

Interim Management Report of Fund Performance

AGF North American Small-Mid Cap Fund

March 31, 2023

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.

Results of Operations

AGF North American Small-Mid Cap Fund (the "Fund") commenced operations in July 2022.

The Fund holds Series O Units of mutual funds managed by AGF Investments Inc. ("AGFI") (the "Underlying Funds"). The Fund's major portfolio categories, as a percentage of Net Asset Value as at March 31, 2023, include approximately 91.0% in global equity and 5.0% in Canadian equity via its holdings in the Underlying Funds, 5.0% in cash and cash equivalents and 1.0% in other net liabilities. During the reporting period, the Fund's allocation to global equity, Canadian equity and cash and cash equivalents remained fairly consistent.

Recent Developments

A bear market which began in January 2022 saw equity markets hit a low in October 2022, before the equity market staged a rally in the last several months of the calendar year and into the first calendar quarter of 2023. However, despite these late gains, 2022 was the worst calendar year for equities since the Global Financial Crisis. China's long-awaited economic rebound helped the global economic outlook somewhat after the country abandoned its much-debated zero-COVID policy. As Russia's invasion of Ukraine passed the one-year mark, NATO member nations pledged their unwavering support to Ukraine to continue the fight against the Kremlin. The monetary tightening cycle by the U.S. Federal Reserve (the "Fed") and the European Central Bank continued through the reporting period, albeit at a slower pace, in an effort to balance growth with persistent inflation, as Fed Chairman Jerome Powell cautioned that taming inflation might take longer than previously thought.

The U.S. economy had a good start to the last calendar quarter of 2022. The U.S. economy grew 2.6% in the last calendar quarter of 2022, fueled by an increase in inventory investment and consumer spending, partly offset by a decline in housing investment. New job numbers continued to largely beat expectations through the reporting period. However, a tight labour market fueled wage inflation, which led to persistently high inflation in services, keeping overall consumer price index ("CPI") relatively high, though U.S. CPI fell to 6.0% year on year in February 2023, the lowest since September 2021. The Fed raised the federal funds rate by 0.25% to a range of 4.75% to 5.00% in March 2023, pushing

borrowing costs to the highest since 2007. Previously, the Fed hiked rates by 0.75%, 0.50% and 0.25% in November 2022, December 2022 and February 2023, respectively. The Fed also confirmed that it would continue to allow up to US\$60 billion in treasury securities and US\$35 billion in agency mortgage-backed securities to mature and roll off its more than US\$8.5 trillion balance sheet every month.

In March 2023, Silicon Valley Bank, a regional bank in the U.S., failed after a bank run, leading to a crisis in confidence in the banking sector. The talks of a recession gathered pace as the collapse of two major banks took a toll on sentiment. In a positive development, U.S. authorities took measures such as guaranteeing all deposits for Silicon Valley and Signature Bank and setting up a new lending facility for banks to borrow against collateral at par for up to a year.

U.S. equity markets increased throughout the reporting period as equity markets recovered off their October 2022 lows. From a sector perspective, the worst performing sectors in 2022 became the best performing sectors in the first calendar quarter of 2023. Over the reporting period, the best performing sectors were Information Technology, Industrials and Materials, while the worst performing sectors were Consumer Discretionary, Utilities and Real Estate.

During the last calendar quarter of 2022, Canada's economic growth stalled and was nearly unchanged, surprising to the downside as consensus estimates had called for 1.5% real gross domestic product ("GDP") growth. It was also a significant slowdown from the 2.3% annualized pace of growth seen in the third calendar quarter. The Bank of Canada ("BoC") continued its monetary tightening approach to tame inflation, with two more rate hikes of 0.5% each during the last calendar quarter of 2022. However, after the turn of the New Year, the BoC paused rate hikes after a further hike of 0.25% in January. Inflation began easing off through the reporting period, as it fell to 5.9% in January 2023, the lowest since February 2022. Unemployment remained steady at 5.0% since 2023 began, with significant growth in private sector employment in February 2023. Meanwhile, Prime Minister Justin Trudeau launched the much-anticipated \$4.5 billion inflation relief package, with a plan to hand out at least \$600 to families with children, seniors and low-income citizens, aimed at providing relief from inflation and high cost of living. The banking crisis in the U.S. has had a minimal impact on Canadian banks as they are in a much healthier position than their American counterparts.

The S&P/TSX Composite Index rallied during the reporting period as equities recovered from their lows reached in early October 2022. During the reporting period, the best

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or 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 or SEDAR at 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.

performing sectors were Information Technology, Consumer Staples and Materials, while the worst performing sectors were Health Care, Utilities and Financials.

The portfolio manager continues to maintain a constructive view on U.S. equities. Though the next several months may see continued volatility, the portfolio manager believes the odds are good for a positive year for U.S. equity market returns. While all the uncertainty related to inflation rates, Fed interest rate policy, economic growth prospects and geopolitical developments may lead to continued volatility, investors would be well served to remember that the stock market is a leading indicator.

Although there is a chance of a recession in 2023, the portfolio manager believes that equity markets can still do well with that backdrop – in 12 previous calendar years where real GDP was negative, the S&P 500 Index averaged a 13.0% return during those years. The portfolio manager believes that in the back half of the year, a more optimistic narrative may emerge around a global economic recovery with inflation more under control and the Fed having paused its aggressive rate hiking posture. If a recession were to occur, the portfolio manager believes that it will be shallow and mild, given the absence of structural imbalances in the economy.

The portfolio manager continues to believe the Canadian equity markets remain well-positioned in the current volatile environment. With progress on inflation in Canada seemingly slightly ahead of other developed markets, the BoC has paused rate hikes earlier than other central banks, and while there may be a mild recession later this year due to the lagged impact of rate hikes, the investment narrative should continue to improve and provide a better backdrop for equities. The portfolio manager continues to focus on companies with low leverage and higher visibility. Growth companies present a good opportunity in the near future and the Underlying Funds will look to capitalize on them whenever they arise. The portfolio manager believes this higher-quality, diversified approach can help the Underlying Funds endure this period of uncertainty in global equity markets.

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 \$9,000 were incurred by the Fund during the six months ended March 31, 2023.

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 six months ended March 31, 2023 and the past five years as applicable.

Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)
Net Assets, beginning of period⁽¹⁾	27.03	25.00*	-	-	-	-
Increase (decrease) from operations:						
Total revenue	0.03	0.02	-	-	-	-
Total expenses	(0.05)	(0.02)	-	-	-	-
Realized gains (losses)	(0.00)	-	-	-	-	-
Unrealized gains (losses)	0.87	(0.72)	-	-	-	-
Total increase (decrease) from operations⁽²⁾	0.85	(0.72)	-	-	-	-
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	-	-	-
Net Assets, end of period⁽⁴⁾	29.27	27.03	-	-	-	-

Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018
Total Net Asset Value (\$'000's)	11,734	3,289	-	-	-	-
Number of units outstanding (000's)	401	122	-	-	-	-
Management expense ratio ⁽⁵⁾	0.35%	0.35%	-	-	-	-
Management expense ratio before waivers or absorptions	0.35%	0.35%	-	-	-	-
Trading expense ratio ⁽⁶⁾	0.08%	0.09%	-	-	-	-
Portfolio turnover rate ⁽⁷⁾	0.85%	0.00%	-	-	-	-
Net Asset Value per unit	29.27	27.03	-	-	-	-

Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements and unaudited interim 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) 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.

(7) 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.

AGFI bears all operating expenses relating to the operation of the Fund, except for certain costs as disclosed in the Fund's prospectus. In exchange, AGFI receives an administration fee at the annual rate of 0.32%, which is subject to applicable taxes, based on the Net Asset Value of the Fund, calculated daily and payable monthly.

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

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 July 2022.

Summary of Investment Portfolio

As at March 31, 2023

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 June 30, 2023.

The prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	95.7
Cash & Cash Equivalents	5.2
Other Net Assets (Liabilities)	(0.9)

Top Holdings	Percentage of Net Asset Value (%)
AGF U.S. Small-Mid Cap Fund	90.7
Cash & Cash Equivalents	5.2
AGF Canadian Small Cap Fund	5.0
Total Net Asset Value (thousands of dollars)	\$ 11,734



For more information contact your investment advisor or:

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