AGF Management Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended November 30, 2024 and 2023

Management's Discussion and Analysis

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Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis (MD&A) includes forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects,' 'estimates,' 'anticipates,' 'intends,' 'plans,' 'believes' or negative versions thereof and similar expressions, or future or conditional verbs such as 'may,' 'will,' 'should,' 'would' and 'could.' In addition, any statement that may be made concerning future financial performance (including income, revenues, earnings or growth rates), ongoing business strategies or prospects, fund performance, and possible future action on our part, is also a forward-looking statement. Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations, business prospects, business performance and opportunities. While we consider these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about our operations, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by us due to, but not limited to, important risk factors such as level of assets under our management, volume of sales and redemptions of our investment products, performance of our investment funds and of our investment managers and advisors, client-driven asset allocation decisions, pipeline, competitive fee levels for investment management products and administration, and competitive dealer compensation levels and cost efficiency in our investment management operations, as well as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, technological changes, cybersecurity, the possible effects of war or terrorist activities, outbreaks of disease or illness that affect local, national or international economies, natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply or other catastrophic events, and our ability to complete strategic transactions and integrate acquisitions, and attract and retain key personnel. We caution that the foregoing list is not exhaustive. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than specifically required by applicable laws, we are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements, whether as a result of new information, future events or otherwise. For a more complete discussion of the risk factors that may impact actual results, please refer to the 'Risk Factors and Management of Risk' section of the 2024 Annual MD&A.

Financial Highlights

(in millions of Canadian dollars, except share data) **Three months ended**	**Nov. 30, 2024**	**Aug. 31, 2024**	**May. 31, 2024**	**Feb. 29, 2024**	**Nov. 30, 2023**	**Aug. 31, 2023**	**May. 31, 2023**	**Feb. 28, 2023**
AUM & fee-earning assets[1]	$ 53,606	$ 49,702	$ 47,844	$ 45,012	$ 42,180	$ 42,259	$ 41,204	$ 41,928
Mutual fund net sales (redemptions)	5	14	(112)	(125)	(224)	(151)	77	221
Total net revenue[2]	104.8	102.0	97.0	103.0	78.3	84.0	95.8	80.1
Total adjusted net revenue[2]	105.8	99.8	97.0	103.0	78.3	84.0	95.8	80.1
SG&A[3]	70.2	66.3	68.2	57.9	52.9	50.2	53.0	53.0
Adjusted SG&A[2,3]	66.2	59.6	60.0	53.5	50.7	50.3	51.9	52.8
EBITDA[2]	36.9	33.0	26.6	45.1	25.4	33.8	42.8	27.1
Adjusted EBITDA[2]	39.6	40.2	37.0	49.5	27.6	33.7	43.9	27.3
Net income – equity owners of the Company	28.7	20.3	18.1	30.5	16.8	23.0	30.3	17.6
Adjusted net income – equity owners of the Company[2]	29.8	24.5	23.6	33.7	18.5	22.9	31.2	17.8
Earnings per share – equity owners of the Company								
Basic	$ 0.45	$ 0.31	$ 0.28	$ 0.47	$ 0.26	$ 0.35	$ 0.46	$ 0.27
Diluted	0.43	0.30	0.27	0.46	0.25	0.34	0.45	0.26
Adjusted diluted[2]	0.45	0.37	0.35	0.51	0.28	0.34	0.46	0.27
Free cash flow[2]	21.4	29.1	23.7	21.2	20.4	22.9	20.6	19.5
Dividends per share	0.115	0.115	0.115	0.110	0.110	0.110	0.110	0.100
Long-term debt	14.7	44.9	79.9	39.8	5.8	5.8	19.7	29.6
Average basic shares	64,375,093	64,414,440	64,611,582	64,648,897	64,572,595	65,018,132	65,365,263	64,869,861
Average fully diluted shares	67,126,886	66,518,278	66,607,960	66,455,243	66,598,358	67,013,139	67,270,375	66,861,361

[1] AUM represents assets under management. Fee-earning assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.
[2] Total net revenue, adjusted net revenue, adjusted SG&A, EBITDA, adjusted EBITDA, adjusted net income, adjusted diluted earnings per share and free cash flow are not standardized earnings measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to IFRS, where necessary, are provided in the MD&A. Certain comparative free cash flow figures have been restated to meet the definition of free cash flow. See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.
[3] Selling, general, and administrative expenses. Adjusted SG&A exclude compensation expense relating to Kensington Capital Partners Limited's legacy long-term incentive plan, severance and other expenses and corporate development and acquisition related expenses.

Selected Quarterly and Annual Information

(in millions of Canadian dollars, except share data)	Three months ended Nov. 30, 2024	Aug. 31, 2024	Nov. 30, 2023	Years ended Nov. 30, 2024	Nov. 30, 2023
AUM end of the period					
AGF Investments					
Mutual funds	$ 30,662	$ 28,104	$ 24,459	$ 30,662	$ 24,459
ETFs and SMA	2,537	2,128	1,465	2,537	1,465
Segregated accounts and sub-advisory	6,977	6,430	6,774	6,977	6,774
AGF Private Wealth	8,567	8,186	7,341	8,567	7,341
AGF Capital Partners	2,752	2,774	46	2,752	46
Total AUM	**$ 51,495**	**$ 47,622**	**$ 40,085**	**$ 51,495**	**$ 40,085**
AGF Capital Partners fee-earning assets[1]	2,111	2,080	2,095	2,111	2,095
Total AUM and fee-earning assets[1] end of period	**$ 53,606**	**$ 49,702**	**$ 42,180**	**$ 53,606**	**$ 42,180**
Mutual fund net sales (redemptions)	$ 5	$ 14	$ (224)	$ (218)	$ (77)
Retail mutual fund net sales (redemptions)[2]	14	19	(194)	(204)	(41)
Net management, advisory and administration fees[3]	83.6	78.7	72.0	318.4	294.4
Adjusted selling, general and administrative[3]	66.2	59.6	50.7	239.3	205.6
Adjusted EBITDA[3]	39.6	40.2	27.6	166.4	132.5
Adjusted net income - equity owners[3]	29.8	24.5	18.5	111.6	90.3
Adjusted diluted earnings per share - equity owners[3]	0.45	0.37	0.28	1.67	1.34
Free cash flow[3]	21.4	29.1	20.4	95.4	83.4
SUPPLEMENTARY FINANCIAL INFORMATION					
Adjusted EBITDA[3]					
Adjusted EBITDA before AGF Capital Partners	$ 27.2	$ 27.6	$ 23.7	$ 109.5	$ 99.2
From AGF Capital Partners[4,5]	12.4	12.6	3.9	56.9	33.3
Adjusted EBITDA	**$ 39.6**	**$ 40.2**	**$ 27.6**	**$ 166.4**	**$ 132.5**
Adjusted diluted earnings per share – equity owners of the Company[3]					
Adjusted diluted earnings per share before AGF Capital Partners	$ 0.31	$ 0.25	$ 0.23	$ 1.08	$ 0.96
From AGF Capital Partners[4]	0.14	0.12	0.05	0.59	0.38
Adjusted diluted earnings per share	**$ 0.45**	**$ 0.37**	**$ 0.28**	**$ 1.67**	**$ 1.34**

[1] Fee-earnings assets represents assets in which AGF has carried interest ownership and earns recurring fees but does not have ownership interest in the managers.
[2] Net sales (redemptions) in retail mutual funds are calculated as reported mutual fund net sales (redemptions) less non-recurring institutional net sales (redemptions) in excess of $5.0 million invested in our mutual funds.
[3] For the definition of net management, advisory and administration fees, adjusted selling, general and administrative, adjusted EBITDA, adjusted net income, adjusted diluted earnings per share and free cash flow, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.
[4] AGF Capital Partners represents share of profit of joint ventures, which are recorded under equity accounting, income from other fee-earning arrangements on the consolidated statement of income, long-term investments, which represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and other income on the consolidated statement of income
and new acquisition of Kensington Capital Partners Limited.
[5] EBITDA from AGF Capital Partners exclude corporate overhead costs.

Strategic and Financial Highlights

AUM and Sales

AGF reported $53.6 billion in assets under management and fee-earning assets as at November 30, 2024, compared to $49.7 billion as at August 31, 2024 and $42.2 billion as at November 30, 2023.

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 has the potential to create market risk to the Company's capital position and profitability.

During the three months ended November 30, 2024, AGF reported mutual fund net sales of $5.0 million, compared to net sales of $14.0 million for the three months ended August 31, 2024 and net redemptions of $224.0 million in the comparative prior year period. Retail mutual fund[1] net sales were $14.0 million for the quarter compared to net sales of $19.0 million for the three months ended August 31, 2024 and net redemptions of $194.0 million in the comparative prior year quarter. For the year ended November 30, 2024, AGF reported mutual fund net redemptions of $218.0 million compared to net redemptions of $77.0 million in 2023. Retail mutual fund net redemptions were $204.0 million for the year compared to net redemptions of $41.0 million in 2023.

Investment Performance

As at November 30, 2024, the average percentile of AGF's mutual fund gross returns (before fees) over the past one year was 48% (2023 – 72%) and 41% over the past three years (2023 – 47%), with 1st percentile representing the best possible performance. Our investment performance remained strong, and the strength encompassed funds from across all key categories.

Key Business Highlights

- AGF announced the closing of its strategic investment to acquire a majority interest in Kensington Capital Partners Limited (KCPL), one of Canada's leading alternative investment firms with $2.6 billion of assets under management, as part of AGF's strategic imperative to grow its alternatives business, AGF Capital Partners.
- AGF made a strategic investment in New Holland Capital, LLC (NHC), a New York based multi-strategy investment manager with more than US$6 billion in assets under management and more than 17 years of experience providing institutional investors with absolute return investment strategies across the liquidity spectrum. This transaction further grew AGF Capital Partners, AGF's alternatives business with the addition of absolute return-focused strategies and specialized credit investment capabilities.
- AGF appointed Laura Dottori-Attanasio to the AGF Board of Directors. Ms. Dottori-Attanasio is a renowned business leader with deep expertise in the financial sector and a track record of success across industries. This appointment further enhanced and diversified AGF's independent directors' collective experience and expertise.
- AGF Investments Inc. broadened its Canadian ETF offerings with the launch of ETF Series on long-running funds in key areas of focus for investors, including alternative assets and active fixed income. The launch built on AGF Investments Inc's commitment to provide investors with options to access capabilities in their preferred vehicles.
- AGF International Advisors Company Limited, a subsidiary of AGF, was once again accepted as a signatory to the UK Stewardship Code, a best-practice benchmark in investment stewardship.

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

Financial Highlights – Year Ended November 30, 2024

For the year ended November 30, 2024, AGF reported total adjusted EBITDA of $166.4 million, compared to $132.5 million for the prior year period. For the year ended November 30, 2024, AGF reported adjusted EBITDA margin of 30.4%, compared to 28.1% for the prior year period. The change is outlined below.

Net management, advisory and administration fees were $318.4 million for the year ended November 30, 2024, compared to $294.4 million for the prior year period. Net management, advisory and administration fees are directly related to our AUM levels, the proportion of AUM invested in various strategies (i.e., equity fund vs. fixed income fund) and related fees. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.73% for the year ended November 30, 2024, compared to 0.74% for the prior year period. The net management, advisory and administration fee increase year over year as a result of higher AUM due to strong markets and a shift in asset mix for the year ended November 30, 2024.

Adjusted SG&A was $239.3 million for the year ended November 30, 2024, compared to $205.6 million for the prior year period. The year-over-year increase in adjusted SG&A was impacted by higher performance-based compensation as a result of our track record of investment performance and higher operating income recorded for the year ended November 30, 2024. In addition, the increase incorporates strategic investments made into the business to support our growth plan, including AGF Capital Partners, as well as increases driven by the market environment.

For the year ended November 30, 2024, adjusted EBITDA from AGF Capital Partners was $56.9 million, compared to $33.3 million for the prior year period. The increase in AGF's Capital Partners adjusted EBITDA is primarily related to higher fair value adjustments and distribution income recorded and the consolidation of KCPL results. AGF's Capital Partners long-term investments can be variable year to year and can be impacted by fair value adjustments, timing of monetizations and cash distributions.

For the year ended November 30, 2024, adjusted diluted earnings per share attributable to equity owners of the Company was $1.67, compared to $1.34 for the prior year period. The AGF Capital Partners business contributed $0.59 for the year ended November 30, 2024, compared to $0.38 for the prior year period.

Financial Highlights – Quarter Ended November 30, 2024

For the three months ended November 30, 2024, AGF reported total adjusted EBITDA of $39.6 million, compared to $40.2 million for the three months ended August 31, 2024 and $27.6 million in the comparative prior year period. For the three months ended November 30, 2024, AGF reported adjusted EBITDA margin of 27.8%, compared to 29.7% for the three months ended August 31, 2024 and 25.0% in the comparative prior year period. The change is outlined below.

Net management, advisory and administration fees were $83.6 million for the three months ended November 30, 2024, compared to $78.7 million for the three months ended August 31, 2024 and $72.0 million in the comparative prior year period. Net management, advisory and administration fees are directly related to our AUM levels, the proportion of AUM invested in various strategies (i.e., equity fund vs. fixed income fund) and related fees. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.72% for the three months ended November 30, 2024, compared to 0.71% for the three months ended August 31, 2024 and 0.74% for the comparative prior year period. The net management, advisory and administration fees increased quarter over quarter as a result of strong markets and a shift in asset mix for the three months ended November 30, 2024.

Adjusted SG&A was $66.2 million for the three months ended November 30, 2024, compared to $59.6 million for the three months ended August 31, 2024 and $50.7 million for the comparative prior year period. The increase in adjusted SG&A from prior year reflects the acquisition of KCPL, strategic investments made into the business to support our growth plan, including AGF Capital Partners, as well as increases driven by higher performance-based compensation and the market environment.

For the three months ended November 30, 2024, adjusted EBITDA from AGF Capital Partners was $12.4 million, compared to $12.6 million for the three months ended August 31, 2024 and $3.9 million for the comparative prior year period. The increase from prior year in AGF's Capital Partners adjusted EBITDA is primarily related to higher fair value adjustments and distribution income recorded and the consolidation of KCPL results. AGF's Capital Partners long-term investments can be variable quarter to quarter and can be impacted by fair value adjustments, timing of monetizations and cash distributions.

For the three months ended November 30, 2024, adjusted diluted earnings per share attributable to equity owners of the Company was $0.45, compared to $0.37 for the three months ended August 31, 2024 and $0.28 for the comparative prior year period. The AGF Capital Partners business contributed $0.14 for the three months ended November 30, 2024, compared to $0.12 for the three months ended August 31, 2024 and $0.05 for the comparative prior year period.

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) is as of January 21, 2025 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries for the three months and year ended November 30, 2024, compared to the three months and year ended November 30, 2023. The MD&A should be read in conjunction with the Consolidated Financial Statements for the year ended November 30, 2024 Annual Report. The financial statements for the year ended November 30, 2024, including required comparative information, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS), unless otherwise noted. References to IFRS are equivalent to IFRS Accounting Standards in the Consolidated Financial Statements.

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

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

Our Business and Strategy

Founded in 1957, AGF Management Limited (AGF) is an independent and globally diverse asset management firm. Our companies deliver excellence in investing in the public and private markets through three business lines: AGF Investments, AGF Capital Partners and AGF Private Wealth.

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

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

AGF Investments

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

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

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

AGF Private Wealth

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

Cypress Capital Management Ltd.

Acquired by AGF in June 2004, Cypress Capital Management provides quality investment services at a reasonable cost, where the best interest of the client is paramount. They are committed to being honest and transparent regarding return expectations, risks, fees and their capabilities as investment managers.

Doherty & Associates Ltd.

Acquired by AGF in January 2004, Doherty & Associates was founded on the principle that their clients come first in all they do. Their philosophy of 'Great Companies at Great Prices' coupled with a disciplined investment process guides them to grow wealth responsibly over time.

Highstreet Asset Management Inc.

Acquired by AGF in 2006, Highstreet Asset Management is committed to their core principles of doing two things exceptionally well – serving their clients and managing money.

AGF Capital Partners

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

Kensington Capital Partners Limited

Founded in 1996, Kensington Capital Partners Limited is a Canadian alternative asset manager with offices in Toronto, Calgary and Vancouver. Kensington's mission is to back good management teams to build great businesses, and in doing so, create top-performing investment solutions for investors. Kensington has assets under management of $2.6 billion, managed across several active funds covering venture capital, growth equity and mid-market buyouts. AGF completed a strategic investment to acquire a 51% ownership interest in Kensington in March 2024.

New Holland Capital, LLC

New Holland Capital, LLC (NHC) is a New-York based multi-strategy investment manager with more than US$5.0 billion in assets under management and more than 17 years of experience providing institutional investors with absolute return investment strategies across the liquidity spectrum. The firm seeks to generate alpha across a wide set of diversifying strategies, with a preference for niche, capacity constrained opportunities often with emerging portfolio managers. Under the terms of the arrangement, in February 2024, AGF made a strategic investment in NHC. The initial strategic investment was made in the form of a note convertible into a 24.99% economic interest in NHC. The arrangement also provides AGF with the option to subsequently increase its ownership stake.

SAF Group

Founded in 2014, SAF Group is one of Canada's leading alternative credit providers having committed approximately $4.0 billion investment capital across 50+ transactions to date. SAF's team manages structured credit and equity investments across various industries. Through a joint venture AGF Investments Inc. and SAF Group launched AGF Private Credit Limited Partnership and AGF SAF Private Credit Trust.

Corporate Sustainability

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

AGF's corporate responsibility framework aims to apply forward-thinking practices related to key sustainability factors to deliver long-term successful outcomes for each of our stakeholders.

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

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

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

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

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

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

To learn more about Corporate Sustainability at AGF, please refer to our Annual Report or visit AGF.com.

Assets Under Management and Fee-earning Assets[1]

(in millions of Canadian dollars)	Three months ended Nov. 30, 2024	Aug. 31, 2024	May 31, 2024	Feb. 28, 2024	Nov. 30, 2023	Years ended Nov. 30, 2024	Nov. 30, 2023
Mutual fund AUM beginning of the period[1]	$ 28,104	$ 26,961	$ 26,186	$ 24,459	$ 24,377	$ 24,459	$ 23,898
Gross sales	993	1,012	934	914	687	3,853	3,121
Redemptions	(988)	(998)	(1,046)	(1,039)	(911)	(4,071)	(3,198)
Net sales (redemptions)	5	14	(112)	(125)	(224)	(218)	(77)
Market appreciation of fund portfolios	$ 2,553	$ 1,129	$ 887	$ 1,852	$ 306	$ 6,421	$ 638
Mutual fund AUM end of the period[1]	$ 30,662	$ 28,104	$ 26,961	$ 26,186	$ 24,459	$ 30,662	$ 24,459
Average daily mutual fund AUM[1]	$ 29,173	$ 27,542	$ 26,604	$ 25,197	$ 23,840	$ 27,129	$ 23,952
ETFs and SMA AUM, end of the period	2,537	2,128	1,800	1,676	1,465	2,537	1,465
Segregated accounts and sub-advisory AUM, end of the period	$ 6,977	$ 6,430	$ 6,313	$ 7,162	$ 6,774	$ 6,977	$ 6,774
Total AGF Investments AUM	**$ 40,176**	**$ 36,662**	**$ 35,074**	**$ 35,024**	**$ 32,698**	**$ 40,176**	**$ 32,698**
AGF Private Wealth AUM	$ 8,567	$ 8,186	$ 8,026	$ 7,836	$ 7,341	$ 8,567	$ 7,341
Subtotal excluding AGF Capital Partners AUM end of the period	**$ 48,743**	**$ 44,848**	**$ 43,100**	**$ 42,860**	**$ 40,039**	**$ 48,743**	**$ 40,039**
AGF Capital Partners AUM[3]	$ 2,752	$ 2,774	$ 2,663	$ 48	$ 46	$ 2,752	$ 46
Total AUM	**$ 51,495**	**$ 47,622**	**$ 45,763**	**$ 42,908**	**$ 40,085**	**$ 51,495**	**$ 40,085**
AGF Capital Partners fee-earning assets[2]	$ 2,111	$ 2,080	$ 2,081	$ 2,104	$ 2,095	$ 2,111	$ 2,095
Total AUM and fee-earning assets[2] end of the period	**$ 53,606**	**$ 49,702**	**$ 47,844**	**$ 45,012**	**$ 42,180**	**$ 53,606**	**$ 42,180**

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

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

[3] Q2 2024 onwards include AUM from KCPL.

AGF Capital Partners AUM and Fee-earning Assets

(in millions of Canadian dollars)	Three months ended Nov. 30, 2024	Aug. 31, 2024	May 31, 2024	Feb. 28, 2024	Nov. 30, 2023	Years ended Nov. 30, 2024	Nov. 30, 2023
AGF Capital Partners AUM[1]	$ 2,752	$ 2,774	$ 2,663	$ 48	$ 46	$ 2,752	$ 46
AGF Capital Partners fee-earning assets[2]	2,111	2,080	2,081	2,104	2,095	2,111	2,095
Total AGF Capital Partners AUM and fee-earning assets[1,2]	**$ 4,863**	**$ 4,854**	**$ 4,744**	**$ 2,152**	**$ 2,141**	**$ 4,863**	**$ 2,141**

[1] Q2 2024 onwards include AUM from KCPL.

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

Change in Assets Under Management

Total AUM, before AGF Capital Partners AUM and fee-earning assets, was $48.7 billion at November 30, 2024, compared to $40.0 billion at November 30, 2023.

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.

Reported mutual funds net redemptions were $218.0 million for the year ended November 30, 2024, compared to net redemptions of $77.0 million for the year ended November 30, 2023. Retail mutual fund net redemptions, which exclude net flows from institutional clients invested in mutual funds[1], were $204.0 million for the year compared to net redemptions of $41.0 million in the prior year.

Reported mutual funds net sales were $5.0 million for the three months ended November 30, 2024, compared to net redemptions of $224.0 million for the three months ended November 30, 2023. Excluding net flows from institutional clients invested in mutual funds[1], retail mutual fund net sales were $14.0 million for the quarter compared to net redemptions of $194.0 million in the prior year.

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

Consolidated Operating Results

	Three months ended			Years ended	
(in millions of Canadian dollars, except per share data)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Revenues					
Management, advisory and administration fees	$ 120.2	$ 114.4	$ 104.2	$ 459.7	$ 428.2
Trailing commissions and investment advisory fees	(36.6)	(35.7)	(32.2)	(141.3)	(133.8)
Net management, advisory and administration fees[1]	83.6	78.7	72.0	318.4	294.4
Deferred sales charges	1.3	1.4	1.9	6.6	7.5
Revenue from AGF Capital Partners[1]	17.2	20.7	3.9	74.1	33.3
Other revenue[1]	2.7	1.2	0.5	7.8	2.9
Total net revenue[1]	$ 104.8	$ 102.0	$ 78.3	$ 406.9	$ 338.1
Selling, general and administrative[2]	70.2	66.3	52.9	262.5	209.0
Fair value adjustment on contingent consideration payable	(2.5)	1.4	–	(0.1)	–
Fair value adjustment on put option liability	0.2	1.3	–	2.8	–
EBITDA[1]	**$ 36.9**	**$ 33.0**	**$ 25.4**	**$ 141.7**	**$ 129.1**
Amortization, derecognition and depreciation	2.4	2.4	2.3	9.4	9.1
Interest expense	1.2	1.8	1.0	7.0	5.0
Net income before income taxes	$ 33.3	$ 28.8	$ 22.1	$ 125.3	$ 115.0
Income tax expense	4.7	8.0	5.3	29.0	27.3
Net income for the period	**$ 28.6**	**$ 20.8**	**$ 16.8**	**$ 96.3**	**$ 87.7**
Net income attributable to:					
Equity owners of the Company	$ 28.7	$ 20.3	$ 16.8	$ 97.6	$ 87.7
Non-controlling interest	(0.1)	0.5	–	(1.3)	–
Earnings per share attributable to equity owners of the Company					
Basic earnings per share	$ 0.45	$ 0.31	$ 0.26	$ 1.51	$ 1.35
Diluted earnings per share	$ 0.43	$ 0.30	$ 0.25	$ 1.46	$ 1.30

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

Consolidated Adjusted Operating Results

Adjusted operating results presented below reflect results excluding the following:

- Performance fees earned related to KCPL that are to be allocated to the KCPL LLTIP and payment of the contingent consideration liabilities as discussed in Note 9 of the Consolidated Financial Statements
- Corporate development and acquisition related expenses
- Severance related costs and other expenses that are not part of the Company's normal course of business
- Fair value adjustments on acquisition related liabilities including contingent consideration payable and the put obligation liability
- Non-cash compensation expense relating to the KCPL LLTIP, which represents a non-cash liability that will be funded through future performance fees and carried interest realized from investments made by the funds prior to the acquisition.

For the reconciliation of adjusted balances, see the 'Key Performance indicators, Additional IFRS and Non-IFRS Measures' section.

	Three months ended			Years ended	
(in millions of Canadian dollars, except per share data)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Revenues					
Management, advisory and administration fees	$ 120.2	$ 114.4	$ 104.2	$ 459.7	$ 428.2
Trailing commissions and investment advisory fees	(36.6)	(35.7)	(32.2)	(141.3)	(133.8)
Net management, advisory and administration fees[1]	83.6	78.7	72.0	318.4	294.4
Deferred sales charges	1.3	1.4	1.9	6.6	7.5
Adjusted revenue from AGF Capital Partners[1]	18.2	18.5	3.9	72.9	33.3
Other revenue[1]	2.7	1.2	0.5	7.8	2.9
Total adjusted net revenue[1]	$ 105.8	$ 99.8	$ 78.3	$ 405.7	$ 338.1
Adjusted selling, general and administrative[1]	66.2	59.6	50.7	239.3	205.6
Adjusted EBITDA[1]	**$ 39.6**	**$ 40.2**	**$ 27.6**	**$ 166.4**	**$ 132.5**
Amortization, derecognition and depreciation	2.4	2.4	2.3	9.4	9.1
Interest expense	1.2	1.8	1.0	7.0	5.0
Adjusted net income before income taxes	$ 36.0	$ 36.0	$ 24.3	$ 150.0	$ 118.4
Adjusted income tax expense	5.3	10.0	5.8	35.3	28.1
Adjusted net income for the period	**$ 30.7**	**$ 26.0**	**$ 18.5**	**$ 114.7**	**$ 90.3**
Adjusted net income attributable to:					
Equity owners of the Company	$ 29.8	$ 24.5	$ 18.5	$ 111.6	$ 90.3
Non-controlling interest	0.9	1.5	–	3.1	–
Earnings per share attributable to equity owners of the Company					
Adjusted diluted earnings per share	$ 0.45	$ 0.37	$ 0.28	$ 1.67	$ 1.34
Adjusted diluted earnings per share	**$ 0.45**	**$ 0.37**	**$ 0.28**	**$ 1.67**	**$ 1.34**

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

Commentary on Consolidated Results of Operations

Income

Net Management, Advisory and Administration Fees

Net management, advisory and administration fees is comprised of management, advisory and administration fees net of trailing commissions and investment advisory fees and is directly related to our AUM levels, excluding AGF Capital Partners AUM. Net management, advisory and administration fees depend on the proportion of AUM invested in various strategies (i.e., equity fund vs. fixed income fund) and related fees and are recognized on an accrual basis.

For the three months and year ended November 30, 2024, net management, advisory and administration fees were $83.6 million and $318.4 million, an increase of $11.6 million and $24.0 million or 16.1% and 8.2%, compared to $72.0 million and $294.4 million in the same period in 2023. The increase is primarily due to movements in average AUM reported, partially offset by a change in net revenue rate as a result of asset mix. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.72% and 0.73% for the three months and year ended November 30, 2024, compared to 0.74% and 0.74% for the same period in 2023.

	Three months ended			Years ended	
(in millions of Canadian dollars, except revenue rate)	**November 30, 2024**	**August 31, 2024**	**November 30, 2023**	**November 30, 2024**	**November 30, 2023**
Net management, advisory and administration fees	$ 83.6	$ 78.7	$ 72.0	$ 318.4	$ 294.4
Average AUM[1]	46,574	43,952	39,226	43,786	39,536
Net revenue rate, excluding AGF Capital Partners	**0.72%**	**0.71%**	**0.74%**	**0.73%**	**0.74%**

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

Deferred Sales Charges (DSC)

AGF receives deferred sales charges upon redemption of securities sold on the contingent DSC or low-load commission basis for which we finance the selling commissions paid to the dealer (prior to June 1, 2022). The DSC ranges from 1.5% to 5.5%, depending on the commission option of the original subscription price of the funds purchased if the funds are redeemed within the first two years and declines to zero after three or seven years. DSC revenue fluctuates based on the level of redemptions, the age of the assets being redeemed and the proportion of redemptions composed of back-end assets. DSC revenue was $1.3 million and $6.6 million for the year ended November 30, 2024, compared to $1.9 million and $7.5 million for the same period in 2023. As a result of the DSC elimination effective June 1, 2022, DSC revenue will decline over time as assets move off the DSC schedule to front-end.

AGF Capital Partners

AGF Capital Partners is a multi-boutique alternatives business with diverse capabilities across both private asset and alternative strategies. The results for AGF Capital Partners include management fee-related earnings, carried interest and performance fees, other fee arrangements, and income from its strategic investments into the alternatives business.

(in millions of Canadian dollars)	Three months ended Nov. 30, 2024	Three months ended Aug. 31, 2024	Three months ended Nov. 30, 2023	Years ended Nov. 30, 2024	Years ended Nov. 30, 2023
Revenue					
Management and administration fees[1]	$ 7.5	$ 8.6	$ –	$ 22.7	$ –
Manager earnings, including carried interest[2]	0.5	0.3	0.6	0.9	3.5
Performance fees[3]	0.5	3.6	–	4.1	–
Income from fee-earning arrangements	0.7	0.7	0.8	2.9	3.2
Revenue from long-term investments	8.8	7.5	2.5	44.3	26.6
Other loss from preferred limited partnership[4]	(0.8)	–	–	(0.8)	–
Revenue from AGF Capital Partners	**$ 17.2**	**$ 20.7**	**$ 3.9**	**$ 74.1**	**$ 33.3**
Less:					
Performance fee allocated to the KCPL LLTIP and contingent consideration payable	0.2	(2.2)	–	(2.0)	–
Other loss from preferred limited partnership[4]	0.8	–	–	0.8	–
Adjusted Revenue from AGF Capital Partners	**$ 18.2**	**$ 18.5**	**$ 3.9**	**$ 72.9**	**$ 33.3**

[1] Represents revenue from KCPL.

[2] Represents share of profit (loss) of joint ventures related to AGF Capital Partners Managers and carried interest earnings.

[3] Represents performance fees from KCPL.

[4] Represents loss related to preferred limited partnership interest in KCPL legacy asset LP, representing assets that are excluded from the transaction and have a nil impact on the Company's result for the year ended November 30, 2024

AGF completed the acquisition of KCPL on March 8, 2024, and the financial results of KCPL have been consolidated and included in AGF Capital Partners effective March 8, 2024 onwards. For additional information, see Note 8 of the Consolidated Financial Statements. During the three months and year ended November 30, 2024, AGF recorded management and administration fees related to KCPL of $7.5 million and $22.7 million, performance fees of $0.5 million and $4.1 million. Adjusted revenue from AGF Capital Partners was $18.2 million and $72.9 million for the three months and year ended November 30, 2024.

AGF's manager earnings represents earnings from its joint ventures, which are recorded under the equity method. Managers of funds in their early stages may generate losses until the fund reaches sufficient scale. AGF also earns its proportionate share of carried interest/performance fees through the achievement of attractive and sustainable investment returns. These earnings, or losses incurred, are recognized through 'Share of profit of joint ventures' on the Consolidated Statement of Income. For additional information, see Note 6 of the Consolidated Financial Statements.

In addition, AGF earns ongoing fees through fee arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent). For additional information, see Note 7 of the Consolidated Financial Statements.

AGF also participates as an investor in the units of the underlying funds managed by our partners. Under IFRS, investments held in the underlying funds are measured at fair value. The fair value of the fund considers carried interest payable to the manager, based on the returns achieved to date. AGF may also receive cash distributions from the underlying funds. These earnings are recognized through 'Fair value adjustments and distribution income' on the Consolidated Statement of Income and can fluctuate with the amount of capital invested, monetizations, and changes in fair value. For additional information, see Note 5(b) of the Consolidated Financial Statements.

For the three months and year ended November 30, 2024, AGF recorded revenue from AGF Capital Partners long-term investments of $8.8 million and $44.3 million, compared to $2.5 million and $26.6 million from the same period in 2023. The increase is primarily related to higher fair value adjustments recorded on long-term investments. As at November 30, 2024, the carrying value of AGF's long-term investment in AGF Capital Partners business was $321.2 million, compared to $255.0 million for the same period in 2023.

	Three months ended			Years ended	
(in millions of Canadian dollars)	Nov. 30, 2024	Aug. 31, 2024	Nov. 30, 2023	Nov. 30, 2024	Nov. 30, 2023
Committed capital, end of period	$ 261.9	$ 261.9	$ 235.9	$ 261.9	$ 235.9
Funded capital, since inception	242.1	242.1	213.8	242.1	213.8
Remaining committed capital[1]	**$ 19.8**	**$ 19.8**	**$ 22.1**	**$ 19.8**	**$ 22.1**
Fair value of investments	$ 321.2	$ 313.9	$ 255.0	$ 321.2	$ 255.0

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

Other Revenue

Other revenue includes mark to market adjustments related to AGF mutual funds that are held as seed capital investments and other income.

During the three months and year ended November 30, 2024, the Company recorded $2.7 million and $7.8 million in other revenue, compared to $0.5 million and $2.9 million in the comparative prior year period. The Company recorded a gain of $1.2 million and $3.0 million revenue in fair value adjustments related to investments in AGF mutual funds and $0.8 million and $2.4 million of interest income for the three months and year ended November 30, 2024, compared to the loss of $0.1 million and gain of $0.3 million in fair value adjustments and $0.4 million and $1.5 million interest income in the comparative prior year period.

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Fair value adjustment related to investment in AGF mutual funds	$ 1.2	$ 0.3	$ (0.1)	$ 3.0	$ 0.3
Interest income	0.8	0.6	0.4	2.4	1.5
Other	0.7	0.3	0.2	2.4	1.1
Other Revenue	**$ 2.7**	**$ 1.2**	**$ 0.5**	**$ 7.8**	**$ 2.9**

Expenses

Selling, General and Administrative Expenses (SG&A)

For the three months and year ended November 30, 2024, SG&A was $70.2 million and $262.5 million, an increase of $17.3 million and $53.5 million or 32.7% and 25.6%, compared to $52.9 million and $209.0 million for the same period in 2023. KCPL contributed SG&A of $7.7 million and $29.4 million, which includes compensation expense related to KCPL LLTIP of $2.0 million and $13.4 million, respectively. Excluding compensation related to KCPL LLTIP, severance and other expenses, and corporate development and acquisition related expenses, adjusted SG&A was $66.2 million and $239.3 million for the three months and year ended November 30, 2024, an increase of $15.5 million and $33.7 million or 30.6% and 16.4%, compared to $50.7 million and $205.6 million for the same period in 2023.

(in millions of Canadian dollars)	Three months ended November 30, 2024	Year ended November 30, 2024
Increase in performance-based compensation expenses	$ 7.6	$ 16.0
Increase in non performance-based compensation expenses	3.7	9.1
Increase in stock-based compensation expenses	1.1	1.4
Increase in non-compensation related expenses	3.1	7.2
Total change in adjusted SG&A	**$ 15.5**	**$ 33.7**
Decrease in corporate development and acquisition related expenses	(2.1)	2.5
Increase in severance and other expenses	1.9	3.9
Increase in LLTIP expense	2.0	13.4
Total change in SG&A	**$ 17.3**	**$ 53.5**

The following explains expense changes in the three months and year ended November 30, 2024, compared to the same period in the prior year:

- Performance-based compensation expenses increased by $7.6 million and $16.0 million, driven by the consolidation of KCPL performance-based compensation expense, improved performance, and compensation adjustments to align with market.
- Non performance-based compensation expenses increased by $3.7 million and $9.1 million, driven mainly by the consolidation of KCPL non performance-based compensation expenses.
- Stock-based compensation expenses increased by $1.1 million and $1.4 million. Increases or decreases in the AGF.B share price will create fluctuations in the fair value of unhedged cash-settled Restricted Share Units (RSUs) and Deferred Share Units (DSUs). The Company manages its exposure to changes in the fair value of its vested DSUs through a Total Return Swap agreement (TRS). For additional information, see Note 19(a) of the Consolidated Financial Statements. As at November 30, 2024, 19.6% of the Company's cash-settled RSUs and vested DSUs were unhedged.
- Non-compensation related expenses increased by $3.1 million and $7.2 million, primarily driven by the consolidation of KCPL non-compensation related expenses.
- Corporate development and acquisition related expenses decreased by $2.1 million and increased by $2.5 million. Corporate development and acquisition related expenses reflect costs incurred as the Company executes on its strategic objective to deploy capital and expand the AGF Capital Partners business.
- Severance and other expenses increased by $1.9 million and $3.9 million. Other expenses relate to costs incurred to implement the fixed rate annual administration fee.
- KCPL has established a LLTIP whereby specific employees are allocated a portion of the carried interest and performance fees that will be paid in a future period related to investments made prior to the acquisition. The Company recorded $2.0 million and $13.4 million of LLTIP expense for the three months and year ended November 30, 2024. For additional information, see Note 8 of the Consolidated Financial Statements.

Fair value adjustments on contingent consideration payable and put option liability

This category represents fair value adjustments recorded on contingent consideration payable and put option liability. The fair value adjustments are determined using a combination of the discounted cash flow and weighted probability approaches, which are based on significant unobservable inputs.

For the three months and year ended November 30, 2024, fair value adjustments on contingent consideration payable was reduced by $2.5 million and $0.1 million and the fair value adjustments on put option liability was increased by $0.2 million and $2.8 million, respectively. For additional information, see Note 8 of the Consolidated Financial Statements.

Amortization and Interest Expense

The category represents depreciation and amortization of management contracts; other intangible assets; right-of-use assets; property, equipment, and computer software; as well as interest expense.

Depreciation increased by $0.1 million and $0.3 million for the three months and year ended November 30, 2024, compared to the same period in 2023, driven by the acquisition of KCPL.

Interest expense increased by $0.2 million and $2.0 million for the three months and year ended November 30, 2024, compared to the same period in 2023, driven by higher long-term debt balance.

Income Tax Expense

Income tax expense for the three months and year ended November 30, 2024 was $4.7 million and $29.0 million, compared to $5.3 million and $27.3 million in the corresponding period in 2023.

The effective tax rate for the year ended November 30, 2024 was 23.1% (2023 – 23.8%). The main items impacting the effective tax rate in the period relate to gains from investments subject to different tax rates, temporary differences for which no deferred tax assets were recognized, non-deductible expenses, and tax recoveries related to prior periods.

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.

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

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

Net Income attributable to equity owners of the Company

The impact of the above income and expense items resulted in net income attributable to equity owners of the Company of $28.7 million and $97.6 million for the three months and year ended November 30, 2024, compared to $16.8 million and $87.7 million in the corresponding period in 2023. Excluding the impact of performance fees allocated to the KCPL LLTIP and contingent consideration payable, compensation related to KCPL's LLTIP, severance and other expenses, corporate development, acquisition related expenses, and fair value adjustments on contingent consideration payable and put option liability, adjusted net income attributable to equity owners of the Company is $29.8 million and $111.6 million for the three months and year ended November 30, 2024, compared to $18.5 million and $90.3 million in the corresponding period in 2023.

Earnings per Share attributable to equity owners of the Company

Diluted earnings per share attributable to equity owners of the Company was $0.43 and $1.46 for the three months and year ended November 30, 2024, compared to $0.25 and $1.30 in the corresponding period in 2023. Excluding the impact of performance fees allocated to the KCPL LLTIP and contingent consideration payable, compensation expense related to KCPL's LLTIP, severance and other expenses, corporate development, acquisition related expenses, and fair value adjustments on contingent consideration payable and put option liability, adjusted diluted earnings per share attributable to equity owners of the Company was $0.45 and $1.67 for the three months and year ended November 30, 2024, compared to earnings of $0.28 and $1.34 per share in the corresponding period in 2023.

Liquidity and Capital Resources

As at November 30, 2024, the Company had total cash and cash equivalents of $53.0 million (2023 – $50.5 million). Free cash flow, as defined in the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section of this MD&A, generated was $21.4 million and $95.4 million for the three months and year ended November 30, 2024, compared to $20.4 million and $83.4 million in the comparative prior year period. During the year ended November 30, 2024, we generated $2.5 million (2023 – $8.2 million used) in cash as follows:

(in millions of Canadian dollars) **Years ended November 30**		**2024**		**2023**
Net cash provided by operating activities	$	114.6	$	87.2
Acquisition of Kensington Capital Partners Limited, net of cash acquired		(40.9)		–
Repurchase of shares under normal course issuer bid and purchase of treasury stock for employee benefit trust (EBT)		(10.7)		(13.4)
Issue of Class B non-voting shares		7.8		6.5
Dividends paid		(28.9)		(27.3)
Issuance (repayment) of long-term debt		9.0		(16.0)
Interest paid		(4.4)		(2.1)
Lease payments		(6.1)		(5.6)
Net purchase of long-term investments		(28.3)		(32.5)
Purchase of property, equipment and computer software, net of disposals		(2.2)		(3.4)
Net return of capital (purchase) of short-term investments, including seed capital		5.8		(1.1)
Purchase of convertible note receivable		(12.6)		–
Other		(0.6)		(0.5)
Change in cash and cash equivalents	**$**	**2.5**	**$**	**(8.2)**

Total long-term debt outstanding as at November 30, 2024 was $15.0 million (2023 – $6.0 million). As at November 30, 2024, $135.0 million was available to be drawn from the revolving credit facility and swingline facility commitment to meet future operational investment needs. AGF drew on the credit facility in order to fund the acquisition of KCPL and purchase of long-term investments and convertible note receivable.

As at November 30, 2024, the Company has right-of-use assets of $68.0 million and total lease liabilities of $81.2 million recorded on the Consolidated Statement of Financial Position. As at November 30, 2024, the Company has funded $242.1 million (2023 – $213.8 million) in funds and investments associated with the AGF Capital Partners business and has $19.8 million (2023 – $22.1 million) remaining to be funded. The Company also has an anticipated commitment of US$50.0 million upon the successful launch of Instar's third fund. In addition, the Company is committed to loan up to US$15.0 million to New Holland Capital, LLC through a convertible note agreement with a maturity date of February 9, 2032. As at November 30, 2024, the Company has funded US$9.0 million with US$6.0 million available for future drawdown.

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

Contractual Obligations

The table below is a summary of our contractual obligations at November 30, 2024. See also Notes 9, 13 and 31 of the Consolidated Financial Statements.

(in thousands of Canadian dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Leases[1]	$ 76.4	$ 6.4	$ 6.4	$ 6.6	$ 6.5	$ 6.5	$ 44.0
Long-term debt	14.7	14.7	–	–	–	–	–
Service commitment	101.2	28.0	22.6	15.3	6.1	4.4	24.8
Total contractual obligations	$ 192.3	$ 49.1	$ 29.0	$ 21.9	$ 12.6	$ 10.9	$ 68.8

[1] Leases include remaining contractual payments related to the office premises and equipment used in the normal course of business.

In addition to the contractual obligations detailed above, the following obligations exist that vary depending upon business volume and other factors:

- We pay trailing commissions to financial advisors based on AUM of their respective clients. This obligation varies based on fund performance, sales and redemptions. In 2024, we paid $140.8 million (2023 – $133.5 million) in trailing commissions.
- The Company has funded $242.1 million (2023 – $213.8 million) in funds and investments associated with the AGF 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 launches 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, the Company has US$6.0 million commitment remaining.

Intercompany and Related Party Transactions

Under IFRS, 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 and administrator 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, investment advisory, and administration services and all costs connected with the distribution of securities of AGF Funds. A majority of the management, advisory and administration 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 was approximately $12.3 million, compared to $10.3 million for the prior year.

Capital Management Activities

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

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

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

Investment Management Operations – Regulatory Capital

An objective of the capital management program is to ensure regulatory requirements are met for capital. AGF'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. The cumulative amount of minimum regulatory capital across all of AGF's Investment Management Operations is approximately $6.0 million. As at November 30, 2024, the Company was in full compliance with the regulatory requirements.

Normal Course Issuer Bid

On February 6, 2024, AGF announced that the TSX had approved AGF's notice of intention to renew its NCIB in respect of its Class B Non-Voting shares. Between February 8, 2024 and February 7, 2025, AGF may purchase up to 4,735,269 Class B Non-Voting shares through the facilities of the TSX (or as otherwise permitted by the TSX).

Purchase for cancellation by AGF of outstanding Class B Non-Voting shares may also be used to offset the dilutive effect of treasury stock released for the employee benefit trust (EBT) and of shares issued through the Company's stock option plans and dividend reinvestment plan. AGF relies on an automatic purchase plan during the normal course issuer bid. The automatic purchase plan allows for purchases by AGF of its Class B Non-Voting shares subject to certain parameters. Shares purchased for the EBT are also purchased under the Company's NCIB and recorded as a reduction to capital stock.

During the three months and year ended November 30, 2024, AGF purchased 36,800 and 730,338 (2023 – 450,000 and 1,805,652) Class B Non-Voting shares for cancellation for a total consideration of $0.3 million and $5.8 million (2023 – $3.2 million and $13.4 million) at an average price of $8.42 and $7.98 (2023 – $7.09 and $7.40) per share under its NCIB.

During the three months and year ended November 30, 2024, the premium of $0.1 million and $1.4 million (2023 – discount of $0.5 million and $2.4 million) from the recorded capital stock value of the shares repurchased for cancellation was recorded in retained earnings.

During the three months and year ended November 30, 2024, AGF purchased 125,000 and 605,962 (2023 – nil and nil) Class B Non-Voting shares for the EBT for a total consideration of $1.0 million and $4.9 million at an average price of $8.00 and $8.09 per share.

Dividends

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

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

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

Years ended November 30	2024[1]	2023	2022	2021	2020
Per share	$ 0.455	$ 0.440	$ 0.400	$ 0.340	$ 0.320

[1] Represents the total dividends paid in April 2024, July 2024, October 2024 and to be paid in January 2025.

We review our dividend distribution policy on a quarterly basis, taking into account our financial position, profitability, cash flow and other factors considered relevant by our Board of Directors. The quarterly dividend paid on October 17, 2024 was 11.5 cents per share.

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.

Outstanding Share Data

Set out below is our outstanding share data as at November 30, 2024 and 2023. For additional detail, see Notes 15 and 22 of the Consolidated Financial Statements.

	November 30, 2024	November 30, 2023
Shares		
Class A Voting common shares	57,600	57,600
Class B Non-Voting shares	64,642,043	64,271,451
Stock Options		
Outstanding options	2,477,452	3,414,535
Exercisable options	2,087,020	2,972,539

Key Performance Indicators, Additional IFRS and Non-IFRS Measures

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

Net Management, Advisory and Administration Fees

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

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

- Management and advisory fees directly related to AUM from our retail, institutional and private wealth lines of businesses;
- Fund administration fees, which are based on a fixed transfer agency administration fee;
- Trailing commissions paid to distributors, which depend on total AUM, the proportion of mutual fund AUM sold on a front-end versus back-end commission basis and the proportion of equity fund AUM versus fixed income fund AUM; and
- Investment advisory fees paid, which depend on AUM.

Total Net Revenue

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

Revenue from AGF Capital Partners

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

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Management, advisory and administration fees	$ 127.7	$ 123.0	$ 104.2	$ 482.4	$ 428.2
Share of profit of joint ventures	0.5	0.3	0.6	0.9	$ 3.4
Performance fees	0.5	3.6	–	4.1	–
Other income from fee-earning arrangements	0.7	0.7	0.8	2.9	3.2
Other income	0.7	0.9	0.6	4.0	2.7
Fair value adjustments and distribution income	10.0	7.8	2.4	47.3	26.9
Less:					
Management, advisory and administration fees excluding AGF Capital Partners	120.2	114.4	104.2	459.7	428.2
Other income excluding AGF Capital Partners	1.5	0.9	0.6	4.8	2.7
Share of loss from AGFWave	–	–	–	–	(0.1)
Fair value adjustment related to investment in AGF mutual funds	1.2	0.3	(0.1)	3.0	0.3
Revenue from AGF Capital Partners	**$ 17.2**	**$ 20.7**	**$ 3.9**	**$ 74.1**	**$ 33.3**

Other Revenue

Other revenue is defined as fair value adjustments related to AGF mutual funds that are held as seed capital investments and other income. The following table outlines how other revenue is determined:

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Other income	$ 0.7	$ 0.9	$ 0.6	$ 4.0	$ 2.7
Add:					
Other loss from preferred limited partnership	0.8	–	–	0.8	–
Fair value adjustment related to investment in AGF mutual funds	1.2	0.3	(0.1)	3.0	0.3
Share of loss from AGFWave	–	–	–	–	(0.1)
Other Revenue	**$ 2.7**	**$ 1.2**	**$ 0.5**	**$ 7.8**	**$ 2.9**

Non-IFRS Adjusted Measures

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

- Performance fees earned related to KCPL that are to be allocated to the KCPL LLTIP and payment of the contingent consideration liabilities as discussed in Note 9 of the Consolidated Financial Statements
- Corporate development and acquisition related expenses
- Severance related costs and other expenses that are not part of the Company's normal course of business
- Fair value adjustments on acquisition related liabilities including contingent consideration payable and the put obligation liability
- Non-cash compensation expense relating to the KCPL LLTIP, which represents a non-cash liability that will be funded through future performance fees and carried interest realized from investments made by the funds prior to the acquisition.

Adjusted Revenue from AGF Capital Partners

Adjusted revenue from AGF Capital Partners is defined as revenue from AGF Capital Partners excluding the item as outlined below:

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Performance fees	$ 0.5	$ 3.6	$ –	$ 4.1	$ –
Other loss from preferred limited partnership[1]	0.8	–	–	0.8	–
Adjusted for:					
Performance fee allocated to KCPL LLTIP and contingent consideration payable[2]	0.2	(2.2)	–	(2.0)	–
	1.5	1.4	–	2.9	–
Add:					
Remaining revenue from AGF Capital Partners	16.7	17.1	3.9	$ 70.0	33.3
Adjusted Revenue from AGF Capital Partners	**$ 18.2**	**$ 18.5**	**$ 3.9**	**$ 72.9**	**$ 33.3**

[1] Represents loss related to preferred limited partnership interest in KCPL legacy asset LP, representing assets that are excluded from the transaction and have a nil impact on the Company's result for the year ended November 30, 2024

[2] Performance fee earned that are required to be used to settle the KCPL LLTIP and contingent consideration liabilities.

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

Adjusted SG&A is defined as selling, general and administrative expenses excluding items as outlined in the Non-IFRS Adjusted Measures section above. The following table outlines how adjusted SG&A is determined:

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Selling, general and administrative	$ 70.2	$ 66.3	$ 52.9	$ 262.5	$ 209.0
Adjusted for:					
Accrued KCPL LLTIP compensation expense	(2.0)	(5.0)	–	(13.4)	–
Severance and other expenses	(2.0)	(1.6)	(0.1)	(5.2)	(1.3)
Corporate development and acquisition related expenses	–	(0.1)	(2.1)	(4.6)	(2.1)
Adjusted selling, general and administrative	**$ 66.2**	**$ 59.6**	**$ 50.7**	**$ 239.3**	**$ 205.6**

EBITDA and Adjusted EBITDA

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a measure of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. Adjusted EBITDA is defined as EBITDA excluding items as outlined in the Non-IFRS Adjusted Measures section above. The following table outlines how the EBITDA and adjusted EBITDA measure is determined:

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Net income	$ 28.6	$ 20.8	$ 16.8	$ 96.3	$ 87.7
Adjustments:					
Amortization, derecognition and depreciation	2.4	2.4	2.3	9.4	9.1
Interest expense	1.2	1.8	1.0	7.0	5.0
Income tax expense	4.7	8.0	5.3	29.0	27.3
EBITDA	**$ 36.9**	**$ 33.0**	**$ 25.4**	**$ 141.7**	**$ 129.1**
Adjusted for:					
Performance fee allocated to KCPL LLTIP and contingent consideration payable	$ 0.2	$ (2.2)	$ –	$ (2.0)	$ –
Other loss from preferred limited partnership	0.8	–	–	0.8	–
Accrued KCPL LLTIP compensation expense	2.0	5.0	–	13.4	–
Severance and other expenses	2.0	1.6	0.1	5.2	1.3
Corporate development and acquisition related expenses	–	0.1	2.1	4.6	2.1
Fair value adjustment on contingent consideration payable	(2.5)	1.4	–	(0.1)	–
Fair value adjustment on put option liability	0.2	1.3	–	2.8	–
Adjusted EBITDA	**$ 39.6**	**$ 40.2**	**$ 27.6**	**$ 166.4**	**$ 132.5**

EBITDA Margin

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

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
EBITDA	$ 36.9	$ 33.0	$ 25.4	$ 141.7	$ 129.1
Divided by income	141.4	137.7	110.5	548.2	471.9
EBITDA margin	**26.1%**	**23.9%**	**23.0%**	**25.8%**	**27.4%**

Adjusted EBITDA Margin

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

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Adjusted EBITDA	$ 39.6	$ 40.2	$ 27.6	$ 166.4	$ 132.5
Divided by adjusted income	142.4	135.5	110.5	547.0	471.9
Adjusted EBITDA margin	**27.8%**	**29.7%**	**25.0%**	**30.4%**	**28.1%**

Net Debt to Adjusted EBITDA Ratio

Net debt to adjusted EBITDA ratio provides useful information to management and investors as an indicator of the Company's leverage capabilities. We define the net debt to adjusted EBITDA ratio as long-term debt offset against cash and cash equivalents at the end of the period divided by the 12-month trailing adjusted EBITDA for the period.

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Net debt	$ –	$ –	$ –	$ –	$ –
Divided by adjusted EBITDA (12-month trailing)	166.4	154.3	132.5	166.4	132.5
Net debt to adjusted EBITDA ratio	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Adjusted Net Income – Attributable to equity owners of the Company

We define adjusted net income as net income less after-tax adjusted items as outlined in the Non-IFRS Adjusted Measures section above. The following table outlines how the adjusted net income is determined:

	Three months ended			Years ended	
(in millions of Canadian dollars)	November 30, 2024	August 31, 2024	November 30, 2023	November 30, 2024	November 30, 2023
Net income – attributable to equity owners of the Company	$ 28.7	$ 20.3	$ 16.8	$ 97.6	$ 87.7
Adjusted for pre-tax expenses:					
Performance fee allocated to KCPL LLTIP and contingent consideration payable – attributable to equity owners of the Company	0.1	(1.1)	–	(1.0)	–
Other loss from preferred limited partnership – attributable to equity owners of the Company[1]	–	–	–	–	–
Accrued KCPL LLTIP compensation expense – attributable to equity owners of the Company	1.0	2.5	–	6.8	–
Severance and other expenses	2.0	1.6	0.1	5.2	1.3
Corporate development and acquisition related expenses	–	0.1	2.1	4.6	2.1
Fair value adjustment on contingent consideration payable	(2.5)	1.4	–	(0.1)	–
Fair value adjustment on put option liability	0.2	1.3	–	2.8	–
Tax impact on adjustments	0.3	(1.6)	(0.5)	(4.3)	(0.8)
Adjusted net income – attributable to equity owners of the Company	**$ 29.8**	**$ 24.5**	**$ 18.5**	**$ 111.6**	**$ 90.3**

[1] Represents loss related to preferred limited partnership interest in KCPL legacy asset LP, representing assets that are excluded from the transaction and have a nil impact on the Company's result for the year ended November 30, 2024

Free Cash Flow

Free cash flow represents cash available for distribution to our shareholders, share buybacks, investment in the AGF Capital Partners business, and general corporate purposes. We define free cash flow as cash flow from operations before net changes in non-cash balances related to operations less adjusted items as outlined in the Non-IFRS Adjusted Measures section above less interest paid and adjusted for certain tax items outlined below. We believe free cash flow is a relevant measure in our operations. Certain comparative figures have been restated to meet the definition of free cash flow.

	Three months ended			Years ended	
(in millions of Canadian dollars)	**November 30, 2024**	**August 31, 2024**	**November 30, 2023**	**November 30, 2024**	**November 30, 2023**
Net income for the period	$ 28.6	$ 20.8	$ 16.8	$ 96.3	$ 87.7
Adjusted for non-cash items and non-cash working capital balance	23.2	35.1	20.1	18.3	(0.5)
Net cash provided by operating activities	$ 51.8	$ 55.9	$ 36.9	$ 114.6	$ 87.2
Net changes in non-cash working capital balances related to operations	(28.1)	(20.9)	(15.8)	(20.2)	(1.8)
	23.7	35.0	21.1	94.4	85.4
Adjusted for:					
Performance fee allocated to KCPL LLTIP and contingent consideration payable	0.2	(2.2)	–	(2.0)	–
Accrued KCPL LLTIP compensation expense	2.0	5.0	–	13.4	–
Severance and other expenses	2.0	1.6	0.1	5.2	1.3
Corporate development and acquisition related expenses	–	0.1	2.1	4.6	2.1
	$ 27.9	$ 39.5	$ 23.3	$ 115.6	$ 88.8
Income taxes paid during the period	5.2	3.3	5.5	26.1	28.7
	$ 33.1	$ 42.8	$ 28.8	$ 141.7	$ 117.5
Income taxes related to current period free cash flow	(9.4)	(11.3)	(6.6)	(35.8)	(26.4)
Interest and lease payments	(2.3)	(2.4)	(1.8)	(10.5)	(7.7)
Free cash flow	**$ 21.4**	**$ 29.1**	**$ 20.4**	**$ 95.4**	**$ 83.4**

Assets Under Management

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

Fee-earning Assets

The amount of fee-earning assets and related fee rates are important to our business as these are the drivers of the fee income from certain strategic partnerships from our AGF Capital Partners business. Fee-earning assets will fluctuate in value as a result of investment performance and crystallization of long-term investments.

Average AUM

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

Investment Performance

Investment performance, which represents market appreciation (depreciation), is central to the value proposition that we offer advisors and unitholders. Growth in AUM resulting from investment performance increases the wealth of our unitholders and, in turn, we benefit from higher revenues. Alternatively, poor investment performance will reduce our AUM levels and result in lower management fee revenues. Strong relative investment performance may also contribute to growth in gross sales or reduced levels of redemptions. Conversely, poor relative investment performance may result in lower gross sales and higher levels of redemptions. Refer to the 'Risk Factors and Management of Risk' section of our 2024 Annual MD&A.

Net Sales (Redemptions)

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

Working Capital

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

Material Accounting Policy Information

Critical Accounting Estimates and Judgements

The preparation of Consolidated Financial Statements in conformity with IFRS 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. 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.

(b) Impairment of Non-financial Assets

The Company determines the recoverability of each of our CGUs based on the higher of its fair value less costs to sell (FVLCTS) and its value in use (VIU). In certain instances, the Company uses a discounted cash flow methodology to estimate these amounts. Such analysis involves management's 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 9 of the Consolidated Financial Statements 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 of the Consolidated Financial Statements 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. Refer to Note 30 of the Consolidated Financial Statements for further details.

(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 29 of the Consolidated Financial Statements 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 determination of whether intangible assets have finite or indefinite lives and the accounting implications related to certain legal matters.

Market Capitalization

AGF's market capitalization is $724.0 million, compared to its recorded net assets of $1,632 million as at November 30, 2024. In 2024, we completed an assessment to determine the fair value of AGF's cash-generating units (CGUs). Based on the result of the assessment, the recoverable amount of each CGU exceeded its carrying value as at November 30, 2024. There have been no significant changes to the recoverable amount of each CGU as at November 30, 2024; however, a sustained period of market volatility could become a triggering event requiring a write down of AGF's CGUs. Estimating the fair value of CGUs is a subjective process that involves the use of estimates and judgements, particularly related to cash flows, the appropriate discount rates, terminal growth rates, synergy inclusion rates and an applicable control premium.

Risk Factors and Management of Risk

Risk is the responsibility of the Executive Management committee. The Executive Management committee is made up of the Executive Chairman; the Chief Executive Officer (CEO) and Chief Investment Officer (CIO); the President and Head of Global Distribution; the Chief Financial Officer, the Chief Operating Officer; and the Head of AGF Capital Partners. The Executive Chairman is directly accountable to the Board of Directors for all risk-related activities. The Executive Management committee reviews and discusses significant risks that arise in developing and executing the enterprise-wide strategy and ensures risk oversight and governance at the most senior levels of management. Each of the business units and shared services owns and assumes responsibility for managing its risk. They do this by ensuring that policies, processes and internal controls are in place and by escalating significant risks identified in the business units to the Executive Management committee.

AGF operates an Enterprise Risk Management (ERM) program. Key risks are identified and evaluated by the Executive Management committee and the Board of Directors. Plans for addressing the key risks are developed by management and agreed to and monitored by the Executive Management committee and the Internal Audit Department. Quarterly, the Internal Audit Department provides a status report on ERM to the Board of Directors.

AGF's risk governance structure is designed to balance risk and reward and to promote business activities consistent with our standards and risk tolerance levels, with the objective of maximizing long-term shareholder value.

Risk Factors That May Affect Future Results

There are many factors that may affect our ability to execute against our strategy. Some of these factors are within our control and others, because of their nature, are beyond our control. These factors apply to our corporate strategy as well as business-specific strategies, which are included in the discussions that follow.

Market Risk

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

Elevated interest rates continue to contribute to higher volatility and could ultimately impact the trajectory of investment returns over the next 12 months. Investors are playing the waiting game right now in anticipation of market volatility continuing until it is better understood what impact tighter monetary policy has had on economic growth and when potential interest rate reductions might occur.

AGF continually monitors the potential impact of market risk to its capital position and profitability. A significant portion of AGF's net management, advisory and administration fees is driven by its total average AUM excluding AGF Capital Partners. These AUM levels are impacted by both net sales and changes in the market. In general, for every $1.0 billion reduction in average AUM excluding AGF Capital Partners, annualized net management, advisory and administration fees would decline by approximately $7.3 million. In addition, the uncertainty within the global markets may impact the level of merger and acquisition activity and is likely to create challenges in completing transactions.

Foreign Exchange Risk

The Company's main foreign exchange risk derives from the U.S. and international portfolio securities held in AGF Funds. Changes in the value of the Canadian dollar relative to foreign currencies will cause fluctuations in the Canadian-dollar value of non-Canadian AUM upon which our management fees are calculated. This risk is monitored since currency fluctuation may impact the financial results of AGF; however, it is at the discretion of the fund manager to decide whether to enter into foreign exchange contracts to hedge foreign exposure on U.S. and international securities held in AGF Funds. Using average balances for the quarter, the effect of a 5% change in the Canadian dollar in relation to total AUM would have resulted in a corresponding change of approximately $1.6 billion in AUM for the year ended November 30, 2024. In general, for every $1.0 billion reduction of average AUM, annualized net management, advisory and administration fees would decline by approximately $7.3 million.

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

Interest Rate Risk

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

At 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 annualized change of approximately $2.7 million in revenue.

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 AGF Capital Partners funds. The Company's investments that have price risk include investments in investment funds managed by the Company, equity securities and long-term investments. As at November 30, 2024, the effect of a 10% decline or increase in the value of investments would have resulted in a $34.0 million pre-tax unrealized gain or loss in net income and a $0.1 million impact on pre-tax unrealized gain or loss to other comprehensive income.

Political and Market Risk in Assets Under Management

AGF performance and assets under management are impacted by financial markets and political conditions, including any political change in the United States, Europe and abroad. Changes in these areas may result in significant volatility and decline in the global economy or specific international, regional and domestic financial markets, which are beyond the control of AGF. A general economic downturn, market volatility and an overall lack of investor confidence could result in lower sales, higher redemption levels and lower AUM levels. In addition, market uncertainty could result in retail investors avoiding traditional equity funds in favour of money market funds. Global markets remain volatile due to elevated interest rates and inflation. Market risk in our AUM transfers to the Company as our net management fee revenue is calculated as a percentage of the average net asset value of each retail fund or portfolio managed. The Company does not quantify this risk in isolation; however, in general, for every $1.0 billion reduction of retail fund AUM, annualized net management fee revenues would decline by approximately $8.5 million. The Company monitors this risk as it may impact earnings; however, it is at the discretion of the fund manager to decide on the appropriate risk-mitigating strategies for each fund.

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

Percentage of total retail fund AUM	2024	2023
Domestic equity funds	14.8%	16.3%
U.S. and international equity funds	61.9%	56.2%
Domestic balanced funds	0.2%	0.3%
U.S. and international balanced funds	5.4%	6.5%
Domestic fixed-income funds	6.0%	6.6%
U.S. and international fixed-income funds	10.7%	12.7%
Domestic money market	1.0%	1.1%
Domestic Alternative Funds	0.0%	0.3%
	100.0%	100.0%

Institutional and high-net-worth AUM are exposed to the same market risk as retail fund AUM. In general, for every $1.0 billion reduction of institutional and high-net-worth AUM, annualized management fee revenues would decline by approximately $4.9 million.

Credit Risk

The Company is exposed to the risk that third parties, including clients, who owe AGF 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. AGF'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. AGF does not have significant exposure to any individual counterparty.

Liquidity Risk

Liquidity risk is the risk that AGF may not be able to generate sufficient funds and within the time required to meet the Company's obligations as they come due. The key liquidity requirements are the funding of investment-related commitments in the AGF Capital Partners business, dividends paid to shareholders, obligations to taxation authorities, and the repayment of long-term debt. While AGF currently has access to financing, unfavourable market conditions may affect the Company's 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 under Capital Management Activities. AGF manages our liquidity by monitoring actual and projected cash flows to ensure that AGF has sufficient liquidity through cash received from operations as well as borrowings under AGF's revolving credit facility. Cash surpluses are invested in interest-bearing short-term deposits and investments with a maturity up to 90 days. AGF is subject to certain financial loan covenants under the Company's revolving credit facility and has met all of these conditions.

There are many factors that affect the liquidity of AGF Funds, including but not limited to general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the underlying securities held by an AGF Fund, such as changes in management, strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events. In addition, the impact of unanticipated market disruptions may cause exchanges to suspend trading and/or investment funds to suspend dealing (which could be for an extended period of time), may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. These impacts may have an effect on the performance of the underlying securities in which an AGF Fund invests and may lead to an increase in the amount of redemptions experienced by an AGF Fund. An AGF Fund may be unable to meet redemption requests due to the inability to sell the underlying securities in a timely manner. As a result, there could be an insufficient amount of liquid assets in the AGF Funds. AGF measures and monitors liquidity risk in the AGF Funds at all times. AGF has a dedicated team that assesses risk, utilizing industry best in class and up-to-date third-party tools and systems to ensure quality analysis. While AGF has no control over external market events impacting the performance of the AGF Funds and/or the loss of liquidity, AGF strives to act on adverse events as they occur.

Performance, Sales and Redemption Risk

Demand for our products depends on, among other things, the ability of our investment management team to deliver value in the form of strong investment returns, as well as the demand for specific investment products. Since this is a relative as well as an absolute measure, there is a risk that AGF may not perform as well as the market or our peers, or in line with our clients' expectations. A specific investment strategy may fall out of favour with the market, resulting in lower sales and/or higher redemptions.

Our future financial performance will be influenced by our ability to successfully execute our strategy and generate net sales. If sales do not materialize as planned or key personnel cannot be retained, margins may erode. As well, significant redemptions could adversely affect investment fund returns by impacting market values and increasing transaction costs or taxable distributions. Continued significant redemptions could negatively impact the prospects and operating results of AGF. Elevated interest rates and inflation may result in increased client redemptions because of general market declines and sentiment or investors' need for cash.

Distribution Risk

Our retail AUM is obtained through third-party distribution channels including financial advisors and strategic partners that offer our products to investors along with similar products from our competitors. Our future success is dependent on continued access to these distribution channels that are independent of our company. Reduced access or the loss of key strategic partners could materially affect sales and revenue, particularly where a distribution partner represents a meaningful portion of the Company's sales flow.

Key Personnel Risk

AGF's success depends on our key personnel, and in particular senior management and portfolio managers. The investment management industry is highly competitive. Reliance on investment performance to sell financial products has increased the demand for experienced and high-performing portfolio managers. Compensation packages for these portfolio managers may increase at a rate well above the rates of increase observed in other industries. Losing key individuals or being unable to attract and retain such individuals could adversely affect AGF's business. AGF believes we have the resources necessary to hire and retain AGF's key personnel.

Reputation Risk

Reputation risk is the risk of negative publicity regarding our business conduct or practices which, whether true or not, could significantly damage AGF's reputation, resulting in lost revenue, increased costs or destruction of shareholder value. Reputational risk could result from, among other things, operational errors, poor performance, unfavourable regulatory sanctions, litigation, cyber-attacks, or employee misconduct. While AGF mitigates this risk through a corporate-wide Code of Conduct policy, governance practices, risk-management programs, business continuity planning, a cybersecurity program and corporate policies, there can be no assurance that unauthorized or unsuccessful activities resulting in damage to AGF's reputation will not occur.

Industry Competition Risk

The level of competition in the industry is high, driven by factors including product variety, innovation, brand recognition, investment performance, management, sales and distribution relationships, fee and commission rates and other compensation matters. Sales and redemptions of mutual funds may be influenced by relative service levels, management fees, attributes of specific products in the marketplace and actions taken by competitors. AGF's competition includes other mutual fund companies, investment management firms, banks and insurance companies, some of whom have greater resources than AGF. The investment management industry's trend toward consolidation has increased the strength of some of AGF's competitors. While AGF continues to develop new products and explore new opportunities, there can be no assurance that AGF will maintain our current standing or market share. This may adversely affect AGF's business, financial condition and operating results.

In addition, there are uncertainties involved in the introduction of new products and services, including technical requirements, operational controls and procedures, compliance with regulatory requirements, and shifting market preferences. The development and introduction of new products and services may require ongoing support and investment. A failure to manage the risks involved in the implementation of new products and services may lead to operational lapses, increased capital requirements, and competitive alternatives, which could adversely affect AGF's standing, market share or investment performance relative to AGF's competitors and negatively impact the business, financial condition or operating results of AGF.

Regulatory Risk

AGF is subject to complex and changing legal and regulatory requirements. The Company manages legal and regulatory risk through its efforts to promote a strong culture of compliance. All regulatory developments may impact product structures, pricing, and dealer and advisor compensation. While AGF actively monitors such initiatives, and where feasible comments upon or discusses them with regulators, the ability of AGF to mitigate the imposition of differential regulatory treatment of financial products or services is limited. AGF and AGF's subsidiaries are also subject to regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

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

The current environment of heightened regulatory scrutiny in the financial services sector may reasonably be expected to lead to increasingly stringent interpretation and enforcement of existing laws and rules or additional regulations, changes in existing laws and rules, or changes in interpretation or enforcement of existing laws and rules.

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

Strategic Risk

Strategic risk is the potential for negative impacts as a result of AGF's inability to execute our strategic plan or correctly identify strategic priorities. A key strategic risk is the risk that management fails to anticipate in, and respond to, changes in the business environment, including product demand, regulatory changes and competition. AGF's performance is directly affected by the financial market and business conditions, including applicable laws. These are beyond the control of AGF; however, AGF's risk management process includes the ongoing review and assessment of industry and economic trends and changes. Strategies are then designed to effectively respond to any anticipated changes, including identifying acquisition opportunities, developing new business lines, introducing new products, and implementing cost control strategies.

In addition, our strategy includes strategic acquisitions and investments in associates, joint ventures and limited partnerships. There is no assurance that we will be able to complete acquisitions on the terms and conditions that satisfy our investment criteria and/or effectively integrate such acquisitions into existing operations and attain the expected benefits. After transactions are completed, meeting target return objectives is contingent upon many factors, including retaining key employees, achieving synergies and growth in AUM of the acquired companies.

Our strategic investments may involve risks and uncertainties including, but not limited to, our dependency on partners and co-venturers that are not under our control and that might become bankrupt or otherwise fail to fund their share of required capital contributions, or suffer reputational damage that could have an adverse impact on us. We do not have sole control over certain major decisions relating to these assets and businesses, which could affect our future returns on these investments.

The success of our strategic investments, including infrastructure investments, may be influenced by government and economic regulations, capital expenditure requirements, performance under customer or client contracts, general economic conditions, and other material disruptions that may be outside our control such as weather conditions, natural disasters, major accidents, acts of malicious destruction, sabotage and terrorism.

Insurance Risk

AGF maintains various types of insurance coverage, which include a financial institutions bond, professional liability (errors and omissions) insurance, directors' and officers' liability insurance, cyber and network liability insurance and general commercial liability insurance. There can be no assurance that (i) a claim or claims will not exceed the limits of available insurance coverage, (ii) any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost, or (iii) any insurer will not dispute coverage of certain claims due to ambiguities in the relevant policies. A judgement against AGF in excess of available coverage could have a material adverse effect on AGF both in terms of damages awarded and the impact on the reputation of AGF.

Information Technology and Cybersecurity Risk

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

Cybersecurity breaches include, but are not limited to, unauthorized access to the Company's digital information systems (e.g., through 'hacking' or other malicious software code) for the purpose of misappropriating assets or sensitive information (e.g., personal securityholder information); corrupting data, equipment or systems; or causing operational disruption. Cybersecurity breaches could cause the Company or AGF Funds to be in violation of applicable privacy and other laws, and incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures or reimbursement, and/or financial loss. In addition, substantial costs may be incurred to prevent any cyber incidents in the future.

Cyber incidents affecting AGF Funds and/or their service providers (including, but not limited to, an AGF fund's portfolio manager, sub-advisor(s), transfer agent, and custodian) have the ability to interfere with AGF Funds' ability to calculate their net asset value, and impede trading, the ability of securityholders to transact business with AGF Funds, and the ability of AGF Funds to process transactions including redemptions. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which AGF Funds invest and counterparties with which AGF Funds engage in transactions.

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

Environmental, Social and Governance Risk

Environmental, social and governance (ESG) risk is the risk that an ESG issue associated with a client, transaction, product, supplier, investment, joint venture, or activity may create a risk of loss of financial, operational, legal and/or reputational value to AGF. AGF Investments Inc. is a signatory to the United Nations Principles for Responsible Investment (PRI). Under the PRI, investors formally commit to incorporate ESG issues into their investment processes. AGF Investments Inc. regularly reviews their investment processes and underlying investments as they pertain to ESG issues.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human interaction or external risks. AGF is exposed to a broad range of operational risks, including information technology and system failures, processing and execution errors, third-party service failures, business disruption, theft and fraud. Operational risks can result in significant financial loss, reputational damage or regulatory action.

AGF's business leaders are responsible for the management of the day-to-day operational risks. Operational risks related to people and processes are mitigated through internal policies and controls. Oversight of risks and the ongoing evaluation of effectiveness of controls are provided by AGF's Compliance and Internal Audit Departments. The Company has business continuity plans and vendor oversight policies in place to support the sustainment, management and recovery of critical operations and processes in the event of a business disruption.

Taxation Risk

AGF is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with AGF's application of such tax laws, AGF's profitability and cash flows could be adversely affected. AGF is considered a large case file by the Canada Revenue Agency, and as such is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit, which may result in an adjustment.

The foregoing discussion is not an exhaustive list of all risks and uncertainties regarding our ability to execute against our strategy. Readers are cautioned to consider other potential risk factors when assessing our ability to execute against our strategy.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by AGF Management Limited in reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

AGF Management Limited's management, under the direction of the CEO and CFO, has evaluated the effectiveness of AGF Management Limited's disclosure controls and procedures (as defined in National Instrument 52-109 of the Canadian Securities Commission) as at November 30, 2024, and has concluded that such disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

The CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting (ICFR) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and receipts and expenditures of the Company are made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

Management, under the direction of the CEO and CFO, has evaluated the effectiveness of the Company's internal control over financial reporting as at November 30, 2024, and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Due to the recency of the acquisition of KCPL, AGF did not include KCPL in the ICFR framework for the three and twelve months ended November 30, 2024. Management's assessment was based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes to ICFR

A material change in ICFR is a change that has materially affected or is reasonably likely to materially affect the issuer's ICFR.

There have been no changes to the Company's ICFR during the year ended November 30, 2024 that have materially affected or are reasonably likely to materially affect the Company's ICFR.

Summary of Annual Results

(from continuing operations)

Years ended November 30 (in millions of Canadian dollars, except per share data)	2024	2023	2022	2021	2020[1,2]
Income	$ 548.2	$ 471.9	$ 469.0	$ 461.6	$ 543.9
Expenses[9]	422.9	342.8	330.4	333.9	292.8
EBITDA before commissions[10]	141.7	129.1	138.6	127.7	251.1
Pre-tax income	125.3	115.0	87.2	51.8	194.4
Net income attributable to equity owners of the Company	97.6	87.7	66.6	39.3	173.9
Earnings per share attributable to equity owners of the Company					
Basic	$ 1.51	$ 1.35	$ 0.97	$ 0.56	$ 2.25
Diluted	1.46	1.30	0.96	0.55	2.22
Free cash flow[10]	$ 95.4	$ 83.4	$ 73.9	$ 55.1	$ 46.1
Dividends per share	$ 0.455	$ 0.440	$ 0.400	$ 0.340	$ 0.320
Long-term debt	$ 14.7	$ 5.8	$ 21.6	$ –	$ –
Weighted average basic shares	64,512,506	64,957,984	68,430,165	70,009,123	77,326,775
Weighted average fully diluted shares	66,920,809	67,233,845	69,437,213	71,660,642	78,359,570

Years ended November 30 (in millions of Canadian dollars, except per share data)	2019[3,4]	2018[5]	2017[6]	2016[7]	2015[8]
Income	$ 436.7	$ 450.2	$ 455.5	$ 428.7	$ 449.6
Expenses[9]	326.7	343.7	339.1	319.2	322.4
EBITDA before commissions[10]	110.0	106.5	116.4	109.5	127.2
Pre-tax income	57.3	62.5	61.8	52.7	63.9
Net income attributable to equity owners of the Company	47.9	73.9	52.1	42.5	48.3
Earnings per share attributable to equity owners of the Company					
Basic	$ 0.61	$ 0.94	$ 0.66	$ 0.53	$ 0.59
Diluted	0.60	0.92	0.64	0.53	0.58
Free cash flow[10]	$ 53.4	$ 41.5	$ 50.0	$ 60.7	$ 68.2
Dividends per share	$ 0.320	$ 0.320	$ 0.320	$ 0.320	$ 0.510
Long-term debt	$ 207.3	$ 188.6	$ 138.6	$ 188.2	$ 268.8
Weighted average basic shares	78,739,081	79,292,775	79,330,190	79,278,876	82,295,595
Weighted average fully diluted shares	79,672,961	80,637,948	81,245,279	80,253,600	83,584,539

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

[2] 2020 includes $104.4 million related to gain on sale of Smith & Williamson Holdings Limited (S&WHL), net of currency hedge, and $41.3 million of dividends, net of currency hedge, from S&WHL, recognized as income.

[3] Refer to Note 3 in the 2019 Consolidated Financial Statements for more information on the adoption of IFRS 15.

[4] 2019 includes income of $4.1 million related to one-time fund expense tax recovery, and $14.4 million related to restructuring costs.

[5] 2018 includes income of $1.5 million related to the Company's share of a one-time tax levy provision reversal for S&WHL, $5.2 million of one-time restructuring and administrative costs, $21.9 million provision release, and $2.2 million of interest recovery related to the transfer pricing case.

[6] 2017 includes $10.0 million of income related to a litigation settlement.

[7] 2016 includes a $2.1 million charge in income related to the Company's share of a one-time tax levy for S&WHL and $3.7 million of one-time net expense recovery related to a reversal of a provision from prior years related to Harmonized Sales Tax (HST) offset by fund transition costs.

[8] 2015 includes a $5.7 million distribution related to a crystallization of an asset and a one-time restructuring cost of $7.2 million.

[9] Includes selling, general and administrative (SG&A), restructuring provisions, trailing commissions and investment advisory fees.

[10] See the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

Additional Information

Additional information relating to the Company can be found in the Company's Consolidated Financial Statements and accompanying notes for the year ended November 30, 2024, the Company's 2024 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedarplus.com.