

Annual Management Report of Fund Performance

# AGF Monthly Canadian Dividend Income 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 Monthly Canadian Dividend Income Fund (the "Fund") is to provide investors with a steady flow of income and the potential for long-term capital appreciation, primarily through investing in high dividend yielding shares trading on Canadian stock exchanges. To achieve this objective, the Fund currently invests in units of AGF Canadian Dividend Income Fund (formerly, AGFiQ Canadian Dividend Income Fund) (the "Underlying Fund"). AGF Investments Inc. ("AGFI"), as portfolio manager, believes that investment success can be achieved through blending quantitative and fundamental analysis to identify investment opportunities that generate attractive and sustainable levels of income, deliver a lower volatility profile for the portfolio and provide the opportunity for long-term capital appreciation. The Fund may also invest in money market instruments and fixed income investments issued by corporations and governments of Canada as well as in foreign securities, which are not expected to exceed 10% of the Net Asset Value (see Explanatory Note (1) a)) of the Fund at the time of purchase. 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 a well-diversified Canadian fund and 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 6.9% (net of expenses) while the S&P/TSX Composite Dividend Index returned 7.7%.

The Fund holds Series O Units of the Underlying Fund. The discussion below references performance figures for Mutual Fund Units of the Underlying Fund. The performance of Series O Units is substantially similar to that of Mutual Fund Units, save for differences in expense structure.

The Fund under-performed the S&P/TSX Composite Dividend Index due to the Underlying Fund's negative security selection, which was partially offset by sectoral allocation decisions. The Utilities sector was the biggest detractor due to negative stock selection. The Materials sector also detracted from performance owing to individual stock choices. The Information Technology sector was the biggest contributor owing to an overweight allocation to the sector, which was partially offset by negative security selection. The Financials sector also contributed to the Underlying Fund's performance owing to an underweight allocation to the sector as well as positive security selection. The Underlying Fund's cash holding, which averaged 7.1% during the reporting period, also contributed to overall results.

The Underlying Fund entered into foreign exchange forward contracts during the period under review. As at September 30, 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.

The Fund had net subscriptions of approximately \$66 million for the current period, as compared to net subscriptions of approximately \$15 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

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 of 2023, as the rise of artificial intelligence boosted investor sentiment and speculation was rife about the future of the technology. The U.S. Federal Reserve (the "Fed") paused rate hikes in September 2023, after six rate hikes during the reporting period, with the Fed funds rate reaching 5.5% on its upper bound and above core inflation numbers at the time. However, the Fed paused its rate hiking cycle at its September 2023 meeting to allow time to assess the lagged effects of rate hikes on the economy's productivity. Elsewhere, inflation in Europe and the UK remained sticky

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.

through the reporting period. Furthermore, Russia backed out of the Black Sea grain trade agreement in July 2023, reviving concerns about global food inflation.

During the second calendar quarter of 2023, Canada's economy stalled, failing to build on the growth from the previous calendar quarter. The Bank of Canada ("BoC") paused its rate hiking cycle in February 2023 after inflation continued to steadily decline till June. However, after inflation jumped up in July 2023, the BoC hiked rates during its July meeting. Unemployment remained unchanged at 5.5% in August 2023 from the previous month, the highest it has been since September 2022. Wage growth remains strong, as do the new jobs generated every month. However, the housing crisis and the delay in the promise of multi-billion dollar clean technology tax credits added to investor concerns about the economy's health. Towards the end of the reporting period, trade rebounded in the country due to transfers of gold to the U.S. and higher crude oil prices, after a series of strikes that shut down ports in July and August 2023.

The S&P/TSX Composite Index rose during the reporting period. The sectors that contributed the most to performance were Information Technology, Energy and Consumer Discretionary, while the Utilities and Communication Services sectors were the biggest detractors. Large capitalization stocks out-performed small capitalization stocks during the reporting period, while growth out-performed value.

The portfolio manager continues to believe the Canadian equity markets will remain well-positioned in the current volatile environment. As inflation raised its head again, the BoC hiked rates in July 2023 but refrained from doing so again during the most recent meeting in September 2023. Even in this inflationary environment, the portfolio manager believes the investment narrative should continue to improve and provide a better backdrop for equities.

The Fund benefited from its balanced positioning throughout 2023, with focus not just on high dividend payers but also other areas of the market. Moving forward, extra attention is needed to allocate to the most attractive and highest quality dividend payers. The portfolio manager believes economic data will not prove to be as resilient as being priced in. Furthermore, the portfolio manager believes the potential for bond yields moving down has already been reflected in the moves and concentration risks of technology/growth areas. Thus, the portfolio manager is exploring ideas in other areas of equity duration. Equity duration is the measure of how long an investor must receive dividends in order to be repaid the purchase prices of the stock. The portfolio manager is balancing a selective approach in Health Care, Utilities, with durable Consumer stocks and Industrials. Lastly, the portfolio manager believes seasonality and the turn to 2024 will benefit the average stocks versus ultra large capitalization stocks.

Effective June 22, 2023, the risk rating of the Fund was changed from "low to medium" to "medium". No material changes have been made to the investment objective, strategies or management of the Fund.

## 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 rate of 0.32%. Administration fees of approximately \$156,000 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>24.46</b>	<b>25.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	1.84	0.24	-	-	-
Total expenses	(0.09)	(0.02)	-	-	-
Realized gains (losses)	-	(0.01)	-	-	-
Unrealized gains (losses)	(1.48)	(3.00)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.27</b>	<b>(2.79)</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	(0.00)	-	-	-
From dividends	(0.70)	(0.02)	-	-	-
From capital gains	(1.83)	(0.30)	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(2.53)</b>	<b>(0.32)</b>	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>23.60</b>	<b>24.46</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	Sept 30, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019
Total Net Asset Value (\$000's)	76,774	14,451	-	-	-
Number of units outstanding (000's)	3,254	591	-	-	-
Management expense ratio <sup>(2)</sup>	0.35%	0.35%	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.35%	0.35%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.08%	0.05%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	0.00%	2.05%	-	-	-
Net Asset Value per unit	23.60	24.46	-	-	-

### Explanatory Notes

- 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 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.
- 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.
- 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.
- This is not a reconciliation of the beginning and ending Net Assets per unit.
- 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.
- 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.
- 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.

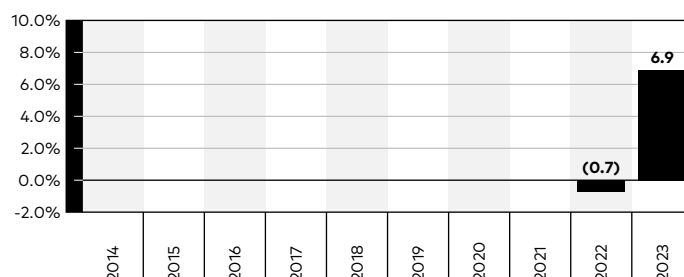
## Past Performance\*

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	6.9	N/A	N/A	N/A	4.9
S&P/TSX Composite Dividend Index	7.7	N/A	N/A	N/A	5.2

The S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks and includes all stocks in the S&P/TSX Composite Index with positive annual dividend yields as of the latest rebalancing.

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 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 December 31, 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	79.6
United States	19.2
Cash & Cash Equivalents	1.0
Foreign Exchange Forward Contracts	(0.0)
Other Net Assets (Liabilities)	0.2

\* 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.

# AGF Monthly Canadian Dividend Income Fund

SEPTEMBER 30, 2023

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	23.9
Energy	15.6
Industrials	12.9
Utilities	8.5
Materials	7.3
Communication Services	6.4
Information Technology	5.3
Real Estate	5.0
Consumer Staples	4.1
Consumer Discretionary	4.0
Health Care	4.0
Short-Term Investments	2.2
Cash & Cash Equivalents	1.0
Foreign Exchange Forward Contracts	(0.0)
Currency/Equity Options Written	(0.4)
Other Net Assets (Liabilities)	0.2

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	80.0
United States Equity	17.0
Short-Term Investments	2.2
Cash & Cash Equivalents	1.0
Foreign Exchange Forward Contracts	(0.0)
United States Equity Options Written	(0.0)
Canadian Currency/Equity Options Written	(0.4)
Other Net Assets (Liabilities)	0.2

Top Holdings	Percentage of Net Asset Value (%)
<b>Long Positions:</b>	
Enbridge Inc.	5.6
Royal Bank of Canada	5.3
Canadian Natural Resources Limited	4.7
The Toronto-Dominion Bank	3.9
Brookfield Corporation	3.7
Bank of Montreal	3.5
Nutrien Limited	3.5
TELUS Corporation	3.3
Brookfield Infrastructure Partners Limited Partnership	3.0
Rogers Communications Inc.	3.0
Granite Real Estate Investment Trust	3.0
Intact Financial Corporation	3.0
Canadian National Railway Company	2.9
Canadian Pacific Kansas City Limited	2.9
Loblaw Companies Limited	2.6
Waste Connections Inc.	2.5
Hydro One Limited	2.5
Tourmaline Oil Corporation	2.3
UnitedHealth Group Inc.	2.3
U.S. Treasury**	2.2
Thomson Reuters Corporation	2.2
CCL Industries Inc.	2.0
Canadian Apartment Properties Real Estate Investment Trust	2.0
Cenovus Energy Inc.	1.9
Motorola Solutions Inc.	1.8
<b>Subtotal</b>	<b>75.6</b>
<b>Short Positions:</b>	
<b>Currency/Equity Options Written</b>	
USD-CAD Currency Option Index	(0.3)
Tourmaline Oil Corporation	(0.1)
Canadian Natural Resources Limited	(0.0)
WSP Global Inc.	(0.0)
Cenovus Energy Inc.	(0.0)
Suncor Energy Inc.	(0.0)
Intuit Inc.	(0.0)
Rockwell Automation Inc.	(0.0)
UnitedHealth Group Inc.	(0.0)
The Home Depot Inc.	(0.0)
Thomson Reuters Corporation	(0.0)
Intact Financial Corporation	(0.0)
NextEra Energy Inc.	(0.0)
Nutrien Limited	(0.0)
Brookfield Corporation	(0.0)
Lam Research Corporation	(0.0)
iA Financial Corporation Inc.	(0.0)
Sun Life Financial Inc.	(0.0)
Accenture PLC	(0.0)
AbbVie Inc.	(0.0)
<b>Subtotal</b>	<b>(0.4)</b>

The total Net Asset Value of the Fund as at September 30, 2023 was approximately \$76,774,000.

\*\* Debt Instruments



For more information contact your investment advisor or:

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