



# AGF MANAGEMENT LIMITED

EARNINGS CONFERENCE CALL  
THIRD QUARTER 2014  
SEPTEMBER 24, 2014



What are you doing after work?®

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The forward looking information is provided as of September 24, 2014. 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.

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## CONFERENCE CALL PARTICIPANTS

- **Blake C. Goldring**, CFA, Chairman & Chief Executive Officer
- **Kevin McCreadie**, CFA, President & Chief Investment Officer
- **Robert J. Bogart**, Executive Vice-President & Chief Financial Officer

# TODAY'S DISCUSSION

- Highlights of the 3<sup>rd</sup> Quarter
- Business Updates
  - Retail Business
  - Investment Management
  - Institutional Business
  - Alternatives
- Financial Results
- Capital & Liquidity
- Focus & Priorities

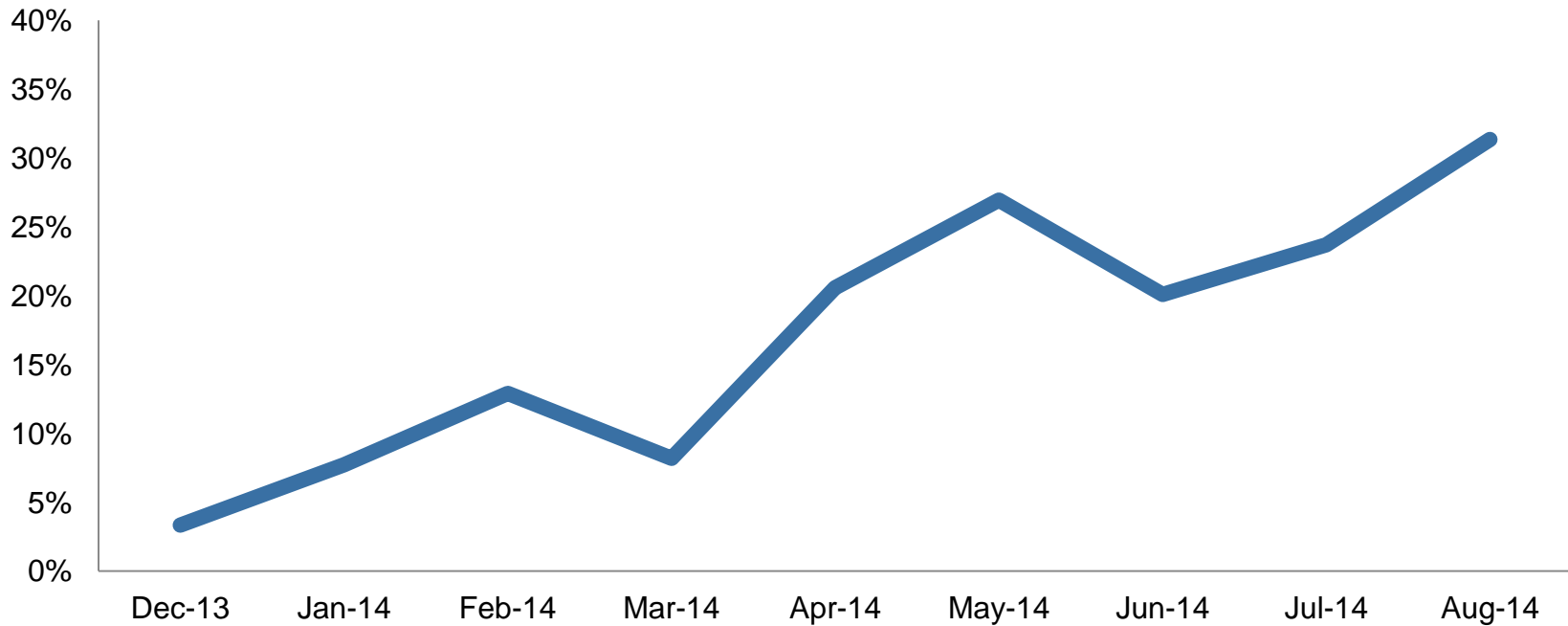
## Q3 HIGHLIGHTS

Continued progress toward stated objectives

- President & CIO in place
- Improving investment performance
- AUM of \$37.0 billion
- \$210 million midstream energy infrastructure fund closed
- Board reconfirmed \$0.27 dividend

# RETAIL NET REDEMPTIONS TREND

Redemption levels have improved significantly; further improvement in fund performance is key to continuing momentum



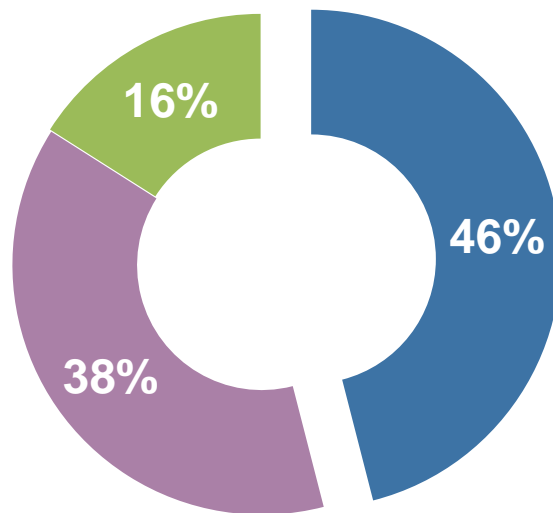
Percentage improvement in monthly net outflows vs. prior year

Note: Excludes seed capital and strategic partnership flows (\$5M and higher).

# InstarAGF

Infrastructure is the preferred alternative asset class among investors

## Change in Investor Allocation to Infrastructure



■ Increase Allocation ■ Maintain Allocation ■ Decrease Allocation

- A study by Preqin suggests that infrastructure is the preferred alternative asset class
- 46% of investors plan on increasing their infrastructure allocation over the long-term

# INVESTMENT TEAMS & PERFORMANCE

Process and risk management work to sustain improvement in investment performance

- Talented team in place
- Capabilities aligned well with market opportunity
- Focus will be on process and risk management
- Goal is to sustain improvement in investment performance



# INSTITUTIONAL BUSINESS REVIEW & PIPELINE

		(\$ millions)
Q2 Pipeline	Gross Sales Commitments	100
	Redemption Notifications	(63)
	<b>Q2 Net Pipeline</b>	<b>37</b>
Q3 Activity	Gross Sales from Q2 Pipeline	100
	Redemptions from Q2 Pipeline	(63)
	Additional Q3 Net Redemptions	(133)
	<b>Total Q3 Net Sales</b>	<b>(96)</b>
Q3 Pipeline	New Gross Sales Commitments	105
	Redemption Notifications	(214)
	<b>Q3 Net Pipeline</b>	<b>(109)</b>

- YTD net flows of \$361 million
- Global Core activity is high
- Buy ratings from Tier 1 consultants
- Net pipeline does not include \$150 million sub advisory win

# SUMMARY OF FINANCIAL RESULTS

	(\$ millions, except per share amounts)	Sequential Quarter			Quarter Over Quarter		
		Q3-14	Q2-14	Change	Q3-14	Q3-13	Change
Continuing Operations	Revenue	116.9	119.1	(1.8%)	116.9	117.7	(0.7%)
	EBITDA	38.5	38.1	1.0%	38.5	38.6	(0.3%)
	EBITDA Margin	32.9%	32.0%	2.8%	32.9%	32.8%	0.3%
	Free Cash Flow	23.2	16.0	45.0%	23.2	25.4	(8.7%)
	Net Income	14.8	14.5	2.1%	14.8	10.1	46.5%
	<b>EPS Diluted</b>	<b>0.17</b>	<b>0.17</b>	<b>0.0%</b>	<b>0.17</b>	<b>0.11</b>	<b>54.5%</b>

# FINANCIAL RESULTS – BPS DETAIL

SG&A decrease driven by lower stock based compensation

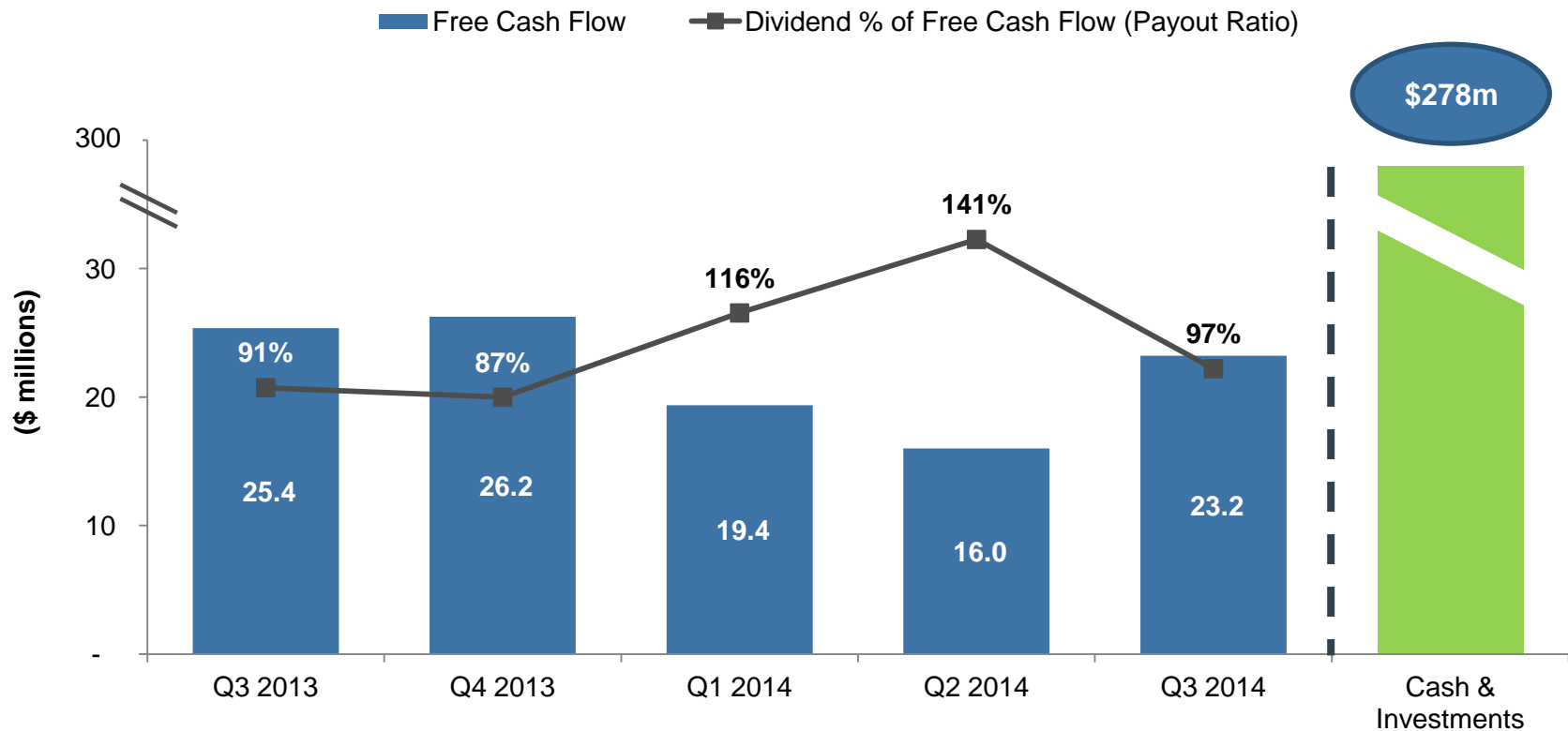
(bps of average AUM)	Q3-14	Q3-13	TTM
<b>Average AUM (\$B)</b>	<b>36.3</b>	<b>36.7</b>	<b>36.0</b>
Average Retail	19.8	19.0	19.6
Average Institutional and HNW	16.5	17.7	16.4
Revenue (bps) <sup>(1)</sup>	123	122	125
Less:			
Trailer Fees (bps)	36	33	35
SG&A (bps) <sup>(2)</sup>	49	52	51
EBITDA (bps)	38	37	39

(1) Represents management and advisory fees and deferred sales charge revenue only.

(2) Includes investment advisory fees.

# FREE CASH FLOW

Strong cash position supports dividend and growth initiatives



# 2014 FOCUS & PRIORITIES

Focus on sustaining investment performance improvement

- Key Execution Points
  - Sustain investment performance improvement
  - Retail flows improvement
  - Leverage opportunities in institutional
  - Launch core infrastructure fund
  - Deliver against cost guidance



# QUESTIONS



What are you doing after work?\*