Interim Management Report of Fund Performance

AGF Credit Opportunities Fund

March 31, 2025

AGF | Investments™

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 Credit Opportunities Fund (the "Fund") commenced operations in September 2024.

Leverage occurs when the Fund's aggregate exposure to underlying assets is greater than the amount invested and may not exceed 300% of the Fund's Net Asset Value. Aggregate exposure is the sum of the following: (i) the aggregate market value of cash borrowing; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of specified derivatives positions excluding any specified derivatives used for hedging purposes. During the reporting period, the Fund's leverage position ranged from 18.6% to 158.1% of its Net Asset Value. The primary source of leverage was securities sold short.

The Fund entered into foreign exchange forward contracts during the period under review. As of March 31, 2025, the Fund was long Canadian dollar and short U.S. dollar in order to hedge its currency exposure.

Recent Developments

During the reporting period, global bond markets experienced negative returns owing to a rise in treasury yields amid sticky elevated 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 a 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 out-performed 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 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 calendar 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 reporting 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 reporting 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 in 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 2025 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.

Related Party Transactions

AGF Investment Inc. ("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. AGFI entered into an investment sub-advisory agreement with AGF Investments LLC, which acts as a sub-advisor and provides investment sub-advisory services to the Fund. Under the management and investment sub-advisory agreements, the Fund pays management and advisory fees, calculated based on the Net Asset Value of Series Y Units of the Fund. Management fees of approximately $91,000 were incurred by the Fund during the six months ended March 31, 2025.

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 Fund, calculated based on the Net Asset Value of Series Y Units. Administration fees of approximately $15,000 were incurred by the Fund during the six months ended March 31, 2025.

AGFI and AGF Investments LLC are indirect wholly-owned subsidiaries 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, 2025 and the past five years as applicable.

Series Y Units - Net Assets per Unit(1)

For the periods ended	Mar 31, 2025 ($)	Sept 30, 2024 ($)	Sept 30, 2023 ($)	Sept 30, 2022 ($)	Sept 30, 2021 ($)	Sept 30, 2020 ($)
Net Assets, beginning of period(1)	**10.00**	**10.00***	**–**	**–**	**–**	**–**
Increase (decrease) from operations:						
Total revenue	0.42	-	-	-	-	-
Total expenses	(0.21)	(0.00)	-	-	-	-
Realized gains (losses)	0.03	-	-	-	-	-
Unrealized gains (losses)	(0.00)	-	-	-	-	-
Total increase (decrease) from operations(2)	**0.24**	**(0.00)**	**–**	**–**	**–**	**–**
Distributions:						
From income (excluding dividends)	(0.15)	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.06)	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions(3)	**(0.21)**	**–**	**–**	**–**	**–**	**–**
Net Assets, end of period(4)	**10.04**	**10.00**	**–**	**–**	**–**	**–**

Series Y Units - Ratios/Supplemental Data(1)

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)	20,647	20,150	-	-	-	-
Number of units outstanding (000's)	2,057	2,015	-	-	-	-
Management expense ratio(5)	0.47%	0.48%	-	-	-	-
Management expense ratio before waivers or absorptions(6)	1.10%	1.19%	-	-	-	-
Trading expense ratio(7)	3.69%	0.00%	-	-	-	-
Portfolio turnover rate(8)	135.77%	0.00%	-	-	-	-
Net Asset Value per unit	10.04	10.00	-	-	-	-

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) Series Y Units of the Fund commenced operations in September 2024, 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 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.

(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, short borrowing costs, interest on leverage and 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 advisory and management services, AGFI receives a monthly management and advisory fee, based on the Net Asset Value of Series Y Units. AGFI uses these management and advisory fees to pay for 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.

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

		As a percentage of management and advisory fees	
	Annual rate	Dealer compensation	General administration and investment advice
Series Y Units	0.90%	–	100.00%

Administration Fees

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, a monthly administration fee is payable by Series Y Units based on the Net Asset Value of the series at the annual rate as follows:

	Annual rate
Series Y Units	0.15%

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 September 2024.

Summary of Investment Portfolio

As at March 31, 2025

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, 2025.

Portfolio by Country	Percentage of Net Asset Value (%)
Long Positions:	
Canada	177.9
United States	27.8
United Kingdom	5.3
Foreign Exchange Forward Contracts	(0.1)
Cash & Cash Equivalents	(31.2)
Other Net Assets (Liabilities)	(1.9)
Short Positions:	
Canada	(77.8)

Portfolio by Sector	Percentage of Net Asset Value (%)
Long Positions:	
Corporate Bonds	128.3
High Yield Bonds	65.8
Provincial Bonds	7.3
Government Bonds	7.2
Term Loans	2.4
Foreign Exchange Forward Contracts	(0.1)
Cash & Cash Equivalents	(31.2)
Other Net Assets (Liabilities)	(1.9)
Short Positions:	
Government Bonds	(77.8)

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Long Positions:	
Canadian Fixed Income	177.9
United States Fixed Income	27.8
International Fixed Income	5.3
Foreign Exchange Forward Contracts	(0.1)
Cash & Cash Equivalents	(31.2)
Other Net Assets (Liabilities)	(1.9)
Short Positions:	
Canadian Fixed Income	(77.8)

Portfolio by Credit Rating††	Percentage of Net Asset Value (%)
AAA	(70.6)
AA	7.2
A	2.4
BBB	141.6
BB	16.8
B	4.5

†† References made to credit ratings are obtained from Standard & Poor's and/or Dominion Bond Rating Service. Where one or more rating is obtained for a security, the lowest rating has been used.

Top Holdings	Percentage of Net Asset Value (%)
Long Positions:	
First National Financial Corporation**	8.7
Province of Ontario**	7.3
U.S. Treasury**	7.2
Ford Credit Canada Company**	7.2
Equitable Bank**	6.8
Allied Properties Real Estate Investment Trust**	6.5
Enbridge Inc.**	5.9
NatWest Markets PLC**	5.2
Sienna Senior Living Inc.**	5.2
Reliance Limited Partnership**	4.9
Laurentian Bank of Canada**	4.9
Inter Pipeline Limited**	4.9
RioCan Real Estate Investment Trust**	4.8
Manulife Bank of Canada**	4.8
Videotron Limited**	4.8
Canadian Imperial Bank of Commerce**	4.8
Morgan Stanley**	4.8
General Motors Financial of Canada Limited**	4.5
Dream Summit Industrial Limited Partnership**	4.3
HomeEquity Bank**	4.0
Canadian Tire Corporation Limited**	3.9
Granite REIT Holdings Limited Partnership**	3.9
Emera Inc.**	3.8
Magna International Inc.**	3.8
Coast Capital Savings Federal Credit Union**	3.7
Subtotal	**130.6**
Short Positions:	
Government of Canada**	(77.8)
Subtotal	**(77.8)**
Total Net Asset Value (thousands of dollars)	**$ 20,647**

** Debt Instruments

Invested in Discipline

For more information contact your investment advisor or:

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