



# AGF Management Limited

Earnings Conference Call  
Second Quarter 2023

June 21, 2023

# Caution Regarding Forward-Looking Statements

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The forward-looking information is provided as of June 21, 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



**Ken Tsang, CFA, MBA**

Chief Financial Officer



## Available for questions

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

President & Head of Global Distribution



**Jenny Quinn**

Chief Accounting Officer



# Today's Discussion

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- Highlights of the 2<sup>nd</sup> Quarter of Fiscal 2023
- Business Updates
- Financial Results
- Capital & Liquidity
- Focus & Priorities

# Q2 2023 Highlights

Assets<sup>1</sup> of  
**\$41.2 billion**

**\$77 million**  
of mutual fund net sales

Strong Momentum in  
**U.S. SMA**

**Strong**  
Capital Position

Diluted  
**EPS of \$0.45**

**\$266 million**  
in short- and long-term  
investments

(1) Includes AUM and fee-earning assets.

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

(\$ millions)	Q2 2023	Q2 2022	Change
<b>AGF Investments</b>			
Mutual funds	23,631	22,849	↑ 3%
Institutional, Sub-advisory & ETF	8,276	8,039	↑ 3%
<b>AGF Private Wealth</b>	7,162	7,279	↓ (2%)
<b>AGF Private Capital<sup>3</sup></b>	2,135	2,110	↑ 1%
<b>Total AUM and fee-earning assets</b>	<b>41,204</b>	<b>40,277</b>	<b>↑ 2%</b>

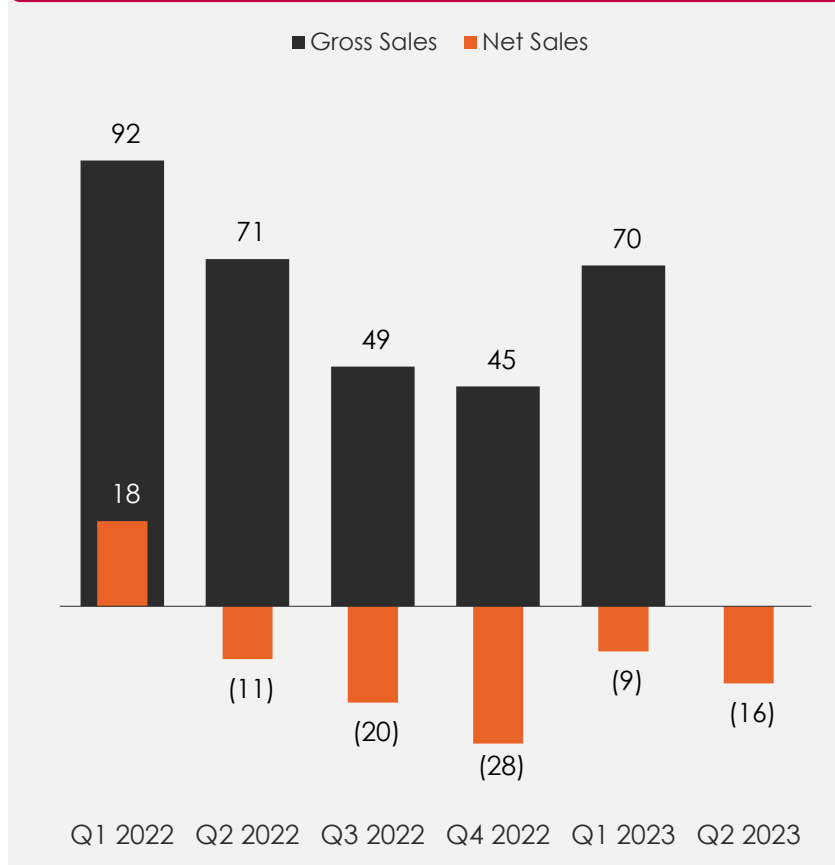
(1) Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.

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

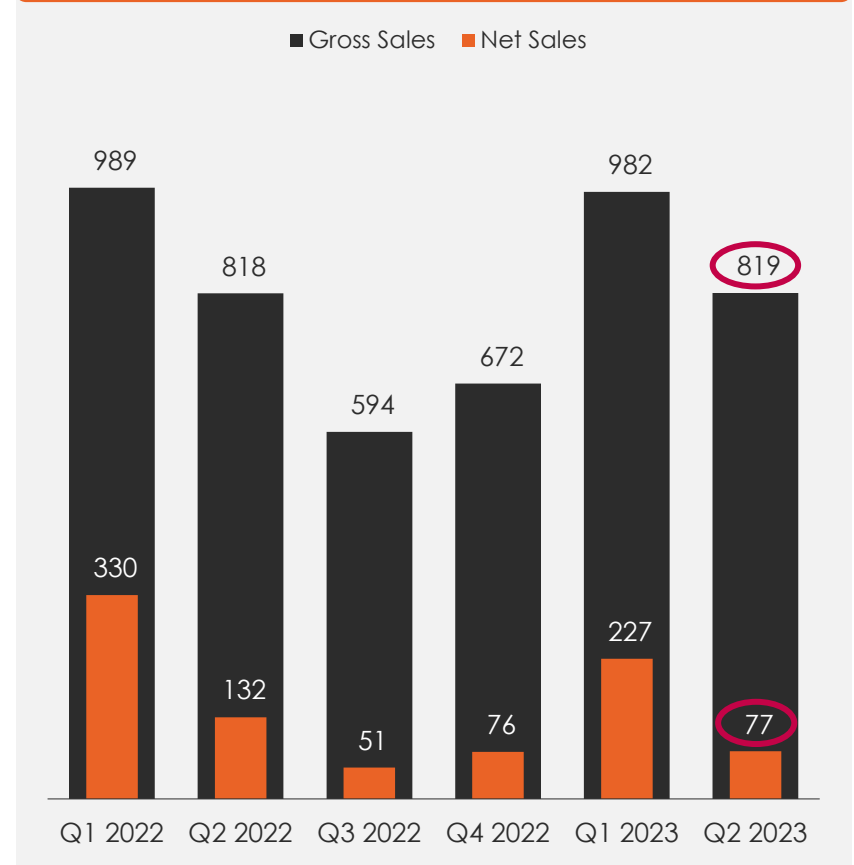
(3) Private Capital includes AUM and fee-earning assets.

# 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 IFIC. Q2 industry long-term funds gross sales not yet available.
- (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)	Q2-23	Sequential Quarter		Year Over Year	
		Q1-23	Variance	Q2-22	Variance
Net management, advisory and admin fees <sup>2</sup>	75.7	73.0	3.7%	76.2	(0.7%)
Other Revenue <sup>3</sup>	20.1	7.1	183.1%	6.5	209.2%
Total Net Revenue	95.8	80.1	19.6%	82.7	15.8%
SG&A	53.0	53.0	0.0%	47.3	(12.1%)
EBITDA before Commissions	42.8	27.1	57.9%	35.4	20.9%
Net Income	30.3	17.6	72.2%	10.1	200.0%
Diluted EPS	0.45	0.26	73.1%	0.14	221.4%
Free Cash Flow	19.8	19.3	2.6%	12.3	61.0%
<b>EBITDA before Commissions</b>					
EBITDA before Private Capital	24.8	23.1	7.4%	30.1	(17.6%)
Private Capital EBITDA <sup>4</sup>	18.0	4.0	350.0%	5.3	239.6%
EBITDA before Commissions	42.8	27.1	57.9%	35.4	20.9%
<b>EBITDA before Commissions Margin</b>	<b>33.0%</b>	<b>23.8%</b>	<b>38.7%</b>	<b>30.1%</b>	<b>9.6%</b>

(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.

(4) Private Capital EBITDA includes EBITDA from Private Capital Managers and Private Capital Long-term Investments.



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

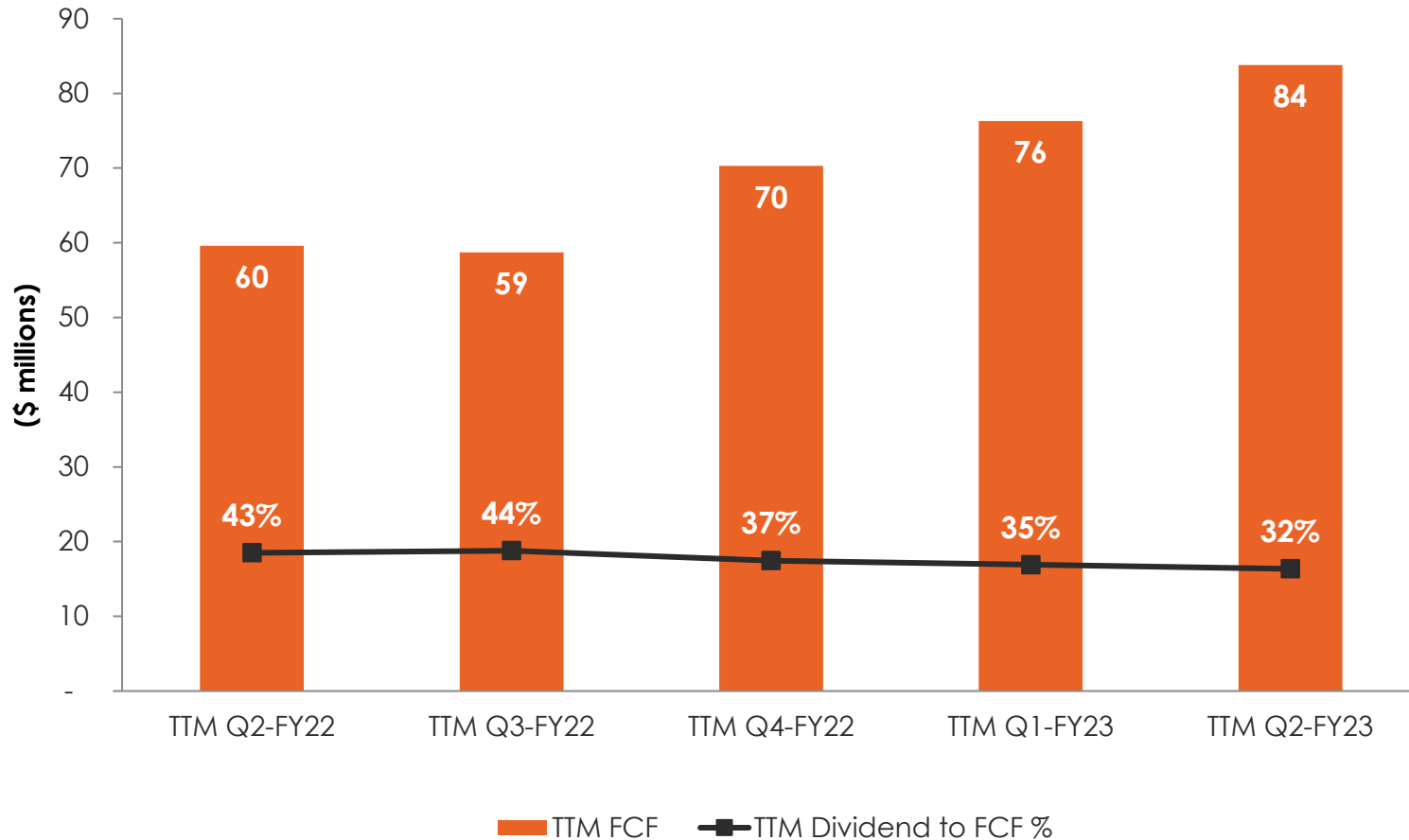
	Sequential Quarter		TTM
	Q2-23	Q1-23	Q3-22 to Q2-23
<b>(Average AUM, \$ billions)</b>			
Average AUM excl. Private Capital (\$B) <sup>2</sup>	39.7	39.4	38.4
Average Mutual Fund	24.0	23.8	23.1
Average Institutional, Sub-Advisory, ETFs & Private Wealth	15.7	15.6	15.3
<b>(bps of average AUM)</b>			
Net management, advisory and admin fees (bps) <sup>3</sup>	76	75	75
Less: SG&A excluding severance/corporate development costs (bps)	52	54	52
EBITDA before commissions (bps)	24	21	23

(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**