

Annual Management Report of Fund Performance

# AGFiQ Global Income ETF Portfolio Fund

September 30, 2021



## 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 AGFiQ Global Income ETF Portfolio Fund (the "Fund") is to generate capital growth and regular income by investing, directly or indirectly, including through exchange traded funds ("ETFs"), in global equity and fixed income securities including securities related to non-traditional asset classes. AGF Investments Inc. ("AGFI"), as portfolio manager, and AGF Investments LLC, as sub-advisor, select a portfolio aimed to provide high current income by primarily investing in ETFs domiciled in Canada and the U.S. that provide exposure to global equity and fixed income securities including securities related to non-traditional asset classes such as infrastructure (including securities of infrastructure companies and issuers that hold or are exposed to infrastructure companies), commodities (including gold and silver, natural resource companies and income or royalty based commodities issuers) and real estate (including securities of issuers that hold, or are exposed to, real property) that have high income streams and exhibit low correlations to each other. The Fund may also invest directly in gold bullion in accordance with NI 81-102 and silver bullion in accordance with relief obtained from applicable securities legislation. During periods of market downturn, a significant portion of the Fund's assets may be held in cash, money market securities or money market funds.

### 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 international spread of COVID-19 has heightened certain risks associated with investing in the Fund, including liquidity risk. There are many factors that affect liquidity as well as the value of an investment. Those factors generally affect securities markets, including but not limited to general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the securities held by an investment fund, such as changes in management, strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events. While the precise impact of the COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies. The duration of the COVID-19 outbreak and its

impact cannot be determined with certainty, but it may adversely affect the performance of the Fund. The portfolio manager, however, does not believe any changes to the Fund over the period has affected the overall risk of the Fund.

The Fund continues to be suitable for income-oriented investors investing for the longer term, seeking a balanced mix of equity and fixed income ETFs in a single portfolio and who have low tolerance for risk. The suitability of the Fund has not changed from what has been disclosed in the prospectus.

### Results of Operations

The Fund was established in September 2020 and commenced operations in October 2020.

From an asset allocation perspective, the Fund's overweight position in AGFiQ Global ESG Factors ETF added value during the period from commencement of operations to September 30, 2021, while its underweight position in iShares S&P/TSX Capped REIT Index ETF detracted. The Fund first reduced its equity exposure but increased it later in the reporting period.

Certain series of the Fund, as applicable, make quarterly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the quarterly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, 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.

### Recent Developments

The period under review has been very favourable for capital markets as economies started to repair from the pandemic.

Global equity and fixed income markets were strong through the last calendar quarter of 2020, as uncertainty surrounding the U.S. election was removed and strong efficacy results for multiple COVID-19 vaccines were announced. In developed markets, economic data continued to recover through most of the last calendar quarter of 2020, but the improvement in economic data slowed towards the end of the quarter with the resurgence of COVID-19. In emerging markets, particularly China, economic data was mixed through the same quarter, with manufacturing Purchasing Managers' Indices ("PMIs") exceeding expectations, while gross domestic product ("GDP") and inflation prints missed estimates. The PMI measures the economic health of the manufacturing sector and is compiled based on new orders, inventory levels, production, supplier deliveries and employment environment. Import data was strong to start

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 1 800 268-8583, by writing to us at AGF Investments Inc., 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, or by visiting our website at [www.agf.com](http://www.agf.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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.

the last calendar quarter of 2020, but weakened towards the end, while export data started the quarter weak but strengthened towards the end. Other emerging markets data was generally in-line with expectations.

Global equity markets finished the first calendar quarter of 2021 strong, while fixed income markets sold off through the quarter with the increase in bond yields. Markets experienced a push and pull effect as the significant fiscal and monetary stimulus supported the building economic and earnings recovery against the backdrop of the potential for increased COVID-19 cases and a delayed pace of vaccination. In developed markets, economic data continued to recover through most of the first calendar quarter of 2021, as the COVID-19 vaccination rollout accelerated in most regions. In emerging markets, particularly China, economic data was mixed through the same quarter, with GDP figures exceeding expectations, inflation prints meeting expectations, while manufacturing PMIs were slightly softer than expected. Import and export data were strong throughout the first calendar quarter of 2021. Other emerging markets data was generally in-line with expectations.

Global equity markets also finished the second calendar quarter of 2021 strong, while fixed income markets moved higher through the quarter with the decrease in bond yields. Markets moved higher on the back of strong corporate earnings, the ongoing economic improvement as vaccine inoculation ramped up, and central banks holding interest rates low. In developed markets, economic data strengthened through most of the quarter, as the COVID-19 vaccination rollout accelerated in most regions. In emerging markets, particularly China, economic data was solid through the quarter, with manufacturing PMIs, GDP and inflation meeting expectations. Import data was strong to start the quarter but weakened towards the end, while export data had a weak start, strengthened in May 2021, but weakened towards the end of the quarter. Other emerging markets data was generally in-line with expectations.

Global equity markets finished the third calendar quarter of 2021 positive, while fixed income markets sold off through the quarter with the increase in bond yields. Several factors impacted the markets in September 2021 as investors became concerned about the potential for higher inflation, central banks increasing interest rates and the ongoing negotiations in the U.S. over the debt-ceiling, infrastructure and social spending policies. Concerns about an over-indebted property developer in China also weighed on the markets as investors sought to understand the extent that a potential default would impact the Chinese economy. In developed markets, economic data improvement slowed slightly, as the resurgence of COVID-19 weighed on sentiment.

Within commodities, precious metals moved lower, while base metals and oil moved higher, with oil closing out the reporting period at US\$76 per barrel. The U.S. 10-year benchmark yield moved higher, ending the reporting period at 1.5%. The Canadian dollar was strong against the U.S. dollar. Throughout the reporting period, the U.S. Federal

Reserve, the Bank of Canada, the Bank of England, the European Central Bank and the Bank of Japan all chose to keep rates steady, as many central banks around the world continued to utilize alternate tools to aid the economy.

## 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, managing the investment portfolio of the Fund. AGFI entered into an investment sub-advisory agreement with AGF Investments LLC, which acts as a sub-advisor and provides investment sub-advisory services to the Fund. Under the management and investment sub-advisory agreements, the Fund (except for Series I, Series O, Series Q and Series W Units, if applicable) pays management and advisory fees, calculated based on the Net Asset Value of the respective series of the Fund. Management and advisory fees of approximately \$13,000 were incurred by the Fund during the period from commencement of operations to September 30, 2021.

Certain operating expenses relating to registrar and transfer agency services are paid directly by AGFI and in exchange, a fixed rate administration fee is payable by the Mutual Fund Series, Series F, Series FV, Series I, Series T and Series V Units, as applicable, of the Fund. The administration fee is calculated based on the Net Asset Value of the respective series of the Fund at a fixed annual rate, as disclosed in the current prospectus. Administration fees of approximately \$2,000 were incurred by the Fund during the period from commencement of operations to September 30, 2021.

AGFI and AGF Investments LLC are indirect wholly-owned subsidiaries 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.

### Mutual Fund Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>25.00</b>	<b>25.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.87	-	-	-	-
Total expenses	(0.55)	-	-	-	-
Realized gains (losses)	0.14	-	-	-	-
Unrealized gains (losses)	0.22	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.68</b>	-	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.30)	-	-	-	-
From capital gains	(0.12)	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.42)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>25.59</b>	<b>25.00</b>	-	-	-

\* represents initial Net Assets  
(1), (2), (3), (4), (5), (6), (7) and (8) see Explanatory Notes

### Mutual Fund Units - Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017
Total Net Asset Value (\$000's)	1,213	113	-	-	-
Number of units outstanding (000's)	47	5	-	-	-
Management expense ratio <sup>(5)</sup>	2.36%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	13.63%	-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.25%	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	23.43%	-	-	-	-
Net Asset Value per unit	25.59	25.00	-	-	-

### Series F Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>25.00</b>	<b>25.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.83	-	-	-	-
Total expenses	(0.19)	-	-	-	-
Realized gains (losses)	0.15	-	-	-	-
Unrealized gains (losses)	0.57	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.36</b>	-	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.02)	-	-	-	-
From capital gains	(0.01)	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.03)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>26.32</b>	<b>25.00</b>	-	-	-

### Series F Units - Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017
Total Net Asset Value (\$000's)	41	37	-	-	-
Number of units outstanding (000's)	2	1	-	-	-
Management expense ratio <sup>(5)</sup>	1.96%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	47.10%	-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.25%	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	23.43%	-	-	-	-
Net Asset Value per unit	26.32	25.00	-	-	-

## 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 following series of the Fund commenced operations on the following dates, which represents the date upon which securities of a series were first made available for purchase by investors.

Mutual Fund Units	October 2020
Series F Units	October 2020

(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 computation of the distributions per unit does not take into account the management fee distributions (see note 5 below). 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") of a particular series 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 ETFs in which the Fund has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period. For new series launched, the MER is annualized from the date of the first external purchase.

AGFI may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make management fee distributions to these unitholders in amounts equal to the amounts of the management fee reduction. The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.

- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually on a series by series basis 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. As a result of providing investment advisory and management services, AGFI receives a monthly management and advisory fee, based on the Net Asset Value of the respective series, calculated daily and payable monthly. Management and advisory fees in respect of Series I, Series O, Series Q and Series W Units, if applicable, are arranged directly between the Manager and investors and are not expenses of the Fund. AGFI uses these management and advisory fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to AGFI's role as manager.

	As a percentage of management and advisory fees		
	Annual rates	Dealer compensation <sup>†</sup>	General administration and investment advice
Mutual Fund Units	1.55%	226.38%	(126.38)%
Series F Units	0.55%	-	100.00%

<sup>†</sup> Dealer compensation represents cash commissions paid by AGFI to registered dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by AGFI during the period.

## Past Performance

It is AGFI's policy to report rates of return for a fund in existence greater than one year. The Fund commenced operations in October 2020.

## Summary of Investment Portfolio

As at September 30, 2021

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, 2021.

The prospectus and other information about the ETFs are available on the internet at [www.sedar.com](http://www.sedar.com) and/or [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml), as applicable.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	45.5
ETFs - International	28.9
United States	19.6
Cash & Cash Equivalents	5.3

Portfolio by Sector	Percentage of Net Asset Value (%)
ETFs – Domestic Fixed Income	29.3
ETFs – Domestic Equity	16.2
ETFs – International Fixed Income	15.6
ETFs – International Equity	13.3
ETFs – United States Fixed Income	10.3
ETFs – United States Equity	9.3
Cash & Cash Equivalents	5.3

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	45.5
International Equity	28.9
United States Equity	19.6
Cash & Cash Equivalents	5.3

Top Holdings	Percentage of Net Asset Value (%)
iShares Canadian Corporate Bond Index ETF	18.3
AGFiQ Global Multi-Sector Bond ETF	15.6
iShares Canadian HYBrid Corporate Bond Index ETF	11.0
iShares U.S. High Yield Bond Index ETF (CAD-Hedged)	10.3
iShares Preferred and Income Securities ETF	9.3
iShares S&P/TSX Canadian Preferred Share Index ETF	7.4
AGFiQ Global Infrastructure ETF	7.2
AGFiQ Global ESG Factors ETF	6.1
Cash & Cash Equivalents	5.3
iShares Canadian Select Dividend Index ETF	5.1
iShares S&P/TSX Capped REIT Index ETF	3.7
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 1,254</b>



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