cybersecurity Framework:



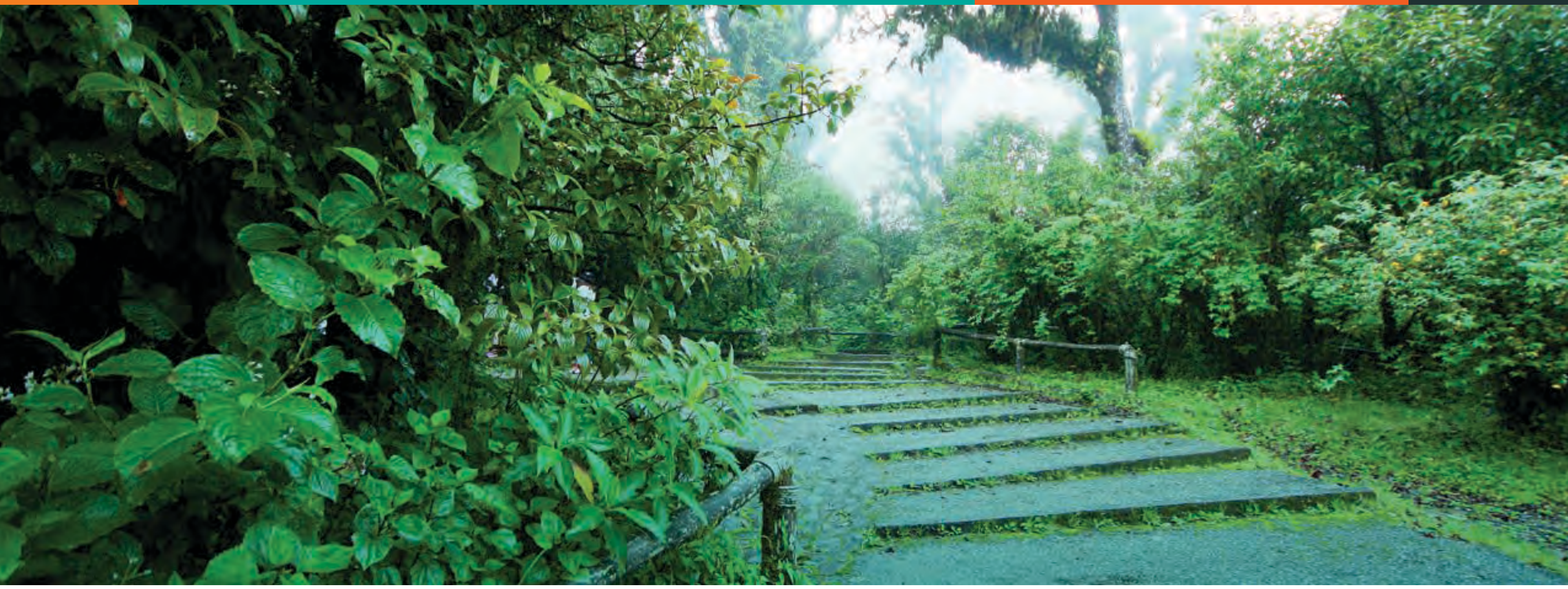
In recognition of our shared responsibility to safeguard our and our clients' assets and ongoing effort to minimize cybersecurity risk at AGF and within the industry, we provide extensive cybersecurity awareness and education for all employees that cover a range of topics including:

- Ransomware
- Phishing Scams
- Data Privacy
- Deepfake Awareness
- Internet Security
- Data Protection

Key Metrics:

Number of high-severity cybersecurity incidents:	0	2022 Target: 0
Number of cybersecurity incidents affecting system availability	0	2022 Target: 0
Percentage of employees passing phishing simulation	92%	2022 Target: 90%
Percentage of employees completing cybersecurity awareness training	95%	2022 Target: 95%

Responsible Investing



At AGF, good stewardship and responsible investing practices are integrated within our investment management teams. We believe that integrating consideration of ESG factors into our investment decision-making and ownership practices will contribute to better investment outcomes for our clients and is an important component of our fiduciary duty as an asset manager.

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

Our approach to responsible investing is grounded on three tenets: research and analysis, risk oversight and active ownership.

Research & Analysis

AGF recognizes that effective research, analysis and evaluation of ESG issues is an important part of assessing the value and performance of an investment over the medium and long term. AGF believes that considering ESG factors may uncover investment opportunities and reduce risk in the portfolio as ESG factors can offer valuable and underutilized insights into a company's culture, operational excellence, reputation, and regulatory risks.

It is ultimately the responsibility of each Investment Management Team to determine the precise implementation of ESG integration within their own investment processes as it relates to each specific mandate. As the consideration of material ESG factors is an area of importance for AGF, we continue to refine and improve our process.

Climate Risk

At AGF, it is our belief that climate change will create risks for the global economy, and we remain focused on addressing climate change to promote a well-functioning financial system.

As a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), we have committed to furthering our understanding, implementation and disclosure of the TCFD recommendations across the four areas of recommended disclosures: governance, strategy, risk management, and metrics and targets.

In addition, AGF will continue to maintain its commitments with organizations such as Carbon Disclosure Project (CDP), Ceres Investor Network on Climate Risk (INCR), Climate Action 100+ and Climate Engagement Canada in order to stay informed of climate-related issues, risks and policies amongst the industry.

ESG Risk Oversight

AGF's **ESG Committee** establishes and reviews the firm's ESG objectives and assists our investment personnel in meeting them. Through this oversight, the analysis of material ESG factors is integrated across the investment team.

The Committee consists of representatives from each Investment Management Team and assists the Office of the Chief Investment Officer (Office of the CIO) and AGF's Sustainability Council with:

- Incorporating ESG issues into our investment management process
- 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

As part of our ongoing risk management, AGF also has an independent risk management team which monitors portfolio level ESG investment risks and conducts formal quarterly reviews with the Office of the CIO and all Portfolio Managers and sub-advisors. During the reviews, areas of focus include performance attribution and risk, ESG analysis, liquidity risk and portfolio exposures.

In addition, AGF's Investment Governance Committee serves as a key oversight committee for our investment management entities to ensure effective oversight and governance of portfolio management, trading, liquidity concerns and potential areas of conflict of interest which are reported accordingly to the respective entity's board of directors.

ESG Risk Management Resources

- AGF subscribes to data and research from MSCI ESG Research which is integrated into quarterly reviews. In 2022 we significantly expanded our research access, which included additional climate change modules.
- SG data "flags" are embedded in our research platform to inform investment teams when potential ESG risks are identified so they may be assessed and appropriately considered as part of the investment strategy.

Active Ownership

Engagements

ESG engagements can have a positive impact on not only investment results, but also on society more broadly. We believe active engagement, and proxy voting maximizes the value of investments over the long term. Furthermore, engagement allows us to use ownership rights to create an open dialogue with entities on behalf of our clients.

AGF's engagement objectives include a desire to deepen our understanding of the ESG issues that underpin a company's strategy or valuation and to provide the opportunity for companies to better understand our investment process and objectives. As an example, we have looked at key ESG issues that are potentially material to a company's risk/reward profile, considering the significance of an investment and the expected contribution to long term value creation from successful engagements.

To help determine materiality, AGF may leverage the industry-specific SASB standards, paired with the deep experience and knowledge of our analysts who may include other company-specific material ESG issues.

Environmental

We engage with companies on environmental issues that are financially material to their business activities, including how operations are impacted by the environment, how the environment is impacted by their operations as well as risk mitigation to prevent, prepare and manage unforeseen accidents.

Social

We engage with companies on social issues that are financially material and those that may have a positive impact on society over time. We seek to understand how a company is managing their social issues with all relevant stakeholders, which may include maintaining and improving its human capital management practices and supply chain management.

Governance

We engage with companies to understand how they manage their governance issues and convey best practices to seek improvement as strong corporate governance can enhance the stability and performance of a company and support its long-term strategy. We focus on important issues such as board accountability and quality, including board diversity.

Proxy Voting

As an asset manager, AGF has an obligation to act in the best interests of the accounts that it manages, which includes exercising the voting rights attached to securities in the portfolio of each client account. As such, AGF will exercise the voting rights of the clients in the best interests of the portfolio and with a view to maximizing positive economic effect of shareholder value. Additionally, we believe responsible corporate governance, social and environmental practices can have a significant effect on the value of the company and, as such, we incorporate these principles into the proxy voting analysis.

Responsibility for proxy voting has been delegated to the portfolio manager, and each is required to vote in a manner consistent with these Proxy Voting Guidelines.

AGF maintains annual proxy voting records for all clients it manages with voting rights to proxy ballots. Such records may be maintained on AGF's behalf by service providers. We have adequate control procedures in place to ensure completeness and accuracy of such records.

Our approach and guidelines are further detailed in our Engagement Policy and Proxy Voting Policy available on AGF.com.

Global Regulations & Standards

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

UNPRI

Since December 2015, AGF Investments Inc. has been a signatory to the United Nations supported Principles for Responsible Investment (PRI).

IFRS Sustainability Alliance

Upon the Value Reporting Foundation's consolidation into the IFRS Foundation, the IFRS Foundation's International Sustainability Standards Board (ISSB) assumed responsibility for the SASB Standards. The ISSB has committed to build on the industry-based SASB Standards and leverage SASB's industry-based approach to standards development. The ISSB encourages preparers and investors to continue to use SASB Standards. As a member of the IFRS Sustainability Alliance, formerly SASB Alliance, AGF strongly believes that today's capital markets need standardized sustainability disclosure. We leverage our membership tools to assist in refining and applying a materiality industry-focused framework in identifying ESG risks and opportunities. This commitment furthers our ongoing efforts to support our Investment Management team in considering material ESG issues within their analysis. In addition, 17 team members have completed or are currently undertaking the FSA Credential.

UK Stewardship Code

The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. AGF International Advisors Company Limited has been a signatory since 2021 and is fully committed to the 12 principles of the Code to provide greater transparency of our investment stewardship approach and processes to clients and prospective investors in the UK.

ESG Disclosures[1]

Our Employees

	2022	2021	2020	2019
Employees By Region				
Canada	617	614	601	610
Rest of World	16	17	17	19
Total All Regions	633	631	618	629
Employees By Age				
Total Under 30	65	64	72	68
Age 30–50	394	380	377	399
Over 50	174	187	169	162
Permanent Under 30	59	57	67	61
Permanent 30–50	393	380	375	391
Permanent Over 50	174	187	168	161
Temporary Under 30	6	7	5	7
Temporary 30–50	1	0	2	8
Temporary Over 50	0	0	1	1
Full-time Under 30	65	62	72	67
Full-time 30–50	392	378	375	397
Full-time Over 50	170	183	164	157
Part-time Under 30	0	2	0	1
Part-time 30–50	2	2	2	2
Part-time Over 50	4	4	5	5
Employees By Gender				
Beginning in 2022, AGF is disclosing gender of employees as self-identified, please see 'DE&I Self-Identity' section.				
Total Female		302	298	307
Total Male		329	320	322
Total Other		–	–	–
Permanent Female		300	296	299
Permanent Male		324	314	314
Permanent Other		–	–	–
Temporary Female		2	2	8
Temporary Male		5	6	8
Temporary Other		–	–	–
Full-time Female		297	292	299
Full-time Male		326	319	322
Full-time Other		–	–	–
Part-time Female		5	6	8
Part-time Male		3	1	0
Part-time Other		–	–	–

	2022	2021	2020	2019
Employee Turnover				
Voluntary total turnover – permanent employees	77	43	42	63
% voluntary turnover of permanent employees	12.3%	7.1%	7.0%	10.3%
Involuntary total turnover – permanent employees	19	12	25	40
% involuntary turnover of permanent employees	3.1%	2.0%	4.2%	6.5%
Employee Training & Education				
% of employees receiving performance reviews	99%	96%	96%	96%
Total dollars given to employees to fund education & training	$284,766	$145,587	$233,212	$185,382
Our Executive Management Team				
Total Executive Team	6	5	5	5
Executive Team Female	2[2]	1	1	1
Executive Team Male	4	4	4	5

DE&I Self-Identity

The majority of AGF employees are domiciled in Canada, with most in the province of Ontario. In accordance with the Ontario Human Rights Code (the Code), data collection that identifies people on the basis of race, disability, sexual orientation and other Code groups must be on Code-grounds for a Code-consistent purpose and in accordance with Canada's human rights legislative framework. The least intrusive means of data collection that assures anonymity is considered best practice, such as through a self-identification survey. As such, beginning in 2022 AGF is reporting the breakdown of employees by race and gender as self-identified by employees through a voluntary survey.

[1] All data sourced is as of November 30, 2022.
[2] Includes interim role
[3] Gender Self-Identity: Response options included; Male, Female, Non-Binary, Transgender, 2-Spirit, Other, Self-Describe and Prefer Not To Answer, Did not Disclose/Blank
[4] Race/Ethnicity Self-Identity: Response options included; White, Asian, Latin/Hispanic, Middle Eastern, Indigenous, Black, Other, Two Or More Races, Prefer Not To Answer, Did not disclose/Blank

Gender Self-Identity[3]	2022
Full-time female	35.9%
Full-time male	33.9%
Full-time prefer not to answer	3.0%
Full-time blank	27.2%
Temporary female	14.3%
Temporary male	57.1%
Temporary prefer not to answer	0%
Did not disclose	28.6%
Management Team (VP+) Female	20.5%
Management Team (VP+) Male	52.1%
Management Team (VP+) Prefer not to answer	1.4%
Management Team (VP+) Did not disclose	26.0%

Race Self-Identity[4]	2022
Full-time Black	4.3%
Full-time Asian	24.6%
Full-time Indigenous	0.2%
Full-time Latin American & Hispanic	0.3%
Full-time Middle Eastern	1.2%
Full-time White	32%
Full-time Two or more races	3.5%
Full-time Other	1.6%
Full-time Prefer not to answer	5.3%
Did not disclose	27.2%
Temporary Latin American & Hispanic	14.3%
Temporary Middle Eastern	14.3%
Temporary Asian	42.8%
Did not disclose	28.6%

Race Self-Identity	2022
Management Team (VP+) Asian	11.0%
Management Team (VP+) Middle Eastern	1.4%
Management Team (VP+) White	57.5%
Management Team (VP+) Two or more races	2.7%
Management Team (VP+) Prefer not to answer	1.4%
Management Team (VP+) Did not disclose	26.0%

Our Board

Board of Directors	2022	2021	2020	2019
Total Board Directors	11	10	10	10
Executive Board Members	3	3	3	4
Non-Executive Board Members	8	7	7	6
Directors Female	4	4	4	4
Directors Male	7	6	6	6
Directors Other	-	0	0	0
Directors Over 70	3	3	3	3
Directors Between 60-70	3	2	2	1
Directors Under 60	5	5	5	6
Average Number of Years Board Tenure	12.86	13.4	12.4	11.4
Independent Board Members	7	6	6	6
% Board Independence	63%	60%	60%	60%
% Audit Committee Independence	100%	100%	100%	100%
% Nominating & Corporate Governance Committee Independence	100%	100%	100%	100%
% Compensation Committee Independence	100%	100%	100%	100%
Average Board Attendance Rate	99%	98%	99%	100%

Ethics & Compliance

	2022	2021	2020	2019
Number of registered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	AGF did not have any registered employees with a record of investment-related investigations, complaints or civil litigations in 2022.	AGF did not have any registered employees with a record of investment-related investigations, complaints or civil litigations in 2021.	AGF did not have any registered employees with a record of investment-related investigations, complaints or civil litigations in 2020.	AGF did not have any registered employees with a record of investment-related investigations, complaints or civil litigations in 2019.
Incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promo-tion and sponsorship by type of outcomes	AGF did not have any significant incidents o non-compliance in 2022.	AGF did not have any significant incidents of non-compliance in 2021.	AGF did not have any significant incidents of non-compliance in 2020.	AGF did not have any significant incidents of non-compliance in 2019.
Total amount of monetary losses as a result of legal proceedings asso-ciated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial in-dustry laws or regulations	AGF did not have any monetary losses as a result of legal proceedings in 2022.	AGF did not have any monetary losses as a result of legal proceedings in 2021.	AGF did not have any monetary losses as a result of legal proceedings in 2020.	AGF did not have any monetary losses as a result of legal proceedings in 2019.
Substantiated complaints regarding breaches of customer privacy and losses of customer data	AGF did not have any complaints regarding breaches of customer privacy and losses of customer data in 2022.	AGF did not have any complaints regarding breaches of customer privacy and losses of customer data in 2021.	AGF did not have any complaints regarding breaches of customer privacy and losses of customer data in 2020.	AGF did not have any complaints regarding breaches of customer privacy and losses of customer data in 2019.

[1] Unless specified, the term AGF may refer to one or more of the direct and indirect subsidiaries of AGF Management Limited, or to all of them jointly.
[2] AGF Management Limited acquired Acuity Funds Ltd. and Acuity Investment Management Inc. in February 2011.
[3] https://www.cibcsquare.com/about/#more-than-being-green

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 NonVoting 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 11 directors, the majority of whom are independent from management. The following are the independent directors: Jane Buchan, Kathleen Camilli, Ian Clarke, Douglas L. Derry, Charles Guay, Cybele Negris, 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


Jane Buchan


Kathleen Camilli


Ian L.T. Clarke


Douglas L. Derry


W. Robert Farquharson


Judy G. Goldring


Charles Guay


Kevin McCreadie


Cybele Negris


G. Wayne Squibb

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

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. Under his leadership, AGF has grown to be a premier global asset management firm.

Mr. Goldring sits on a number of private company and notfor-profit boards, including the C.D. Howe Institute and is the Founder and Chair of Canada Company, a charitable organization created to connect business and community leaders with Canada's military.

Blake has received numerous honours in recognition of his personal and professional achievements. Most recently, he was named a Member of the Order of Canada in 2018 and he received a Doctor of Humane Letters from Victoria College, University of Toronto, in 2021.

He holds an Honours BA in Economics from the University of Toronto and an MBA from INSEAD in France. He is also a member of the Toronto Society of Financial Analysts, a CFA® charterholder and a Fellow of the Institute of Canadian Bankers and a successful graduate of the Competent Boards ESG Certificate Program in 2022.

Jane Buchan PhD, CAIA (2017)

Chief Executive Officer, Martlet Asset Management LLC

Jane Buchan is the Chief Executive Officer of Martlet Asset Management. 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: GL, and IMMIX (NASDAQ:IMMX) as well as one private company, , is a founding Angel for 100 Women in Finance, is a trustee for the Standards Board of Alternative Investments and serves on several endowment and foundation investment committees.

Kathleen Camilli (2015)

Founder and Principal, Camilli Economics, LLC

Kathleen Camilli is the founder and principal of Camilli Economics, LLC, and one of the top macro-economic forecasters in the US. Previously, she was the US economist at Credit Suisse Asset Management, and the Chief Economist at Tucker Anthony Sutro.

Ms. Camilli started her career at the Federal Reserve Bank of New York, and held positions at the Chase Manhattan Bank and Drexel Burnham Lambert. She has been an independent Director of UniFirst Corporation (NYSE) since 2012. In 2018 she joined the board of privately held Zero Hash, a subsidiary of Seedcx. She was an independent director of Mass Bank (NASDAQ) from 2004-2008.

Ms. Camilli is a Board Governance Fellow of the National Association for Corporate Directors, a member of the National Association of Corporate Directors, the National Association for Business Economists, the Economic Club of New York, and Extraordinary Women on Boards. Ms. Camilli received an MBA in Finance and an MA in French Studies from New York University. She has served on the boards of numerous not-for- profit organizations.

Ian L.T. Clarke CA, FCA, ICD.D (2022)

Chief Financial Officer, Greater Toronto Airports Authority

Ian Clarke joined the GTAA in March 2017 as the Chief Financial Officer and previously was a GTAA Board Member for five years. In August 2020, Ian was given additional responsibilities for the Commercial and Business Partnerships and Strategy and Business Analytics. He retired from the GTAA on December 31, 2022.

Prior to this, Ian was Chief Financial Officer, Business Development at Maple Leaf Sports and Entertainment Ltd. ("MLSE") for 26 years. During his tenure at MLSE Ian was responsible for finance, administration, regulatory filings, collective bargaining negotiations, bond and loan restructuring. Led the financial due diligence and tax structuring of the Raptor and Air Canada Centre acquisition by Maple Leaf Gardens Ltd. Led and negotiated the acquisition of the Toronto FC expansion and the development of BMO Field, and the Maple Leaf Square project development.

Ian joined as a Board member of the Canadian Olympic Committee in 2021. Ian was previously a Board Member for the Toronto Foundation for nine years and a Board Member for ten years at St. Michael's Hospital. Ian is a Chartered Accountant and holds an Institute of Corporate Directors, Director designation. Ian led 10 volunteer missions to New Orleans, Jamaica and Kenya, building 3 schools, 14 homes and raised over a $1 million.

Douglas L. Derry FCPA, FCA (2000)

Corporate Director

Douglas Derry is chairman of Poplar Lane Holdings Ltd., a family company.

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 Scotia Capital. He also served on the Independent Review Committee of the above funds and others administered by BMO Nesbitt Burns Inc.

Mr. Derry has a longstanding membership on a variety of not-for profit boards, currently including St. Michael's Hospital Research Institute, the Patrick and Barbara Keenan Foundation and Trinity College School (honourary trustee). A former senior partner in PricewaterhouseCoopers LLP, he is a past Chair of the Institute of Chartered Accountants of Ontario, The Bishop Strachan School, The Empire Club Foundation, The Empire Club of Canada, the Toronto Symphony Foundation and the University of Guelph and University of Guelph Heritage Trust (Vice chair).

Douglas holds an Honours B.A. from the Richard Ivey School of Business at Western University and is a Fellow of Ontario's Institute of Chartered Accountants and the Chartered Professional Accountants. In 2012, he was awarded the Queen Elizabeth II Diamond Jubilee Medal for his dedicated service to his peers, his community and to Canada.

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 Goldring is President and Head of Global Distribution at AGF Management Limited, overseeing the execution of strategic plans in support of business priorities, counseling the CEO on business planning and providing direction for corporate initiatives. She brings unified accountability to and fosters greater synergies across AGF's respective sales distribution channels globally. She also oversees the firm's Human Resources function and is responsible for AGF's Private Client businesses.

Judy received a Bachelor of Arts in Economics from the University of Toronto and earned her Bachelor of Laws (LL.B) from Queen's University. She is a member of the Law Society of Upper Canada and has been a member of the Canadian Bar Association since 1993. In 2019, she received an Honorary Doctorate of Laws (LL.D) from the University of Toronto.

Judy is Vice-Chair of The Investment Funds Institute of Canada (IFIC)'s Board of Directors and sits on the Board of the Toronto French School (TFS). In 2015, Judy was named a Top 100 Hall of Fame Inductee by the Women's Executive Network™ (WXN).

Charles Guay (2017)

President & Chief Operating Officer, SuccessFinder

Charles Guay is a recognized executive business leader and builder. Since 2018, Charles is President & COO of SuccessFinder, a leading HR Tech company, providing organizations a powerful talent predictive analytics platform helping them making more confident decisions and maximizing people's potential at work. Prior to that, he has had his own strategic consulting firm and has built an impressive track record as an executive in the financial services industry for more than 20 years.

Charles is the former President & CEO of Standard Life Canada and then, EVP Institutional markets and President & CEO Quebec for Manulife. Before joining Standard Life, he spent most of his career at National Bank of Canada leading their mutual fund division for 11 years as President & CEO. He started his career at RBC Dominion Securities as an investment advisor.

He serves on several boards of directors, currently including Pomerleau Inc. and the CHU Sainte-Justine Foundation. He is a recipient of several excellence awards, such as the "Top 40 under 40", the Arista award and the Hermès Career Achievement award of Laval University, from which he graduated in 1994 in business & finance.

Kevin McCreadie MBA, CFA (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.

Mr. McCreadie brings more than 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 (CFA®) designation.

Cybele Negris ICD.D (2022)

CEO and Co-Founder of Webnames.ca

Cybele Negris is a tech CEO, serial entrepreneur, experienced corporate director, sought-after speaker, mentor, columnist and a Hall of Fame inductee of Canada's Top 100 Most Powerful Women.

She is CEO and Co-Founder of Webnames.ca, Canada's original .CA Registrar and Webnames Corporate, a leader in domain name portfolio management and security for corporations and government.

Cybele currently serves on the boards of several leading Canadian businesses, not-for-profits and institutions – including the Royal Canadian Mint – and brings insights gained from her extensive business and governance experience.

She was named to the Women's Executive Network (WXN) Canada's Top 100 Most Powerful Women list four times and the PROFIT W100 list of Canada's Top Female Entrepreneurs for nine consecutive years. She has also been recognized as one of Business In Vancouver's Influential Women in Business and Top 40 Under 40.

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, serving 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 Cybele Negris 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 Ian Clarke	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.
Human Resources and Compensation Committee	Jane Buchan (Chair) Kathleen Camilli Ian Clarke Douglas L. Derry Charles Guay Cybele Negris 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]
Ian Clarke, CA, FCA, ICD.D
Douglas L. Derry, FCPA, FCA[3]
W. Robert Farquharson, CFA
Judy G. Goldring, LL.B, LL.D, ICD.D
Charles Guay
Kevin McCreadie, MBA, CFA
Cybele Negris, ICD.D
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

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

Chris Jackson
Chief Operating Officer

Jenny Quinn
Vice-President and Interim Chief Financial Officer

Ash Lawrence, MBA
Senior Vice-President and Head of Alternatives

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 2022 Annual MD&A.

Financial Highlights

(in millions of dollars, except share data) Three months ended	Nov. 30, 2022	Aug. 31, 2022	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 29, 2021
AUM & fee-earning assets[1]	**$ 41,819**	$ 39,555	$ 40,277	$ 41,955	$ 42,635	$ 43,360	$ 40,809	$ 39,251
Mutual fund net sales	**251**	51	132	330	352	288	408	385
Income	**114.2**	112.5	117.5	124.9	121.9	123.1	109.5	107.3
SG&A[2]	**51.5**	46.4	47.3	49.3	49.9	50.1	47.1	48.0
SG&A excluding severance and corporate development costs	**49.0**	46.2	47.1	47.9	49.8	48.7	46.7	47.4
EBITDA before commissions[3,5]	**30.2**	33.2	35.4	40.0	35.5	37.5	28.2	26.8
Deferred selling commissions[5]	**–**	–	17.8	19.3	15.3	14.1	17.7	15.5
EBITDA[4]	**30.2**	33.2	17.6	20.7	20.2	23.4	10.5	11.3
Net income before tax	**27.3**	29.0	13.5	17.6	16.9	20.0	7.1	7.8
Net income	**21.6**	22.1	10.1	12.9	13.8	14.9	5.0	5.6
Earnings per share								
Basic	**$ 0.32**	$ 0.33	$ 0.15	$ 0.18	$ 0.20	$ 0.21	$ 0.07	$ 0.08
Diluted	**0.32**	0.32	0.14	0.18	0.19	0.21	0.07	0.08
Free cash flow[4]	**24.1**	20.6	12.3	13.3	12.5	21.5	10.4	10.5
Dividends per share	**0.10**	0.10	0.10	0.09	0.09	0.09	0.08	0.08
Long-term debt[4]	**21.6**	–	–	–	–	–	–	–
Average basic shares	**66,854,462**	67,758,818	68,270,570	69,778,674	69,831,890	69,840,774	70,014,806	70,147,427
Average fully diluted shares	**67,464,947**	69,268,495	70,020,635	71,714,425	71,598,548	72,287,249	72,138,793	71,553,205

[1] AUM represents assets under management. Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.
[2] Selling, general and administrative expenses.
[3] 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 Condensed Consolidated Interim Statement of Income.
[4] Free cash flow 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.
[5] Effective June 1, 2022, deferred selling commissions options have been eliminated by the Canadian Securities Administrators.

Selected Quarterly and Annual Information

(in millions of dollars, except share data)	Three months ended Nov. 30, 2022	Aug. 31, 2022	Nov 30, 2021	Years ended Nov. 30, 2022	Nov. 30, 2021
AUM end of the period					
AGF Investments					
Mutual Funds	**$ 23,898**	$ 22,496	$ 24,006	**$ 23,898**	$ 24,006
Institutional, sub-advisory, ETFs	**8,514**	7,932	9,082	**8,514**	9,082
Private Wealth	**7,275**	7,000	7,366	**7,275**	7,366
Private Capital	**55**	60	73	**55**	73
Total AUM	**$ 39,742**	**$ 37,488**	**$ 40,527**	**$ 39,742**	**$ 40,527**
Private Capital fee-earning assets[5]	**2,077**	2,067	2,108	**2,077**	2,108
Total AUM and fee-earning assets[5] end of period	**$ 41,819**	**$ 39,555**	**$ 42,635**	**$ 41,819**	**$ 42,635**
Mutual Fund net sales	**$ 251**	$ 51	$ 352	**$ 765**	$ 1,432
Retail mutual fund net sales	**76**	51	355	**589**	1,450
EBITDA before commissions[1,6]	**30.2**	33.2	35.5	**138.6**	127.7
Deferred selling commissions[6]	**–**	–	15.3	**37.1**	62.6
Net income	**21.6**	22.1	13.8	**66.6**	39.3
Diluted earnings per share	**0.32**	0.32	0.19	**0.96**	0.55
Free cash flow[2]	**24.1**	20.6	12.5	**70.3**	54.8
Supplementary Financial Information					
EBITDA before commissions[6]					
EBITDA before Private Capital	**$ 21.7**	$ 26.6	$ 28.2	**$ 110.5**	$ 108.8
From Private Capital Managers[3]	**1.4**	0.7	0.9	**3.1**	5.1
From Private Capital Long-term Investments[4]	**7.1**	5.9	6.4	**25.0**	13.8
EBITDA before commissions	**$ 30.2**	**$ 33.2**	**$ 35.5**	**$ 138.6**	**$ 127.7**
EBITDA[6]					
EBITDA before Private Capital	**21.7**	26.6	12.9	**73.4**	46.2
From Private Capital Managers[3]	**1.4**	0.7	0.9	**3.1**	5.1
From Private Capital Long-term Investments[4]	**7.1**	5.9	6.4	**25.0**	13.8
EBITDA	**$ 30.2**	**$ 33.2**	**$ 20.2**	**$ 101.5**	**$ 65.1**
Diluted earnings per share before Private Capital	**0.22**	0.25	0.11	**0.65**	0.35
From Private Capital Managers[3]	**0.02**	0.01	0.01	**0.03**	0.05
From Private Capital Long-term Investments[4]	**0.08**	0.06	0.07	**0.28**	0.15
Diluted earnings per share	**$ 0.32**	**$ 0.32**	**$ 0.19**	**$ 0.96**	**$ 0.55**

[1] Refer to Note 2 on page 4.
[2] Refer to Note 3 on page 4.
[3] Private Capital Manager earnings represents share of profit of joint ventures, which are recorded under equity accounting, and income from other fee-earning arrangements.
[4] Private Capital Long-term Investments represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and other income.
[5] Fee-earnings assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.
[6] Effective June 1, 2022, deferred selling commissions options have been eliminated by the Canadian Securities Administrators.
[7] Certain comparative figures have been restated to conform with current year presentation.

A Year in Review

2022 was a successful year for AGF, which saw strong mutual funds sales throughout the year and the continued execution of its strategic plan despite challenging market conditions. Below is a summary of our strategic and financial highlights for the year.

Strategic and Financial Highlights

AUM and Sales

AGF reported $41.8 billion in assets under management and fee-earning assets as at November 30, 2022, as compared to $39.6 billion as at August 31, 2022 and $42.6 billion as at November 30, 2021. Excluding Private Capital, AUM was $39.7 billion as at November 30, 2022, as compared to $37.4 billion as at August 31, 2022 and $40.5 billion as at November 30, 2021.

Markets remained volatile throughout 2022. Over the past year, many central banks have increased interest rates to fight rising inflation, which has led to bear markets in both stocks and bonds. In addition, the ongoing war in Ukraine and the energy crisis in Europe continue to add to market uncertainty.

Despite these headwinds, AGF was able to maintain sales momentum. During the three months ended November 30, 2022, AGF reported mutual fund net sales of $251.0 million compared to $51.0 million for the three months ended August 31, 2022 and $352.0 million in the comparative prior year period. Retail mutual fund net sales were $76.0 million for the quarter compared to $51.0 million for the three months ended August 31, 2022 and $355.0 million in the comparative prior year period. For the year ended November 30, 2022, AGF reported mutual fund net sales of $765.0 million compared to $1,432.0 million in 2021. Retail mutual net sales were $589.0 million for the year compared to net sales of $1,450.0 million in 2021.

The sales momentum has continued into the first quarter of 2023, with net sales of $62.1 million as at January 20, 2023.

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, with 1st percentile being best possible performance. Investment performance in both the one-year and three-year range continued to improve. As at November 30, 2022, AGF's average percentile over the past one year improved to 41% (2021 – 53%) and the average percentile over the past three years improved to 30% (2021 – 51%). Across a broad range of categories and styles, AGF's fund performance improved relative to peers. Through AGF's disciplined investment processes across asset classes that includes an embedded focus on risk, AGF outperformed its one-year and three-year targets in an environment marked by significant market volatility.

Business Highlights

- Over the last year, AGF transitioned to a hybrid work model as employees moved to a new head office at CIBC SQUARE. The state-of-the-art building provides employees with a flexible workspace, enhanced collaboration and greater communication, while continuing to advance the reduction of the firm's office footprint by approximately 22%.
- Ash Lawrence joined AGF as Head of AGF Private Capital this year and has started efforts to expand the team. Ash has been charged with leading the continued growth of AGF's private capital business and has presented a formalized strategic plan to the Board.
- AGF appointed Cybele Negris, CEO and Co-Founder of Webnames.ca Inc., to the AGF Board of Directors effective September 27, 2022. As an accomplished tech entrepreneur and seasoned board member, she further diversifies the collective experience, expertise and perspective of AGF's Board.
- AGF Board member Ian Clarke will succeed Douglas L. Derry as Chair of the Audit Committee. Mr. Derry, subsequent to the year-end, is retiring from the Board. AGF thanks Mr. Derry for his contributions over the last 25 years, which included time on both the AGF Board of Directors and the AGF Funds Board.
- AGF's separately managed accounts (SMA) business gained momentum in 2022. To date, the firm has successfully onboarded SMA strategies onto several U.S. SMA platforms, including Vestmark, SMArtX Advisory Solutions LLC and Envestnet.
- On November 14, 2022, AGF announced the completion of its substantial issuer bid (SIB). AGF purchased for cancellation 3,488,646 Class B non-voting shares at a price of $6.75 per share for a total cost of $23.5 million, which represented approximately 5.1% of the total number of AGF's issued and outstanding Class B Non-Voting Shares as of October 3, 2022, the date the SIB was commenced.
- In 2022, AGF celebrated its 65th anniversary. The firm's longevity is a testament to many things, including a history of innovation, a disciplined investment approach and an unwavering commitment to clients.

Financial Highlights – Year Ended November 30, 2022

Management, advisory and administration fees were $430.3 million for the year ended November 30, 2022, a 0.4% decrease compared to $432.2 million for the prior year period. The decrease is attributable to lower average AUM.

SG&A was $194.6 million for the year ended November 30, 2022 compared to $195.1 million for the prior year period. SG&A excluding severance and corporate development costs was $190.2 million for the year ended November 30, 2022 compared to $192.6 million for the prior year period. The decrease is driven by lower performance-based and stock-based compensation costs.

For the year ended November 30, 2022, AGF reported EBITDA before commissions of $138.6 million, an increase of $10.9 million or 8.5% compared to $127.7 million for the comparative prior year period. For the year ended November 30, 2022, AGF reported EBITDA before commissions margin of 29.6% compared to 27.7% for the prior year period.

EBITDA before Private Capital was $110.5 million, an increase of $1.7 million or 1.6% compared to $108.8 million for the comparative prior year period. EBITDA from Private Capital was $28.1 million an increase of $9.2 million or 48.7%, compared to $18.9 million for the prior year period. Of the $28.1 million, $3.1 million was generated from AGF's interest in Private Capital managers (2021 – $5.1 million) and $25.0 million (2021 – $13.8 million) was generated from AGF's investment in Private Capital long-term investments.

For the year ended November 30, 2022, diluted earnings per share was $0.96 compared to $0.55 for the prior year period.

Financial Highlights – Quarter Ended November 30, 2022

Management, advisory and administration fees were $103.0 million for the three months ended November 30, 2022, compared to $103.8 million for the three months ended August 31, 2022 and $113.0 million for the comparative prior year period. The decrease from the prior year is due to lower average mutual fund AUM.

Selling, general and administrative costs were $51.5 million for the three months ended November 30, 2022, compared to $46.4 million for the three months ended August 31, 2022 and $49.9 million for the comparative prior year period. Selling, general and administrative costs excluding severance and corporate development costs were $49.0 million for the three months ended November 30, 2022, compared to $46.2 million for the three months ended August 31, 2022 and $49.8 million for the comparative prior year period. The increase from the prior quarter is due mainly to higher performance and stock-based compensation and increased sales and marketing costs. The decrease from the prior year is due mainly to lower performance-based compensation costs.

For the three months ended November 30, 2022, AGF reported total EBITDA before commissions of $30.2 million, a decrease of $3.0 million or 9.0% compared to $33.2 million for the three months ended August 31, 2022 and a decrease of $5.3 million or 14.9% compared to $35.5 million in the comparative prior year period. For the three months ended November 30, 2022, AGF reported EBITDA before commissions margin of 26.4% compared to 29.5% for the three months ended August 31, 2022 and 29.1% in the prior year comparative period.

For the three months ended November 30, 2022, EBITDA from Private Capital was $8.5 million, compared to $6.6 million for the three months ended August 31, 2022 and $7.3 million for the comparative prior year period. Of the $8.5 million, $1.4 million (2021 – $0.9 million) was generated from AGF's interest in Private Capital managers and $7.1 million (2021 – $6.4 million) was generated from AGF's investment in Private Capital long-term investments.

For the three months ended November 30, 2022, diluted earnings per share was $0.32 compared to $0.32 for the three months ended August 31, 2022 and $0.19 in the comparative prior year period.

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is as of January 24, 2023 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries for the three months and year ended November 30, 2022, compared to the three months and year ended November 30, 2021. The MD&A should be read in conjunction with the Consolidated Financial Statements for the year ended November 30, 2022. The financial statements for the year ended November 30, 2022, including required comparative information, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise noted.

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 due to rounding. For purposes of this discussion, the operations of AGF and our subsidiary companies are referred to as 'we,' 'us,' 'our,' 'the firm' or 'the Company.'

Our Business and Strategy

Founded in 1957, AGF Management Limited (AGF) is an independent and globally diverse asset management firm delivering excellence in investing in the public and private markets through its three distinct business lines: AGF Investments, AGF Private Capital and AGF Private Wealth.

AGF brings a disciplined approach focused on providing an exceptional client experience and incorporating sound responsible and sustainable practices. The firm's investment solutions, driven by its fundamental, quantitative and private investing capabilities, extends globally to a wide range of clients, from financial advisors and their clients to high-net worth and institutional investors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

Headquartered in Toronto, Canada, AGF has investment operations and client servicing teams on the ground in North America and Europe. With over $40 billion in total assets under management and fee-earning assets, AGF serves more than 800,000 investors. AGF trades on the Toronto Stock Exchange under the symbol AGF.B. AGF provides fund administration services to the AGF mutual funds through AGF's Investor Services 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.

AGF Investments

AGF Investments is AGF's group of companies who manage and advise on a variety of investment solutions managed by its fundamental and quantitative investing teams. AGF services a wide range of clients from financial advisors and individual investors to institutional investors, including pension plans, corporate plans, sovereign wealth funds, and endowments and foundations.

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.

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

AGF's quantitative investment team is 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.

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.

AGF Private Wealth

AGF Private Wealth (Private Wealth) is AGF's private wealth 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.

AGF Private Capital

AGF Private Capital (Private Capital), AGF's private markets business, is central to the firm's mission to bring stability to the world of investing. The Company's strategic vision as a well-established participant in this ever-evolving industry is to continue to build a diversified best-in-class private markets business that will meet the needs of retail brokers, family offices and institutions. With a target of $5 billion in AUM, AGF is focused on expanding its existing relationships and continues to explore other unique opportunities to grow the Company's platform and product offerings.

Private market investments can be key components in a well-constructed portfolio for all investor types, contributing to lower volatility and opportunities for better long-term risk-adjusted returns. Private Capital combines diversified private markets capabilities alongside participation as a core investor in bespoke and distinct opportunities that deliver added value for the firm's shareholders and clients. Private Capital delivers value to the firm across multiple streams: management fee-related earnings, carried interest, other fee arrangements, and invested capital. Private Capital AUM and fee-earning assets and EBITDA from Private Capital managers and long-term investments are presented in the table below.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Private Capital AUM	**$ 55**	$ 60	$ 73	**$ 55**	$ 73
Private Capital fee-earning assets[1]	**2,077**	2,067	2,108	**2,077**	2,108
Total Private Capital AUM and fee-earning assets[1]	**2,132**	2,127	2,181	**2,132**	2,181
Total AUM and fee-earning assets[1] end of the period	**$ 41,819**	$ 39,555	$ 42,635	**$ 41,819**	$ 42,635
Percentage of total AUM and fee-earning assets[1]	**5.1%**	5.4%	5.1%	**5.1%**	5.1%
EBITDA from Private Capital Managers and Long-term Investments	**8.5**	**6.6**	**7.3**	**28.1**	**18.9**

[1] Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.

AGF earns management fees from the underlying investments managed through the manager. As successive funds are launched and assets grow, AGF's earnings from the manager will increase. AGF also earns ongoing annual fees on its Private Capital fee-earning assets. As assets in this category increase through the expansion of partnerships, income from fee-earning arrangements will increase. In addition, through the achievement of attractive and sustainable investment returns, AGF will earn its proportionate share of carried interest.

Key financial highlights from AGF's interest in private capital managers are presented in the table below.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Manager earnings[1]	**$ (0.6)**	–	$ 0.1	**$ (1.1)**	$ 1.0
Income from fee-earning arrangements	**0.8**	0.7	0.8	**3.0**	1.9
Carried interest earnings	**1.2**	–	–	**1.2**	2.2
EBITDA from Private Capital Managers[2]	**1.4**	**0.7**	**0.9**	**3.1**	**5.1**

[1] Represents share of profit (loss) of joint ventures related to private capital managers.
[2] EBITDA from Private Capital Managers represents share of profit of joint ventures, which are recorded under equity accounting, and income from other fee-earning arrangements.

Invested Capital Value

AGF also participates as an investor in the units of the underlying funds it manages, participating in increased valuation and distributions from the funds. Invested capital will be recycled and reinvested over time. Investments held in the underlying funds are measured at fair value. The fair value of the fund considers carried interest payable to the manager, based on the returns achieved to date. AGF may also receive cash distributions from the underlying funds. These earnings are recognized through 'Fair value adjustments and other income' on the Statement of Income.

Key financial highlights from AGF's investment in Private Capital long-term investments are presented in the table below.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Committed capital, end of period	**$ 224.2**	217.2	$ 229.0	**$ 224.2**	$ 229.0
Funded capital, since inception	**181.3**	160.1	158.1	**181.3**	158.1
Remaining committed capital[1]	**42.9**	**57.1**	**70.9**	**42.9**	**70.9**
Fair value of investments	199.1	175.8	160.7	199.1	160.7
EBITDA from Private Capital long-term investments for the period	7.1	5.9	6.4	25.0	13.8

[1] Excludes anticipated commitment of US $50.0 million upon the successful launch of Instar's third fund.

For the three months ended November 30, 2022, Private Capital contributed $0.10 to diluted earnings per share compared to $0.07 for the three months ended August 31, 2022 and $0.08 in the comparative prior year period. For the year ended November 30, 2022, Private Capital contributed $0.31 to diluted earnings per share compared to $0.20 in the comparative prior year period.

Corporate Sustainability

AGF has been bringing stability to the world of investing since 1957. And to ensure our own stability and the continued longevity of our firm, we recognize that responsible and sustainable practices must continue to shape our organization. That's why, in 2022, corporate sustainability was formally adopted as a strategic imperative for the firm.

Guided by the thinking, "Our Responsibility Today for a Sustainable Tomorrow," we have developed a detailed corporate responsibility framework that applies forward-thinking practices related to environmental, social and governance (ESG) factors to deliver long-term successful outcomes for each of our stakeholders.

We have identified the following key areas of focus that we believe are central to our firm's long-term success:

- **Sustainable Investing** –The continued advancement of responsible and sustainable investing practices across all our investment management teams.
- **Talent, Culture & DEI** – Improving the employee experience by fostering high engagement, advancing diversity initiatives, ensuring equitable and inclusive practices, and attracting and nurturing talent with ongoing support and thoughtful succession planning.
- **Sustainable Operations & Governance** – Managing the risks and opportunities related to AGF's operations and governance as well as our community involvement.

Recognizing that client and market expectations continue to evolve, we remain committed to our guiding principles of shared intelligence, taking a measured approach and having active accountability. These principles will continue to guide us, shaping our practices and approach to managing material ESG risks while ensuring we continue to deliver and/or track toward successful outcomes in support of our stakeholders.

To learn more about Corporate Sustainability at AGF please refer to our Annual Report or visit AGF.com.

Assets Under Management and Fee-earning Assets[1]

	Three months ended					Years ended	
(in millions of dollars)	Nov. 30, 2022	Aug. 31, 2022	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021	Nov. 30, 2022	Nov. 30, 2021
Mutual fund AUM beginning of the period[2]	**$ 22,497**	$ 22,849	$ 23,625	$ 24,006	$ 23,792	**$ 24,006**	$ 20,322
Gross sales	**914**	594	818	989	914	**3,315**	3,806
Redemptions	**(663)**	(543)	(686)	(659)	(562)	**(2,550)**	(2,374)
Net sales	**251**	51	132	330	352	**765**	1,432
Market appreciation (depreciation) of fund portfolios	**$ 1,150**	$ (404)	$ (908)	$ (711)	$ (138)	**$ (873)**	$ 2,252
Mutual fund AUM end of the period[2]	**$ 23,898**	$ 22,496	$ 22,849	$ 23,625	$ 24,006	**$ 23,898**	$ 24,006
Average daily mutual fund AUM[2]	**$ 22,504**	$ 22,207	$ 23,183	$ 24,075	$ 23,896	**$ 22,992**	$ 22,532
Institutional, sub-advisory, ETF AUM beginning of period	**$ 7,932**	$ 8,114	$ 8,752	$ 9,082	$ 10,042	**$ 9,082**	$ 9,390
Net change including market performance	**582**	(182)	(638)	(331)	(960)	**(568)**	(308)
Institutional, sub-advisory, ETF AUM end of the period	**$ 8,514**	$ 7,932	$ 8,114	$ 8,751	$ 9,082	**$ 8,514**	$ 9,082
Total AGF Investments AUM	**$ 32,412**	$ 30,428	$ 30,963	$ 32,376	$ 33,088	**$ 32,412**	$ 33,088
Private Wealth AUM	**$ 7,275**	$ 7,000	$ 7,204	$ 7,410	$ 7,366	**$ 7,275**	$ 7,366
Subtotal excluding Private Capital AUM end of the period	**$ 39,687**	**$ 37,428**	**$ 38,167**	**$ 39,786**	**$ 40,454**	**$ 39,687**	**$ 40,454**
Private Capital AUM	**$ 55**	$ 60	$ 58	$ 69	$ 73	**$ 55**	$ 73
Total AUM	**$ 39,742**	**$ 37,488**	**$ 38,225**	**$ 39,855**	**$ 40,527**	**$ 39,742**	**$ 40,527**
Private Capital fee-earning assets[1]	**$ 2,077**	$ 2,067	$ 2,052	$ 2,100	$ 2,108	**$ 2,077**	$ 2,108
Total AUM and fee-earning assets[1] end of the period	**$ 41,819**	**$ 39,555**	**$ 40,277**	**$ 41,955**	**$ 42,635**	**$ 41,819**	**$ 42,635**

[1] Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.
[2] Mutual fund AUM includes retail AUM, pooled funds AUM and institutional client AUM invested in customized series offered within mutual funds.
[3] Total AUM and Private Capital AUM have been restated to exclude co-investment AUM for comparative purposes.

Private Capital AUM and Fee-earning Assets

	Three months ended					Years ended	
(in millions of dollars)	Nov. 30, 2022	Aug. 31, 2022	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021	Nov. 30, 2022	Nov. 30, 2021
Private Capital AUM	**55**	60	58	69	73	**55**	73
Private Capital fee-earning assets[1]	**2,077**	2,067	2,052	2,100	2,108	**2,077**	2,108
Total Private Capital AUM and fee-earning assets[1]	**$ 2,132**	**$ 2,127**	**$ 2,110**	**$ 2,169**	**$ 2,181**	**$ 2,132**	**$ 2,181**

[1] Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.

Change in Assets Under Management

Total AUM before Private Capital fee-earning AUM was $39.7 billion at November 30, 2022, compared to $40.5 billion at November 30, 2021.

Markets remained volatile throughout 2022. Over the past year, many central banks have increased interest rates to fight rising inflation, which has led to bear markets in both stocks and bonds. In addition, the ongoing war in Ukraine and the energy crisis in Europe continue to add to market uncertainty.

Reported mutual funds net sales were $765.0 million for the year ended November 30, 2022, compared to net sales of $1,432.0 million for the year ended November 30, 2021. Retail mutual fund net sales, which exclude net flows from institutional clients invested in mutual funds , were $589.0 million for the year compared to $1,450.0 million in the prior year.

Reported mutual funds net sales were $251.0 million for the three months ended November 30, 2022, compared to $352.0 million for the three months ended November 30, 2021. Excluding net flows from institutional clients invested in mutual funds1, retail mutual fund net sales were $76.0 million for the quarter compared to $355.0 million in the prior year.

Consolidated Operating Results

	Three months ended			Years ended	
(in millions of dollars, except per share data)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Income					
Management, advisory and administration fees	**$ 103.0**	$ 103.8	$ 113.0	**$ 430.3**	$ 432.2
Deferred sales charges	**1.8**	1.8	1.6	**7.2**	6.3
Share of profit (loss) of joint ventures	**0.5**	–	0.1	**(0.3)**	3.1
Other income from fee-earning arrangements	**0.8**	0.7	0.8	**3.0**	1.9
Fair value adjustments and other income	**8.1**	6.2	6.4	**28.8**	18.1
Total income	**$ 114.2**	$ 112.5	$ 121.9	**$ 469.0**	$ 461.6
Expenses					
Selling, general and administrative[2]	**51.5**	46.4	49.9	**194.6**	195.1
Trailing commissions	**32.4**	32.8	36.3	**135.5**	138.0
Investment advisory fees	**0.1**	0.1	0.2	**0.3**	0.8
	$ 84.0	$ 79.3	$ 86.4	**$ 330.4**	$ 333.9
EBITDA before commissions[1]	**$ 30.2**	**$ 33.2**	**$ 35.5**	**$ 138.6**	**$ 127.7**
Deferred selling commissions	**–**	–	15.3	**37.1**	62.6
EBITDA	**30.2**	33.2	20.2	**101.5**	65.1
Amortization, derecognition and depreciation	**2.2**	3.5	2.6	**11.6**	10.5
Interest expense	**0.7**	0.7	0.7	**2.7**	2.8
Net income before income taxes	**$ 27.3**	$ 29.0	$ 16.9	**$ 87.2**	$ 51.8
Income tax expense	**5.7**	6.9	3.1	**20.6**	12.5
Net income for the period	**$ 21.6**	**$ 22.1**	**$ 13.8**	**$ 66.6**	**$ 39.3**
Basic earnings per share	**$ 0.32**	$ 0.33	$ 0.20	**$ 0.97**	$ 0.56
Diluted earnings per share	**$ 0.32**	$ 0.32	$ 0.19	**$ 0.96**	$ 0.55

[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.

[2] Includes severance expenses of $2.5 million (2021 – $0.1 million) for the three months ended November 30, 2022, $0.2 million for the three months ended August 31, 2022 and $4.4 million (2021 – $0.4 million) for the year ended November 30, 2022.

Commentary on 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, 2022, management, advisory and administration fees were $103.0 million and $430.3 million, a decrease of $10.0 million and $1.9 million or 8.8% and 0.4%, compared to $113.0 million and $432.2 million in the same periods in 2021. A breakdown of the change is as follows:

(in millions of dollars)	Three months ended Nov. 30, 2022	Year ended Nov. 30, 2022
Decrease in management, advisory and administration fees	**$ (9.1)**	$ (2.4)
Decrease (increase) in fund expenses	**(0.9)**	0.5
Total change in management, advisory and administration fees	**$ (10.0)**	**$ (1.9)**

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 (prior to June 1, 2022). 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 $1.8 million and $7.2 million for the three months and year ended November 30, 2022, compared to $1.6 million and $6.3 million for the same periods in 2021. As a result of the DSC elimination effective June 1, 2022, DSC revenue will decline over time as assets move off the DSC schedule to front-end.

Share of Profit of Joint Ventures

Share of profit of joint ventures refers to earnings related to our ownership in joint ventures and is recorded under the equity method. For the three months and year ended November 30, 2022, earnings were $0.5 million and a loss of $0.3 million (2021 – earnings of $0.1 million and $3.1 million). During the three months and year ended November 30, 2022, the Company recognized $1.2 million (2021 – nil) and $1.2 million (2021 – $2.2 million) of carried interest revenue through AGF's Private Capital joint ventures. For additional information, see Note 5(a) of the Consolidated Financial Statements.

Other Income from Fee-earning Arrangements

In May 2021, the Company entered into an agreement with Instar whereby AGF will earn ongoing annual fees of 14 bps on the assets under management of the InstarAGF Funds. For the three months and year ended November 30, 2022, the Company recognized income of $0.8 million and $2.8 million (2021 – $0.8 million and $1.9 million) related to the fee arrangement.

In August 2021, AGF announced a strategic private equity partnership with First Ascent focused on investing in emerging technology companies. Based on the terms of the agreement, AGF earns an annual fee of $0.2 million during the commitment period and 11.5 bps on the net invested capital after the commitment period. As at November 30, 2022, the First Ascent Fund fee-earning asset was $0.1 billion (2021 – $0.1 billion) and during the year ended November 30, 2022, the Company recognized $0.2 million (2021 – nil) of income related to the fee arrangement.

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 as well as other income.

During the three months and year ended November 30, 2022, the Company recorded $8.1 million and $28.8 million (2021 – $6.4 million and $18.1 million) in fair value and other income. Fair value adjustments and income distributions related to investments in AGF mutual funds and long-term investments were $7.0 million and $22.8 million for the three months and year ended November 30, 2022 (2021 – $6.2 million and $16.0 million). The amounts recorded as income fluctuate with the amount of capital invested, monetizations, and changes in fair value. Other income was $0.8 million and $5.3 million for the three months and year ended November 30, 2022 (2021 – $0.2 million and $1.6 million). Other income for the year ended November 30, 2022 includes $4.0 million of interest relief received from the Canada Revenue Agency (CRA) for a portion of previously assessed interest in relation to the 2008 to 2015 taxation years on resolved transfer pricing issues.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	Aug. 31, 2022	Nov. 30, 2021	**Nov. 30, 2022**	Nov. 30, 2021
Fair value adjustment related to investment in AGF mutual funds	**$ (0.1)**	$ (0.6)	$ (0.2)	**$ (2.2)**	$ 2.2
Fair value adjustment and distributions related to long-term investments	**7.1**	6.0	6.4	**25.0**	13.8
Interest income	**0.3**	0.2	–	**0.7**	0.5
Other	**0.8**	0.6	0.2	**5.3**	1.6
	$ 8.1	**$ 6.2**	**$ 6.4**	**$ 28.8**	**$ 18.1**

Expenses

Selling, General and Administrative Expenses (SG&A)

For the three months and year ended November 30, 2022, SG&A was $51.5 million and $194.6 million, an increase of $1.6 million and a decrease of $0.5 million or 3.2% and 0.3% compared to $49.9 million and $195.1 million for the same periods in 2021. Excluding severance costs and corporate development costs, SG&A expenses decreased $0.8 million and $2.4 million for the three months and year ended November 30, 2022 compared to the same periods in 2021.

(in millions of dollars)	Three months ended Nov. 30, 2022	Year ended Nov. 30, 2022
Decrease in performance-based compensation expenses	$ (3.4)	$ (9.7)
Increase (decrease) in stock-based compensation expenses	0.3	(1.9)
Increase in other expenses	2.3	9.2
	(0.8)	(2.4)
Increase in severance expenses	2.4	4.1
Decrease in corporate development costs	–	(2.2)
Total increase (decrease) in SG&A	**$ 1.6**	**$ (0.5)**

The following explains expense changes in the three months and year ended November 30, 2022, compared to the same periods in the prior year:

- Performance-based compensation expenses decreased by $3.4 million and $9.7 million due to lower compensation related to sales volume and other performance-linked compensation plans.
- Stock-based compensation expenses increased by $0.3 million for the three months ended November 30, 2022 and decreased by $1.9 million for the year ended November 30, 2022 driven by changes in the AGF.B share price. In April 2022, the Company entered into a Total Return Swap agreement (TRS) with a financial institution to manage its exposure to changes in the fair value of its Deferred Share Units (DSUs), which is based on the AGF.B share price. As at November 30, 2022, the Company had economically hedged 83.2% of its total DSUs.
- Other expenses increased by $2.3 million and $9.2 million, primarily due to increased salaries and benefits expense reflecting investments into the business and market adjustments, increased sales and marketing activity, and investments into system enhancements.

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 mutual fund AUM was 0.58% and 0.59% for the three months and year ended November 30, 2022, compared to 0.61% and 0.61% for the same periods in 2021. The decrease is primarily attributable to a decline in the ratio of trailing commission assets to average daily mutual fund AUM.

Deferred Selling Commissions

Effective June 1, 2022, deferred selling commissions options have been eliminated by the Canadian Securities Administrators. Deferred selling commissions are expensed on an accrual basis. For the year ended November 30, 2022, the total deferred selling commissions expense was nil and $37.1 million (2021 – $15.3 million and $62.6 million).

Amortization and Interest Expense

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

- Depreciation decreased by $0.4 million and increased by $1.1 million for the three months and year ended November 30, 2022, compared to the same periods in 2021. The change in depreciation expense during the year reflects the move to CIBC Square.
- Interest expense remained comparable for the three months and year ended November 30, 2022, compared to the same periods in 2021.

Income Tax Expense

Income tax expense for the three months and year ended November 30, 2022 was $5.7 million and $20.6 million, as compared to $3.1 million and $12.5 million in the corresponding periods in 2021.

The effective tax rate for the year ended November 30, 2022 was 23.6% (2021 – 24.1%). The main items impacting the effective tax rate in the period relate to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, prior period tax adjustments, and non-taxable interest refunds received from the CRA.

As disclosed in the notes of the Company's 2021 Annual Report, the Company received letters from the CRA providing relief for a portion of the previously assessed interest in relation to the 2008 to 2015 taxation years on the resolved transfer pricing issue as disclosed in the Annual Consolidated Financial Statements from 2013 to 2020. During the year ended November 30, 2022, the Company received refunds from the CRA totaling approximately $4.0 million in relation to such interest. The interest relief, which is non-taxable, is recorded in 'Fair value adjustments and other income' on the consolidated statement of income.

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.

Net Income

The impact of the above income and expense items resulted in net income of $21.6 million and $66.6 million for the three months and year ended November 30, 2022 as compared to $13.8 million and $39.3 million in the corresponding periods in 2021.

Earnings per Share

Diluted earnings per share was $0.32 and $0.96 for the year ended November 30, 2022, as compared to earnings of $0.19 and $0.55 per share in the corresponding periods of 2021.

Liquidity and Capital Resources

As at November 30, 2022, the Company had total cash and cash equivalents of $58.6 million (2021 – $86.5 million). Free cash flow, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, generated was $24.1 million and $70.3 million for the three months and year ended November 30, 2022, compared to $12.5 million and $54.8 million in the comparative prior year periods. During the year ended November 30, 2022, we used $27.9 million (2021 – $7.5 million) in cash as follows:

(in millions of dollars)

Years ended November 30	**2022**	**2021**
Net cash provided by operating activities	**$ 64.6**	$ 47.8
Issuance of long-term debt	**22.0**	–
Repurchase of shares under normal course issuer bid and purchase of treasury stock for employee benefit trust (EBT)	**(46.0)**	(7.5)
Dividends paid	**(26.2)**	(23.5)
Interest paid	**(0.5)**	(0.5)
Purchase of long-term investments, net of return of capital	**(23.2)**	(8.9)
Purchase of property, equipment and computer software, net of disposals	**(16.3)**	(13.3)
Lease principal payments	**(4.8)**	(4.5)
Net proceeds (purchase) of short-term investments, including seed capital	**0.5**	(2.2)
Other	**2.0**	5.1
Change in cash and cash equivalents	**$ (27.9)**	**$ (7.5)**

The Company's working capital decreased by $18.6 million for the year ended November 30, 2022.

Total long-term debt outstanding as at November 30, 2022 was $22.0 million (2021 – nil). As at November 30, 2022, $128.0 million was available to be drawn from the revolving credit facility and swingline facility commitment to meet future operational investment needs.

As at November 30, 2022, the Company has right-of-use assets of $70.2 million and total lease liabilities of $81.3 million recorded on the Consolidated Statement of Financial Position. As well, as at November 30, 2022, the Company has funded $181.3 million (2021 – $158.1 million) in funds and investments associated with the Private Capital business and has $42.9 million (2021 – $70.9 million) remaining to be funded. In addition, the Company has an anticipated commitment of US$50.0 million upon the successful launch of Instar's third fund.

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 Private Capital business commitments, 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, 2022. See also Notes 6, 11 and 30 of the Consolidated Financial Statements.

(in millions of dollars)	Total	2023	2024	2025	2026	2027	Thereafter
Long-term debt	22.0	22.0	–	–	–	–	–
Leases[1]	71.1	5.7	5.4	5.3	5.0	4.9	44.8
Service commitment	121.7	27.2	24.3	18.4	13.5	10.9	27.4
Total contractual obligations	$ 214.8	$ 54.9	$ 18.4	$ 23.7	$ 18.5	$ 15.8	$ 72.2

[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 2022, we paid $135.5 million (2021 – $138.0 million) in trailing commissions.
- The Company has funded $181.3 million (November 30, 2021 – $158.1 million) in funds and investments associated with the Private Capital business and has $42.9 million (November 30, 2021 – $70.9 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, 2022 and 2021 were from AGF Funds. As at November 30, 2022, the Company had $16.7 million (2021 – $15.7 million) receivable from AGF Funds. The Company also acts as trustee for AGF Funds that are mutual fund trusts.

The aggregate fund expenses paid and management and advisory fees waived by the Company during the year ended November 30, 2022 on behalf of AGF Funds was approximately $8.6 million as compared to $10.3 million for the prior year.

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 Private Capital 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, Chief Financial Officer (currently Interim Chief Financial Officer), Chief Operating Officer, and Head of Private Capital. 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, are not subject to significant regulatory capital requirements in each of the jurisdictions in which they are registered and operate. The cumulative amount of minimum regulatory capital across all of AGF's Investment Management Operations is approximately $6.0 million. As at November 30, 2022, the Company was in full compliance with the regulatory requirements.

Normal Course Issuer Bid

On February 4, 2021, AGF announced that the TSX had approved AGF's notice of intention to renew its normal course issuer bid (NCIB) in respect of its Class B Non-Voting shares. Purchase for cancellation by AGF of outstanding Class B Non-Voting shares may also be used to offset the dilutive effect of treasury stock released for the employee benefit trust (EBT) and of shares issued through the Company's stock option plans and dividend reinvestment plan. AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares during certain pre-determined black-out periods, subject to certain parameters. Outside of these pre-determined black-out periods, shares will be purchased in accordance with management's discretion. Shares purchased for the EBT are also purchased under the Company's NCIB and recorded as a reduction to capital stock. Under its NCIB, the Class B Non-Voting shares may be repurchased from time to time at prevailing market prices or such other price as may be permitted by the TSX for amounts as follows:

- Between February 8, 2022 and February 7, 2023, up to 4,889,630 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 8, 2021 and February 7, 2022, up to 5,067,167 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, 2022, AGF purchased 24,038 and 2,795,892 (2021 – 501,500 and 702,100) Class B Non-Voting shares for cancellation for a total consideration of $0.2 million and $20.2 million (2021 – $4.1 million and $5.6 million) at an average price of $6.56 and $7.22 (2021 – $8.20 and $8.03) per share under its NCIB. During the year ended November 30, 2022, the discount of $3.2 million (2021 – $1.4 million) over the recorded capital stock value of the shares repurchased for cancellation was recorded in retained earnings.

During the year ended November 30, 2022, AGF completed a substantial issuer bid (SIB), where AGF purchased for cancellation 3,488,646 Class B non-voting shares at a price of $6.75 per share for a total cost of $23.5 million. 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 $25.8 million. The discount over the purchase price of $2.3 million was charged to retained earnings along with $0.4 million of transaction costs.

During the three months and year ended November 30, 2022, AGF purchased nil and 300,000 (2021 – nil and 250,000) Class B Non-Voting shares for the EBT for a total consideration of nil and $1.9 million (2021 – nil and $1.9 million) at an average price of nil and $6.27 (2021 – nil and $7.46) per share.

Dividends

The holders of Class B Non-Voting and Class A Voting common shares are entitled to receive cash dividends. Dividends are paid in equal amounts per share on all the Class B Non-Voting shares and all the Class A Voting common shares at the time outstanding without preference or priority of one share over another. No dividends may be declared in the event that there is a default of a condition of our 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	2022[1]	2021	2020	2019	2018
Per share	**$ 0.40**	$ 0.34	$ 0.32	$ 0.32	$ 0.32

[1] Represents the total dividends paid in April 2022, July 2022 and October 2022 and to be paid in January 2023..

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 20, 2022 was $0.10 per share.

On December 16, 2022, 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 $0.10 per share in respect of the three months ended November 30, 2022.

Outstanding Share Data

Set out below is our outstanding share data as at November 30, 2022 and 2021. For additional detail, see Notes 14 and 21 of the Condensed Consolidated Interim Financial Statements.

November 30	2022	2021
Shares		
Class A Voting common shares	**57,600**	57,600
Class B Non-Voting shares	**64,407,814**	69,956,884
Stock Options		
Outstanding options	**4,701,833**	6,028,824
Exercisable options	**4,044,050**	4,733,080

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 wealth lines of businesses,
- Fund administration fees, which are based on a fixed transfer agency administration fee, and
- General partnership interest, fee arrangements, carried interest and long-term investments in the Private Capital business.

EBITDA before commissions

We define EBITDA before commissions as earnings before interest, taxes, depreciation, amortization and deferred selling commissions. 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)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Net income	**$ 21.6**	$ 22.1	$ 13.8	**$ 66.6**	$ 39.3
Adjustments:					
Deferred selling commissions	**–**	–	15.3	**37.1**	62.6
Amortization, derecognition and depreciation	**2.2**	3.5	2.6	**11.6**	10.5
Interest expense	**0.7**	0.7	0.7	**2.7**	2.8
Income tax expense	**5.7**	6.9	3.1	**20.6**	12.5
EBITDA before commissions	**$ 30.2**	**$ 33.2**	**$ 35.5**	**$ 138.6**	**$ 127.7**

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)	**Nov. 30, 2022**	Aug. 31, 2022	Nov. 30, 2021	**Nov. 30, 2022**	Nov. 30, 2021
EBITDA before commissions	**$ 30.2**	$ 33.2	$ 35.5	**$ 138.6**	$ 127.7
Divided by income	**114.2**	112.5	121.9	**469.0**	461.6
EBITDA before commissions margin	**26.4%**	**29.5%**	**29.1%**	**29.6%**	**27.7%**

EBITDA

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	Aug. 31, 2022	Nov. 30, 2021	**Nov. 30, 2022**	Nov. 30, 2021
Net income	**$ 21.6**	$ 22.1	$ 13.8	**$ 66.6**	$ 39.3
Adjustments:					
Amortization, derecognition and depreciation	**2.2**	3.5	2.6	**11.6**	10.5
Interest expense	**0.7**	0.7	0.7	**2.7**	2.8
Income tax expense	**5.7**	6.9	3.1	**20.6**	12.5
EBITDA	**30.2**	**33.2**	**20.2**	**101.5**	**65.1**

EBITDA margin

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

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	Aug. 31, 2022	Nov. 30, 2021	**Nov. 30, 2022**	Nov. 30, 2021
EBITDA	**$ 30.2**	$ 33.2	$ 20.2	**$ 101.5**	$ 65.1
Divided by income	**114.2**	112.5	121.9	**469.0**	461.6
EBITDA margin	**26.4%**	**29.5%**	**16.6%**	**21.6%**	**14.1%**

Net Debt to EBITDA Ratio

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

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Net debt	**$ –**	$ –	$ –	**$ –**	$ –
Divided by EBITDA (12-month trailing)	**101.6**	91.7	65.4	**101.6**	65.4
Net debt to EBITDA ratio	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in the Private Capital 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.

	Three months ended			Years ended	
(in millions of dollars)	**Nov. 30, 2022**	**Aug. 31, 2022**	**Nov. 30, 2021**	**Nov. 30, 2022**	**Nov. 30, 2021**
Net income for the period	**$ 21.6**	$ 22.1	$ 13.8	**$ 66.6**	$ 39.3
Adjusted for non-cash items and non-cash working capital balance	**12.3**	19.5	15.3	**(2.0)**	8.5
Net cash provided by operating activities	**$ 33.9**	$ 41.6	$ 29.1	**$ 64.6**	$ 47.8
Adjusted for:					
Net changes in non-cash working capital balances related to operations	**(8.5)**	(14.3)	(18.9)	**16.4**	(9.3)
	$ 25.4	$ 27.3	$ 10.2	**$ 81.0**	$ 38.5
Income taxes paid during the period	**4.4**	2.3	5.7	**15.4**	34.7
	$ 29.8	$ 29.6	$ 15.9	**$ 96.4**	$ 73.2
Income taxes related to current period free cash flow	**(4.2)**	(7.6)	(2.3)	**(20.8)**	(13.4)
Interest and lease principal payments	**(1.5)**	(1.4)	(1.1)	**(5.3)**	(5.0)
Free cash flow	**$ 24.1**	**$ 20.6**	**$ 12.5**	**$ 70.3**	**$ 54.8**

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 wealth relationships and Private Capital 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 trailing commissions to financial advisors as well as investment advisory fees based on the value of AUM.

Fee-earning Assets

The amount of fee-earning assets are important to our business as these are the drivers of the fee income from our strategic partnership with Instar and FAV through our Private Capital business. Fee-earning assets will fluctuate in value as a result of investment performance and crystallization of long-term investments.

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 2022 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 wealth and Private Capital businesses separately. We do not compute an average daily AUM figure for them.

Working Capital

Working capital, defined as current assets less current liabilities, is used as a measure to demonstrate AGF's liquidity and ability to generate cash to pay for its short-term financial obligations.

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, future 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 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 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 $438.9 million as compared to its recorded net assets of $1,030.5 million as at November 30, 2022. In 2022, we completed an assessment to determine the fair value of AGF's cash-generating units (CGUs). Based on the result of the assessment, the recoverable amount of each CGU exceeded its carrying value as at November 30, 2022. There have been no significant changes to the recoverable amount of each CGU as at November 30, 2022; however, a sustained period of market volatility could become a triggering event requiring a write down of AGF's CGUs. 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, synergy inclusion 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 President and Head of Global Distribution; the Chief Financial Officer (currently Interim Chief Financial Officer) the Chief Operating Officer; and the Head of Private Capital. The Executive Chairman is directly accountable to the Board of Directors for all risk-related activities. The Executive Management committee reviews and discusses significant risks that arise in developing and executing the enterprise-wide strategy and ensures risk oversight and governance at the most senior levels of management. Each of the business units and shared services owns and assumes responsibility for managing its risk. They do this by ensuring that policies, processes and internal controls are in place and by escalating significant risks identified in the business units to the Executive Management committee.

AGF operates an Enterprise Risk Management (ERM) program. Key risks are identified and evaluated by the Executive Management committee and the Board of Directors. Plans for addressing the key risks are developed by management and agreed to and monitored by the Executive Management committee and the Internal Audit Department. Quarterly, the Internal Audit Department provides a status report on ERM to the Board of Directors.

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

Risk Factors That May Affect Future Results

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

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors. The Company is subjected to market risk as the net management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed.

Rising interest rates and the ongoing rise in inflation are also contributing to higher volatility and could ultimately impact the trajectory of investment returns over the next 12 months. In fact, investors may expect market volatility to continue until it is better understood what impact tighter monetary policy will have on inflation and economic growth.

The ongoing conflict between Ukraine and Russia and resulting international sanctions being imposed by many countries, continue as a source of potential significant economic impacts, not only on those with interest or exposures within Russia and Ukraine, but may also affect global market risk and could result in greater volatility and uncertainty globally and across many sectors.

COVID-19 and the ongoing pandemic also remain a source of volatility for global markets. The virus will continue to impact the global economic recovery, including in countries like the United States and Canada.

AGF continually monitors the potential impact of market risk to its capital position and profitability. A significant portion of AGF's net revenue is driven by its total average AUM excluding Private Capital. 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 Capital, management, advisory and administration fee revenues net of trailer commissions and investment advisory fees would decline by approximately $7.6 million. In addition, the uncertainty within the global markets may impact the level of merger and acquisition activity and is likely to create challenges in completing transactions.

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 total AUM would have resulted in a corresponding change of approximately $1.2 billion in AUM for the year ended November 30, 2022. In general, for every $1.0 billion reduction of average AUM, management, advisory and administration fee revenues net of trailer commissions and investment advisory fees would decline by approximately $7.6 million.

The Company is subject to foreign exchange risk on our integrated foreign subsidiaries in the United States and Ireland, 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. 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 2022 would have resulted in a corresponding change of approximately $0.2 million (2021 – nil) in interest expense for the year ended November 30, 2022. 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 2022 would have resulted in a corresponding change of approximately $1.5 million in interest expense for the year ended November 30, 2022.

At November 30, 2022, approximately 20% of AGF's mutual fund 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 $2.8 million in revenue for the year ended November 30, 2022.

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 Private Capital 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, 2022, the effect of a 10% decline or increase in the value of investments would have resulted in a $22.0 million pre-tax unrealized gain or loss in net income and a $0.1 million 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 remains a source of volatility for global markets along with rising interest rates and the ongoing rise of inflation. Market risk in our AUM transfers to the Company as our net 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, net management fee revenues would decline by approximately $9.7 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 mutual fund AUM by asset type as at November 30:

Percentage of total retail fund AUM	**2022**	**2021**
Domestic equity funds	**17.0%**	17.2%
U.S. and international equity funds	**54.0%**	51.5%
Domestic balanced funds	**1.5%**	1.7%
U.S. and international balanced funds	**6.9%**	7.1%
Domestic fixed-income funds	**6.3%**	6.8%
U.S. and international fixed-income funds	**13.5%**	15.1%
Domestic money market	**0.7%**	0.5%
Domestic Alternative Funds	**0.1%**	0.1%
	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 $4.5 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 investment-related commitments in the Private Capital business, dividends paid to shareholders, obligations to taxation authorities, and the repayment of 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 rising interest rates, the ongoing rise of inflation 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. The COVID-19 pandemic remains a source of volatility for global markets along with rising interest rates and the ongoing rise of inflation and this 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, particularly where a distribution partner represents a meaningful portion of the Company's sales flow.

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 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). The OSC published similar final rule amendments on June 3, 2021 to also ban the DSC Option. The ban took effect on June 1, 2022 across Canada.

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 took effect on June 1, 2022.

AGF, as an investment fund manufacturer, offers a wide range of mutual fund series 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 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.

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 in, 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 possible 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. The ongoing conflict in Ukraine along with COVID-19 and 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. is a signatory 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. regularly reviews 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.

AGF continues to monitor the impact of the COVID-19 pandemic and is managing expenses and its 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 related to COVID-19. To date, AGF has experienced no significant impact to our business operations and no instances of business operations interruption.

Offices have reopened and employees have transitioned to a hybrid mix of in-office and at-home work environments.

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 Interim CFO, to allow timely decisions regarding required disclosure.

AGF Management Limited's management, under the direction of the CEO and Interim 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, 2022, and has concluded that such disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

The CEO and Interim CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting (ICFR) 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 Interim CFO, has evaluated the effectiveness of the Company's internal control over financial reporting as at November 30, 2022, and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management's assessment was based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes to ICFR

A material change in ICFR is a change that has materially affected or is reasonably likely to materially affect the issuer's ICFR.

There have been no changes to the Company's ICFR during the year ended November 30, 2022 that have materially affected or are reasonably likely to materially affect the Company's ICFR.

Summary of Annual Results

(from continuing operations)

(in millions of dollars, except per share amounts)

Years ended November 30	2022	2021	2020[1,2]	2019[3,4]	2018[5]
Income	**$ 469.0**	$ 461.6	$ 543.9	$ 436.7	$ 450.2
Expenses[10]	**330.4**	333.9	292.8	326.7	343.7
EBITDA before commissions[11]	**138.6**	127.7	251.1	110.0	106.5
Pre-tax income	**87.2**	51.8	194.4	57.3	62.5
Net income attributable to equity owners of the Company	**66.6**	39.3	173.9	47.9	73.9
Earnings per share attributable to equity owners of the Company					
Basic	**$ 0.97**	$ 0.56	$ 2.25	$ 0.61	$ 0.94
Diluted	**0.96**	0.55	2.22	0.60	0.92
Free cash flow[11]	**$ 70.3**	$ 54.8	$ 46.1	$ 52.8	$ 41.4
Dividends per share	**$ 0.40**	$ 0.34	$ 0.32	$ 0.32	$ 0.32
Long-term debt	**$ 21.6**	$ –	$ –	$ 207.3	$ 188.6
Weighted average basic shares	**68,430,165**	70,009,123	77,326,775	78,739,081	79,292,775
Weighted average fully diluted shares	**69,437,213**	71,660,642	78,359,570	79,672,961	80,637,948

(in millions of dollars, except per share amounts)

Years ended November 30	2017[6]	2016[7]	2015[8]	2014	2013[9]
Income	$ 455.5	$ 428.7	$ 449.6	$ 464.5	$ 484.5
Expenses[10]	339.1	319.2	322.4	309.6	320.9
EBITDA before commissions[11]	116.4	109.5	127.2	154.9	163.6
Pre-tax income	61.8	52.7	63.9	79.1	66.0
Net income attributable to equity owners of the Company	52.1	42.5	48.3	61.3	22.4
Earnings per share attributable to equity owners of the Company					
Basic	$ 0.66	$ 0.53	$ 0.59	$ 0.69	$ 0.25
Diluted	0.64	0.53	0.58	0.68	0.25
Free cash flow[11]	$ 58.7	$ 61.5	$ 67.8	$ 82.0	$ 102.3
Dividends per share	$ 0.32	$ 0.32	$ 0.51	$ 1.08	$ 1.08
Long-term debt	$ 138.6	$ 188.2	$ 268.8	$ 308.2	$ 307.9
Weighted average basic shares	79,330,190	79,278,876	82,295,595	86,000,437	88,163,616
Weighted average fully diluted shares	81,245,279	80,253,600	83,584,539	87,384,880	88,690,410

[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] Includes selling, general and administrative (SG&A), restructuring provisions, trailing commissions and investment advisory fees.
[11] See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

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, 2022, the Company's 2022 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedar.com.

Management's Responsibility for Financial Reporting

Toronto, January 24, 2023

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 (the Board) 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

Jenny Quinn
Interim 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, 2022 and 2021, 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, 2022 and 2021;
- 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended November 30, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Determination of recoverable amounts of goodwill and management contracts – Retail and Institutional cash generating units (CGUs) *Refer to note 3 – significant accounting policies, judgments and estimation uncertainty and note 8 – Goodwill and intangible assets to the consolidated financial statements.* The Company had goodwill and management contracts of $941 million as at November 30, 2022, of which a significant portion relates to the Retail and Institutional CGUs. Management tests goodwill and management contracts annually for impairment or more frequently if events or circumstances indicate that the carrying value may be impaired. Management determines whether an impairment loss should be recognized by comparing the carrying value of the CGU 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, 2022, the Company has performed a discounted cash flow analysis for each CGU to estimate the recoverable amount. In the discounted flow analysis, management applies judgment in selecting the appropriate discount rate, and terminal growth rate. Management also estimates future cash flows based on (i) assets under management, of which key assumptions include: gross sales, redemptions, and market growth and (ii) synergies' inclusion rates. Based on the results of the annual impairment test, management concluded that no goodwill or management contracts were impaired for the retail and institutional CGUs as at November 30, 2022. We considered this a key audit matter due to (i) the significance of the goodwill and management contract balances for the retail and institutional CGUs and (ii) the significant judgment made by management in determining the recoverable amount of the CGUs, including the use of significant assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the Retail and Institutional CGUs, which included the following: – Tested the (i) appropriateness of the use of a discounted cash flow analysis, and (ii) the mathematical accuracy of the discounted cash flow analyses prepared by management. – Tested the reasonableness of assumptions related to assets under management (gross sales, redemptions and market growth) by comparing them to the budget approved by the Board of Directors, current and past performance of the CGUs and available third party published economic data. – Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the methodology used in discounted cash flow analyses and the reasonableness of the discount rates, terminal growth rates and synergies' inclusion rates used by management. – Tested the assets under management data used in the discounted cash flow analyses. • Evaluated the disclosures made in the consolidated financial statements, including the sensitivity of the key assumptions used.

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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 24, 2023

Consolidated Statement of Financial Position

(in thousands of dollars)

November 30	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents		**$ 58,620**	$ 86,484
Investments	4	**20,681**	23,074
Accounts receivable, prepaid expenses and other assets		**40,729**	37,655
Income tax receivable	23, 29	**2,438**	5,803
Total current assets		**122,468**	153,016
Investment in joint ventures	5	**1,654**	783
Long-term investments	5	**199,067**	160,721
Management contracts	8	**689,759**	689,759
Goodwill	8	**250,830**	250,830
Other intangibles, net of accumulated amortization and derecognition	8	**474**	558
Right-of-use assets	6	**70,178**	76,065
Property, equipment and computer software, net of accumulated depreciation	9	**29,227**	19,009
Deferred income tax assets	12	**3,888**	6,085
Other assets	7	**1,444**	2,539
Total non-current assets		**1,246,521**	1,206,349
Total assets		**$ 1,368,989**	**$ 1,359,365**

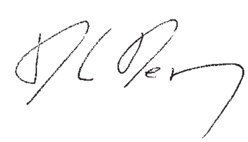
Consolidated Statement of Financial Position

(in thousands of dollars) November 30	Note	2022	2021
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10, 21	**$ 74,481**	$ 82,247
Provision for Elements Advantage	13	**–**	651
Lease liability	6	**990**	3,919
Derivative financial instrument	18	**246**	–
Total current liabilities		**75,717**	86,817
Long-term lease liability	6	**80,279**	80,710
Long-term debt	11	**21,587**	–
Deferred income tax liabilities	12	**150,607**	150,294
Other long-term liabilities	7, 21	**10,253**	10,421
Total liabilities		**338,443**	328,242
Equity			
Equity attributable to owners of the Company			
Capital stock	14	**391,719**	426,193
Contributed surplus	21	**41,883**	40,182
Retained earnings		**593,949**	561,794
Accumulated other comprehensive income	15	**2,995**	2,954
Total equity		**1,030,546**	1,031,123
Total liabilities and equity		**$ 1,368,989**	**$ 1,359,365**

(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	2022	2021
Income			
Management, advisory and administration fees	16	**$ 430,347**	$ 432,260
Deferred sales charges		**7,224**	6,301
Share of profit (loss) of joint ventures	5	**(316)**	3,146
Other income from fee-earning arrangements	7	**2,986**	1,875
Fair value adjustments and other income	5, 17	**28,763**	18,097
Total income		**469,004**	461,679
Expenses			
Selling, general and administrative	19, 26	**194,562**	195,129
Trailing commissions		**135,475**	137,986
Investment advisory fees		**301**	833
Deferred selling commissions		**37,062**	62,647
Amortization and derecognition of customer contracts and other intangibles		**84**	109
Depreciation of property, equipment and computer software		**6,121**	4,001
Depreciation of right-of-use asset	6	**5,447**	6,380
Interest expense	22	**2,693**	2,796
Total expenses		**381,745**	409,881
Income before income taxes		**87,259**	**51,798**
Income tax expense			
Current	23	**18,253**	11,423
Deferred	23	**2,359**	1,078
Total income tax expense		**20,612**	12,501
Net income for the year		**$ 66,647**	**$ 39,297**
Earnings per share			
Basic	24	$ 0.97	$ 0.56
Diluted	24	$ 0.96	$ 0.55

(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	2022	2021
Net income for the year	**$ 66,647**	$ 39,297
Other comprehensive income, net of tax		
Net unrealized gain on investments		
Unrealized gain	**41**	314
	41	314
Total other comprehensive income, net of tax	**$ 41**	$ 314
Net comprehensive income	**$ 66,688**	**$ 39,611**

Items presented in other comprehensive income will be reclassified to the consolidated statement of income 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, 2020	$ 425,460	$ 40,465	$ 547,614	$ 2,640	**$ 1,016,179**
Net income for the year	–	–	39,297	–	**39,297**
Other comprehensive income (net of tax)		–	–	314	**314**
Comprehensive income for the year	–	–	39,297	314	**39,611**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	313	–	–	–	**313**
Stock options	5,253	(121)	–	–	**5,132**
AGF Class B Non-Voting shares repurchased for cancellation	(4,258)	–	(1,412)	–	**(5,670)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.3 million	–	–	(24,113)	–	**(24,113)**
Equity-settled Restricted Share Units, net of tax	–	(162)	–	–	**(162)**
Treasury stock purchased	(1,864)	–	–	–	**(1,864)**
Treasury stock released	1,289	–	408	–	**1,697**
Balance, November 30, 2021	**$ 426,193**	**$ 40,182**	**$ 561,794**	**$ 2,954**	**$ 1,031,123**
Balance, December 1, 2021	$ 426,193	$ 40,182	$ 561,794	$ 2,954	**$ 1,031,123**
Net income for the year	–	–	66,647	–	**66,647**
Other comprehensive income (net of tax)	–	–	–	41	**41**
Comprehensive income for the year	–	–	66,647	41	**66,688**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	452	–	–	–	**452**
Stock options	3,356	180	–	–	**3,536**
AGF Class B Non-Voting shares repurchased for cancellation	(38,216)	–	(5,896)	–	**(44,112)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.5 million	–	–	(27,175)	–	**(27,175)**
Equity-settled Restricted Share Units, net of tax	–	1,521	–	–	**1,521**
Treasury stock purchased	(1,883)	–	–	–	**(1,883)**
Treasury stock released	1,817	–	(1,421)	–	**396**
Balance, November 30, 2022	**$ 391,719**	**$ 41,883**	**$ 593,949**	**$ 2,995**	**$ 1,030,546**

(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	2022	2021
Operating Activities			
Net income for the year		**$ 66,647**	$ 39,297
Adjustments for			
Amortization, derecognition and depreciation		**11,652**	10,490
Interest expense		**2,693**	2,796
Income tax expense	23	**20,612**	12,501
Income taxes paid		**(15,373)**	(34,732)
Stock-based compensation	19, 21	**7,703**	9,638
Share of loss (profit) of joint ventures	5	**316**	(3,146)
Distributions from joint ventures	5	**93**	4,573
Fair value adjustment on long-term investments	5	**(15,125)**	89
Net realized and unrealized gain on short-term investments	17	**2,151**	(2,184)
Other		**(362)**	(776)
		81,007	38,546
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		**(2,818)**	(75)
Other assets		**681**	3,416
Accounts payable and accrued liabilities		**(13,172)**	5,027
Other liabilities		**(1,098)**	889
		(16,407)	9,257
Net cash provided by operating activities		**64,600**	47,803
Financing Activities			
Repurchase of Class B Non-Voting shares for cancellation	14	**(44,112)**	(5,635)
Issue of Class B Non-Voting shares	14	**3,356**	5,253
Purchase of treasury stock	14	**(1,883)**	(1,864)
Dividends paid	25	**(26,215)**	(23,507)
Issuance of long-term debt	11	**22,000**	–
Interest paid		**(515)**	(474)
Lease principal payments	6	**(4,761)**	(4,500)
Net cash used in financing activities		**(52,130)**	(30,727)
Investing Activities			
Investment in joint venture	5	**(1,280)**	(311)
Purchase of long-term investments	5	**(31,430)**	(30,912)
Return of capital from long-term investments	5	**8,209**	22,051
Purchase of property, equipment and computer software, net of disposals	9	**(16,339)**	(13,273)
Purchase of short-term investments	4	**(18,970)**	(8,540)
Proceeds from sale of short-term investments	4	**19,476**	6,384
Net cash used in investing activities		**(40,334)**	(24,601)
Decrease in cash and cash equivalents		**(27,864)**	(7,525)
Balance of cash and cash equivalents, beginning of the year		**86,484**	94,009
Balance of cash and cash equivalents, end of the year		**$ 58,620**	$ 86,484
Cash and cash equivalents comprise of:			
Cash at bank and on hand		**$ 54,093**	$ 81,983
Term deposit		**4,527**	4,501
Total cash and cash equivalents		**$ 58,620**	$ 86,484

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

Notes to the Consolidated Financial Statements

For the years ended November 30, 2022 and 2021

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 CIBC Square, Tower One, 81 Bay Street, Toronto, Ontario.

The Company is an independent and globally diverse asset management firm, whose principal subsidiaries provide investment management for mutual funds, factor-based exchange-traded funds (ETF), institutions and corporations, private wealth clients, and access to private markets through its three business lines: AGF Investments, AGF Private Wealth, and AGF Private Capital (Private Capital).

The Company's wholly owned subsidiary AGF CustomerFirst Inc. (AGFC) provides fund administration services to the AGF mutual funds. The Company's Private Capital business includes joint ventures with Stream Asset Financial Management LP (SAFM LP) and AGF SAF Private Credit Management LP (PCMLP), and fee-earning arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent). The Company also has an ownership interest in AGFWave Asset Management Inc. (AGFWave), which provides asset management services and products in China and South Korea.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on January 24, 2023.

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.

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 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, 2022 are as follows:

	Principal activity	Country of incorporation	Interest held
1801882 Alberta Ltd.	Private market investments	Canada	100%
1936874 Ontario Ltd.	Private market investments	Canada	100%
20/20 Financial Corporation	Holding company	Canada	100%
AGF CustomerFirst Inc.[1]	Transfer agency	Canada	100%
AGF International Advisors Company Limited	Investment management	Ireland	100%
AGF Investments America Inc.	Investment management	Canada	100%
AGF Investments Inc.[1]	Investment management	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.	Private client servicing	Canada	100%

[1] As of January 1, 2023, AGF Customer First Inc. has been amalgamated into AGF Investments Inc.

(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.

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, 2022, the carrying amount of the Company's interests in investment funds that it manages was $19.8 million (2021 – $21.8 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 $2.2 million in charges for the year ended November 30, 2022 (2021 – $2.2 million of income). 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, 2022 are as follows:

	Investment type	Nature of activities	Country of incorporation	Interest held
Stream Asset Financial GP LP (SAF GP)	Joint venture	Asset manager – private credit	Canada	31.6%
Stream Asset Financial Management LP (SAFM LP)	Joint venture	Asset manager – private credit	Canada	31.6%
Stream Asset Financial GP LP[1]	Joint venture	Asset manager – carried interest entity	Canada	32.4%
FAV II Principal Carry LP	Joint venture	Asset manager – carried interest entity	Canada	15.0%
AGF SAF Private Credit GP	Joint venture	Asset manager – private credit	Canada	50.0%
AGF SAF Private Credit Management LP (PCMLP)	Joint venture	Asset manager – private credit	Canada	50.0%
AGF SAF Private Credit Performance LP[1]	Joint venture	Asset manager – private credit	Canada	30.0%
AGFWave Asset Management Inc. (AGFWave)	Joint venture	Investment Management	Canada	50.0%

[1] Represents carried interest allocation.

The Company will receive performance-based fees or carried interest distributions from the carried interest entities it has ownership interest in if a Private Capital 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, 2022 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%
AGF SAF Private Credit Limited Partnership (AGF SAF PC LP)	Long-term investment	Limited partnership – investment entity	Canada	7.0%
AGF SAF Private Credit Trust	Long-term investment	Limited partnership – investment entity	Canada	34.5%
First Ascent Ventures II LP	Long-term investment	Limited partnership – investment entity	Canada	31.0%

3.3 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.

3.4 Assets Under Management (AUM) and Fee-earning Assets

The Company, through its investments in subsidiaries, manages a range of mutual funds, other investments and fee-earning 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 and fee-earning assets, which was $41.8 billion as at November 30, 2022 (2021 – $42.6 billion).

3.5 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.

3.6 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, term 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.

3.7 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.

3.8 Leases

The Company assesses whether a contract contains a lease under IFRS 16 at inception if all of 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 eligible 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 increasing the scope of the lease by adding the right to use one or more underlying assets, increasing the scope of the lease by extending 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.

3.9 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) Other Intangibles

Other intangibles are stated at cost (which generally coincides with the fair value at the dates acquired), net of accumulated amortization and impairment, if any. Amortization for 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. Other intangibles for which client attrition occurs is immediately charged to net income and included in amortization and derecognition of other intangibles.

3.10 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, if applicable, 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

3.11 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 or more frequently if events or circumstances indicate that the carrying value may be impaired. 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.

3.12 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 consisted of five diversified fund-of-fund portfolios. Four of these portfolios included the Elements Advantage Commitment, which was a commitment to the investor that if their portfolio did not match or outperform its customized benchmark over a three-year period, AGF provided each individual investor up to 90 basis points in additional units. This was calculated based on the value of such investment at the end of its related three-year period.

The Company recorded 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 did not match or exceed the corresponding benchmark, amounts previously recorded as a provision were 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 remained eligible for the Program. Any units purchased on or after June 22, 2009 were not entitled to participate in the Program.

As of September 2019, the Program was terminated. Participating units did not renew a three-year cycle after this date, and no provision was recorded as at November 30, 2022.

3.13 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.

3.14 Employee Benefits

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

The Company has established stock option plans for senior employees and utilizes the fair-value-based method of accounting for stock options. The fair value of stock options, determined on the grant date using an option pricing model, is recorded over the vesting period as a charge to net earnings with a corresponding credit to contributed surplus, taking into account forfeitures. Awards are settled by issuance of AGF Class B Non-Voting shares upon exercise of the options. The stock options are issued with an exercise price equal to fair market value which means the volume weighted average trading price of the Class B Non-Voting Shares as reported on the TSX for the five trading days immediately preceding the date of grant. 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 an Employee Benefit Trust (EBT), which acquires Class B Non-Voting shares of the Company in the open market, to be delivered to employees upon vesting of their RSUs, net of tax. 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 plan provides a cash-based award paid over three years to certain employees, the value of which is linked to the change in value of Doherty by reference to changes in Doherty's earnings before interest, taxes, depreciation and amortization (EBITDA). The Company had a Long-term Incentive plan for certain employees of Cypress, which ended on November 30, 2022. The plan provided revenue sharing based on Cypress's net revenue. 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. Obligations related to the plans are recorded under accounts payable and accrued liabilities on the consolidated statement of financial position.

3.15 Capital Stock

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

3.16 Dividends

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

3.17 Earnings per Share

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

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

3.18 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 are recognized as an expense on an accrual basis.

3.19 Critical Accounting Estimates and Judgements

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

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

(a) Impairment of Non-financial Assets

The Company determines the recoverability of each of its CGUs based on 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, future 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.

3.20 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**	**2022**	2021
Fair value through profit or loss		
AGF mutual funds and other	**$ 19,816**	$ 21,836
Fair value through other comprehensive income		
Equity securities	**865**	913
Amortized cost		
Canadian government debt – Federal	**–**	325
	$ 20,681	$ 23,074

During the year ended November 30, 2022 and 2021, no impairment charges were recognized.

The Company may temporarily provide capital to warehouse investments related to its private markets business. As at November 30, 2022, the Company had nil in warehouse investments (2021 – $3.0 million).

The continuity of investments for the years ended November 30, 2022 and 2021 is as follows:

(in thousands of dollars) **Years ended November 30**	**2022**	2021
Balance, beginning of the year	**$ 23,074**	$ 18,169
Additions[1]	**18,970**	8,540
Disposals[1]	**(19,476)**	(6,384)
Net realized and unrealized gains (losses) on investments classified as FVTPL	**(2,151)**	2,184
Reinvested dividends and interest	**216**	202
Net unrealized and realized gains on investments at FVTOCI	**48**	363
Balance, end of the year	**$ 20,681**	$ 23,074

[1] Includes $16.1 million of additions and $19.1 million of disposals related to warehouse investments in the private markets business funds (2021 – $3.0 million of additions and nil disposals).

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 Capital funds. Refer to Note 3.2(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 Company also has an ownership interest in AGFWave, which provides asset management services and products in China and South Korea.

The continuity for the years ended November 30, 2022 and 2021 is as follows:

(in thousands of dollars)

Years ended November 30	**2022**	**2021**
Balance, beginning of the year	**$ 783**	$ 1,780
Investment in joint venture	**1,280**	430
Share of profit (loss)	**(316)**	3,146
Distributions received	**(93)**	(4,573)
Balance, end of the year	**$ 1,654**	$ 783

For the year ended November 30, 2022, the Company recognized profit of $0.1 million (2021 – $3.1 million) and received distributions of $0.1 million (2021 – $4.6 million) from its Private Capital joint ventures. For the year ended November 30, 2022, the Company recognized a loss of $0.4 million (2021 – nil) from its interest in AGFWave.

(b) Investment in Long-term Investments

Fair value adjustments and income distributions related to the Company's long-term investments in Private Capital are included in fair value adjustments and other income in the consolidated statement of income.

The continuity for the Company's long-term investments, accounted for at fair value through profit or loss (FVTPL), for the years ended November 30, 2022 and 2021 is as follows:

(in thousands of dollars)

Years ended November 30	**2022**	**2021**
Balance, beginning of the year	**$ 160,721**	$ 151,949
Purchase of long-term investments	**31,430**	30,912
Return of capital	**(8,209)**	(22,051)
Fair value adjustment[1]	**15,125**	(89)
Balance, end of the year	**$ 199,067**	$ 160,721

[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, 2022, the carrying value of the Company's long-term investments in the Private Capital business was $199.1 million (2021 – $160.7 million).

For the year ended November 30, 2022, the Company recognized income of $25.0 million (2021 – $13.8 million) comprised of $15.1 million (2021 – $0.1 million) in fair value adjustments and $9.9 million (2021 – $13.7 million) in distributions related to long-term investments.

The following shows the Company's commitment in funds and investments associated with the Private Capital business as at November 30, 2022 and 2021.

(in thousands of dollars) Years ended November 30	2022	2021
Remaining Commitment to be funded, beginning of the year	$ 70,917	$ 70,229
Additional capital committed	3,450	31,600
Funded capital during the year	(31,430)	(30,912)
Remaining commitment to be funded, end of the year[1]	$ 42,937	$ 70,917

[1] Excludes anticipated commitment of US $50.0 million upon the successful launch of Instar's third fund.

Note 6: Leases

The Company leases property and office equipment. During the year ended November 30, 2022, the Company incurred lease modification and reassessment of $0.7 million, resulting in right-of-use assets of $70.2 million and total lease liabilities of $81.3 million recorded on the consolidated statement of financial position. The following shows the carrying amounts of the Company's right-of-use assets and lease liabilities by class and the movements during the years ended November 30, 2022 and 2021:

	Right-of-use assets			Lease liabilities
(in thousands of dollars)	Property	Equipment	Total	
As at December 1, 2021	$ 75,384	$ 681	$ 76,065	$ 84,629
Depreciation expense	(5,215)	(232)	(5,447)	–
Lease modification and reassessment	(434)	(6)	(440)	(670)
Interest expense	–	–	–	2,071
Payments	–	–	–	(4,761)
As at November 30, 2022	**$ 69,735**	**$ 443**	**$ 70,178**	**$ 81,269**
As at December 1, 2020	$ 80,181	$ 958	$ 81,139	$ 85,663
Depreciation expense	(6,108)	(272)	(6,380)	–
Lease modification and reassessment	1,311	(5)	1,306	1,297
Interest expense	–	–	–	2,169
Payments	–	–	–	(4,500)
As at November 30, 2020	**$ 75,384**	**$ 681**	**$ 76,065**	**$ 84,629**

The Company is committed under leases for office premises and equipment. The table below shows the Company's approximate remaining contractual minimum annual rental payments under the leases.

(in thousands of dollars) Years ended November 30	
2023	$ 5,673
2024	5,429
2025	5,342
2026	4,988
2027	4,867
Thereafter	44,807
Total	**$ 71,106**

Note 7: Other Fee-earning Arrangements

InstarAGF Fee-earning Arrangement

On May 26, 2021, the Company announced changes to its relationship with Instar Group Inc. The joint venture relationship in InstarAGF Asset Management Inc. (InstarAGF) was concluded following the establishment of its two flagship funds, InstarAGF Essential Infrastructure Fund I and II (together, the InstarAGF Funds). Based on the terms of the agreements, the Company maintained its respective long-term investments, as well as the carried interest participation in the InstarAGF Funds (carried interest entities). In addition, the Company and Instar entered into a fee arrangement whereby AGF will earn ongoing annual fees of 14 bps on the assets under management of the InstarAGF Funds. As at November 30, 2022, the InstarAGF Funds fee-earning assets were $2.0 billion (2021 – $2.1 billion).

During the year ended November 30, 2021, the Company also announced an anticipated commitment of US$50.0 million upon the successful launch of Instar's third fund. Upon AGF's commitment to Instar's third fund, the Company will earn ongoing annual fees of 7 bps on the assets under management of Instar's third fund as well as participate in the carried interest.

The fee arrangement is classified as a contract with Instar under IFRS 15. Under IFRS 15, the annual fee will be recorded as income on an accrual basis over the remaining terms of each of the InstarAGF Funds. During the year ended November 30, 2022, the Company recognized $2.8 million (2021 – $1.9 million) of income related to the fee arrangement.

The Company's carried interest participation in the InstarAGF Funds is classified as a financial instrument under IFRS 9, specifically equity instrument, and measured at fair value through other profit and loss (FVTPL). The fair value of the carried interest investment as at November 30, 2022 is $1.4 million (2021 – $1.2 million) and is included in other assets in the consolidated statement of financial position. The Company has $1.4 million in long-term deferred income related to initial recognition of the carried interest entity, which will be recognized in the consolidated income statement as distributions are received. Fair value adjustment on the carried interest entities will result in changes to the asset with a corresponding change to deferred income. During the year ended November 30, 2022, the Company recognized $0.2 million of fair value adjustments on the carried interest investments.

First Ascent Fee-earning Arrangement

In August 2021, AGF announced a strategic private equity partnership with First Ascent focused on investing in emerging technology companies. Based on the terms of the agreements, AGF has committed a $30.0 million cornerstone investment to First Ascent's second fund (First Ascent Fund) and will earn an annual fee of $0.2 million during the commitment period and 11.5 bps on the net invested capital after the commitment period. As at November 30, 2022, the First Ascent Fund fee-earning asset was $0.1 billion (2021 – $0.1 billion) and during the year ended November 30, 2022, the Company recognized $0.2 million (2021 – nil) of income related to the fee arrangement.

Note 8: Goodwill and Intangible Assets

(in thousands of dollars)	Management contracts	Goodwill	Other intangibles	Total
At December 1, 2020				
Cost, net of derecognition and impairment	$ 689,759	$ 250,830	$ 4,546	$ 945,135
Less: fully amortized assets	–	–	(3,520)	(3,520)
	689,759	250,830	1,026	941,615
Accumulated amortization	–	–	(3,879)	(3,879)
Less: fully amortized assets	–	–	3,520	3,520
	–	–	(359)	(359)
Net book amount	$ 689,759	$ 250,830	$ 667	$ 941,256
Year ended November 30, 2021				
Opening net book amount	$ 689,759	$ 250,830	$ 667	$ 941,256
Amortization	–	–	(109)	(109)
Closing net book amount	$ 689,759	$ 250,830	$ 558	$ 941,147
At November 30, 2021				
Cost, net of derecognition and impairment	$ 689,759	$ 250,830	$ 1,026	$ 941,615
Less: fully amortized assets	–	–	(80)	(80)
	689,759	250,830	946	941,535
Accumulated amortization	–	–	(468)	(468)
Less: fully amortized assets	–	–	80	80
	–	–	(388)	(388)
Net book amount	$ 689,759	$ 250,830	$ 558	$ 941,147
Year ended November 30, 2022				
Opening net book amount	**$ 689,759**	**$ 250,830**	**$ 558**	**$ 941,147**
Amortization	**–**	**–**	**(84)**	**(84)**
Closing net book amount	**$ 689,759**	**$ 250,830**	**$ 474**	**$ 941,063**
At November 30, 2022				
Cost, net of derecognition and impairment	**$ 689,759**	**$ 250,830**	**$ 946**	**$ 941,535**
Less: fully amortized assets	**–**	**–**	**–**	**–**
	689,759	**250,830**	**946**	**941,535**
Accumulated amortization	**–**	**–**	**(472)**	**(472)**
Less: fully amortized assets	**–**	**–**	**–**	**–**
	–	**–**	**(472)**	**(472)**
Net book amount	**$ 689,759**	**$ 250,830**	**$ 474**	**$ 941,063**

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, 2021					
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, 2022					
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, 2022, 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, 2022 was $780,295 (2021 – $780,274), of which $690,020 was in the Retail CGU (2021 – $689,926).

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, 2022 and 2021, the Company has performed a discounted cash flow analysis for each CGU to estimate the recoverable amount.

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 68% of total costs in the Retail CGU and 65% of total costs in the Institutional CGU. These synergies were further discounted by the synergies' inclusion rate of 50%, resulting in synergies of approximately 33% included in the FVLCTS valuation. No synergies were assumed for the Cypress CGU and Doherty CGU, given the nature of private client businesses.

Based on the results of the annual impairment test, the Company concluded that no goodwill or management contracts were impaired as at November 30, 2022.

The following is a summary of the valuation results for the Company's most significant CGU as at November 30, 2022:

(in thousands of dollars)	Investment management – retail
Recoverable amount applied – overall	$ 1,442,727
Carrying amount	690,020
Excess	**$ 752,707**
AUM	$ 21,426,242
AUM multiple	6.70%
FVLCTS approach	
Discount rate	11.70%
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, 2022.

(in thousands of dollars)	Investment management – retail
FVLCTS approach	
Discount rate	11.25%
Terminal growth rate	4.00%
Synergies inclusion rate	50.0%
Recoverable amount – high	$ 1,607,859
Discount rate	12.15%
Terminal growth rate	3.00%
Synergies inclusion rate	50.00%
Recoverable amount – low	$ 1,311,651

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, 2020					
Cost	$ 9,113	$ 8,745	$ 5,873	$ 5,099	$ 28,830
Less: 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)
Less: depreciation on 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
Year ended November 30, 2021					
Opening net book amount	$ 1,196	$ 3,485	$ 1,562	$ 2,097	$ 8,340
Additions	107	10,322	1,252	1,592	13,273
Transfer of other asset[1]	–	1,397	–	–	1,397
Depreciation	(184)	(1,190)	(1,018)	(1,609)	(4,001)
Closing net book amount	$ 1,119	$ 14,014	$ 1,796	$ 2,080	$ 19,009
At November 30, 2021					
Cost	$ 9,043	$ 20,370	$ 5,349	$ 5,756	$ 40,518
Less: fully depreciated assets	358	(19)	(1,859)	(1,404)	(2,924)
	9,401	20,351	3,490	4,352	37,594
Accumulated depreciation	(7,924)	(6,356)	(3,553)	(3,676)	(21,509)
Less: fully depreciated assets	(358)	19	1,859	1,404	2,924
	(8,282)	(6,337)	(1,694)	(2,272)	(18,585)
Net book amount	$ 1,119	$ 14,014	$ 1,796	$ 2,080	$ 19,009
Year ended November 30, 2022					
Opening net book amount	**$ 1,119**	**$ 14,014**	**$ 1,796**	**$ 2,080**	**$ 19,009**
Additions	**3,971**	**9,147**	**1,950**	**1,271**	**16,339**
Depreciation	**(1,032)**	**(2,659)**	**(1,005)**	**(1,425)**	**(6,121)**
Closing net book amount	**$ 4,058**	**$ 20,502**	**$ 2,741**	**$ 1,926**	**$ 29,227**
At November 30, 2022					
Cost	**$ 13,372**	**$ 29,498**	**$ 5,440**	**$ 5,623**	**$ 53,933**
Less: fully depreciated assets	**(5,994)**	**(7,093)**	**(593)**	**(1,722)**	**(15,402)**
	7,378	**22,405**	**4,847**	**3,901**	**38,531**
Accumulated depreciation	**(9,314)**	**(8,996)**	**(2,699)**	**(3,697)**	**(24,706)**
Less: fully depreciated assets	**5,994**	**7,093**	**593**	**1,722**	**15,402**
	(3,320)	**(1,903)**	**(2,106)**	**(1,975)**	**(9,304)**
Net book amount	**$ 4,058**	**$ 20,502**	**$ 2,741**	**$ 1,926**	**$ 29,227**

[1] Costs related to CIBC Square lease previously recorded as other assets prior to obtaining access.

Note 10: Accounts Payable

(in thousands of dollars) Years ended November 30	2022	2021
Compensation related payable	$ 48,083	$ 51,832
HST payable	8,158	10,053
Other	18,240	20,362
Accounts payable and accrued liabilities	$ 74,481	$ 82,247

Note 11: Long-term Debt

On November 4, 2022, 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 and a $10.0 million swingline facility commitment. Advances under the Facility are made available by prime-rate loans in U.S. or Canadian dollars, under banker's acceptance (BAs) or by issuance of letters of credit. The Facility is due in full on November 6, 2025. As at November 30, 2022, AGF had drawn $22.0 million against the Facility (2021 – nil). AGF incurs transaction fees on the Facility which are amortized over the term of the Facility. As at November 30, 2022, the remaining balance of the transaction fee was $0.4 million. As at November 30, 2022, $128.0 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	2022	2021
Deferred income tax assets		
Deferred income tax asset to be recovered after more than 12 months	$ 2,131	$ 1,980
Deferred income tax asset to be recovered within 12 months	1,757	4,105
	$ 3,888	$ 6,085
Deferred income tax liabilities		
Deferred income tax liability to be settled after more than 12 months	$ 152,174	$ 150,210
Deferred income tax liability to be settled within 12 months	(1,567)	84
	150,607	150,294
Net deferred income tax liabilities	$ 146,719	$ 144,209

The movement in deferred income tax assets and liabilities during the years ended November 30, 2022 and 2021, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(in thousands of dollars) **Year ended November 30, 2022**	**Balance, beginning of year**	**Recognized in income**	**Recognized in equity**	**Recognized in OCI**	**Balance, end of year**
Deferred income tax assets					
Expenses deductible in future periods	**$ 10,205**	**$ (503)**	**$ (145)**	**$ –**	**$ 9,557**
Loss carryforwards	**126**	**(26)**	**–**	**–**	**100**
Deferred charges	**–**	**–**	**–**	**–**	**–**
Deferred sales commissions	**–**	**–**	**–**	**–**	**–**
Property and equipment	**1,388**	**438**	**–**	**–**	**1,826**
Other credits and carryforwards	**38**	**(16)**	**–**	**–**	**22**
	$ 11,757	**$ (107)**	**$ (145)**	**$ –**	**$ 11,505**
Deferred income tax liabilities					
Management contracts and other intangibles	**$ 151,073**	**$ (22)**	**$ –**	**$ –**	**$ 151,051**
Investments	**4,882**	**2,274**	**–**	**6**	**7,162**
Other	**11**	**–**	**–**	**–**	**11**
	$ 155,966	**$ 2,252**	**$ –**	**$ 6**	**$ 158,224**
Net deferred income tax liabilities	**$ 144,209**	**$ 2,359**	**$ 145**	**$ 6**	**$ 146,719**

(in thousands of dollars) **Year ended November 30, 2021**	**Balance, beginning of year**	**Recognized in income**	**Recognized in equity**	**Recognized in OCI**	**Balance, end of year**
Deferred income tax assets					
Expenses deductible in future periods	$ 9,716	$ 152	$ 337	$ –	$ 10,205
Loss carryforwards	835	(709)	–	–	126
Deferred charges	63	(63)	–	–	–
Deferred sales commissions	1,027	(1,027)	–	–	–
Property and equipment	265	1,123	–	–	1,388
Other credits and carryforwards	54	(26)	10	–	38
	$ 11,960	$ (550)	$ 347	$ –	$ 11,757
Deferred income tax liabilities					
Management contracts and other intangibles	$ 150,987	$ 86	$ –	$ –	$ 151,073
Investments	4,412	442	(20)	48	4,882
Other	11	–	–	–	11
	$ 155,410	$ 528	$ (20)	$ 48	$ 155,966
Net deferred income tax liabilities	$ 143,450	$ 1,078	$ (367)	$ 48	$ 144,209

(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, 2022, deferred income tax assets have not been recognized for $39.3 million of non-capital losses and $2.2 million of deductible expenses.

Non-capital loss carryforwards by year of expiry as at November 30, 2022 are summarized below:

(in thousands of dollars)	
2029	$ 31
2030	77
2031	8
2032	100
2033	87
Thereafter	11,148
No expiry	27,867

(c) As at November 30, 2022, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognized is $4.0 million (2021 – $4.8 million).

Note 13: Provision for Elements Advantage

(in thousands of dollars) **Years ended November 30**	**2022**	2021
Balance, beginning of the year	**$ 651**	$ 1,338
Additional provision charged to the income statement	**27**	362
Paid during the year	**(678)**	(1,049)
Balance, end of the year	**–**	651
Current portion	**$ –**	$ 651

As at November 30, 2022, no provision was recorded, as the Program has terminated. Refer to Note 3.12 for additional information.

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	**2022**		2021	
(in thousands of dollars, except share amounts)	**Shares**	**Stated value**	**Shares**	**Stated value**
Class A Voting common shares	**57,600**	**$ –**	57,600	$ –
Class B Non-Voting shares				
Balance, beginning of the year	**69,956,884**	**$ 426,193**	69,868,569	$ 425,460
Issued through dividend reinvestment plan	**65,477**	**452**	43,419	313
Stock options exercised	**612,243**	**3,356**	676,386	5,253
Repurchased for cancellation	**(6,284,538)**	**(38,216)**	(702,100)	(4,258)
Treasury stock purchased for employee benefit trust	**(300,000)**	**(1,883)**	(250,000)	(1,864)
Treasury stock released for employee benefit trust[1]	**357,750**	**1,817**	320,610	1,289
Balance, end of the year	**64,407,816**	**$ 391,719**	69,956,884	$ 426,193

[1] In December 2022, an additional 289,843 share units were released (2021 – 339,223).

(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 subject to certain parameters. 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 4,889,630 shares for the period from February 8, 2022 to February 7, 2023 and up to 5,067,167 shares for the period from February 8, 2021 to February 7, 2022. During the year ended November 30, 2022, AGF purchased 2,795,892 (2021 – 702,100) Class B Non-Voting shares under the normal course issuer bid at an average price of $7.22 (2021 – $8.03) for a total cost of $20.2 million (2021 – $5.6 million). During the year ended November 30, 2022, the discount of $3.2 million (2021 – $1.4 million) over the recorded capital stock value of the shares repurchased for cancellation was recorded in retained earnings.

During the year ended November 30, 2022, AGF completed a substantial issuer bid (SIB), where AGF purchased for cancellation 3,488,646 Class B non-voting shares at a price of $6.75 per share for a total cost of $23.5 million. 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 $25.8 million. The discount over the purchase price of $2.3 million was charged to retained earnings along with $0.4 million of transaction costs.

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

During the year ended November 30, 2022, AGF purchased 300,000 (2021 – 250,000) Class B Non-Voting shares for the employee benefit trust at a cost of $1.9 million (2021 – $1.9 million). Shares purchased for the trust are purchased under the Company's normal course issuer bid and recorded as a reduction to capital stock. During the year ended November 30, 2022, 357,750 (2021 – 320,610) Class B Non-Voting shares purchased as treasury stock were released. As at November 30, 2022, 717,068 (2021 – 774,818) 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	Total
Opening composition of accumulated other comprehensive income at December 1, 2020			
Other comprehensive income (loss)	$ (1,501)	$ 4,151	$ 2,650
Income tax expense	–	(10)	(10)
Balance, December 1, 2020	(1,501)	4,141	2,640
Transactions during the year ended November 30, 2021			
Other comprehensive income	–	362	362
Income tax expense	–	(48)	(48)
Balance, November 30, 2021	(1,501)	4,455	2,954
Transactions during the year ended November 30, 2022			
Other comprehensive income	**–**	**47**	**47**
Income tax expense	**–**	**(6)**	**(6)**
Balance, November 30, 2022	**$ (1,501)**	**$ 4,496**	**$ 2,995**

Note 16: Management, Advisory and Administration Fees

(in thousands of dollars) Years ended November 30	2022	2021
Management, advisory and administration fees	$ 438,211	$ 440,660
Fund expenses	(7,864)	(8,400)
	$ 430,347	$ 432,260

Note 17: Fair Value Adjustments and Other Income

(in thousands of dollars) Years ended November 30	2022	2021
Fair value adjustment related to investment gain (loss)classified as FVTPL (Note 4)	$ (2,151)	$ 2,184
Fair value adjustment and distributions related to long-term investments (Note 5(b))[1]	24,958	13,776
Interest income	701	540
Other[2,3]	5,255	1,597
	$ 28,763	$ 18,097

[1] For the year ended November 30, 2022, the Company recorded fair value adjustment related to long-term investments of $15.1 million (2021 – $0.1 million) and distributions related to long-term investments of $9.9 million (2021 – $13.7 million).

[2] For the year ended November 30, 2022, the Company recorded other income of $4.0 million related to an interest refund received from the Canada Revenue Agency (CRA). See Note 29 for further information.

[3] For the year ended November 30, 2021, the Company recorded a gain on the sale of artwork for $1.2 million. Refer to Note 26 for more information..

Note 18: Financial Instruments

On April 11, 2022, the Company entered into a Total Return Swap agreement (TRS) with a financial institution to manage its exposure to changes in the fair value of its Deferred Share Units (DSUs), which is based on the AGF.B share price. As at November 30, 2022, the Company had economically hedged 83.2% of its total DSUs for a total notional value of $9.1 million. The term of the TRS contract is one-year with the option to extend the contract at the same average price.

The Company has not designated the TRS agreement as a hedging instrument for accounting purposes. The Company presents the fair value changes in the TRS, which includes the benefit of reinvested dividends, along with the associated financing and execution costs of the TRS, together with the corresponding fair value changes of the DSUs within the stock-based compensation expense component of Selling, General and Administrative expenses in the Consolidated Interim Statement of Income.

The Company recognized a loss on the TRS in the Consolidated Interim Statement of Income under Selling, General and Administrative expenses of $0.2 million for the year ended November 30, 2022.

The fair value of the total return swap is classified as level 2 under the fair value hierarchy. Refer to Note 27 for additional information.

Note 19: Expenses by Nature

(in thousands of dollars) Years ended November 30	2022	2021
Selling, general and administrative		
Salaries, benefits and performance-based compensation	$ 126,277	$ 132,160
Stock-based compensation[1]	7,703	9,638
Severance	4,414	359
Sales and marketing	9,076	7,364
Information technology and facilities	30,349	28,017
Professional fees	12,565	10,956
Other fund costs	1,753	1,668
Corporate development costs	–	2,189
Other	2,425	2,778
	$ 194,562	$ 195,129

[1] Includes derivative financial instrument. Refer to Note 18 for more information.

Note 20: Employee Benefit Expense

(in thousands of dollars) Years ended November 30	2022	2021
Compensation expense excluding stock-based compensation	$ 126,277	$ 132,519
Stock option plans	535	534
RSU plans	6,114	4,867
DSU plan[1]	1,054	4,237
Stock-based compensation	$ 7,703	$ 9,638
	$ 133,980	$ 142,157

[1] Includes derivative financial instrument. Refer to Note 18 for more information.

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 2,004,285 Class B Non-Voting shares could have been granted as at November 30, 2022 (2021 – 1,289,537).

The change in stock options during the years ended November 30, 2022 and 2021 is summarized as follows:

	2022		2021	
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	6,028,824	$ 6.12	7,214,162	$ 6.64
Options granted	304,414	6.57	171,666	8.17
Options forfeited	–	–	(48,100)	8.32
Options expired	(1,019,162)	7.95	(632,518)	11.86
Options exercised	(612,243)	4.90	(676,386)	6.69
Balance, end of the year	4,701,833	$ 5.90	6,028,824	$ 6.12

The outstanding stock options as at November 30, 2022 have expiry dates ranging from 2023 to 2029. The following table summarizes additional information about stock options outstanding as at November 30, 2022 and 2021:

November 30, 2022 Range of exercise prices	Number of options outstanding	Weighted average remaining life		Weighted average exercise price	Number of options exercisable		Weighted average exercise price
$0.00 to $5.00	**1,532,218**	**1.5 years**	**$**	**4.78**	**1,532,218**	**$**	**4.78**
$5.01 to $10.00	**3,169,615**	**3.5 years**		**6.45**	**2,281,832**		**6.45**
	4,701,833	**2.9 years**	**$**	**5.90**	**3,814,050**	**$**	**5.78**

November 30, 2021 Range of exercise prices	Number of options outstanding	Weighted average remaining life		Weighted average exercise price	Number of options exercisable		Weighted average exercise price
$0.00 to $5.00	1,804,461	2.3 years	$	4.75	1,621,329	$	4.72
$5.01 to $10.00	4,224,363	3.0 years		6.70	3,111,751		6.78
	6,028,824	2.8 years	$	6.12	4,733,080	$	6.07

During the year ended November 30, 2022, 304,414 (2021 – 171,666) stock options were granted and compensation expense and contributed surplus of $0.5 million (2021 – $0.5 million) was recorded. The fair value of options granted during the year ended November 30, 2022 has been estimated at $1.35 per option (2021 – $1.65) 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, 2022 and 2021.

Years ended November 30	2022	2021
Risk-free interest rate	**3.1%**	1.4%
Expected dividend yield	**5.9%**	4.6%
Five-year historical-based expected share price volatility	**37.0%**	35.4%
Forfeiture rate	**4.4%**	4.4%
Option term	**5.3 years**	5.3 years

(b) Other Stock-based Compensation

Other stock-based compensation includes RSUs and DSUs. Compensation expense related to cash-settled stock-based compensation for the year ended November 30, 2022 was $1.6 million (2021 – $5.7 million) and the liability recorded as at November 30, 2022 related to cash-settled stock-based compensation was $10.9 million (2021 – $11.0 million). Compensation expense related to equity-settled RSUs for the year ended November 30, 2022 was $5.3 million (2021 – $3.4 million) and contributed surplus related to equity-settled RSUs, net of tax, as at November 30, 2022 was $6.8 million (2021 – $5.3 million).

The change in share units of RSUs and DSUs during the nine months ended November 30, 2022 and 2021 is as follows:

Years ended November 30	2022 Number of share units	2021 Number of share units
Outstanding, beginning of the year, non-vested	**3,926,196**	3,510,057
Issued		
Initial grant	**1,428,409**	1,071,034
In lieu of dividends	**182,604**	141,511
Settled in cash	**(639,072)**	(458,616)
Settled in equity, net of tax	**(357,750)**	(320,610)
Forfeited and cancelled	**(13,800)**	(17,180)
Outstanding, end of the year	**4,526,587**	3,926,196
Cash-settled, end of the year	**1,875,358**	1,834,808
Equity-settled, end of the year	**2,651,229**	2,091,388

Note 22: Interest Expense

(in thousands of dollars)

Years ended November 30	2022	2021
Interest on long-term debt and standby fees[1]	**$ 621**	$ 599
Lease interest expense (Note 6)	**2,071**	2,169
Tax-related interest expense (refund)	**1**	28
	$ 2,693	$ 2,796

[1] As at November 30, 2022, the Company has drawn $22.0 million on its credit facility (2021 – nil).

Note 23: Income Tax Expense

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

(in thousands of dollars)

Years ended November 30	2022	2021
Current income tax		
Current income tax on profits for the year	**$ 19,271**	$ 12,455
Adjustments in respect of prior years	**(38)**	26
Other	**(980)**	(1,058)
Total current income tax expense	**$ 18,253**	$ 11,423
Deferred income tax		
Origination and reversal of temporary differences	**$ 2,406**	$ 1,337
Adjustments in respect of prior years	**(47)**	(33)
Tax benefit arising from a previously unrecognized tax loss,tax credit or temporary difference	**–**	(226)
Total deferred income tax expense (benefit)	**2,359**	1,078
Income tax expense	**$ 20,612**	$ 12,501

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

(in thousands of dollars) Years ended November 30	2022	2021
Canadian corporate tax rate	26.5%	26.5%
Rate differential on earnings of subsidiaries	0.2	0.4
Tax-exempt income[1]	(1.0)	(0.3)
Gains subject to different tax rates	(2.5)	(4.1)
Non-deductible expenses	0.3	0.4
Utilization of previously unrecognized tax losses and temporary differences	–	(0.4)
Change in deferred tax assets not recognized	1.5	3.3
Other	(1.4)	(1.7)
Effective income tax rate	23.6%	24.1%

[1] For the year ended November 30, 2022, the Company recorded other income of $4.0 million related to an interest refund received from the Canada Revenue Agency (CRA). See Note 29 for further information.

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

(in thousands of dollars) Years ended November 30	2022	2021
Fair value gains on available for sale investments	$ 6	$ 48
	$ 6	$ 48

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

(in thousands of dollars) Years ended November 30	2022	2021
Equity-settled share-based compensation	$ 145	$ (241)
Other	–	(126)
	$ 145	$ (367)

Note 24: Earnings per Share

(in thousands of dollars, except per share data) Years ended November 30	2022	2021
Numerator		
Net income for the year	$ 66,647	$ 39,297
Denominator		
Weighted average number of shares – basic	68,430,165	70,009,123
Dilutive effect of employee stock-based compensation awards	1,007,048	1,651,519
Weighted average number of shares – diluted	69,437,213	71,660,642
Earnings per share for the year		
Basic	$ 0.97	$ 0.56
Diluted	$ 0.96	$ 0.55

Note 25: Dividends

During the year ended November 30, 2022, the Company paid dividends of $0.39 (2021 – $0.34) per share. Total dividends paid, including dividends reinvested, in the year ended November 30, 2022 were $26.7 million (2021 – $23.8 million). On December 16, 2022, 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 $0.10 per share in respect of the three months ended November 30, 2022, amounting to a total dividend of approximately $6.5 million. These consolidated financial statements do not reflect this dividend.

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**	**2022**	2021
Salaries and other short-term employee benefits	**$ 10,931**	$ 10,848
Share-based compensation	**3,712**	5,949
	$ 14,643	$ 16,797

During the year ended November 30, 2021, the Company and Goldring Capital Corporation reached an agreement to sell and transfer ownership of eleven pieces of artwork held by AGF to Goldring Capital Corporation for $1.2 million. The agreed upon selling price was approved by the board. The proceeds were received and recorded as other income on the income statement during the year ended November 30, 2021.

(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, 2022 and 2021 were from AGF Funds. As at November 30, 2022, the Company had $16.7 million (2021 – $15.7 million) receivable from AGF Funds. The Company also acts as trustee for AGF Funds that are mutual fund trusts.

The aggregate fund expenses paid and management and advisory fees waived by the Company during the year ended November 30, 2022 on behalf of AGF Funds were approximately $8.6 million (2021 – $10.3 million).

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

Note 27: Financial Risk Management

(a) Economic Environment

The COVID-19 pandemic remains a source of volatility for global markets along with rising interest rates and the ongoing rise of inflation. As well, the ongoing war in Ukraine, which has fueled not only Europe's energy crisis but the continuing destabilization of its economy, continues to contribute to material market volatility. Sustained and material volatility in the financial markets has the potential to create market risk to the Company's capital position and profitability.

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 Capital. 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 Capital, management, advisory and administration fee revenues, net of trailer commissions and investment advisory fees, would decline by approximately $7.6 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 total AUM would have resulted in a corresponding change of approximately $1.2 billion in AUM for the year ended November 30, 2022. In general, for every $1.0 billion reduction in average AUM, management, advisory and administration fee revenue, net of trailer commissions and investment advisory fees, would decline by approximately $7.6 million.

The Company is subject to foreign exchange risk on our integrated foreign subsidiaries in the United States and Ireland 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 2022 would have resulted in a corresponding change of approximately $0.2 million in interest expense for the year ended November 30, 2022.

At November 30, 2022, approximately 20% of AGF's mutual fund 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 $2.8 million in revenue for the year ended November 30, 2022.

(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 Private Capital funds. The Company's investments that have price risk include investments in mutual funds managed by the Company of $19.8 million, equity securities of $0.9 million and long-term investments of $199.1 million as at November 30, 2022. As at November 30, 2022, the effect of a 10% decline or increase in the value of investments would result in a $21.9 million pre-tax unrealized gain or loss in net income and $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 investment-related commitments in the Private Capital business, dividends paid to shareholders, obligations to taxation authorities, 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, 2022 and 2021 to the contractual maturity date.

(in thousands of dollars)	1 year or less	1 to 5 years
Year ended November 30, 2022		
Accounts payable and accrued liabilities	**$ 74,481**	**$ –**
Long-term debt	**–**	**22,000**
Derivative financial instrument	**246**	**–**
Other liabilities	**–**	**10,253**
Total	**$ 74,727**	**$ 32,253**
Year ended November 30, 2021		
Accounts payable and accrued liabilities	$ 82,247	$ –
Provision for Elements Advantage	651	–
Other liabilities	–	10,421
Total	$ 82,898	$ 10,421

(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 Private Capital 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, if any, 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 and liabilities that are measured at fair value at November 30, 2022:

(in thousands of dollars) **November 30, 2021**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	**$ 58,620**	**$ –**	**$ –**	**$ 58,620**
AGF mutual funds and other	**19,816**	**–**	**–**	**19,816**
Long-term investments	**–**	**–**	**199,067**	**199,067**
Carried interest	**–**	**–**	**1,444**	**1,444**
Financial assets at fair value through other comprehensive income				
Equity securities	**865**	**–**	**–**	**865**
Total financial assets	**$ 79,301**	**$ –**	**$ 200,511**	**$ 279,812**
Liabilities				
Financial liabilities at fair value through profit or loss				
Long-term deferred income on carried interest	**$ –**	**$ –**	**$ 1,444**	**$ 1,444**
Derivative financial instrument	**–**	**246**	**–**	**246**
Total financial liabilities	**$ –**	**$ 246**	**$ 1,444**	**$ 1,690**

The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2021:

(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	$ 86,484	$ –	$ –	$ 86,484
AGF mutual funds and other	21,836	–	–	21,836
Long-term investments	–	–	160,721	160,721
Carried interest	–	–	1,159	1,159
Financial assets at fair value through other comprehensive income				
Equity securities	913	–	–	913
Amortized cost				
Canadian government debt – Federal	–	325	–	325
Total financial assets	$ 109,233	$ 325	$ 161,880	$ 271,438
Liabilities				
Financial liabilities at fair value through profit or loss				
Long-term deferred income on carried interest	$ –	$ –	$ 1,159	$ 1,159
Total financial liabilities	$ –	$ –	$ 1,159	$ 1,159

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 investments in AGF mutual funds as well as highly liquid temporary deposits with an Irish bank.

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 Private Capital business and the fair value of the carried interest investments related to the InstarAGF Funds. 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 Company's long-term investments as at November 30, 2022 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 $19.9 million. Refer to Note 5(b) for additional information.

The fair value of the Company's carried interest related to the InstarAGF Funds has been estimated using the financial information and NAV provided by the investees with consideration over the timing, amount of expected future cash flows and appropriate discount rates used. Refer to Note 7 for additional information.

The following table presents changes in level 3 instruments for the year ended November 30, 2022 and 2021:

(in thousands of dollars)	Total
Long-term investments	
Balance at December 1, 2021	$ 160,721
Purchase of investment	31,430
Return of capital	(8,209)
Fair value adjustment recognized in profit or loss[1]	15,125
Balance at November 30, 2022	**$ 199,067**
Carried interest	
Balance at December 1, 2021	$ 1,159
Fair value adjustment	285
Balance at November 30, 2022	**$ 1,444**

[1] The change in unrealized income in investments currently held included in level 3 of the fair value hierarchy is $15,125 (2021 – losses of $89) for the year ended November 30, 2022.

(in thousands of dollars)	Total
Long-term investments	
Balance at December 1, 2020	$ 151,949
Purchase of investment	30,912
Return of capital	(22,051)
Fair value adjustment recognized in profit or loss	(89)
Balance at November 30, 2021	**$ 160,721**
Carried interest	
Balance at December 1, 2020	**$ –**
Initial recognition	**1,159**
Balance at November 30, 2021	**$ 1,159**

There were no transfers into or out of level 1 and level 2 during the year ended November 30, 2022.

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, 2022 and 2021, 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, 2022**	**Amounts offset**			**Amounts not offset**	**Net**
	Gross asset	**Gross liability offset**	**Net amount presented**		
Financial assets					
Cash and cash equivalents (Notes 28(a),(b))	**$ 600,144**	**$ (541,524)**	**$ 58,620**	**$ (131)**	**$ 58,489**
Total financial assets	**$ 600,144**	**$ (541,524)**	**$ 58,620**	**$ (131)**	**$ 58,489**
	Amounts offset			**Amounts not offset**	**Net**
	Gross liability	**Gross asset offset**	**Net amount presented**		
Financial liabilities					
Long-term debt (Note 28(b))	**$ 21,587**	**$ –**	**$ 21,587**	**$ –**	**$ 21,587**
Derivative financial instrument	**246**	**–**	**246**	**(131)**	**115**
Total financial liabilities	**$ 21,833**	**$ –**	**$ 21,833**	**$ (131)**	**$ 21,702**

(in thousands of dollars) **November 30, 2021**	**Amounts offset**			**Amounts not offset**	**Net**
	Gross asset	**Gross liability offset**	**Net amount presented**		
Financial assets					
Cash and cash equivalents (Notes 28(a),(b))	$ 556,311	$ (469,827)	$ 86,484	$ –	$ 86,484
Total financial assets	$ 556,311	$ (469,827)	$ 86,484	$ –	$ 86,484
	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	$ –	$ –	$ –	$ –	$ –

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

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

Note 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.

Canada Revenue Agency (CRA) Audit – Acquisition of Tax-related Benefits

As disclosed in the notes of the Company's 2021 Annual Report, the Company received letters from the CRA providing relief for a portion of the previously assessed interest in relation to the 2008 to 2015 taxation years on the resolved transfer pricing issue as disclosed in the Annual Consolidated Financial Statements from 2013 to 2020. During the year ended November 30, 2022, the Company received refunds from the CRA totaling approximately $4.0 million in relation to such interest. The interest relief, which is non-taxable, is recorded in fair value adjustments and other income on the consolidated statement of income.

Note 30: Commitments and Guarantees

(a) Commitments

The Company is committed under contracts for service arrangements. The approximate minimum annual cash payments related to these arrangements are as follows:

(in thousands of Canadian dollars) **Years ended November 30**	**Service commitment**
2023	$ 27,237
2024	24,252
2025	18,429
2026	13,447
2027	10,925
Thereafter	27,397
Total	$ 121,687

Refer to Note 6 for additional information on the Company's contractual commitments related to leases for office premises and equipment. In addition, as at November 30, 2022, the Company has funded $181.3 million (2021 – $158.1 million) in funds and investments associated with the Private Capital business and has $42.9 million (2021 – $70.9 million) remaining committed capital to be invested. In addition, the Company has also announced an anticipated commitment of US$50.0 million upon the successful launch of Instar's third fund.

(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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Stock Exchange Listing
AGF.B

Invested in Discipline

At AGF, our approach is defined by three principles; shared intelligence, measured approach and active accountability. 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.

It Takes a Tiger™

Invested in Discipline

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