BTAL's New Look

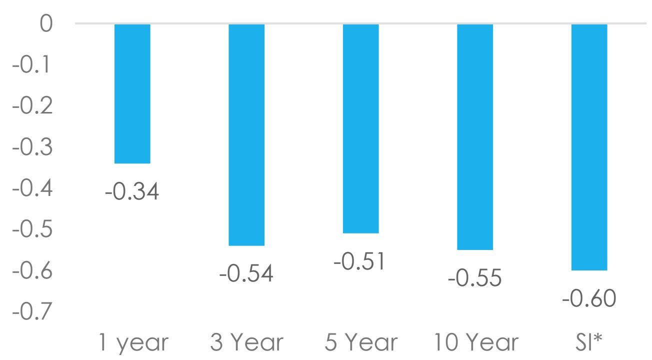
AGFiQ U.S. Market Neutral Anti-Beta Fund (BTAL) has navigated market gyrations for more than a decade and has proven itself to be an effective option to lower portfolio volatility and reduce the impact of drawdowns. After managing BTAL through several market drawdowns of 5% or more since its inception in 2011, the manager has recently made some enhancements to the ETF's strategy.

Following a detailed strategy analysis, BTAL changed from an index tracking product to a rules-based active portfolio in February 2022. These changes are intended to provide greater flexibility to the portfolio management team to seek a more consistent negative beta exposure to the U.S. equity market in a multitude of market conditions, while maintaining a transparent dollar-neutral portfolio of long and short positions without the constraints of following a prescriptive index methodology.

How was BTAL Originally Managed?

Historically, BTAL tracked the Dow Jones U.S. Thematic Market Neutral Low Beta Index, a benchmark made up of long positions in low-beta stocks and short positions in high-beta stocks. The large-cap index methodology yields a market neutral stance by offsetting the weights of longs and shorts in each sector. As shown below, as an index tracking strategy BTAL had consistently maintained a negative beta as intended.

BTAL Beta vs S&P 500



Source: Morningstar as of January 31, 2022 in USD$. * The inception date for BTAL was September 13, 2011. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment and principal value will fluctuate so that an investors shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. For the most recent month end performance, please call collect 617-292-9801. For the Fund's standardized performance please click here.

.

Why the change to active?

1. More Control over Gross Leverage

When COVID vaccines were announced in late 2020 and the reopening trade really took hold, we saw markets surge upwards. The long (low-beta) portfolio rose substantially while, at the same time, the short (high-beta) portfolio was rising even more rapidly. This caused gross leverage, the sum of long equity exposure and the absolute value of the short side of the strategy, to move up significantly. Heightened leverage makes beta more negative so during this sharp market rise we saw BTAL's beta become further negative. In contrast, when the market moves down, gross leverage shrinks and the fund's negative beta gets smaller.

When the AGFiQ investment team reconstitutes and rebalances the portfolio each quarter they target gross leverage of 200%, however in late 2020 the team was seeing gross leverage reach levels not experienced historically. Because the strategy was index tracking at the time, the fund was forced to maintain its position in line with the index, regardless of the gross leverage. Now, as an active portfolio, the AGFiQ team have more flexibility to control its leverage and, by extension, its beta. The team will generally look to keep gross leverage within a target band of 1.75 – 2.25X between quarterly rebalances.

2. Flexibility to Manage Momentum Exposure

Another reason for moving to an active management model was the rising positive correlation of the momentum factor to beta. The momentum factor refers to the tendency of securities that have recently outperformed to continue to do so over the near term. In the past, the ETF's correlation to the momentum factor had been negative but we saw this change significantly in 2020 when there were times of sharply higher positive correlation. This environment left BTAL with an unusually large exposure to the momentum factor. During reconstitutions, the index methodology only called for controlling industry exposure, essentially leaving factors alone. This resulted in the momentum skew and temporarily impacted the hedging effectiveness of BTAL.

There is a historically consistent characteristic of momentum - when it's working, it has moved up in small increments and you could hitch a ride to that. Momentum, though, is also subject to crashes on the way down. While the team doesn't want to eliminate the momentum factor from the strategy, they do want to make sure it doesn't grow too large within the portfolio. Because it historically moves up slowly, they expect to see that exposure growing. From there, they anticipate being able to pick up some performance from momentum when it's working but also adjust BTAL to ensure momentum exposure does not get too large and begin to impact the overall performance.

With the change to active, adjustments for momentum will be made as needed only during scheduled quarterly reconstitutions but the team has the ability to make leverage tweaks at any time to ensure the strategy is consistently performing in line with its investment objective.

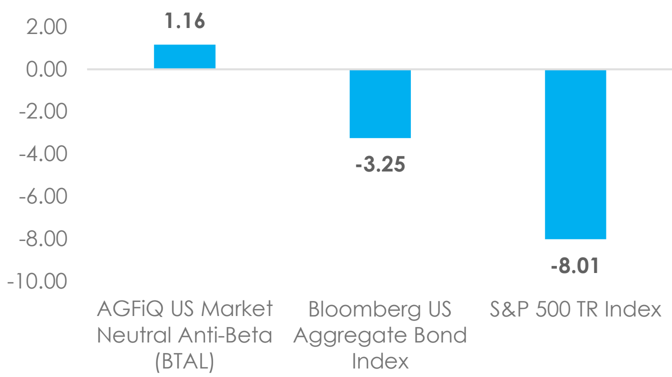
Why BTAL for Today's Volatile Markets?

With market volatility elevated and expectations that this could continue for some time, now is a time for investors to consider what they're using to hedge equity portfolios. BTAL has provided consistent negative beta exposure and can be an effective equity hedge to lower portfolio volatility and help reduce the impact of drawdowns. The long-term investment thesis for BTAL is to give up some of the potential upside in efforts to hedge a significant portion of the downside. Generally, when the market moves higher, the ETF would be expected to underperform due to its overall negative beta. Conversely, when the market moves lower, the ETF would be expected to outperform again due to its overall negative beta.

With expectations for continued interest rate hikes, BTAL may be especially well positioned to hedge against future volatility and market corrections. The high-beta, high-volatility names in BTAL's short portfolio tend to have cash flows way out into the future, so they are considered higher-duration assets that historically get hurt more in a rising-rate environment. Additionally, traditional bonds have struggled recently to provide the same protection investors had come to expect as concerns over interest rates have left fixed income performance in negative territory so far this year. BTAL delivered positive returns in the extremely volatile first two months of the year while both equites and bonds saw their values fall.

20220314-2064713

Return % 2022-01-01 to 2022-02-24



Source: Morningstar as of February 28, 2022 in USD$. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment and principal value will fluctuate so that an investors shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. One cannot invest directly in an index. For the most recent month end performance, please call collect 617-292-9801. For the Fund's standardized performance please click here.

Seeking a Smoother Ride

Since the onset of the global pandemic, investors have had to endure significant periods of elevated market volatility. Most recently we've seen growing fear and uncertainty caused by rising inflation, the removal of central bank stimulus and geopolitical concerns around Russia's invasion of Ukraine. This will leave many investors searching for ways to insulate their portfolios. With the change to active management, the investment team's goal remains to provide a solution to help investors stabilize the return profile of their portfolios during periods of extreme market volatility and achieve more consistent long-term returns.

AGFiQ U.S. Market Neutral Anti-Beta Fund **(BTAL)**

Performance as of 02/28/2022

Fund / Index Name	Month End						Quarter End			
	One Month	Three Month	One Year	Three Year	Five Year	SI*	One Year	Three Year	Five Year	SI*
AGFiQ Anti-Beta NAV	-3.84%	5.04%	3.84%	-4.87%	-1.24%	-2.85%	-7.31%	-6.67%	-1.89%	-3.00%
AGFiQ Anti-Beta Market Price	-4.33%	4.75%	3.83%	-4.93%	-1.24%	-2.86%	-6.66%	-6.68%	-1.81%	-2.96%
S&P 500 TR Index	-2.99%	-3.89%	16.39%	18.23%	15.17%	15.77%	28.71%	26.06%	18.47%	16.98%
Bloomberg Aggregate US Bond Index	-1.12%	-3.49%	-2.64%	3.30%	2.71%	2.55%	-1.54%	4.79%	3.57%	2.92%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment and principal value fluctuate so that an investors shares, when redeemed may be worth more or less than original cost. Returns less than one year are not annualized. For most recent month end performance, please call collect 617-292-9801. The S&P 500 TR Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. The Bloomberg Aggregate US Bond Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. Shares are bought and sold at market price not net asset value (NAV). Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times. * The inception date for BTAL was September 13, 2011.

AGF

For more information on BTAL and the full lineup of innovative AGFiQ ETFs visit AGF.com.

Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment and principal value fluctuate so that an investors shares, when redeemed may be worth more or less than original cost. Returns less than one year are not annualized. For most recent month end performance, please call collect 617-292-9801. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes. One cannot directly invest in an index. For additional information and standardized performance please click here.

The commentaries contained herein are provided as a general source of information based on information available as of the publication date and should not be considered as personal investment advice or an offer or solicitation to buy and / or sell securities. Every effort has been made to ensure accuracy in these commentaries at the time of publication, however accuracy cannot be guaranteed. Market conditions may change and the manager accepts no responsibility for individual investment decisions arising from the use or reliance on the information contained herein.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus which can be obtained by visiting, www.AGF.com . Please read the prospectus carefully before you invest.

Risks: There is no guarantee that the Fund will achieve its objective. An investment in the Fund is subject to risk including the possible loss of principal amount invested. The risks associated with the Fund are detailed in the prospectus and include tracking error risk, mid-cap risk, industry concentration risk, market neutral style risk, short sale risk and specific risks related to exchange traded funds. There is a risk that during a "bull" market, when most equity securities and long only ETFs are increasing in value, the Fund's short positions will likely cause the Fund to underperform the overall U.S. equity market and such ETFs. The Fund may not be suitable for all investors.

Shares are not individually redeemable and can be redeemed only in Creation Units. The market price of shares can be at, below or above the NAV. Brokerage commissions will reduce returns. Market Price returns are determined based on the midpoint of the bid/ask spread calculated based on a price within the range of the highest bid and lowest offer on the principal U.S. market on which the Fund's shares are traded during a regular trading session. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Some performance results reflect expense subsidies and waivers in effect during certain periods shown. Absent these waivers, results would have been less favorable.

AGFiQ is a quantitative investment platform powered by an intellectually diverse, multi-disciplined team that combines the complementary strengths of investment professionals from AGF Investments Inc. (AGFI), a Canadian registered portfolio manager, and AGF Investments LLC (AGFUS), a U.S. registered adviser.

 Publication Date: May 24, 2022.

Distributor: Foreside Fund Services, LLC

QUANT131 03-22

20220314-2064713