



# AGF Management Limited

Earnings Conference Call  
First Quarter 2023

March 22, 2023

# Caution Regarding Forward-Looking Statements

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The forward-looking information is provided as of March 22, 2023. 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,' '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 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 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](http://www.sedar.com).

# Conference Call Participants

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## Presenting

### **Kevin McCreadie, CFA, MBA**

Chief Executive Officer & Chief Investment Officer



### **Jenny Quinn**

Vice-President & Interim Chief Financial Officer



## Available for questions

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

President & Head of Global Distribution



# Today's Discussion

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- Highlights of the 1<sup>st</sup> Quarter of Fiscal 2023
- Business Updates
- Financial Results
- Capital & Liquidity
- Focus & Priorities

# Q1 2023 Highlights

Assets<sup>1</sup> of  
**\$41.9 billion**

**\$221 million**  
of mutual fund net sales

Investment Performance  
**outperformed**  
target and peers

**Increased quarterly  
dividend**  
to \$0.11 per share

Diluted  
**EPS of \$0.26**

FundGrade A+®  
Awards<sup>2</sup> **Winner**



(1) Includes AUM and fee-earning assets.

(2) AGF American Growth Class, AGF Fixed Income Plus Fund, AGF Global Convertible Bond Fund, and AGF Global Select Fund, see disclaimer on page 13.

# Assets Under Management and Fee-earning Assets<sup>1,2</sup>

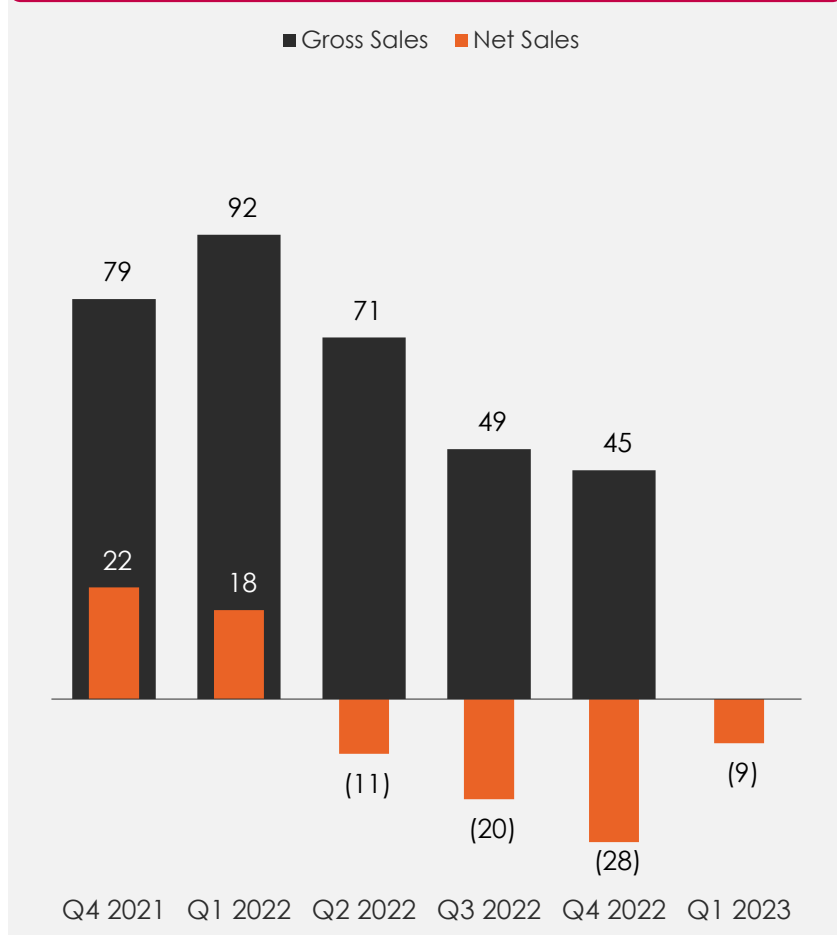
(\$ millions)	Q1 2023	Q1 2022	Change
Mutual funds	24,029	23,625	↑ 2%
Institutional, Sub-advisory & ETF	8,511	8,751	↓ (3%)
Private Wealth	7,252	7,410	↓ (2%)
Private Capital <sup>3</sup>	2,136	2,169	↓ (2%)
<b>Total AUM and fee-earning assets</b>	<b>41,928</b>	<b>41,955</b>	□ (0%)



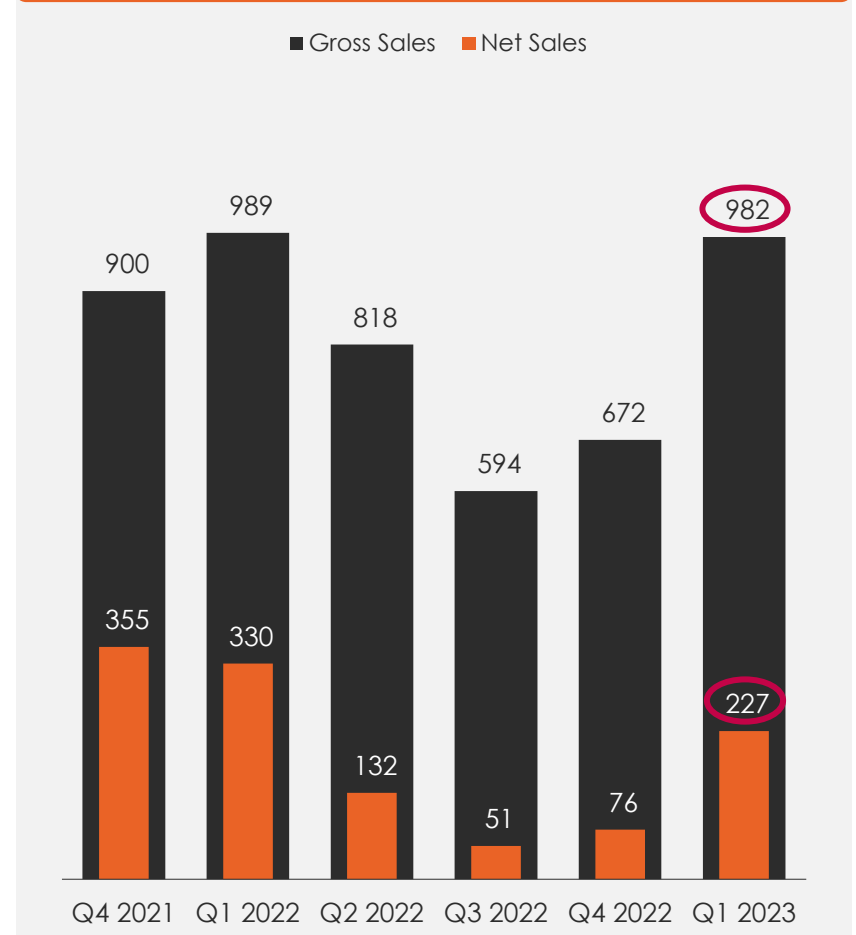
- (1) Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.  
 (2) Certain totals, subtotals and percentages may not reconcile due to rounding.  
 (3) Private Capital includes AUM and fee-earning assets.

# Mutual Fund Business Review

## Industry Sales (\$B)<sup>1</sup>



## AGF Retail Mutual Fund Sales (\$M)<sup>2</sup>



(1) Long-term mutual funds gross and net sales in the Canadian mutual funds industry per Investor Economics and IFC. Q1 industry long-term funds gross sales not yet available. Q1 2023 industry net sales based off preliminary February data of +\$2.5b.

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

# Financial Results<sup>1</sup>

(\$ millions, except per share amounts)	Sequential Quarter			Year Over Year		
	Q1-23	Q4-22	Variance	Q1-23	Q1-22	Variance
Net management, advisory and admin fees <sup>2</sup>	73.0	70.5	3.5%	73.0	77.0	(5.2%)
Other Revenue <sup>3</sup>	7.1	11.2	(36.6%)	7.1	12.3	(42.3%)
<b>Total Net Revenue</b>	<b>80.1</b>	<b>81.7</b>	<b>(2.0%)</b>	<b>80.1</b>	<b>89.3</b>	<b>(10.3%)</b>
SG&A	53.0	51.5	(2.9%)	53.0	49.3	(7.5%)
EBITDA before Commissions	27.1	30.2	(10.3%)	27.1	40.0	(32.3%)
<i>EBITDA before Commissions Margin</i>	<i>23.8%</i>	<i>26.4%</i>	<i>(9.8%)</i>	<i>23.8%</i>	<i>32.0%</i>	<i>(25.6%)</i>
Net Income	17.6	21.6	(18.5%)	17.6	12.9	36.4%
Diluted EPS	0.26	0.32	(18.8%)	0.26	0.18	44.4%
Free Cash Flow	19.3	24.1	(19.9%)	19.3	13.3	45.1%

## Results excluding Private Capital

EBITDA before Commissions	23.1	21.7	6.5%	23.1	32.4	(28.7%)
<i>EBITDA before Commissions Margin</i>	<i>21.0%</i>	<i>20.5%</i>	<i>2.4%</i>	<i>21.0%</i>	<i>27.6%</i>	<i>(23.9%)</i>



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

(2) Includes management, advisory and administration fees net of trailing commissions and investment advisory fees.

(3) Includes deferred sales charges, share of profit (loss) of joint ventures, other income from fee-earning arrangements, and fair value adjustments and other income.



# Financial Results – BPS Detail<sup>1</sup>

(bps of average AUM)	Sequential Quarter		TTM
	Q1-23	Q4-22	TTM
Average AUM excl. Private Capital (\$B) <sup>2</sup>	39.4	37.6	38.3
Average Mutual Fund	23.8	22.5	22.9
Average Institutional, Sub-Advisory, ETFs & Private Wealth	15.6	15.1	15.4
Net management, advisory and admin fees (bps) <sup>3</sup>	75	75	76
Less: SG&A excluding severance/corporate development costs (bps)	54	52	51
EBITDA before commissions (bps)	21	23	25

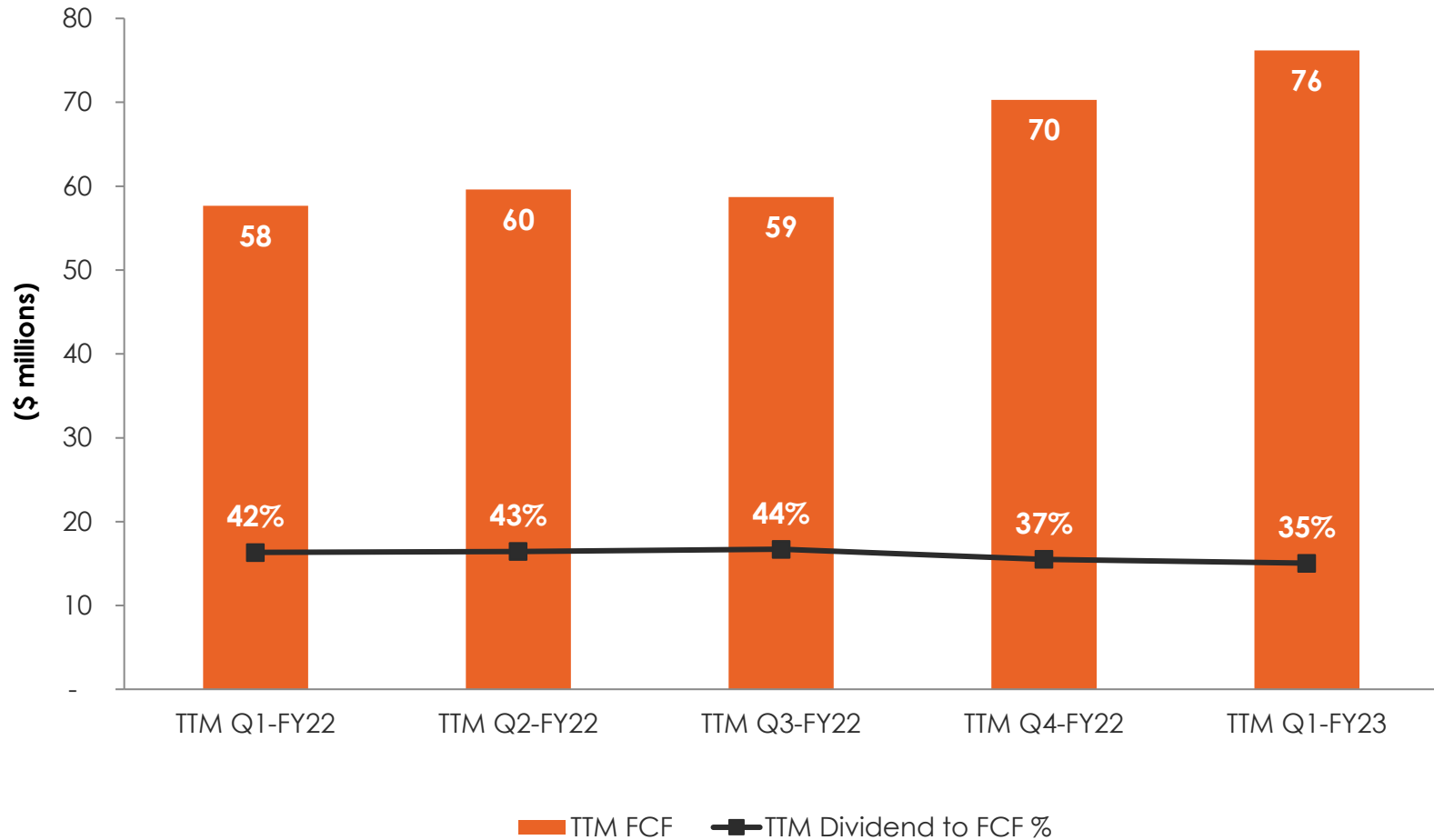


(1) Certain totals and subtotals may not reconcile due to rounding.

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

(3) Includes management, advisory and administration fees net of trailing commissions and investment advisory fees.

# Capital & Liquidity<sup>1</sup>



(1) 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 as outlined in the free cash flow section of the MD&A. Free cash flow does not include one-time items as noted on the MD&A.

## 2023 Focus & Priorities

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Deliver consistent and repeatable **investment performance**

Maintain sales momentum and **generate net inflows**

Build a **diversified private markets business**

**Meet expense guidance**  
while continuing to invest in key growth areas

Enhance **Corporate Sustainability**



## Thank You!

To learn more about AGF's  
history visit:

[www.agf.com/ca/en/about-  
agf/our-story](http://www.agf.com/ca/en/about-agf/our-story)

To learn more visit **AGF.com**

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AGF American Growth Class won in the U.S. Equity CIFSC Category, out of 836 funds. The FundGrade A+ start date was 1/31/2013 and the FundGrade A+ end date was 12/31/2022.

AGF Fixed Income Plus Fund won in the Canadian Fixed Income CIFSC Category, out of 311 funds. The FundGrade A+ start date was 1/31/2013 and the FundGrade A+ end date was 12/31/2022.

AGF Global Convertible Fund won in the High Yield Fixed Income CIFSC Category, out of 191 funds. The FundGrade A+ start date was 1/31/2016 and the FundGrade A+ end date was 12/31/2022.

AGF Global Select Fund won in the Global Equity CIFSC Category, out of 1146 funds. The FundGrade A+ start date was 1/31/2013 and the FundGrade A+ end date was 12/31/2022.

## About Morningstar

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