

AGF Management Limited

Earnings Conference Call
Fourth Quarter 2019

January 22nd, 2020

Caution Regarding Forward-Looking Statements

The forward looking information is provided as of January 22nd, 2020. Certain information presented in these remarks and in this presentation that is not historical factual information may constitute forward-looking information within the meaning of securities laws. Actual results could differ materially from a conclusion, forecast or projection contained in such forward-looking information. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements about AGF Management Limited ("AGF") or the investment funds it manages (the "Funds"), including business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' or negative versions thereof and similar expressions or future or conditional verbs such as 'may,' 'will,' 'should,' 'would,' or 'could.' In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future action on our part, is also a forward-looking statement.

Forward-looking statements are based on certain material factors and assumptions, including expected growth, results of operations, business prospects, business performance and opportunities. While we consider these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about our operations, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by us due to, but not limited to, important risk factors such as level of assets under our management, volume of sales and redemptions of our investment products, performance of our investment funds and of our investment managers and advisors, competitive fee levels for investment management products and administration, and competitive dealer compensation levels and cost efficiency in our investment management operations, as well as interest and foreign exchange rates, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, and our ability to complete strategic transactions and integrate acquisitions. We caution that the foregoing list is not exhaustive. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than specifically required by applicable laws, we are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements, whether as a result of new information, future events or otherwise. For a more complete discussion of the risk factors that may impact actual results, please refer to AGF's most recent financial statements and MD&A and, for the Funds, to each Fund's most recent prospectus and MRFP, as applicable, all available on www.sedar.com.

Conference Call Participants

Presenting

Kevin McCreadie, CFA, MBA

Chief Executive Officer & Chief Investment Officer



Adrian Basaraba, CPA, CA, CFA

Senior Vice-President & Chief Financial Officer



Available for questions

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

President & Chief Administration Officer



Today's Discussion

- Smith & Williamson and Tilney Merger Update
- Highlights of the 4th Quarter and Fiscal 2019
- Business Updates
- Financial Results
- Capital & Liquidity
- Focus & Priorities

Fiscal 2019 Highlights

Continued progress toward stated objectives



liquid alt products
launched

Lipper Award Winner
**AGF U.S. Small-Mid
Cap Fund¹**

Private alternatives
AUM reaches
\$2.6 billion

**3.4% reduction in
SG&A** compared
to prior year²

Adjusted diluted
EPS of \$0.71
20% higher than
prior year³

(1) AGF U.S. Small-Mid Cap won Lipper Award for three- and five-year performance. Please see slide 15 for additional disclosures.

(2) 2018 adjusted SG&A of \$195.9m (restated for IFRS 15)

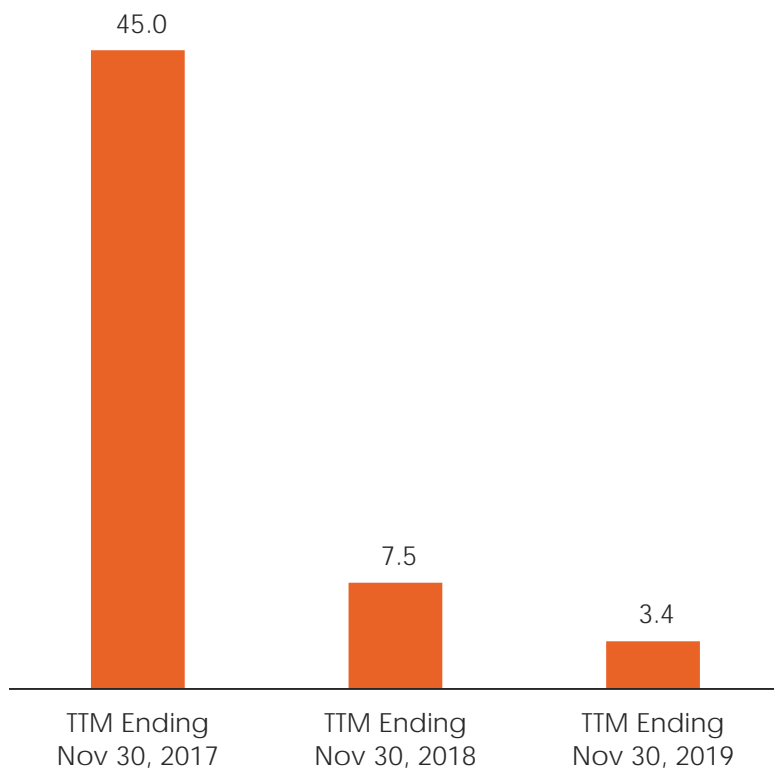
(3) 2018 adjusted diluted EPS of \$0.59 (restated for IFRS 15)

Line of Business Performance

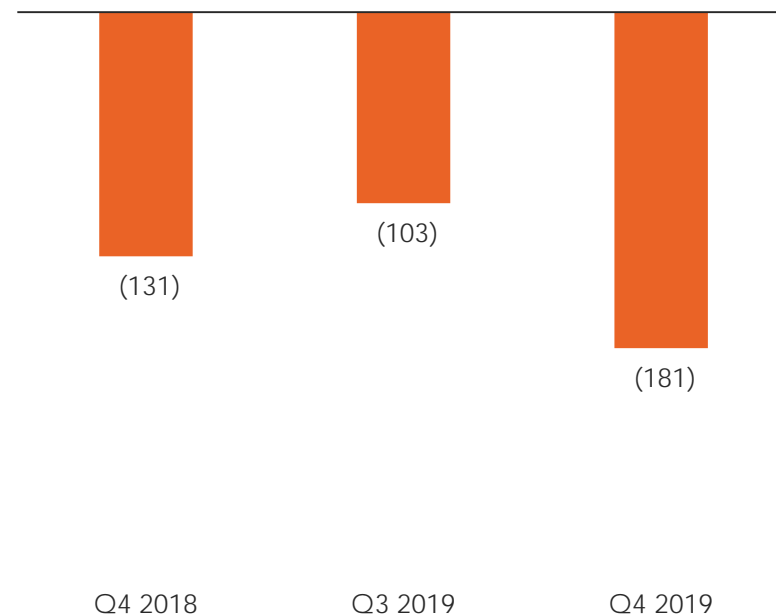
(\$ millions)	Q4 2018	Q4 2019	Change	
Mutual funds	18,713	19,346	↑	3%
Institutional, Sub-advisory & ETF	12,475	10,755	↓	(14%)
Private Client	5,513	6,100	↑	11%
Private Alternatives	1,011	2,580	↑	155%
Total	37,712	38,781	↑	3%

Mutual Fund Business Review

IFIC Industry Net Sales (\$B)¹



AGF Retail Mutual Fund Net Sales (\$M)²



(1) Industry long-term funds net sales per IFIC.

(2) Retail mutual fund net sales (redemptions) calculated as reported mutual fund net sales (redemptions) less non-recurring institutional net sales (redemptions) in excess of \$5 million invested in our mutual funds.

Financial Results

Adjusted for one-time items noted in the MD&A and restated for IFRS 15¹

	(\$ millions, except per share amounts)	Sequential Quarter			Year Over Year		
		Q4-19 ²	Q3-19	Fav / (Unfav)	2019 ^{2,3}	2018 ⁴	Fav / (Unfav)
Continuing Operations	Revenue	110.4	107.4	2.8%	432.6	436.5	(0.9%)
	SG&A	45.4	47.3	4.0%	189.2	195.9	3.4%
	EBITDA before Commissions	34.6	29.0	19.3%	120.3	110.2	9.2%
	<i>EBITDA before Commissions Margin</i>	<i>31.3%</i>	<i>27.0%</i>	<i>15.9%</i>	<i>27.8%</i>	<i>25.2%</i>	<i>10.3%</i>
	Net Income - Equity Owners	19.2	14.4	33.3%	56.2	48.3	16.4%
	Diluted EPS	0.24	0.18	33.3%	0.71	0.59	20.3%
	Free Cash Flow	18.3	9.7	88.7%	52.8	45.2	16.8%
	Diluted EPS (Reported & Unadjusted)	0.28	0.18	55.6%	0.60	0.92	(34.8%)

(1) Comparatives adjusted for IFRS 15.

(2) Q4 2019 is adjusted for one-time fund expense tax recovery of \$4.1m [EPS impact \$0.04].

(3) Q1 2019 is adjusted for one-time restructuring costs of \$14.4m [EPS impact of \$0.14].

(4) 2018 is adjusted for one-time S&WHL tax levy reversal of \$1.5m [EPS impact \$0.02], one-time restructuring and administrative cost of \$5.2m [EPS impact \$0.05], one-time interest expense recovery related to transfer pricing case of \$2.2m [EPS impact \$0.03] and one-time net recovery of \$21.9m related to transfer pricing provision [EPS impact \$0.28].

Financial Results – BPS Detail^{1,2}

(bps of average AUM)	Q4-19	TTM
Average AUM excl. Private Alternatives (\$B)³	35.4	36.0
Average Mutual Fund	19.0	18.9
Average Institutional, Sub-Advisory, ETFs & Private Client	16.4	17.1
Revenue (bps) ⁴	111	108
Less:		
Trailer Fees (bps)	34	34
SG&A (bps) ⁵	52	53
EBITDA before commissions (bps)	26	21

(1) Certain totals and subtotals may not reconcile due to rounding.

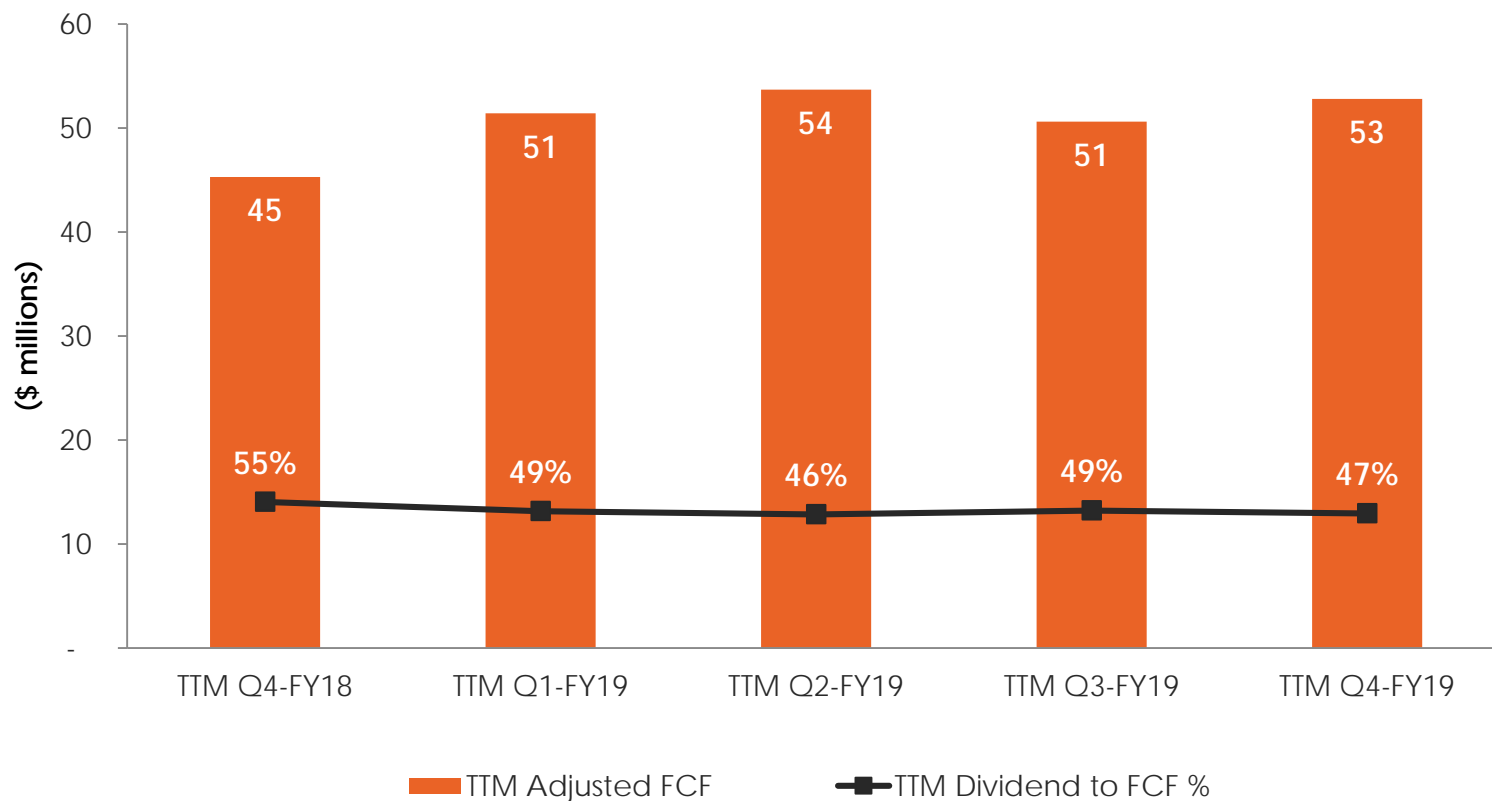
(2) Adjusted to exclude one-time items as noted in the MD&A; comparatives restated for IFRS15.

(3) Total Average AUM excluding Private Alternatives calculated using average daily AUM for mutual fund and average monthly AUM for Institutional, sub-advisory and ETF accounts and Private Client.

(4) Represents management, advisory and administration fees and deferred sales charges.

(5) Includes investment advisory fees.

Capital & Liquidity¹



(1) Q2-2018 adjusted for one-time restructuring costs of \$3.8m (net of tax). Q1-2019 does not include \$11.3m restructuring charge (net of tax).

2019 Pro Forma: Restated for IFRS 16 and excluding Smith & Williamson¹

FY2019 From continuing operations (\$M, except per share data)	Adjusted for one-time items	IFRS 16 adjustments	Restated for IFRS 16	S&W	Restated for IFRS 16 and excluding S&W
Income					
Management, advisory and administration fees	382.0		382.0		382.0
Deferred sales charge	7.2		7.2		7.2
Share of profit of associate and joint ventures	24.9		24.9	(24.6)	0.3
Fair value adjustments and other income	18.5		18.5		18.5
Total Income	432.6		432.6	(24.6)	408.0
Expenses					
Selling, general and administrative	189.2	(4.6)	184.6		184.6
Trailing commissions	120.7		120.7		120.7
Investment advisory fees	2.4		2.4		2.4
	312.3	(4.6)	307.7		307.7
EBITDA before commissions	120.3	4.6	124.9	(24.6)	100.3
EBITDA before commissions Margin	27.8%		28.9%		24.6%
Deferred selling commissions	41.8		41.8		41.8
Amortization, derecognition and depreciation	4.2	3.3	7.5		7.5
Interest Expense	6.7	0.7	7.4		7.4
Income before income taxes	67.6	0.6	68.2	(24.6)	43.6
Income tax expense	11.4	0.1	11.5		11.5
Net income attributable to equity owners of the Company	56.2	0.5	56.7	(24.6)	32.1
Diluted EPS	0.71	0.00	0.71	(0.31)	0.40
Free Cash Flow	52.8		52.8	(9.7)	43.1

(1) Certain totals, subtotals and percentages may not reconcile due to rounding.

2020 Focus & Priorities

Deliver
consistent and
repeatable
**investment
performance**

Drive the
organization to
**sustainable
net inflows**

Position AGF
to reach
\$5 billion
in private
alternative
assets

**Meet expense
guidance** of
\$180 million
while continuing
to invest in key
growth areas

Appendix 1: Historical P&L excluding One-time Items and Restated for IFRS 15¹

From continuing operations adjusted for one-time items and restated for IFRS 15 (\$M, except per share data)	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
<i>Total Average AUM excluding Private Alternatives²</i>	36,099	36,405	37,583	36,930	35,804	37,014	35,784	35,444
Income								
Management, advisory and administration fees	101.0	102.6	100.8	95.3	91.0	99.2	95.5	96.4
Deferred sales charge	1.6	1.7	1.6	1.6	1.6	1.9	1.8	1.9
<i>Revenue bps³ (Refer to slide10)</i>	<i>115</i>	<i>114</i>	<i>108</i>	<i>105</i>	<i>105</i>	<i>108</i>	<i>108</i>	<i>111</i>
Share of profit of associate and joint ventures	4.5	5.8	7.1	6.2	4.5	6.6	5.9	7.9
Fair value adjustments and other income	1.2	1.5	3.1	0.9	7.9	2.1	4.2	4.2
Total Income	108.3	111.6	112.6	104.0	105.0	109.8	107.4	110.4
Expenses								
Selling, general and administrative	50.5	52.6	47.1	45.8	48.0	48.6	47.3	45.4
Trailing commissions	31.8	32.5	32.6	30.1	29.0	31.3	30.6	29.9
Investment advisory fees	1.1	0.7	0.7	0.9	0.7	0.7	0.5	0.5
	83.4	85.8	80.4	76.8	77.7	80.6	78.4	75.8
EBITDA before commissions	24.9	25.8	32.2	27.2	27.3	29.2	29.0	34.6
EBITDA before commissions Margin	23.0%	23.1%	28.6%	26.2%	26.0%	26.6%	27.0%	31.3%
Deferred selling commissions	11.0	10.8	9.3	9.0	11.1	12.2	9.5	8.9
Amortization, derecognition and depreciation	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.0
Interest expense	1.3	1.7	1.8	1.7	2.0	1.8	1.5	1.3
Income before income taxes	11.4	12.1	19.9	15.3	13.1	14.1	16.9	23.4
Income taxes	2.4	2.9	3.6	2.4	2.0	2.6	2.5	4.2
Net income attributable to equity owners of the Company⁴	9.5	9.6	16.3	12.9	11.1	11.5	14.4	19.2
Diluted EPS	0.11	0.12	0.20	0.17	0.14	0.14	0.18	0.24

(1) Certain totals, subtotals and percentages may not reconcile due to rounding.

(2) Total Average AUM excluding Private Alternatives calculated using average daily AUM for mutual fund and average monthly AUM for Institutional, sub-advisory and ETF accounts and Private Client.

(3) *Revenue bps = Management, advisory and administration fees, and Deferred sales charge / total average AUM excluding private alternatives.*

(4) Net income attributable to equity owners of the Company does not include non-controlling interest (which is not shown above).



Thank You!

To learn more about AGF's history visit:

www.agf.com/ca/en/about-agf/our-story

Disclaimer

The AGF U.S. Small-Mid Cap Fund (MF Series) was awarded the 2019 Lipper Fund Award in the US Small/Mid Cap Equity category for the 3- and 5-year period out of a classification total of 23 and 21 funds, respectively, for the period ending July 31, 2019. The corresponding Lipper Leader Consistent Return ratings of the fund for the same period are as follows: N/A (1 year), 5 (3 years) [414 funds], 4 (5 years) [285 funds], and 2 (10 years) [107 funds].

The fund's performance for the period ending December 31, 2019 is 23.4% (1 year), 16.8% (3 years), 14.7% (5 years), 13% (10 years) and 10% (since inception June 16, 1993).

The Lipper Fund Awards granted annually by Refinitiv, highlights funds and fund companies that have excelled in delivering consistently strong-risk adjusted performance relative to their peers. The Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The highest 20% of funds in each category are named Lipper Leaders for Consistent Return and receive a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2 and the lowest 20% are scored 1. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification per award universe wins the Lipper Fund Award.

Lipper Leader Ratings change monthly. For greater detail on the Lipper Awards and Lipper Leader Ratings, which includes the rating methodology prepared by Lipper, see www.Lipperalpha.refinitiv.com. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper.