

Interim Management Report of Fund Performance

# AGF Monthly Canadian Dividend Income 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 Monthly Canadian Dividend Income Fund (the "Fund") commenced operations in July 2022.

The Fund holds Series O Units of AGF Canadian Dividend Income Fund (formerly, AGFiQ Canadian Dividend Income Fund) (the "Underlying Fund"), a fund managed by AGF Investments Inc. ("AGFI").

The Underlying Fund entered into foreign exchange forward contracts from time to time. As of March 31, 2023, the Underlying Fund was long Canadian dollar and short U.S. dollar in order to hedge its currency exposure.

The Fund makes monthly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the monthly distributions in a year exceeds the portion of the net income and net realized capital gains, 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

Equities rallied strongly during the reporting period as major announcements around the globe spurred on markets. 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 and the European Central Bank continued through the period, albeit at a slower pace, in an effort to balance growth with persistent inflation.

During the last calendar quarter of 2022, Canada's economic growth stalled for the first time since the second calendar quarter of 2021, surprising many market participants. It was also a significant slowdown from the 2.3% annualized pace of growth seen in the third calendar quarter of 2022. This slowdown was mainly attributable to declines in business and housing investments. 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 calendar year 2023 began, with significant growth in private sector employment in February. 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. During the last calendar quarter of 2022, performance was boosted by the solid performance of the Information Technology and Materials sectors, while the Energy sector witnessed a decline. However, it has been particularly difficult for certain sectors to perform well as interest rates remained high, including Real Estate and Financials. Furthermore, Canadian banks are in a much healthier position than some banks in the U.S. due to tighter regulatory standards. The yields on 10-year government bonds in Canada declined during the reporting period.

The portfolio manager will use both quantitative and fundamental analysis to remain balanced. A key reason the Underlying Fund was able to benefit from the recent Growth trade was attributable to remaining patient on the trade when it felt painful doing so in the last calendar quarter of 2022. The portfolio manager plans to stay selective on Value weakness, with a focus on higher quality companies. The portfolio manager believes this higher quality, diversified approach can help the Underlying Fund 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, managing the investment portfolio of the Fund. 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

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](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.

rate of 0.32%. Administration fees of approximately \$49,000 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<sup>(1)</sup>

For the periods ended	Mar 31, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>24.46</b>	<b>25.00*</b>	-	-	-	-
<b>Increase (decrease) from operations:</b>						
Total revenue	1.78	0.24	-	-	-	-
Total expenses	(0.04)	(0.02)	-	-	-	-
Realized gains (losses)	-	(0.01)	-	-	-	-
Unrealized gains (losses)	(0.55)	(3.00)	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.19</b>	<b>(2.79)</b>	-	-	-	-
<b>Distributions:</b>						
From income (excluding dividends)	-	(0.00)	-	-	-	-
From dividends	(0.74)	(0.02)	-	-	-	-
From capital gains	(1.18)	(0.30)	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.92)</b>	<b>(0.32)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>24.45</b>	<b>24.46</b>	-	-	-	-

### Ratios/Supplemental Data<sup>(1)</sup>

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)	51,848	14,451	-	-	-	-
Number of units outstanding (000's)	2,121	591	-	-	-	-
Management expense ratio <sup>(5)</sup>	0.35%	0.35%	-	-	-	-
Management expense ratio before waivers or absorptions	0.35%	0.35%	-	-	-	-
Trading expense ratio <sup>(6)</sup>	0.08%	0.05%	-	-	-	-
Portfolio turnover rate <sup>(7)</sup>	0.00%	2.05%	-	-	-	-
Net Asset Value per unit	24.45	24.46	-	-	-	-

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

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.

## 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 Underlying Fund's major portfolio categories and top holdings (up to 25), as a percentage of the Underlying Fund's Net Asset Value, 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 Underlying 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 Fund are available on the internet at [www.sedar.com](http://www.sedar.com).

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	79.2
United States	18.4
Cash & Cash Equivalents	2.0
Foreign Exchange Forward Contracts	0.1
Other Net Assets (Liabilities)	0.3

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	29.6
Energy	17.2
Industrials	10.7
Utilities	8.7
Information Technology	7.6
Real Estate	6.1
Health Care	5.2
Communication Services	4.5
Materials	4.4
Consumer Discretionary	3.0
Cash & Cash Equivalents	2.0
Consumer Staples	0.8
Foreign Exchange Forward Contracts	0.1
Currency/Equity Options Written	(0.2)
Other Net Assets (Liabilities)	0.3

# AGF Monthly Canadian Dividend Income Fund

MARCH 31, 2023

Portfolio by Asset Mix	Percentage of Net Asset Value (%)	Top Holdings	Percentage of Net Asset Value (%)
Canadian Equity	79.4	<b>Long Positions:</b>	
United States Equity	18.4	The Toronto-Dominion Bank	7.6
Cash & Cash Equivalents	2.0	Bank of Montreal	5.4
Foreign Exchange Forward Contracts	0.1	Royal Bank of Canada	4.9
United States Equity Options Written	(0.0)	Canadian Natural Resources Limited	4.4
Canadian Currency/Equity Options Written	(0.2)	Enbridge Inc.	4.4
Other Net Assets (Liabilities)	0.3	Brookfield Corporation	4.0
		Canadian Pacific Railway Limited	3.7
		Nutrien Limited	3.4
		Brookfield Infrastructure Partners Limited Partnership	3.3
		Canadian Apartment Properties Real Estate Investment Trust	3.1
		Granite Real Estate Investment Trust	3.0
		Waste Connections Inc.	3.0
		TELUS Corporation	2.7
		Tourmaline Oil Corporation	2.6
		Intact Financial Corporation	2.6
		Cenovus Energy Inc.	2.5
		UnitedHealth Group Inc.	2.3
		Suncor Energy Inc.	2.2
		Canadian National Railway Company	2.0
		Cash & Cash Equivalents	2.0
		Johnson & Johnson	1.9
		Microsoft Corporation	1.9
		Capital Power Corporation	1.8
		Sun Life Financial Inc.	1.8
		Rogers Communications Inc.	1.7
		<b>Subtotal</b>	<b>78.2</b>
		<b>Short Positions:</b>	
		<b>Currency/Equity Options Written</b>	
		USD-CAD Currency Option Index	(0.2)
		Analog Devices Inc.	(0.0)
		Motorola Solutions Inc.	(0.0)
		Canadian Pacific Railway Limited	(0.0)
		Accenture PLC	(0.0)
		Waste Connections Inc.	(0.0)
		NextEra Energy Inc.	(0.0)
		WSP Global Inc.	(0.0)
		Intuit Inc.	(0.0)
		AbbVie Inc.	(0.0)
		Microsoft Corporation	(0.0)
		Canadian Tire Corporation Limited	(0.0)
		Lam Research Corporation	(0.0)
		Cenovus Energy Inc.	(0.0)
		Suncor Energy Inc.	(0.0)
		Johnson & Johnson	(0.0)
		The Home Depot Inc.	(0.0)
		Domino's Pizza Inc.	(0.0)
		Canadian Natural Resources Limited	(0.0)
		Visa Inc.	(0.0)
		UnitedHealth Group Inc.	(0.0)
		<b>Subtotal</b>	<b>(0.2)</b>

The total Net Asset Value of the Fund as at March 31, 2023 was approximately \$51,848,000.



For more information contact your investment advisor or:

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