

**Annual Management Report of Fund Performance**

# **AGF Canadian 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 Canadian Growth Equity Fund (the "Fund") is to provide capital growth by investing primarily in shares of Canadian companies that are expected to profit from future economic growth. The Fund may also invest in foreign securities, which are typically not expected to exceed 49% of the Net Asset Value (see Explanatory Note (1) a)) of the Fund at the time of purchase. AGF Investments Inc. ("AGFI"), as portfolio manager, uses a bottom-up growth investment style focusing on companies that it believes may exhibit superior growth potential. 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. When evaluating companies, the portfolio manager looks for key characteristics including strong management, above-average growth, financial strength and attractive valuations. 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 Fund continues to be suitable for investors investing for the long-term, seeking the growth potential of equity securities through a mix of small, medium and large capitalization Canadian companies and who have a medium tolerance for risk. The suitability of the Fund has not changed from what has been disclosed in the prospectus.

### Results of Operations

During the reporting period, the security selection in the Energy and Financials sectors along with an overweight allocation and security selection in the Real Estate sector negatively impacted the Fund. On the other hand, an underweight allocation and security selection in the Information Technology sector along with security selection in the Consumer Discretionary sector added value.

In terms of individual holdings, the top detractors during the reporting period were Tourmaline Oil Corporation, ARC Resources Limited and Pason Systems Inc., while the top contributors were Kinross Gold Corporation, Canadian National Railway Company and Brookfield Asset

Management Limited. The Fund no longer held Canadian National Railway Company in its portfolio as of September 30, 2024.

The Fund had net subscriptions of approximately \$50 million for the current period, as compared to net subscriptions of approximately \$1 million in the prior period. Rebalancing by fund on fund programs resulted in net redemptions of approximately \$1 million in the Fund. The portfolio manager does not believe that subscription/redemption 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 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 European Central Bank and the Bank of Canada ("BoC") initiated rate cuts midway through 2024 as inflationary pressures on their respective economies began to ease. Meanwhile, the Bank of Japan tightened its key policy rate at the end of July 2024, which resulted in a resurgent Japanese Yen unwinding global carry trades. China's economic slowdown and continuing property sector crisis compounded the macroeconomic headwinds. 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.

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

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., CIBC SQUARE, Tower One, 81 Bay Street, Suite 4000, Toronto, Ontario, Canada M5J 0G1 attention: Client Services, 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.

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

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

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

Overall, the portfolio manager believes equities are positioned well for the balance of 2024, though some volatility may be expected along the way, and would see 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, 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 \$9,000 were incurred by the Fund during the period ended September 30, 2024.

All of the operating expenses relating to the operation of the Fund (except for certain costs as disclosed in the current prospectus) are paid directly by AGFI and in exchange, a fixed rate administration fee is payable by the Mutual Fund Series, Series F and Series I 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 \$3,000 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.

### Mutual Fund Units - 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>10.17</b>	<b>10.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.29	0.08	-	-	-
Total expenses	(0.12)	(0.02)	-	-	-
Realized gains (losses)	(0.14)	0.12	-	-	-
Unrealized gains (losses)	1.88	(0.01)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.91</b>	<b>0.17</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.01)	-	-	-	-
From dividends	(0.12)	-	-	-	-
From capital gains	(0.09)	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.22)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.87</b>	<b>10.17</b>	-	-	-

### Mutual Fund Units - 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)	1,458	1,182	-	-	-
Number of units outstanding (000's)	123	116	-	-	-
Management expense ratio <sup>(5)</sup>	0.96%	0.21%	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.96%	0.21%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.13%	0.67%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	90.18%	115.74%	-	-	-
Net Asset Value per unit	11.87	10.17	-	-	-

### Series F Units - 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>10.17</b>	<b>10.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.28	0.08	-	-	-
Total expenses	(0.03)	(0.02)	-	-	-
Realized gains (losses)	(0.14)	0.12	-	-	-
Unrealized gains (losses)	1.89	(0.01)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.00</b>	<b>0.17</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.01)	-	-	-	-
From dividends	(0.13)	-	-	-	-
From capital gains	(0.08)	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.22)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.96</b>	<b>10.17</b>	-	-	-

### Series F Units - 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)	46	38	-	-	-
Number of units outstanding (000's)	4	4	-	-	-
Management expense ratio <sup>(5)</sup>	0.16%	0.16%	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.16%	0.16%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.13%	0.67%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	90.18%	115.74%	-	-	-
Net Asset Value per unit	11.96	10.17	-	-	-

### Series O Units - 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>10.00*</b>	-	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.24	-	-	-	-
Total expenses	(0.01)	-	-	-	-
Realized gains (losses)	(0.15)	-	-	-	-
Unrealized gains (losses)	1.65	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.73</b>	-	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.01)	-	-	-	-
From dividends	(0.13)	-	-	-	-
From capital gains	(0.08)	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.22)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.55</b>	-	-	-	-

### Series O Units - 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)	55,166	-	-	-	-
Number of units outstanding (000's)	4,776	-	-	-	-
Management expense ratio <sup>(5)</sup>	0.00%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.00%	-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.13%	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	90.18%	-	-	-	-
Net Asset Value per unit	11.55	-	-	-	-

## 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	July 2023
Series F Units	July 2023
Series O Units	November 2023

- (2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The

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

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, if applicable (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 during the period, 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	1.80%	1.81%	98.19%
Series F Units	0.80%	-	100.00%

## Past Performance

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. Mutual Fund Units commenced operations in July 2023 with the first external purchase in May 2024. Series F Units commenced operations in July 2023 with no external purchase to date. Series O Units commenced operations in November 2023.

## 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.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	84.6
Cash & Cash Equivalents	7.9
United States	7.3
Other Net Assets (Liabilities)	0.2

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	33.8
Industrials	20.0
Materials	14.3
Energy	9.9
Cash & Cash Equivalents	7.9
Information Technology	6.0
Consumer Discretionary	3.7
Utilities	2.2
Health Care	1.0
Real Estate	1.0
Consumer Staples	0.0
Other Net Assets (Liabilities)	0.2

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	84.6
Cash & Cash Equivalents	7.9
United States Equity	7.3
Other Net Assets (Liabilities)	0.2

Top Holdings	Percentage of Net Asset Value (%)
Royal Bank of Canada	7.9
Cash & Cash Equivalents	7.9
Brookfield Corporation	4.8
ARC Resources Limited	4.2
Aritzia Inc.	3.7
CCL Industries Inc.	3.5
Canadian Natural Resources Limited	3.5
Manulife Financial Corporation	3.4
Canadian Pacific Kansas City Limited	3.3
Bombardier Inc.	3.1
The Toronto-Dominion Bank	3.0
Teck Resources Limited	2.9
RB Global Inc.	2.9
Agnico Eagle Mines Limited	2.9
AtkinsRealis Group Inc.	2.5
Brookfield Asset Management Limited	2.5
The Goldman Sachs Group Inc.	2.5
Waste Connections Inc.	2.5
Element Fleet Management Corporation	2.3
Northland Power Inc.	2.2
KeyCorp	2.0
Constellation Software Inc.	1.9
Kinross Gold Corporation	1.9
The Descartes Systems Group Inc.	1.9
Shopify Inc.	1.7
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 56,670</b>



For more information contact your investment advisor or:

**AGF Investments Inc.**

CIBC SQUARE, Tower One  
81 Bay Street, Suite 4000  
Toronto, Ontario M5J 0G1  
Toll Free: (800) 268-8583  
Web: AGF.com

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