

**Interim Management Report of Fund Performance**

# **AGF Global Defensive Portfolio Fund**

March 31, 2025

## 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 portfolio's performance and outlook.

### Results of Operations

For the six months ended March 31, 2025, AGF Global Defensive Portfolio Fund (the "Portfolio") returned 1.7% (net of expenses) while the Blended Benchmark returned 0.8%. The Blended Benchmark is composed of 50% Bloomberg Canada Aggregate Index/45% Bloomberg Global Aggregate Index (CAD-Hedged)/5% Bloomberg Canada 1-3 Month T-Bill Index.

The Portfolio is constructed based on an asset allocation framework that allocates to a diverse array of mutual funds and exchange traded funds ("ETFs") representing distinct global asset class opportunities, each with unique risk and return expectations.

The Portfolio holds Series O or Series S Units of mutual funds managed by AGF Investments Inc. ("AGFI") (the "Underlying Funds"). The discussion below references performance figures for Mutual Fund Units of the Underlying Funds. The performance of Series O and Series S Units is substantially similar to that of Mutual Fund Units, save for differences in expense structure. The Underlying Funds may be subject to valuation adjustments as outlined in the Underlying Funds' valuation policies as they relate to non-North American equities held by the Underlying Funds. A fair value adjustment can either positively or negatively impact the Underlying Funds' rate of return.

The Portfolio out-performed the Blended Benchmark due to both allocation and selection decisions. The Portfolio's allocations and selection within Canadian bonds and global equities contributed to performance. From a holdings perspective, AGF Fixed Income Plus Fund contributed the most to relative results. The Portfolio's allocations to AGF Total Return Bond Fund, AGF Global Dividend Fund and AGF Systematic Global Infrastructure ETF also contributed. On the other hand, selection within AGF Total Return Bond Fund was the biggest detractor from relative results, while selection within AGF Global Corporate Bond Fund was the largest contributor. As of March 31, 2025, the Portfolio no longer held AGF Systematic Global Infrastructure ETF in its portfolio.

The Portfolio's major portfolio categories, as a percentage of Net Asset Value as at March 31, 2025, include approximately 92.0% in fixed income funds, 3.0% in foreign equity funds and 5.0% in cash and cash equivalents. During the reporting period, the Portfolio's allocation to fixed income, foreign equity and cash and cash equivalents remained fairly consistent.

The Portfolio had net subscriptions of approximately \$14 million for the current period, as compared to net subscriptions of approximately \$2 million in the prior period. The portfolio manager does not believe that subscription activity had a meaningful impact on the Portfolio's performance or the ability to implement its investment strategy.

### Recent Developments

AGFI, as portfolio manager, monitors and reviews the Portfolio and the strategic asset allocation on a quarterly basis. Rebalancing of the allocation of funds within the Portfolio occurs quarterly, or as deemed appropriate.

During the reporting period, global bond markets experienced negative returns owing to a rise in treasury yields amid sticky inflation and resilient economic conditions, which prompted the U.S. Federal Reserve (the "Fed") to take a more temperate approach to cutting rates relative to other developed market central banks. In the last calendar quarter of 2024, resilient U.S. economic data, geopolitical conflicts and fiscal concerns around higher debt levels in developed nations had an offsetting effect, which drove treasury yields higher. Most markets witnessed year-over-year progress on inflation, which allowed central banks to continue their monetary easing cycle.

Following President Trump's inauguration in January 2025, the new administration quickly implemented broad-based changes to trade and fiscal policy, including tariff measures of up to 25.0% on virtually all trade partners, and implementation of the Department of Government Efficiency. Despite a series of initial delays and exemptions in the proposed tariffs, Canada, China and the European Union announced their own counter-tariffs, leading to rising worries of a broad trade conflict impacting global growth.

In fixed income markets, global investment grade bonds posted negative returns during the reporting period. However, global high yield bonds delivered slightly positive returns amid a generally declining inflation profile (other than the U.S.) and better-than-anticipated growth in select markets, while loans were the best-performing category on rising treasury yields. Credit spreads widened over the reporting period, and most credit categories outperformed government bonds on higher yields versus their safer, rate-sensitive counterparts.

In the U.S., headline inflation rose consistently for most of the reporting period and reached at 3.0% year-over-year in January 2025, before it eased to 2.8% in February. However, core consumer price inflation slowed to 3.1% in February, coming in below market expectations of 3.2%, and was the lowest since April 2021. Unemployment rose to 4.2% in March, the highest level since November 2024 and slightly above market expectations of 4.1%. The Fed lowered interest rates by 0.25% at its November and December 2024 meetings, but kept the federal funds rate unchanged at

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 1888 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.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.

4.25%-4.50% at its March 2025 meeting, continuing the pause in its rate-cutting cycle from January. However, policymakers cautioned about the significant increase in uncertainty around the economic outlook, while many still anticipate at least two rate cuts in 2025. The U.S. economy grew at an annualized 2.4% in the last calendar quarter of 2024, primarily driven by strong personal consumption expenditure, while the gross domestic product forecasts for the first quarter of 2025 have turned negative on trade uncertainty. The U.S. Dollar Index ("DXY") strengthened significantly from October 2024 to January 2025, supported by resilient economic conditions, but reversed course as the economy began to show signs of slowing down. Overall, the DXY was up marginally over the reporting period.

U.S. treasury yields exhibited volatility during the reporting period, as markets adjusted their expectations for the number of rate cuts through 2025. The outcome hinged on inflation data and other economic indicators, as well as the changing narrative surrounding trade tariffs. Over the reporting period, the yield on the U.S. 10-year treasury note initially rose from 3.78% to a high of 4.80% in January 2025, but ended the period at 4.23%, as the economic outlook began to moderate. Similarly, the 2-year treasury note yield increased from 3.66% to 4.40% in January, but ended the period at 3.89%.

Headline inflation in Canada surged to 2.6% year-over-year in February 2025, marking the highest level in eight months and exceeding the Bank of Canada's ("BoC") forecast of 2.5%. The rise was mostly due to the end of the goods and services tax and the harmonized tax breaks halfway through the period, which led to sharp increases in the price of eligible goods. Core inflation also increased to 2.7% in February 2025 from 1.7% in October 2024. Unemployment came at 6.7% in March 2025, up from 6.6% in October 2024, and was in line with market expectations.

Despite the rise in inflation, the BoC lowered the policy interest rate by 1.50% over the period, to 2.75% at its March 2025 meeting. The central bank reduced rates by 0.50% in both October and December 2024, followed by 0.25% cuts in January and March 2025. Further, the BoC stated that the country's economy experienced a stronger-than-expected growth in the last calendar quarter of 2024, supported by previous rate cuts. However, growth for the first calendar quarter of 2025 is anticipated to decelerate due to escalating trade tensions with the U.S.

The European Central Bank ("ECB") also reduced its three key interest rates by 0.25%, at each of its meetings in October and December 2024 as well as January, and March 2025, bringing the deposit facility rate down to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%. The ECB recognized that monetary policy has become meaningfully less restrictive to ease borrowing costs for businesses and households. Consumer price inflation in the Eurozone rose over the reporting period, peaking at 2.5% in January before it fell to 2.2% in March. Meanwhile, core consumer prices slowed to 2.4% in March from 2.7% in October 2024. Among the largest economies in the bloc, inflation rose in Germany, Spain and Italy during the reporting period, while it decreased in France.

With government bond yields across the curve in the U.S. and Canada at levels near their highest in the last two decades, the portfolio manager believes that the interest rate environment in both countries may continue to offer an attractive risk-return profile for investors, leading to a maintained positive outlook on fixed income in 2025. Additionally, the portfolio manager views fixed income as an effective hedge for equity exposure. With inflation rates falling below 3.0% in most developed markets, including the U.S. and Canada, the portfolio manager believes that the historical inverse relationship between bonds and equities may reemerge.

#### Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Portfolio. Pursuant to the management agreement between the Portfolio and AGFI, AGFI is responsible for the day-to-day business of the Portfolio. AGFI also acts as the investment (portfolio) manager of the Portfolio, providing analysis and making decisions as to which Underlying Funds and ETFs the Portfolio invests in and the target weighting of the Portfolio's assets. Fees payable to AGFI for such services are payable directly by unitholders and are not expenses of the Portfolio.

AGFI pays for all of the operating expenses relating to the operation of the Portfolio, 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 Portfolio at a fixed annual rate of 0.32%. Administration fees of approximately \$25,000 were incurred by the Portfolio during the six months ended March 31, 2025.

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 Portfolio, 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 Portfolio 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 Portfolio and economic factors.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Portfolio 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 Portfolio. 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 Portfolio 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 Portfolio and are intended to help you understand the Portfolio's financial performance for the six months ended March 31, 2025 and the past five years as applicable.

### Net Assets per Unit<sup>(1)</sup>

For the periods ended	Mar 31, 2025 (\$)	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>26.06</b>	<b>24.23</b>	<b>24.73</b>	<b>25.00*</b>	-	-
<b>Increase (decrease) from operations:</b>						
Total revenue	0.65	1.22	1.12	0.29	-	-
Total expenses	(0.04)	(0.08)	(0.09)	(0.02)	-	-
Realized gains (losses)	0.06	0.02	(0.06)	(0.11)	-	-
Unrealized gains (losses)	(0.22)	1.73	(0.83)	(1.02)	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.45</b>	<b>2.89</b>	<b>0.14</b>	<b>(0.86)</b>	-	-
<b>Distributions:</b>						
From income (excluding dividends)	(0.55)	(1.01)	(0.87)	(0.17)	-	-
From dividends	(0.01)	(0.07)	(0.05)	(0.00)	-	-
From capital gains	-	-	(0.03)	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.56)</b>	<b>(1.08)</b>	<b>(0.95)</b>	<b>(0.17)</b>	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>25.93</b>	<b>26.06</b>	<b>24.23</b>	<b>24.73</b>	-	-

\* represents initial Net Assets

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

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

For the periods ended	Mar 31, 2025	Sept 30, 2024	Sept 30, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020
Total Net Asset Value (\$000's)	24,582	11,121	5,499	1,961	-	-
Number of units outstanding (000's)	948	427	227	79	-	-
Management expense ratio <sup>(5)</sup>	0.36%	0.36%	0.38%	0.40%	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.41%	0.41%	0.40%	0.40%	-	-
Trading expense ratio <sup>(7)</sup>	0.02%	0.01%	0.01%	0.02%	-	-
Portfolio turnover rate <sup>(8)</sup>	8.18%	30.99%	35.87%	34.93%	-	-
Net Asset Value per unit	25.93	26.06	24.23	24.73	-	-

### Explanatory Notes

- (1) a) This information is derived from the Portfolio'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 Portfolio 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 Portfolio, 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 Portfolio (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Portfolio's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Portfolio has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Portfolio. The amount of expenses waived or absorbed is determined annually 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 Portfolio's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Portfolio has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.

(8) The Portfolio's portfolio turnover rate ("PTR") indicates how actively the Portfolio's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Portfolio 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 Portfolio is managed by AGFI. AGFI is responsible for the day-to-day operations of the Portfolio, which include providing investment and management services as well as other administrative services required by the Portfolio. The management fees for such services are payable directly by the unitholders, not by the Portfolio.

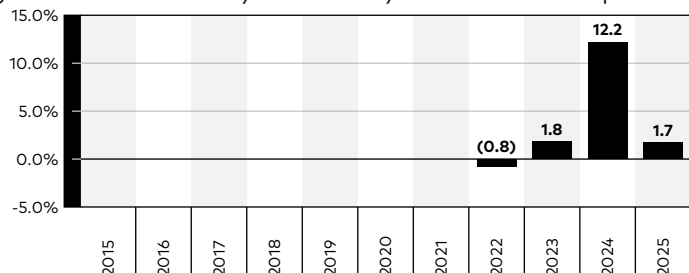
## Past Performance\*

The performance information shown assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional securities of the Portfolio. 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 Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

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

### Year-By-Year Returns

The following bar chart shows the Portfolio's annual performance for each of the past 10 years to September 30, 2024 (interim performance for the six months ended March 31, 2025) as applicable, and illustrates how the Portfolio's performance has changed from year to year. The chart shows, 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.



Performance for 2022 represents returns for the period from July 6, 2022 to September 30, 2022.

## Summary of Investment Portfolio

As at March 31, 2025

The major portfolio categories and top holdings (up to 25) of the Portfolio 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 Portfolio and the next quarterly update will be in the Quarterly Portfolio Disclosure as at June 30, 2025.

The prospectus and other information about the underlying investment funds and ETFs are available on the internet at [www.sedarplus.ca](http://www.sedarplus.ca).

Portfolio by Sector	Percentage of Net Asset Value (%)
Fixed Income Funds	82.8
ETFs - International Fixed Income	9.0
Cash & Cash Equivalents	5.4
Equity Funds	3.0
Other Net Assets (Liabilities)	(0.2)

Top Holdings	Percentage of Net Asset Value (%)
AGF Fixed Income Plus Fund	44.9
AGF Total Return Bond Fund	26.9
AGF Systematic Global Multi-Sector Bond ETF	9.0
AGF Global Corporate Bond Fund	7.0
Cash & Cash Equivalents	5.4
AGF Floating Rate Income Fund	4.0
AGF Global Dividend Fund	3.0
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 24,582</b>

\* The indicated rates of return shown here are the historical 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.



For more information contact your investment advisor or:

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