

AGF Management Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended November 30, 2024 and 2023



Management's Responsibility for Financial Reporting

Toronto, January 21, 2025

The accompanying consolidated financial statements of AGF Management Limited (the Company) were prepared by management, who are responsible for the integrity and fairness of the information presented, including the amounts based on estimates and judgements. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

In discharging its responsibility for the integrity and fairness of the consolidated financial statements and for the accounting systems from which they are derived, management maintains internal controls designed to ensure that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal controls is supported by a compliance function, which ensures that the Company and its employees comply with securities legislation and conflict of interest rules, and by an internal audit staff, which conducts periodic audits of all aspects of the Company's operations.

The Board of Directors (the Board) oversees management's responsibilities for financial reporting through an Audit Committee, which is comprised entirely of independent directors. This Committee reviews the consolidated financial statements of the Company and recommends them to the Board for approval.

PricewaterhouseCoopers LLP, an independent auditor appointed by the shareholders of the Company upon the recommendation of the Audit Committee, has performed an independent audit of the consolidated financial statements, and its report follows. The independent auditor has full and unrestricted access to the Audit Committee to discuss their audit and related findings.



Kevin McCreadie, CFA, MBA
Chief Executive Officer & Chief Investment Officer



Ken Tsang, CFA, CPA, MBA
Chief Financial Officer



Independent auditor's report

To the Shareholders of AGF Management Limited

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AGF Management Limited and its subsidiaries (together, the Company) as at November 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at November 30, 2024 and 2023;
- the consolidated statements of income for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flow for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended November 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Determination of recoverable amounts of goodwill and management contracts – Retail and Institutional cash generating units (CGUs) <i>Refer to note 3 – Material Accounting Policy Information, Judgements and Estimation Uncertainty and note 9 – Goodwill and Intangible Assets.</i> The Company had goodwill and management contracts of \$1.04 billion as at November 30, 2024, of which a significant portion relates to the Retail and Institutional CGUs. Management tests goodwill and management contracts annually for impairment or more frequently if events or circumstances indicate that the carrying value may be impaired. Management determines whether an impairment loss should be recognized by comparing the carrying value of the CGU to its recoverable amount, which is the higher of fair value less costs to sell (FVLCTS) and its value in use (VIU). As at November 30, 2024, the Company has performed a discounted cash flow analysis for each CGU to estimate the recoverable amount. In the discounted cash flow analysis, management applies judgement in selecting the appropriate discount rate, and terminal growth rate. Management also estimates future cash flows based on (i) assets under management, of which key assumptions include: gross sales, redemptions, and market growth and (ii) synergies' inclusion rates. Based on the results of the annual impairment test, management concluded that no goodwill or management contracts were impaired for the Retail and Institutional CGUs as at November 30, 2024.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the Retail and Institutional CGUs, which included the following: – Tested (i) the appropriateness of the use of a discounted cash flow analysis, and (ii) the mathematical accuracy of the discounted cash flow analyses prepared by management. – Tested the reasonableness of assumptions related to assets under management (gross sales, redemptions, market growth and revenue rates) by comparing them to the budget approved by the Board of Directors, current and past performance of the CGUs and available third party published economic data. – Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the methodology used in discounted cash flow analyses and the reasonableness of the discount rates, terminal growth rates and synergies' inclusion rates used by management. – Tested the assets under management data used in the discounted cash flow analyses.



Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to (i) the significance of the goodwill and management contract balances for the Retail and Institutional CGUs and (ii) the significant judgement made by management in determining the recoverable amount of the CGUs, including the use of significant assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	• Evaluated the disclosures made in the consolidated financial statements, including the sensitivity of the key assumptions used.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carly Stallwood.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
January 21, 2025

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

November 30 (in thousands of Canadian dollars)	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents		\$ 52,960	\$ 50,453
Investments	5	20,171	22,191
Accounts receivable, prepaid expenses and other assets		47,964	36,646
Derivative financial instrument	19	1,081	965
Income tax receivable	8, 24, 30	3,534	6,602
Total current assets		125,710	116,857
Investment in joint ventures	6	1,801	2,245
Long-term investments	5	321,243	254,969
Preferred limited partnership interest	8	18,816	–
Convertible note receivable	19	12,583	–
Management contracts	8, 9	768,785	689,759
Goodwill	9	273,961	250,830
Other intangibles	9	4,533	398
Right-of-use assets	10	68,004	71,790
Property, equipment and computer software	11	26,073	27,951
Deferred income tax assets	14	8,188	3,602
Other assets	7	3,007	1,877
Total non-current assets		1,506,994	1,303,421
Total assets		\$ 1,632,704	\$ 1,420,278

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

November 30 (in thousands of Canadian dollars)	Note	2024	2023
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12, 22	\$ 113,422	\$ 78,292
Lease liability	10	6,116	5,960
Put option liability	8	893	–
Total current liabilities		120,431	84,252
Long-term lease liability	10	75,055	78,104
Long-term debt	13	14,664	5,823
Deferred income tax liabilities	14	177,943	152,834
Long-term contingent consideration payable	8	29,536	–
Long-term put option liability	8	32,109	–
Other long-term liabilities	7, 8, 22	23,886	10,369
Total liabilities		473,624	331,382
Equity			
Equity attributable to owners of the Company			
Capital stock	15	393,218	390,502
Contributed surplus	22	45,142	44,462
Retained earnings		686,863	651,065
Accumulated other comprehensive income	16	3,205	2,867
Equity attributable to non-controlling interest holders			
Non-controlling interest	8	30,652	–
Total equity		1,159,080	1,088,896
Total liabilities and equity		\$ 1,632,704	\$ 1,420,278

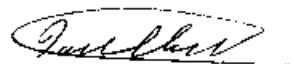
(The accompanying notes are an integral part of these Consolidated Financial Statements.)

Approved by the Board:



Kevin McCreddie, CFA, MBA

Director



Ian Clarke, CA, FCA, ICD.D

Director

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF INCOME

Years ended November 30 (in thousands of Canadian dollars, except per share data)	Note	2024	2023
Income			
Management, advisory and administration fees	17	\$ 482,394	\$ 428,172
Deferred sales charges		6,625	7,585
Performance fee	8	4,124	–
Share of profit of joint ventures	6	895	3,427
Income from fee-earning arrangements	7	2,936	3,155
Fair value adjustments and distribution income	5, 28	47,263	26,855
Other income	18	3,955	2,630
Total income		548,192	471,824
Expenses			
Selling, general and administrative	20	262,539	209,048
Trailing commissions and investment advisory fees		141,251	133,762
Fair value adjustment on contingent consideration payable	8	(53)	–
Fair value adjustment on put option liability	8	2,778	–
Amortization, depreciation and derecognition	9, 10, 11	9,402	9,120
Interest expense	10, 13	6,967	4,874
Total expenses		422,884	356,804
Income before income taxes		125,308	115,020
Income tax expense (benefit)			
Current	24	31,882	24,183
Deferred	24	(2,886)	3,137
Total income tax expense		28,996	27,320
Net income for the year		\$ 96,312	\$ 87,700
Net income attributable to:			
Equity owners of the Company		\$ 97,572	\$ 87,700
Non-controlling interest		(1,260)	–
Earnings per share attributable to equity owners of the Company			
Basic	25	\$ 1.51	\$ 1.35
Diluted	25	\$ 1.46	\$ 1.30

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

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Net income for the year	\$ 96,312	\$ 87,700
Other comprehensive income, net of tax		
Net unrealized gain (loss) on investments		
Item that may be reclassified to net income		
Unrealized gain (loss)	338	(128)
Total other comprehensive income (loss), net of tax	338	(128)
Comprehensive income	\$ 96,650	\$ 87,572
Comprehensive income attributable to:		
Equity owners of the Company	\$ 97,910	\$ 87,572
Non-controlling interest	(1,260)	–
Net comprehensive income for the year	\$ 96,650	\$ 87,572

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

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Canadian dollars)	Capital stock	Contributed surplus	Retained earnings	Accumulated comprehensive income	Non-controlling interest	Total equity
Balance, December 1, 2022	\$ 391,719	\$ 41,883	\$ 593,949	\$ 2,995	\$ –	1,030,546
Net income for the year	–	–	87,700	–	–	87,700
Other comprehensive loss (net of tax)	–	–	–	(128)	–	(128)
Comprehensive income (loss) for the year	–	–	87,700	(128)	–	87,572
AGF Class B Non-Voting shares issued through dividend reinvestment plan	564	–	–	–	–	564
Stock options	7,403	(558)	–	–	–	6,845
AGF Class B Non-Voting shares repurchased for cancellation	(10,966)	–	(2,416)	–	–	(13,382)
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of \$0.3 million	–	–	(28,206)	–	–	(28,206)
Equity-settled Restricted Share Units, net of tax	–	3,137	–	–	–	3,137
Treasury stock released	1,782	–	38	–	–	1,820
Balance, November 30, 2023	\$ 390,502	\$ 44,462	\$ 651,065	\$ 2,867	\$ –	1,088,896
Balance, December 1, 2023	\$ 390,502	\$ 44,462	\$ 651,065	\$ 2,867	\$ –	1,088,896
Net income (loss) for the year	–	–	97,572	–	(1,260)	96,312
Other comprehensive income (net of tax)	–	–	–	338	–	338
Comprehensive income (loss) for the year	–	–	97,572	338	(1,260)	96,650
AGF Class B Non-Voting shares issued through dividend reinvestment plan	397	–	–	–	–	397
Stock options	8,970	(849)	–	–	–	8,121
AGF Class B Non-Voting shares repurchased for cancellation	(4,474)	–	(1,352)	–	–	(5,826)
Dividends on AGF Class A Voting common shares and AGF Class B Non-Voting shares, including tax of \$0.3 million	–	–	(29,677)	–	–	(29,677)
Equity-settled Restricted Share Units, net of tax	–	1,529	–	–	–	1,529
Treasury stock purchased	(4,894)	–	–	–	–	(4,894)
Treasury stock released	2,717	–	(519)	–	–	2,198
Purchase of Kensington Capital Partners Limited	–	–	(30,226)	–	31,912	1,686
Balance, November 30, 2024	\$ 393,218	\$ 45,142	\$ 686,863	\$ 3,205	\$ 30,652	1,159,080

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

AGF MANAGEMENT LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW

Years ended November 30 (in thousands of Canadian dollars)	Note	2024	2023
Operating Activities			
Net income for the year		\$ 96,312	\$ 87,700
Adjustments for			
Amortization, depreciation and derecognition		9,402	9,120
Interest expense	10, 13	6,967	4,874
Income tax expense	24	28,996	27,320
Income taxes paid		(26,096)	(28,656)
Stock-based compensation	22	10,413	8,970
Share of profit of joint ventures	6	(895)	(3,427)
Distributions from joint ventures	6	1,765	3,258
Fair value adjustment on long-term investments	5	(32,169)	(23,433)
Fair value adjustment on contingent consideration payable	8	(53)	–
Fair value adjustment on put option liability	8	2,778	–
Net realized and unrealized gain on short-term investments		(3,042)	(292)
Other income (loss)		(52)	20
		94,326	85,454
Net change in non-cash working capital balances related to operations			
Accounts receivable and other current assets		(4,228)	(2,097)
Other assets		4,148	(199)
Accounts payable and accrued liabilities		11,385	(2,901)
Other liabilities		8,954	6,982
		20,259	1,785
Net cash provided by operating activities		114,585	87,239
Financing Activities			
Repurchase of Class B Non-Voting shares for cancellation		(5,826)	(13,382)
Issue of Class B Non-Voting shares	15	7,766	6,544
Purchase of treasury stock	15	(4,894)	–
Dividends paid	26	(28,945)	(27,328)
Issuance (repayment) of long-term debt		9,000	(16,000)
Interest paid		(4,405)	(2,121)
Lease payments	10	(6,117)	(5,647)
Net cash used in financing activities		(33,421)	(57,934)
Investing Activities			
Investment in joint venture	6	(426)	(422)
Purchase of long-term investments	5	(28,602)	(34,173)
Return of capital from long-term investments	5	302	1,704
Purchase of property, equipment and computer software, net of disposals		(2,203)	(3,443)
Purchase of short-term investments		(29,450)	(19,680)
Proceeds from sale of short-term investments		35,226	18,542
Purchase of convertible note receivable	19, 28	(12,609)	–
Acquisition of Kensington Capital Partners Limited, net of cash acquired	8	(40,895)	–
Net cash used in investing activities		(78,657)	(37,472)
Increase (decrease) in cash and cash equivalents		2,507	(8,167)
Balance of cash and cash equivalents, beginning of the year		50,453	58,620
Balance of cash and cash equivalents, end of the year		\$ 52,960	\$ 50,453
Cash and cash equivalents comprise:			
Cash at bank		\$ 46,844	\$ 47,023
Term deposit		6,116	3,430
Total cash and cash equivalents		\$ 52,960	\$ 50,453

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

Notes to the Consolidated Financial Statements

For the years ended November 30, 2024 and 2023

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 strategic investments in Kensington Capital Partners Limited (KCPL) and New Holland Capital (NHC), joint ventures with Stream Asset Financial Management LP (SAFM LP) and AGF SAF Private Credit Management LP (PCMLP), as well as fee-earning arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent).

These consolidated financial statements were authorized for issue by the Board of Directors on January 21, 2025.

Note 2: Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Amounts are expressed in Canadian dollars, unless otherwise stated.

Note 3: Material Accounting Policy Information, Judgements and Estimation Uncertainty

3.1 Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

3.2 Investment in Subsidiaries, Associates, Joint Ventures and Structured Entities

(a) Subsidiaries and Consolidated Structured Entities

The consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases. If the Company loses control of a subsidiary, it accounts for all amounts recognized in other comprehensive income (OCI) in relation to that subsidiary on the same basis as it would if the Company had directly disposed of the related assets or liabilities.

Intercompany transactions and balances are eliminated on consolidation.

Consolidated structured entities are entities over which the Company has control over the relevant activities of the entity by means of a contractual agreement. The Company established an employee benefit trust as a consolidated structured entity with the purpose of acquiring Class B Non-Voting shares to be delivered to employees upon vesting of their Restricted Share Units (RSUs). Under the contractual agreement, the Company will provide financial support to the trust to fund the purchase of these shares. Refer to Note 3.14 and Note 22 for additional information.

The principal subsidiaries and consolidated structured entities of AGF as at November 30, 2024 are as follows:

	Principal activity	Country of incorporation	Interest held
1801882 Alberta Ltd.	Private market investments	Canada	100%
1936874 Ontario Ltd.	Private market investments	Canada	100%
2593269 Ontario Inc.	Private market investments	Canada	100%
20/20 Financial Corporation	Holding company	Canada	100%
AGF International Advisors Company Limited	Investment management	Ireland	100%
AGF Investments America Inc.	Investment management	Canada	100%
AGF Investments Inc.	Investment management	Canada	100%
Cypress Capital Management Limited (Cypress)	Private wealth	Canada	100%
Doherty & Associates Limited (Doherty)	Private wealth	Canada	100%
Employee Benefit Plan Trust	Trust	Canada	100%
AGF Investments LLC	Investment management	United States	100%
Highstreet Asset Management Inc.	Private wealth	Canada	100%
AGF Capital Partners Inc.	Holding company	Canada	100%
AGF Capital Partners (US) Inc.	Holding company	United States	100%
KCPL Holdings Inc. ¹	Holding company	Canada	51%

¹ KCPL Holdings Inc. holds 51% interest of Kensington Capital Partners Limited (KCPL).

(b) Associates and Joint Ventures

Associates are entities over which the Company has significant influence, but not control, generally accompanying between 20% and 50% of the voting rights. Joint ventures are arrangements whereby the parties have joint control over, and rights to the net assets of, the arrangement.

The Company's interests in the associates and joint ventures, other than its interest in funds that it manages, are generally accounted for using the equity method of accounting after initially being recognized at cost. AGF's share of its associates' post-acquisition profits or losses is recognized in the consolidated statement of income and its share of post-acquisition other comprehensive income (loss) is recognized in OCI. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Associates' and joint ventures' accounting policies have conformed where necessary to ensure consistency with the policies adopted by AGF.

Additionally, the Company has determined that interests it holds in the mutual funds it manages may be associates as a result of the Company's power conveyed through investment management and other agreements it has with the funds that permit the Company to make decisions about their investing and operating activities. None of these interests are individually significant and the Company has applied the equity method of accounting to these interests and elected to designate its investments in these funds at fair value through profit or loss. These funds conduct their trading activities, which may include trading of foreign-denominated securities, in Canada and the United States. At November 30, 2024, the carrying amount of the Company's interests in investment funds that it manages was \$19.0 million (2023 – \$21.5 million), which represents the Company's maximum exposure to loss with respect to these interests. The fair value adjustment related to the Company's interests in investment funds recognized on the consolidated statement of income was \$3.0 million in income for the year ended November 30, 2024 (2023 – \$0.3 million of income). Refer to Note 5 for additional information about the Company's investments in funds that it manages.

All AGF's joint ventures are incorporated in Canada and the breakdown as at November 30, 2024 are as follows:

	Nature of activities	Interest held
Stream Asset Financial GP LP (SAF GP)	Carried interest entity	31.9%
Stream Asset Financial Management LP (SAFM LP)	Private credit	45.5%
FAV II Principal Carry LP	Carried interest entity	15.0%
AGF SAF Private Credit GP	Private credit	50.0%
AGF SAF Private Credit Management LP (PCMLP)	Private credit	50.0%
AGF SAF Private Credit Performance LP	Carried interest entity	30.0%

AGF MANAGEMENT LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company will receive performance-based fees or carried interest distributions from the carried interest entities it has ownership interest in if a Capital Partners' fund exceeds its performance threshold.

The Company assesses at each period-end whether there is any objective evidence that its interests in associates and joint ventures are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates or joint ventures is written down to its estimated recoverable amounts (being the higher of fair value less costs to sell and value in use) and charged to the consolidated statement of income. As at November 30, 2024, no impairment charges were recognized.

(c) Long-term Investments

Long-term investments are accounted for at fair value through profit or loss, which is consistent with the Company's accounting for investments in the mutual funds it manages. Refer to Note 5(b) for additional information about the Company's interests in long-term investments.

All AGF's long-term investments are incorporated in Canada. The material long-term investments of AGF as at November 30, 2024 are as follows:

	Nature of activities	Interest held
InstarAGF Essential Infrastructure Fund LP I (EIF)	Limited partnership – investment entity	13.5%
InstarAGF Essential Infrastructure Fund LP II (EIF II)	Limited partnership – investment entity	5.3%
Stream Asset Financial LP (Stream)	Limited partnership – investment entity	25.2%
AGF SAF Private Credit Limited Partnership (AGF SAF PC LP)	Limited partnership – investment entity	3.1%
AGF SAF Private Credit Trust	Limited partnership – investment entity	41.9%
First Ascent Ventures II LP	Limited partnership – investment entity	27.9%

3.3 Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration paid for the acquisition includes the fair values of the assets transferred, the liabilities assumed and the equity interests issued by the Company. The consideration paid also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Estimates have been used to determine these values, including the valuation of separately identifiable intangibles acquired. Contingent consideration and the non-controlling interest put option, as part of the acquisition, are based on the future performance of the acquired business. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and earnings, discount rates and volatility. Future performance results that differ from management's estimates could result in changes to the liabilities, which are recorded as they arise in net income.

(a) Determination of control

The determination of whether an investment is a subsidiary requires consideration of all facts and circumstances and typically begins with an analysis of the company's proportion of the investee's voting rights. Subsidiaries are all entities for which the Company has exposure to variable returns and power over the investee, which it can use to affect the amounts of such returns and is often accompanied by a shareholding of more than half of the investee's voting rights. Judgement may be required to determine the existence of control when it involves elements such as contractual arrangements between shareholders, regulatory restrictions on board representation, voting rights or relevant activities of the investee. The Company has exercised judgement in determining that it has control over Kensington Capital Partners Limited (KCPL).

For investment funds where KCPL is the manager, the Company has concluded that it does not have control as it acts in an agent capacity and therefore, cannot use its power to affect its variable returns.

(b) Non-controlling interest

Subsequent to initial recognition, the carrying value of non-controlling interests is adjusted for the non-controlling interest's share of the subsidiary's comprehensive income (loss) and equity transactions. A non-controlling interest's share of such adjustments is based on its present ownership interest in the subsidiary after consideration of any applicable shareholders' agreements and other contractual arrangements.

3.4 Assets Under Management (AUM) and Fee-earning Assets

The Company, through its investments in subsidiaries, manages a range of mutual funds, other investments and fee-earning assets owned by clients and third parties that are not reflected on the consolidated statement of financial position, certain of which are held through investment funds that meet the definition of structured entities under IFRS Accounting Standards. The Company earns fees for providing management and administrative services to these investment funds. Fees from these funds and other investment assets are calculated based on AUM and fee-earning assets, which was \$53.6 billion as at November 30, 2024 (2023 – \$42.2 billion).

3.5 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is AGF Management Limited's functional currency.

(b) Transactions and Balances

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the consolidated statement of financial position date and non-monetary assets and liabilities are translated at historical exchange rates. Foreign currency income and expenses are translated at average exchange rates prevailing throughout the year. Unrealized translation gains and losses and all realized gains and losses are included in net income on the consolidated statement of income.

3.6 Cash and Cash Equivalents

Cash represents highly liquid temporary deposits, while cash equivalents consist of bank term deposits, both of which are readily convertible to known amounts of cash, are subject to insignificant risk of changes in fair value and have short-term maturities of less than three months at inception.

3.7 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Regular way purchases and sales of financial assets and liabilities are accounted for at the trade date.

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments into the following categories depending on the entity's business model for management of the financial assets and the contractual terms of the cash flows.

(a) Fair Value through Profit or Loss (FVTPL)

Financial instruments classified at FVTPL are recognized initially at fair value and are subsequently carried at fair value in the consolidated statements of financial position. Gains or losses in fair value and distributions received from certain investments are presented in the consolidated statement of income under fair value adjustments and distribution income. Transaction costs on FVTPL financial instruments are accounted for in net income as incurred. Equity instruments are classified as FVTPL unless the Company irrevocably elects at initial recognition to designate it as FVTOCI. Debt instruments are classified as FVTPL if the assets do not meet criteria for FVTOCI or amortized cost. Financial instruments classified as FVTPL include investments in AGF mutual funds, term deposits and other certain investments.

(b) Fair Value through Other Comprehensive Income (FVTOCI)

Financial instruments classified at FVTOCI are initially recognized at fair value and are subsequently carried at fair value in the consolidated statements of financial position. Gains or losses in fair value are presented in the consolidated statement of comprehensive income under other comprehensive income. Transaction costs on FVTOCI financial instruments are added to the initial carrying value of the asset or liability.

For equity investments designated as FVTOCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of income following derecognition of the investment. Dividends are recognized in the consolidated statement of income as part of fair value adjustments and other income on the date they become legally receivable. Equity investments designated as FVTOCI include certain equity securities held for long-term investments.

Debt instruments are classified as FVTOCI if the assets are held for the collection of contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principal and interest. For debt investments classified as FVTOCI, the cumulative gain or loss previously recognized in OCI is reclassified to the consolidated statement of income upon derecognition and is included in fair value adjustments and other income. Interest income from these financial assets, calculated using the effective interest method, is recognized in the consolidated statement of income. The Company does not currently have any debt investments classified as FVTOCI.

(c) Amortized Cost

Financial instruments classified at amortized costs are initially recognized at the amount expected to be received, less, when material, a discount to reduce the asset balance to fair value. Subsequently, these assets are measured using the effective interest method less a provision for impairment. Financial assets are classified at amortized cost if the assets are held for the collection of contractual cash flows. Financial assets classified at amortized costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include accounts receivable and other financial assets.

Financial liabilities at amortized cost include accounts payable and accrued liabilities, long-term debt, and other long-term liabilities. Accounts payable and accrued liabilities, long-term debt, and other long-term liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, these balances are measured at amortized cost using the effective interest method.

A financial liability is derecognized when it is extinguished. When a liability is extinguished, the difference between its carrying amount and the consideration paid including any non-cash assets transferred and any new liabilities assumed is recognized in profit or loss. A modification of the terms of a liability is accounted for as an extinguishment of the original liability and recognition as a new liability when the modification is substantial. The Company deems an amendment of the terms of a liability to be substantially different if the net present value of the cash flows under the new liability, including any fees paid, is at least 10% different from the net present value of the remaining cash flows of the existing liability, both discounted at the original effective interest rate of the original liability.

Financial liabilities are classified as current liabilities if payment is due within 12 months of the consolidated statement of financial position date. Otherwise, they are presented as non-current liabilities.

3.8 Derivative Instruments

Derivative instruments are used to manage the Company's exposure to foreign currency rate risks. The Company does not enter into derivative financial instruments for trading or speculative purposes. When derivative instruments are used, the Company determines whether hedge accounting can be applied. The derivative instrument must be highly effective in accomplishing the objective of offsetting either changes in the fair value or forecasted cash flows attributable to the risk being hedged both at inception and over the life of the hedge. In accordance with IFRS 9, to qualify for hedge accounting three requirements must be met. These requirements are economic relationship, effect of credit risk, and hedge ratio. At the inception of the hedging relationship, there must be a formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

If hedge accounting is applied, the effective portion of the change in fair value of the hedging instrument will be recognized in OCI. Any ineffective portion of fair value is recognized immediately in the consolidated statement of income. When a hedging instrument matures or no longer meets the criteria for hedge accounting, the amount that has been recorded in the OCI will be reclassified to the consolidated statement of income. When a forecast transaction is no longer expected to occur, the amount that has been recorded in OCI is immediately transferred to the consolidated statement of income.

3.9 Leases

The Company assesses whether a contract contains a lease under IFRS 16 at inception if all of the following criteria are met:

- The contract contains an identifiable asset
- The lessee obtains the right of direct use of the asset
- The lessee obtains substantially all the economic benefits of the asset

(a) Recognition of eligible leases

Right-of-use asset and lease liability are recognized at the lease commencement date, which is defined as the date on which the lessor makes the underlying asset available for use by the lessee. The right-of-use asset is initially measured at cost less indirect costs, removal and restoration costs, prepaid lease payments and lease incentive received and subsequently amortized, on a straight-line basis, over the earlier of the useful life of the right-of-use asset or the term of the lease. The lease term includes the non-cancellable period of the lease and periods covered by an option to extend or terminate the lease if the Company is reasonably certain to exercise the option.

The lease liability is measured based on the present value of the fixed lease payments using either the implicit interest rate of the lease or the incremental borrowing rate. Subsequently, the lease liability is reduced by the lease payments made, partially offset by an increase in accretion interest expense using the effective interest rate method.

Any lease with variable lease payments that do not depend on an index or rate, a lease term less than 12 months or deemed as low value is exempt from IFRS 16 and will continue to be expensed on an accrual basis. The exempted leases do not have a material impact on the consolidated financial statements.

(b) Subsequent lease modification

The right-of-use asset and lease liability are remeasured if a modification occurs. A modification includes increasing the scope of the lease by adding the right to use one or more underlying assets, increasing the scope of the lease by extending the contractual lease term and changing the consideration in the lease by increasing or decreasing the lease payment. When the lease liability is remeasured due to a modification, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

3.10 Intangibles

(a) Goodwill and Management Contracts

Goodwill represents the excess of the fair value of consideration paid over the fair value of the Company's share of the identifiable net assets, including management contracts, of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Majority of the management contracts have been determined to have an indefinite life as the contractual right to manage the assets has no fixed term with the exception of management contracts for close-ended funds, which will be amortized on a straight-line basis over the life of the funds. Management contracts acquired separately or in a business combination are recorded at fair value on initial recognition and subsequently reduced by the amount of impairment losses, if any.

(b) Other Intangibles

Other intangibles are stated at cost (which generally coincides with the fair value at the dates acquired), net of accumulated amortization and impairment, if any. Amortization for certain other intangibles is computed on a straight-line basis over five to 15 years based on the estimated useful lives of these assets. For the remaining other intangibles, amortization is based on the expected discounted cash flow and amortized over the contractual life of the assets. Other intangibles for which client attrition occurs is immediately charged to net income and included in amortization and derecognition of other intangibles.

3.11 Property, Equipment and Computer Software

Property, equipment and computer software, which consists of furniture and equipment, computer hardware, computer software and leasehold improvements, is stated at cost, net of accumulated depreciation and impairment, if any. Depreciation, if applicable, is calculated using the following methods based on the estimated useful lives of these assets:

Furniture and equipment	20% declining balance
Leasehold improvements	straight-line over term of lease
Computer hardware	straight-line over useful life of two to seven years
Computer software	straight-line over three years

3.12 Impairment of Non-financial Assets

Assets that have an indefinite useful life, for example, goodwill and management contracts, are not subject to amortization and are tested annually for impairment or more frequently if events or circumstances indicate that the carrying value may be impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where such evidence exists, the portion of the previous impairment that no longer is impaired is reversed through net income with a corresponding increase in the carrying value of the asset.

3.13 Current and Deferred Income Tax

Income tax consists of current and deferred tax. Income tax is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in OCI or directly in equity, in which case the income tax is also recognized directly in OCI or equity, respectively.

Management regularly evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of tax losses and credits carryforwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures, and associates, except, in the case of subsidiaries, joint ventures, or associates, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the deferred tax asset is realized or liability settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are presented as non-current.

3.14 Employee Benefits

(a) Stock-based Compensation and Other Stock-based Payments

The Company has established stock option plans for senior employees and utilizes the fair-value-based method of accounting for stock options. The fair value of stock options, determined on the grant date using an option pricing model, is recorded over the vesting period as a charge to net earnings with a corresponding credit to contributed surplus, taking into account forfeitures. Awards are settled by issuance of AGF Class B Non-Voting shares upon exercise of the options. The stock options are issued with an exercise price equal to fair market value which means the volume weighted average trading price of the Class B Non-Voting Shares as reported on the TSX for the five trading days immediately preceding the date of grant. Stock option awards are granted on a four-year graded-vesting basis whereby 25% of the total awards vest each year on the anniversary of the grant date.

The Company also has a share purchase plan under which employees can have a percentage of their annual earnings withheld subject to a maximum of 6% to purchase AGF's Class B Non-Voting shares. The Company matches up to 60% of the amounts contributed by the employee. The Company's contribution vests immediately and is recorded as a charge to net income in the period that the benefit is earned. All contributions are used by the plan trustee to purchase Class B Non-Voting shares on the open market.

The Company has an Employee Share Unit Plan for senior employees under which certain employees are granted RSUs of Class B Non-Voting shares. All RSUs shall vest by the end of three years from the grant date.

The Company has an Employee Benefit Trust (EBT), which acquires Class B Non-Voting shares of the Company in the open market to be delivered to employees upon vesting of their RSUs, net of tax. Pursuant to the plan, the employees of AGF's Canadian subsidiaries will not have an option to receive cash settlement for their RSUs. Grants are expensed over the vesting period based on the fair value of the Class B Non-Voting shares at the date of grant and taking into account forfeitures.

Employees of non-Canadian subsidiaries participating in the plans receive cash settlements for their RSUs. The compensation expense and the related liability for these awards are recorded equally or graded over the three-year vesting period, taking into account fluctuations in the market price of Class B Non-Voting shares, dividends paid and forfeitures. AGF will redeem all of the participants' RSUs in cash equal to the value of one Class B Non-Voting share at the vesting date for each RSU.

The Company has a Deferred Share Unit (DSU) plan for non-employee Directors and certain employees. The plan enables Directors of the Company to elect to receive their remuneration in DSUs. These units vest immediately and compensation expense and the related liability are charged to net income in the period the DSUs are granted. Compensation expense and the related liability are recorded equally over the respective vesting periods, taking into account fluctuations in the market price of Class B Non-Voting shares, dividends paid and forfeitures. On termination, the Company will redeem all of the participants' DSUs in cash or shares equal to the value of one Class B Non-Voting share at the termination date for each DSU.

The Company has an incentive program for the investment team that provides compensation based on the performance of the designated AUM managed by the employee. The total compensation pool for this plan is determined by the total team's AUM multiplied by the applicable basis points. Upon grant, the employees will select RSUs or investment in any of AGF's mutual fund products. The compensation expense and the related liability are expensed over the vesting period based on the marked to market value of the AUM. The plans fully vest on the first or third anniversary of the grant date. Upon vesting, the award is settled in cash.

(b) Termination Benefits

The Company recognizes termination benefits at the earlier of when it can no longer withdraw the offer of those benefits, or when it recognizes costs for a restructuring that involves termination benefits.

(c) Legacy Long-term Incentive Plan

KCPL has established a legacy long-term incentive plan (LLTIP) whereby specific employees are allocated a portion of the carried interest and performance fees earned related to investments made prior to the acquisition. The plan is effective on the acquisition date and provides a cash payment paid based on carried interest and performance fees earned. According to the terms of the LLTIP, 50% of the expense is recognized over 18 months on a straight-line basis, with 1/3 vesting on the acquisition date, 1/3 vesting over the period up to the 12th month anniversary and 1/3 vesting over the period up to the 18th month anniversary. The remaining expense is recognized over the requisite service period based on the crystallization of the carried interest and performance fees. Refer to Note 8 for additional information.

(d) Other Plans

The Company has a Unit Appreciation Rights (UAR) plan for certain employees of Doherty. The plan provides a cash-based award paid over three years to certain employees, the value of which is linked to the change in value of Doherty by reference to changes in Doherty's earnings before interest, taxes, depreciation and amortization (EBITDA). The purpose of this plan is retention of key employees, including senior management and key succession employees, and to promote the profitability and growth of these two subsidiaries by creating a performance incentive for such key employees so that they may benefit from any appreciation in the value of Doherty. Obligations related to the plans are recorded under accounts payable and accrued liabilities on the consolidated statement of financial position.

3.15 Capital Stock

AGF Class A Voting common shares and Class B Non-Voting shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of income tax.

3.16 Dividends

Dividends to AGF shareholders are recognized in the Company's consolidated financial statements in the period in which the dividends are declared by the Board of Directors.

3.17 Earnings per Share

Basic earnings per share are calculated by dividing net income applicable to AGF Class A Voting common shares and Class B Non-Voting shares by the daily weighted average number of shares outstanding. Diluted earnings per share are calculated using the daily weighted average number of shares that would have been outstanding during the year had all potential common shares been issued at the beginning of the year, or when other potentially dilutive instruments were granted or issued, if later.

The treasury stock method is employed to determine the incremental number of shares that would have been outstanding had the Company used proceeds from the exercise of options to acquire shares.

3.18 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. In addition to these general principles, AGF applies the following specific revenue recognition policies:

Management and advisory fees are based on the net asset value of funds under management multiplied by an agreed rate with the customer. Fees are recognized on an accrual basis as the service is performed. These fees are shown net of management fee rebates, fee waivers and expenses reimbursed to the funds or paid on the funds' behalf. Administration fees are recognized on an accrual basis as the service is performed.

Performance fees and carried interests are earned by AGF Capital Partners business as certain investment returns and thresholds are met. The revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Fees paid to institutional consultants related to the referral and placement of clients where the fee is paid at the commencement of client onboarding is not dependent on future revenue streams, and is paid directly from the client to the Company, are capitalized and amortized over their estimated useful lives, not exceeding a period of three years. All other commissions are recognized as an expense on an accrual basis.

3.19 Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised if the revision affects both current and future periods.

Key areas of estimation where management has made difficult, complex or subjective judgements – often about matters that are inherently uncertain – include provision for useful lives of depreciable assets, commitments and contingencies, as well as the specific items discussed below.

(a) Business Combinations

The Company applies the acquisition method to account for business combinations. Estimates have been used to determine the fair values of the assets transferred, the liabilities assumed and the equity interests issued by the Company, including the valuation of separately identifiable intangibles acquired. Contingent consideration and the non-controlling interest put option, as part of the acquisition, are based on the future performance of the acquired business. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and earnings, discount rates and volatility. Future performance results that differ from management's estimates could result in changes to the liabilities, which are recorded as they arise in net income.

(b) Impairment of Non-financial Assets

The Company determines the recoverability of each of its CGUs based on the higher of its fair value less costs to sell (FVLCTS) and its value in use (VIU). The Company uses a discounted cash flow methodology to estimate these amounts. Such analysis involves management judgement in selecting the appropriate discount rate, terminal growth rate, future cash flows and synergies' inclusion rate to be used in the assessment of the impairment of non-financial assets. Refer to Note 8 for further details on the impairment of non-financial assets.

(c) Stock-based Compensation and Other Stock-based Payments

In determining the fair value of the stock-based rewards and the related charge to the consolidated statement of income, the Company makes assumptions about future events and market conditions. In particular, judgement must be formed as to the likely number of shares, or RSUs, that will vest and the fair value of each award granted. The fair value of stock options granted is determined using the Black-Scholes option-pricing model, which is dependent on further estimates, including the Company's future dividend policy and the future volatility in the price of the Class B Non-Voting shares. Refer to Note 22 for the assumptions used. Such assumptions are based on publicly available information and reflect market expectation. Different assumptions about these factors to those made by AGF could materially affect reported net income.

(d) Income Taxes

The Company is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. AGF recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the estimated outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(e) Fair Value Estimates of Level 3 Financial Instruments

The fair value estimates of the Company's level 3 financial instruments may require management to make judgements and estimates that can affect the amounts recognized in the consolidated financial statements. Such judgements and estimates include parameter inputs that are unobservable and have an impact on the fair value of the instrument. Refer to Note 28 for further details.

In addition, the application of the Company's accounting policies may require management to make judgements, apart from those involving estimates, that can affect the amounts recognized in the consolidated financial statements. Such judgements include the identification of CGUs, the determination of whether intangible assets have finite or indefinite lives and the accounting implications related to certain legal matters.

3.20 Future Accounting Standards

The following standards have been issued, but are not yet effective for the November 30, 2024 reporting periods and have not been early adopted by the Company.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-current in January 2020. The amendment clarifies the classification of liabilities between current or non-current, depending on the rights that exist at the end of the reporting period. Further amendment was issued in 2022 to include additional disclosure requirements related to covenant at each reporting period. The amendments are applicable for financial years commencing on or after January 1, 2024. The Company has determined there is no material impact on its consolidated financial statements.

The Company continues to monitor future accounting standards and analyze the effect the standards may have on the Company's operations.

Note 4: Adoption of New and Revised Accounting Standards

The Company adopted the following revised accounting standard for the year ended November 30, 2024:

Amendments to IAS 1 – Disclosure of Accounting Policies

The IASB issued amendment to IAS 1 – Disclosure of Accounting Policies in February 2021. The amendment requires the disclosure of material accounting policies, which are defined as accounting policy information, when considered together with other information included in an entity's financial statements, that can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are applicable for financial years commencing on or after January 1, 2023. The Company has determined there is no material impact on its consolidated financial statement after the adoption.

Note 5: Investments and Long-term Investments

(a) Investments

The following table presents a breakdown of investments:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Fair value through profit or loss		
AGF mutual funds and other	\$ 19,065	\$ 21,474
Fair value through other comprehensive income		
Equity securities	1,106	717
	\$ 20,171	\$ 22,191

For the year ended November 30, 2024, the Company recorded a net positive fair value adjustment related to investments classified as fair value through profit or loss (FVTPL) of \$3.0 million (2023 – \$0.3 million). The continuity of investments for the years ended November 30, 2024 and 2023 is as follows:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Balance, beginning of the year	\$ 22,191	\$ 20,681
Additions ¹	29,450	19,680
Disposals ¹	(35,226)	(18,542)
Net realized and unrealized gains on investments classified as FVTPL	3,042	292
Reinvested dividends and interest	253	228
Net unrealized and realized gains (losses) on investments at FVTOCI	461	(148)
Balance, end of the year	\$ 20,171	\$ 22,191

¹ Includes \$29.3 million of additions (2023 – \$15.0 million) and \$29.3 million of disposals (2023 – \$15.0 million) related to warehouse investments in the private markets business funds.

During the years ended November 30, 2024 and 2023, no impairment charges were recognized.

(b) Long-term Investments

As at November 30, 2024, the carrying value of the Company's long-term investments in the AGF Capital Partners business was \$321.2 million (2023 – \$255.0 million).

The continuity for the Company's long-term investments, accounted for at FVTPL, for the years ended November 30, 2024 and 2023 is as follows:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Balance, beginning of the year	\$ 254,969	\$ 199,067
Purchase of long-term investments	28,602	34,173
Acquisition related addition ¹	5,805	–
Return of capital	(302)	(1,704)
Fair value adjustment ²	32,169	23,433
Balance, end of the year	\$ 321,243	\$ 254,969

¹ Refer to Note 8 for additional information.

² 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 year ended November 30, 2024, the Company recorded fair value adjustment related to long-term investments of positive \$32.2 million (2023 – \$23.4 million) and distributions related to long-term investments of \$12.1 million (2023 – \$3.1 million).

The following shows the Company's commitment in funds and investments associated with the AGF Capital Partners business as at November 30, 2024 and 2023.

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Remaining Commitment to be funded, beginning of the year	\$ 26,571	\$ 42,937
Additional capital committed	21,849	17,807
Funded capital during the period	(28,602)	(34,173)
Remaining commitment to be funded, end of the year ¹	\$ 19,818	\$ 26,571

¹ Excludes 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 certain of our AGF Capital Partners funds. Refer to Note 3.2(b) for details and ownership percentages. 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.

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The continuity for the years ended November 30, 2024 and 2023 is as follows:

Years ended November 30 (in thousands of Canadian dollars)	2024		2023	
Balance, beginning of the year	\$	2,245	\$	1,654
Investment in joint venture		426		422
Share of profit		895		3,427
Distributions received		(1,765)		(3,258)
Balance, end of the year	\$	1,801	\$	2,245

For the year ended November 30, 2024, the Company recognized income of \$0.9 million (2023 – income of \$3.4 million). In addition, the company received distributions of \$1.8 million (2023 – \$3.3 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 November 30, 2024, the InstarAGF Funds fee-earning assets were \$2.0 billion (2023 – \$2.0 billion). During the year ended November 30, 2024, the Company recognized \$2.7 million (2023 – \$3.0 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 November 30, 2024 is \$3.0 million (2023 – \$1.9 million) and is included in other assets in the consolidated statement of financial position. The Company has \$3.0 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 year ended November 30, 2024, the Company recognized an increase of \$1.1 million (2023 – \$0.5 million) in the asset and corresponding deferred income.

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 November 30, 2024, the First Ascent Fund fee-earning asset was \$0.1 billion (2023 – \$0.1 billion) and during the year ended November 30, 2024, the Company recognized \$0.2 million (2023 – \$0.2 million) of income related to the fee arrangement.

Note 8: Acquisition of Businesses

(a) Acquisition of KCPL

On March 8, 2024, the Company, through its wholly owned subsidiary, AGF Capital Partners Inc., acquired 51% of KCPL for a purchase price consideration of \$83.5 million, adjusted for working capital adjustments 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 total consideration transferred by the Company to complete the acquisition of KCPL is allocated to identifiable assets acquired and liabilities assumed based on their estimated fair values at the date of completion of the acquisition and any remaining amount is recorded as goodwill. Goodwill of \$23.1 million was recognized and represents the historical track record benefits that KCPL brings to AGF Capital Partners.

The determination of the fair value of assets acquired and liabilities assumed are summarized in the table that follows and may be revised when estimates, assumptions and valuations are finalized within 12 months of the acquisition date.

The fair value of the net assets acquired and consideration paid are summarized as follows:

(in thousands of Canadian dollars)		Total
Net assets acquired		
Cash	\$	3,948
Accounts receivable, prepaid expenses and other assets		4,460
Income tax receivable (Note 8 (iii))		3,045
Preferred limited partnership interest (Note 8 (iv))		25,741
Long-term investments		5,805
Property, equipment and computer software		290
Right-of-use assets		937
Management contracts – definite life		4,400
Management contracts – indefinite life		75,100
Other intangibles		4,200
Goodwill		23,131
Deferred tax liabilities (Note 8 (iv))		(23,790)
Accounts payable and accrued liabilities		(10,865)
Lease liabilities		(937)
Non-controlling interest		(31,927)
Total net asset acquired	\$	83,538
Consideration Paid		
Cash		44,843
Earnout liability (Note 8 (i))		752
Specified distribution fees liabilities (Note 8 (ii))		10,766
Income tax payable to the vendor (Note 8 (iii))		3,045
Preferred limited partnership interest, net of tax (Note 8 (iv))		24,132
Total consideration paid	\$	83,538

The contingent consideration payable recorded as part of the transaction 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. Based on the purchase price allocation, the fair value of the earnout liability recognized at acquisition was \$0.8 million. As at November 30, 2024, the balance of the earnout liability was \$nil.
- ii) a liability for a portion of 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 over a specified period. Based on the purchase price allocation, the fair value of the contingent carried interest consideration recognized at acquisition was \$10.8 million with \$1.2 million recorded as current contingent consideration payable and \$9.6 million recorded as long-term contingent consideration payable on the consolidated statement of financial position. There is no maximum payout stipulated in the purchase agreement. As at November 30, 2024, the fair value of the contingent carried interest consideration was \$11.5 million with \$1.7 million recorded as current contingent consideration payable and \$9.8 million recorded as long-term contingent consideration payable.
- iii) As at the acquisition date, KCPL recognized an income tax receivable of \$3.0 million, which AGF is obligated to pay to the sellers. The Company recorded a corresponding current consideration payable of \$3.0 million in order to flow through the receivable with a \$nil impact to AGF on a consolidated basis. As at November 30, 2024, the balance of the income tax receivable and the corresponding contingent consideration payable were \$nil.
- iv) KCPL holds a class of preferred limited partnership interest in KCPL Legacy Asset LP representing certain assets that are excluded from the transaction, which had a value of \$25.7 million on acquisition. As part of the consideration transferred, AGF issued preferred shares to the sellers, that are redeemable at an amount equal to the fair value of the KCPL Legacy Asset LP, less the deferred tax liability of \$1.6 million associated with the preferred limited partnership interest. The preferred share liability is recorded as long-term contingent consideration payable on the consolidated statement of financial position. This arrangement is intended to be a flow through with a \$nil impact to AGF on a consolidated basis. As at November 30, 2024, the preferred limited partnership interest was \$18.8 million and the deferred tax liability was \$0.7 million.

The non-controlling interest (NCI) was measured based on its proportionate share of KCPL. As at the acquisition date of March 8, 2024, the non-controlling interest recognized related to KCPL was \$31.9 million.

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. The NCI put options will be exercisable commencing 2025, with the majority exercisable in 2027. The Company has assessed the terms of the transaction to determine that the put option does not give it a present ownership interest in the shares subject to the put. The Company has recognized a financial liability measured as the present value of the redemption amount of the put option and has separately recorded a NCI.

For the period from March 8, 2024 to November 30, 2024, the acquisition contributed revenues of \$25.7 million, which includes performance fees of \$4.1 million.

(b) Fair Value Adjustments on KCPL-related Contingent Consideration Payable and Put Option Liability

As at November 30, 2024, AGF recorded contingent consideration liabilities of \$29.5 million and put option liability of \$33.0 million. During the year ended November 30, 2024, AGF recorded fair value adjustments of \$2.7 million on the contingent consideration payable and put liability obligation as follows, refer to Note 28 (d) for additional information:

- Decrease of \$0.1 million related to the earnout liability and provision on certain carried interest and performance fee related to investments made prior to the acquisition for the year ended November 30, 2024; and
- Increase of \$2.8 million related to the NCI put obligation liability for the year ended November 30, 2024.

(c) Legacy Long-term Incentive Plan

The Company assessed amounts paid in the business combination to the sellers who remained employed with KCPL following the acquisition to determine whether such amounts should be considered part of the business combination or a separate transaction. In this assessment, the Company considered factors such as whether the employee is required to remain employed to receive the payment and the duration of that employment, and whether there was any linkage of the payment to the valuation of the acquired company. The Company determined that amounts to be paid relating to the legacy long-term incentive plan (LLTIP) are separate from the business combination.

During the year ended November 30, 2024, AGF recorded \$13.4 million of compensation expenses related to the LLTIP plan and are included in selling, general and administrative expenses. The corresponding obligation related to the plan is recorded under other long-term liabilities on the consolidated statement of financial position.

Note 9: Goodwill and Intangible Assets

(in thousands of Canadian dollars)	Management contracts		Goodwill	Other intangibles		Total
Year ended November 30, 2024						
Opening net book amount	\$	689,759	\$	250,830	\$	398 \$ 940,987
Acquisition related additions ¹		79,500		23,131		4,200 106,831
Amortization and derecognition		(474)		–		(65) (539)
Closing net book amount	\$	768,785	\$	273,961	\$	4,533 \$ 1,047,279
At November 30, 2024						
Cost, net of derecognition and impairment	\$	769,259	\$	273,961	\$	5,130 \$ 1,048,350
Accumulated amortization		(474)		–		(597) (1,071)
Net book amount	\$	768,785	\$	273,961	\$	4,533 \$ 1,047,279
Year ended November 30, 2023						
Opening net book amount	\$	689,759	\$	250,830	\$	474 \$ 941,063
Amortization		–		–		(76) (76)
Closing net book amount	\$	689,759	\$	250,830	\$	398 \$ 940,987
At November 30, 2023						
Cost, net of derecognition and impairment	\$	689,759	\$	250,830	\$	946 \$ 941,535
Accumulated amortization		–		–		(548) (548)
Net book amount	\$	689,759	\$	250,830	\$	398 \$ 940,987

¹ Refer to Note 8 for additional information.

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For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). The following is a summary of the goodwill allocation by CGU:

(in thousands of Canadian dollars)	Investment Management – Retail	Investment Management – Institutional	Cypress Capital Management Ltd.	Doherty & Associates Ltd.	Kensington Capital Partners Ltd.	Total
Year ended November 30, 2024						
Opening net book amount	\$ 157,313	\$ 76,762	\$ 12,548	\$ 4,207	\$ –	\$ 250,830
Acquisition related additions ¹	–	–	–	–	23,131	23,131
Closing net book amount	\$ 157,313	\$ 76,762	\$ 12,548	\$ 4,207	\$ 23,131	\$ 273,961
Year ended November 30, 2023						
Opening net book amount	\$ 157,313	\$ 76,762	\$ 12,548	\$ 4,207	\$ –	\$ 250,830
Closing net book amount	\$ 157,313	\$ 76,762	\$ 12,548	\$ 4,207	\$ –	\$ 250,830

¹ Refer to Note 8 for additional information.

During the year ended November 30, 2024, in accordance with its accounting policies, the Company completed its impairment test on its goodwill and indefinite life intangibles. The total carrying value, net of deferred tax liability, for all CGUs as at November 30, 2024 was \$868,560 (2023 – \$779,068), of which \$682,242 was in the Retail CGU (2023 – \$689,356).

To determine whether an impairment loss should be recognized, the carrying value of the assets and liabilities of each CGU is compared to its recoverable amount, which is the higher of fair value less costs to sell (FVLCTS) and its value in use (VIU). As at November 30, 2024 and 2023, the Company has performed a discounted cash flow analysis for each CGU to estimate the recoverable amount.

The discounted cash flow analysis was based on projected cash flows expected over the next three fiscal years and thereafter based on an assumed terminal growth rate all discounted to present value at a market participant discount rate. Future cash flow projections are based on assets under management of which key drivers are assumptions about gross sales, redemptions, market growth, and revenue rate.

To arrive at a discount rate specific to each CGU, a base rate for the total Company was determined and a specific risk premium was applied for each CGU to reflect the CGU's non-systematic risk characteristics. The inputs for the base rate were derived based on observable market information and/or empirical studies. The specific risk premium took into consideration factors specific to each CGU, including but not limited to historical sales and redemption trends, fund performance, asset mix, and potential changes to the regulatory environment.

The terminal growth rate was selected taking into consideration the AUM composition within each CGU and long-term expected market returns, net of management expenses. Market participant synergies were estimated based on the Company's experience with prior acquisitions and giving consideration to the attributes of a likely purchaser of each CGU. A strategic purchaser would be able to realize synergies related to sales distribution and marketing activities, certain back office and support functions and other general and administrative costs. The estimated synergies were 76% of total costs in the Retail CGU and 74% of total costs in the Institutional CGU. These synergies were further discounted by the synergies' inclusion rate of 50%, resulting in synergies of approximately 37% included in the FVLCTS valuation. No synergies were assumed for the Cypress CGU, Doherty CGU and KCPL CGU, given the nature of private client businesses.

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Based on the results of the annual impairment test, the Company concluded that no goodwill or management contracts were impaired as at November 30, 2024.

The following is a summary of the valuation results for the Company's most significant CGU as at November 30, 2024 and 2023:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
	Investment Management – Retail	Investment Management – Retail
Recoverable amount applied – overall	\$ 1,995,000	\$ 1,306,206
Carrying amount	682,000	689,356
Excess	\$ 1,313,000	\$ 616,850
AUM	\$ 26,559,000	\$ 22,081,902
AUM multiple	7.50%	5.90%
FVLCTS approach		
Discount rate	10.70%	11.95%
Terminal growth rate	3.50%	3.50%
Synergies inclusion rate	50.00%	50.00%

The following is a summary of a sensitivity analysis performed based on alternative assumptions as at November 30, 2024 and 2023:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
	Investment Management – Retail	Investment Management – Retail
FVLCTS approach		
Discount rate	10.20%	11.50%
Terminal growth rate	4.00%	4.00%
Synergies inclusion rate	50.00%	50.00%
Recoverable amount – high	\$ 2,290,000	\$ 1,450,647
Discount rate	11.20%	12.40%
Terminal growth rate	3.00%	3.00%
Synergies inclusion rate	50.00%	50.00%
Recoverable amount – low	\$ 1,758,000	\$ 1,190,673

Management will continue to regularly monitor its intangibles for indications of potential impairment.

Note 10: Right-of-use Assets and Lease Liabilities

The Company leases property and office equipment. As at November 30, 2024, the Company has right-of-use assets of \$68.0 million (2023 – \$71.8 million) and total lease liabilities of \$81.2 million (2023 – \$84.1 million) recorded on the consolidated 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 years ended November 30, 2024 and 2023:

(in thousands of Canadian dollars)	Right-of-use assets			Lease liabilities	
	Property	Equipment	Total		
As at December 1, 2023	\$ 71,428	\$ 362	\$ 71,790	\$	84,064
Depreciation expense	(4,398)	(94)	(4,492)		–
Acquisition related addition ¹	908	29	937		937
Lease modification and reassessment	(252)	21	(231)		(31)
Interest expense	–	–	–		2,318
Payments	–	–	–		(6,117)
As at November 30, 2024	\$ 67,686	\$ 318	\$ 68,004	\$	81,171
As at December 1, 2022	\$ 69,735	\$ 443	\$ 70,178	\$	81,269
Depreciation expense	(4,244)	(81)	(4,325)		–
Addition	6,108	–	6,108		6,108
Lease modification and reassessment	(171)	–	(171)		136
Interest expense	–	–	–		2,198
Payments	–	–	–		(5,647)
As at November 30, 2023	\$ 71,428	\$ 362	\$ 71,790	\$	84,064

¹ Refer to Note 8 for additional information.

The Company is committed under leases for office premises and equipment. The table below shows the Company's approximate remaining contractual minimum annual rental payments under the leases.

Years ended November 30	
(in thousands of Canadian dollars)	
2025	\$ 6,437
2026	6,417
2027	6,625
2028	6,548
2029	6,506
Thereafter	43,921
Total	\$ 76,454

Note 11: Property, Equipment and Computer Software

(in thousands of Canadian dollars)	Furniture and equipment	Leasehold improvements	Computer hardware	Computer software	Total
Year ended November 30, 2024					
Opening net book amount	\$ 3,764	\$ 19,856	\$ 2,206	\$ 2,125	\$ 27,951
Additions	6	805	292	1,100	2,203
Acquisition related additions ¹	174	36	80	–	290
Depreciation	(698)	(1,606)	(734)	(1,333)	(4,371)
Closing net book amount	\$ 3,246	\$ 19,091	\$ 1,844	\$ 1,892	\$ 26,073
At November 30, 2024					
Cost	\$ 7,970	\$ 23,933	\$ 4,949	\$ 5,456	\$ 42,308
Less: fully depreciated assets	–	(6)	(886)	(1,521)	(2,413)
	7,970	23,927	4,063	3,935	39,895
Accumulated depreciation	(4,724)	(4,842)	(3,105)	(3,564)	(16,235)
Less: fully depreciated assets	–	6	886	1,521	2,413
	(4,724)	(4,836)	(2,219)	(2,043)	(13,822)
Net book amount	\$ 3,246	\$ 19,091	\$ 1,844	\$ 1,892	\$ 26,073
Year ended November 30, 2023					
Opening net book amount	\$ 4,058	\$ 20,502	\$ 2,741	\$ 1,926	\$ 29,227
Additions	526	973	445	1,499	3,443
Depreciation	(820)	(1,619)	(980)	(1,300)	(4,719)
Closing net book amount	\$ 3,764	\$ 19,856	\$ 2,206	\$ 2,125	\$ 27,951
At November 30, 2023					
Cost	\$ 7,904	\$ 23,378	\$ 5,292	\$ 5,400	\$ 41,974
Less: fully depreciated assets	(114)	(286)	(715)	(1,044)	(2,159)
	7,790	23,092	4,577	4,356	39,815
Accumulated depreciation	(4,140)	(3,522)	(3,086)	(3,275)	(14,023)
Less: fully depreciated assets	114	286	715	1,044	2,159
	(4,026)	(3,236)	(2,371)	(2,231)	(11,864)
Net book amount	\$ 3,764	\$ 19,856	\$ 2,206	\$ 2,125	\$ 27,951

¹ Refer to Note 8 for additional information.

Note 12: Accounts Payable

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Compensation related payable	\$ 81,173	\$ 51,513
HST payable	8,694	7,920
Non-compensation related payable	23,555	18,859
Accounts payable and accrued liabilities	\$ 113,422	\$ 78,292

Note 13: 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 Canadian Overnight Repo Rate Average (CORRA) advances or by issuance of letters of credit. The Facility is due in full on October 31, 2027. During the year ended November 30, 2024, AGF repaid \$152.0 million (2023 – \$110.0 million) and drew \$161.0 million (2023 – \$94.0 million). As at November 30, 2024, AGF had drawn \$15.0 million (2023 – \$6.0 million) against the Facility primarily to fund the acquisition of KCPL and purchase of long-term investments and convertible note receivable. There is \$135.0 million remaining that is available to be drawn from the Facility and swingline facility commitment. In addition, AGF has an accordion available, subject to credit approval, of \$100.0 million with the Facility. AGF incurs transaction fees on the Facility which are amortized over the term of the Facility. As at November 30, 2024, the remaining balance of the transaction fee was \$0.3 million.

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 October 31, 2027. As at November 30, 2024, AGF is in compliance with the covenant.

Note 14: Deferred Income Tax and Liabilities

(a) The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

November 30 (in thousands of Canadian dollars)	2024	2023
Deferred income tax assets		
Deferred income tax asset to be recovered after more than 12 months	\$ 5,376	\$ 2,052
Deferred income tax asset to be recovered within 12 months	2,812	1,550
	\$ 8,188	\$ 3,602
Deferred income tax liabilities		
Deferred income tax liability to be settled after more than 12 months	\$ 177,704	\$ 154,203
Deferred income tax liability to be settled within 12 months	239	(1,369)
	177,943	152,834
Net deferred income tax liabilities	\$ 169,755	\$ 149,232

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The movement in deferred income tax assets and liabilities during the years ended November 30, 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Year ended November 30, 2024						
(in thousands of Canadian dollars)	Balance, beginning of year	Acquisitions	Recognized in income	Recognized in equity	Recognized in OCI	Balance, end of year
Deferred income tax assets						
Expenses deductible in						
future periods	\$ 9,526	\$ –	\$ 6,316	\$ 433	\$ –	\$ 16,275
Loss carryforwards	141	–	(17)	–	–	124
Property and equipment	1,968	–	580	–	–	2,548
Other credits and carryforwards	18	–	(1)	–	–	17
	\$ 11,653	\$ –	\$ 6,878	\$ 433	\$ –	\$ 18,964
Deferred income tax liabilities						
Management contracts and						
other intangibles	\$ 150,996	\$ 22,181	\$ (285)	\$ –	\$ –	\$ 172,892
Investments	9,878	1,609	4,277	–	52	15,816
Other	11	–	–	–	–	11
	\$ 160,885	\$ 23,790	\$ 3,992	\$ –	\$ 52	\$ 188,719
Net deferred income tax liabilities	\$ 149,232	\$ 23,790	\$ (2,886)	\$ (433)	\$ 52	\$ 169,755

Year ended November 30, 2023						
(in thousands of Canadian dollars)	Balance, beginning of year	Acquisitions	Recognized in income	Recognized in equity	Recognized in OCI	Balance, end of year
Deferred income tax assets						
Expenses deductible in						
future periods	\$ 9,557	\$ –	\$ (635)	\$ 604	\$ –	\$ 9,526
Loss carryforwards	100	–	41	–	–	141
Property and equipment	1,826	–	142	–	–	1,968
Other credits and carryforwards	22	–	(4)	–	–	18
	\$ 11,505	\$ –	\$ (456)	\$ 604	\$ –	\$ 11,653
Deferred income tax liabilities						
Management contracts and						
other intangibles	\$ 151,051	\$ –	\$ (55)	\$ –	\$ –	\$ 150,996
Investments	7,162	–	2,736	–	(20)	9,878
Other	11	–	–	–	–	11
	\$ 158,224	\$ –	\$ 2,681	\$ –	\$ (20)	\$ 160,885
Net deferred income tax liabilities	\$ 146,719	\$ –	\$ 3,137	\$ (604)	\$ (20)	\$ 149,232

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The 2024 Budget announced an increase in the capital gains inclusion rate from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds on the portion of capital gains realized in the year that exceed \$250,000 for individuals, for capital gains realized on or after June 25, 2024.

As of November 30, 2024, this proposed change has not yet been substantively enacted. The Company estimates that, if substantively enacted, this change would result in an approximately \$5 million increase in deferred tax liabilities due to the higher inclusion rate applied to unrealized capital gains in investments as of November 30, 2024.

- (b) Deferred income tax assets are recognized for tax loss carryforwards and other deductible expenses to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability to realize the tax benefits of these losses is dependent upon a number of factors, including the future profitability of operations in the jurisdictions in which the tax losses arose. As at November 30, 2024, deferred income tax assets have not been recognized for \$47.2 million of non-capital losses and \$4.6 million of deductible expenses.

Non-capital loss carryforwards by year of expiry as at November 30, 2024 are summarized below:

(in thousands of Canadian dollars)		
2036	\$	348
2037		3,609
2038		4,957
2039		–
2040		–
Thereafter		–
No expiry		38,285

- (c) As at November 30, 2024, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred income tax liabilities have not been recognized is \$1.6 million (2023 – \$2.9 million).

Note 15: 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 Year

The change in capital stock is summarized as follows:

(in thousands of Canadian dollars, except per share data)	Years ended November 30			
	2024		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 year	64,271,451	\$ 390,502	64,407,816	\$ 391,719
Issued through dividend reinvestment plan	46,621	397	76,942	564
Stock options exercised	1,197,497	8,970	1,271,298	7,403
Repurchased for cancellation	(730,338)	(4,474)	(1,805,652)	(10,966)
Treasury stock purchased for employee benefit trust	(605,962)	(4,894)	–	–
Treasury stock released for employee benefit trust ¹	462,774	2,717	321,047	1,782
Balance, end of the year	64,642,043	\$ 393,218	64,271,451	\$ 390,502

¹ In December 2024, an additional 442,751 share units were released (2023 – 401,983).

(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. During the year ended November 30, 2024, AGF purchased 730,338 (2023 – 1,805,652) Class B Non-Voting shares under the normal course issuer bid at an average price of \$7.98 (2023 – \$7.40) for a total cost of \$5.8 million (2023 – \$13.4 million). During the year ended November 30, 2024, the premium of \$1.4 million (2023 – discount of \$2.4 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 year ended November 30, 2024, AGF purchased 605,962 (2023 – nil) Class B Non-Voting shares for the employee benefit trust at a cost of \$4.9 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 year ended November 30, 2024, 462,774 (2023 – 321,047) Class B Non-Voting shares purchased as treasury stock were released. As at November 30, 2024, 539,209 (November 30, 2023 – 396,021) Class B Non-Voting shares were held as treasury stock.

Note 16: Accumulated Other Comprehensive Income

(in thousands of Canadian dollars)	Foreign currency translation	Fair value through OCI	Total
Accumulated other comprehensive income at December 1, 2023	\$ (1,501)	\$ 4,368	\$ 2,867
Transactions during the year ended November 30, 2024			
Other comprehensive income	–	390	390
Income tax expense	–	(52)	(52)
Balance, November 30, 2024	\$ (1,501)	\$ 4,706	\$ 3,205
 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

Note 17: Management, Advisory and Administration Fees

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Management, advisory and administration fees	\$ 494,700	\$ 438,479
Fund expenses ¹	(12,306)	(10,307)
	\$ 482,394	\$ 428,172

¹ Effective October 1, 2024, AGF adopted the fixed rate annual administration fee to replace certain operating expenses of each applicable series of the Funds.

Note 18: Other Income

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

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Interest income	\$ 2,334	\$ 1,548
Other	1,621	1,082
	\$ 3,955	\$ 2,630

Note 19: Financial Instruments

(a) Total Return Swap

On April 11, 2022, the Company entered into a Total Return Swap agreement (TRS) to manage its exposure to changes in the fair value of its Deferred Share Units (DSUs) for a total notional of \$9.2 million at \$6.29 per AGF.b share. On November 1, 2024, the Company terminated the TRS and settled the swap for its fair value of \$6.1 million at \$10.42 per share and entered into a new TRS agreement with a total notional of \$15.2 million at \$10.42 per share. As at November 30, 2024, the Company had economically hedged 87.8% of its total vested DSUs. The TRS contract expires on November 3, 2025, 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 statement of income.

The Company recognized a gain on the TRS in the consolidated statement of income under Selling, General and Administrative expenses of \$6.2 million for the year ended November 30, 2024 (2023 – gain of \$1.2 million).

As at November 30, 2024, the balance of the derivative financial instrument recorded in current assets was \$1.1 million (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 28 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 recorded immaterial fair value adjustment for the year ended November 30, 2024.

As at November 30, 2024, the balance of the convertible note receivable recorded in non-current assets was \$12.6 million.

The fair value of the convertible note receivable is classified as level 3 under the fair value hierarchy. Refer to Note 28 for additional information.

Note 20: Expenses by Nature

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Selling, general and administrative		
Salaries and benefits	\$ 93,577	\$ 84,457
Performance-based compensation ¹	82,856	53,389
Stock-based compensation ²	10,914	9,523
Severance	4,223	1,334
Non-compensation related expenses	70,969	60,345
	\$ 262,539	\$ 209,048

¹ Performance-based compensation includes \$13.4 million related to the KCPL LTIP for the year ended November 30, 2024.

² Includes derivative financial instrument. Refer to Note 19(a) for more information.

Note 21: Employee Benefit Expense

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Compensation expense excluding stock-based compensation	\$ 176,433	\$ 137,846
Stock option plans	357	301
RSU plans	8,150	7,650
DSU plans ¹	2,407	1,572
Stock-based compensation	\$ 10,914	\$ 9,523
	\$ 187,347	\$ 147,369

¹ Includes derivative financial instrument. Refer to Note 19(a) for more information.

Note 22: 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 November 30, 2024 (2023 – 2,020,285).

The change in stock options during the years ended November 30, 2024 and 2023 is summarized as follows:

Years ended November 30	2024		2023	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Class B Non-Voting share options				
Balance, beginning of the year	3,414,535	\$ 6.18	4,701,833	\$ 5.90
Options granted	260,414	7.73	–	–
Options forfeited	–	–	(16,000)	6.20
Options exercised	(1,197,497)	6.48	(1,271,298)	5.15
Balance, end of the year	2,477,452	\$ 6.20	3,414,535	\$ 6.18

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The outstanding stock options as at November 30, 2024 have expiry dates ranging from 2025 to 2031. The following table summarizes additional information about stock options outstanding as at November 30, 2024 and 2023:

November 30, 2024					
Range of exercise prices	Number of options outstanding	Weighted average remaining life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$0.00 to \$5.00	617,550	1.0 years	\$ 4.99	617,550	\$ 4.99
\$5.01 to \$10.00	1,859,902	3.4 years	6.61	1,469,470	6.41
	2,477,452	2.8 years	\$ 6.20	2,087,020	\$ 5.99

November 30, 2023					
Range of exercise prices	Number of options outstanding	Weighted average remaining life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$0.00 to \$5.00	667,650	2.0 years	\$ 4.99	667,650	\$ 4.99
\$5.01 to \$10.00	2,746,885	2.7 years	6.48	2,304,889	6.45
	3,414,535	2.6 years	\$ 6.18	2,972,539	\$ 6.12

During the year ended November 30, 2024, 260,414 (2023 – nil) stock options were granted and compensation expense and contributed surplus of \$0.4 million (2023 – \$0.3 million) was recorded. The fair value of options granted during year ended November 30, 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 year ended November 30, 2024.

Year ended November 30	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

(b) Other Stock-based Compensation

Other stock-based compensation includes RSUs and DSUs. Compensation expense related to cash-settled RSUs and DSUs for the year ended November 30, 2024 was \$3.3 million (2023 – \$3.0 million) and the liability recorded as at November 30, 2024 related to cash-settled RSUs and DSUs was \$19.8 million (2023 – \$11.4 million). Compensation expense related to equity-settled RSUs for the year ended November 30, 2024 was \$7.2 million (2023 – \$6.8 million) and contributed surplus related to equity-settled RSUs, net of tax, as at November 30, 2024 was \$11.1 million (2023 – \$10.0 million).

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The change in share units of RSUs and DSUs during the years ended November 30, 2024 and 2023 is as follows:

	2024	2023
Years ended November 30	Number of share units	Number of share units
Outstanding, beginning of the year, non-vested	3,864,135	4,526,587
Issued		
Initial grant	1,181,104	155,433
In lieu of dividends	190,898	216,046
Settled in cash	(532,439)	(693,627)
Settled in equity, net of tax	(559,116)	(321,047)
Forfeited and cancelled	(55,984)	(19,257)
Outstanding, end of the year, non-vested	4,088,598	3,864,135
Cash-settled, end of the year	1,862,628	1,723,033
Equity-settled, end of the year	2,225,970	2,141,102

Note 23: Interest Expense

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Interest on long-term debt and standby fees ¹	\$ 4,639	\$ 2,414
Lease interest expense (Note 10)	2,318	2,198
Tax-related interest expense	10	262
	\$ 6,967	\$ 4,874

¹ As at November 30, 2024, the Company has drawn \$15.0 million on its credit facility (2023 – \$6.0 million).

Note 24: Income Tax Expense

(a) The following are major components of income tax expense:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Current income tax		
Current income tax on profits for the year	\$ 33,956	\$ 26,135
Adjustments in respect of prior years	(108)	180
Other	(1,966)	(2,132)
Total current income tax expense	\$ 31,882	\$ 24,183
Deferred income tax		
Origination and reversal of temporary differences	\$ (2,249)	\$ 3,051
Adjustments in respect of prior years	(282)	86
Tax benefit arising from a previously unrecognized tax loss, tax credit or temporary difference	(355)	–
Total deferred income tax expense (benefit)	(2,886)	3,137
Income tax expense	\$ 28,996	\$ 27,320

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(b) The Company's effective income tax rate is comprised as follows:

Years ended November 30	2024	2023
Canadian corporate tax rate	26.5%	26.5%
Rate differential on earnings of subsidiaries	0.1	0.1
Tax-exempt income	(0.2)	–
Gains subject to different tax rates	(3.6)	(3.4)
Non-deductible expenses	0.7	0.8
Utilization of previously unrecognized tax losses and temporary differences	(0.3)	–
Change in deferred tax assets not recognized	1.3	1.0
Other	(1.4)	(1.2)
Effective income tax rate	23.1%	23.8%

(c) The tax charged (credited) relating to components of other comprehensive income is as follows:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Fair value gains (losses) on available for sale investments	\$ 52	\$ (20)
	\$ 52	\$ (20)

(d) The tax credited relating to components of equity is as follows:

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Equity-settled share-based compensation	\$ (433)	\$ (604)
	\$ (433)	\$ (604)

Note 25: Earnings per Share

Years ended November 30 (in thousands of Canadian dollars, except per share data)	2024	2023
Numerator		
Net income attributable to equity owners for the year	\$ 97,572	\$ 87,700
Denominator		
Weighted average number of shares – basic	64,512,506	64,957,984
Dilutive effect of employee stock-based compensation awards	2,408,303	2,275,861
Weighted average number of shares – diluted	66,920,809	67,233,845
Earnings per share for the year		
Basic	\$ 1.51	\$ 1.35
Diluted	\$ 1.46	\$ 1.30

Note 26: Dividends

During the year ended November 30, 2024, the Company paid dividends of 45.5 cents (2023 – 43.0 cents) per share. Total dividends paid, including dividends reinvested, in the year ended November 30, 2024 were \$29.3 million (2023 – \$27.9 million). On December 13, 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 November 30, 2024, amounting to a total dividend of approximately \$7.4 million. These consolidated financial statements do not reflect this dividend.

Note 27: Related Party Transactions

(a) Key Management Compensation

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.

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

Years ended November 30 (in thousands of Canadian dollars)	2024	2023
Salaries and other short-term employee benefits	\$ 11,878	\$ 10,269
Share-based compensation	12,641	5,847
	\$ 24,519	\$ 16,116

(b) Mutual Funds and Other Investments

Under IFRS Accounting Standards, entities are deemed to be related parties if one entity provides key management personnel services to another entity. As such, AGF Investments Inc. is deemed for IFRS purposes to be a related party to AGF Funds since it is the manager of AGF Funds.

The Company receives management, advisory and administration fees from AGF Funds in accordance with the respective agreements between AGF Funds and the Company. In return, the Company is responsible for management, administration and investment advisory services and all costs connected with the distribution of securities of AGF Funds.

A majority of the management and advisory fees the Company earned in the years ended November 30, 2024 and 2023 were from AGF Funds. As at November 30, 2024, the Company had \$19.9 million (2023 – \$12.4 million) receivable from AGF Funds. The Company also acts as trustee for AGF Funds that are mutual fund trusts.

The aggregate fund expenses paid and management and advisory fees waived by the Company during the year ended November 30, 2024 on behalf of AGF Funds were approximately \$12.3 million (2023 – \$10.3 million).

The Company also invests seed capital in AGF Funds and the Capital Partners business. For additional information on these investments refer to Note 5.

Note 28: Financial Risk Management

(a) Economic Environment

Interest rate uncertainty and political change in the U.S. and other countries could potentially contribute to higher volatility and could ultimately impact the trajectory of investment returns going into 2025. Equity markets may remain volatile, even in a decreasing interest rate environment, until the economic path becomes clearer. Sustained and material volatility in the financial markets may 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.

(b) Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. In the normal course of business, the Company manages these risks as they arise as a result of its use of financial instruments.

Market Risk

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors, such as foreign exchange rate, interest rates, and equity and commodity prices.

(i) Foreign Exchange Risk

The Company's main foreign exchange risk derives from the U.S. and international portfolio securities held in the 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 funds. Using average balances for the year, the effect of a 5% change in the Canadian dollar in relation to total AUM would have resulted in a corresponding change of approximately \$1.6 billion in AUM for the year ended November 30, 2024. In general, for every \$1.0 billion reduction in average AUM, management, advisory and administration fee revenue, net of trailer commissions and investment advisory 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.

(ii) 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 year, the effect of a 1% change in variable interest rates on floating-rate debt and cash balances in fiscal 2024 would have resulted in a corresponding change of approximately \$0.2 million in interest expense for the year ended November 30, 2024.

At November 30, 2024, approximately 16.7% 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 change of approximately \$2.7 million in revenue for the year ended November 30, 2024.

(iii) Price Risk

The Company is not exposed to commodity price risk. The Company is exposed to equity securities price risk on certain equity securities held by the Company and long-term investments in Capital Partners funds. The Company's investments that have price risk include investments in mutual funds managed by the Company of \$19.1 million, equity securities of \$1.1 million and long-term investments of \$321.2 million as at November 30, 2024. As at November 30, 2024, the effect of a 10% decline or increase in the value of investments would result in a \$34.0 million pre-tax unrealized gain or loss in net income and \$0.1 million pre-tax unrealized gain or loss to other comprehensive income.

Credit Risk

The Company is exposed to the risk that third parties, including clients, who owe the Company money, securities or other assets will not perform their obligations. Credit risk arises from cash and cash equivalents, investments, accounts receivable and other assets. Cash and cash equivalents consist primarily of highly liquid temporary deposits with Canadian banks, an Irish bank and non-Irish banks in Ireland, as well as bank term deposits. The Company's overall credit risk strategy and credit risk policy are developed by senior management and further refined at the business unit level, through the use of policies, processes and internal controls designed to promote business activities, while ensuring these activities are within the standards of risk tolerance levels. The Company does not have significant exposure to any individual counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to generate sufficient funds and within the time required to meet its obligations as they come due. The key liquidity requirements are the funding of investment-related commitments in the Capital Partners business, dividends paid to shareholders, obligations to taxation authorities, and the repayment of long-term debt. While the Company currently has access to financing, unfavourable market conditions may affect its ability to obtain loans or make other arrangements on terms acceptable to AGF. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Capital Management (below) and Note 13. The Company manages its liquidity by monitoring actual and projected cash flows to ensure that it has sufficient liquidity through cash received from operations as well as borrowings under its revolving credit facility. Cash surpluses are invested in interest-bearing short-term deposits and investments with a maturity up to 90 days. The Company is subject to certain financial loan covenants under its revolving credit facility and has met all of these conditions.

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The tables below analyze the Company's financial liabilities into relevant maturity groupings based on the remaining period from November 30, 2024 and 2023 to the contractual maturity date.

(in thousands of Canadian dollars)	1 year or less		1 to 5 years	
Year ended November 30, 2024				
Accounts payable and accrued liabilities	\$	113,422	\$	–
Long-term debt		–		15,000
Contingent consideration payable		–		29,536
Put option liability		893		32,109
Other liabilities		–		23,886
Total	\$	114,315	\$	100,531
Year ended November 30, 2023				
Accounts payable and accrued liabilities	\$	78,292	\$	–
Long-term debt		–		6,000
Other liabilities		–		10,369
Total	\$	78,292	\$	16,369

(c) Capital Management

The Company actively manages 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 capital commitments related to the Capital Partners business.

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

The Company's capital consists of shareholders' equity and long-term debt. Refer to Notes 13 and 15 for additional information. The Company reviews its three-year capital plan annually while detailing projected operating budgets and capital requirements. 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. The AGF Executive Management committee is responsible for the management of capital. The AGF Board of Directors is responsible for overseeing the Company's capital policy and management.

The Company's Investment Management businesses, in general, are not subject to significant regulatory capital requirements in each of the jurisdictions in which they are registered and operate.

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(d) Fair Value Estimation

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 November 30, 2024:

November 30, 2024								
(in thousands of Canadian dollars)		Level 1		Level 2		Level 3		Total
Assets								
Financial assets at fair value through profit or loss								
Cash and cash equivalents	\$	52,960	\$	—	\$	—	\$	52,960
AGF mutual funds and other		19,065		—		—		19,065
Long-term investments		—		—		321,243		321,243
Carried interest		—		—		2,997		2,997
Preferred limited partnership interest		—		—		18,816		18,816
Convertible note receivable		—		—		12,583		12,583
Derivative financial instrument		—		1,081		—		1,081
Financial assets at fair value through other comprehensive income								
Equity securities		1,106		—		—		1,106
Total financial assets	\$	73,131	\$	1,081	\$	355,639	\$	429,851
Liabilities								
Financial liabilities at fair value through profit or loss								
Put option liability	\$	—	\$	—	\$	893	\$	893
Long-term contingent consideration payable		—		—		29,536		29,536
Long-term put option liability		—		—		32,109		32,109
Long-term deferred income on carried interest		—		—		2,997		2,997
Total financial liabilities	\$	—	\$	—	\$	65,535	\$	65,535

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

November 30, 2023 (in thousands of Canadian dollars)	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 Irish banks.

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, fair value of the preferred limited partnership interest from KCPL, fair value of the carried interest investments related to the InstarAGF Funds and fair value of the contingent consideration payable and put option liability related to KCPL. 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.

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The fair value of the Company's long-term investments as at November 30, 2024 has been estimated using the net asset value (NAV) as calculated by the asset manager of the fund, adjusted for certain market considerations. 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 \$32.1 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 7 for additional information.

Below is the valuation technique and significant unobservable inputs for the Company's acquisition related level 3 financial instruments:

Asset/ liability	Valuation technique	Significant unobservable inputs	Range of inputs
Specified distribution fees liability ¹	Discounted cash flows	Discount rate	11.5%
		Investment growth rate	10%
		Investment crystallization period	7 years
NCI put option liability	Discounted cash flows	Discount rate	10%
		Cash Flows	\$39,640 to \$48,449
LLTIP liability ²	Discounted cash flows	Discount rate	15.5%
		Investment growth rate	10%
		Investment crystallization period	7 years
Convertible note receivable	Discounted cash flows		
	Option pricing model	Discount rate	7.5%

¹ Specified distribution fees liability is disclosed under contingent consideration payable liability and long-term contingent consideration payable liability on the consolidated statement of financial position.

² LLTIP liability is disclosed under other long-term liabilities on the consolidated statement of financial position.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents changes in level 3 instruments for the year ended November 30, 2024.

(in thousands of Canadian dollars)		Total
Long-term investments		
Balance at December 1, 2023	\$	254,969
Purchase of investment		28,602
Acquisition related addition		5,805
Return of capital		(302)
Fair value adjustment recognized in profit or loss ¹		32,169
Balance at November 30, 2024	\$	321,243
Carried interest		
Balance at December 1, 2023	\$	1,864
Fair value adjustment		1,133
Balance at November 30, 2024	\$	2,997
Preferred limited partnership interest		
Balance at December 1, 2023	\$	–
Acquisition related addition		25,741
Payment/ write-off		(6,925)
Balance at November 30, 2024	\$	18,816
Convertible Note Receivable		
Balance at December 1, 2023		–
Purchase of investment		12,609
Fair value adjustment		(26)
Balance at November 30, 2024	\$	12,583
Contingent consideration payable		
Balance at December 1, 2023	\$	–
Acquisition related addition		38,695
Payment/ Write-off		(9,106)
Fair value adjustment		(53)
Balance at November 30, 2024	\$	29,536
Put option liability		
Balance at December 1, 2023	\$	–
Acquisition related addition		30,224
Fair value adjustment		2,778
Balance at November 30, 2024	\$	33,002

¹ The change in unrealized income in investments currently held included in level 3 of the fair value hierarchy is \$32,169 for the year ended November 30, 2024.

AGF MANAGEMENT LIMITED
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The following table presents changes in level 3 instruments for the year ended November 31, 2023.

(in thousands of Canadian dollars)		Total
Long-term investments		
Balance at December 1, 2022	\$	199,067
Purchase of investment		34,173
Return of capital		(1,704)
Fair value adjustment recognized in profit or loss ¹		23,433
Balance at November 30, 2023	\$	254,969
Carried interest		
Balance at December 1, 2022	\$	1,444
Fair value adjustment		420
Balance at November 30, 2023	\$	1,864

¹ The change in unrealized income in investments currently held included in level 3 of the fair value hierarchy is \$23,433 for the year ended November 30, 2023.

There were no transfers into or out of level 1 and level 2 during the year ended November 30, 2024.

Note 29: Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where AGF currently has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, AGF has entered into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the consolidated statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as default or bankruptcy.

AGF MANAGEMENT LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the recognized financial instruments that are offset or subject to enforceable master netting arrangements or other similar agreements but not offset, as at November 30, 2024 and 2023, and shows what the net impact would be on the Company's consolidated statement of financial position if all set-off rights were exercised:

November 30, 2024		Amounts offset		Amounts not offset		Net
(in thousands of Canadian dollars)						
		Gross asset	Gross liability offset	Net amount presented		
Financial assets						
Cash and cash equivalents (Notes 29(a),(b))	\$	779,293	\$ (726,333)	\$ 52,960	\$ –	\$ 52,960
Derivative financial instrument		1,081	–	1,081	–	1,081
Total financial assets	\$	780,374	\$ (726,333)	\$ 54,041	\$ –	\$ 54,041
		Amounts offset		Amounts not offset		Net
		Gross liability	Gross asset offset	Net amount presented		
Financial liabilities						
Long-term debt (Note 29(b))	\$	14,664	\$ –	\$ 14,664	\$ –	\$ 14,664
Total financial liabilities	\$	14,664	\$ –	\$ 14,664	\$ –	\$ 14,664

November 30, 2023		Amounts offset		Amounts not offset		Net
(in thousands of Canadian dollars)						
		Gross asset	Gross liability offset	Net amount presented		
Financial assets						
Cash and cash equivalents (Notes 29(a),(b))	\$	691,017	\$ (640,564)	\$ 50,453	\$ –	\$ 50,453
Derivative financial instrument		965	–	965	–	965
Total financial assets	\$	691,982	\$ (640,564)	\$ 51,418	\$ –	\$ 51,418
		Amounts offset		Amounts not offset		Net
		Gross liability	Gross asset offset	Net amount presented		
Financial liabilities						
Long-term debt (Note 29(b))	\$	5,823	\$ –	\$ 5,823	\$ –	\$ 5,823
Total financial liabilities	\$	5,823	\$ –	\$ 5,823	\$ –	\$ 5,823

- (a) Based on an agreement with a Canadian chartered bank, certain bank deposits are pooled into one concentration account and offset with bank overdrafts of the Company and its subsidiaries that are part of the pooling agreement. The net amount is included in cash and cash equivalents in the consolidated statement of financial position.
- (b) The Company, through its subsidiary AGF Investments Inc. (AGFI), has a loan agreement with two Canadian chartered banks. Based on this agreement, in the event of a default or bankruptcy, the creditors have the right to offset the liability against any deposits of the Company and certain subsidiaries held by the creditors. These cash deposits are recorded under cash and cash equivalents in the consolidated statement of financial position.

Note 30: Contingencies

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

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

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

Note 31: Commitments and Guarantees

(a) Commitments

The Company is committed under contracts for service arrangements. The approximate minimum annual cash payments related to these arrangements are as follows:

Years ended November 30 (in thousands of Canadian dollars)	Service commitment
2025	\$ 28,042
2026	22,638
2027	15,228
2028	6,048
2029	4,441
Thereafter	24,810
Total	\$ 101,207

Refer to Note 9 for additional information on the Company's contractual commitments related to leases for office premises and equipment.

As at November 30, 2024, the Company has funded \$242.1 million (2023 – \$213.8 million) in funds and investments associated with the Capital Partners business and has \$19.8 million (2023 – \$22.1 million) remaining committed capital to be invested. In addition, the Company has an anticipated commitment of US\$50.0 million upon the successful launch of Instar's third fund.

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. As at November 30, 2024, there was US\$6.0 million for future drawdown. Refer to Note 19 (b) for additional information.

(b) Guarantees

The Company, under an indemnification agreement with each of the directors of the Company, as well as directors of the mutual fund corporations, has agreed to indemnify the directors against any costs in respect of any action or suit brought against them in respect of the proper execution of their duties. To date, there have been no claims under these indemnities.

Note 32: Subsequent Events

In January 2025, the Company committed to subscribe to \$50.0 million of capital into alternative funds managed by the Company's subsidiaries. The investment aims to support the growth of AGF Capital Partners.

As this event occurred after the reporting period, it has not been reflected in the financial statements for the year ended November 30, 2024.

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.