AGF Management Limited

FIRST QUARTER REPORT

2022

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Financial Highlights

(in millions of dollars, except share data) Three months ended	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021	Nov. 30, 2020[1,2]	Aug. 31, 2020[1,3]	May 31, 2020[1]
AUM & fee-earning assets[4]	$ 41,955	$ 42,635	$ 43,360	$ 40,809	$ 39,251	$ 38,268	$ 36,464	$ 35,762
Mutual fund net sales (redemptions)	330	352	288	408	385	88	(22)	(93)
Income	124.9	121.9	123.1	109.5	107.3	209.4	138.7	89.0
Selling, general & administrative	49.3	49.9	50.1	47.1	48.0	43.1	46.1	40.2
Selling, general & administrative excluding severance	47.9	49.8	50.0	47.1	47.9	43.4	46.1	40.2
EBITDA before commissions[5]	40.0	35.5	37.5	28.2	26.8	137.0	62.6	21.2
Adjusted EBITDA before commissions[6]	40.0	35.5	37.5	28.2	26.8	31.6	30.1	21.2
Deferred selling commissions	19.3	15.3	14.1	17.7	15.5	10.3	8.9	10.3
Adjusted EBITDA[6]	20.7	20.2	23.4	10.5	11.3	21.3	21.2	10.9
Net income before tax	17.6	16.9	20.0	7.1	7.8	123.1	50.6	7.0
Net income	12.9	13.8	14.9	5.0	5.6	110.4	47.3	5.3
Adjusted net income[6]	12.9	13.8	14.9	5.0	5.6	15.0	14.8	5.3
Earnings per share								
Basic	$ 0.18	$ 0.20	$ 0.21	$ 0.07	$ 0.08	$ 1.46	$ 0.61	$ 0.07
Diluted	0.18	0.19	0.21	0.07	0.08	1.43	0.60	0.07
Adjusted diluted[6]	0.18	0.19	0.21	0.07	0.08	0.19	0.19	0.07
Free cash flow[6]	13.3	12.5	21.5	10.4	10.5	9.9	15.5	6.1
Dividends per share	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08
Long-term debt[6]	–	–	–	–	–	–	194.3	199.9
Average basic shares	69,778,674	69,831,890	69,840,774	70,014,806	70,147,427	75,882,292	77,803,877	78,393,086
Average fully diluted shares	71,714,425	71,598,548	72,287,249	72,138,793	71,553,205	77,022,549	78,904,921	79,058,740

[1] Refer to Note 3 in the 2020 Consolidated Financial Statements for more information on the adoption of IFRS 16.

[2] November 30, 2020 includes $104.4 million related to gain on sale of Smith & Williamson Holdings Limited (S&WHL), net of currency hedge, and $1.0 million of restructuring release.

[3] Three months ended August 31, 2020 includes $41.3 million of dividends, net of currency hedge, from S&WHL, recognized as income.

[4] AUM represents assets under management. 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.

[5] For the definition of EBITDA before commissions, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA before commission to net income, a defined term under IFRS, are detailed in the Condensed Consolidated Interim Statement of Income.

[6] Adjusted net income, adjusted diluted earnings per share, free cash flow, adjusted EBITDA before commissions, adjusted EBITDA and long-term debt are not standardized earnings measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to IFRS, where necessary, are provided in the MD&A.

Selected Quarterly Information

(in millions of dollars, except share data)	Three months ended Feb. 28, 2022	Nov. 30, 2021	Feb. 28, 2021
AUM end of the period			
Mutual Funds	$ 23,625	$ 24,006	$ 21,394
Institutional, sub-advisory, ETFs	9,059	9,371	9,403
Private Client	7,102	7,077	6,300
Private Alternatives AUM[5]	69	73	142
Total AUM[5]	**$ 39,855**	**$ 40,527**	**$ 37,239**
Private alternatives fee-earning assets[6]	2,100	2,108	2,012
Total AUM and fee-earning assets[6] end of period	**$ 41,955**	**$ 42,635**	**$ 39,251**
Mutual Fund net sales	$ 330.0	$ 352.0	$ 385.0
EBITDA before commissions[1]	40.0	35.5	26.8
Deferred selling commissions	19.3	15.3	15.5
Net income	12.9	13.8	5.6
Diluted earnings per share	0.18	0.19	0.08
Free cash flow[2]	13.3	12.5	10.5
SUPPLEMENTARY FINANCIAL INFORMATION			
EBITDA before commissions			
EBITDA before Private Alternatives	$ 32.4	$ 28.2	$ 23.6
From Private Alternative Managers[3]	0.4	0.9	0.8
From Private Alternative Long-term Investments[4]	7.2	6.4	2.4
EBITDA before commissions	**$ 40.0**	**$ 35.5**	**$ 26.8**
EBITDA			
EBITDA before Private Alternatives	$ 13.1	$ 12.9	$ 8.1
From Private Alternative Managers[3]	0.4	0.9	0.8
From Private Alternative Long-term Investments[4]	7.2	6.4	2.4
EBITDA	**$ 20.7**	**$ 20.2**	**$ 11.3**
Diluted earnings per share before Private Alternatives	0.11	0.11	0.04
From Private Alternative Managers[3]	–	0.01	0.01
From Private Alternative Long-term Investments[4]	0.07	0.07	0.03
Diluted earnings per share	**$ 0.18**	**$ 0.19**	**$ 0.08**

[1] Refer to Note 5 on page 3.

[2] Refer to Note 6 on page 3.

[3] Private Alternative Manager earnings represents share of profit of joint ventures, which are recorded under equity accounting and recorded after tax and income from other fee-earning arrangements related to other Private Alternative fee-earning assets. Other fee-earning assets represent private alternative assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.

[4] Private Alternative Long-term Investments represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and other income.

[5] Total AUM and Private Alternatives AUM has been reclassified and restated to exclude co-investment AUM for comparative purposes.

[6] Fee-earnings assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.

First Quarter in Review

With continued concerns about the COVID-19 pandemic, ongoing rise in inflation and the conflict between Russia and Ukraine, the first quarter of 2022 saw increased volatility and a downturn in the markets. AGF continues to monitor the impact of the pandemic and is managing its expenses and capital position accordingly. Despite the market volatility, AGF continued to experience strong sales momentum throughout the first quarter of 2022. Below is a summary of the key highlights for the first quarter of 2022.

AUM and Sales

AGF reported $42.0 billion in assets under management and fee-earning assets as at February 28, 2022, compared to $42.6 billion as at November 30, 2021 and $39.3 billion as at February 28, 2021. Excluding Private Alternatives, AUM was $39.8 billion as at February 28, 2022, as compared to $40.5 billion as at November 30, 2021 and $37.2 billion as at February 28, 2021.

During the three months ended February 28, 2022, AGF maintained its sales momentum and reported mutual fund net sales of $330.0 million compared to $352.0 million for the three months ended November 30, 2021 and $385.0 million in the comparative prior year period. Retail mutual fund[1] net sales were $330.0 million for the quarter compared to $355.0 million for the three months ended November 30, 2021 and $376.0 million in the comparative prior year period.

Investment Performance

AGF aims to deliver consistent and repeatable investment performance with a target of 50% over one year and 40% over three years when looking at AGF's mutual fund gross returns (before fees) relative to peers within the same category, with 1st percentile being best possible performance. As at February 28, 2022, AGF's average percentile over the past one year was 56% (2021 – 41%) and the average percentile over the past three years was 46% (2021 – 53%). Though below target, AGF delivered one- and three-year performance close to median. AGF manages a broadly diverse set of funds by category and style, helping to achieve consistent long-term outcomes for clients. One-year performance in growth-oriented strategies deteriorated somewhat on a relative basis, partially offset by improving results from core strategies. Three-year performance improved across the majority of the strategies as core global mandates rebounded while growth equity, fixed income and multi-asset mandates maintained solid returns relative to peers.

Business Highlights

March 2022 marked the two-year anniversary of the COVID-19 pandemic. After operating as a mostly virtual firm for two years, AGF's offices have reopened, and employees are gradually increasing their time in the office with acknowledgement of a longer-term shift to a hybrid mix of in-office and at-home work environment.

AGF has filed a preliminary prospectus with the Canadian securities regulators for the targeted launch (subject to regulatory approval) of a suite of mutual funds exclusively developed for PFSL Investments Canada Ltd. (PFSL) as part of the previously announced multi-year product and services distribution arrangement.

AGF was recognized with FundGrade A+® Awards for AGF Global Select Fund, AGF U.S. Small-Mid Cap Fund, AGF Global Convertible Bond Fund and AGFiQ Global Multi-Sector Bond ETF.

The firm continues to actively increase returns to shareholders through the use of its Normal Course Issuer Bid (NCIB) and increasing its dividend for the second time in two years.

[1] Net sales (redemptions) in retail mutual funds are calculated as reported mutual fund net sales (redemptions) less non-recurring institutional net sales (redemptions) in excess of $5.0 million invested in our mutual funds.

Financial Highlights

Management, advisory and administration fees were $112.6 million for the three months ended February 28, 2022, compared to $113.0 million for the three months ended November 30, 2021 and $101.3 million for the comparative prior year period. The increase from comparative prior year period is attributable to higher average mutual fund AUM and higher overall reported AUM.

Fair value adjustments and other income were $10.6 million for the three months ended February 28, 2022, compared to $6.4 million for the three months ended November 30, 2021 and increased from $3.6 million for the comparative prior year period. During the three months ended February 28, 2022, AGF recorded other income of $3.9 million related to interest relief received from the Canada Revenue Agency (CRA) for a portion of previously assessed interest in relation to the 2008 to 2015 taxation years on resolved transfer pricing issues.

Selling, general and administrative costs, excluding severance costs incurred in the quarter of $1.4 million (2021 - $0.1 million), were $47.9 million for the three months ended February 28, 2022, down from $49.8 million for the three months ended November 30, 2021 and flat compared to the comparative prior year period.

For the three months ended February 28, 2022, AGF reported total EBITDA before commissions of $40.0 million, an increase of $4.5 million or 12.7% compared to $35.5 million for the three months ended November 30, 2021 and an increase of $13.2 million or 49.3% compared to $26.8 million in the comparative prior year period. For the three months ended February 28, 2022, AGF reported EBITDA before commissions margin of 32.0% compared to 29.1% for the three months ended November 30, 2021 and 25.0% in the comparative prior year period.

Deferred selling commissions were $19.3 million for the three months ended February 28, 2022, increased from $15.3 million for the three months ended November 30, 2021 and $15.5 million from the comparative prior year period. The increase is driven by an increase in the proportion of sales that are deferred selling commissions.

For the three months ended February 28, 2022, diluted earnings per share was $0.18 compared to $0.19 for the three months ended November 30, 2021 and $0.08 in the comparative prior year period.

During the three months ended February 28, 2022, AGF announced an 11% increase to its first quarter dividend to $0.10 per share, payable on April 20, 2022 to shareholders on record as at April 8, 2022.

During the three months ended February 28, 2022, AGF purchased 1,352,820 Class B Non-Voting shares for cancellation for a total consideration of $10.2 million at an average price of $7.54 per share under its normal course issuer bid (NCIB). AGF did not purchase any shares for cancellation for the comparative prior year period.

AGF Private Alternatives

AGF's private alternatives business is central to the firm's mission to bring stability to the world of investing. The Company's strategic vision as a well-established participant in this ever-evolving industry is to continue to build a diversified best-in-class private alternatives business that will meet the needs of retail brokers, family offices and institutions. With a target of $5 billion in AUM, AGF is focused on expanding its existing relationships and continues to explore other unique opportunities to grow the Company's platform and product offerings.

Alternative investments can be key components in a well-constructed portfolio for all investor types, contributing to lower volatility and opportunities for better long-term risk-adjusted returns. AGF's expertise and partnerships across the spectrum, from alternative asset classes to alternatives strategies, allows investors to have access to and benefit from allocations to alternatives investments as part of a disciplined investment approach. AGF's alternative investment strategies range across structures and vehicles tailored to each client segment depending on their unique needs including liquidity and redemption privileges.

Private alternatives AUM and fee-earning assets and EBITDA from private alternative managers and long-term investments are presented in the table below.

	Three months ended				
(in millions of dollars)	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021
Private alternatives AUM[1]	$ 69	$ 73	$ 99	$ 134	$ 142
Private alternatives fee-earning assets[1,2]	2,100	2,108	2,094	1,983	2,012
Total private alternatives AUM and fee-earning assets[2]	**$ 2,169**	**$ 2,181**	**$ 2,193**	**$ 2,117**	**$ 2,154**
Total AUM and fee-earning assets[2] end of the period	**41,955**	**42,635**	**43,360**	**40,809**	**39,251**
Percentage of total AUM and fee-earning assets[2]	**5.2%**	**5.1%**	**5.1%**	**5.2%**	**5.5%**
EBITDA from Private Alternative Managers & Long-term Investments	**$ 7.6**	**$ 7.3**	**$ 8.3**	**$ –**	**$ 3.2**

[1] Private alternatives AUM has been reclassified and restated to exclude co-investment AUM for comparative purposes.

[2] 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.

AGF's private alternatives business delivers value to the firm across multiple streams: Management fee-related earnings, carried interest, other fee arrangements, and invested capital.

Management Fee-Related Earnings, Carried Interest and Fee Arrangements

AGF earns management fees from the underlying investments managed through the manager. As successive funds are launched and assets grow, AGF's earnings from the manager will increase. AGF also earns ongoing annual fees on its private alternative fee-earning assets. As assets in this category increase through the expansion of partnerships, income from fee-earning arrangements will increase. In addition, through the achievement of attractive and sustainable investment returns, AGF will earn its proportionate share of carried interest.

Key financial highlights from AGF's interest in private alternative managers are presented in the table below.

	Three months ended				
(in millions of dollars)	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021
Manager earnings[1]	$ (0.4)	$ 0.1	$ –	$ 0.1	$ 0.8
Income from fee-earning arrangements	0.8	0.8	0.7	0.4	–
Carried interest earnings	–	–	2.2	–	–
EBITDA from Private Alternative Managers[2]	**$ 0.4**	**$ 0.9**	**$ 2.9**	**$ 0.5**	**$ 0.8**

[1] Represents share of profit (loss) of joint ventures related to private alternative managers.

[2] EBITDA from Private Alternative Managers represents share of profit of joint ventures, which are recorded under equity accounting and recorded after tax and income from other fee-earning arrangements related to other Private Alternative fee-earning assets.

Invested Capital Value

AGF also participates as an investor in the units of the underlying funds it manages, participating in increased valuation and distributions from the funds. Invested capital will be recycled and reinvested over time. Under IFRS, investments held in the underlying funds are measured at fair value. The fair value of the fund considers carried interest payable to the manager, based on the returns achieved to date. AGF may also receive cash distributions from the underlying funds. These earnings are recognized through 'Fair value adjustments and other income' on the Statement of Income.

Key financial highlights from AGF's investment in private alternative long-term investments are presented in the table below.

(in millions of dollars)	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021
Committed capital, end of period	$ 225.8	$ 229.0	$ 232.8	$ 207.2	$ 207.2
Funded capital, since inception	155.1	158.1	156.2	156.4	137.0
Remaining committed capital	**$ 70.7**	**$ 70.9**	**$ 76.6**	**$ 50.8**	**$ 70.2**
Fair value of investments	$ 163.2	$ 160.7	$ 152.5	$ 158.1	$ 139.6
EBITDA from private alternative long-term investments for the period	7.2	6.4	5.4	(0.5)	2.4

For the three months ended February 28, 2022, the private alternative business contributed $0.07 to diluted earnings per share compared to $0.08 for the three months ended November 30, 2021 and $0.04 in the comparative prior year period.

AGF Management Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended February 28, 2022 and 2021

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis (MD&A) includes forward-looking statements about the Company, including its 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 certain 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, 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 the 'Risk Factors and Management of Risk' section of the 2021 Annual MD&A.

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is as of March 29, 2022 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries for the three-month period ended February 28, 2022, compared to the three-month period ended February 28, 2021. The MD&A should be read in conjunction with our unaudited Condensed Consolidated Interim Financial Statements for the three months ended February 28, 2022 and our 2021 Annual Report. The financial statements for the three months ended February 28, 2022, including required comparative information, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including International Accounting Standard 34 (IAS 34), Interim Financial Reporting, unless otherwise noted.

We also utilize non-IFRS financial measures to assess our overall performance and facilitate a comparison of quarterly and full-year results from period to period. These non-IFRS measures may not be comparable with similar measures presented by other companies. Details of non-IFRS measures used are outlined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section, which provides calculations of the non-IFRS measures.

All dollar amounts are in Canadian dollars unless otherwise indicated. Throughout this discussion, percentage changes are calculated based on numbers rounded to the decimals that appear in this MD&A. Results, except per share information, are presented in millions of dollars. Certain totals, subtotals and percentages may not reconcile due to rounding. For purposes of this discussion, the operations of AGF and our subsidiary companies are referred to as 'we,' 'us,' 'our,' 'the firm' or 'the Company.'

Our Business and Strategy

Founded in 1957, AGF Management Limited is a diversified global asset management firm offering investment solutions to a wide range of clients, from individual investors and financial advisors to institutions, including pension plans, corporate plans, sovereign wealth funds, endowments and foundations. AGF has investment operations and client servicing teams in North America, Europe and Asia. AGF trades on the Toronto Stock Exchange (TSX) under the symbol AGF.B.

AGF provides fund administration services to the AGF mutual funds through AGF's subsidiary AGF CustomerFirst Inc. (AGFC) and provides the capability to deliver complete trading infrastructure to support ETFs and 40-Act vehicles in the U.S. through AGF's subsidiary AGF Investments LLC.

COVID-19

COVID-19 and the ongoing pandemic remain a significant concern and source of volatility for global markets.

AGF continues to monitor the impact of the pandemic and is managing expenses and capital position accordingly. The Company has a comprehensive business continuity plan, which the Company activated in March 2020, and has taken specific measures to mitigate any business risks and ensure business continuity and the protection of our employees around the world in light of the rapidly evolving situation related to COVID-19. To date, AGF has experienced no significant impact to our business operations and no instances of business operations interruption.

To maintain business-as-usual operations and importantly to protect the health and safety of AGF's employees, clients and communities the following measures remain in place:

- Offices have reopened and employees will gradually increase their time in the office with acknowledgement of a longer-term shift to a hybrid mix of in-office and at-home work environment.
- Employees are required to complete a health attestation on behalf of their households to ensure AGF follows and maintains health and safety protocols.

- As needed, in each of our regional locations, certain offices have paused office access for periods of time in accordance with local government guidance.
- Existing business travel bans and bans on participation in external conferences and events remain in place in certain regions until further notice.

Back-to-Office Guiding Principles

Below is AGF's back-to-office guiding principles, in priority order, as critical to our planning and activities.

1. Employee physical safety will be paramount, ensuring all of our facilities meet the recommendations of local Government and Public Health agencies before allowing return.
2. Employee mental health will be top of mind. As current capabilities are allowing the firm to operate effectively, any return is expected to be gradual and measured.
3. As an essential service AGF must maintain the ability to meet and exceed client service needs. Preference, priority and any declaration of mandatory presence in the office will consider these needs.
4. Culturally, AGF believes we must provide the capability to ensure ongoing collaboration and teamwork in a mixed at-home and at-work environment, so no employee feels disadvantaged by their present choice.

AGF has proven our employees can effectively work from home and, by embracing technology, has also found new ways to do things finding efficiency and benefits in this environment.

The COVID-19 pandemic has the potential to expose the Company to a number of risk factors that may impact our operating and financial performance. Refer to the 'Risk Factors and Management of Risk' section of this report for a more detailed discussion.

Investment Capabilities

As a diversified global asset management firm, AGF offers individuals and institutions a broad array of investment strategies through four key investment management platforms – fundamental, quantitative, private alternatives and private client.

Fundamental

AGF's fundamental investment management teams are focused on consistently delivering on investment objectives for our clients by leveraging our industry experience. AGF's fundamental teams' lead equity and fixed income portfolio managers have a combined 280+ years of experience in investment management, with deep relationships across the industry.

Throughout the years, as AGF has embraced change and innovation, our motivation has remained consistent. AGF carries a deep sense of accountability to investors to deliver on our objectives, allowing them to achieve their goals.

In an increasingly challenging environment, the ability to meet these objectives requires substantial experience and skill. At AGF, tenure, expertise and access to global firm resources has allowed the firm to maintain a disciplined approach while at the same time embracing a spirit of research and innovation to adapt.

AGF believes a culture of curiosity, open dialogue and challenging each other's ideas leads to better investment outcomes and helps to continually raise the bar for all of AGF's clients.

AGF's fundamental, actively managed platform includes a broad range of equity and fixed income strategies covering a spectrum of objectives from wealth accumulation and risk management to income-generating solutions. In addition to AGF's Global and North

American equity and fixed income capabilities the firm has demonstrated specialist expertise in the areas of sustainable and alternative investing.

Quantitative

AGFiQ is the quantitative platform for AGF powered by an intellectually diverse, multidisciplined team. Led by pioneers in factor-based investing, the team's approach is grounded in the belief that investment outcomes can be improved by assessing and targeting the factors that drive market returns. Utilizing disciplined, factor-based approaches allows the firm to view risk through multiple lenses, while working to achieve our objective of providing better risk-adjusted returns.

The AGFiQ team collectively believes that in quantitative approaches, it's the people behind the strategies that truly drive innovation. AGF prides itself on thinking differently and does so by combining diverse and complementary strengths, which leads to innovative investment approaches.

AGF's relentless passion for research and understanding drives our ability to advance the wealth accumulation and preservation goals of investors.

AGF has found that external, third-party systems are not keeping pace with our ideas, research and the flexibility and customization requirements needed to deliver better outcomes.

As a result, AGF has developed an in-house research and database platform that enables the firm to define customized factors and build risk models and portfolio optimizations tailored for the unique investment objectives of each strategy.

Private Alternatives

AGF's private alternatives platform combines diversified capabilities across multiple planks alongside participation as a core investor in bespoke and distinct opportunities that deliver added value for the firm's shareholders. AGF is continually looking to diversify its private alternative offerings.

Private Client

AGF's private client platform – which includes Cypress Capital Management Ltd., Doherty & Associates Ltd. and Highstreet Asset Management Inc. – provides investment solutions for high-net-worth individuals, endowments and foundations in key markets across Canada.

Cypress Capital Management provides quality investment services at a reasonable cost, where the best interest of the client is paramount. They are committed to being honest and transparent regarding return expectations, risks, fees and their capabilities as investment managers.

Doherty & Associates was founded on the principle that their clients come first in all they do. Their philosophy of 'Great Companies at Great Prices' coupled with a disciplined investment process guides them to grow wealth responsibly over time.

Highstreet Asset Management is committed to their core principles of doing two things exceptionally well – serving their clients and managing money. They believe that investment success can be achieved through blending quantitative and fundamental analysis to capture alpha drivers.

Corporate Responsibility

AGF Sustainability Council

AGF's Sustainability Council provides oversight on the firm's policies, programs and related risks that concern key public policy and sustainability matters, including public issues of significance to AGF and its stakeholders that may affect AGF's business, strategy, operations, performance and/or reputation.

Council Objectives Include:

Evaluate AGF's involvement in global initiatives related to ESG and corporate sustainability matters

Identify ways to engage in corporate social responsibility that creates a positive impact in our communities

Retain the best talent and incorporate inclusion and diversity throughout the organization

Employees

At AGF, the most important asset is its people as they play an integral role in the firm's success. AGF is committed to being an employer of choice, which means looking at responsible practices and initiatives to attract, develop and reward employees.

AGF launched its Diversity and Inclusion Committee with the mandate to develop, create organizational awareness around and promote best practices related to diversity and inclusion across the firm.

In addition, AGF rolled out a new and improved maternity and parental leave policy for employees in Canada to meet its commitment to an inclusive culture and meet the diverse needs of employees and their families.

AGF believes that embracing the strength of diversity and providing a satisfying human and physical environment increases its ability to serve and support each other, its clients and its communities.

AGF was recognized as Employer of Choice at the 2021 Wealth Professional Awards for fostering a culture that embraces diversity and inclusion, flexibility and empathy, enabling AGF to best serve and support its colleagues, clients and communities.

Workforce Diversity

AGF actively engages employees in the advancement of our inclusion and diversity initiatives and is committed to employing a workforce through inclusive hiring and recruiting practices that reflects the diversity of AGF's communities.

The Living Wage

AGF believes in the philosophy of The Living Wage and practices paying employees a higher base pay than established by government standards.

CEO-to-Employee Pay Ratio

AGF measures and evaluates vertical pay ratios to ensure fair salaries for our employees.

Clients

AGF is committed to the principles of good stewardship and responsible investing, and believes that integrating Environmental, Social and Governance (ESG) issues into its investment decision-making and ownership practices across platforms will help deliver better investment outcomes to clients.

Environmental, Social, and Governance (ESG) Integration

ESG Committee: Oversees responsible investment matters within AGF, including the implementation of our Responsible Investment Policy.

Fundamental Analysis

- Identify and assess material ESG factors as part of the investment strategy
- ESG data incorporated into investment research

ESG Risk Oversight

- Quarterly Portfolio Review with CIO: portfolio-level ESG investment risks
- Ongoing monitoring of ESG data 'flags'

Active Ownership

- Proxy voting to support responsible practices and enhance shareholder value
- Engagement to promote ESG value-adding practices

ESG Thought Leadership

- Lead collaborative initiatives with other institutional investors
- Founder/Chair of Toronto Responsible Investment Working Group

Signatory and member of:*

*AGF Management Limited is a member of the 30% Club and SASB Alliance. AGF Investments Inc. is a member/signatory of UNPRI, CERES, RIA, CDP and Climate Action 100. AGF International Advisors Company Limited is a signatory to the LGPS Code of Transparency and UK Stewardship Code.

Foundations of Investment Stewardship

Research and Analysis

AGF recognizes that effective research, analysis and evaluation of ESG issues is a fundamental part of assessing the value and performance of an investment over the medium and longer term and that this analysis should inform asset allocation, stock selection, portfolio construction, shareholder engagement and voting.

Risk Oversight

Portfolio-level ESG investment risk is monitored in the AGF portfolio analytics and risk management process and reviewed at the quarterly review with every Portfolio Manager, CIO and Risk and Portfolio Analytics team.

Active Ownership

Proxy voting is an important component of active ownership. AGF adopted Sustainability Proxy Voting Guidelines to support sustainable business practices and enhance shareholder value. AGF votes proxies in the best interests of the Funds.

Engagement

AGF engages in dialogue with companies and policy makers to influence and promote ESG value-adding practices, and better understand the quality of the businesses that it invests in and how they are positioned for future challenges. AGF also participates in broader discussions about standards and best practices in responsible investing.

Shareholders

AGF is committed to ensuring its corporate governance practices evolve with best practices. Each of AGF's directors is actively engaged in his or her duties as a steward of the corporation, tasked with the protection and promotion of shareholders' interests.

Direct Ownership

All directors are required to own at least three times their annual retainer in AGF Class B Non-Voting shares and/or Deferred Share Units. New directors have 24 months upon appointment to obtain such ownership.

Annual Assessment

AGF's Board conducts an annual review of its performance, the performance of each of the Board's committees, and the performance of each director.

Ethical Conduct

All directors, officers and employees of AGF are subject to a code of business conduct and ethics and must acknowledge their adherence annually to AGF's Code of Business Conduct and Ethics.

Board

When it comes to diversity, AGF believes that smart corporate decision-making requires different points of view, which come from people with diverse backgrounds, experiences and perspectives working together. AGF's Board is comprised of talented and dedicated directors who bring new ideas and distinct voices to help the firm succeed.

AGF is a member of the 30% Club Canada, which encourages and supports companies to appoint more women at Board level as well as senior management levels.

Communities

Sponsorships and partnerships help AGF fulfil its commitment to the firm's social responsibility pillars while raising awareness of and supporting these important causes. AGF employees also contribute beyond their jobs and are encouraged to lead by example and make a difference in their communities.

Education

AGF fosters educational development and opportunities to invest in its future.

Environment

AGF is considerate of its environmental impact and promotes the sustainability of our planet.

Diversity

AGF embraces diverse backgrounds, experiences and perspectives and champions social change.

Assets Under Management and Fee-earning Assets[1]

(in millions of dollars)	Three months ended Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021
Mutual fund AUM beginning of the period[2]	$ 24,006	$ 23,792	$ 22,290	$ 21,394	$ 20,322
Gross sales	989	914	790	1,060	1,042
Redemptions	(659)	(562)	(502)	(652)	(657)
Net sales	330	352	288	408	385
Market appreciation (depreciation) of fund portfolios	$ (711)	$ (138)	$ 1,214	$ 488	$ 687
Mutual fund AUM end of the period[2]	$ 23,625	$ 24,006	$ 23,792	$ 22,290	$ 21,394
Average daily mutual fund AUM[2]	$ 24,075	$ 23,896	$ 23,104	$ 22,011	$ 21,118
Institutional, sub-advisory, ETF AUM beginning of period	$ 9,371	$ 10,302	$ 9,713	$ 9,403	$ 9,638
Net change including market performance	(312)	(931)	589	310	(235)
Institutional, sub-advisory, ETF AUM end of the period	$ 9,059	$ 9,371	$ 10,302	$ 9,713	$ 9,403
Private client AUM	$ 7,102	$ 7,077	$ 7,073	$ 6,689	$ 6,300
Subtotal excluding private alternatives AUM end of the period	**$ 39,786**	**$ 40,454**	**$ 41,167**	**$ 38,692**	**$ 37,097**
Private alternatives AUM[3]	$ 69	$ 73	$ 99	$ 134	$ 142
Total AUM[3]	**$ 39,855**	**$ 40,527**	**$ 41,266**	**$ 38,826**	**$ 37,239**
Private alternatives fee-earning assets[1,3]	$ 2,100	$ 2,108	$ 2,094	$ 1,983	$ 2,012
Total AUM and fee-earning assets[1] end of the period	**$ 41,955**	**$ 42,635**	**$ 43,360**	**$ 40,809**	**$ 39,251**

[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] Mutual fund AUM includes retail AUM, pooled funds AUM and institutional client AUM invested in customized series offered within mutual funds.

[3] Total AUM and Private alternatives AUM have been reclassified and restated to exclude co-investment AUM for comparative purposes.

Private Alternatives AUM and Fee-earning Assets

(in millions of dollars)	Three months ended Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021	Feb. 28, 2021
Private alternatives AUM[1]	$ 69	$ 73	$ 99	$ 134	$ 142
Private alternatives fee-earning assets[1,2]	2,100	2,108	2,094	1,983	2,012
Total private alternatives AUM and fee-earning assets[2]	**$ 2,169**	**$ 2,181**	**$ 2,193**	**$ 2,117**	**$ 2,154**

[1] Private alternatives AUM has been reclassified and restated to exclude co-investment AUM for comparative purposes.

[2] 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.

Change in Assets Under Management

Total assets under management was $39.9 billion at February 28, 2022, compared to $37.2 billion at February 28, 2021.

Reported mutual funds net sales were $330.0 million for the three months ended February 28, 2022, compared to $385.0 million for the three months ended February 28, 2021. Excluding net flows from institutional clients invested in mutual funds[1], retail mutual fund net sales were $330.0 million for the quarter compared to $376.0 million in the prior year.

[1]Net sales (redemptions) in retail mutual funds are calculated as reported mutual fund net sales (redemptions) less non-recurring institutional net sales (redemptions) in excess of $5.0 million invested in our mutual funds.

Consolidated Operating Results

	Three months ended		
(in millions of dollars, except per share data)	**February 28, 2022**	**November 30, 2021**	**February 28, 2021**
Income			
Management, advisory and administration fees	$ 112.6	$ 113.0	$ 101.3
Deferred sales charges	1.5	1.6	1.6
Share of profit (loss) of joint ventures	(0.6)	0.1	0.8
Other income from fee-earning arrangements	0.8	0.8	–
Fair value adjustments and other income	10.6	6.4	3.6
Total income	$ 124.9	$ 121.9	$ 107.3
Expenses			
Selling, general and administrative[2]	49.3	49.9	48.0
Trailing commissions	35.5	36.3	32.3
Investment advisory fees	0.1	0.2	0.2
	$ 84.9	$ 86.4	$ 80.5
EBITDA before commissions[1]	**$ 40.0**	**$ 35.5**	**$ 26.8**
Deferred selling commissions	19.3	15.3	15.5
Amortization, derecognition and depreciation	2.6	2.6	2.6
Interest expense	0.5	0.7	0.9
Net income before income taxes	$ 17.6	$ 16.9	$ 7.8
Income tax expense	4.7	3.1	2.2
Net income for the period	**$ 12.9**	**$ 13.8**	**$ 5.6**
Basic earnings per share	$ 0.18	$ 0.20	$ 0.08
Diluted earnings per share	$ 0.18	$ 0.19	$ 0.08

[1] For the definition of EBITDA before commissions, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section. The items required to reconcile EBITDA before commissions to net income, a defined term under IFRS, are detailed above.

[2] Three months ended February 28, 2022 includes severance expenses of $1.4 million.

Commentary on Consolidated Results of Operations

Income

Management, Advisory and Administration Fees

Management, advisory fees and administration fees are directly related to our AUM levels and are recognized on an accrual basis. For the three months ended February 28, 2022, management, advisory and administration fees were $112.6 million, an increase of $11.3 million or 11.2%, compared to $101.3 million in the same period in 2021. A breakdown of the change is as follows:

(in millions of dollars)		Three months ended February 28, 2022
Increase in management, advisory and administration fees	$	10.9
Decrease in fund expense and waivers		0.4
Total change in management, advisory and administration fees	**$**	**11.3**

Management, advisory and administration fees increased by $11.3 million driven by an 14.0% increase in average mutual fund AUM and a 7.2% increase in overall AUM reported compared to the prior year.

Deferred Sales Charges (DSC)

We receive deferred sales charges upon redemption of securities sold on the contingent DSC or low-load commission basis for which we finance the selling commissions paid to the dealer. The DSC ranges from 1.5% to 5.5%, depending on the commission option of the original subscription price of the funds purchased if the funds are redeemed within the first two years and declines to zero after three or seven years. DSC revenue fluctuates based on the level of redemptions, the age of the assets being redeemed and the proportion of redemptions composed of back-end assets. DSC revenue was $1.5 million for the three months ended February 28, 2022, compared to $1.6 million for the same period in 2021.

Share of Profit of Joint Ventures

Share of profit of joint ventures refers to earnings related to our ownership in the joint ventures, which are recorded under the equity method. For the three months ended February 28, 2022, AGF recorded a loss of $0.6 million (2021 – income of $0.8 million). For additional information, see Note 6(a) of the Condensed Consolidated Interim Financial Statements.

Fair Value Adjustments and Other Income

Fair value adjustments and other income include mark to market adjustments related to AGF mutual funds that are held as seed capital investments and fair value adjustments and distributions associated with our long-term investments as well as other income.

During the three months ended February 28, 2022, the Company recorded $10.6 million (2021 – $3.6 million) in fair value and other income. Fair value adjustments and income distributions related to investment in AGF mutual funds and long-term investments were $6.1 million for the three months ended February 28, 2022 (2021 – $3.5 million). The amounts recorded as income fluctuate primarily with the amount of capital invested, monetizations, and changes in fair value. Other income was $4.4 million for the three months ended February 28, 2022 and included $3.9 million of interest relief received from the CRA for a portion of previously assessed interest in relation to the 2008 to 2015 taxation years on resolved transfer pricing issues.

	Three months ended		
(in millions of dollars)	February 28, 2022	November 30, 2021	February 28, 2021
Fair value adjustment related to investment in AGF mutual funds	$ (1.1)	$ (0.2)	$ 1.1
Fair value adjustment and distributions related to long-term investments	7.2	6.4	2.4
Interest income	0.1	–	0.1
Other	4.4	0.2	–
	$ 10.6	**$ 6.4**	**$ 3.6**

Expenses

Selling, General and Administrative Expenses (SG&A)

SG&A increased by $1.3 million or 2.7% for the three months ended February 28, 2022, compared to the same period in 2021. Excluding severance costs of $1.4 million incurred in the quarter, SG&A was flat. A breakdown of the increase is as follows:

(in millions of dollars)	Three months ended February 28, 2022
Decrease in performance-based compensation expenses	$ (0.3)
Decrease in stock-based compensation expenses	(1.9)
Increase in other expenses	2.2
	$ –
Increase in severance expenses	1.3
Total increase in SG&A	**$ 1.3**

The following explains expense changes in the three months ended February 28, 2022, compared to the same period in the prior year:

- Performance-based compensation expenses decreased by $0.3 million.
- Stock-based compensation expenses decreased by $1.9 million driven by a 9.0% decrease in the AGF.B share price, which impacts the mark to market liability of the Company's cash-settled RSUs and DSUs.
- Severance expenses increased by $1.3 million for the three month period ended February 28, 2022.
- Other expenses increased by $2.2 million attributed to an increase in employee costs related to cost of living increase and benefit usage as well as timing of expenses.

Trailing Commissions

Trailing commissions paid to distributors depend on total AUM, the proportion of mutual fund AUM sold on a front-end versus back-end commission basis and the proportion of equity fund AUM versus fixed income fund AUM. Annualized trailing commissions as a percentage of average daily mutual fund AUM was 0.60% for the three months ended February 28, 2022, compared to 0.62% for the same period in 2021. The decrease is primarily attributable to the impact of asset mix changes.

Deferred Selling Commissions

Deferred selling commissions are expensed on an accrual basis. For the three months ended February 28, 2022, the total deferred selling commissions expenses was $19.3 million (2021 – $15.5 million). The increase is driven by an increase in the proportion of sales that are deferred selling commissions.

Amortization and Interest Expense

The category represents other intangible assets, right-of-use assets, property, equipment, and computer software and interest expense.

- Depreciation remained flat for the three months ended February 28, 2022, compared to the same period in 2021.
- Interest expense decreased by $0.3 million for the three months ended February 28, 2022, compared to the same period in 2021.

Income Tax Expense

Income tax expense for the three months ended February 28, 2022 was $4.7 million, as compared to $2.2 million in the corresponding period in 2021. The effective tax rate for the three months ended February 28, 2022 was 26.6% (2021 – 28.2%). The main items impacting the effective tax rate in the period relates to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, prior period tax adjustments and non-taxable interest refunds received from the CRA.

As disclosed in the notes of the Company's 2021 Annual Report, the Company received letters from the CRA providing relief for a portion of the previously assessed interest in relation to the 2008 to 2015 taxation years on the resolved transfer pricing issue as disclosed in the Annual Consolidated Financial Statements from 2013 to 2020. During the three months ended February 28, 2022, the Company received refunds from the CRA totaling approximately $3.9 million in relation to such interest. The interest relief, which is non-taxable, is recorded in 'Fair value adjustments and other income' on the consolidated interim statement of income.

The Company believes that it has adequately provided for income taxes based on all of the information that is currently available. The calculation of income taxes in many cases, however, requires significant judgement in interpreting tax rules and regulations. The Company's tax filings are subject to audits, which could materially change the amount of the current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

The result of the audit and appeals process may vary and may be materially different compared to the estimates and assumptions used by management in determining the Company's consolidated income tax provision and in determining the amounts of its income tax assets and liabilities.

Net Income

The impact of the above income and expense items resulted in net income of $12.9 million for the three months ended February 28, 2022 as compared to $5.6 million in the corresponding period in 2021.

Earnings per Share

Diluted earnings per share was $0.18 for the three months ended February 28, 2022, as compared to earnings of $0.08 per share in the corresponding period of 2021.

Liquidity and Capital Resources

As at February 28, 2022, the Company had total cash and cash equivalents of $43.9 million (November 30, 2021 – $86.5 million). Free cash flow, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, generated was $13.3 million for the three months ended February 28, 2022, compared to $10.5 million in the comparative prior period. During the three months ended February 28, 2022, we used $42.6 million (2021 – $33.8 million) in cash as follows:

(in millions of dollars) **Three months ended**		**February 28, 2022**		**February 28, 2021**
Net cash used in operating activities	$	(27.0)	$	(37.8)
Repurchase of shares under normal course issuer bid and purchase of treasury stock for employee benefit trust (EBT)		(10.2)		–
Dividends paid		(6.2)		(5.5)
Interest paid		(0.1)		(0.1)
Purchase of long-term investments, net of return of capital		3.0		12.3
Purchase of property, equipment and computer software, net of disposals		(4.0)		(2.8)
Lease principal payments		(1.0)		(1.2)
Other		2.9		1.3
Change in cash and cash equivalents	**$**	**(42.6)**	**$**	**(33.8)**

The Company's working capital, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, decreased $11.5 million for the three months ended February 28, 2022.

Total long-term debt outstanding as at February 28, 2022 was nil (November 30, 2021 – nil). As at February 28, 2022, $150.0 million was available to be drawn from the revolving credit facility and swingline facility commitment to meet future operational investment needs.

As at February 28, 2022, the Company has right-of-use assets of $74.5 million and total lease liabilities of $84.1 million recorded on the Consolidated Interim Statement of Financial Position. As well, as at February 28, 2021, the Company has funded $155.1 million (November 30, 2021 – $158.1 million) in funds and investments associated with the private alternatives business and has $70.7 million (November 30, 2021 – $70.9 million) remaining of committed capital to be invested.

The cash balances and cash flow from operations, together with the available loan facility, will be sufficient in the near term to implement our business plan, fund our alternatives asset management business commitments, finance selling commissions, satisfy regulatory and tax requirements, service debt repayment obligations and pay quarterly dividends. We continue to closely monitor our capital plan and the related impacts of the current market volatility and will reassess and adjust our use of capital as required. Refer to the section 'Market Risk' of this MD&A for more information.

Capital Management Activities

We actively manage our capital to maintain a strong and efficient capital base to maximize risk-adjusted returns to shareholders, to invest in future growth opportunities, while ensuring there is available capital to fund our capital commitments related to the alternative asset management business.

As part of our ongoing strategic and capital planning, the Company regularly reviews our holdings in short- and long-term investments, including its investments in associates and joint ventures, to determine the best strategic use of these assets in order to achieve our long-term capital and strategic goals.

AGF capital consists of shareholders' equity and long-term debt. The Company reviews its three-year capital plan annually while detailing projected operating budgets and capital requirements. AGF is required to submit this plan to the Executive Management committee for approval prior to seeking Board approval. AGF's Executive Management committee consists of the Executive Chairman, Chief Executive Officer and Chief Investment Officer, President and Head of Global Distribution, Senior Vice President and CFO, Chief Operating Officer, and Senior Vice President and Head of Alternatives. Once approved by the Executive Management committee, the three-year plans are reviewed and approved by AGF's Board of Directors. These plans become the basis for the payment of dividends to shareholders, the repurchase of Class B Non-Voting shares and, combined with the reasonable use of leverage, the source of funds for expansion through organic growth and strategic investments.

Normal Course Issuer Bid

On February 3, 2022, AGF announced that the TSX had approved AGF's notice of intention to renew its NCIB in respect of its Class B Non-Voting shares. Purchase for cancellation by AGF of outstanding Class B Non-Voting shares may also be used to offset the dilutive effect of treasury stock released for the employee benefit trust (EBT) and of shares issued through the Company's stock option plans and dividend reinvestment plan. AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares subject to certain parameters. Shares purchased for the EBT are also purchased under the Company's NCIB and recorded as a reduction to capital stock. Under its NCIB, the Class B Non-Voting shares may be repurchased from time to time at prevailing market prices or such other price as may be permitted by the TSX for amounts as follows:

- Between February 8, 2022 and February 7, 2023, up to 4,889,630 Class B Non-Voting shares, or 10% of the public float for such shares, through the facilities of the TSX (or as otherwise permitted by the TSX); and
- Between February 8, 2021 and February 7, 2022, up to 5,067,167 Class B Non-Voting shares, or 10% of the public float for such shares, through the facilities of the TSX (or as otherwise permitted by the TSX).

During the three months ended February 28, 2022, AGF purchased 1,352,820 (2021– nil) Class B Non-Voting shares for cancellation for a total consideration of $10.2 million (2021 – nil) at an average price of $7.54 (2021 – nil) per share under its NCIB. During the three months ended February 28, 20212 and 2021, AGF did not repurchase any shares for cancellation under its NCIB for the EBT.

Dividends

The holders of Class B Non-Voting and Class A Voting common shares are entitled to receive cash dividends. Dividends are paid in equal amounts per share on all the Class B Non-Voting shares and all the Class A Voting common shares at the time outstanding without preference or priority of one share over another. No dividends may be declared in the event that there is a default of a condition of our credit facility or where such payment of dividends would create a default.

Our Board of Directors may determine that Class B Non-Voting shareholders shall have the right to elect to receive part or all of such dividend in the form of a stock dividend. They also determine whether a dividend in Class B Non-Voting shares is substantially equal to a cash dividend. This determination is based on the weighted average price at which the Class B Non-Voting shares traded on the TSX during the 10 trading days immediately preceding the record date applicable to such dividend.

The following table sets forth the dividends paid by AGF on Class B Non-Voting shares and Class A Voting common shares for the years indicated:

Years ended November 30	2022[1]	2021	2020	2019	2018
Per share	$ 0.19	$ 0.34	$ 0.32	$ 0.32	$ 0.32

[1] Represents the total dividends paid in January 2022, and to be paid in April 2022.

We review our dividend distribution policy on a quarterly basis, taking into account our financial position, profitability, cash flow and other factors considered relevant by our Board of Directors. The quarterly dividend paid on January 18, 2022 was $0.09 per share.

On March 29, 2022, the Board of Directors of AGF declared a quarterly dividend on both the Class A Voting common shares and Class B Non-Voting shares of the Company of $0.10 per share in respect of the three months ended February 28, 2022.

Outstanding Share Data

Set out below is our outstanding share data as at February 28, 2022 and 2021. For additional detail, see Notes 11 and 16 of the Condensed Consolidated Interim Financial Statements.

	February 28, 2022	February 28, 2021
Shares		
Class A Voting common shares	57,600	57,600
Class B Non-Voting shares	68,955,784	70,219,096
Stock Options		
Outstanding options	5,323,992	6,830,671
Exercisable options	4,733,080	5,184,191

Key Performance Indicators, Additional IFRS and Non-IFRS Measures

We measure the success of our business strategies using a number of key performance indicators (KPIs), which are outlined below. With the exception of income, the following KPIs are non-IFRS measures, which are not defined under IFRS. They should not be considered as an alternative to or comparable with net income attributable to equity owners of the Company or any other measure of performance under IFRS. Non-IFRS measures may not be comparable with similar measures presented by other companies.

Income

Income is a measurement defined by IFRS and is recorded net of fee rebates. Income is indicative of our potential to deliver cash flow.

We derive our income principally from a combination of:

- Management and advisory fees directly related to AUM from our retail, institutional and private client lines of businesses;
- Fund administration fees, which are based on a fixed transfer agency administration fee;
- DSC earned from investors when mutual fund securities sold on a DSC basis are redeemed; and
- General partnership interest, fee arrangements, carried interest and long-term investments in the private alternatives asset management business.

EBITDA Before Commissions

We define EBITDA before commissions as earnings before interest, taxes, depreciation, amortization and deferred selling commissions. EBITDA before commissions is an alternative measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. This non-IFRS measure may not be directly comparable to similar measures used by other companies.

The following table outlines how our EBITDA before commissions measures are determined:

	Three months ended		
(in millions of dollars)	February 28, 2022	November 30, 2021	February 28, 2021
Net income	$ 12.9	$ 13.8	$ 5.6
Adjustments:			
Deferred selling commissions	19.3	15.3	15.5
Amortization, derecognition and depreciation	2.6	2.6	2.6
Interest expense	0.5	0.7	0.9
Income tax expense	4.7	3.1	2.2
EBITDA before commissions	**$ 40.0**	**$ 35.5**	**$ 26.8**

EBITDA Before Commissions Margin

EBITDA before commissions margin provides useful information to management and investors as an indicator of our overall operating performance. We believe EBITDA before commissions margin is a valuable measure because it assesses the extent we are able to earn profit from each dollar of income. We define EBITDA before commissions margin as the ratio of EBITDA before commissions to income. Please see the EBITDA before commissions section of this MD&A for a reconciliation between EBITDA before commissions and net income.

	Three months ended		
(in millions of dollars)	February 28, 2022	November 30, 2021	February 28, 2021
EBITDA before commissions	$ 40.0	$ 35.5	$ 26.8
Divided by income	124.9	121.9	107.3
EBITDA before commissions margin	**32.0%**	**29.1%**	**25.0%**

Net Debt to EBITDA Before Commissions Ratio

Net debt to adjusted EBITDA before commissions ratio provides useful information to management and investors as an indicator of the Company's leverage capabilities. We define the net debt to adjusted EBITDA before commissions ratio as long-term debt offset against cash and cash equivalents at the end of the period divided by the 12-month trailing EBITDA before commissions for the period. The Company does not have any outstanding long-term debt for the three months ended February 28, 2022 and 2021 and the three months ended November 30, 2021.

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in our alternatives asset management 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 outlined below. We believe free cash flow is a relevant measure in our operations since a substantial amount of cash is spent on upfront deferred sales commission payments.

	Three months ended		
(in millions of dollars)	February 28, 2022	November 30, 2021	February 28, 2021
Net income for the period	$ 12.9	$ 13.8	$ 5.6
Adjusted for non-cash items and non-cash working capital balance	(39.9)	15.3	(43.4)
Net cash provided by (used in) operating activities	$ (27.0)	$ 29.1	$ (37.8)
Adjusted for:			
Net changes in non-cash working capital balances related to operations	40.1	(18.9)	28.3
	$ 13.1	$ 10.2	$ (9.5)
Income taxes paid during the year	5.0	5.7	23.2
	$ 18.1	$ 15.9	$ 13.7
Income taxes related to current period free cash flow	(3.7)	(2.3)	(2.0)
Interest and lease principal payments	(1.1)	(1.1)	(1.2)
Free cash flow	**$ 13.3**	**$ 12.5**	**$ 10.5**

Assets Under Management

The amount of AUM and the related fee rates are important to our business as these are the drivers of our revenue from our mutual fund, institutional and sub-advisory accounts, private client relationships and alternatives asset management business. AUM will fluctuate in value as a result of investment performance, sales and redemptions and crystallization of long-term investments. Mutual fund sales and AUM determine a significant portion of our expenses because we pay upfront commissions on gross sales and trailing commissions to financial advisors as well as investment advisory fees based on the value of AUM.

Investment Performance

Investment performance, which represents market appreciation (depreciation), is central to the value proposition that we offer advisors and unitholders. Growth in AUM resulting from investment performance increases the wealth of our unitholders and, in turn, we benefit from higher revenues. Alternatively, poor investment performance will reduce our AUM levels and result in lower management fee revenues. Strong relative investment performance may also contribute to growth in gross sales or reduced levels of redemptions. Conversely, poor relative investment performance may result in lower gross sales and higher levels of redemptions. Refer to the 'Risk Factors and Management of Risk' section of our 2021 Annual MD&A.

Net Sales (Redemptions)

Retail gross sales and redemptions are monitored separately and the sum of these two amounts comprises retail net sales (redemptions). Retail net sales (redemptions), together with investment performance and fund expenses, determine the level of average daily mutual fund AUM, which is the basis on which management fees are charged. The average daily mutual fund AUM is equal to the aggregate average daily net asset value of the AGF mutual funds. We monitor AUM in our institutional, sub-advisory and private client and alternatives businesses separately. We do not compute an average daily AUM figure for them.

Market Capitalization

AGF's market capitalization is $490.2 million as compared to its recorded net assets of $1,025.5 million as at February 28, 2022. In 2021, we completed an assessment to determine the fair value of AGF's cash-generating units (CGUs). Based on the result of the assessment, the recoverable amount of each CGU exceeded its carrying value as at November 30, 2021. There have been no significant changes to the recoverable amount of each CGU as at February 28, 2022, however, a sustained period of market volatility could become a triggering event requiring a write-down of AGF's CGUs. Estimating the fair value of CGUs is a subjective process that involves the use of estimates and judgements, particularly related to cash flows, the appropriate discount rates, terminal growth rates, synergy inclusion rates and an applicable control premium.

Working Capital

Working capital, defined as current assets less current liabilities, is used as a measure to demonstrate AGF's liquidity and ability to generate cash to pay for its short-term financial obligations.

Managing Risk

AGF is subject to a number of risk factors that may impact our operating and financial performance. These risks and the management of these risks are detailed in our 2021 Annual MD&A in the section entitled 'Risk Factors and Management of Risk'.

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors. The Company is subjected to market risk as the management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed.

COVID-19 and the ongoing pandemic remain a significant concern and source of volatility for global markets. As long as variants of concern continue to proliferate around the world, the virus will continue to impact the economic recovery, including in countries like the United States and Canada.

The ongoing rise in inflation – for everything from groceries and wages to potentially interest rates and taxes – may also be raising the spectre of higher volatility and could ultimately impact the trajectory of investment returns over the next 12 months.

In February 2022, Russian forces entered the Ukraine and armed conflict commenced. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether the conflict will escalate further. These current geopolitical tensions, together with international sanctions being imposed by many countries, may have a significant economic impact, not only on those with interest or exposures within Russia and Ukraine, but may also affect global market risk and could result in greater volatility and uncertainty globally and across many sectors.

Furthermore, with the recent volatility in the markets, AGF is monitoring the potential impact of market risk to its capital position and profitability if these levels were sustained or continued to decline. A significant portion of AGF's revenue is driven by its total average AUM excluding private alternatives. These AUM levels are impacted by both net sales and changes in the market. In general, for every $1.0 billion reduction in average AUM excluding private alternatives, management fee revenues, net of trailer fees, would decline by approximately $7.7 million. In addition, the uncertainty within the global markets may impact the level of merger and acquisition activity and is likely to create challenges in completing transactions.

Regulatory Risk

The current environment of heightened regulatory scrutiny in the financial services sector may reasonably be expected to lead to increasingly stringent interpretation and enforcement of existing laws and rules or additional regulations, changes in existing laws and rules, or changes in interpretation or enforcement of existing laws and rules. Regulatory developments may also impact product structures, pricing, and dealer and advisor compensation. While AGF actively monitors such initiatives, and where feasible comments upon or discusses them with regulators, the ability of AGF to mitigate the imposition of differential regulatory treatment of financial products or services is limited. AGF and AGF's subsidiaries are also subject to regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

On October 3, 2019, the Canadian Securities Administrators (the CSA) published final rule amendments (the CFR Amendments) aimed at enhancing the client-registrant relationship, as set out in National Instrument 31-103 (Registration Requirements, Exemptions and Ongoing Registrant Obligations) – dubbed the 'Client Focused Reforms'. Among other things, the CFR Amendments require registrants to promote the best interests of clients when addressing material conflicts of interest and to put clients' interests first when making suitability determinations. When implemented, the CFR Amendments will also enhance registrants' obligations with respect to know-your-client (KYC), know-your-product (KYP) and disclosure obligations, and will require registrants to clarify for clients what they should expect from their registrants. The CFR Amendments came into force on December 31, 2019, with a phased transition over a two-year period. All remaining CFR Amendments took effect as of December 31, 2021.

On February 20, 2020, the CSA (except the Ontario Securities Commission (OSC)) published a multilateral notice with final rule amendments to ban the payment of upfront sales commissions by fund organizations to dealers and, in so doing, discontinue sales charge options that involve such payments, such as all forms of the deferred sales charge option, including low-load options (the DSC Option). The OSC published similar final rule amendments on June 3, 2021 to also ban the DSC Option. The ban will take effect on June 1, 2022 across Canada.

On September 17, 2020, all members of the CSA published final amendments to ban trailing commission payments by fund organizations to dealers who do not make a suitability determination, such as order-execution-only (OEO) dealers. These amendments will take effect on June 1, 2022.

AGF, as an investment fund manufacturer, offers a wide range of mutual fund series that align with industry norms. AGF continually reviews our lineup to ensure we have the best representation of the Company's strengths, while providing the Company's partners and clients with the choice and diversity needed to adapt to the evolving regulatory landscape, including that of offering a wide range of product solutions that provide dealers, and their advisors, with the opportunity to structure compensation they determine to be most suitable based on the best interest of the investor.

While the impact of these regulatory initiatives still remains uncertain until they are effective, the Company and the Company's subsidiaries will continue to monitor the implementation of these initiatives throughout the industry, and will actively participate in engagement with the industry and regulators, as necessary.

As a long-standing participant in the Canadian financial services industry, the Company and the Company's subsidiaries will continue to be an advocate for sound regulatory changes that are grounded in the needs of all investors. The Company strongly believes in upholding the value of advice, preserving investor choice, and limiting the negative effects of unintended consequences.

Information Technology and Cybersecurity Risk

The Company uses information technology and the internet to streamline business operations and to improve client and advisor experience. However, with the use of information technology and the internet, the Company (and each of the Company's affiliates, subsidiaries and AGF Funds) is exposed to information technology events, through cybersecurity breaches, which could potentially have an adverse impact on their business. In general, a cybersecurity breach can result from either a deliberate attack or an unintentional event, and may arise from external or internal sources. The recent conflict in Ukraine along with COVID-19 and the increased use of electronic and remote communication tools and services may lead to heightened cybersecurity risk.

While AGF Funds and the Company have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due to the ever-changing nature of technology and cybersecurity attack tactics, and the possibility that certain risks have not been identified. Furthermore, although the Company has vendor oversight policies and procedures, the Company cannot control the cybersecurity plans and systems put in place by the Company's service providers or any other third party whose operations may affect the Company, AGF Funds or their securityholders. As a result, the Company, AGF Funds and their securityholders could be negatively affected.

Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have designed or caused the design of the Internal Controls Over Financial Reporting (ICFR) and Disclosure Controls and Procedures. There have been no changes in AGF's internal controls during the three months ended February 28, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Additional Information

Additional information relating to the Company can be found in the Company's Condensed Consolidated Interim Financial Statements and accompanying notes for the three months ended February 28, 2022, the Company's 2021 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedar.com.

AGF Management Limited

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited)

For the three months ended February 28, 2022 and 2021

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(unaudited) (in thousands of dollars)	Note		February 28, 2022		November 30, 2021
Assets					
Current assets					
Cash and cash equivalents		$	43,886	$	86,484
Investments	5		18,944		23,074
Accounts receivable, prepaid expenses and other assets			40,505		37,655
Income tax receivable	17, 22		5,891		5,803
Total current assets			109,226		153,016
Investment in joint ventures	6		677		783
Long-term investments	6		163,179		160,721
Management contracts			689,759		689,759
Goodwill			250,830		250,830
Other intangibles, net of accumulated amortization and derecognition			513		558
Right-of-use assets	7		74,511		76,065
Property, equipment and computer software, net of accumulated depreciation			22,024		19,009
Deferred income tax assets			7,059		6,085
Other assets	8		1,426		2,539
Total non-current assets			1,209,978		1,206,349
Total assets		**$**	**1,319,204**	**$**	**1,359,365**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	9, 16	$	50,290	$	82,247
Provision for Elements Advantage			418		651
Lease liability	7		2,392		3,919
Total current liabilities			53,100		86,817
Long-term lease liability	7		81,738		80,710
Deferred income tax liabilities			151,114		150,294
Other long-term liabilities	8, 16		7,772		10,421
Total liabilities			293,724		328,242
Equity					
Equity attributable to owners of the Company					
Capital stock	11		419,777		426,193
Contributed surplus	16		37,912		40,182
Retained earnings			564,952		561,794
Accumulated other comprehensive income	12		2,839		2,954
Total equity			1,025,480		1,031,123
Total liabilities and equity		**$**	**1,319,204**	**$**	**1,359,365**

(The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.)

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF INCOME

(unaudited)		Three months ended	
		February 28,	February 28,
(in thousands of dollars, except per share amounts)	**Note**	**2022**	**2021**
Income			
Management, advisory and administration fees	13	$ 112,565	$ 101,271
Deferred sales charges		1,521	1,636
Share of profit (loss) of joint ventures	6	(568)	754
Other income from fee-earning arrangements	8	757	–
Fair value adjustments and other income	6, 14, 17	10,621	3,574
		124,896	107,235
Expenses			
Selling, general and administrative	15, 20	49,291	47,980
Trailing commissions		35,500	32,332
Investment advisory fees		67	244
Deferred selling commissions		19,301	15,548
Amortization and derecognition of customer contracts and other intangibles		44	29
Depreciation of property, equipment and computer software		979	930
Depreciation of right-of-use asset	7	1,539	1,615
Interest expense	7	655	742
		107,376	99,420
Income before income taxes		**17,520**	**7,815**
Income tax expense (benefit)			
Current	17	4,791	1,962
Deferred	17	(140)	242
		4,651	2,204
Net income for the period		**$ 12,869**	**$ 5,611**
Earnings per share equity owners of the Company			
Basic	18	$ 0.18	$ 0.08
Diluted	18	$ 0.18	$ 0.08

(The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.)

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(in thousands of dollars)		February 28, 2022		February 28, 2021
Net income for the period	$	12,869	$	5,611
Other comprehensive income, net of tax				
Net unrealized gain (loss) on investments				
Unrealized gain (loss)		(115)		27
		(115)		27
Total other comprehensive income (loss), net of tax	$	(115)	$	27
Net comprehensive income	**$**	**12,754**	**$**	**5,638**

Items presented in other comprehensive income will be reclassified to the consolidated statement of income in subsequent periods, with the exception of equity instruments classified as fair value through other comprehensive income.

(The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.)

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(unaudited) (in thousands of dollars)	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance, December 1, 2020	$ 425,460	$ 40,465	$ 547,614	$ 2,640	**$ 1,016,179**
Net income for the period	–	–	5,611	–	**5,611**
Other comprehensive income (net of tax)	–	–	–	27	**27**
Comprehensive income for the period	–	–	5,611	27	**5,638**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	79	–	–	–	**79**
Stock options	231	190	–	–	**421**
AGF Class B Non-Voting shares repurchased for cancellation	–	–	(35)	–	**(35)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.1 million	–	–	(5,694)	–	**(5,694)**
Equity-settled Restricted Share Units, net of tax	–	(2,795)	–	–	**(2,795)**
Treasury stock released	1,175	–	440	–	**1,615**
Balance, February 28, 2021	**$ 426,945**	**$ 37,860**	**$ 547,936**	**$ 2,667**	**$ 1,015,408**
Balance, December 1, 2021	$ 426,193	$ 40,182	$ 561,794	$ 2,954	**$ 1,031,123**
Net income for the period	–	–	12,869	–	**12,869**
Other comprehensive loss (net of tax)	–	–	–	(115)	**(115)**
Comprehensive income for the period	–	–	12,869	(115)	**12,754**
AGF Class B Non-Voting shares issued through dividend reinvestment plan	83	–	–	–	**83**
Stock options	14	169	–	–	**183**
AGF Class B Non-Voting shares repurchased for cancellation	(8,226)	–	(1,974)	–	**(10,200)**
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of $0.1 million	–	–	(6,353)	–	**(6,353)**
Equity-settled Restricted Share Units, net of tax	–	(2,439)	–	–	**(2,439)**
Treasury stock released	1,713	–	(1,384)	–	**329**
Balance, February 28, 2022	**$ 419,777**	**$ 37,912**	**$ 564,952**	**$ 2,839**	**$ 1,025,480**

(The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.)

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

(unaudited)		Three months ended	
(in thousands of dollars)	Note	February 28, 2022	February 28, 2021
Operating Activities			
Net income for the period		$ 12,869	$ 5,611
Adjustments for			
Amortization, derecognition and depreciation		2,562	2,574
Interest expense		655	742
Income tax expense	17	4,651	2,204
Income taxes paid		(5,004)	(23,232)
Stock-based compensation	16	1,055	3,005
Share of loss (profit) of joint ventures	6	568	(754)
Distributions from joint ventures	6	38	1,455
Fair value adjustment on long-term investments	6	(5,428)	92
Net realized and unrealized gain on short-term investments	14	1,108	(1,191)
Other		18	(28)
		13,092	(9,522)
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		(3,387)	(2,125)
Other assets		1,112	–
Accounts payable and accrued liabilities		(35,106)	(24,830)
Other liabilities		(2,745)	(1,290)
		(40,126)	(28,245)
Net cash used in operating activities		(27,034)	(37,767)
Financing Activities			
Repurchase of Class B Non-Voting shares for cancellation	11	(10,200)	–
Issue of Class B Non-Voting shares	11	14	231
Dividends paid	19	(6,183)	(5,540)
Interest paid		(122)	(53)
Lease principal payments	7	(1,014)	(1,154)
Net cash used in financing activities		(17,505)	(6,516)
Investing Activities			
Investment in joint venture	6	–	(276)
Purchase of long-term investments	6	(213)	–
Return of capital from long-term investments	6	3,183	12,250
Purchase of property, equipment and computer software, net of disposals		(3,993)	(2,821)
Purchase of short-term investments	5	–	(400)
Proceeds from sale of short-term investments	5	2,964	1,702
Net cash provided by investing activities		1,941	10,455
Decrease in cash and cash equivalents		(42,598)	(33,828)
Balance of cash and cash equivalents, beginning of the period		86,484	94,009
Balance of cash and cash equivalents, end of the period		$ 43,886	$ 60,181
Cash and cash equivalents comprise of:			
Cash at bank and on hand		$ 39,385	$ 55,680
Term deposit		4,501	4,501
Total cash and cash equivalents		$ 43,886	$ 60,181

(The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended February 28, 2022 and 2021 (unaudited)

Note 1: General Information

AGF Management Limited (AGF or the Company) is a limited liability company incorporated and domiciled in Canada under the Business Corporations Act (Ontario). The address of its registered office and principal place of business is Toronto-Dominion Bank Tower, 66 Wellington Street West, Toronto, Ontario.

The Company is an integrated, global wealth management corporation whose principal subsidiaries provide investment management for mutual funds, factor-based exchange-traded funds (ETF), institutions and corporations, as well as high-net-worth clients. The Company conducts the management and distribution of mutual funds and ETFs in Canada under the brand names AGF, Elements, and AGFiQ (collectively, AGF Investments). The Company's wholly owned subsidiary AGF CustomerFirst Inc. (AGFC) provides fund administration services to the AGF mutual funds. The Company's private alternatives business includes joint ventures with Stream Asset Financial Management LP (SAFM LP) and AGF SAF Private Credit Management LP (PCMLP), and fee-earning arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent). The Company also has an ownership interest in AGFWave Asset Management Inc. (AGFWave), which provides asset management services and products in China and South Korea.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 29, 2022.

Note 2: Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including International Accounting Standard 34 (IAS 34), Interim Financial Reporting. Amounts are expressed in Canadian dollars, unless otherwise stated. The accounting policies in these condensed consolidated interim financial statements are consistent with those disclosed in the Company's annual consolidated financial statements for the year ended November 30, 2021. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended November 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

Note 3: Adoption of New and Revised Accounting Standards

Interest Rate Benchmark Reform

The IASB issued amendments to various standards, including IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases, to address the accounting impacts and treatment in relation to the effects of transition from the benchmark interest rate. The amendments are applicable for financial years commencing on or after January 1, 2021. The Company has determined the amendments did not have a material impact on its consolidated interim financial statements.

Note 4: Risk Management

In February 2022, Russian forces entered the Ukraine and armed conflict commenced. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether the conflict will escalate further. These current geopolitical tensions, together with international sanctions being imposed by many countries, may have a significant economic impact, not only on those with interest or exposures within Russia and Ukraine, but may also affect global market risk and could result in greater volatility and uncertainty globally and across many sectors. While there is no current or direct material exposure identified for the

Company, the ultimate impacts that could be seen are unknown, and management will continue to monitor these events closely to manage risk to the Company.

The COVID-19 pandemic remains a significant concern and source of volatility for the global markets. Sustained and material volatility in the financial markets has the potential to create market risk to the Company's capital position and profitability. A significant portion of AGF's revenue is driven by its total average AUM excluding private alternatives. These AUM levels are impacted by both net sales and changes in the market. In general, for every $1.0 billion reduction in average AUM excluding private alternatives, management fee revenues, net of trailer fees, would decline by approximately $7.7 million.

Note 5: Investments

The following table presents a breakdown of investments:

(in thousands of dollars)		February 28, 2022		November 30, 2021
Fair value through profit or loss				
AGF mutual funds and other	$	17,852	$	21,836
Fair value through other comprehensive income				
Equity securities		781		913
Amortized cost				
Canadian government debt – Federal		311		325
	$	18,944	$	23,074

During the three months ended February 28, 2022 and 2021, no impairment charges were recognized.

Note 6: Investment in Joint Ventures and Long-term Investments

(a) Investment in Joint Ventures

The Company has ownership in joint ventures that manage our private alternative funds. These joint ventures include Stream Asset Financial GP (SAF GP), SAFM LP and PCMLP and are accounted for using the equity method of accounting. The Company, through its interest in joint ventures, may be entitled to performance-based fees or carried interest distributions. These amounts are recognized by the Company and its joint ventures when the fund exceeds the related performance thresholds and when the risk of reversal is low.

The Company also has an ownership interest in AGFWave Asset Management Inc. (AGFWave), which provides asset management services and products in China and South Korea.

The continuity for the three months ended February 28, 2022 and 2021 is as follows:

	Three months ended	
(in thousands of dollars)	February 28, 2022	February 28, 2021
Balance, beginning of the period	$ 783	$ 1,780
Investment in joint venture[1]	500	276
Share of profit (loss)	(568)	754
Distributions received	(38)	(1,455)
Balance, end of the period	$ 677	$ 1,355

[1] As at February 28, 2022, cash consideration for investment in joint venture of $0.5 million was recorded in accounts payable. The payment was subsequently made in March 2022.

For the three months ended February 28, 2022, the Company recognized a loss of $0.6 million (2021 – earnings of $0.8 million) and received distributions of $0.1 million (2021 – $1.5 million) from its private alternatives business.

(b) Investment in Long-term Investments

Fair value adjustments and income distributions related to the Company's long-term investments in private alternatives are included in fair value adjustments and other income in the consolidated statement of income.

The continuity for the Company's long-term investments, accounted for at fair value through profit or loss (FVTPL), for the three months ended February 28, 2022 and 2021 is as follows:

	Three months ended	
(in thousands of dollars)	February 28, 2022	February 28, 2021
Balance, beginning of the period	$ 160,721	$ 151,949
Purchase of long-term investments	213	–
Return of capital	(3,183)	(12,250)
Fair value adjustment[1]	5,428	(92)
Balance, end of the period	$ 163,179	$ 139,607

[1] Fair value adjustment is based on the net assets of the fund less the Company's portion of the carried interest that would be payable by the fund upon crystallization.

As at February 28, 2022, the carrying value of the Company's long-term investments in the private alternatives business was $163.2 million (November 30, 2021 – $160.7 million).

During the three months ended February 28, 2022, the Company recognized $7.2 million (2021 – $2.4 million) in fair value adjustment and distributions related to its long-term investments as discussed in Note 14.

The following shows the Company's commitment in funds and investments associated with the private alternatives business as at February 28, 2022 and 2021.

	Three months ended	
(in thousands of dollars)	February 28, 2022	February 28, 2021
Commitment, beginning of the period	$ 229,027	$ 219,477
Return of capital	(3,183)	(12,250)
Commitment, end of the period	$ 225,844	$ 207,227
Funded capital, since inception	(155,139)	(136,999)
Remaining commitment to be funded[1]	$ 70,705	$ 70,228

[1] Excludes anticipated commitment of US $50.0 million upon the successful launch of Instar's third fund for the three months ended February 28, 2022.

The Company may temporarily provide capital to warehouse investments prior to formation of a fund. Upon closing of a fund with external investors, the Company receives a return of its capital.

Note 7: Leases

The Company leases property and office equipment. As at February 28, 2022, the Company has right-of-use assets of $74.5 million and total lease liabilities of $84.1 million recorded on the consolidated interim statement of financial position. The following shows the carrying amounts of the Company's right-of-use assets and lease liabilities by class and the movements during the three months ended February 28, 2022 and 2021:

	Right-of-use assets			Lease liabilities
(in thousands of dollars)	Property	Equipment	Total	
As at December 1, 2020	$ 80,181	$ 958	$ 81,139	$ 85,663
Depreciation expense	(1,544)	(71)	(1,615)	–
Lease modification and reassessment	1,092	(5)	1,087	1,078
Interest expense	–	–	–	550
Payments	–	–	–	(1,154)
As at February 28, 2021	**$ 79,729**	**$ 882**	**$ 80,611**	**$ 86,137**
As at December 1, 2021	$ 75,384	$ 681	$ 76,065	$ 84,629
Depreciation expense	(1,475)	(64)	(1,539)	–
Lease modification and reassessment	6	(21)	(15)	(11)
Interest expense	–	–	–	526
Payments	–	–	–	(1,014)
As at February 28, 2022	**$ 73,915**	**$ 596**	**$ 74,511**	**$ 84,130**

Note 8: Other Fee-earning Arrangements

InstarAGF Fee-earning Arrangement

On May 26, 2021, the Company announced changes to its relationship with Instar Group Inc. The joint venture relationship in InstarAGF Asset Management Inc. (InstarAGF) was concluded following the establishment of its two flagship funds, InstarAGF Essential Infrastructure Fund I and II (together, the InstarAGF Funds). Based on the terms of the agreements, the Company maintained its respective long-term investments, as well as the carried interest participation in the InstarAGF Funds (carried interest entities). In addition, the Company and Instar entered into a fee arrangement whereby AGF will earn ongoing annual fees of 14 bps on the assets under management of the InstarAGF Funds. As at February 28, 2022, the InstarAGF Funds fee-earning assets were $2.0 billion.

During the year ended November 30, 2021, the Company also announced an anticipated commitment of US$50.0 million upon the successful launch of Instar's third fund. Upon AGF's commitment to Instar's third fund, the Company will earn ongoing annual fees of 7 bps on the assets under management of Instar's third fund as well as participate in the carried interest.

The fee arrangement is classified as a contract with Instar under IFRS 15. Under IFRS 15, the annual fee will be recorded as income on an accrual basis over the remaining terms of each of the InstarAGF Funds. During the three months ended February 28, 2022, the Company recognized $0.7 million (2021 – nil) of income related to the fee arrangement.

The Company's carried interest participation in the InstarAGF Funds is classified as a financial instrument under IFRS 9, specifically equity instrument, and measured at fair value through other profit and loss (FVTPL). The fair value of the carried interest investment as at February 28, 2022 is $1.2 million and is included in other assets in the consolidated statement of financial position. The Company has $1.2 million in long-term deferred income related to initial recognition of the carried interest entity, which will be recognized in the consolidated income statement as distributions are received. Fair value adjustment on the carried interest entities will result in changes to the asset with a corresponding change to deferred income. During the three months ended February 28, 2022, the Company did not recognize any fair value adjustments or income on the carried interest investments.

First Ascent Fee-earning Arrangement

In August 2021, AGF announced a strategic private equity partnership with First Ascent focused on investing in emerging technology companies. Based on the terms of the agreements, AGF has committed a $30.0 million cornerstone investment to First Ascent's second fund (First Ascent Fund) and will earn an annual fee of $0.2 million during the commitment period and 11.5 bps on the net invested capital after the commitment period. As at February 28, 2022, the First Ascent Fund fee-earning asset was $0.1 billion and during the three months ended February 28, 2022, the Company recognized $0.1 million (2021 – nil) of income related to the fee arrangement.

Note 9: Accounts Payable

(in thousands of dollars)	February 28, 2022	November 30, 2021
Compensation related payable	$ 23,946	$ 51,832
HST payable	7,245	10,053
Other	19,099	20,362
Accounts payable and accrued liabilities	$ 50,290	$ 82,247

Note 10: Long-term Debt

The Company's unsecured revolving credit facility (the Facility) has a maximum aggregate principal amount of $140.0 million and a $10.0 million swingline facility commitment. Advances under the Facility are made available by prime-rate loans in U.S. or Canadian dollars, under banker's acceptance (BAs) or by issuance of letters of credit. The Facility is due in full on November 6, 2023. As at February 28, 2022, AGF had drawn nil (November 30, 2021 – nil) against the Facility. During the three months ended February 28, 2022, the Company did not borrow against the Facility (2021 – nil). AGF incurred $0.7 million of transaction fees, which is being amortized over the term of the Facility. As at February 28, 2022, the remaining balance of the transaction fee was $0.3 million. As at February 28, 2022, $150.0 million was available to be drawn from the revolving credit facility and swingline facility commitment.

Note 11: Capital Stock

(a) Authorized Capital

The authorized capital of AGF consists of an unlimited number of AGF Class B Non-Voting shares and an unlimited number of AGF Class A Voting common shares. The Class B Non-Voting shares are listed for trading on the Toronto Stock Exchange (TSX).

(b) Changes During the Period

The change in capital stock is summarized as follows:

	Three months ended					
	February 28, 2022			February 28, 2021		
(in thousands of dollars, except share amounts)	**Shares**		**Stated value**	**Shares**		**Stated value**
Class A Voting common shares	57,600	$	–	57,600	$	–
Class B Non-Voting shares						
Balance, beginning of the period	69,956,884	$	426,193	69,868,569	$	425,460
Issued through dividend reinvestment plan	9,997		83	13,143		79
Stock options exercised	2,500		14	40,000		231
Repurchased for cancellation	(1,352,820)		(8,226)	–		–
Treasury stock released for employee benefit trust	339,223		1,713	297,384		1,175
Balance, end of the period	68,955,784	$	419,777	70,219,096	$	426,945

(c) Class B Non-Voting Shares Purchased for Cancellation

AGF has obtained applicable regulatory approval to purchase for cancellation, from time to time, certain of its Class B Non-Voting shares through the facilities of the TSX (or as otherwise permitted by the TSX). AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares subject to certain parameters. Under its normal course issuer bid, AGF may purchase up to 10% of the public float outstanding on the date of the receipt of regulatory approval or up to 4,889,630 shares for the period from February 8, 2022 to February 7, 2023 and up to 5,067,167 shares for the period from February 8, 2021 to February 7, 2022. During the three months ended February 28, 2022, AGF purchased 1,352,820 (2021 – nil) Class B Non-Voting shares under the normal course issuer bid at a cost of $10.2 million (2021 – nil). During the three months ended February 28, 2022, the premium of $2.0 million (2021 – nil) over the recorded capital stock value of the shares purchased for cancellation was recorded in retained earnings.

(d) Class B Non-Voting Shares Purchased as Treasury Stock for Employee Benefit Trust

During the three months ended February 28, 2022 and 2021, AGF did not purchase any Class B Non-Voting shares for the employee benefit trust. Shares purchased for the trust are purchased under the Company's normal course issuer bid and recorded as a reduction to capital stock. During the three months ended February 28, 2022, 339,223 (2021 – 297,384) Class B Non-Voting shares purchased as treasury stock were released. As at February 28, 2022, 435,595 (November 30, 2021 – 774,818) Class B Non-Voting shares were held as treasury stock.

Note 12: Accumulated Other Comprehensive Income

(in thousands of dollars)	Foreign currency translation	Fair value through OCI	Total
Opening composition of accumulated other comprehensive income at December 1, 2020			
Other comprehensive income (loss)	$ (1,501)	$ 4,151	$ 2,650
Income tax expense	–	(10)	(10)
Balance, December 1, 2020	(1,501)	4,141	2,640
Transactions during the year ended November 30, 2021			
Other comprehensive income	–	362	362
Income tax expense	–	(48)	(48)
Balance, November 30, 2021	(1,501)	4,455	2,954
Transactions during the period ended February 28, 2022			
Other comprehensive loss	–	(132)	(132)
Income tax expense	–	17	17
Balance, February 28, 2022	$ (1,501)	$ 4,340	$ 2,839

Note 13: Management, Advisory and Administration Fees

	Three months ended	
(in thousands of dollars)	February 28, 2022	February 28, 2021
Management, advisory and administration fees	$ 114,418	$ 103,502
Fund expenses and waivers	(1,853)	(2,231)
	$ 112,565	$ 101,271

Note 14: Fair Value Adjustments and Other Income

	Three months ended	
(in thousands of dollars)	February 28, 2022	February 28, 2021
Fair value adjustment related to investment gain (loss) classified as FVTPL (Note 5)	$ (1,108)	$ 1,124
Fair value adjustment and distributions related to long-term investments (Note 6(b))[1]	7,170	2,397
Interest income	110	139
Other[2]	4,449	(86)
	$ 10,621	$ 3,574

[1] For the three months ended February 28, 2022, the Company recorded fair value adjustment related to long-term investments of $5.4 million and distributions related to long-term investments of $1.8 million.
[2] For the three months ended February 28, 2022, the Company recorded other income of $3.9 million related to an interest refund received from the Canada Revenue Agency (CRA). See Note 17 for further information.

Note 15: Expenses by Nature

(in thousands of dollars)	Three months ended February 28, 2022	Three months ended February 28, 2021
Selling, general and administrative		
Salaries, benefits and performance-based compensation	$ 33,006	$ 32,319
Stock-based compensation	1,383	3,326
Severance	1,442	107
Sales and marketing	1,773	1,650
Information technology and facilities	7,466	6,807
Professional fees	3,732	3,008
Other fund costs	6	244
Other	483	519
	$ 49,291	$ 47,980

Note 16: Stock-based Compensation and Other Stock-based Payments

(a) Stock Option Plans

Under the Company's stock option plans, an additional maximum of 1,991,869 Class B Non-Voting shares could have been granted as at February 28, 2022 (November 30, 2021 – 1,289,537).

The change in stock options during the three months ended February 28, 2022 and 2021 is summarized as follows:

	Three months ended			
	February 28, 2022		February 28, 2021	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Class B Non-Voting share options				
Balance, beginning of the period	6,028,824	$ 6.12	7,214,162	$ 6.64
Options forfeited	(48,100)	8.32	(48,100)	8.32
Options expired	(654,232)	7.88	(295,391)	11.43
Options exercised	(2,500)	5.15	(40,000)	5.15
Balance, end of the period	5,323,992	$ 5.90	6,830,671	$ 6.43

During the three months ended February 28, 2022 and 2021, nil stock options were granted and compensation expense and contributed surplus of $0.2 million was recorded (2021 – $0.1 million).

(b) Other Stock-based Compensation

Other stock-based compensation includes Restricted Share Units (RSUs) and Deferred Share Units (DSUs). Compensation recovery related to cash-settled stock-based compensation for the three months ended February 28, 2022 was $0.1 million (2021 – expense of $2.2 million) and the liability recorded as at February 28, 2022 related to cash-settled stock-based compensation was $10.1 million (November 30, 2021 – $11.0 million). Compensation expense related to equity-settled RSUs for the three months ended February 28, 2022 was $1.0 million (2021 – $0.7 million) and contributed surplus related to equity-settled RSUs, net of tax, as at February 28, 2022 was $2.9 million (November 30, 2021 – $5.3 million).

The change in share units of RSUs and DSUs during the three months ended February 28, 2022 and 2021 is as follows:

	Three months ended	
	February 28, 2022	**February 28, 2021**
	Number of share units	**Number of share units**
Outstanding, beginning of the period	3,926,196	3,510,057
Issued		
Initial grant	67,293	232,624
In lieu of dividends	34,437	35,505
Settled in cash	(473,009)	(376,677)
Settled in equity, net of tax	(339,223)	(297,384)
Forfeited and cancelled	(424)	(13,288)
Outstanding, end of the period	3,215,270	3,090,837
Cash-settled, end of the period	1,801,111	1,741,029
Equity-settled, end of the period	1,414,159	1,349,808

Note 17: Income Tax Expense

Income tax expense is recognized based on management's best estimate of weighted average annual income tax rate expected for the full financial year. The effective tax rate for the three months ended February 28, 2022 was 26.6% (2021 – 28.2%).

The main items impacting the effective tax rate in the period relates to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, prior period tax adjustments and non-taxable interest refunds received from the CRA.

As disclosed in the notes of the Company's 2021 Annual Report, the Company received letters from the CRA providing relief for a portion of the previously assessed interest in relation to the 2008 to 2015 taxation years on the resolved transfer pricing issue as disclosed in the Annual Consolidated Financial Statements from 2013 to 2020. During the three months ended February 28, 2022, the Company received refunds from the CRA totaling approximately $3.9 million in relation to such interest. The interest relief, which is non-taxable, is recorded in "Fair value adjustments and other income" on the consolidated interim statement of income.

Note 18: Earnings per Share

(in thousands of dollars, except per share amounts)		**February 28, 2022**		**February 28, 2021**
Numerator				
Net income for the period	$	12,869	$	5,611
Denominator				
Weighted average number of shares – basic		69,778,674		70,147,427
Dilutive effect of employee stock-based compensation awards		1,935,751		1,405,778
Weighted average number of shares – diluted		71,714,425		71,553,205
Earnings per share for the period				
Basic	$	0.18	$	0.08
Diluted	$	0.18	$	0.08

Note 19: Dividends

During the three months ended February 28, 2022, the Company paid dividends of $0.09 (2021 – $0.08) per share. Total dividends paid, including dividends reinvested, in the three months ended February 28, 2022 were $6.3 million (2021 – $5.6 million). On March 29, 2022, the Board of Directors of AGF declared a quarterly dividend on both the Class A Voting common shares and Class B Non-Voting shares of the Company of $0.10 per share in respect of the three months ended February 28, 2022, amounting to a total dividend of approximately $6.9 million. These condensed consolidated interim financial statements do not reflect this dividend.

Note 20: Related Party Transactions

The Company is controlled by Blake C. Goldring, Executive Chairman, through his indirect ownership of all the voting shares of Goldring Capital Corporation, which owns 80% of the Company's Class A Voting common shares. The remaining 20% of the Class A Voting common shares are held by the Vice-Chairman of AGF, who is also a Director.

The remuneration of Directors and other key management personnel of AGF is as follows:

	Three months ended			
(in thousands of dollars)		**February 28, 2022**		**February 28, 2021**
Salaries and other short-term employee benefits	$	2,202	$	1,888
Share-based compensation		228		2,118
	$	2,430	$	4,006

Note 21: Fair Value of Financial Instruments

The carrying value of accounts receivable and other assets, accounts payable and accrued liabilities approximates fair value due to their short-term nature. Long-term debt approximates fair value as a result of the floating rate portion of the effective interest rate.

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's assets and liabilities that are measured at fair value at February 28, 2022:

(in thousands of dollars) **February 28, 2022**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 43,886	$ –	$ –	$ 43,886
AGF mutual funds and other	17,852	–	–	17,852
Long-term investments	–	–	163,179	163,179
Carried interest	–	–	1,159	1,159
Financial assets at fair value through other comprehensive income				
Equity securities	781	–	–	781
Amortized cost				
Canadian government debt – Federal	–	311	–	311
Total financial assets	$ 62,519	$ 311	$ 164,338	$ 227,168
Liabilities				
Financial liabilities at fair value through profit or loss				
Long-term deferred income on carried interest	$ –	$ –	$ 1,159	$ 1,159
Total financial liabilities	$ –	$ –	$ 1,159	$ 1,159

The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2021:

(in thousands of dollars) **November 30, 2021**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	$ 86,484	$ –	$ –	$ 86,484
AGF mutual funds and other	21,836	–	–	21,836
Long-term investments	–	–	160,721	160,721
Carried interest	–	–	1,159	1,159
Financial assets at fair value through other comprehensive income				
Equity securities	913	–	–	913
Amortized cost				
Canadian government debt – Federal	–	325	–	325
Total financial assets	$ 109,233	$ 325	$ 161,880	$ 271,438
Liabilities				
Financial liabilities at fair value through profit or loss				
Long-term deferred income on carried interest	$ –	$ –	$ 1,159	$ 1,159
Total financial liabilities	$ –	$ –	$ 1,159	$ 1,159

The fair value of financial instruments traded in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place.

Level 1 instruments include investments in AGF mutual funds as well as highly liquid temporary deposits with an Irish bank.

Level 2 instruments include derivative instruments with major Canadian chartered banks and Canadian federal government debt. Canadian federal government debt is measured at amortized cost and its fair value approximates its carrying value due to its short-term nature.

Level 3 instruments include long-term investments related to the alternatives asset management business and the fair value of the carried interest investments related to the InstarAGF Funds. Instruments classified in this category have a parameter input or inputs that are unobservable and that have a more than insignificant impact on either the fair value of the instrument or the profit or loss of the instrument.

The fair value of the Company's long-term investments as at February 28, 2022 has been estimated using the net asset value (NAV) as calculated by the asset manager of the fund. If the NAV were to increase or decrease by 10%, the fair value of the Company's long-term investment and pre-tax income would increase or decrease by $16.3 million. Refer to Note 6(b) for additional information.

The fair value of the Company's interest related to the InstarAGF Funds has been estimated using the financial information and NAV provided by the investees with consideration over the timing, amount of expected future cash flows and appropriate discount rates used. Refer to Note 8 for additional information.

The following table presents changes in level 3 instruments for the three months ended February 28, 2022:

(in thousands of dollars)		Total
Long-term investments		
Balance at December 1, 2021	$	160,721
Purchase of investment		213
Return of capital		(3,183)
Fair value adjustment recognized in profit or loss[1]		5,428
Balance at February 28, 2022	**$**	**163,179**
Carried interest		
Balance at December 1, 2021	$	1,159
Balance at February 28, 2022	**$**	**1,159**

[1] The change in unrealized gain in investments currently held included in level 3 of the fair value hierarchy is $5,428 (2021 – loss of $92) for the three months ended February 28, 2022.

The following table presents changes in level 3 instruments for the three months ended February 28, 2021. There was no carried interest recorded for the three months ended February 28, 2021:

(in thousands of dollars)		Total
Long-term investments		
Balance at December 1, 2020	$	151,949
Return of capital		(12,250)
Fair value adjustment recognized in profit or loss		(92)
Balance at February 28, 2021	**$**	**139,607**

There were no transfers into or out of level 1 and level 2 during the three months ended February 28, 2022.

Note 22: Contingencies

There are certain claims and potential claims against the Company. None of these claims are expected to have a material adverse effect on the consolidated financial position of the Company.

The Company believes that it has adequately provided for income taxes based on all of the information that is currently available. The calculation of income taxes in many cases, however, requires significant judgement in interpreting tax rules and regulations. The Company's tax filings are subject to audits, which could materially change the amount of the current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

The final result of the audit and appeals process may vary and may be materially different compared to the estimates and assumptions used by management in determining the Company's consolidated income tax provision and in determining the amounts of its income tax assets and liabilities.

This report contains forward-looking statements with respect to AGF, including its business operations, strategy, financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause results to differ materially include, among other things, general economic and market factors including interest rates, business competition, changes in government regulations or in tax laws, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time.

Invested in Discipline

At AGF, our approach is defined by three principles; shared intelligence, measured approach and active accountability. Together, they create a disciplined process that is transparent, repeatable, and deeply woven into our DNA – delivering consistent outcomes for our clients, whatever tomorrow may bring.

It Takes a Tiger™

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