

Annual Management Report of Fund Performance

AGF Canadian Strategic Balanced 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 Canadian Strategic Balanced Fund (the "Fund") is to provide investors with long-term capital appreciation along with the potential for monthly income through exposure to high dividend yielding shares trading on Canadian stock exchanges and fixed income securities. To achieve this objective, AGF Investments Inc. ("AGFI"), as portfolio manager, generally allocates the Fund's assets among underlying mutual funds (the "Underlying Funds") and exchange traded funds ("ETFs") managed by third parties or AGFI (or an AGFI affiliate). AGFI has set, and reviews quarterly, target dynamic allocations between Canadian equity and fixed income for the Fund, consistent with the Fund's investment objective. 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 who want a balanced portfolio of Canadian equity and fixed income securities in a single fund, investing for the medium to longer term with a low to 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 4.5% (net of expenses) while the Blended Benchmark returned 4.1%. The Blended Benchmark is composed of 60% S&P/TSX Composite Dividend Index/40% Bloomberg Canada Aggregate Index.

The Fund holds Series O Units of the Underlying Funds. The discussion below references performance figures for Mutual Fund 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 Fund out-performed the Blended Benchmark as the Underlying Funds' holdings in fixed income securities added value, while equity holdings detracted.

Within fixed income, the largest positive contribution came from an overweight allocation to corporate bonds along with security selection, as economic resilience over the reporting period acted as momentum for corporate credit and other higher beta assets. Beta measures the relative volatility of the value of a security compared with that of a market index. The fixed income portion focuses on corporate bonds with strong balance sheets and may offset some of this exposure with credit hedges when deemed appropriate. The fixed income portion also benefited from a large underweight exposure to Canadian government and provincial bonds relative to the benchmark, as government bonds underperformed. As yields have continued backing up over the reporting period, the fixed income portion was able to generate additional alpha through its out-of-benchmark component made up of high yield and convertible bonds, which is less sensitive to moves in interest rates. Alpha is the excess return of the portfolio over the benchmark. The portfolio's tactical adjustment to duration during the reporting period also supported relative performance. Duration is a measure of the sensitivity of the portfolio to changes in interest rates.

Within the equities portion, the Utilities sector was the biggest detractor from relative performance due to negative stock selection and an overweight allocation. The Materials sector also detracted due to negative stock selection, partially offset by an underweight sector allocation. On the other hand, the largest positive contribution came from the Industrials sector, resulting from strong stock selection and an underweight sector allocation. The Financials sector also contributed, driven by stock selection and a favourable underweight allocation to the sector.

The Fund's major portfolio categories, as a percentage of Net Asset Value as at September 30, 2023, include approximately 59.0% in Canadian equity and 36.0% in fixed income via its holdings in the Underlying Funds, 6.0% in cash and cash equivalents and 1.0% in other net liabilities. During the reporting period, the Fund's allocation to Canadian equity, fixed income and cash and cash equivalents remained fairly consistent.

The Fund had net subscriptions of approximately \$17 million for the current period, as compared to net subscriptions of approximately \$5 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

Bond markets remained volatile over the reporting period, driven by variable economic data, geopolitical turmoil, the U.S. debt ceiling standoff, the banking system turmoil and

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 or SEDAR at 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.

central bank policies. Inflation levels broadly moderated but remained elevated versus target levels, and resilient economic activity also supported further central bank rate hikes, albeit at a more moderate pace. In recognition of the decelerating pace of inflation as well as the fact that monetary policy acts with a long and variable lag, the Bank of Canada ("BoC") elected to pause its rate hike campaign after raising rates in January 2023 by 0.25%. However, considering the surprisingly strong consumer sentiment and positive economic data, the BoC decided to restart its hiking cycle in June 2023 and raised rates by 0.25% at each of its meetings in June and July 2023. The BoC kept rates unchanged at 5.0% at its September 2023 meeting, marking another pause in its tightening cycle in response to a slowdown in Canada's economy in the second calendar quarter.

During the second calendar quarter of 2023, Canada's economy stalled, failing to build on the momentum from the previous quarter. Unemployment remained unchanged from the previous month at 5.5% in August 2023, the highest since September 2022. Wage gains remained solid, supported by resilient job growth in the economy. However, the housing crisis due to significantly higher mortgage rates and the delay of the multi-billion dollar clean technology tax credits added to investor concerns. Towards the end of the reporting period, merchandise trade rebounded as exports of gold to the U.S. and higher crude oil prices, exceeded imports, resulting in a positive trade balance in September 2023. This was 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.

Despite the significant tightening so far, the global economic outlook remains somewhat resilient. Inflation has remained sticky, and though it may continue to decelerate in the coming months, central banks remain vigilant about the risk of a resurgence in 2023 and beyond. Meanwhile, policymakers have projected above-target inflation in the next couple of years. As a result, the bar remains high for central banks to cut interest rates soon unless the growth profile deteriorates significantly. Many developed markets yield curves have

remained substantially inverted for some time, which historically has been a leading indicator of slowing economic growth.

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 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 \$46,000 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⁽¹⁾

For the periods ended	Sept 30, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)
Net Assets, beginning of period⁽¹⁾	24.75	25.00*	-	-	-
Increase (decrease) from operations:					
Total revenue	1.59	0.25	-	-	-
Total expenses	(0.09)	(0.02)	-	-	-
Realized gains (losses)	(0.01)	-	-	-	-
Unrealized gains (losses)	(1.42)	(1.70)	-	-	-
Total increase (decrease) from operations⁽²⁾	0.07	(1.47)	-	-	-
Distributions:					
From income (excluding dividends)	(0.19)	(0.00)	-	-	-
From dividends	(0.31)	(0.01)	-	-	-
From capital gains	(1.17)	(0.12)	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(1.67)	(0.13)	-	-	-
Net Assets, end of period⁽⁴⁾	24.21	24.75	-	-	-

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

Ratios/Supplemental Data⁽¹⁾

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)	20,802	4,690	-	-	-
Number of units outstanding (000's)	859	189	-	-	-
Management expense ratio ⁽²⁾	0.35%	0.36%	-	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.35%	0.36%	-	-	-
Trading expense ratio ⁽⁷⁾	0.05%	0.04%	-	-	-
Portfolio turnover rate ⁽⁸⁾	11.19%	0.00%	-	-	-
Net Asset Value per unit	24.21	24.75	-	-	-

Explanatory Notes

- 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").
 - 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.
- 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.

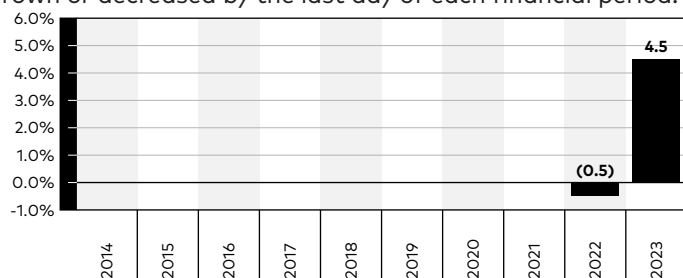
Past Performance*

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	4.5	N/A	N/A	N/A	3.2
Blended Benchmark	4.1	N/A	N/A	N/A	2.7

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.

The Bloomberg Canada Aggregate Index provides a broad-based measure of the Canadian investment grade fixed income market.

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 are available on the internet at www.sedar.com.

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	59.0
Fixed Income Funds	36.1
Cash & Cash Equivalents	6.0
Other Net Assets (Liabilities)	(1.1)

Top Holdings	Percentage of Net Asset Value (%)
AGF Canadian Dividend Income Fund	59.0
AGF Fixed Income Plus Fund	36.1
Cash & Cash Equivalents	6.0
Total Net Asset Value (thousands of dollars)	\$ 20,802

* 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.



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