

**Annual Management Report of Fund Performance**

# **AGF US All Cap Growth Equity 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 US All Cap Growth Equity Fund (the "Fund") is to provide long-term capital growth through exposure to equity securities of U.S. companies across the market capitalization spectrum. To achieve this objective, AGF Investments Inc. ("AGFI"), as portfolio manager, generally allocates the Fund's assets among underlying mutual funds (the "Underlying Funds") managed by third parties or AGFI (or an AGFI affiliate). AGFI has set, and reviews quarterly, target dynamic allocations between U.S. equity funds for the Fund, consistent with the Fund's investment objective. 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 who want the growth potential of equity securities of U.S. companies and investing for the 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 40.3% (net of expenses) while the S&P 500 Net Return Index ("S&P 500 Net Index") returned 35.2%.

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

The Fund out-performed the S&P 500 Net Index due to security selection in the Health Care, Industrials and Consumer Discretionary sectors. This was partially offset by security selection and an underweight allocation to the Information Technology and Communication Services sectors, which detracted the most.

The Fund's major portfolio categories, as a percentage of Net Asset Value as at September 30, 2024, include approximately 99.0% in foreign equity via its holdings in the Underlying Funds and 1.0% in cash and cash equivalents. During the reporting period, the Fund's allocation to foreign equity and cash and cash equivalents remained fairly consistent.

The Fund had net subscriptions of approximately \$193 million for the current period, as compared to net subscriptions of approximately \$127 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 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 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.

The U.S. economy continued to expand quarter-on-quarter over the reporting period. However, the pace of growth began to decelerate during the last calendar quarter of 2023 and this continued into 2024. Furthermore, the annual inflation rate declined through the latter half of the reporting period, after peaking at 3.5% in March 2024. Supported by decelerating inflation figures and softer labour market data, the Fed cut interest rates by 0.5% in September, putting an end to a 23-year high and bringing rates to a target range of 4.75%-5.00%. This move marked the first cut by the Fed since the start of the COVID-19 pandemic in March 2020.

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.

While the U.S. equity market continued to perform strongly following the rate cut, softer inflation and labour market data spurred a sector rotation into cyclicals and small capitalization stocks, which are more sensitive to interest rates. The portfolio manager is more positive on small-medium capitalization stocks as the rate cutting cycle has begun and therefore increased the Fund's allocation in September to the maximum allowable within the strategy.

The portfolio manager believes the bull market remains intact, given the ongoing resilience of the U.S. economy. The economy has been underpinned by a labour market that has been resilient, although there have been some signs of recent softening. While economic growth is slowing from the lofty levels of the second half of 2023, the portfolio manager believes that it will remain positive and supportive for equity markets.

With the equity market, the portfolio manager remains constructive and believes equities are benefitting from strong earnings growth, which ultimately has been the most correlated factor with the markets. 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 the Fed continues 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 is encouraged with the continued resilient economy and the promising secular innovative trends which include generative artificial intelligence, health and wellness, and reshoring. The portfolio manager believes equities are well-positioned for the balance of the year, though some volatility may be expected along the way, particularly given that 2024 is an election year 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, providing analysis and making decisions as to which Underlying Funds the Fund invests in and the target weighting of the Fund's assets. 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 \$898,000 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>29.67</b>	<b>27.12</b>	<b>25.00*</b>	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.07	0.23	0.01	-	-
Total expenses	(0.13)	(0.11)	(0.02)	-	-
Realized gains (losses)	0.99	0.01	-	-	-
Unrealized gains (losses)	10.72	1.11	(0.69)	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>11.65</b>	<b>1.24</b>	<b>(0.70)</b>	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.01)	(0.05)	-	-	-
From capital gains	-	(0.14)	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.01)</b>	<b>(0.19)</b>	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>41.63</b>	<b>29.67</b>	<b>27.12</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)	436,112	154,097	23,924	-	-
Number of units outstanding (000's)	10,476	5,194	882	-	-
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>	0.02%	0.06%	0.01%	-	-
Portfolio turnover rate <sup>(8)</sup>	13.79%	0.87%	0.00%	-	-
Net Asset Value per unit	41.63	29.67	27.12	-	-

### 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.

## 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.

\* represents initial Net Assets

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

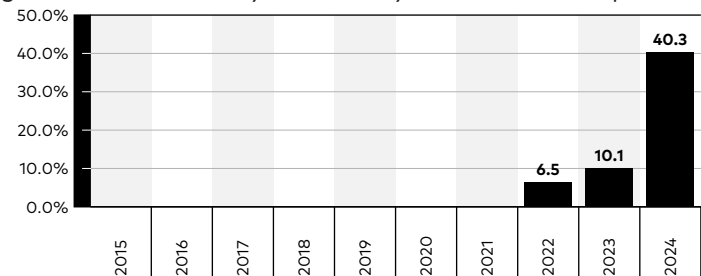
Past Performance\*

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	40.3	N/A	N/A	N/A	24.9
S&P 500 Net Return Index	35.2	N/A	N/A	N/A	23.3

The S&P 500 Net Return Index is a capitalization-weighted index of 500 stocks net of dividends and withholding taxes. The index is designed to measure performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.

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 major portfolio categories and top holdings (up to 25) of the Fund 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 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 investment funds are available on the internet at [www.sedarplus.ca](http://www.sedarplus.ca).

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	99.5
Cash & Cash Equivalents	0.8
Other Net Assets (Liabilities)	(0.3)

Top Holdings	Percentage of Net Asset Value (%)
AGF American Growth Fund	85.4
AGF U.S. Small-Mid Cap Fund	14.1
Cash & Cash Equivalents	0.8
Total Net Asset Value (thousands of dollars)	\$ 436,112

\* 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.



For more information contact your investment advisor or:

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