

AGF Management Limited

Earnings Conference Call
Third Quarter 2019

September 25th, 2019

Caution Regarding Forward-Looking Statements

The forward looking information is provided as of September 25th, 2019. 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
- Highlights of the 3rd Quarter of Fiscal 2019
- Business Updates
- Financial Results
- Capital & Liquidity
- Focus & Priorities

Smith & Williamson and Tilney Merger¹

Deal Overview

- Transaction creates UK's leading integrated wealth management and professional services group
- Over £45 billion in assets under management
- Deal expected to close early 2020

Financial Terms

- Total proceeds of £193 million (C\$320 million)²
- Cash proceeds of £167 million (C\$277 million)³
- Retain 2.3% equity interest (valued at C\$43 million) in Tilney Smith & Williamson

(1) All Canadian dollar figures assume an exchange rate of 1.6542

(2) Excluding one-time expenses and closing adjustment

(3) C\$33 million prior to closing and C\$244 million at closing

Q3 2019 Highlights

Continued progress toward stated objectives



liquid alt products
to be launched

Continued
momentum in
digital growth
strategy

Private alternatives
AUM reaches
\$2.4 billion

2019 SG&A
efficiency
initiative
on track

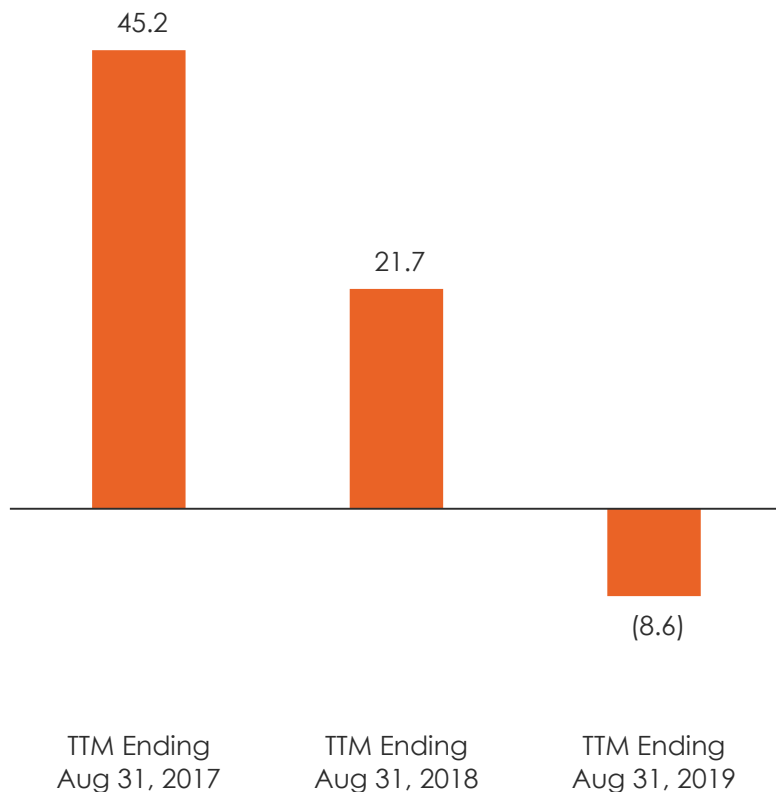
Diluted
EPS of \$0.18

Line of Business Performance

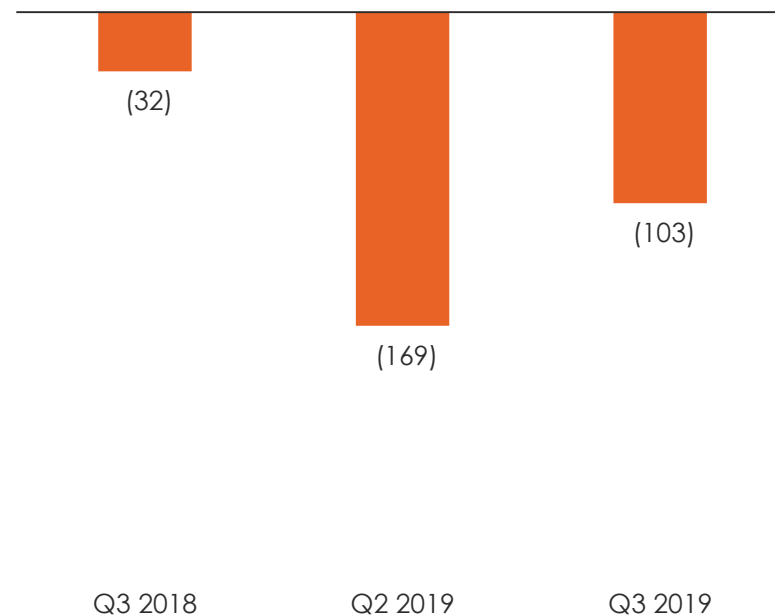
(\$ millions)	Q3 2018	Q3 2019	Change
Mutual funds	19,401	18,839	↓ 3 %
Institutional, Sub-advisory & ETF	12,694	10,391	↓ 18 %
Private Client	5,714	5,778	↑ 1 %
Private Alternatives	1,009	2,413	↑ 139 %
Total	38,818	37,421	↓ 4 %

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		
		Q3-19	Q2-19	Fav / (Unfav)	Q3-19	Q3-18 ²	Fav / (Unfav)
Continuing Operations	Revenue	107.4	109.8	(2.2%)	107.4	112.6	(4.6%)
	SG&A	47.3	48.6	2.7%	47.3	47.1	(0.4%)
	EBITDA before Commissions	29.0	29.2	(0.7%)	29.0	32.2	(9.9%)
	EBITDA before Commissions Margin	27.0%	26.6%	1.5%	27.0%	28.6%	(5.6%)
	Net Income - Equity Owners	14.4	11.5	25.2%	14.4	16.3	(11.7%)
	Diluted EPS	0.18	0.14	28.6%	0.18	0.20	(10.0%)
	Free Cash Flow	9.7	8.2	18.3%	9.7	12.8	(24.2%)
	Diluted EPS (Reported & Unadjusted)	0.18	0.14	28.6%	0.18	0.26	(30.8%)

(1) Comparatives adjusted for IFRS 15.

(2) Q3 2018 is adjusted for one-time net recovery of \$4.5m related to the transfer pricing provision [EPS impact \$0.06].

Financial Results – BPS Detail^{1,2}

(bps of average AUM)	Q3-19	TTM
Average AUM excl. Private Alternatives (\$B)³	35.1	35.7
Average Mutual Fund	18.2	18.2
Average Institutional, Sub-Advisory, ETFs & Private Client	16.9	17.4
Revenue (bps) ⁴	110	109
Less:		
Trailer Fees (bps)	35	34
SG&A (bps) ⁵	54	54
EBITDA before commissions (bps)	21	21

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

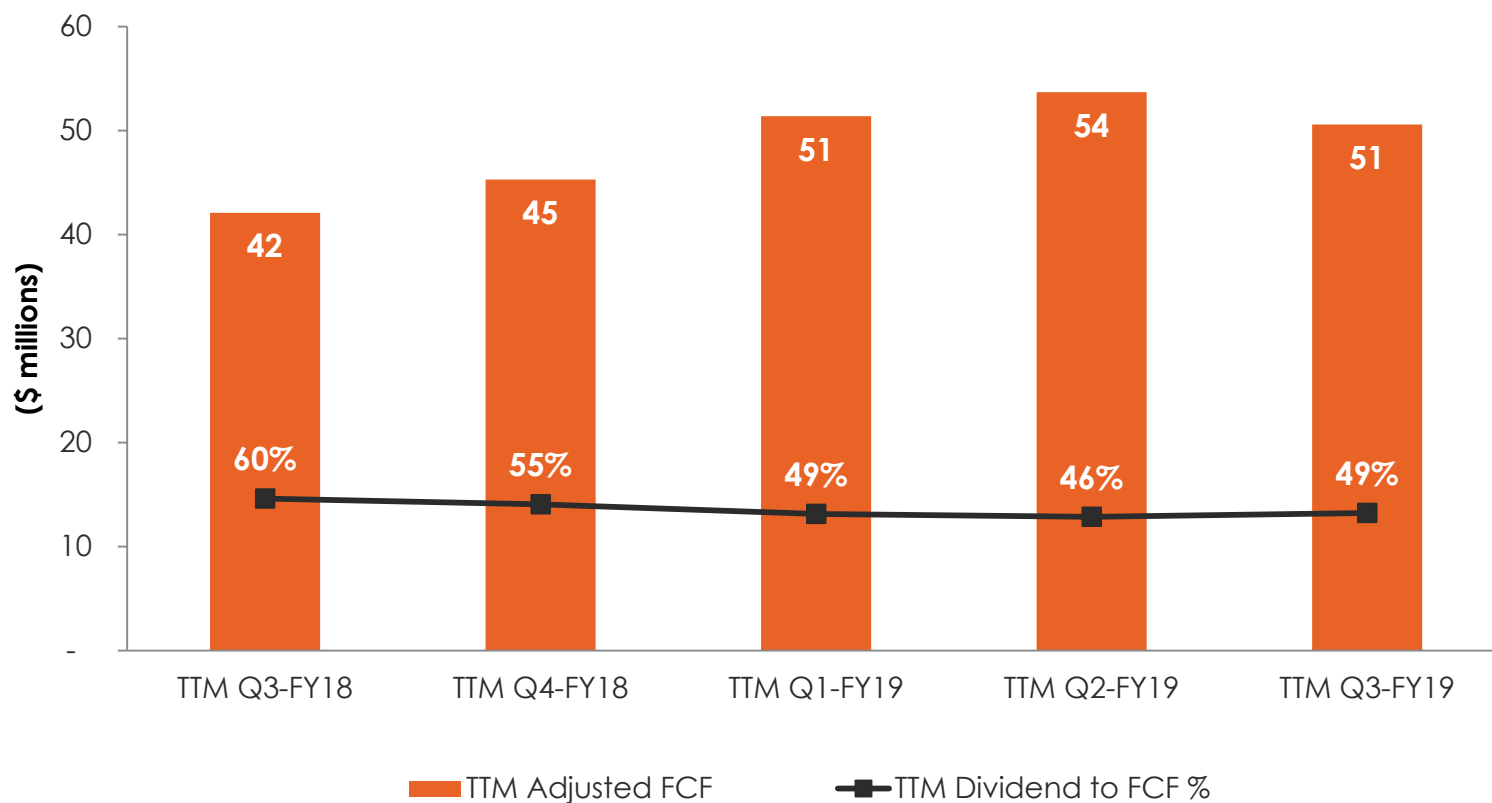
(2) Adjusted to exclude one-time items as noted in the MD&A; comparatives restated for IFRS15.

(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). Q4-2017 adjusted for one-time litigation settlement of \$8.7m (net of tax). Q1-2019 does not include \$11.3m restructuring charge (net of tax).

2019 Focus & Priorities

Deliver
consistent and
repeatable
**investment
performance**

Maintain
**trajectory of
improvement**
in retail and
institutional

Leverage the
 **AGF** | 
platform
Quant Investing

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

Appendix: 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
Total Average AUM excluding Private Alternatives ²	35,811	36,110	37,073	36,353	35,116	36,262	35,113
Income							
Management, advisory and administration fees	101.0	102.6	100.8	95.3	91.0	99.2	95.5
Deferred sales charge	1.6	1.7	1.6	1.6	1.6	1.9	1.8
Revenue bps ³ (Refer to slide 10)	116	115	110	107	107	111	110
Share of profit of associate and joint ventures	4.5	5.8	7.1	6.2	4.5	6.6	5.9
Fair value adjustments and other income	1.2	1.5	3.1	0.9	7.9	2.1	4.2
Total Income	108.3	111.6	112.6	104.0	105.0	109.8	107.4
Expenses							
Selling, general and administrative	50.5	52.6	47.1	45.8	48.0	48.6	47.3
Trailing commissions	31.8	32.5	32.6	30.1	29.0	31.3	30.6
Investment advisory fees	1.1	0.7	0.7	0.9	0.7	0.7	0.5
	83.4	85.8	80.4	76.8	77.7	80.6	78.4
EBITDA before commissions	24.9	25.8	32.2	27.2	27.3	29.2	29.0
EBITDA before commissions Margin	23.0%	23.1%	28.6%	26.2%	26.0%	26.6%	27.0%
Deferred selling commissions	11.0	10.8	9.3	9.0	11.1	12.2	9.5
Amortization, derecognition and depreciation	1.2	1.2	1.2	1.2	1.1	1.1	1.1
Interest expense	1.3	1.7	1.8	1.7	2.0	1.8	1.5
Income before income taxes	11.4	12.1	19.9	15.3	13.1	14.1	16.9
Income taxes	2.4	2.9	3.6	2.4	2.0	2.6	2.5
Net income attributable to equity owners of the Company⁴	9.5	9.6	16.3	12.9	11.1	11.5	14.4
Diluted EPS	0.11	0.12	0.20	0.17	0.14	0.14	0.18

(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