AGF Management Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended May 31, 2026 and 2025

Management's Discussion and Analysis

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This Management's Discussion and Analysis (MD&A) is as of June 23, 2026 and presents an analysis of the financial condition of AGF Management Limited (AGF or the Company) and its subsidiaries for the three and six months ended May 31, 2026, compared to the three and six months ended May 31, 2025. The MD&A should be read in conjunction with the Condensed Consolidated Interim Financial Statements for the three and six months ended May 31, 2026, and the Company's latest Annual Information Form (AIF), both filed on the System for Electronic Data Analysis and Retrieval (SEDAR+) at www.sedarplus.ca. The financial statements for the three and six months ended May 31, 2026, including required comparative information, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise noted. References to IFRS are equivalent to IFRS Accounting Standards in the Condensed Consolidated Interim Financial Statements.

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

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

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 2025 Annual MD&A.

Financial Highlights

The following table provides selected financial information as reported for each of the eight most recent quarters. The information has been prepared on the same basis as our condensed consolidated interim financial statements and adjustments have been included where noted below.

Three months ended (in millions of Canadian dollars, except share data)	May 31, 2026	Feb. 28, 2026	Nov. 30, 2025	Aug. 31, 2025	May 31, 2025	Feb. 28, 2025	Nov. 30, 2024	Aug. 31, 2024
AUM & fee-earning assets[1]	$74,697	$60,461	$60,388	$56,777	$53,474	$53,842	$53,606	$49,702
Mutual fund net sales	6	190	276	247	18	258	5	14
Canadian retail net flows[2]	161	431	488	309	110	410	74	70
Canadian retail mutual fund net sales[3]	6	237	282	262	65	342	14	19
Canadian ETF and SMA net sales[4]	155	194	206	47	45	68	60	51
Total net revenue[5]	126.7	95.6	120.3	107.5	99.0	111.5	104.8	102.0
Total adjusted net revenue[5]	126.7	95.3	120.3	107.5	99.0	111.5	105.8	99.8
SG&A[6]	64.0	67.5	68.2	65.9	62.8	67.8	70.2	66.3
Adjusted SG&A[5,6]	62.6	65.0	67.9	61.3	59.5	63.6	66.2	59.6
EBITDA[5]	63.0	28.3	56.6	42.1	36.2	44.2	36.9	33.0
EBITDA margin[5]	49.7%	29.6%	47.0%	39.2%	36.6%	39.6%	35.2%	32.4%
Adjusted EBITDA[5]	64.1	30.3	52.4	46.2	39.5	47.9	39.6	40.2
Adjusted EBITDA margin[5]	50.6%	31.8%	43.6%	43.0%	39.9%	43.0%	37.4%	40.3%
Net income – equity owners of the Company	46.3	18.0	44.9	28.4	24.3	30.9	28.7	20.3
Adjusted net income – equity owners of the Company[5]	46.9	19.7	41.2	31.2	26.0	32.1	29.8	24.5
Earnings per share – equity owners of the Company								
Basic	0.72	0.28	0.70	0.44	0.37	0.47	0.45	0.31
Diluted	0.71	0.27	0.67	0.42	0.36	0.46	0.43	0.30
Adjusted diluted[5]	0.72	0.30	0.62	0.46	0.39	0.48	0.45	0.37
Free cash flow[5]	36.4	36.0	31.5	30.6	24.0	31.6	21.4	29.1
Dividends paid per share	0.135	0.125	0.125	0.125	0.125	0.115	0.115	0.115
Long-term debt	105.0	89.9	41.8	63.8	83.8	88.7	14.7	44.9
Weighted average shares – basic	64,048,801	64,326,944	64,188,565	64,631,573	65,071,539	65,188,348	64,375,093	64,414,440
Weighted average shares – diluted	65,406,524	65,878,877	66,811,576	67,212,193	67,171,507	67,227,647	67,126,886	66,518,278

[1] AUM represents assets under management and model delivery assets of AGF subsidiaries and affiliates. Fee-earning assets represents assets managed by affiliates in which AGF has carried interest ownership and earns fees but does not have ownership interest in the managers.
[2] Canadian retail net flows includes Canadian retail mutual fund net sales and Canadian ETF and SMA net sales.
[3] Net sales in retail mutual funds is 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.
[4] ETF and SMA AUM includes model delivery assets – third-party managed account assets for which AGF provides model portfolios and earns a model delivery fee, without custody or discretionary management of the underlying accounts.
[5] Total net revenue, adjusted net revenue, adjusted SG&A, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, 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.
[6] Selling, general and administrative expenses. Adjusted SG&A exclude compensation expense relating to Kensington Capital Partners Limited's legacy long-term incentive plan (LLTIP), severance and other expenses, and corporate development and acquisition related expenses.

Selected Quarterly Information

(in millions of Canadian dollars, except share data)	Three months ended May 31, 2026	Three months ended February 28, 2026	Three months ended May 31, 2025	Six months ended May 31, 2026	Six months ended May 31, 2025
AUM end of the period					
AGF Investments					
Mutual funds	$ 37,985	$ 35,817	$ 30,975	$ 37,985	$ 30,975
ETFs and SMA[1]	4,823	4,492	2,771	4,823	2,771
Segregated accounts and sub-advisory	6,634	5,923	6,448	6,634	6,448
AGF Private Wealth	9,948	9,764	8,568	9,948	8,568
AGF Capital Partners[2]	13,178	2,345	2,600	13,178	2,600
Total AUM	**$ 72,568**	**$ 58,341**	**$ 51,362**	**$ 72,568**	**$ 51,362**
AGF Capital Partners fee-earning assets[3]	2,129	2,120	2,112	2,129	2,112
Total AUM and fee-earning assets[3] end of period	**$ 74,697**	**$ 60,461**	**$ 53,474**	**$ 74,697**	**$ 53,474**
Mutual fund net sales	$ 6	$ 190	$ 18	$ 196	$ 276
Canadian retail net flows[4]	161	431	110	592	520
Canadian retail mutual fund net sales[5]	6	237	65	243	407
Canadian ETF and SMA net sales[1]	155	194	45	349	113
Net management, advisory and administration fees[6]	96.7	92.5	83.8	189.2	169.0
Adjusted selling, general and administrative[6]	62.6	65.0	59.5	127.6	123.1
Adjusted EBITDA[6]	64.1	30.3	39.5	94.4	87.4
Adjusted EBITDA margin[6]	50.6%	31.8%	39.9%	42.5%	41.5%
Adjusted net income – equity owners[6]	46.9	19.7	26.0	66.6	58.1
Adjusted diluted earnings per share – equity owners[6]	0.72	0.30	0.39	1.02	0.87
Free cash flow[6]	36.4	36.0	24.0	72.4	55.6
SUPPLEMENTARY FINANCIAL INFORMATION					
Adjusted EBITDA[6]					
Adjusted EBITDA before AGF Capital Partners	$ 42.6	$ 34.1	$ 29.5	$ 76.7	$ 58.8
From AGF Capital Partners[7,8]	21.5	(3.8)	10.0	17.7	28.6
Adjusted EBITDA	**$ 64.1**	**$ 30.3**	**$ 39.5**	**$ 94.4**	**$ 87.4**
Adjusted diluted earnings per share – equity owners of the Company[6]					
Adjusted diluted earnings per share before AGF Capital Partners	$ 0.46	$ 0.35	$ 0.29	$ 0.81	$ 0.61
From AGF Capital Partners[7]	0.26	(0.05)	0.10	0.21	0.26
Adjusted diluted earnings per share	**$ 0.72**	**$ 0.30**	**$ 0.39**	**$ 1.02**	**$ 0.87**

[1] ETF and SMA AUM includes model delivery assets – third-party managed account assets for which AGF provides model portfolios and earns a model delivery fee, without custody or discretionary management of the underlying accounts.
[2] AGF Capital Partners AUM represents the total assets under management of the Affiliate Managers that comprise AGF Capital Partners. This includes the full AUM of Affiliate Managers for which AGF consolidates or uses the equity method of accounting.
[3] AUM represents assets under management and model delivery assets of AGF subsidiaries and affiliates. Fee-earning assets represents assets managed by affiliates in which AGF has carried interest ownership and earns fees but does not have ownership interest in the managers.
[4] Canadian retail net flows includes Canadian retail mutual fund net sales and Canadian ETF and SMA net sales.
[5] Net sales in retail mutual funds is 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.
[6] For the definition of net management, advisory and administration fees, adjusted selling, general and administrative, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted earnings per share and free cash flow, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.
[7] AGF Capital Partners represents share of profit of joint ventures, which is recorded under equity accounting, income from other fee-earning arrangements on the condensed consolidated interim statement of income, long-term investments, which represents fair value adjustments and distributions related to long-term investments included in fair value adjustments and distribution income on the condensed consolidated interim statement of income.
[8] EBITDA from AGF Capital Partners excludes corporate overhead costs.

Strategic and Financial Highlights

AUM and Sales

AGF reported $74.7 billion in assets under management and fee-earning assets as at May 31, 2026, compared to $60.5 billion as at February 28, 2026 and $53.5 billion as at May 31, 2025.

Market concerns remain focused on volatility driven by shifting monetary policy, uneven economic data, disruption of industry sectors due to AI, and geopolitical uncertainty. Geopolitical tensions in the Middle East are influencing near-term market volatility, affecting equities, bond yields, and commodities, particularly oil prices.

A prolonged conflict and further escalation could lead to continued fluctuations across both local and global markets and affect liquidity, energy prices, and investment performance across multiple asset classes.

At the same time, tariffs remain an ongoing source of market risk and uncertainty given the potential impact on economic growth through pressure on corporate margins and consumer spending. Legal challenges, evolving trade frameworks, and geopolitical dynamics add further complexity.

The Company will continue to monitor any new developments and assess the potential impact to its business and operations. Material market disruptions can adversely impact local and global markets and normal market operations. Such disruptions could have an adverse impact on the value of the Company's investments and performance.

During the three months ended May 31, 2026, AGF reported mutual fund net sales of $6.0 million, compared to net sales of $190.0 million for the three months ended February 28, 2026 and net sales of $18.0 million in the comparative prior year period. Canadian retail net flows were $161.0 million for the quarter, compared to $431.0 million for the three months ended February 28, 2026 and $110.0 million in the comparative prior year period.

Investment Performance

As at May 31, 2026, the average percentile of AGF's mutual fund gross returns (before fees) over the past one year was 42% (2025 – 46%), 43% over the past three years (2025 – 51%) and 40% over the past five years (2025 – 41%), with 1st percentile representing the best possible performance. Our short- and long-term investment performance remains solid, reflecting strength across funds in multiple key categories.

Key Business Highlights

Effective May 29, 2026, AGF funded the remaining $8.3 million (US$6.0 million) of its convertible note receivable from NHC, bringing the total amount advanced to $20.7 million (US$15.0 million), and exercised its conversion right, resulting in a 24.99% interest in NHC. The Company invested an additional $28.4 million (US$20.6 million) to increase its interest to 50%, with options to subsequently increase its ownership further in the future. AGF recognized a gain of $14.7 million on the transaction.

John Porter joined AGF Investments as Chief Investment Officer, bringing decades of global investment management and leadership experience to support the firm's investment capabilities and long-term growth strategy.

This quarter, AGF launched Capitol Signals, a subscription-based newsletter featuring insights from Henrietta Treyz, Co-Founder and Director of Economic Policy at Veda Partners, providing clients with timely analysis of U.S. policy developments and their potential impact on global markets.

AGF International Advisors Company Limited, a subsidiary of AGF, remains a signatory to the UK Stewardship Code, a best-practice benchmark in investment stewardship.

Financial Highlights

For the three months ended May 31, 2026, AGF reported total adjusted EBITDA of $64.1 million, compared to $30.3 million for the three months ended February 28, 2026 and $39.5 million in the comparative prior year period. For the three months ended May 31, 2026, AGF reported an adjusted EBITDA margin of 50.6%, compared to 31.8% for the three months ended February 28, 2026 and 39.9% in the comparative prior year period. The change is outlined below.

The three months ended May 31, 2026, EBITDA and net income were positively impacted by a $14.7 million gain recognized on the NHC transaction.

Net management, advisory and administration fees were $96.7 million for the three months ended May 31, 2026, compared to $92.5 million for the three months ended February 28, 2026 and $83.8 million in the comparative prior year period. Changes in 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), related fees, and the number of days in the period. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.68% for the three months ended May 31, 2026, compared to 0.68% for the three months ended February 28, 2026 and 0.70% for the comparative prior year period. The net management, advisory and administration fees increased over the comparable prior periods primarily due to higher average AUM mainly driven by positive net sales and strong market performance.

Adjusted SG&A was $62.6 million for the three months ended May 31, 2026, compared to $65.0 million for the three months ended February 28, 2026 and $59.5 million for the comparative prior year period. Adjusted SG&A decreased compared to the prior period, primarily due to lower government benefits, and increased over the comparable prior year period, driven by higher performance-based compensation expenses.

For the three months ended May 31, 2026, adjusted EBITDA from AGF Capital Partners was $21.5 million, compared to -$3.8 million for the three months ended February 28, 2026 and $10.0 million for the comparative prior year period. The increase over the prior period is primarily due to higher revenue from long-term investments and a $14.7 million gain recognized on the NHC transaction. Revenue from long-term investments were $5.4 million, compared to -$10.6 million for the three months ended February 28, 2026 and $6.5 million for the comparative prior year period. Revenue from 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 May 31, 2026, adjusted diluted earnings per share attributable to equity owners of the Company was $0.72, compared to $0.30 for the three months ended February 28, 2026 and $0.39 for the comparative prior year period. AGF Capital Partners business contributed $0.26 for the three months ended May 31, 2026, compared to -$0.05 for the three months ended February 28, 2026 and $0.10 for the comparative prior year period.

AGF generated free cash flow of $36.4 million during the three months ended May 31, 2026 compared to $36.0 million during the three months ended February 28, 2026 and $24.0 million during the comparable prior year period.

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 Private Wealth and AGF Capital Partners.

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 820,000 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 Affiliate Managers across both private assets and alternative strategies. Clients benefit from the specialized investment expertise of Affiliate Managers[1] combined with the organizational support and breadth of resources of AGF. With over 19 years average experience, AGF Capital Partners Affiliate Managers, including Kensington Capital Partners Limited, New Holland Capital, LLC and AGF SAF Private Credit, manage approximately C$15.3 billion[2,3] in alternative AUM and fee-earning assets on behalf of institutional and retail clients.

Kensington Capital Partners Limited

Founded in 1996, Kensington Capital Partners Limited (KCPL) is a Canadian alternative asset manager with offices in Toronto 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 $2.0 billion, managed across several active funds covering venture capital, growth equity and mid-market buyouts. AGF's ownership in Kensington is 58% as at May 31, 2026.

New Holland Capital, LLC

New Holland Capital, LLC (NHC) is a New-York based multi-strategy investment manager with more than US$7.8 billion in assets under management and more than 18 years of experience providing institutional investors with absolute return investment strategies across the liquidity spectrum with a focus on multi-strategy hedge funds and private credit. The firm seeks to generate alpha across a wide set of diversifying strategies, with a preference for niche, capacity-constrained opportunities.

On May 29, 2026, a subsequent investment was made in NHC, whereby AGF funded the remaining $8.3 million (US$6.0 million) of its convertible note receivable from NHC, bringing the total amount advanced to $20.7 million (US$15.0 million), and exercised its conversion right, resulting in a 24.99% interest in NHC. The Company invested an additional $28.4 million (US$20.6 million) to increase its interest to 50%, with options to subsequently increase its ownership further in the future.

AGF SAF Private Credit Management LP

AGF SAF Private Credit Management LP is a partnership between AGF Management Limited (AGF) and an entity within the SAF Group (collectively, SAF) that manages a limited partnership that invests in private credit products in the Canadian middle market and lower middle market segment. The strategy focuses on direct lending via senior secured, unitranche and subordinated debt investments. AGF has been investing with SAF since 2014, bringing together AGF's experience and resources with SAF's specialized focus in private credit investing.

[1] The term 'Affiliate Manager' refers to any partner regardless of relationship structures or revenue sharing agreements. The form of AGF's structured partnership interests in Affiliate Managers differs from Affiliate Manager to Affiliate Manager. The structure of the relationship with a particular Affiliate Manager, or the revenue that AGF agrees to share in, may change. When AGF owns a controlling equity interest in an Affiliate Manager, we consolidate the Affiliate Manager's financial results into our Consolidated Financial Statements. When AGF does not control an Affiliate Manager but has significant influence, the investment is accounted for using the equity method. Under this method, the Affiliate Manager's results are not consolidated; instead, AGF's share of earnings or losses, net of amortization and impairments, is recognized in share of profit of joint ventures in the Condensed Consolidated Statements Interim of Income, with the related investment presented in investment in associates and joint ventures on the Condensed Consolidated Interim Statement of financial position.

[2] AGF Capital Partners AUM represents the total assets under management of the Affiliate Managers that comprise AGF Capital Partners. This includes the full AUM of Affiliate Managers for which AGF consolidates or uses the equity method of accounting. Fee-earning assets represents assets managed by affiliates in which AGF has carried interest ownership and earns fees but does not have ownership interest in the managers.

[3] U.S. AUM converted FX rate as at May 31, 2026 (1.38).

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 and Culture: 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, we are executing on a multi-year project to enhance AGF's corporate sustainability practices:

- AGF tracks a comprehensive set of metrics linked to key factors 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

AUM is the main driver of AGF's revenue, which for the most part, is calculated as a percentage of the Company's AUM. The following table presents a continuity of changes in AUM and fee-earning assets.

	Three months ended				
(in millions of Canadian dollars)	May 31, 2026	Feb. 28, 2026	Nov. 30, 2025	Aug. 31, 2025	May 31, 2025
Mutual fund AUM, beginning of the period[1]	$ 35,817	$ 34,984	$ 32,958	$ 30,975	$ 31,167
Gross sales	1,363	1,650	1,425	1,260	1,148
Redemptions	(1,357)	(1,460)	(1,149)	(1,013)	(1,130)
Net sales	6	190	276	247	18
Market appreciation of fund portfolios	$ 2,162	$ 643	$ 1,750	$ 1,736	$ (210)
Mutual fund AUM, end of the period[1]	$ 37,985	$ 35,817	$ 34,984	$ 32,958	$ 30,975
Average daily mutual fund AUM[1]	$ 35,869	$ 35,154	$ 34,424	$ 32,122	$ 29,770
ETFs and SMA AUM, end of the period[2]	4,823	4,492	4,136	3,487	2,771
Segregated accounts and sub-advisory AUM, end of the period	$ 6,634	$ 5,923	$ 7,190	$ 6,685	$ 6,448
Total AGF Investments AUM	**$ 49,442**	**$ 46,232**	**$ 46,310**	**$ 43,130**	**$ 40,194**
AGF Private Wealth AUM	$ 9,948	$ 9,764	$ 9,488	$ 9,016	$ 8,568
Subtotal excluding AGF Capital Partners AUM, end of the period	**$ 59,390**	**$ 55,996**	**$ 55,798**	**$ 52,146**	**$ 48,762**
AGF Capital Partners AUM[3]	$ 13,178	$ 2,345	$ 2,454	$ 2,510	$ 2,600
Total AUM	**$ 72,568**	**$ 58,341**	**$ 58,252**	**$ 54,656**	**$ 51,362**
AGF Capital Partners fee-earning assets[4]	$ 2,129	$ 2,120	$ 2,136	$ 2,121	$ 2,112
Total AUM and fee-earning assets[4], end of the period	**$ 74,697**	**$ 60,461**	**$ 60,388**	**$ 56,777**	**$ 53,474**
Total AGF Capital Partners AUM and fee-earning assets[3,4]	**$ 15,307**	**$ 4,465**	**$ 4,590**	**$ 4,631**	**$ 4,712**

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

[2] ETF and SMA AUM includes model delivery assets – third-party managed account assets for which AGF provides model portfolios and earns a model delivery fee, without custody or discretionary management of the underlying accounts.

[3] AGF Capital Partners AUM represents the total assets under management of the Affiliate Managers that comprise AGF Capital Partners. This includes the full AUM of Affiliate Managers for which AGF consolidates or uses the equity method of accounting.

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

Consolidated Operating Results

(in millions of Canadian dollars, except per share data)	Three months ended May 31, 2026	Three months ended February 28, 2026	Three months ended May 31, 2025	Six months ended May 31, 2026	Six months ended May 31, 2025
Revenues					
Management, advisory and administration fees	$ 135.8	$ 131.0	$ 119.5	$ 266.8	$ 242.3
Trailing commissions and investment advisory fees	(39.1)	(38.5)	(35.7)	(77.6)	(73.3)
Net management, advisory and administration fees[1]	96.7	92.5	83.8	189.2	169.0
Deferred sales charges	0.8	0.9	1.0	1.7	2.2
Revenue from AGF Capital Partners[1]	26.6	1.1	14.6	27.7	38.2
Other revenue[1]	2.6	1.1	(0.4)	3.7	1.1
Total net revenue[1]	$ 126.7	$ 95.6	$ 99.0	$ 222.3	$ 210.5
Selling, general and administrative	64.0	67.5	62.8	131.5	130.6
Fair value adjustments on business acquisition liabilities	(0.3)	(0.2)	–	(0.5)	(0.5)
EBITDA[1]	**$ 63.0**	**$ 28.3**	**$ 36.2**	**$ 91.3**	**$ 80.4**
Amortization, depreciation and derecognition	2.5	2.5	2.4	5.0	4.8
Interest expense	1.5	1.4	1.8	2.9	3.0
Net income before income taxes	$ 59.0	$ 24.4	$ 32.0	$ 83.4	$ 72.6
Income tax expense	12.8	5.9	7.9	18.7	18.4
Net income for the period	**$ 46.2**	**$ 18.5**	**$ 24.1**	**$ 64.7**	**$ 54.2**
Net income attributable to:					
Equity owners of the Company	$ 46.3	$ 18.0	$ 24.3	$ 64.3	$ 55.2
Non-controlling interest	(0.1)	0.5	(0.2)	0.4	(1.0)
Earnings per share attributable to equity owners of the Company					
Basic earnings per share	$ 0.72	$ 0.28	$ 0.37	$ 1.00	$ 0.85
Diluted earnings per share	$ 0.71	$ 0.27	$ 0.36	$ 0.98	$ 0.82

[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
- 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
- Severance related costs and other expenses that are not part of the Company's normal course of business
- Corporate development and acquisition related expenses
- Fair value adjustments on acquisition related liabilities including contingent consideration payable and the put obligation liability

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

	Three months ended			Six months ended	
(in millions of Canadian dollars, except per share data)	**May 31, 2026**	**February 28, 2026**	**May 31, 2025**	**May 31, 2026**	**May 31, 2025**
Revenues					
Management, advisory and administration fees	$ 135.8	$ 131.0	$ 119.5	$ 266.8	$ 242.3
Trailing commissions and investment advisory fees	(39.1)	(38.5)	(35.7)	(77.6)	(73.3)
Net management, advisory and administration fees[1]	96.7	92.5	83.8	189.2	169.0
Deferred sales charges	0.8	0.9	1.0	1.7	2.2
Adjusted revenue from AGF Capital Partners[1]	26.6	0.8	14.6	27.4	38.2
Other revenue[1]	2.6	1.1	(0.4)	3.7	1.1
Total adjusted net revenue[1]	$ 126.7	$ 95.3	$ 99.0	$ 222.0	$ 210.5
Adjusted selling, general and administrative[1]	62.6	65.0	59.5	127.6	123.1
Adjusted EBITDA[1]	**$ 64.1**	**$ 30.3**	**$ 39.5**	**$ 94.4**	**$ 87.4**
Amortization, depreciation and derecognition	2.5	2.5	2.4	5.0	4.8
Interest expense	1.5	1.4	1.8	2.9	3.0
Adjusted net income before income taxes	$ 60.1	$ 26.4	$ 35.3	$ 86.5	$ 79.6
Adjusted income tax expense	13.0	6.4	8.8	19.5	20.2
Adjusted net income for the period	**$ 47.1**	**$ 20.0**	**$ 26.5**	**$ 67.0**	**$ 59.4**
Adjusted net income attributable to:					
Equity owners of the Company	$ 46.9	$ 19.7	$ 26.0	$ 66.6	$ 58.1
Non-controlling interest	0.2	0.3	0.5	0.4	1.3
Earnings per share attributable to equity owners of the Company					
Adjusted diluted earnings per share	$ 0.72	$ 0.30	$ 0.39	$ 1.02	$ 0.87

[1] For the definition of net management, advisory and administration fees, adjusted revenue from AGF Capital Partners, other revenue, total adjusted 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 and six months ended May 31, 2026, net management, advisory and administration fees were $96.7 million and $189.2 million, an increase of $12.9 million and $20.2 million or 15% and 12%, compared to $83.8 million and $169.0 million in the same period in 2025. The increase is primarily due to an increase in average AUM for the period. Annualized net management, advisory and administration fees as a percentage of average AUM was 0.68% and 0.68% for the three and six months ended May 31, 2026, compared to 0.70% and 0.70% for the same period in 2025.

	Three months ended			Six months ended	
(in millions of Canadian dollars, except revenue rate)	**May 31, 2026**	**February 28, 2026**	**May 31, 2025**	**May 31, 2026**	**May 31, 2025**
Net management, advisory and administration fees	$ 96.7	$ 92.5	$ 83.8	$ 189.2	$ 169.0
Average AUM[1]	56,489	55,168	47,476	55,848	48,120
Net revenue rate, excluding AGF Capital Partners	**0.68%**	**0.68%**	**0.70%**	**0.68%**	**0.70%**

[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 and the age of the assets being redeemed. DSC revenue was $0.8 million and $1.7 million for the three and six months ended May 31, 2026, compared to $1.0 million and $2.2 million for the same period in 2025. 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 AGF's multi-boutique alternatives business with Affiliate Managers across both private assets 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 and other revenue.

	Three months ended			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Revenue					
Management and administration fees[1]	$ 5.6	$ 5.6	$ 6.1	$ 11.2	$ 13.2
Manager earnings, including carried interest[2]	0.1	0.3	0.3	0.4	0.6
Performance fees[3]	–	0.5	–	0.5	–
Income from fee-earning arrangements	0.8	0.7	0.8	1.5	1.5
Revenue from long-term investments	5.4	(10.6)	6.5	(5.2)	22.0
Other fair value adjustments and income[4]	14.7	4.6	0.9	19.3	0.9
Revenue from AGF Capital Partners[5]	**$ 26.6**	**$ 1.1**	**$ 14.6**	**$ 27.7**	**$ 38.2**
Less:					
Performance fee allocated to the KCPL LLTIP	–	(0.3)	–	(0.3)	–
Adjusted revenue from AGF Capital Partners[5]	**$ 26.6**	**$ 0.8**	**$ 14.6**	**$ 27.4**	**$ 38.2**

[1] Represents revenue from KCPL.

[2] Represents share of profit of joint ventures, other revenue related to AGF Capital Partners' Managers and Affiliated Managers and carried interest earnings.

[3] Represents performance fees from KCPL.

[4] Includes a $14.7 million fair value gain recognized on the NHC transaction.

[5] For the definition of revenue and adjusted revenue from AGF Capital Partners, see the 'Key Performance Indicators, Additional IFRS and Non-IFRS Measures' section.

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 Condensed Consolidated Interim Statement of Income. For additional information, see Note 4 of the Condensed Consolidated Interim Financial Statements.

In addition, AGF earns ongoing fees through fee arrangements with Instar Group Inc. (Instar) and First Ascent Ventures (First Ascent). For additional information, see Note 6 of the Condensed Consolidated Interim 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 Condensed Consolidated Interim Statement of Income and can fluctuate with the amount of capital invested, monetizations, and changes in fair value. For additional information, see Note 3(b) of the Condensed Consolidated Interim Financial Statements.

Revenue from long-term investments was $5.4 million, compared to -$10.6 million for the three months ended February 28, 2026 and $6.5 million for the comparative prior year period. The movement is primarily related to the fair value adjustments recorded on long-term investments. As at May 31, 2026, the carrying value of AGF's long-term investments in AGF Capital Partners business was $417.8 million, compared to $409.7 million in the comparative prior year period. The increase is primarily due to capital fundings and fair value adjustments.

	Three months ended			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Committed capital, end of period	$ 333.3	$ 333.3	$ 334.0	$ 333.3	$ 334.0
Funded capital, since inception	321.6	321.6	319.1	321.6	319.1
Remaining committed capital	**$ 11.7**	**$ 11.7**	**$ 14.9**	**$ 11.7**	**$ 14.9**
Fair value of investments	**$ 417.8**	**$ 413.8**	**$ 409.7**	**$ 417.8**	**$ 409.7**

Other fair value adjustments and income were $14.7 million, compared to $4.6 million for the three months ended February 28, 2026 and $0.9 million for the comparative prior year period. The increase is primarily related to the fair value gain recognized on the NHC transaction. For additional information, see Note 8(b) of the Condensed Consolidated Interim Financial Statements.

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 and six months ended May 31, 2026, the Company recorded other revenue of $2.6 million and $3.7 million, compared to loss of $0.4 million and revenue of $1.1 million in the comparative prior year period. The Company recorded a gain of $1.0 million and $1.6 million in fair value adjustments related to investments in AGF mutual funds and $1.0 million and $1.7 million of interest income for the three and six months ended May 31, 2026, compared to a loss of $0.1 million and $nil in fair value adjustments related to investments in AGF mutual funds and $0.6 million and $1.3 million of interest income in the comparative prior year period.

	Three months ended			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Fair value adjustment related to investment in AGF mutual funds	$ 1.0	$ 0.6	$ (0.1)	$ 1.6	$ –
Interest income	1.0	0.7	0.6	1.7	1.3
Other	0.6	(0.2)	(0.9)	0.4	(0.2)
Other revenue (expense)	**$ 2.6**	**$ 1.1**	**$ (0.4)**	**$ 3.7**	**$ 1.1**

Expenses

Selling, General and Administrative Expenses (SG&A)

For the three and six months ended May 31, 2026, SG&A was $64.0 million and $131.5 million, an increase of $1.2 million and $0.9 million or an increase of 1.9% and 0.7%, compared to $62.8 million and $130.6 million for the same period in 2025. Excluding KCPL LLTIP compensation expense, severance and other expenses, and corporate development and acquisition related expenses, adjusted SG&A was $62.6 million and $127.6 million for the three and six months ended May 31, 2026, an increase of $3.1 million and $4.5 million or 5.2% and 3.7%, compared to $59.5 million and $123.1 million for the comparative prior year period.

(in millions of Canadian dollars)		Three months ended May 31, 2026		Six months ended May 31, 2026
Increase in performance-based compensation expenses	$	3.1	$	3.4
Increase in salaries and benefits expenses		0.2		0.2
Decrease in stock-based compensation expenses		(0.4)		(0.9)
Increase in non-compensation related expenses		0.2		1.8
Total change in adjusted SG&A	**$**	**3.1**	**$**	**4.5**
Decrease in corporate development and acquisition related expenses		(0.1)		(0.1)
Increase (decrease) in severance and other expenses		(0.9)		1.5
Decrease in KCPL LLTIP expense		(0.9)		(5.0)
Total change in SG&A	**$**	**1.2**	**$**	**0.9**

The following explains expense changes in the three and six months ended May 31, 2026, compared to the comparative prior year period.

- Performance-based compensation expenses increased by $3.1 million and $3.4 million, primarily driven by higher sales and incentives.
- Stock-based compensation expenses decreased by $0.4 million and $0.9 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 and cash-settled RSUs through TRS agreements. For additional information, see Note 8(a) of the Condensed Consolidated Interim Financial Statements. As at May 31, 2026, the Company has economically hedged all of the applicable units.
- Non-compensation related expenses increased by $0.2 million and $1.8 million, primarily due to an increase in sales and marketing expenses, and inflation.
- Corporate development and acquisition related expenses decreased by $0.1 million and $0.1 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.
- LLTIP expenses decreased by $0.9 million and $5.0 million. KCPL has established an 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.

Fair Value Adjustments on Business Acquisition Liabilities

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

For the three and six months ended May 31, 2026, fair value adjustments on business acquisition liabilities reduced expenses by $0.3 million and $0.5 million (2025 – immaterial and $0.5 million). For additional information, see Note 8 of the Condensed Consolidated Interim Financial Statements.

Amortization and Interest Expense

The category includes depreciation and amortization of these assets as well as interest expense. Amortization represents the systematic allocation of the cost of management contracts, other intangible assets, right-of-use assets, property and equipment, and computer software.

Amortization and depreciation increased by $0.1 million and $0.2 million for the three and six months ended May 31, 2026, compared to the comparative prior year period.

Interest expense decreased by $0.2 million and $0.1 million for the three and six months ended May 31, 2026, compared to the comparative prior year period. The fluctuation is driven by the increase in the outstanding long-term debt balance.

Income Tax Expense

Income tax expense for the three and six months ended May 31, 2026 was $12.8 million and $18.7 million, compared to $7.9 million and $18.4 million in the comparative prior year period. The increase is due to higher income before taxes and partially offset by a lower effective tax rate.

The effective tax rate for the six months ended May 31, 2026 was 22.4% (2025 – 25.4%). The main items impacting the effective tax rate in the period relate to fair value gains for accounting purposes on the conversion of the NHC convertible note that are not subject to tax in the relevant jurisdiction, and prior period tax adjustments.

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 results 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 and Earnings per Share 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 $46.3 million and $64.3 million, or $0.71 and $0.98 diluted earnings per share for the three and six months ended May 31, 2026, compared to $24.3 million and $55.2 million, or $0.36 and $0.82 diluted earnings per share in the comparative prior year period. Excluding the impact of compensation related to KCPL's LLTIP, severance and other expenses, and fair value adjustments on business acquisition liabilities, adjusted net income attributable to equity owners of the Company is $46.9 million and $66.6 million, or $0.72 and $1.02 adjusted diluted earnings per share for the three and six months ended May 31, 2026, compared to $26.0 million and $58.1 million, or $0.39 and $0.87 adjusted diluted earnings per share in the comparative prior year period.

Liquidity and Capital Resources

The Company's primary sources of liquidity include daily operating cash flows from our AUM, as well as the availability of funds that may be drawn against our credit facility. As at May 31, 2026, the Company had total cash and cash equivalents of $54.3 million (November 30, 2025 – $47.7 million). During the six months ended May 31, 2026, we generated $6.6 million (2025 – used $19.2 million) in cash as follows:

(in millions of Canadian dollars)	Six months ended May 31, 2026	Six months ended May 31, 2025
Net cash provided by operating activities	$ 25.2	$ 13.2
Investing activities:		
Investment in associates and joint ventures	(28.5)	(1.0)
Purchase of long-term investments	(0.7)	(77.0)
Purchase of property, equipment and computer software, net of disposals	(3.4)	(2.0)
Net return of capital of short-term investments, including seed capital	3.8	4.5
Funding of convertible note receivable	(8.3)	–
Net cash used in investing activities	(37.1)	(75.5)
Financing activities:		
Purchase of Class B Non-Voting shares for cancellation	(22.5)	(2.5)
Issue of Class B non-voting shares	6.2	2.1
Purchase of NCI shares	(2.3)	(3.0)
Purchase of treasury stock	(4.9)	(2.3)
Dividends paid	(16.4)	(15.4)
Net issuance of long-term debt	63.0	69.0
Interest paid	(1.5)	(1.6)
Lease payments	(3.1)	(3.2)
Net cash provided by financing activities	18.5	43.1
Change in cash and cash equivalents	**$ 6.6**	**$ (19.2)**

During the six months ended May 31, 2026, AGF drew $63.0 million, net of repayments (2025 – $69.0 million) against the credit facility to support the Company's operation and strategic plan. Total long-term debt outstanding as at May 31, 2026 was $105.0 million (November 30, 2025 – $42.0 million) and $45.0 million was available to be drawn from the revolving credit facility and swingline facility to meet future operational investment needs. In addition, the Company has an accordion available, subject to approval, of $100.0 million with the credit facility.

As at May 31, 2026, the Company has right-of-use assets of $65.9 million and total lease liabilities of $80.7 million recorded on the Condensed Consolidated Interim Statement of Financial Position (November 30, 2025 – $65.7 million and $79.6 million). During the three months ended May 31, 2026, the Company made lease payments of $3.1 million (2025 – $3.2 million). For additional information, see Note 7 of the Condensed Consolidated Interim Financial Statements.

During the six months ended May 31, 2026, the Company made long-term investments of $0.7 million into the AGF Capital Partners business (2025 – $77.0 million). As at May 31, 2026, the Company has funded $321.6 million (November 30, 2025 – $321.6 million) in funds and investments associated with the AGF Capital Partners business and has $11.7 million (November 30, 2025 – $11.7 million) remaining to be funded.

On May 29, 2026, the Company funded the remaining $8.3 million (US$6.0 million) under the NHC convertible note receivable agreement. In addition, the Company exercised its investment option, investing an additional $28.4 million (US$20.6 million) to increase its interest in NHC to 50%. For additional information, see Note 8(b) of the Condensed Consolidated Interim Financial Statements.

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

Capital Management Activities

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

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

AGF's 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, President and Chief Operating Officer, Chief Financial Officer, Chief Investment Officer, and Head of AGF Capital Partners. Once approved by the Executive Management committee, the three-year plans are reviewed and approved by AGF's Board of Directors. These plans become the basis for the payment of dividends to shareholders, the repurchase of Class B Non-Voting shares and, combined with the reasonable use of leverage, the source of funds for expansion through organic growth and strategic investments.

Normal Course Issuer Bid

On February 5, 2026, 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 10, 2026 and February 9, 2027, AGF may purchase up to 4,693,830 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 and six months ended May 31, 2026, AGF purchased 552,850 and 1,257,381 (2025 – 235,400 and 243,800) Class B Non-Voting shares for cancellation under the NCIB at an average price of $19.19 and $17.88 (2025 – $10.16 and $10.18) per share for a total cost of $10.6 million and $22.5 million (2025 – $2.4 million and $2.5 million).

During the three and six months ended May 31, 2026, $7.2 million and $14.8 million premium (2025 – $1.0 million and $1.0 million premium) from the recorded capital stock value of the shares purchased for cancellation was recorded in retained earnings.

During the three and six months ended May 31, 2026, AGF purchased nil and 300,000 (2025 – 1,900 and 200,000) Class B Non-Voting shares for the EBT for a total cost of $nil and $4.9 million (2025 – immaterial and $2.3 million).

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	**2026[1]**	**2025**	**2024**	**2023**	**2022**
Per share	$ 0.260	$ 0.490	$ 0.455	$ 0.430	$ 0.390

[1] Represents the total dividends paid in January and April 2026.

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 April 30, 2026 was 13.5 cents per share.

On June 23, 2026, 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 13.5 cents per share in respect of the three months ended May 31, 2026.

Outstanding Share Data

Set out below is our outstanding share data as at May 31, 2026 and 2025. For additional detail, see Notes 11 and 13 of the Condensed Consolidated Interim Financial Statements.

	May 31, 2026	**May 31, 2025**
Shares		
Class A Voting common shares	57,600	57,600
Class B Non-Voting shares	64,032,889	65,040,351
Stock Options		
Outstanding options	837,406	2,254,584
Exercisable options	588,500	1,747,768

Market Capitalization

AGF's market capitalization is $1,124.1 million, compared to its recorded net assets of $1,259 million as at May 31, 2026. In 2025, 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, 2025. There have been no significant changes to the recoverable amount of each CGU as at May 31, 2026; 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.

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.

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 as discussed in Note 8 of the Condensed Consolidated Interim Financial Statements
- 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
- 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

Revenue from AGF Capital Partners

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

	Three months ended			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Management, advisory and administration fees	$ 141.4	$ 136.6	$ 125.6	$ 278.0	$ 255.5
Share of profit of joint ventures	0.1	0.3	0.3	0.4	0.5
Performance fees	–	0.5	–	0.5	–
Other income from fee-earning arrangements	0.8	0.7	0.8	1.5	1.5
Other income	1.6	4.9	0.7	6.5	2.1
Fair value adjustments and distribution income	21.1	(9.7)	6.4	11.4	22.0
Less:					
Management, advisory and administration fees excluding AGF Capital Partners	(135.8)	(131.0)	(119.6)	(266.8)	(242.3)
Other income excluding AGF Capital Partners	(1.6)	(0.6)	0.3	(2.2)	(1.1)
Fair value adjustment related to investment in AGF mutual funds	(1.0)	(0.6)	0.1	(1.6)	–
Revenue from AGF Capital Partners	**$ 26.6**	**$ 1.1**	**$ 14.6**	**$ 27.7**	**$ 38.2**
Adjusted for:					
Performance fee allocated to KCPL LLTIP[1]	–	(0.3)	–	(0.3)	–
Adjusted revenue from AGF Capital Partners	**$ 26.6**	**$ 0.8**	**$ 14.6**	**$ 27.4**	**$ 38.2**

[1] Performance fee earned that is required to be used to settle the KCPL LLTIP.

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			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Other income	$ 1.6	$ 4.9	$ 0.7	$ 6.5	$ 2.1
Add/(less):					
Other income from AGF Capital Partners[1]	–	(4.4)	(1.0)	(4.4)	(1.0)
Fair value adjustment related to investment in AGF mutual funds	1.0	0.6	(0.1)	1.6	–
Other revenue (expense)	**$ 2.6**	**$ 1.1**	**$ (0.4)**	**$ 3.7**	**$ 1.1**

[1] Represents other income generated from AGF Capital Partners' affiliated managers.

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			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Selling, general and administrative	$ 64.0	$ 67.5	$ 62.8	$ 131.5	$ 130.6
Adjusted for:					
Accrued KCPL LLTIP compensation expense	(0.3)	1.0	(1.2)	0.7	(4.3)
Severance and other expenses	(1.1)	(3.5)	(2.0)	(4.6)	(3.1)
Corporate development and acquisition related expenses	–	–	(0.1)	–	(0.1)
Adjusted selling, general and administrative	**$ 62.6**	**$ 65.0**	**$ 59.5**	**$ 127.6**	**$ 123.1**

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			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Net income	$ 46.2	$ 18.5	$ 24.1	$ 64.7	$ 54.2
Adjustments:					
Amortization, depreciation and derecognition	2.5	2.5	2.4	5.0	4.8
Interest expense	1.5	1.4	1.8	2.9	3.0
Income tax expense	12.8	5.9	7.9	18.7	18.4
EBITDA	**$ 63.0**	**$ 28.3**	**$ 36.2**	**$ 91.3**	**$ 80.4**
Adjusted for:					
Performance fee allocated to KCPL LLTIP	$ –	$ (0.3)	$ –	$ (0.3)	$ –
Accrued KCPL LLTIP compensation expense	0.3	(1.0)	1.2	(0.7)	4.3
Severance and other expenses	1.1	3.5	2.0	4.6	3.1
Corporate development and acquisition related expenses	–	–	0.1	–	0.1
Fair value adjustment on business acquisition liabilities	(0.3)	(0.2)	–	(0.5)	(0.5)
Adjusted EBITDA	**$ 64.1**	**$ 30.3**	**$ 39.5**	**$ 94.4**	**$ 87.4**

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 net revenue and permits comparison against companies within the industry. EBITDA margin is defined as the ratio of EBITDA to net revenue. Please see the EBITDA section of this MD&A for a reconciliation between EBITDA and net revenue.

	Three months ended			Six months ended	
(in millions of Canadian dollars)	**May 31, 2026**	**February 28, 2026**	**May 31, 2025**	**May 31, 2026**	**May 31, 2025**
EBITDA	$ 63.0	$ 28.3	$ 36.2	$ 91.3	$ 80.4
Divided by net revenue	126.7	95.6	99.0	222.3	210.5
EBITDA margin	**49.7%**	**29.6%**	**36.6%**	**41.1%**	**38.2%**

Adjusted EBITDA Margin

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

	Three months ended			Six months ended	
(in millions of Canadian dollars)	**May 31, 2026**	**February 28, 2026**	**May 31, 2025**	**May 31, 2026**	**May 31, 2025**
Adjusted EBITDA	$ 64.1	$ 30.3	$ 39.5	$ 94.4	$ 87.4
Divided by adjusted net revenue	126.7	95.3	99.0	222.0	210.5
Adjusted EBITDA margin	**50.6%**	**31.8%**	**39.9%**	**42.5%**	**41.5%**

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			Six months ended	
(in millions of Canadian dollars)	**May 31, 2026**	**February 28, 2026**	**May 31, 2025**	**May 31, 2026**	**May 31, 2025**
Net debt	$ 50.7	$ 47.4	$ 49.9	$ 50.7	$ 49.9
Divided by adjusted EBITDA (12-month trailing)	193.0	168.4	167.2	193.0	167.2
Net debt to adjusted EBITDA ratio	**26.3%**	**28.1%**	**29.8%**	**26.3%**	**29.8%**

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			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Net income – attributable to equity owners of the Company	$ 46.3	$ 18.0	$ 24.3	$ 64.3	$ 55.2
Adjusted for pre-tax expenses:					
Performance fee allocated to KCPL LLTIP – attributable to equity owners of the Company	–	(0.2)	–	(0.2)	–
Accrued KCPL LLTIP compensation expense – attributable to equity owners of the Company	0.2	(0.6)	0.7	(0.4)	2.4
Severance and other expenses	1.0	3.2	1.6	4.2	2.1
Fair value adjustments on business acquisition liabilities	(0.3)	(0.2)	–	(0.5)	(0.5)
Tax impact on adjustments	(0.3)	(0.5)	(0.6)	(0.8)	(1.1)
Adjusted net income – attributable to equity owners of the Company	**$ 46.9**	**$ 19.7**	**$ 26.0**	**$ 66.6**	**$ 58.1**

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.

	Three months ended			Six months ended	
(in millions of Canadian dollars)	May 31, 2026	February 28, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Net income for the period	$ 46.2	$ 18.5	$ 24.1	$ 64.7	$ 54.2
Adjusted for non-cash items and change in working capital balances	5.4	(44.9)	13.2	(39.5)	(41.0)
Net cash provided by (used in) operating activities	$ 51.6	$ (26.4)	$ 37.3	$ 25.2	$ 13.2
Net changes in non-cash working capital balances related to operations	(12.5)	63.7	(11.1)	51.2	37.5
	39.1	37.3	26.2	76.4	50.7
Adjusted for:					
Performance fee allocated to KCPL LLTIP	–	(0.3)	–	(0.3)	–
Accrued KCPL LLTIP compensation expense	0.3	(1.0)	1.2	(0.7)	4.3
Severance and other expenses	1.1	3.5	2.0	4.6	3.1
Corporate development and acquisition related expenses	–	–	0.1	–	0.1
	$ 40.5	$ 39.5	$ 29.5	$ 80.0	$ 58.2
Income taxes paid during the period	6.9	8.7	8.4	15.6	23.2
	$ 47.4	$ 48.2	$ 37.9	$ 95.6	$ 81.4
Income taxes related to current period free cash flow	(8.6)	(10.0)	(11.2)	(18.6)	(21.1)
Interest and lease payments	(2.4)	(2.2)	(2.7)	(4.6)	(4.7)
Free cash flow	**$ 36.4**	**$ 36.0**	**$ 24.0**	**$ 72.4**	**$ 55.6**

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 2025 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.

Managing Risk

AGF is subject to a number of risk factors that may impact our operating and financial performance. These risks and the management of these risks are detailed in our 2025 Annual MD&A in the section entitled 'Risk Factors and Management of Risk'.

Market Risk

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

Considerations related to global trade policy and tariffs is contributing to higher volatility and could ultimately impact the trajectory of investment returns over the next 12 months.

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 $6.8 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 AUM balances for the quarter, the effect of a 5% change in the Canadian dollar would have resulted in a corresponding change of approximately $1.9 billion in average AUM for the three months ended May 31, 2026.

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

Interest Rate Risk

The Company has exposure to the risk related to changes in interest rates on floating-rate debt and cash balances. Using outstanding debt balances for the quarter, the effect of a 1% change in variable interest rates on floating-rate debt and cash balances in the second quarter of 2026 would have resulted in a corresponding change of approximately $0.3 million in interest expense for the three months ended May 31, 2026. Using maximum available debt balance for the quarter, the effect of a 1% change in variable interest rates on our floating-rate debt and cash balances in the second quarter of 2026 would have resulted in a corresponding annualized change of approximately $1.5 million in interest expense.

At May 31, 2026, approximately 15.2% 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 $2.2 million in revenue.

Political and Market Risk in Assets Under Management

AGF performance and assets under management are impacted by financial markets and political conditions, including any political change in the United States, Europe and abroad. Changes in these areas may result in significant volatility and decline in the global economy or specific international, regional and domestic financial markets, which are beyond the control of AGF. A general economic downturn, market volatility and an overall lack of investor confidence could result in lower sales, higher redemption levels and lower AUM levels. In addition, market uncertainty could result in retail investors avoiding traditional equity funds in favour of money market funds. Global markets remain volatile due to considerations related to global trade policy and tariffs. 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 May 31, 2026 and November 30, 2025:

Percentage of total retail fund AUM	**May 31, 2026**	**November 30, 2025**
Domestic equity funds	12.8%	13.4%
U.S. and international equity funds	67.0%	65.1%
Domestic balanced funds	0.2%	0.2%
U.S. and international balanced funds	4.0%	4.1%
Domestic fixed-income funds	6.2%	6.5%
U.S. and international fixed-income funds	9.0%	9.8%
Domestic money market funds	0.8%	0.9%
	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 net management fee revenues would decline by approximately $4.3 million.

Legal and Regulatory Risk

AGF is subject to complex and changing legal and regulatory requirements. The laws and regulations applicable to AGF and its subsidiaries are complex and evolving, requiring significant resources in order to maintain our monitoring of, and compliance with, such laws and regulations. Our business is dependent upon compliance with and continued registration under securities laws in all jurisdictions in which AGF and its subsidiaries carry on business. Laws and regulations applied at the national and provincial or state level generally grant governmental agencies and regulatory bodies broad administrative discretion over the activities of AGF, including the power to limit or restrict business activities as well as impose additional regulatory requirements on AGF products and services.

Regulatory developments may result in increasingly stringent interpretation and enforcement of existing laws and regulations, amendments to existing laws and regulations, or the introduction of new laws and regulations, any of which may impact AGF's business or operations.

Regulatory developments may include changes in tax laws and related treatment, changes in disclosure requirements, changes in investment restrictions, changes in acceptable product structures and pricing, or changes impacting dealer and advisor compensation. Increasing complexity in the securities regulatory environment governing AGF's business may require AGF to incur costs related to the addition of specialized legal and compliance resources.

In particular, securities regulators continue to focus on client fairness, advisor conduct and related practices and are assessing product fees, compensation practices, sales practices and conflicts of interest. Regulators are also imposing higher standards that relate to interacting with clients in order to increase disclosure obligations related to fees; impose prohibitions or restrictions on the payment of certain types of commissions and service fees to agents, advisors and third-party distributors; resulting in changes to product features and sales and market practices by agents, advisors, product manufacturers and distributors. Examples of these changes include the Client Focused Reforms released by the Canadian Securities Administrators, which fully came into effect on December 31, 2021, and the final rule amendments published by the Canadian Securities Administrators in April 2023, which came into effect on January 1, 2026 to enhance total cost reporting for investment funds. The risk of unfair treatment of clients as a result of inadequate or failed processes or inappropriate behaviours, offerings or interactions by AGF, our subsidiaries, employees, agents, distributors or other third parties could lead to reputational damage, business sanctions and financial loss. This includes risks arising from non-compliance with regulatory requirements, and how we design, develop, market, distribute, sell and service our products to clients.

Additionally, regulators are increasing their focus on data, including artificial intelligence (AI), technology and cybersecurity issues. New laws, regulations, guidelines and directives are expected to emerge that may require AGF to enhance its technology and information security programs, upgrade its third-party risk management and data governance programs (including its risk management framework around the use of AI), increase regulatory reporting obligations and have an impact on the costs and resources associated with AGF's data technology and information security activities. We continue to manage these risks through our risk management and governance structures that include policies, standards, and risk assessment, measurement and monitoring tools. A robust control environment is in place, focused on developing, delivering and maintaining high-quality, reliable and stable technology solutions that support business needs and enable operations within our risk appetite.

AGF and AGF's subsidiaries are also subject to regulatory reviews as part of the normal ongoing process of oversight by the various regulators. Regulators make inquiries, conduct investigations and administer examinations with respect to compliance with applicable laws and regulations as well as with respect to current and past business practices and market conduct. Regulatory investigations, examinations, proceedings, and related civil actions could adversely affect our reputation, and may result in settlements, penalties, fines, restrictions on our business, litigation or an inability to carry out our business strategy or may cause us to make changes to our business and compliance practices, policies and procedures, which in turn could impact our profitability and future financial results and increase our litigation risk.

AGF is also exposed to risks relating to financial crimes. Money laundering, terrorist financing and sanctions risks are associated with laundering the proceeds of crime, financing terrorist activity or violating economic sanctions by making use of AGF's and our subsidiaries' products or services. Governments and regulators around the world continue to focus on anti-money laundering and related concerns, raising their expectations for the quality and efficacy of anti-money laundering programs and penalizing institutions that fail to meet these expectations. AGF and its subsidiaries are also subject to anti-bribery and anti-corruption laws, and regulations in the jurisdictions in which we operate in, each of which include significant civil and criminal penalties if breached. The consequences of non-compliance with regulatory requirements related to financial crimes include legal proceedings, financial losses, regulatory sanctions or fines, enforcement actions, criminal convictions and penalties, operational restrictions or an inability to execute certain business strategies, a decline in investor and customer confidence, and damage to our reputation.

AGF is also subject to litigation risk, as during the normal course of operating our business, we may become the subject of adverse litigation including regulatory actions and class action lawsuits relating to our products and services. Given the nature of our business, AGF may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing AGF, its directors, officers, employees or agents in this respect include potential liability for violations of corporate laws, securities laws, stock exchange rules, inappropriate investment advisory recommendations, and misuse of investors' funds. Some violations of corporate laws, securities laws or stock exchange rules could result in civil or criminal liability, fines, sanctions or the suspension or revocation of AGF's right to carry on an existing business. AGF may incur significant costs or face action in connection with such potential liabilities or litigation that could materially affect its business, operations, or financial condition.

AGF manages legal and regulatory risk through its efforts to promote a strong culture of compliance. While AGF actively monitors regulatory development 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, as an investment fund manufacturer, offers a wide range of mutual fund products and continually reviews our lineup to ensure our product offerings align with changing regulatory requirements and industry norms, while providing AGF's partners and clients with the choice and diversity needed to adapt to the evolving regulatory landscape.

Information Technology and Cybersecurity Risk

The Company uses information technology, business services providers, and the internet to streamline business operations and to improve client and advisor experiences. As an international provider of investment products and services, we deal with extensive information across a number of countries. Information management risk encompasses (i) the inability to capture, manage, retain and appropriately dispose of business records, (ii) the inability to provide data that is valid, complete, accurate, consistent, unique or timely to support business decisions and (iii) the inability to manage data location and cross-border access appropriately. Failure to manage these risks could have financial or reputational impacts, and may lead to regulatory proceedings, penalties and litigation.

Protection of personal information is critical to maintaining the trust of our customers. Our handling of personal information is increasingly important in light of the introduction of new technologies such as AI. There is a growing focus on regulation related to privacy and the use and safeguarding of personal information, and we continue to advance our privacy program to comply with new and amended legislation in the jurisdictions where we do business. Privacy-related risks, including risks of privacy breaches, have escalated as a result of the threat landscape. Any actual or perceived failure by us or our service providers to comply with our privacy policies, privacy-related obligations to customers, employees or third parties, data disclosure consent obligations and data protection obligations may result in governmental enforcement actions, litigation or public statements critical of us. Such actual or perceived failures could also cause our customers, suppliers and employees to lose trust in us, which may have an adverse effect on our business. Restrictions on data collection and use may limit opportunities to gain business insights useful to running our business and offering innovative products and services.

With the use of information technology, the internet, cloud technology and AI, the Company (and each of the Company's affiliates, subsidiaries and AGF Funds) is exposed to possible information technology events, through cybersecurity incidents, which could potentially have an adverse impact on their business. The Company may not always be able to anticipate or implement effective measures to prevent all disruptions from privacy and cybersecurity incidents. Threat actors continue to evolve in both sophistication and scale, employing techniques such as malware, phishing, denial-of-service, and social engineering. These attacks may originate from criminal organizations, activist groups or state-sponsored entities, and the increasing use of AI technologies will add velocity and complexity to the threat landscape. Such incidents can target our systems directly or exploit vulnerabilities in third-party services to gain access or cause disruption.

Cyber and information security risk arises from the reliance of our business operations on internet and cloud technologies, and dependence on advanced digital technologies to process data. In general, a cybersecurity incident 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. In addition, growing geopolitical tensions are contributing to increasing global exposures to cyber security risks. These risks could impact the confidentiality, integrity or availability of AGF's systems and data across our businesses and customer base. AGF, its affiliates and subsidiaries are the frequent targets of attempted cyberattacks and we must continuously monitor and optimize our capabilities to protect the confidentiality, integrity and availability of our data and technology infrastructure. Successful cyberattacks could lead to exposure or loss of data, including customer or employee information and the Company's strategic or other sensitive internal information, resulting in identity theft, fraud or business losses. They could also result in system failures and disruption of services, exposure to litigation and regulatory risk, and reputational harm. Threat campaigns are becoming more sophisticated and well-organized, including using AI to automate and amplify attacks, and often occur through suppliers, which can negatively impact our business, brand and reputation, as well as customer retention and acquisition. Changes in existing cybersecurity and privacy regulations or the enactment of new regulations may increase our compliance costs, and failure to comply with these regulations may lead to reputational damage, fines or civil damages and increased regulatory scrutiny and oversight.

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.

Additionally, outdated software and complex technology infrastructure can lead to ineffective change management, increased regulatory and strategic risk, and require investments to adapt to new technologies and react to competitive risks.

Our operations and strategic initiatives depend on a diverse set of third-party relationships that deliver essential services and capabilities. This reliance subjects us to third-party risk, giving rise to a risk of loss associated with an entity or service provider failing to provide goods or services, or failing to protect AGF's infrastructure, data and systems, or exposing the Company and its subsidiaries to other negative outcomes. While these relationships are critical to our business model, they also introduce risks that may affect profitability, regulatory compliance and reputation if third parties fail to meet performance expectations, contractual obligations or legal requirements. Our profitability or reputation could be impacted if these third parties are unable to meet their ongoing service commitments or fail to perform to expected standards. An interruption in our relationship with certain third parties or other parties engaged by such third parties, the impairment of their reputation or creditworthiness, their failure to provide contracted services in the manner agreed or in accordance with applicable laws and regulations, or the ability to timely and cost effectively transition to alternate third parties in the event of a disruption could materially and adversely affect our business objectives or expose us to regulatory fines and/or reputational harm. The Company's third-party risk management program is centrally managed and governs roles and responsibilities throughout the third-party relationship lifecycle, annual risk/tier materiality, technology and cybersecurity assessments for each third party, monitoring guidelines and management reporting for a robust view of third-party risk across the organization.

Emerging risks emanating from digital innovations such as cloud computing, AI, machine learning and process automation require continued investments to respond to changing customer needs, regulatory expectations, cyber threats and data protection requirements. Technology is a focus for the Company and is a key enabler for automating processes, and for driving innovation and productivity. We remain committed to the prudent and responsible adoption of new technologies. The Company is strategically increasing its technology investments to address system vulnerabilities and increase flexibility to adopt new technologies cost-effectively. Technology resilience supports the maintenance of acceptable service levels during, as well as after, severe disruptions to critical processes and the underlying information technology systems. Therefore, it is crucial that we maintain solutions and platforms that function at high levels of operational reliability and resilience in order to protect and support the availability, integrity and recoverability of critical data, particularly with respect to business-critical systems. Regulatory obligations and customer expectations related to operational resilience continue to increase. Technological advancements and innovation, in particular AI, are evolving rapidly and creating new risks and competitive pressures across the industry. New technologies may introduce more complex regulatory, strategic and reputation risks.

With rapid advances in technology, we continue to observe growth in applications of AI to drive productivity and competitive enhancements. Alongside the potential benefits of AI tools and technology comes risks, such as operational disruptions, security vulnerabilities, including a higher risk of fraud and regulatory challenges. AI risk arises from the potential for loss or harm from incorrect or biased use of AI to support business decision-making, risk management or productivity. AI capabilities available to the industry have been evolving rapidly, creating new opportunities for innovation across a broad range of products and services. Keeping pace with the latest advancements poses new risks, including additional model governance requirements, potential copyright and intellectual property infringement, spread of misinformation and inaccuracy of outputs, which could ultimately erode consumer trust and confidence. We continue to enhance our data management and governance capabilities to ensure we have a strong data foundation and business decision-making, and responsibly use data as a transformative asset. To address the increasing regulatory scrutiny on the use of AI, and potentially inconsistent AI rules across jurisdictions, the Company (and each of the Company's affiliates, subsidiaries and AGF Funds) must stay abreast of emerging regulations and continue to establish robust governance with adaptable risk management frameworks as it continues to expand its use of emerging AI technologies across different geographies.

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. 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.

There have been no changes to the Company's ICFR during the three and six months ended May 31, 2026 that have materially affected or are reasonably likely to materially affect the Company's ICFR.

Additional Information

Additional information relating to the Company can be found in the Company's Condensed Consolidated Interim Financial Statements and accompanying notes for the three and six months ended May 31, 2026, the Company's 2025 Annual Information Form (AIF) and Annual Report, and other documents filed with applicable securities regulators in Canada, and may be accessed at www.sedarplus.ca and the Company's website at www.agf.com.