

Annual Management Report of Fund Performance

# AGF Global Alternatives Strategic Equity Fund

September 30, 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.

### Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Global Alternatives Strategic Equity Fund (the "Fund") is to provide portfolio diversification and long-term capital growth through exposure to shares of global equities associated with real assets. Real assets include, but are not limited to, infrastructure, energy, precious metals and real estate. To achieve this objective, AGF Investments Inc. ("AGFI"), as portfolio manager, generally allocates the Fund's asset among underlying mutual funds (the "Underlying Funds") and exchange traded funds ("ETFs") managed by third parties or AGFI (or an AGFI affiliate). The Fund's investment in the Underlying Funds and ETFs are rebalanced to the target weighting generally on a quarterly basis or as AGFI deems appropriate. During periods of market downturn or for other reasons, a significant portion of the Fund's assets may be held in cash or cash equivalents.

### Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. Any changes to the Fund over the period have not affected the overall level of risk of the Fund.

The Fund continues to be suitable for investors seeking long-term growth plus some income from global equities with some exposure to fixed income and commodities, investing for the medium to long-term with a medium tolerance for risk. The suitability of the Fund has not changed from what has been disclosed in the prospectus.

### Results of Operations

For the year ended September 30, 2023, the Fund returned 12.0% (net of expenses) while the Blended Benchmark returned 8.9%. The Blended Benchmark is composed of 25% S&P Global Infrastructure Net Index/20% MSCI World Materials Net Index/20% MSCI World Real Estate Net Index/15% MSCI World Energy Net Index/10% ICE BofA US Inflation Linked Treasury Index/10% S&P/TSX Global Gold Index.

The discussion below regarding the performance of the Fund references the performance of the ETFs and the Mutual Fund Units of the Underlying Funds, as applicable. The Fund holds Series O Units of the Underlying Funds. The performance of Series O 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 it relates 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 Fund out-performed the Blended Benchmark due to sectoral allocation decisions. The Real Estate sector was the biggest contributor to performance due to an underweight allocation and positive security selection. The Energy sector also contributed owing to an overweight allocation to the sector, though partially offset by negative stock choices. The Utilities sector was the biggest detractor owing to exposure to the sector. Materials also detracted from performance due to an underweight allocation to the sector, which was partially offset by positive security selection.

From a country perspective, the U.S. was the biggest contributor due to positive security selection. Japan also contributed to performance owing to positive stock selection, though partially offset by an underweight allocation to the country. Australia was the biggest detractor due to an underweight country allocation and negative stock choices. Ireland also detracted from performance due to a lack of exposure.

The Fund's major portfolio categories, as a percentage of Net Asset Value as at September 30, 2023, include approximately 96.0% in foreign equity via its holdings in the Underlying Funds and ETFs and 4.0% in cash and cash equivalents. During the reporting period, the Fund's allocation to foreign equity and cash and cash equivalents remained fairly consistent.

The Fund had net subscriptions of approximately \$6 million for the current period, as compared to net subscriptions of approximately \$1 million in the prior period. The portfolio manager does not believe that subscription activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

### Recent Developments

The global economy proved more resilient than expected during the reporting period, even as the tightening of monetary policies worked its way through economies. Furthermore, Russia backed out of the Black Sea grain trade agreement in July 2023, reviving concerns about global food inflation. Inflation in Europe and the UK remained sticky through the reporting period. Global equities gained ground during the reporting period but also faced a year of volatility fueled by a high-stakes guessing game about global interest rates, China's faltering economic recovery and a short-lived banking crisis that freshened memories of 2008. The Information Technology sector stood out for the better part

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

of 2023, as the rise of artificial intelligence boosted investor sentiment and speculation was rife about the future of the technology.

In the U.S., despite expectations of a possible recession, the U.S. economy continued to grow at a 2.1% rate during the second calendar quarter of 2023. Early in the year, a short-lived banking crisis in March 2023 where three mid-sized banks failed led to concerns of a far-reaching problem across the globe. Nevertheless, the regulators were quick to act and prevent possible global contagion. The U.S. Federal Reserve (the "Fed") raised rates four times since the start of 2023, with the federal funds rate reaching 5.5% on its upper bound and above core inflation numbers at the time. However, in September 2023, Fed Chair Jerome Powell paused further rate hikes to take time to assess the lagged effects of rate hikes on the economy's productivity, although he also announced that the rates should be expected to remain elevated for the foreseeable future. Unemployment in the country rose to 3.8% in August 2023 from 3.5% in the previous month, the highest it has been since September 2022. U.S. equities (as measured by the S&P 500 Index) rallied during the reporting period. There were strong gains in the Information Technology, Communication Services and Energy sectors through the first half of 2023. Utilities stocks lagged the most during the reporting period, as did Real Estate. Value stocks out-performed growth stocks during the reporting period, while large capitalization stocks out-performed small capitalization stocks.

The Eurozone economy continued to grow marginally throughout 2023, though it contracted during the last calendar quarter of 2022. Even though inflation has remained on a downward trend since the start of 2023, the European Central Bank ("ECB") continued to raise lending rates to reach a 22-year high of 4.5% in September 2023. The ECB also signaled that it is likely done tightening, as inflation has started to decline but rates are still expected to remain high for the foreseeable future. European equities though, began a long rally towards the end of 2022 in the hopes that inflation had peaked in the region and was in sync with the global equity upward trend. However, in July 2023, European equities lost momentum as the effects of the higher interest rates affected the performance of almost all sectors, except Energy and Real Estate.

Emerging markets equities posted positive gains, but modestly under-performed developed markets equities during the reporting period. The first calendar quarter of 2023 was off to a strong start and continued to build on the recovery that began in the prior quarter. However, this growth slowed in the second calendar quarter of 2023 as new economic data demonstrated that China's economic recovery from zero-COVID policies was disappointing and below expectations. Additionally, uncertainty about the U.S. debt ceiling added to the gloom, albeit it was resolved in early June 2023. Furthermore, the third calendar quarter of 2023 performance was affected by concerns that the strength of the U.S. economy would keep interest rates

higher for a longer period of time, dampening risk appetite. This was compounded with persistent Chinese economic difficulties and concerns about the property industry.

Global equities delivered positive returns during the reporting period, while the S&P GSCI Index remained almost stable. Energy sector was one of the best performers driven by an increase in crude oil prices. In industrial metals, prices for both aluminum and copper increased. In precious metals, prices for both gold and silver moved higher. The Real Estate sector saw intense volatility but ended lower as the Fed decided to keep interest rates high for longer and signaled one more possible rate hike this year, along with the downturn in China's property sector. The real asset universe pivoted from the Real Estate sector to the Energy and Commodities sectors, as investors reassessed their rate risk sensitivity. Over the reporting period, price of Brent Oil increased, leading to higher energy equities.

The portfolio manager remains cautious about the global economic outlook, but a recession is not built into its base case. The portfolio manager believes an economic slowdown has the highest likelihood of occurring. Robust employment data is both a challenge and a benefit to the market. If it remains robust, it will likely provide a headwind to the Fed's efforts to bring down inflation while simultaneously providing the backdrop for a soft landing as a key component for the economy to remain healthy. While the portfolio manager is not projecting a recession, it is cognizant of the fact that there could be a tipping point in the inflation fight where employment data changes abruptly and the likelihood of a recession comes to the fore, so the portfolio manager will remain optimistic but vigilant.

The portfolio manager remains focused on quality factors and fundamentally supported sectors. The primary overweight remains in the Energy sector with the forecast that the continuing tight fundamental balances will support prices above both spot prices and the existing forward curve. With undemanding valuations, some of the universe's best free cash flow metrics and commitment to capital returns, energy equities should continue to provide above-peer returns. The portfolio manager continues to find interesting market opportunities given elevated volatility and more attractive valuations, particularly in areas of the market that have experienced indiscriminate selling. However, the portfolio manager will remain cautious given the ongoing risks and will continue to focus on attractively valued companies with solid balance sheets.

## 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 and ETFs 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 \$14,000 were incurred by the Fund during the period ended September 30, 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 past five years as applicable.

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

For the periods ended	Sept 30, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>24.72</b>	<b>25.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.17	0.05	-	-	-
Total expenses	(0.09)	(0.02)	-	-	-
Realized gains (losses)	0.10	-	-	-	-
Unrealized gains (losses)	1.26	(1.31)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.44</b>	<b>(1.28)</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.02)	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.02)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>27.64</b>	<b>24.72</b>	-	-	-

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

For the periods ended	Sept 30, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019
Total Net Asset Value (\$'000's)	7,246	1,228	-	-	-
Number of units outstanding (000's)	262	50	-	-	-
Management expense ratio <sup>(5)</sup>	0.36%	0.39%	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.39%	0.39%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.06%	0.03%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	6.22%	0.00%	-	-	-
Net Asset Value per unit	27.64	24.72	-	-	-

### Explanatory Notes

(1) a) This information is derived from the Fund's audited annual 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

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

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 ETFs in which the Fund 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 Fund. 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 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. 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.

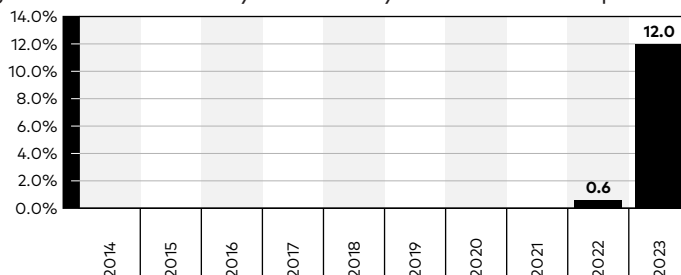
## Past Performance\*

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. 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 Fund 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 Fund's annual performance for each of the past 10 years to September 30, 2023 as applicable, and illustrates how the Fund'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.

### Annual Compound Returns

The following table compares the historical annual compound returns for the Fund with the index, for each of the periods ended September 30, 2023.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	12.0	N/A	N/A	N/A	10.0
Blended Benchmark	8.9	N/A	N/A	N/A	5.9

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

The S&P Global Infrastructure Net Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability.

The MSCI World Materials Net Index is a market capitalization-weighted index that is designed to measure the performance of the materials sector of the MSCI World Index.

The MSCI World Real Estate Net Index is a market capitalization-weighted index that is designed to measure the performance of the real estate sector of the MSCI World Index.

The MSCI World Energy Net Index is a market capitalization-weighted index that is designed to measure the performance of the energy sector of the MSCI World Index.

The ICE BofA US Inflation Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government.

The S&P/TSX Global Gold Index is a modified capitalization-weighted index, whose equity weights are capped at 25%. Designed to provide an investable index of global gold securities, eligible securities are classified under the GICS gold sub-sector.

For a discussion of the relative performance of the Fund as compared to the index, see Results of Operations in the Management Discussion of Fund Performance.

## Summary of Investment Portfolio

As at September 30, 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 December 31, 2023.

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

Top Holdings	Percentage of Net Asset Value (%)
AGF Global Real Assets Fund	86.5
AGF Systematic Global Infrastructure ETF	9.1
Cash & Cash Equivalents	4.3
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 7,246</b>

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	86.5
ETFs – International Equity	9.1
Cash & Cash Equivalents	4.3
Other Net Assets (Liabilities)	0.1



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