

Annual Management Report of Fund Performance

# AGF U.S. Small-Mid Cap 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 AGF U.S. Small-Mid Cap Fund (the "Fund") is to obtain superior capital growth by investing primarily in shares of small and medium companies with superior growth potential in the U.S. AGF Investments Inc. ("AGFI"), as portfolio manager, uses a bottom-up earnings growth momentum investment style, looking at a company's revenue, earnings, profitability, earnings quality and growth potential as well as industry strength. In bottom-up investing, the portfolio manager focuses attention on a specific company rather than on the industry in which that company operates or on the economy as a whole. The portfolio manager focuses on selecting securities with accelerating sales and earnings growth rates, strong earnings momentum and positive earnings surprise, high earnings quality and technical factors, such as the security's relative strength, price supports and trading volume. Sector allocation is generally determined by where the portfolio manager finds the best investment opportunities. During periods of market downturn or for other reasons, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities.

### 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 investors investing for the medium to longer term, seeking the growth potential of equity securities of small to medium U.S. companies and who have 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, 2021, the Mutual Fund Units of the Fund returned 17.2% (net of expenses) while the S&P MidCap 400 Index returned 36.7%. The performance of the other series of the Fund is substantially similar to that of the Mutual Fund Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

The Fund under-performed the S&P MidCap 400 Index due to negative security selection in the financials, health care, information technology, real estate and consumer discretionary sectors. This was partially offset by strong security selection in the energy and industrials sectors. Sector allocation was also positive, as the Fund's average allocation to the energy sector (3.4% versus 1.5%) contributed to relative performance.

In terms of individual holdings, the top contributors to performance during the reporting period were Devon Energy Corporation, iRobot Corporation ("iRobot") and Mastec Inc., while the top detractors were Array Technologies Inc., Amedisys Inc. and Wix.com Limited. As of September 30, 2021, the Fund no longer held iRobot.

The Fund had net subscriptions of approximately \$162 million for the current period, as compared to net subscriptions of approximately \$12 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.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. The increase in management fees accounted for most of the increase in expenses during the period when compared to the previous period due to an increase in average Net Asset Values. Unitholder servicing and administrative fees also increased during the period as a result of the increased average Net Asset Values. Custodian fees increased due to an increase in market value of

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.

investment portfolio and registration fees increased due to an increase in subscription activity. All other expenses remained fairly consistent throughout the periods.

## Recent Developments

During the reporting period ended September 30, 2021, equity markets continued to recover from the decline in the first calendar quarter of 2020 as a result of the COVID-19 global pandemic. This was brought on by the successful development of COVID vaccines, followed by its rollout and the gradual reopening of the global economy, and boosted by substantial fiscal and monetary stimulus. This resulted in a substantial rally led by economic sensitive and cyclical stocks, which continued until mid-2021.

Early in the third calendar quarter of 2021, a resurgence in U.S. daily COVID cases caused by the Delta variant took hold but did not derail equity markets which continued their ascent. Nevertheless, equity market leadership shifted away from economic cyclicals towards high growth stocks. This included companies that benefitted from the "work from home" environment (e-commerce, cloud, remote work) that performed well earlier in 2020 in the early stages of the COVID pandemic. With the Delta variant spurring a resurgence in infection in the U.S., these stocks once again took leadership in the quarter.

From an economic perspective, the macroeconomic backdrop remained strong, though at a more moderate pace than the initial bounce back from the reopening economy. While U.S. gross domestic product grew at a 6.7% rate in the second calendar quarter, that pace is likely to moderate slightly with the consensus estimate for the third calendar quarter falling to approximately 5.0%. The labour market continued to improve, with unemployment falling to 4.8% towards the end of September 2021. With continued strong demand, a tight labour market and ongoing supply chain issues caused by global pandemic-related bottlenecks, inflation emerged as major focus for investors. The debate on how much inflation was transitory and how much was structural continues to be a major focal point for investors.

The portfolio manager believes that the bull market which began in March 2021 remains intact, with further upside ahead for the patient investor. From an economic perspective, the portfolio manager believes the economy remains well positioned for above average growth in the coming quarters, driven by continued strong economic activity as the economy continues to recover from the COVID pandemic. The portfolio manager has also seen corporations report very strong results, and it is the portfolio manager's belief that there remains scope for them to continue to surprise to the upside.

The equity market has thus far shown tremendous resiliency in climbing the wall of worry, though the first layer of bricks on this wall of worry are starting to fall off – initial worries around the severe negative effects of the pandemic, meagre economic growth rates and a recovering labour market. With a favourable economic backdrop, the portfolio manager

believes equity markets are poised to continue their uptrend, though undoubtedly there will be some volatility along the way.

In the aftermath of the COVID pandemic, the portfolio manager believes a number of considerations will increasingly come into focus as the economy moves past the initial stages of reopening. This includes: (i) a high likelihood of less favourable fiscal and monetary policies, with the U.S. Federal Reserve beginning to reduce stimulus measures and governments backing off aggressive spending; (ii) COVID, with its many and emerging variants, will remain for some time, though not at levels that would necessitate more lockdowns; (iii) some higher baseline level of inflation may remain; and (iv) a new normal with hybrid work weeks will usher in new growth opportunities in areas such as 5G and data security.

The portfolio manager will continue to monitor these trends and others as the Fund navigates the expansionary economic environment.

## 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. Under the management agreement, the Fund (except for Series I, Series O, Series Q and Series W Units, if applicable) pays management fees, calculated based on the Net Asset Value of the respective series of the Fund. Management fees of approximately \$7,258,000 were incurred by the Fund during the period ended 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 \$981,000 were incurred by the Fund during the period ended September 30, 2021.

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.

### 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>69.76</b>	<b>54.44</b>	<b>54.72</b>	<b>40.68</b>	<b>33.82</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	1.56	0.41	0.34	0.22	0.20
Total expenses	(2.18)	(1.64)	(1.47)	(1.28)	(1.06)
Realized gains (losses)	9.11	9.38	9.91	6.65	3.02
Unrealized gains (losses)	2.28	7.16	(9.12)	8.48	4.84
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>10.77</b>	<b>15.31</b>	<b>(0.34)</b>	<b>14.07</b>	<b>7.00</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>81.78</b>	<b>69.76</b>	<b>54.44</b>	<b>54.72</b>	<b>40.68</b>

### 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)	384,908	272,280	206,065	210,092	168,547
Number of units outstanding (000's)	4,707	3,903	3,785	3,840	4,144
Management expense ratio <sup>(5)</sup>	2.53%	2.55%	2.56%	2.53%	2.57%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.53%	2.55%	2.56%	2.53%	2.57%
Trading expense ratio <sup>(7)</sup>	0.07%	0.08%	0.11%	0.08%	0.13%
Portfolio turnover rate <sup>(8)</sup>	64.54%	73.49%	96.69%	49.92%	74.64%
Net Asset Value per unit	81.78	69.76	54.44	54.72	40.68

### 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>87.97</b>	<b>67.66</b>	<b>67.05</b>	<b>49.23</b>	<b>40.42</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	2.31	0.53	0.42	0.27	0.23
Total expenses	(1.42)	(1.07)	(0.94)	(0.83)	(0.70)
Realized gains (losses)	9.68	12.07	12.11	8.85	3.61
Unrealized gains (losses)	(2.21)	9.12	(11.87)	9.00	5.67
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>8.36</b>	<b>20.65</b>	<b>(0.28)</b>	<b>17.29</b>	<b>8.81</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>104.42</b>	<b>87.97</b>	<b>67.66</b>	<b>67.05</b>	<b>49.23</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)	85,363	27,100	17,438	17,615	9,500
Number of units outstanding (000's)	817	308	258	263	193
Management expense ratio <sup>(5)</sup>	1.22%	1.23%	1.25%	1.28%	1.33%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.22%	1.23%	1.25%	1.28%	1.33%
Trading expense ratio <sup>(7)</sup>	0.07%	0.08%	0.11%	0.08%	0.13%
Portfolio turnover rate <sup>(8)</sup>	64.54%	73.49%	96.69%	49.92%	74.64%
Net Asset Value per unit	104.42	87.97	67.66	67.05	49.23

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

## Series O 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>72.41*</b>	-	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	2.43	-	-	-	-
Total expenses	(0.14)	-	-	-	-
Realized gains (losses)	4.74	-	-	-	-
Unrealized gains (losses)	(7.79)	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.76)</b>	-	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>83.26</b>	-	-	-	-

## Series O 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)	41,704	-	-	-	-
Number of units outstanding (000's)	501	-	-	-	-
Management expense ratio <sup>(5)</sup>	0.00%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.04%	-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.07%	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	64.54%	-	-	-	-
Net Asset Value per unit	83.26	-	-	-	-

## Series Q 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>29.05</b>	<b>22.11</b>	<b>21.66</b>	<b>15.71</b>	<b>12.73</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.67	0.17	0.14	0.09	0.08
Total expenses	(0.05)	(0.04)	(0.03)	(0.03)	(0.03)
Realized gains (losses)	3.71	3.77	3.88	3.20	1.18
Unrealized gains (losses)	0.64	3.07	(3.34)	2.78	1.54
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.97</b>	<b>6.97</b>	<b>0.65</b>	<b>6.04</b>	<b>2.77</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>34.92</b>	<b>29.05</b>	<b>22.11</b>	<b>21.66</b>	<b>15.71</b>

## Series Q 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)	5,215	3,852	3,483	3,101	1,326
Number of units outstanding (000's)	149	133	158	143	84
Management expense ratio <sup>(5)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.10%	0.16%	0.17%	0.30%	0.55%
Trading expense ratio <sup>(7)</sup>	0.07%	0.08%	0.11%	0.08%	0.13%
Portfolio turnover rate <sup>(8)</sup>	64.54%	73.49%	96.69%	49.92%	74.64%
Net Asset Value per unit	34.92	29.05	22.11	21.66	15.71

## Series W 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>15.03</b>	<b>11.44</b>	<b>11.21</b>	<b>10.00*</b>	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.38	0.09	0.07	0.02	-
Total expenses	(0.03)	(0.02)	(0.02)	(0.01)	-
Realized gains (losses)	1.54	1.96	2.05	1.21	-
Unrealized gains (losses)	(0.09)	1.61	(1.87)	(0.39)	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.80</b>	<b>3.64</b>	<b>0.23</b>	<b>0.83</b>	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>18.07</b>	<b>15.03</b>	<b>11.44</b>	<b>11.21</b>	-

## Series W 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)	1,031	216	118	116	-
Number of units outstanding (000's)	57	14	10	10	-
Management expense ratio <sup>(5)</sup>	0.00%	0.00%	0.00%	0.00%	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.56%	3.05%	3.51%	0.04%	-
Trading expense ratio <sup>(7)</sup>	0.07%	0.08%	0.11%	0.08%	-
Portfolio turnover rate <sup>(8)</sup>	64.54%	73.49%	96.69%	49.92%	-
Net Asset Value per unit	18.07	15.03	11.44	11.21	-

## 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 | June 1993    |
| Series F Units    | April 2000   |
| Series O Units    | October 2020 |
| Series Q Units    | April 2014   |
| Series W Units    | May 2018     |
- c) In October 2020, the Fund recommenced the offering of Series O Units that are available to institutional investors. Series O Units previously commenced offering in November 2004 and was closed due to full redemption by unitholders in November 2006. The financial data of Series O Units includes the results of operations from date of recommencement.

- (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.

\* represents initial Net Assets

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

- (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 exchange traded funds ("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 and management services, AGFI receives a monthly management fee, based on the Net Asset Value of the respective series, calculated daily and payable monthly. Management 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 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 fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	2.00%	74.06%	25.94%
Series F Units	1.00%	-	100.00%

## 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.

It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. Series O Units recommenced operations in October 2020.

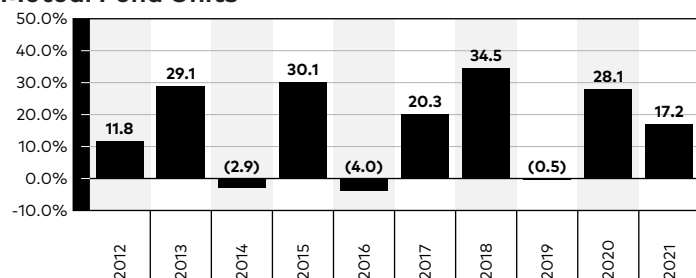
All rates of return are calculated based on the Net Asset Value.

### Year-By-Year Returns

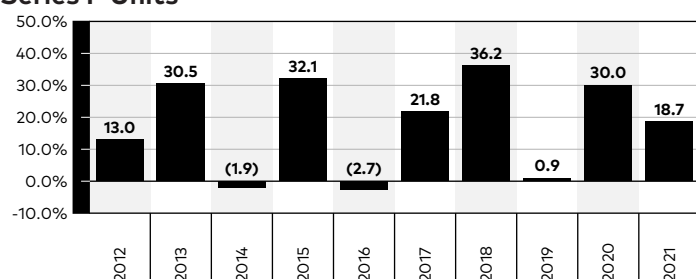
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2021 as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

\* 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.

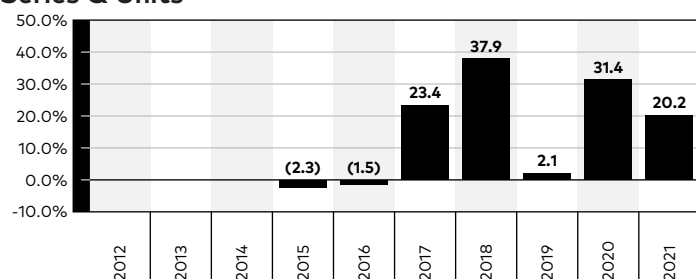
## Mutual Fund Units



## Series F Units

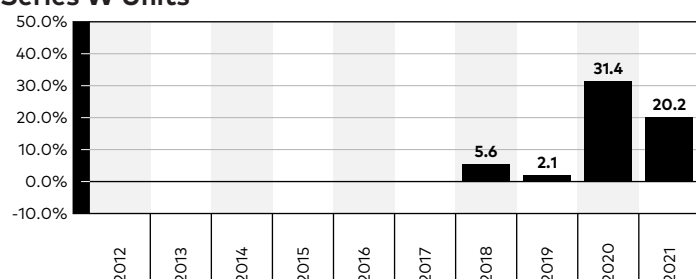


## Series Q Units



Performance for 2015 represents returns for the period from September 18, 2015 to September 30, 2015.

## Series W Units



Performance for 2018 represents returns for the period from June 6, 2018 to September 30, 2018.

## Annual Compound Returns

The following table compares the historical annual compound returns for each series with the index, for each of the periods ended September 30, 2021.

Percentage Return:	Since				
	1 Year	3 Years	5 Years	10 Years	Inception
Mutual Fund Units	17.2	14.3	19.3	15.5	N/A
S&P MidCap 400 Index	36.7	10.4	12.2	16.8	N/A

Percentage Return:	Since				
	1 Year	3 Years	5 Years	10 Years	Inception
Series F Units	18.7	15.9	20.9	17.0	N/A
S&P MidCap 400 Index	36.7	10.4	12.2	16.8	N/A
Series Q Units	20.2	17.3	22.4	N/A	17.5
S&P MidCap 400 Index	36.7	10.4	12.2	N/A	11.9
Series W Units	20.2	17.2	N/A	N/A	17.4
S&P MidCap 400 Index	36.7	10.4	N/A	N/A	9.9

The S&P MidCap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market.

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, 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.

Portfolio by Country	Percentage of Net Asset Value (%)
United States	90.2
Cash & Cash Equivalents	7.8
Canada	1.8
Israel	1.1

Portfolio by Sector	Percentage of Net Asset Value (%)
Consumer Discretionary	29.4
Industrials	17.3
Financials	16.2
Information Technology	8.0
Cash & Cash Equivalents	7.8
Health Care	7.7
Energy	6.1
Real Estate	4.2
Consumer Staples	2.4
Utilities	1.8

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Equity	90.2
Cash & Cash Equivalents	7.8
Canadian Equity	1.8
International Equity	1.1

# AGF U.S. Small-Mid Cap Fund

SEPTEMBER 30, 2021

<b>Top Holdings</b>	<b>Percentage of Net Asset Value (%)</b>
Cash & Cash Equivalents	7.8
Devon Energy Corporation	6.1
Wyndham Hotels & Resorts Inc.	4.4
Murphy USA Inc.	4.3
RH	3.9
MasTec Inc.	3.8
LPL Financial Holdings Inc.	3.7
AECOM	3.7
Natera Inc.	3.7
Signature Bank	3.5
Jefferies Financial Group Inc.	3.4
YETI Holdings Inc.	3.1
Ryman Hospitality Properties Inc.	3.1
Lululemon Athletica Inc.	3.0
Willscot Mobile Mini Holdings Corporation	2.8
Performance Food Group Company	2.4
Primerica Inc.	2.4
Advanced Drainage Systems Inc.	2.2
Kulicke and Soffa Industries Inc.	2.1
Planet Fitness Inc.	2.0
BRP Group Inc.	2.0
Chegg Inc.	1.9
Shopify Inc.	1.8
Sunnova Energy International Inc.	1.8
Chuy's Holdings Inc.	1.8
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 518,221</b>





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Web: [AGF.com](http://AGF.com)

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