

AGF US Market Neutral Anti-Beta CAD-Hedged ETF

ETF

Liquid Alternatives - Alternative Market Neutral

As of March 31, 2024

Key Reasons to Invest

- Can be used as an effective equity hedge designed to lower portfolio volatility and reduce the impact of drawdowns.
- Potential to generate positive returns regardless of the direction of the general market, so long as low-beta stocks outperform high-beta stocks.
- For investors who are looking for a strategic or tactical hedge for equity portfolios.

Investment Objective


The ETF seeks to provide a consistent negative beta exposure to the U.S. equity market by investing primarily in long positions in low beta U.S. equities and short positions in high beta U.S. equities on a dollar neutral basis, within sectors. The ETF will use leverage, which may be created through the use of cash borrowing, short sales and/or derivatives. The ETF's maximum aggregate exposure to these sources of leverage will not exceed 300% of the ETF's net asset value.

Investment Strategy

In seeking to achieve its investment objective, the AGF US Market Neutral Anti-Beta CAD-Hedged ETF will invest primarily in long positions in low beta U.S. equities and short positions in high beta U.S. equities on a dollar neutral basis, within sectors. The ETF will invest primarily in the constituent securities of the Dow Jones U.S. Thematic Market Neutral Low Beta Index (the "Index") in approximately the same weight as they appear in the Index, subject to certain rules-based adjustments. The performance of the ETF will depend on the difference in the rate of returns between its long positions and short positions.

The universe for the Index is comprised of the top 1,000 eligible securities by market capitalization, including REITs (the "universe"). Eligible securities are those that are in the top 1,000 securities by market capitalization in the Dow Jones U.S. Index, which satisfy certain minimum average daily trading volumes as determined by the Index provider. The Index maintains sector neutrality by determining a defined number of constituent issuers from each sector based on the proportion that each sector makes up in the composition of the universe. As a result, the Index identifies approximately the 20% of securities with the lowest betas within each sector as equal-weighted long positions and approximately the 20% of securities with the highest betas within each sector as equal-weighted short positions. To provide more consistent negative beta exposure, the ETF applies a rules-based methodology to neutralize the portfolio's exposure to certain risk factors. The portfolio asset allocation will be rebalanced and reconstituted on a quarterly basis. The ETF will seek to hedge all of the direct foreign currency exposure back to the Canadian dollar.

On January 28, 2022, the ETF's investment objectives changed from a passive index-tracking strategy to an active, rules-based approach that seeks to provide a consistent negative beta exposure to the U.S. equity market. Performance prior to this date would have been different had the current investment objectives been in effect. Source: AGF Investments, Morningstar. This document is not complete without the end disclosures. See last two pages for term definitions.

Morningstar Category	Alternative Market Neutral
Ticker	QBTL
CUSIP	00111C109
Exchange	Toronto Stock Exchange (TSX)
Performance Start Date (PSD)	October 7, 2019
Overall Fund Net Assets	\$265.0 million
MER ¹	0.55%
Trading Expense Ratio	2.15%
Risk Profile	
Benchmark	Dow Jones U.S. Thematic Market Neutral Low Beta Index [CAD-Hedged]

Distributions (ETF)

	2023	2022	2021
\$Amount/Unit	0.00	0.60	0.00
Annual Frequency ²	Last paid on: 2022-12-29 \$0.605/Unit		

Please refer to AGF.com for distribution information.

¹ MER as of September 30, 2023. AGFI may, in its discretion, temporarily waive some or all of the expenses of the Fund, which will result in a reduction in the MER. AGFI may cease to offer any such waiver at any time without notice.

² The distribution is not guaranteed, may be adjusted from time to time at the discretion of the fund manager and may vary from payment to payment.

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Net Compound Returns (CAD) (%)

	1 MO.	3 MO.	6 MO.	YTD	1 YR.	2 YR.	3 YR.	5 YR.	10 YR.	PSD [†]
Fund	-0.1	6.8	-2.2	6.8	-5.4	2.8	3.8	-	-	-4.5

[†] Performance start date as of October 7, 2019. Past performance is not indicative of future results. Rates of return for greater than one year have been annualized.

Net Annual Returns (CAD) (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fund	-15.5	20.8	-8.0	-12.6	-	-	-	-	-	-

Past performance is not indicative of future results.

Top 10 Holdings (% of Total Net Assets)

Long Positions

Total Holdings: 201

Company Name	Weight
Dow Jones US Thematic Low Beta TRS	36.49%
Autozone Inc.	0.46%
Vistra Corp	0.46%
Markel Group Inc.	0.45%
Dick's Sporting Goods Inc.	0.43%
Chipotle Mexican Grill Inc.	0.43%
Deckers Outdoor Corp.	0.41%
EMCOR Group Inc.	0.41%
The Kroger Co.	0.39%
Radian Group Inc.	0.39%
Total	40.3%

Top 10 Holdings (% of Total Net Assets)

Short Positions

Total Holdings: 200

Company Name	Weight
Dow Jones US Thematic High Beta TRS	-36.40%
MicroStrategy Inc.	-0.75%
Restoration Hardware Holdings Inc.	-0.46%
Coinbase Global Inc.	-0.43%
Alcoa Corp.	-0.43%
Transocean Ltd.	-0.42%
Norwegian Cruise Line Holdings Ltd.	-0.42%
Chart Industries Inc.	-0.41%
Robinhood Markets Inc.	-0.41%
Wayfair Inc.	-0.41%
Total	-40.5%

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Portfolio Characteristics

	Long	Short
Price to Earnings	21.9	30.0
Forward Sales Growth	4.3%	4.7%
Forward Earnings Growth	15.3%	41.2%
Forward Price to Earnings	17.4	17.5
Return on Equity	16.4%	7.1%
Weighted Average Market Cap (\$ billions)	92.0	28.6
Beta	0.8	1.4

Sector Allocation

	Long	Short
Industrials	17.4%	-17.2%
Financials	16.8%	-16.9%
Information Technology	14.7%	-14.8%
Consumer Discretionary	12.7%	-12.8%
Health Care	11.4%	-11.5%
Real Estate	6.6%	-6.7%
Materials	5.7%	-6.1%
Consumer Staples	5.3%	-5.0%
Utilities	4.9%	-4.8%
Energy	4.3%	-4.6%
Communication Services	4.1%	-3.9%
Cash & Cash Equivalents	100.5%	-0.5%

Risk Characteristics

(3 & 5 Year Annualized)

Portfolio	3-Year	5-Year
Standard Deviation	16.0%	
Sharpe Ratio	0.08	
Beta	-0.53	
Tracking Error	29.5%	
Upside Capture	-15.5%	
Downside Capture	-104.7%	

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Investment Management Team

AGF Investments' quantitative investment team is intellectually diverse and multi-disciplined with a focus on factor-based investing. The team's approach is grounded in the belief that investment outcomes can be improved by assessing and targeting the factors that drive market returns.

Portfolio Managers



Grant Wang, M.A. (Econ.), Ph.D., CFA®

SVP, Head of Quantitative Research & Chief Data Scientist
AGF Investments Inc.

- Industry Exp: since 2001
- Firm Exp: since 2012



Robert Yan, Ph.D., CFA®

VP & Portfolio Manager
AGF Investments Inc.

- Industry Exp: since 2006
- Firm Exp: since 2008



Jeff Kay, M.Sc.

VP & Portfolio Manager
AGF Investments Inc.

- Industry Exp: since 2002
- Firm Exp: since 2011

Sub-Advisor



Bill DeRoche, MBA, CFA®

SVP, Head of Quantitative Investing
AGF Investments LLC

- Industry Exp: since 1995
- Firm Exp: since 2010

Investment Team/Resources

Josh Belko, CFA®
Co-Portfolio Manager
AGF Investments LLC

Ian Rake, MQF, CFA®
Analyst
AGF Investments Inc.

Philip Lee, M.E., Ph.D.
Portfolio Manager
AGF Investments LLC

Quantitative Research Team

Dillon Culhane, CPA, CA, CFA®
Co-Portfolio Manager**

Hang Gao, MQF, CFA®
Senior Analyst

Russell (Dezhao) Han, Ph.D., FSA
Senior Analyst

Brian Jia, Ph.D.
Senior Analyst

Zheng Liu, MBA, Ph.D. Fin., CFA®
Senior Analyst

Tingting Lu, Ph.D., CFA®
Co-Portfolio Manager

Lei Wan, MQF, CFA®
Co-Portfolio Manager

Brad Xing, MQF
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VP, Data Engineering

Stewart Boxall
Senior Manager, Technology Development & Analyst

Joanna Malec
Developer

Yuyi You
Research Analyst

**Pending regulatory approval.

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About AGF Management Limited

Founded in 1957, AGF Management Limited (AGF) is an independent and globally diverse asset management firm. Our companies deliver excellence in investing in the public and private markets through three distinct business lines: AGF Investments, AGF Private Capital and AGF Private Wealth.

AGF brings a disciplined approach, focused on incorporating sound, responsible and sustainable corporate practices. The firm's collective investment expertise, driven by its fundamental, quantitative and private investing capabilities, extends globally to a wide range of clients, from financial advisors and their clients to high-net worth and institutional investors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

Headquartered in Toronto, Canada, AGF has investment operations and client servicing teams on the ground in North America and Europe. AGF trades on the Toronto Stock Exchange under the symbol AGF.B.

About AGF Investments

AGF Investments represents AGF's group of companies who manage and advise on a variety of investment solutions managed by its fundamental and quantitative investing teams.

AGF Investments Inc. is a wholly-owned subsidiary of AGF Management Limited and conducts the management and advisory of mutual funds in Canada.

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Disclosures

All information is provided by AGF Investments in Canadian dollars as of March 31, 2024, unless otherwise indicated. The performance presented is net of fees. Rates of return for periods greater than one year have been annualized. Numbers may not add up to 100% due to rounding.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. AGF ETFs are ETFs offered by AGF Investments Inc. ETFs are listed and traded on organized Canadian exchanges and may only be bought and sold through licensed dealers.

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Term Definitions

Active Share

Active Share tracks the disparity between a portfolio manager's holdings and that of its benchmark index. A low Active Share score indicates that a portfolio manager is closely replicating the target index, while a high Active Share score indicates that a fund's holdings diverge significantly from the target index.

Beta

A measure of a fund's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a Beta of 1.0. A Beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. For example, a Beta of 1.10 shows that the fund performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant.

Downside Capture (Ratio)

The Downside Capture Ratio is calculated by taking the portfolio's return and dividing it by the benchmark's return in periods when the benchmark return was negative. A Downside Capture Ratio of less than 100% is considered desirable.

Forward Earnings Growth

Forward Earnings are an estimate of a company's earnings for an upcoming period; their growth rate is calculated based on forecasted earnings.

Forward Price/Earnings (Forward P/E)

A Forward P/E is calculated based on forecasted earnings per share; a stock's current price divided by next year's expected earnings.

Forward Sales Growth

Forward Sales are an estimate of a company's revenues for an upcoming period; their growth rate is calculated based on forecasted revenue.

Information Ratio

The Information Ratio is the ratio of the portfolio returns above the returns of the blended benchmark to the volatility of those returns. It's designed to measure the ability to generate excess returns relative to a benchmark on a risk-adjusted basis.

Management Expense Ratio (MER)

The Management Expense Ratio, commonly referred to as MER, is a measure of the total expenses (fees and other costs) borne by the mutual fund or ETF, expressed as a percentage of the fund's net asset value. The ratio is calculated by dividing the total annual expenses by the average net asset value of the fund for the given year.

Price/Earnings

(P/E ratio or P/E) The ratio of share price to earnings per share.

Return on Equity

A profitability ratio calculated as net income divided by average shareholders' equity.

Risk Profile

The Risk Profile is based on the historical volatility of a fund, as measured by the 10-year annualized standard deviation of the 10-year average returns of the fund. The investment risk level is required to be determined in accordance with the Canadian Securities Administrators' standardized risk classification methodology.

Sharpe Ratio

Sharpe Ratio characterizes how well the return of a fund compensates the investor for each unit of absolute risk they assume, as measured by the Standard Deviation of the fund. The greater a fund's Sharpe Ratio, the better its risk-adjusted performance has been.

Term Definitions

Standard Deviation

A statistical measure of the range/dispersion of a fund's performance. The more variable the returns, the larger the Standard Deviation. When a fund has a high Standard Deviation, it means that its range of performance was wide for the given period, i.e. greater historical volatility. Standard Deviation does not predict the future volatility of a fund.

Tracking Error

The Tracking Error represents a fund manager's added value variability. It reports the difference between the return received and that of the benchmark being compared to. It is reported as a Standard Deviation percentage difference.

Trading Expense Ratio (TER)

The total gross expenses divided by the fund's average net assets.

Turnover (Ratio)

The portfolio Turnover Ratio is the rate at which assets in a fund are bought and sold by the portfolio managers. It is calculated as the minimum of securities bought or sold divided by the average assets over the period.

Upside Capture (Ratio)

The Upside Capture Ratio is calculated by taking the portfolio's return and dividing it by the benchmark's return in periods when the benchmark return was positive. An Upside Capture Ratio of greater than 100% is considered desirable.

Weighted Average Market Cap

Market cap is the market value of all the outstanding shares in a company. In a portfolio the Weighted Average Market Cap is the sum of the products of a company's market cap and its percentage allocation in the portfolio.