

**Annual Management Report of Fund Performance**

# **AGF Monthly Canadian Dividend Income Fund**

September 30, 2024

## Management Discussion of Fund Performance

This management discussion of fund performance represents the portfolio management team's view of the significant factors and developments affecting the fund's performance and outlook.

### Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Monthly Canadian Dividend Income Fund (the "Fund") is to provide investors with a steady flow of income and the potential for long-term capital appreciation, primarily through investing in high dividend yielding shares trading on Canadian stock exchanges. To achieve this objective, the Fund currently invests in units of AGF Canadian Dividend Income Fund (the "Underlying Fund"). AGF Investments Inc. ("AGFI"), as portfolio manager, believes that investment success can be achieved through blending quantitative and fundamental analysis to identify investment opportunities that generate attractive and sustainable levels of income, deliver a lower volatility profile for the portfolio and provide the opportunity for long-term capital appreciation. The Fund may also invest in money market instruments and fixed income investments issued by corporations and governments of Canada as well as in foreign securities, which are typically not expected to exceed 10% of the Net Asset Value (see Explanatory Note (1) a)) of the Fund at the time of purchase. During periods of market downturn or for other reasons, a significant portion of the Fund's assets may be held in cash or cash equivalents.

### Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. Any changes to the Fund over the period have not affected the overall level of risk of the Fund.

The Fund continues to be suitable for investors seeking a well-diversified Canadian fund and investing for the medium to long-term with a medium tolerance for risk. The suitability of the Fund has not changed from what has been disclosed in the prospectus.

### Results of Operations

For the year ended September 30, 2024, the Fund returned 24.6% (net of expenses) while the S&P/TSX Composite Dividend Index returned 26.1%.

The Fund holds Series O Units of the Underlying Fund. The discussion below references performance figures for Mutual Fund Units of the Underlying Fund. The performance of Series O Units is substantially similar to that of Mutual Fund Units, save for differences in expense structure.

The Fund under-performed the S&P/TSX Composite Dividend Index due to the Underlying Fund's security selection, which was partially offset by sectoral allocation decisions. The Financials sector was the biggest detractor from performance due to security selection and an unfavourable underweight allocation to the sector. The Real Estate sector also detracted due to security selection, which was partially offset by an overweight allocation. On the other hand, the Industrials and Utilities sectors were the biggest contributors to overall performance owing to positive security selection.

The Underlying Fund entered into foreign exchange forward contracts during the period under review. As of September 30, 2024, the Underlying Fund was long Canadian dollar and short U.S. dollar in order to hedge its currency exposure.

The Fund makes monthly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the monthly distributions in a year exceeds the portion of the net income and net realized capital gains, the excess will constitute a return of capital. The portfolio manager does not believe that the distributions made by the Fund had a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objectives.

The Fund had net subscriptions of approximately \$56 million for the current period, as compared to net subscriptions of approximately \$66 million in the prior period. The portfolio manager does not believe that subscription activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

### Recent Developments

Global equities performed well during the reporting period driven by a resilient U.S. economy. Investors continued to be focused on economic conditions and their ramifications on monetary policy. Though "higher for longer" expectations had increasingly become consensus, expectations stabilized throughout the reporting period as the economy showed signs of making slow progress on stubborn and persistent inflation.

Markets felt some relief during the latter half of the reporting period as central banks in the developed world took a more accommodative stance to their monetary policy. The U.S. Federal Reserve (the "Fed"), the European Central Bank and the Bank of Canada ("BoC") initiated rate cuts midway through 2024 as inflationary pressures on their respective economies began to ease. Meanwhile, the Bank of Japan tightened its key policy rate at the end of July 2024, which resulted in a resurgent Japanese Yen unwinding global carry trades. China's economic slowdown and continuing property sector crisis compounded the macroeconomic obstacles. The

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 888 226-2024, by writing to us at AGF Investments Inc., CIBC SQUARE, Tower One, 81 Bay Street, Suite 4000, Toronto, Ontario, Canada M5J 0G1, or by visiting our website at [www.AGF.com](http://www.AGF.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

People's Bank of China implemented multi-pronged stimulus measures to alleviate the deflationary trend of the Chinese economy. Over the reporting period, the conflict in the Middle East continued to be a source of major concern, adding to the existing market volatility, especially impacting the energy sector.

Canada's economy recorded two consecutive quarters of growth in 2024, after a difficult close to 2023. The unemployment rate in the country gradually climbed, reaching 6.6% in August 2024, while inflation remained largely stable, decreasing to a three-year low of 2.0%. As these trends developed, the BoC implemented three successive interest rate cuts of 0.25% each in June, July, and September 2024, aimed at stimulating economic activity. As a result of these cuts, consumer confidence surged, peaking in August. The manufacturing sector also recorded increased activity in September 2024, the first month of expansion since April 2023, owing to improved domestic demand and new orders.

The S&P/TSX Composite Index gained over 26.0% during the reporting period and crossed the 24,000 mark for the first time at the end of September. Information Technology and Financials were the top performing sectors in the index, while Communication Services lagged. Large capitalization stocks out-performed small capitalization stocks and value stocks slightly out-performed growth stocks.

The portfolio manager continues to maintain a positive outlook for Canada's equity market and believes the investment narrative should continue to improve, with inflation declining to desired levels, which provides a better backdrop for equities. The BoC is anticipated to ease rates further, driven by anemic economic growth and a weak labour market. The portfolio manager believes lower mortgage rates could likely raise housing demand and domestic consumption.

Moreover, the portfolio manager believes some of the substantial cash balances accumulated on the sidelines in 2022 and 2023 will eventually find its way back into equities, as central banks continue on the path to reducing rates, and that rate cuts will favour certain sectors in the market and drive market leadership in the foreseeable future. These events underscore the importance of maintaining objectivity throughout the changing macroeconomic environment and recognizing that they can drive leadership over the short-term.

Overall, the portfolio manager believes equities are well-positioned for the balance of the year, though some volatility may be expected along the way and sees any inevitable corrections as buying opportunities.

## Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. AGFI also acts as the investment (portfolio) manager of the Fund, managing the investment

portfolio of the Fund. Fees payable to AGFI for such services are payable directly by unitholders and are not expenses of the Fund.

AGFI pays for all of the operating expenses relating to the operation of the Fund, except for certain costs as disclosed in the current prospectus, in exchange for a fixed rate administration fee. The administration fee is calculated based on the Net Asset Value of the Fund at a fixed annual rate of 0.32%. Administration fees of approximately \$355,000 were incurred by the Fund during the period ended September 30, 2024.

AGFI is an indirect wholly-owned subsidiary of AGF Management Limited.

## Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. 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 the Fund and economic factors.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, technological changes, cybersecurity, the possible effects of war or terrorist activities, outbreaks of disease or illness that affect local, national or international economies (such as COVID-19), natural disasters and

disruptions to public infrastructure, such as transportation, communications, power or water supply or other catastrophic events.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years as applicable.

### Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2024 (\$)	Sept 30, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>23.60</b>	<b>24.46</b>	<b>25.00*</b>	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	1.50	1.84	0.24	-	-
Total expenses	(0.09)	(0.09)	(0.02)	-	-
Realized gains (losses)	-	-	(0.01)	-	-
Unrealized gains (losses)	4.21	(1.48)	(3.00)	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>5.62</b>	<b>0.27</b>	<b>(2.79)</b>	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	(0.00)	-	-
From dividends	(0.82)	(0.70)	(0.02)	-	-
From capital gains	(0.92)	(1.83)	(0.30)	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.74)</b>	<b>(2.53)</b>	<b>(0.32)</b>	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>27.44</b>	<b>23.60</b>	<b>24.46</b>	-	-

### Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Sept 30, 2024	Sept 30, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020
Total Net Asset Value (\$'000's)	149,621	76,774	14,451	-	-
Number of units outstanding ('000's)	5,453	3,254	591	-	-
Management expense ratio <sup>(5)</sup>	0.35%	0.35%	0.35%	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.35%	0.35%	0.35%	-	-
Trading expense ratio <sup>(7)</sup>	0.09%	0.08%	0.05%	-	-
Portfolio turnover rate <sup>(8)</sup>	0.00%	0.00%	2.05%	-	-
Net Asset Value per unit	27.44	23.60	24.46	-	-

### Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. Under International Financial Reporting Standards ("IFRS"), investments that are traded in an active market are generally valued at closing price, which is determined to be within the bid-ask spread and most representative of fair value. As a result, there is no difference between the net assets

per unit presented in the financial statements ("Net Assets") and the net asset value per unit calculated for fund pricing purposes ("Net Asset Value").

- b) The Fund commenced operations in July 2022, which represents the date upon which securities were first made available for purchase by investors.
- (2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional units of the Fund, or both. The characterization of the distributions is based on management's estimate of the actual income for the year.
- (4) This is not a reconciliation of the beginning and ending Net Assets per unit.
- (5) The management expense ratio ("MER") is calculated in accordance with National Instrument 81-106, based on all the expenses of the Fund (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Fund's proportionate share of the MER, if applicable, of the underlying funds and exchange traded funds ("ETFs") in which the Fund has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually at the discretion of AGFI and AGFI can terminate the waiver or absorption at any time.
- (7) The trading expense ratio represents total commissions and other portfolio transaction costs, including the Fund's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Fund has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (8) The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's PTR in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PTR is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.

\* represents initial Net Assets

(1), (2), (3), (4), (5), (6), (7) and (8) see Explanatory Notes

## Management Fees

The Fund is managed by AGFI. AGFI is responsible for the day-to-day operations of the Fund, which include providing investment and management services as well as other administrative services required by the Fund. The management fees for such services are payable directly by the unitholders, not by the Fund.

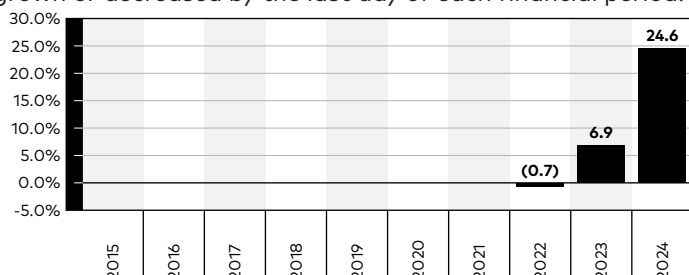
## Past Performance\*

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

All rates of return are calculated based on the Net Asset Value.

### Year-By-Year Returns

The following bar chart shows the Fund's annual performance for each of the past 10 years to September 30, 2024 as applicable, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



Performance for 2022 represents returns for the period from July 6, 2022 to September 30, 2022.

### Annual Compound Returns

The following table compares the historical annual compound returns for the Fund with the index, for each of the periods ended September 30, 2024.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	24.6	N/A	N/A	N/A	13.3
S&P/TSX Composite Dividend Index	26.1	N/A	N/A	N/A	14.1

The S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks and includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing.

For a discussion of the relative performance of the Fund as compared to the index, see Results of Operations in the Management Discussion of Fund Performance.

## Summary of Investment Portfolio

As at September 30, 2024

The Underlying Fund's major portfolio categories and top holdings (up to 25), as a percentage of the Underlying Fund's Net Asset Value, at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Underlying Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2024.

The prospectus and other information about the Underlying Fund are available on the internet at [www.sedarplus.ca](http://www.sedarplus.ca).

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	77.8
United States	20.8
Cash & Cash Equivalents	1.3
Foreign Exchange Forward Contracts	(0.0)
Other Net Assets (Liabilities)	0.1

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	29.1
Energy	18.9
Industrials	14.9
Information Technology	7.8
Utilities	5.3
Real Estate	5.0
Materials	4.4
Health Care	4.2
Communication Services	3.2
Consumer Staples	3.0
Consumer Discretionary	2.9
Cash & Cash Equivalents	1.3
Short-Term Investments	1.0
Foreign Exchange Forward Contracts	(0.0)
Currency/Equity Options Written	(1.1)
Other Net Assets (Liabilities)	0.1

\* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced returns or performance. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

# AGF Monthly Canadian Dividend Income Fund

SEPTEMBER 30, 2024

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	78.5
United States Equity	20.2
Cash & Cash Equivalents	1.3
Short-Term Investments	1.0
Foreign Exchange Forward Contracts	(0.0)
United States Equity Options Written	(0.4)
Canadian Currency/Equity Options Written	(0.7)
Other Net Assets (Liabilities)	0.1

Top Holdings	Percentage of Net Asset Value (%)
<b>Long Positions:</b>	
The Toronto-Dominion Bank	6.7
Royal Bank of Canada	5.7
Canadian Natural Resources Limited	5.4
Enbridge Inc.	4.9
Bank of Montreal	4.1
Brookfield Corporation	3.0
Canadian Pacific Kansas City Limited	3.0
Brookfield Infrastructure Partners Limited Partnership	2.7
Granite Real Estate Investment Trust	2.7
Cameco Corporation	2.6
WSP Global Inc.	2.5
Sun Life Financial Inc.	2.4
Suncor Energy Inc.	2.4
Canadian Apartment Properties Real Estate Investment Trust	2.3
Waste Connections Inc.	2.2
Alimentation Couche-Tard Inc.	2.1
Tourmaline Oil Corporation	2.1
Nutrien Limited	2.0
Hydro One Limited	2.0
Rogers Communications Inc.	1.9
Brookfield Asset Management Limited	1.9
Lam Research Corporation	1.9
Thomson Reuters Corporation	1.7
Visa Inc.	1.7
The Home Depot Inc.	1.5
<b>Subtotal</b>	<b>71.4</b>
<b>Short Positions:</b>	
<b>Currency/Equity Options Written</b>	
Motorola Solutions Inc.	(0.2)
CCL Industries Inc.	(0.1)
Accenture PLC	(0.1)
iA Financial Corporation Inc.	(0.1)
Canadian Apartment Properties REIT	(0.1)
Granite Real Estate Investment Trust	(0.1)
Intact Financial Corporation	(0.1)
Element Fleet Management Corporation	(0.1)
Waste Connections Inc.	(0.1)
Apple Inc.	(0.1)
USD-CAD Currency Option Index	(0.0)
NextEra Energy Inc.	(0.0)
Brookfield Infrastructure Partners Limited Partnership	(0.0)
The Home Depot Inc.	(0.0)
WSP Global Inc.	(0.0)
Suncor Energy Inc.	(0.0)
Amgen Inc.	(0.0)
Bank of Montreal	(0.0)
Royal Bank of Canada	(0.0)
Brookfield Corporation	(0.0)
Cameco Corporation	(0.0)
Canadian Pacific Kansas City Limited	(0.0)
Brookfield Asset Management Limited	(0.0)
Alimentation Couche-Tard Inc.	(0.0)
Thermo Fisher Scientific Inc.	(0.0)
<b>Subtotal</b>	<b>(1.1)</b>

The total Net Asset Value of the Fund as at September 30, 2024 was approximately \$149,621,000.



For more information contact your investment advisor or:

**AGF Investments Inc.**

CIBC SQUARE, Tower One  
81 Bay Street, Suite 4000  
Toronto, Ontario M5J 0G1  
Toll Free: (888) 226-2024  
Web: AGF.com

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