

AGF MANAGEMENT LIMITED

FIRST QUARTER REPORT

2024



AGF[®]

Invested in Discipline

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Financial Highlights

(in millions of dollars, except share data) Three months ended	Feb. 29, 2024	Nov. 30, 2023	Aug. 31, 2023	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022	Aug. 31, 2022	May 31, 2022
AUM & fee-earning assets ¹	\$ 45,012	\$ 42,180	\$ 42,259	\$ 41,204	\$ 41,928	\$ 41,819	\$ 39,555	\$ 40,277
Mutual fund net sales (redemptions)	(125)	(224)	(151)	77	221	251	51	132
Total net revenue ²	103.0	78.3	84.0	95.8	80.1	81.7	79.6	82.7
SG&A ³	57.9	52.9	50.2	53.0	53.0	51.5	46.4	47.3
Adjusted SG&A ^{2,3}	53.5	50.7	50.3	51.9	52.8	49.0	46.2	47.1
EBITDA ²	45.1	25.4	33.8	42.8	27.1	30.2	33.2	17.6
Adjusted EBITDA ²	49.5	27.6	33.7	43.9	27.3	32.7	33.4	17.8
Net income	30.5	16.8	23.0	30.3	17.6	21.6	22.1	10.1
Adjusted net income	33.7	18.5	22.9	31.2	17.8	23.5	22.3	10.3
Earnings per share								
Basic	\$ 0.47	\$ 0.26	\$ 0.35	\$ 0.46	\$ 0.27	\$ 0.32	\$ 0.33	\$ 0.15
Diluted	0.46	0.25	0.34	0.45	0.26	0.32	0.32	0.14
Adjusted diluted	0.51	0.28	0.34	0.46	0.27	0.35	0.32	0.15
Free cash flow ²	17.2	18.3	23.0	19.8	19.3	24.1	20.6	12.3
Dividends per share	0.11	0.11	0.11	0.11	0.10	0.10	0.10	0.10
Long-term debt	39.8	5.8	5.8	19.7	29.6	21.6	–	–
Average basic shares	64,648,897	64,572,595	65,018,132	65,365,263	64,869,861	66,854,462	67,758,818	68,270,570
Average fully diluted shares	66,455,243	66,598,358	67,013,139	67,270,375	66,861,361	67,464,947	69,268,495	70,020,635

¹ 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.

² Total net revenue, adjusted SG&A, EBITDA, adjusted EBITDA, and free cash flow 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. See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

³ Selling, general, and administrative expenses. Adjusted SG&A exclude severance, corporate development and acquisition related expenses.

Selected Quarterly Information

(in millions of dollars, except share data)	Three months ended		
	Feb. 29, 2024	Nov. 30, 2023	Feb. 28, 2023
AUM end of the period			
AGF Investments			
Mutual funds	\$ 26,186	\$ 24,459	\$ 24,029
ETFs and SMA	1,676	1,465	1,394
Segregated accounts and sub-advisory	7,162	6,774	7,045
AGF Private Wealth	7,836	7,341	7,324
AGF Capital Partners	48	46	54
Total AUM	\$ 42,908	\$ 40,085	\$ 39,846
AGF Capital Partners fee-earning assets ¹	2,104	2,095	2,082
Total AUM and fee-earning assets¹ end of period	\$ 45,012	\$ 42,180	\$ 41,928
Mutual fund net sales (redemptions)	\$ (125)	\$ (224)	\$ 221
Retail mutual fund net sales (redemptions) ²	(125)	(194)	227
Net management, advisory and administration fees ³	74.9	72.0	73.0
Adjusted selling, general and administrative ³	53.5	50.7	52.8
Adjusted EBITDA	49.5	27.6	27.3
Adjusted net income	33.7	18.5	17.8
Adjusted diluted earnings per share	0.51	0.28	0.27
Free cash flow ³	17.2	18.3	19.3
SUPPLEMENTARY FINANCIAL INFORMATION			
Adjusted EBITDA ³			
Adjusted EBITDA before AGF Capital Partners	\$ 25.1	\$ 23.7	\$ 23.3
From AGF Capital Partners Managers ⁴	1.0	1.4	1.1
From AGF Capital Partners Long-term Investments ⁵	23.4	2.5	2.9
Adjusted EBITDA	\$ 49.5	\$ 27.6	\$ 27.3
Adjusted diluted earnings per share			
Adjusted diluted earnings per share before AGF Capital Partners	\$ 0.24	\$ 0.23	\$ 0.23
From AGF Capital Partners Managers ⁴	0.01	0.02	0.01
From AGF Capital Partners Long-term Investments ⁵	0.26	0.03	0.03
Adjusted diluted earnings per share	\$ 0.51	\$ 0.28	\$ 0.27

¹ 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.

² 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.

³ For the definition of net management, advisory and administration fees, adjusted selling, general and administrative, adjusted EBITDA, and free cash flow, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

⁴ AGF Capital Partners Manager earnings represents share of profit of joint ventures, which are recorded under equity accounting, and income from other fee-earning arrangements on the consolidated statement of income.

⁵ AGF Capital Partners Long-term Investments represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and other income on the consolidated statement of income.

Strategic and Financial Highlights

AUM and Sales

AGF reported \$45.0 billion in assets under management and fee-earning assets as at February 29, 2024, compared to \$42.2 billion as at November 30, 2023 and \$41.9 billion as at February 28, 2023. Excluding AGF Capital Partners, AUM was \$42.9 billion as at February 29, 2024, compared to \$40.0 billion as at November 30, 2023 and \$39.8 billion as at February 28, 2023.

With continued elevated interest rates and inflation, markets are expected to remain volatile in the coming months. Investors may take a more cautious approach until it is better understood what impact tighter monetary policy will have on inflation and economic growth. Sustained and material volatility in the financial markets has the potential to create market risk to the Company's capital position and profitability.

During the three months ended February 29, 2024, AGF reported mutual fund net redemptions of \$125.0 million compared to net redemptions of \$224.0 million for the three months ended November 30, 2023 and net sales of \$221.0 million in the comparative prior year period. Retail mutual fund¹ net redemptions were \$125.0 million for the quarter, compared to net redemptions of \$194.0 million for the three months ended November 30, 2023 and \$227.0 million in the comparative prior year period.

Investment Performance

As at February 29, 2024, AGF's mutual fund gross returns (before fees) average percentile over the past one year was 68% (November 30, 2023 – 72%) and the average percentile over the past three years was 50% (November 30, 2023 – 47%), with 1st percentile being best possible performance. AGF's one-year performance continued to be impacted in part due to the narrow mega-cap growth leadership in the market in the first half of 2023, but it improved from the prior quarter reflecting a gradual broadening of equity market participation.

Business Highlights

- AGF made a strategic investment in New Holland Capital, LLC (NHC), a New York based multi-strategy investment manager with more than US\$5 billion in assets under management and more than 17 years of experience providing institutional investors with absolute return investment strategies across the liquidity spectrum. This transaction further grows AGF Capital Partners, AGF's alternatives business with the addition of absolute return-focused strategies and specialized credit investment capabilities.
- On March 8th, AGF announced the closing of the previously announced strategic investment to acquire a majority interest in Kensington Capital Partners Limited, one of Canada's leading alternative investment firms with \$2.6 billion of assets under management, as part of AGF's strategic imperative to grow its alternatives business, AGF Capital Partners.
- AGF announced the appointment of Laura Dottori-Attanasio to the AGF Board of Directors effective April 3, 2024. Ms. Dottori-Attanasio is a renowned business leader with deep expertise in the financial sector and a track record of success across industries. This appointment further enhances and diversifies AGF's independent directors' collective experience and expertise.
- In February, AGF Investments Inc. broadened its Canadian ETF offerings with the launch of ETF Series on long-running funds in key areas of focus for investors, including alternative assets and active fixed income. This launch builds on AGF Investments Inc.'s commitment to provide investors with options to access capabilities in their preferred vehicles.
- AGF Investments Inc. was recognized with FundGrade A+® Awards for AGF American Growth Fund/Class, AGF Global Select Fund, AGF Fixed Income Plus Fund and AGF Global Convertible Bond Fund.

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

For the three months ended February 29, 2024, AGF reported total adjusted EBITDA of \$49.5 million, compared to \$27.6 million for the three months ended November 30, 2023 and \$27.3 million in the comparative prior year period. For the three months ended February 29, 2024, AGF reported adjusted EBITDA margin of 36.2%, compared to 25.0% for the three months ended November 30, 2023 and 24.0% in the comparative prior year period. The change is outlined below.

Net management, advisory and administration fees were \$74.9 million for the three months ended February 29, 2024, compared to \$72.0 million for the three months ended November 30, 2023 and \$73.0 million in the comparative prior year period. Net management, advisory and administration fees are directly related to our AUM levels, the proportion of AUM invested in various strategies (i.e., equity fund vs. fixed income fund) and commission fee structures (i.e., fee-based, front-end, or deferred sales commission basis). Annualized net management, advisory and administration fees as a percentage of average AUM was 0.73% for the three months ended February 29, 2024, compared to 0.74% for the three months ended November 30, 2023 and 0.75% for the comparative prior year period. The net management, advisory and administration fees increased as a result of higher AUM, partially offset by lower net revenue rate due to change in asset mix for the three months ended February 29, 2024.

Adjusted SG&A was \$53.5 million for the three months ended February 29, 2024, compared to \$50.7 million for the three months ended November 30, 2023 and \$52.8 million for the comparative prior year period. The increase in SG&A reflects strategic investments made into the business to support our growth plan, including AGF Capital Partners, as well as increases driven by the market environment. Compared to the three months ended November 30, 2023, seasonality of government regulated employee benefit expenses, which are paid in the first quarter, were also a factor, resulting in approximately \$2.4 million of the increase.

For the three months ended February 29, 2024, EBITDA from AGF Capital Partners was \$24.4 million, compared to \$3.9 million for the three months ended November 30, 2023 and \$4.0 million for the comparative prior year period. Of the EBITDA from AGF Capital Partners, \$1.0 million was generated from AGF's interest in Capital Partners Managers and \$23.4 million was generated from AGF's investment in Capital Partners long-term investments, compared to \$1.4 million and \$2.5 million for the three months ended November 30, 2023 and \$1.1 million and \$2.9 million in the comparative prior year period. The increase in AGF's Capital Partners long-term investments is primarily related to positive fair value adjustments and higher distribution income recorded. AGF's Capital Partners long-term investments can be variable quarter to quarter and can be impacted by fair value adjustments, timing of monetizations and cash distributions.

For the three months ended February 29, 2024, adjusted diluted earnings per share was \$0.51, compared to \$0.28 for the three months ended November 30, 2023 and \$0.27 for the comparative prior year period. The AGF Capital Partners business contributed \$0.27 for the three months ended February 29, 2024, compared to \$0.05 for the three months ended November 30, 2023 and \$0.04 for the comparative prior year period.

AGF Management Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended February 29, 2024 and February 28, 2023

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, 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 2023 Annual MD&A.

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is as of April 3, 2024 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries for the three months ended February 29, 2024, compared to the three months ended February 28, 2023. The MD&A should be read in conjunction with the unaudited Condensed Consolidated Interim Financial Statements for the three months ended February 29, 2024 and the 2023 Annual Report. The financial statements for the three months ended February 29, 2024, 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. References to IFRS are equivalent to IFRS Accounting Standards in the Condensed Consolidated Interim Financial Statements.

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 (AGF) is an independent and globally diverse asset management firm. Our companies deliver excellence in investing in the public and private markets through three business lines: AGF Investments, AGF Capital Partners and AGF Private Wealth.

AGF brings a disciplined approach, focused on incorporating sound, responsible and sustainable corporate practices. The firm's collective investment expertise, driven by its fundamental, quantitative and alternative investing capabilities, extends globally to a wide range of clients, from financial advisors and their clients to high-net-worth and institutional investors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

Headquartered in Toronto, Canada, AGF has investment operations and client servicing teams on the ground in North America and Europe. AGF serves more than 800,000 investors. AGF trades on the Toronto Stock Exchange under the symbol AGF.B.

AGF Investments

AGF Investments is comprised of various subsidiaries of AGF Management Limited who manage and advise on a variety of investment solutions for clients globally. The investment teams draw upon and integrate fundamental and quantitative investing capabilities and research across the companies. AGF Investments' disciplined approach, global mindset and eye to risk management have allowed us to continue to evolve and thrive as a diversified asset manager. AGF Investments' teams embrace a culture of collaboration with the belief that an interconnected team leads to a better understanding of an interconnected world as we strive to deliver on investment objectives and provide an exceptional client experience.

AGF Investments' offerings include a broad range of equity, fixed income, alternative and multi-asset strategies covering a spectrum of objectives from wealth accumulation and risk management to income-generating solutions.

AGF Investments services a diverse client base from financial advisors and individual investors to institutional investors across the globe through segregated accounts, mutual funds, exchange-traded funds (ETFs) and separately managed accounts.

AGF Private Wealth

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

Cypress Capital Management Ltd.

Acquired by AGF in June 2004, 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 Ltd.

Acquired by AGF in January 2004, 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 Inc.

Acquired by AGF in 2006, 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.

AGF Capital Partners

AGF Capital Partners is AGF's multi-boutique alternatives business with diverse capabilities across both private assets and alternative strategies. Clients benefit from AGF Capital Partners' specialized investment expertise combined with the organizational support and breadth of resources of AGF.

Corporate Sustainability

AGF has been bringing stability to the world of investing since 1957. And to ensure our own stability and the continued longevity of our firm, we recognize that responsible and sustainable practices must continue to influence the shape of our organization.

Guided by the thinking, "Our Responsibility Today for a Sustainable Tomorrow," we have developed a corporate responsibility framework that applies forward-thinking practices related to key sustainability factors to deliver long-term successful outcomes for each of our stakeholders.

We have identified the following key areas of focus that we believe are central to our firm's long-term success:

Sustainable Investing: The continued advancement of responsible and sustainable investing practices across our respective companies' investment management teams.

Talent, Culture & DEI: Improving the employee experience by fostering high engagement, advancing diversity initiatives, ensuring equitable and inclusive practices, and attracting and nurturing talent with ongoing support and thoughtful succession planning.

Sustainable Operations & Governance: Managing the risks and opportunities related to AGF companies' operations and governance as well as our community involvement.

Recognizing that client and market expectations continue to evolve, we remain committed to our guiding principles of shared intelligence, taking a measured approach and having active accountability. These principles continue to guide us, shaping our practices and approach while we strive to deliver successful outcomes in support of our stakeholders.

As part of this commitment, a multi-year project is underway to enhance AGF's corporate sustainability practices:

- A comprehensive set of metrics have been identified for AGF to track over the short-, medium- and long-term timeframes.
- AGF is enhancing processes and governance for managing and monitoring the risks and opportunities related to these factors.
- Finally, AGF is working to improve the firm's ESG-related disclosures to provide more decision-useful information to financial stakeholders while meeting increasing regulatory requirements.

To learn more about Corporate Sustainability at AGF, please refer to our Annual Report or visit [AGF.com](https://www.agf.com).

Assets Under Management and Fee-earning Assets¹

(in millions of dollars)	Three months ended				
	Feb. 29, 2024	Nov. 30, 2023	Aug. 31, 2023	May 31, 2023	Feb. 28, 2023
Mutual fund AUM beginning of the period ¹	\$ 24,459	\$ 24,377	\$ 23,631	\$ 24,029	\$ 23,898
Gross sales	914	687	633	819	982
Redemptions	(1,039)	(911)	(784)	(742)	(761)
Net sales (redemptions)	(125)	(224)	(151)	77	221
Market appreciation (depreciation) of fund portfolios	\$ 1,852	\$ 306	\$ 897	\$ (475)	\$ (90)
Mutual fund AUM end of the period ¹	\$ 26,186	\$ 24,459	\$ 24,377	\$ 23,631	\$ 24,029
Average daily mutual fund AUM ¹	\$ 25,197	\$ 23,840	\$ 24,168	\$ 24,017	\$ 23,782
ETFs and SMA AUM, end of the period	1,676	1,465	1,332	1,400	1,394
Segregated accounts and sub-advisory AUM, end of the period	\$ 7,162	\$ 6,774	\$ 7,058	\$ 6,876	\$ 7,045
Total AGF Investments AUM	\$ 35,024	\$ 32,698	\$ 32,767	\$ 31,907	\$ 32,468
AGF Private Wealth AUM	\$ 7,836	\$ 7,341	\$ 7,360	\$ 7,162	\$ 7,324
Subtotal excluding AGF Capital Partners AUM end of the period	\$ 42,860	\$ 40,039	\$ 40,127	\$ 39,069	\$ 39,792
AGF Capital Partners AUM	\$ 48	\$ 46	\$ 42	\$ 48	\$ 54
Total AUM	\$ 42,908	\$ 40,085	\$ 40,169	\$ 39,117	\$ 39,846
AGF Capital Partners fee-earning assets ²	\$ 2,104	\$ 2,095	\$ 2,090	\$ 2,087	\$ 2,082
Total AUM and fee-earning assets² end of the period	\$ 45,012	\$ 42,180	\$ 42,259	\$ 41,204	\$ 41,928

¹ Mutual fund AUM includes retail AUM, pooled funds AUM and institutional client AUM invested in customized series offered within mutual funds.

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 Capital Partners AUM and Fee-earning Assets

(in millions of dollars)	Three months ended				
	Feb. 29, 2024	Nov. 30, 2023	Aug. 31, 2023	May 31, 2023	Feb. 28, 2023
AGF Capital Partners AUM	\$ 48	\$ 46	\$ 42	\$ 48	\$ 54
AGF Capital Partners fee-earning assets ¹	2,104	2,095	2,090	2,087	2,082
Total AGF Capital Partners AUM and fee-earning assets¹	\$ 2,152	\$ 2,141	\$ 2,132	\$ 2,135	\$ 2,136

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.

Consolidated Operating Results

(in millions of dollars, except per share data)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Revenues			
Management, advisory and administration fees	\$ 108.6	\$ 104.2	\$ 106.8
Trailing commissions and investment advisory fees	(33.7)	(32.2)	(33.8)
Net management, advisory and administration fees ¹	74.9	72.0	73.0
Deferred sales charges	2.0	1.9	1.8
Revenue from AGF Capital Partners ¹	24.4	3.9	4.0
Other revenue ¹	1.7	0.5	1.3
Total net revenue ¹	\$ 103.0	\$ 78.3	\$ 80.1
Selling, general and administrative ²	57.9	52.9	53.0
EBITDA¹	\$ 45.1	\$ 25.4	\$ 27.1
Amortization, derecognition and depreciation	2.2	2.3	2.2
Interest expense	1.6	1.0	1.2
Net income before income taxes	\$ 41.3	\$ 22.1	\$ 23.7
Income tax expense	10.8	5.3	6.1
Net income for the period	\$ 30.5	\$ 16.8	\$ 17.6
Basic earnings per share	\$ 0.47	\$ 0.26	\$ 0.27
Diluted earnings per share	\$ 0.46	\$ 0.25	\$ 0.26

¹ For the definition of net management, advisory and administration fees, revenue from AGF Capital Partners, other revenue, total net revenue, and EBITDA, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

² Includes severance expense of \$1.3 million for the three months ended February 29, 2024, compared to \$0.1 million severance expense for the three months ended November 30, 2023 and \$0.2 million severance expense for the three months ended February 28, 2023.

Consolidated Adjusted Operating Results

Adjusted operating results presented below reflect results excluding the impact of severance, corporate development and acquisition related expenses. For the reconciliation of adjusted balances, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

(in millions of dollars, except per share data)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Revenues			
Management, advisory and administration fees	\$ 108.6	\$ 104.2	\$ 106.8
Trailing commissions and investment advisory fees	(33.7)	(32.2)	(33.8)
Net management, advisory and administration fees ¹	74.9	72.0	73.0
Deferred sales charges	2.0	1.9	1.8
Revenue from AGF Capital Partners ¹	24.4	3.9	4.0
Other revenue ¹	1.7	0.5	1.3
Total net revenue ¹	\$ 103.0	\$ 78.3	\$ 80.1
Adjusted selling, general and administrative ¹	53.5	50.7	52.8
Adjusted EBITDA¹	\$ 49.5	\$ 27.6	\$ 27.3
Amortization, derecognition and depreciation	2.2	2.3	2.2
Interest expense	1.6	1.0	1.2
Adjusted net income before income taxes	\$ 45.7	\$ 24.3	\$ 23.9
Adjusted income tax expense	12.0	5.8	6.1
Adjusted net income for the period	\$ 33.7	\$ 18.5	\$ 17.8
Adjusted diluted earnings per share	\$ 0.51	\$ 0.28	\$ 0.27
Adjusted diluted earnings per share	\$ 0.51	\$ 0.28	\$ 0.27

¹ For the definition of net management, advisory and administration fees, revenue from AGF Capital Partners, other revenue, total net revenue, adjusted selling, general and administrative, and adjusted EBITDA, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

Commentary on Consolidated Results of Operations

Income

Net Management, Advisory and Administration Fees

Net management, advisory and administration fees is comprised of management, advisory and administration fees net of trailing commissions and investment advisory fees and is directly related to our AUM levels. Net management, advisory and administration fees depends on the proportion of AUM invested in various strategies (i.e., equity fund vs. fixed income fund) and commission fee structures (i.e., fee-based, front-end or deferred sales commission basis) and are recognized on an accrual basis.

For the three months ended February 29, 2024, net management, advisory and administration fees were \$74.9 million, an increase of \$1.9 million or 3.0%, compared to \$73.0 million in the same period in 2023. The increase is primarily due to movements in average AUM reported, partially offset by a change in net revenue rate as a result of asset mix. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.73% for the three months ended February 29, 2024, compared to 0.75% for the same period in 2023.

(in millions of dollars, except revenue rate)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Net management, advisory and administration fees	74.9	72.0	73.0
Average AUM ¹	41,237	39,226	39,428
Net revenue rate, excluding AGF Capital Partners	0.73%	0.74%	0.75%

¹ For the definition of average AUM, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

Deferred Sales Charges (DSC)

AGF receives 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 (prior to June 1, 2022). 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 \$2.0 million for the three months ended February 29, 2024, compared to \$1.8 million for the same period in 2023. As a result of the DSC elimination effective June 1, 2022, DSC revenue will decline over time as assets move off the DSC schedule to front-end.

Revenue from AGF Capital Partners

AGF Capital Partners delivers value to the firm across multiple streams: management fee-related earnings, carried interest/performance fees, other fee arrangements, and invested capital.

(in millions of dollars)	Three months ended		
	Feb. 29, 2024	Nov. 30, 2023	Feb. 28, 2023
Manager earnings ¹	\$ –	\$ (0.1)	\$ –
Carried interest earnings and performance fees ¹	0.2	0.7	0.4
Income from fee-earning arrangements	0.8	0.8	0.7
Total from AGF Capital Partners Managers	\$ 1.0	\$ 1.4	\$ 1.1
Revenue from AGF Capital Partners long-term investments	\$ 23.4	\$ 2.5	\$ 2.9
Revenue from AGF Capital Partners	\$ 24.4	\$ 3.9	\$ 4.0

¹ Represents share of profit (loss) of joint ventures related to AGF Capital Partners Managers.

AGF Capital Partners Managers

AGF earns management fees from the underlying investments managed through the manager, which are recorded under the equity method. Managers of funds in their early stages may generate losses until the fund reaches sufficient scale. AGF records its proportionate share of these losses to the extent AGF has an investment in the manager recorded on the balance sheet. As successive funds are launched and assets grow, AGF's earnings from the manager will increase. AGF also earns its proportionate share of carried interest/performance fees through the achievement of attractive and sustainable investment returns. These earnings, or losses incurred, are recognized through 'Share of profit of joint ventures' on the Consolidated Statement of Income. For additional information, see Note 6 of the Condensed Consolidated Interim Financial Statements.

In addition, AGF earns ongoing fees through fee arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent). The Company has a fee arrangement with Instar whereby AGF earns annual fees of 14 basis points (bps) on the assets under management of the InstarAGF Essential Infrastructure Fund I and II (together, the InstarAGF Funds). AGF also has a strategic private equity partnership with First Ascent focused on investing in emerging technology companies. Based on the terms of the agreement, AGF earns an annual fee of \$0.2 million during the commitment period and 11.5 bps on the net invested capital after the commitment period. These earnings are recognized through 'Income from fee-earning arrangements' on the Consolidated Statement of Income. For additional information, see Note 7 of the Condensed Consolidated Interim Financial Statements.

For the three months ended February 29, 2024, AGF recorded revenue from AGF Capital Partners Managers of \$1.0 million, compared to \$1.1 million for the same period in 2023.

Long-term investments

AGF also participates as an investor in the units of the underlying funds it manages. 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 distribution income' on the Consolidated Statement of Income and can fluctuate with the amount of capital invested, monetizations, and changes in fair value. For additional information, see Note 5(b) of the Condensed Consolidated Interim Financial Statements.

For the three months ended February 29, 2024, AGF recorded revenue from AGF's Capital Partners long-term investments of \$23.4 million, compared to \$2.9 million from the same period in 2023. The increase is primarily related to positive fair value adjustments

recorded on the AGF's Capital Partners long-term investments. As at February 29, 2024, the carrying value of AGF's long-term investment in Capital Partners business was \$297.3 million, compared to \$224.3 million for the same period in 2023.

(in millions of dollars)	Three months ended		
	Feb. 29, 2024	Nov. 30, 2023	Feb. 28, 2023
Committed capital, end of period	\$ 252.0	\$ 235.9	\$ 237.6
Funded capital, since inception	234.7	213.8	203.8
Remaining committed capital¹	\$ 17.3	\$ 22.1	\$ 33.8
Fair value of investments	\$ 297.3	\$ 255.0	\$ 224.3

¹ Excludes anticipated commitment of US\$50.0 million upon the successful launch of Instar's third fund.

Other Revenue

Other revenue includes mark to market adjustments related to AGF mutual funds that are held as seed capital investments, the share of profit or loss from AGF's ownership in AGFWave, and other income.

During the three months ended February 29, 2024, the Company recorded \$1.7 million in other revenue, compared to \$1.3 million in the comparative prior year period. The Company recorded \$0.7 million revenue in fair value adjustments related to investments in AGF mutual funds and \$0.5 million of interest income for the three months ended February 29, 2024, compared to \$0.5 million revenue in fair value adjustments and \$0.4 million interest income in the comparative prior year period. Remaining other revenue was \$0.5 million for the three months ended February 29, 2024, compared to \$0.4 million for the comparative prior year period.

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Fair value adjustment related to investment in AGF mutual funds	\$ 0.7	\$ (0.1)	\$ 0.5
Interest income	0.5	0.4	0.4
Other	0.5	0.2	0.4
	\$ 1.7	\$ 0.5	\$ 1.3

Expenses

Selling, General and Administrative Expenses (SG&A)

For the three months ended February 29, 2024, SG&A was \$57.9 million, an increase of \$4.9 million or 9.2% compared to \$53.0 million for the same period in 2023. Excluding severance, corporate development and acquisition related expenses, adjusted SG&A was \$53.5 million for the three months ended February 29, 2024, an increase of \$0.7 million or 1.3%, compared to \$52.8 million for the same period in 2023.

(in millions of dollars)	Three months ended February 29, 2024	
Increase in performance-based compensation expenses	\$	0.9
Increase in stock-based compensation expenses		0.1
Decrease in non-compensation related expenses		(0.3)
Total change in adjusted SG&A	\$	0.7
Increase in corporate development and acquisition related expenses		3.1
Increase in severance expenses		1.1
Total change in SG&A	\$	4.9

The following explains expense changes in the three months ended February 29, 2024, compared to the same period in the prior year:

- Performance-based compensation expenses increased by \$0.9 million, driven by timing of certain incentive payments and market adjustments.
- Stock-based compensation expenses increased by \$0.1 million. Increases or decreases in the AGF.B share price will create fluctuations in the fair value of unhedged cash-settled Restricted Share Units (RSUs) and Deferred Share Units (DSUs). The Company manages its exposure to changes in the fair value of its vested DSU through a Total Return Swap agreement (TRS). For additional information, see Note 15(a) of the Condensed Consolidated Interim Financial Statements. As at February 29, 2024, 15.6% of the Company's cash-settled RSUs and vested DSUs were unhedged.
- Non-compensation related expenses decreased by \$0.3 million, driven by timing of expenses.
- The Company recorded \$3.1 million of corporate development and acquisition related expenses in the quarter. Corporate development and acquisition related expenses reflect costs incurred as the Company executes on its strategic objective to deploy capital and expand the AGF Capital Partners business.

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 29, 2024 compared to the same period in 2023.
- Interest expense increased by \$0.4 million for the three months ended February 29, 2024, compared to the same period in 2023, driven by higher interest rates incurred on long-term debt.

Income Tax Expense

Income tax expense for the three months ended February 29, 2024 was \$10.8 million, compared to \$6.1 million in the corresponding period in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The effective tax rate for the three months ended February 29, 2024 was 26.1% (2023 – 25.7%). The main items impacting the effective tax rate in the period relate to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, and non-deductible expenses.

The Company believes that it has adequately provided for income taxes based on all 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 \$30.5 million for the three months ended February 29, 2024, compared to \$17.6 million in the corresponding period in 2023. Excluding severance, corporate development and acquisition related expenses, adjusted net income is \$33.7 million for the three months ended February 29, 2024, compared to \$17.8 million in the corresponding period in 2023.

Earnings per Share

Diluted earnings per share was \$0.46 for the three months ended February 29, 2024, compared to \$0.26 in the corresponding period in 2023. Excluding severance, corporate development and acquisition related expenses, adjusted diluted earnings per share was \$0.51 for the three months ended February 29, 2024, compared to earnings of \$0.27 per share in the corresponding period in 2023.

Liquidity and Capital Resources

As at February 29, 2024, the Company had total cash and cash equivalents of \$23.0 million (November 30, 2023 – \$50.5 million). Free cash flow, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, generated was \$17.2 million for the three months ended February 29, 2024, compared to \$19.3 million in the comparative prior year period. During the three months ended February 29, 2024, we used \$27.5 million (2023 – \$34.9 million) in cash as follows:

(in millions of dollars)		
Three months ended	February 29, 2024	February 28, 2023
Net cash provided by operating activities	\$ (26.0)	\$ (17.6)
Repurchase of shares under normal course issuer bid and purchase of treasury stock for employee benefit trust (EBT)	(4.4)	(2.8)
Issue of Class B non-voting shares	3.6	6.3
Dividends paid	(7.0)	(6.3)
Issuance of long-term debt	34.0	8.0
Interest paid	(0.7)	(0.6)
Lease payments	(1.5)	(1.4)
Net purchase of long-term investments	(20.8)	(22.4)
Purchase of property, equipment and computer software, net of disposals	(0.3)	(0.5)
Net (purchase) return of capital of short-term investments, including seed capital	(0.2)	2.6
Purchase of convertible note receivable	(4.1)	–
Other	(0.1)	(0.2)
Change in cash and cash equivalents	\$ (27.5)	\$ (34.9)

Total long-term debt outstanding as at February 29, 2024 was \$40.0 million (November 30, 2023 – \$6.0 million). As at February 29, 2024, \$110.0 million was available to be drawn from the revolving credit facility and swingline facility commitment to meet future operational investment needs.

As at February 29, 2024, the Company has right-of-use assets of \$70.7 million and total lease liabilities of \$83.1 million recorded on the Condensed Consolidated Interim Statement of Financial Position. As at February 29, 2024, the Company has funded \$234.7 million (November 30, 2023 – \$213.8 million) in funds and investments associated with the AGF Capital Partners business and has \$17.3 million (November 30, 2023 – \$22.1 million) remaining to be funded. The Company also has an anticipated commitment of US\$50.0 million upon the successful launch of Instar's third fund. In addition, the Company is committed to loan up to US\$15.0 million to New Holland Capital, LLC through a convertible note agreement with a maturity date of February 9, 2032.

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 AGF Capital Partners business commitments, 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 and to invest in future growth opportunities, while ensuring there is available capital to fund our capital commitments related to the AGF Capital Partners 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 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, Chief Financial Officer, Chief Operating Officer, and Head of AGF Capital Partners. 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 6, 2024, 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. Between February 8, 2024 and February 7, 2025, AGF may purchase up to 4,735,269 Class B Non-Voting shares through the facilities of the TSX (or as otherwise permitted by the TSX).

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.

During the three months ended February 29, 2024, AGF purchased 468,276 (2023 – 405,652) Class B Non-Voting shares for cancellation for a total consideration of \$3.6 million (2023 – \$2.8 million) at an average price of \$7.72 (2023 – \$6.86) per share under its NCIB.

During the three months ended February 29, 2024, the premium of \$0.8 million (2023 – \$0.3 million) from the recorded capital stock value of the shares repurchased for cancellation was recorded in retained earnings.

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	2024 ¹	2023	2022	2021	2020
Per share	\$ 0.225	\$ 0.440	\$ 0.400	\$ 0.340	0.320

¹ Represents the total dividends paid in January 2024 and to be paid in April 2024.

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 15, 2024 was 11.0 cents per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On April 3, 2024, 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 11.5 cents per share in respect of the three months ended February 29, 2024.

Outstanding Share Data

Set out below is our outstanding share data as at February 29, 2024 and February 28, 2023. For additional detail, see Notes 11 and 17 of the Condensed Consolidated Interim Financial Statements.

	February 29, 2024	February 28, 2023
Shares		
Class A Voting common shares	57,600	57,600
Class B Non-Voting shares	64,723,766	65,545,148
Stock Options		
Outstanding options	3,068,941	3,468,535
Exercisable options	2,366,531	2,584,752

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.

Net Management, Advisory and Administration Fees

We define net management, advisory and administration fees as management, advisory and administration fees net of trailing commissions and investment advisory fees. Net management, advisory and administration fees is indicative of our potential to deliver cash flow.

We derive our net management, advisory and administration fees principally from a combination of:

- Management and advisory fees directly related to AUM from our retail, institutional and private wealth lines of businesses;
- Fund administration fees, which are based on a fixed transfer agency administration fee;
- Trailing commissions paid to distributors, which 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; and
- Investment advisory fees paid, which depend on AUM.

Total Net Revenue

We define total net revenue as net management, advisory and administration fees, deferred sales charges, revenue from AGF Capital Partners, and other revenue.

Revenue from AGF Capital Partners

We define revenue from AGF Capital Partners as management fee-related earnings, carried interest/performance fees, other fee arrangements and invested capital. The following table outlines how revenue from AGF Capital Partners is determined:

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Share of profit of joint ventures	\$ 0.2	\$ 0.6	\$ 0.3
Other income from fee-earning arrangements	0.8	0.8	0.7
Fair value adjustments and distribution income	24.1	2.4	3.4
Less:			
Fair value adjustment related to investment in AGF mutual funds	0.7	(0.1)	0.5
Share of loss from AGFWave	–	–	(0.1)
Revenue from AGF Capital Partners	\$ 24.4	\$ 3.9	\$ 4.0

Other Revenue

Other revenue is defined as fair value adjustments related to AGF mutual funds that are held as seed capital investments, share of profit or loss from AGF's ownership in AGFWave and other income. The following table outlines how other revenue is determined:

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Other income	\$ 1.0	\$ 0.6	\$ 0.9
Add:			
Fair value adjustment related to investment in AGF mutual funds	0.7	(0.1)	0.5
Share of loss from AGFWave	–	–	(0.1)
Other Revenue	\$ 1.7	\$ 0.5	\$ 1.3

Non-IFRS Adjusted Measures

We define non-IFRS adjusted measures to exclude the following revenues and expenses, which we believe allows for better analysis of AGF's operating results and permits comparison against companies within the industry:

- Corporate development and acquisition related expenses
- Severance related costs

Adjusted Selling, General and Administrative Expenses (SG&A)

Adjusted SG&A is defined as selling, general and administrative expenses excluding severance, corporate development and acquisition related expenses. The following table outlines how adjusted SG&A revenue is determined:

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Selling, general and administrative	\$ 57.9	\$ 52.9	\$ 53.0
Adjusted for:			
Corporate development and acquisition related expenses	(3.1)	(2.1)	–
Severance	(1.3)	(0.1)	(0.2)
Adjusted selling, general and administrative	\$ 53.5	\$ 50.7	\$ 52.8

EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. The following table outlines how the EBITDA measure is determined:

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Net income	\$ 30.5	\$ 16.8	\$ 17.6
Adjustments:			
Amortization, derecognition and depreciation	2.2	2.3	2.2
Interest expense	1.6	1.0	1.2
Income tax expense	10.8	5.3	6.1
EBITDA	\$ 45.1	\$ 25.4	\$ 27.1
Adjusted for:			
Corporate development and acquisition related expenses	\$ 3.1	\$ 2.1	\$ –
Severance	1.3	0.1	0.2
Adjusted EBITDA	\$ 49.5	\$ 27.6	\$ 27.3

EBITDA Margin

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

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
EBITDA	\$ 45.1	\$ 25.4	\$ 27.1
Divided by income	136.7	110.5	113.9
EBITDA margin	33.0%	23.0%	23.8%

Adjusted EBITDA Margin

We define adjusted EBITDA margin as the ratio of adjusted EBITDA to adjusted income. Please see the EBITDA and Adjusted EBITDA section of this MD&A for a reconciliation between adjusted EBITDA and net income.

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Adjusted EBITDA	\$ 49.5	\$ 27.6	\$ 27.3
Divided by income	136.7	110.5	113.9
Adjusted EBITDA margin	36.2%	25.0%	24.0%

Net Debt to Adjusted EBITDA Ratio

Net debt to adjusted EBITDA 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 ratio as long-term debt offset against cash and cash equivalents at the end of the period divided by the 12-month trailing adjusted EBITDA for the period.

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Net debt	\$ 16.8	\$ -	\$ 5.8
Divided by adjusted EBITDA (12-month trailing)	152.6	132.5	111.2
Net debt to adjusted EBITDA ratio	11.0%	0.0%	5.3%

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in the AGF Capital Partners 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.

(in millions of dollars)	Three months ended		
	February 29, 2024	November 30, 2023	February 28, 2023
Net income for the period	\$ 30.5	\$ 16.8	\$ 17.6
Adjusted for non-cash items and non-cash working capital balance	(56.5)	20.1	(35.2)
Net cash provided by (used in) operating activities	\$ (26.0)	\$ 36.9	\$ (17.6)
Adjusted for:			
Net changes in non-cash working capital balances related to operations	41.8	(15.8)	34.0
	\$ 15.8	\$ 21.1	\$ 16.4
Income taxes paid during the period	9.6	5.5	11.0
	\$ 25.4	\$ 26.6	\$ 27.4
Income taxes related to current period free cash flow	(6.0)	(6.5)	(6.1)
Interest and lease payments	(2.2)	(1.8)	(2.0)
Free cash flow	\$ 17.2	\$ 18.3	\$ 19.3

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 wealth relationships and AGF Capital Partners 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 trailing commissions to financial advisors as well as investment advisory fees based on the value of AUM.

Fee-earning Assets

The amount of fee-earning assets is important to our business as these are the drivers of the fee income from our strategic partnership with Instar and FAV through our AGF Capital Partners business. Fee-earning assets will fluctuate in value as a result of investment performance and crystallization of long-term investments.

Average AUM

The average AUM is defined as the average of ending monthly AUM, excluding AGF Capital Partners, reported year to date.

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 2023 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, private wealth, and AGF Capital Partners businesses separately. We do not compute an average daily AUM figure for them.

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.

Market Capitalization

AGF's market capitalization is \$527.0 million, compared to its recorded net assets of \$1,110.1 million as at February 29, 2024. In 2023, 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, 2023. There have been no significant changes to the recoverable amount of each CGU as at February 29, 2024; 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.

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 2023 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 net management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed.

Elevated interest rates continue to contribute to higher volatility and could ultimately impact the trajectory of investment returns over the next 12 months. Investors are playing the waiting game right now in anticipation of market volatility continuing until it is better

MANAGEMENT'S DISCUSSION AND ANALYSIS

understood what impact tighter monetary policy has had on economic growth and when potential interest rate reductions might occur.

AGF continually monitors the potential impact of market risk to its capital position and profitability. A significant portion of AGF's net management, advisory and administration fees is driven by its total average AUM excluding AGF Capital Partners. 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 AGF Capital Partners, annualized net management, advisory and administration fees would decline by approximately \$7.3 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.

Foreign Exchange Risk

The Company's main foreign exchange risk derives from the U.S. and international portfolio securities held in AGF Funds. Changes in the value of the Canadian dollar relative to foreign currencies will cause fluctuations in the Canadian-dollar value of non-Canadian AUM upon which our management fees are calculated. This risk is monitored since currency fluctuation may impact the financial results of AGF; however, it is at the discretion of the fund manager to decide whether to enter into foreign exchange contracts to hedge foreign exposure on U.S. and international securities held in AGF Funds. Using average balances for the quarter, the effect of a 5% change in the Canadian dollar in relation to total AUM would have resulted in a corresponding change of approximately \$0.3 billion in AUM for the three months ended February 29, 2024. In general, for every \$1.0 billion reduction of average AUM, annualized net management, advisory and administration fees would decline by approximately \$7.3 million.

The Company is subject to foreign exchange risk on our integrated foreign subsidiaries in the United States and Ireland, which provide investment advisory services. These subsidiaries retain minimal monetary exposure to the local currency and their revenues are calculated in Canadian dollars. The local currency expenses are translated at the average monthly rate, and local currency assets and liabilities are translated at the rate of exchange in effect at the statement of financial position date.

Interest Rate Risk

The Company has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances. Using outstanding debt balances for the quarter, the effect of a 1% change in variable interest rates on floating-rate debt and cash balances in the first quarter of 2024 would have resulted in a corresponding change of approximately \$0.1 million in interest expense for the three months ended February 29, 2024. Using maximum available debt balance for the year, the effect of a 1% change in variable interest rates on our floating-rate debt and cash balances in fiscal 2024 would have resulted in a corresponding annualized change of approximately \$1.5 million in interest expense.

At February 29, 2024, approximately 18.4% of AGF's mutual fund assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. A 1% change in interest rates would have resulted in a corresponding annualized change of approximately \$2.5 million in revenue.

Political and Market Risk in Assets Under Management

AGF performance and assets under management are impacted by financial markets and political conditions, including any political change in the United States, Europe and abroad. Changes in these areas may result in significant volatility and decline in the global economy or specific international, regional and domestic financial markets, which are beyond the control of AGF. A general economic downturn, market volatility and an overall lack of investor confidence could result in lower sales, higher redemption levels and lower AUM levels. In addition, market uncertainty could result in retail investors avoiding traditional equity funds in favour of money market funds. Global markets remain volatile due to elevated interest rates and inflation. Market risk in our AUM transfers to the

Company as our net management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed. The Company does not quantify this risk in isolation; however, in general, for every \$1.0 billion reduction of retail

MANAGEMENT'S DISCUSSION AND ANALYSIS

fund AUM, annualized net management fee revenues would decline by approximately \$9.1 million. The Company monitors this risk as it may impact earnings; however, it is at the discretion of the fund manager to decide on the appropriate risk-mitigating strategies for each fund.

To provide additional details on the Company's exposure to market risk, the following provides further information on our mutual fund AUM by asset type as at February 29, 2024 and November 30, 2023:

Percentage of total retail fund AUM	February 29, 2024	November 30, 2023
Domestic equity funds	15.9%	16.3%
U.S. and international equity funds	57.8%	56.2%
Domestic balanced funds	0.3%	0.3%
U.S. and international balanced funds	6.2%	6.5%
Domestic fixed-income funds	6.5%	6.6%
U.S. and international fixed-income funds	11.9%	12.7%
Domestic money market	1.1%	1.1%
Domestic Alternative Funds	0.3%	0.3%
	100.0%	100.0%

Institutional and high-net-worth AUM are exposed to the same market risk as retail fund AUM. In general, for every \$1.0 billion reduction of institutional and high-net-worth AUM, annualized management fee revenues would decline by approximately \$4.5 million.

Regulatory Risk

AGF is subject to complex and changing legal and regulatory requirements. The Company manages legal and regulatory risk through its efforts to promote a strong culture of compliance. All regulatory developments may 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.

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.

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.

As a longstanding participant in the Canadian financial services industry, the Company and the Company's subsidiaries will continue to be advocates 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 possible 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 increased use of electronic and remote communication tools and services due to the implementation of hybrid work 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 Control Over Financial Reporting

The CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting (ICFR) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in AGF's internal controls during the three months ended February 29, 2024 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 29, 2024, the Company's 2023 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedarplus.com.

AGF Management Limited

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited)

For the three months ended February 29, 2024 and February 28, 2023



AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(unaudited) (in thousands of dollars)	Note	February 29, 2024	November 30, 2023
Assets			
Current assets			
Cash and cash equivalents		\$ 23,003	\$ 50,453
Investments	5	23,174	22,191
Accounts receivable, prepaid expenses and other assets		47,814	36,646
Derivative financial instrument	15	2,328	965
Income tax receivable	18, 23	6,106	6,602
Total current assets		102,425	116,857
Investment in joint ventures	6	2,373	2,245
Long-term investments	5	297,318	254,969
Convertible note receivable	15	4,071	–
Management contracts		689,759	689,759
Goodwill		250,830	250,830
Other intangibles		380	398
Right-of-use assets	8	70,693	71,790
Property, equipment and computer software		27,186	27,951
Deferred income tax assets		4,199	3,602
Other assets	7	1,877	1,877
Total non-current assets		1,348,686	1,303,421
Total assets		\$ 1,451,111	\$ 1,420,278

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(unaudited) (in thousands of dollars)	Note	February 29, 2024	November 30, 2023
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9, 17	\$ 53,350	\$ 78,292
Lease liability	8	5,957	5,960
Total current liabilities		59,307	84,252
Long-term lease liability	8	77,170	78,104
Long-term debt	10	39,845	5,823
Deferred income tax liabilities		154,166	152,834
Other long-term liabilities	7, 17	10,513	10,369
Total liabilities		341,001	331,382
Equity			
Equity attributable to owners of the Company			
Capital stock	11	393,398	390,502
Contributed surplus	17	40,542	44,462
Retained earnings		673,295	651,065
Accumulated other comprehensive income	12	2,875	2,867
Total equity		1,110,110	1,088,896
Total liabilities and equity		\$ 1,451,111	\$ 1,420,278

(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	
(in thousands of dollars, except per share amounts)	Note	February 29, 2024	February 28, 2023
Income			
Management, advisory and administration fees	13	\$ 108,579	\$ 106,806
Deferred sales charges		2,006	1,794
Share of profit of joint ventures	6	180	326
Income from fee-earning arrangements	7	774	714
Fair value adjustments and distribution income	5,22	24,054	3,361
Other income	14	1,124	915
Total income		136,717	113,916
Expenses			
Selling, general and administrative	16, 21	57,894	53,003
Trailing commissions		33,649	33,767
Investment advisory fees		79	49
Amortization and derecognition of customer contracts and other intangibles		18	13
Depreciation of property, equipment and computer software		1,108	1,149
Depreciation of right-of-use assets	8	1,097	1,076
Interest expense	8, 10	1,535	1,212
Total expenses		95,380	90,269
Income before income taxes		41,337	23,647
Income tax expense			
Current	18	10,045	5,771
Deferred	18	744	307
Total income tax expense		10,789	6,078
Net income for the period		\$ 30,548	\$ 17,569
Earnings per share			
Basic	19	\$ 0.47	\$ 0.27
Diluted	19	\$ 0.46	\$ 0.26

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

AGF MANAGEMENT LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(unaudited)	Three months ended	
(in thousands of dollars)	February 29, 2024	February 28, 2023
Net income for the period	\$ 30,548	\$ 17,569
Other comprehensive income, net of tax		
Net unrealized gain (loss) on investments		
Unrealized gain (loss)	8	(123)
	8	(123)
Total other comprehensive income (loss), net of tax	\$ 8	\$ (123)
Net comprehensive income for the period	\$ 30,556	\$ 17,446

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, 2022	\$ 391,719	\$ 41,883	\$ 593,949	\$ 2,995	1,030,546	
Net income for the period	–	–	17,569	–	17,569	
Other comprehensive loss (net of tax)	–	–	–	(123)	(123)	
Comprehensive income for the period	–	–	17,569	(123)	17,446	
AGF Class B Non-Voting shares issued through dividend reinvestment plan	128	–	–	–	128	
Stock options	7,117	(748)	–	–	6,369	
AGF Class B Non-Voting shares repurchased for cancellation	(2,466)	–	(316)	–	(2,782)	
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of \$0.1 million	–	–	(6,526)	–	(6,526)	
Equity-settled Restricted Share Units, net of tax	–	(2,245)	–	–	(2,245)	
Treasury stock released	1,640	–	–	–	1,640	
Balance, February 28, 2023	\$ 398,138	\$ 38,890	\$ 604,676	\$ 2,872	1,044,576	
Balance, December 1, 2023	\$ 390,502	\$ 44,462	\$ 651,065	\$ 2,867	1,088,896	
Net income for the period	–	–	30,548	–	30,548	
Other comprehensive income (net of tax)	–	–	–	8	8	
Comprehensive income for the period	–	–	30,548	8	30,556	
AGF Class B Non-Voting shares issued through dividend reinvestment plan	97	–	–	–	97	
Stock options	4,163	(481)	–	–	3,682	
AGF Class B Non-Voting shares repurchased for cancellation	(2,844)	–	(784)	–	(3,628)	
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of \$0.1 million	–	–	(7,194)	–	(7,194)	
Equity-settled Restricted Share Units, net of tax	–	(3,439)	–	–	(3,439)	
Treasury stock purchased	(805)	–	–	–	(805)	
Treasury stock released	2,285	–	(340)	–	1,945	
Balance, February 29, 2024	\$ 393,398	\$ 40,542	\$ 673,295	\$ 2,875	1,110,110	

(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 29, 2024	February 28, 2023
Operating Activities			
Net income for the period		\$ 30,548	\$ 17,569
Adjustments for			
Amortization, derecognition and depreciation		2,223	2,238
Interest expense	8, 10	1,535	1,212
Income tax expense	18	10,789	6,078
Income taxes paid		(9,640)	(10,951)
Stock-based compensation	17	2,670	2,649
Share of profit of joint ventures	6	(180)	(326)
Distributions from joint ventures	6	160	1,131
Fair value adjustment on long-term investments	5	(21,561)	(2,805)
Net realized and unrealized gain on short-term investments	5	(722)	(477)
Other income		–	19
		15,822	16,337
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		(11,256)	893
Other assets		23	60
Accounts payable and accrued liabilities		(30,640)	(32,109)
Other liabilities		98	(2,814)
		(41,775)	(33,970)
Net cash used in operating activities		(25,953)	(17,633)
Financing Activities			
Repurchase of Class B Non-Voting shares for cancellation	11	(3,628)	(2,782)
Issue of Class B Non-Voting shares	11	3,627	6,297
Purchase of treasury stock	11	(805)	–
Dividends paid	20	(7,007)	(6,319)
Issuance of long-term debt	10	34,000	8,000
Interest paid		(705)	(564)
Lease payments	8	(1,506)	(1,444)
Net cash provided by financing activities		23,976	3,188
Investing Activities			
Investment in joint venture	6	(108)	(30)
Purchase of long-term investments	5	(20,939)	(22,482)
Return of capital from long-term investments	5	151	50
Purchase of property, equipment and computer software, net of disposals		(343)	(533)
Purchase of short-term investments		(19,000)	(15,830)
Proceeds from sale of short-term investments		18,837	18,405
Purchase of convertible note receivable	15, 22	(4,071)	–
Net cash used in investing activities		(25,473)	(20,420)
Decrease in cash and cash equivalents		(27,450)	(34,865)
Balance of cash and cash equivalents, beginning of the period		50,453	58,620
Balance of cash and cash equivalents, end of the period		\$ 23,003	\$ 23,755
Cash and cash equivalents comprise:			
Cash at bank and on hand		\$ 19,541	\$ 20,406
Term deposit		3,462	3,349
Total cash and cash equivalents		\$ 23,003	\$ 23,755

(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 29, 2024 and February 28, 2023 (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 CIBC Square, Tower One, 81 Bay Street, Toronto, Ontario.

The Company is an independent and globally diverse asset management firm, whose principal subsidiaries provide investment management of equity, fixed income, alternative and multi-asset investment solutions through its three business lines: AGF Investments, AGF Private Wealth, and AGF Capital Partners. The Company also provides fund administration services to the AGF mutual funds.

AGF Capital Partners 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 financial statements were authorized for issue by the Board of Directors on April 3, 2024.

Note 2: Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) 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, 2023. 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, 2023, which have been prepared in accordance with IFRS Accounting Standards as issued by the IASB.

Note 3: Adoption of New and Revised Accounting Standards

The Company continues to monitor future accounting standards and analyze the effect the standards may have on the Company's operations. There are no new or revised accounting standards deemed to have a material impact on the Company.

Note 4: Risk Management

With continued elevated interest rates and inflation, markets are expected to remain volatile in the coming months. Investors may take a more cautious approach until it is better understood what impact tighter monetary policy will have on inflation and economic growth. 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 assets under management (AUM) excluding AGF Capital Partners. 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 AGF Capital Partners, annualized management, advisory and administration fee revenues, net of trailer commissions and investment advisory fees, would decline by approximately \$7.3 million.

Note 5: Investments and Long-term Investments

(a) Investments

The following table presents a breakdown of investments:

(in thousands of dollars)	February 29, 2024	November 30, 2023
Fair value through profit or loss		
AGF mutual funds and other	\$ 22,448	\$ 21,474
Fair value through other comprehensive income		
Equity securities	726	717
	\$ 23,174	\$ 22,191

For the three months ended February 29, 2024, the Company recorded a net positive fair value adjustment related to investments classified as fair value through profit or loss (FVTPL) of \$0.7 million (2023 – \$0.5 million). During the three months ended February 29, 2024 and February 28, 2023, no impairment charges were recognized.

AGF MANAGEMENT LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(b) Long-term Investments

As at February 29, 2024, the carrying value of the Company's long-term investments in the AGF Capital Partners business was \$297.3 million (November 30, 2023 – \$255.0 million).

The continuity for the Company's long-term investments, accounted for at FVTPL, for the three months ended February 29, 2024 and February 28, 2023 is as follows:

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Balance, beginning of the period	\$ 254,969	\$ 199,067
Purchase of long-term investments	20,939	22,482
Return of capital	(151)	(50)
Fair value adjustment ¹	21,561	2,805
Balance, end of the period	\$ 297,318	\$ 224,304

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.

Fair value adjustments and income distributions related to the Company's long-term investments in AGF Capital Partners are included in fair value adjustments and distribution income in the consolidated statement of income. For the three months ended February 29, 2024, the Company recorded fair value adjustment related to long-term investments of \$21.6 million (2023 – \$2.8 million) and distributions related to long-term investments of \$1.7 million (2023 – \$0.1 million).

The following shows the Company's commitment in funds and investments associated with the AGF Capital Partners business as at February 29, 2024 and February 28, 2023.

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Commitment, beginning of the period	\$ 22,064	\$ 42,937
Additional capital committed	16,200	13,300
Funded capital during the period	(20,939)	(22,482)
Remaining commitment to be funded, end of the period ¹	\$ 17,325	\$ 33,755

¹Excludes anticipated commitment of US\$50.0 million upon the successful launch of Instar's third fund.

Note 6: Investment in Joint Ventures

The Company has ownership in joint ventures that manage our AGF Capital Partners funds. These joint ventures 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, which provides asset management services and products in China and South Korea.

AGF MANAGEMENT LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The continuity for the three months ended February 29, 2024 and February 28, 2023 is as follows:

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Balance, beginning of the period	\$ 2,245	\$ 1,654
Investment in joint venture	108	30
Share of profit	180	326
Distributions received	(160)	(1,131)
Balance, end of the period	\$ 2,373	\$ 879

For the three months ended February 29, 2024 and February 28, 2023, the Company recognized income of \$0.2 million (2023 – \$0.3 million), which includes income of \$0.2 million (2023 – \$0.4 million) from its AGF Capital Partners joint ventures, offset by a loss of \$nil (2023 – \$0.1 million loss) from its interest in AGFWave. In addition, the company received distributions of \$0.2 million (2023 – \$1.1 million) from its AGF Capital Partners joint ventures.

Note 7: Other Fee-earning Arrangements

InstarAGF Fee-earning Arrangement

The Company has a fee arrangement with Instar whereby AGF earns annual fees of 14 bps on the assets under management of the InstarAGF Essential Infrastructure Fund I and II (together, the InstarAGF Funds). 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. As at February 29, 2024, the InstarAGF Funds fee-earning assets were \$2.0 billion (2023 – \$2.0 billion). During the three months period ended February 29, 2024, the Company recognized \$0.7 million (2023 – \$0.7 million) 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 29, 2024 is \$1.9 million (November 30, 2023 – \$1.9 million) and is included in other assets in the consolidated interim statement of financial position. The Company has \$1.9 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 29, 2024 and February 28, 2023, the Company did not recognize any fair value adjustments on the carried interest investments.

First Ascent Fee-earning Arrangement

AGF has 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 29, 2024, the First Ascent Fund fee-earning asset was \$0.1 billion (2023 – \$0.1 billion) and during the three months ended February 29, 2024, the Company recognized \$nil (2023 – \$nil) of income related to the fee arrangement.

Note 8: Right-of-use Assets and Lease Liabilities

The Company leases property and office equipment. As at February 29, 2024, the Company has right-of-use assets of \$70.7 million (November 30, 2023 – \$71.8 million) and total lease liabilities of \$83.1 million (November 30, 2023 – \$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 29, 2024 and February 28, 2023:

(in thousands of dollars)	Right-of-use assets			Lease liabilities	
	Property	Equipment	Total		
As at December 1, 2023	\$ 71,428	\$ 362	\$ 71,790	\$	84,064
Depreciation expense	(1,075)	(22)	(1,097)		–
Lease modification and reassessment	–	–	–		(12)
Interest expense	–	–	–		581
Payments	–	–	–		(1,506)
As at February 29, 2024	\$ 70,353	\$ 340	\$ 70,693	\$	83,127
As at December 1, 2022	\$ 69,735	\$ 443	\$ 70,178	\$	81,269
Depreciation expense	(1,025)	(51)	(1,076)		–
Lease modification and reassessment	–	–	–		3
Interest expense	–	–	–		503
Payments	–	–	–		(1,444)
As at February 28, 2023	\$ 68,710	\$ 392	\$ 69,102	\$	80,331

Note 9: Accounts Payable

(in thousands of dollars)	February 29, 2024	November 30, 2023
Compensation related payable	\$ 28,618	\$ 51,513
HST payable	6,828	7,920
Other	17,904	18,859
Accounts payable and accrued liabilities	\$ 53,350	\$ 78,292

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 bankers' acceptance (BAs) or by issuance of letters of credit. The Facility is due in full on November 6, 2025. During the three months ended February 29, 2024, AGF repaid \$49.0 million (2023 – \$22.0 million) and drew \$83.0 million (2023 – \$30.0 million). As at February 29, 2024, AGF had drawn \$40.0 million against the Facility (November 30, 2023 – \$6.0 million), with \$110.0 million remaining that is available to be drawn from the Facility and swingline facility commitment. AGF incurs transaction fees on the Facility which are amortized over the term of the Facility. As at February 29, 2024, the remaining balance of the transaction fee was \$0.2 million.

AGF MANAGEMENT LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The financial covenant on the Facility requires AGF to maintain a total debt to annualized earnings before income tax, depreciation and amortization (EBITDA) ratio below 3:1 until November 6, 2025. As at February 29, 2024, AGF is in compliance with the covenant.

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:

(in thousands of dollars, except share amounts)	Three months ended			
	February 29, 2024		February 28, 2023	
	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	64,271,451	\$ 390,502	64,407,816	\$ 391,719
Issued through dividend reinvestment plan	12,647	97	18,260	128
Stock options exercised	606,008	4,163	1,229,298	7,117
Repurchased for cancellation	(468,276)	(2,844)	(405,652)	(2,466)
Treasury stock purchased for employee benefit trust	(105,962)	(805)	–	–
Treasury stock released for employee benefit trust	407,898	2,285	295,426	1,640
Balance, end of the period	64,723,766	\$ 393,398	65,545,148	\$ 398,138

(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 4,735,269 shares for the period from February 8, 2024 to February 7, 2025 and up to 4,397,923 shares for the period from February 8, 2023 to February 7, 2024. During the three months ended February 29, 2024, AGF purchased 468,276 (2023 – 405,652) Class B Non-Voting shares under the normal course issuer bid at an average price of \$7.72 (2023 – \$6.86) for a total cost of \$3.6 million (2023 – \$2.8 million). The premium of \$0.8 million (2023 – \$0.3 million) from the recorded capital stock value of the shares repurchased 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 29, 2024, AGF purchased 105,962 Class B Non-Voting shares for the employee benefit trust at a cost of \$0.8 million (2023 – nil). 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 29, 2024, 407,898 (2023 – 295,426) Class B Non-Voting shares purchased as treasury stock were released. As at February 29, 2024, 94,085 (November 30, 2023 – 396,021) 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
Accumulated other comprehensive income at December 1, 2022	\$ (1,501)	\$ 4,496	\$ 2,995
Transactions during the year ended November 30, 2023			
Other comprehensive loss	–	(148)	(148)
Income tax benefit	–	20	20
Balance, November 30, 2023	(1,501)	4,368	2,867
Transactions during the period ended February 29, 2024			
Other comprehensive income	–	9	9
Income tax expense	–	(1)	(1)
Balance, February 29, 2024	\$ (1,501)	\$ 4,376	\$ 2,875

Note 13: Management, Advisory and Administration Fees

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Management, advisory and administration fees	\$ 111,389	\$ 109,099
Fund expenses	(2,810)	(2,293)
	\$ 108,579	\$ 106,806

Note 14: Other Income

Other income includes interest income earned on term deposit, gain and loss recorded on foreign exchange and other miscellaneous income.

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Interest income	519	428
Other	605	487
	\$ 1,124	\$ 915

Note 15: Financial Instruments

(a) Total Return Swap

On April 11, 2022, the Company entered into a Total Return Swap agreement (TRS) with a financial institution to manage its exposure to changes in the fair value of its Deferred Share Units (DSUs), which is based on the AGF.B share price. As at February 29, 2024, the Company had economically hedged 92.6% of its total vested DSUs for a total notional value of \$9.1 million. The TRS contract expires on May 31, 2024, with the option to extend the contract at the same average price.

The Company has not designated the TRS agreement as a hedging instrument for accounting purposes. The Company presents the fair value changes in the TRS, which includes the benefit of reinvested dividends, along with the associated financing and execution costs of the TRS, together with the corresponding fair value changes of the DSUs within the stock-based compensation expense component of Selling, General and Administrative expenses in the consolidated interim statement of income.

The Company recognized a gain on the TRS in the consolidated interim statement of income under Selling, General and Administrative expenses of \$1.2 million for the three months ended February 29, 2024 (2023 – \$3.6 million).

As at February 29, 2024, the balance of the derivative financial instrument recorded in current assets was \$2.3 million (November 30, 2023 – \$1.0 million).

The fair value of the total return swap is classified as level 2 under the fair value hierarchy. Refer to Note 22 for additional information.

(b) Convertible Note Receivable

On February 9, 2024, the Company entered into a convertible note agreement with New Holland Capital, LLC (NHC), which allows NHC to borrow up to US\$15.0 million. The convertible note provides the Company with the ability to convert into a 24.99% economic interest after February 9, 2026, or if there is a change of control event. The convertible note accrues interest at 10% per annum for the first three years, payable on a quarterly basis, and thereafter, the greater of the "mid-term applicable federal rate" provided by the American Internal Revenue Service and 2.5%. In addition, the Company will earn special interest of 24.99% of net aggregate profits in the first three years. The interest is payable in cash or, other than with respect to the special interest, in kind, in which event the amount of the principal outstanding under the convertible note shall be increased by the amount of such interest. The convertible note has a maturity date of February 9, 2032, or otherwise upon exercise of the options discussed below which mandates the note's conversion. That is, if the Company exercises the investment options below, the convertible notes will be automatically converted.

The arrangement also provides the Company with options to subsequently increase its ownership stake. The first option provides the Company the ability to increase its ownership interest to 51% and is exercisable between February 9, 2026 and February 9, 2027. The second option provides the Company the ability to increase its ownership interest to 66% and is exercisable between February 9, 2026 and February 9, 2027 if the Company exercises the first option, or between February 9, 2029 and February 9, 2030 if the Company does not exercise the first option.

The convertible note, including the embedded derivative relating to the initial conversion option, and the two options are classified as a financial instrument under IFRS 9 and measured at fair value through profit and loss (FVTPL). The Company did not record any fair value adjustment for the three months ended February 29, 2024.

As at February 29, 2024, the balance of the convertible note receivable recorded in non-current assets was \$4.1 million.

The fair value of the convertible note receivable is classified as level 3 under the fair value hierarchy. Refer to Note 22 for additional information.

Note 16: Expenses by Nature

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Selling, general and administrative		
Salaries, benefits and performance-based compensation	\$ 36,625	\$ 35,654
Stock-based compensation ^{1,2}	2,826	2,649
Severance	1,306	241
Non-compensation related expenses ²	17,137	14,459
	\$ 57,894	\$ 53,003

¹ Includes derivative financial instrument. Refer to Note 15(a) for more information.

² Certain comparative figures have been reclassified to conform to the current period's presentation.

Note 17: Stock-based Compensation and Other Stock-based Payments

(a) Stock Option Plans

Under the Company's stock option plans, an additional maximum of 1,759,871 Class B Non-Voting shares could have been granted as at February 29, 2024 (November 30, 2023 – 2,020,285).

The change in stock options during the period ended February 29, 2024 and February 28, 2023 is summarized as follows:

(in thousands of dollars)	Three months ended			
	February 29, 2024		February 28, 2023	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Class B Non-Voting share options				
Balance, beginning of the period	3,414,535	\$ 6.18	4,701,833	\$ 5.90
Options granted	260,414	7.73	–	–
Options forfeited	–	–	(4,000)	6.20
Options exercised	(606,008)	5.98	(1,229,298)	5.12
Balance, end of the period	3,068,941	\$ 6.36	3,468,535	\$ 6.18

During the three months ended February 29, 2024, 260,414 (2023 – nil) stock options were granted and compensation expense and contributed surplus of \$0.1 million (2023 – \$0.1 million) was recorded. The fair value of options granted during the three months ended February 29, 2024 has been estimated at \$1.67 per option using the Black-Scholes option-pricing model. The following assumptions were used to determine the fair value of the options granted during the three months ended February 29, 2024.

Three months ended	February 29, 2024
Risk-free interest rate	3.3%
Expected dividend yield	5.6%
Five-year historical-based expected share price volatility	37.2%
Forfeiture rate	4.3%
Option term	5.3 years

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(b) Other Stock-based Compensation

Other stock-based compensation includes RSUs and DSUs. Compensation expense related to cash-settled RSUs and DSUs for the three months ended February 29, 2024 was \$0.9 million (2023 – \$1.1 million) and the liability recorded as at February 29, 2024 related to cash-settled RSUs and DSUs was \$12.6 million (November 30, 2023 – \$11.4 million). Compensation expense related to equity-settled RSUs for the three months ended February 29, 2024 was \$1.9 million (2023 – \$1.6 million) and contributed surplus related to equity-settled RSUs, net of tax, as at February 29, 2024 was \$6.5 million (November 30, 2023 – \$10.0 million).

The change in share units of RSUs and DSUs during the three months ended February 29, 2024 and February 28, 2023 is as follows:

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
	Number of share units	Number of share units
Outstanding, beginning of the period	3,864,135	4,526,587
Issued		
Initial grant	1,040,915	38,275
In lieu of dividends	40,577	50,862
Settled in cash	(565,212)	(577,776)
Settled in equity, net of tax	(407,898)	(295,426)
Forfeited and cancelled	(11,236)	(10,285)
Outstanding, end of the period	3,961,281	3,732,237
Cash-settled, end of the period	1,739,602	1,667,822
Equity-settled, end of the period	2,221,679	2,064,415

Note 18: 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 29, 2024 was 26.1% (2023 – 25.7%).

The main items impacting the effective tax rate in the period relate to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, and non-deductible expenses.

Note 19: Earnings per Share

(in thousands of dollars, except per share amounts)	Three months ended	
	February 29, 2024	February 28, 2023
Numerator		
Net income for the period	\$ 30,548	\$ 17,569
Denominator		
Weighted average number of shares – basic	64,648,897	64,869,861
Dilutive effect of employee stock-based compensation awards	1,806,346	1,991,500
Weighted average number of shares – diluted	66,455,243	66,861,361
Earnings per share for the period		
Basic	\$ 0.47	\$ 0.27
Diluted	\$ 0.46	\$ 0.26

Note 20: Dividends

During the three months ended February 29, 2024, the Company paid dividends of 11.0 cents (2023 – 10.0 cents) per share. Total dividends paid, including dividends reinvested, in the three months ended February 29, 2024 were \$7.1 million (2023 – \$6.4 million). On April 3, 2024, 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 11.5 cents per share in respect of the three months ended February 29, 2024, amounting to a total dividend of approximately \$7.4 million. These consolidated interim financial statements do not reflect this dividend.

Note 21: 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 100% of the Company's Class A Voting common shares. On April 12, 2023, 20% of the Class A Voting common shares that were previously held by the former Vice-Chairman of AGF were sold to Goldring Capital Corporation.

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

(in thousands of dollars)	Three months ended	
	February 29, 2024	February 28, 2023
Salaries and other short-term employee benefits	\$ 2,172	\$ 3,494
Share-based compensation	2,562	4,879
	\$ 4,734	\$ 8,373

Note 22: 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, if any, 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 29, 2024:

(in thousands of dollars)	Level 1		Level 2		Level 3		Total
February 29, 2024							
Assets							
Financial assets at fair value through profit or loss							
Cash and cash equivalents	\$ 23,003	\$ -	\$ -	\$ -	\$ -	\$ -	23,003
AGF mutual funds and other	22,448	-	-	-	-	-	22,448
Long-term investments	-	-	-	297,318	-	-	297,318
Carried interest	-	-	-	1,864	-	-	1,864
Convertible note receivable	-	-	-	4,071	-	-	4,071
Derivative financial instrument	-	2,328	-	-	-	-	2,328
Financial assets at fair value through other comprehensive income							
Equity securities	726	-	-	-	-	-	726
Total financial assets	\$ 46,177	\$ 2,328	\$ 303,253	\$ -	\$ -	\$ -	351,758
Liabilities							
Financial liabilities at fair value through profit or loss							
Long-term deferred income on carried interest	\$ -	\$ -	\$ 1,864	\$ -	\$ -	\$ -	1,864
Total financial liabilities	\$ -	\$ -	\$ 1,864	\$ -	\$ -	\$ -	1,864

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The following table presents the group's assets and liabilities that were measured at fair value at November 30, 2023:

(in thousands of dollars) November 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents	\$ 50,453	\$ –	\$ –	\$ 50,453
AGF mutual funds and other	21,474	–	–	21,474
Long-term investments	–	–	254,969	254,969
Carried interest	–	–	1,864	1,864
Derivative instrument	–	965	–	965
Financial assets at fair value through other comprehensive income				
Equity securities	717	–	–	717
Total financial assets	\$ 72,644	\$ 965	\$ 256,833	\$ 330,442
Liabilities				
Financial liabilities at fair value through profit or loss				
Long-term deferred income on carried interest	\$ –	\$ –	\$ 1,864	\$ 1,864
Total financial liabilities	\$ –	\$ –	\$ 1,864	\$ 1,864

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 AGF Capital Partners business, fair value of the convertible note from NHC, 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 29, 2024 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 \$29.7 million. Refer to Note 5(b) for additional information.

The fair value of the Company's carried 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 6 for additional information.

The fair value of the Company's convertible note from NHC has been estimated using the financial information provided by NHC with consideration over the timing and appropriate discount rates used. Refer to Note 15(b) for additional information.

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The following table presents changes in level 3 instruments for the three months ended February 29, 2024.

(in thousands of dollars)	Total
Long-term investments	
Balance at December 1, 2023	\$ 254,969
Purchase of investment	20,939
Return of capital	(151)
Fair value adjustment recognized in profit or loss ¹	21,561
Balance at February 29, 2024	\$ 297,318
Convertible Note Receivable	
Balance at December 1, 2023	–
Purchase of investment	4,071
Balance at February 29, 2024	\$ 4,071
Carried interest	
Balance at December 1, 2023	\$ 1,864
Fair value adjustment	–
Balance at February 29, 2024	\$ 1,864

¹ The change in unrealized income in investments currently held included in level 3 of the fair value hierarchy is \$21,561 for the three months ended February 29, 2024.

The following table presents changes in level 3 instruments for the three months ended February 28, 2023.

(in thousands of dollars)	Total
Long-term investments	
Balance at December 1, 2022	\$ 199,067
Purchase of investment	22,482
Return of capital	(50)
Fair value adjustment recognized in profit or loss ¹	2,805
Balance at February 28, 2023	\$ 224,304
Carried interest	
Balance at December 1, 2022	\$ 1,444
Fair value adjustment	–
Balance at February 28, 2023	\$ 1,444

¹ The change in unrealized income in investments currently held included in level 3 of the fair value hierarchy is \$2,805 for the three months ended February 28, 2023.

There were no transfers into or out of level 1 and level 2 during the three months ended February 29, 2024.

Note 23: 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 interim 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.

Note 24: Subsequent Events

On March 8, 2024, the Company, through its wholly owned subsidiary, AGF Private Capital Inc., acquired 51% of Kensington Capital Partners Limited (KCPL) for a cash purchase price of \$45.0 million, adjusted for working capital, and specific contingent considerations as discussed below. KCPL is an independent alternative asset manager based in Toronto with offices in Calgary and Vancouver. It employs a hybrid investment strategy across Fund of Funds, co-investments and direct investing, providing investors with well-diversified exposure to private markets.

The contingent consideration is comprised of the following:

- i) an earnout amount for a period from the closing date to the later of one year after the closing date and October 31, 2024 based on net new subscriptions, up to a maximum of \$20.0 million.
- ii) a liability for certain carried interest and performance fees related to investments made prior to the acquisition, which will be payable contingent upon carried interest and performance fees being realized by KCPL.
- iii) KCPL holds a class of preferred limited partnership interest in KCPL Legacy Asset LP representing certain assets that are excluded from the transaction. In order to flow through the value of these excluded assets, a class of preferred shares were issued to the original owners of KCPL, which are redeemable/retractable for an amount equal to the value of the preferred limited partnership interests held by KCPL less the income tax liability associated with the preferred limited partnership interest. This arrangement is intended to be a flow through with a \$nil impact to AGF on a consolidated basis.

The Company has also entered into a put agreement with the 49% non-controlling interest holders. Under the agreement, the Company is obligated to purchase shares from the non-controlling interest holders at a price determined in part by reference to earnings. A portion of the NCI put options will be exercisable commencing 2025, with the remainder exercisable in three years.

Due to the proximity of the acquisition date to the date of the issuance of the Company's financial statements, the complete valuation and initial purchase price accounting for the business combination is not yet available.

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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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