

Annual Management Report of Fund Performance

AGF Enhanced U.S. Equity 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 Enhanced U.S. Equity Income Fund (the "Fund") is to provide long-term capital appreciation by investing in a diversified portfolio of dividend-paying U.S. equity securities while mitigating volatility and generating consistent income through the use of options. AGF Investments Inc. ("AGFI"), as portfolio manager, uses an active, fundamental approach to select U.S. equity securities that evaluates individual companies through the lens of income, quality, growth and valuation factors. The Fund is typically invested in relatively mature businesses with a history of a high, consistent yield and/or demonstrated dividend growth and, as such, has limited exposure to early-stage companies, companies which require high levels of capital expenditures or companies with high rates of internal reinvestment. The portfolio manager employs a dynamic option overlay strategy primarily seeking to enhance income and mitigate volatility through the use of covered call options and, on a tactical basis, covered put options. The portfolio manager will generally write covered call options on up to 50% of the portfolio, however, may write covered call options on a greater or lesser percentage of the portfolio from time to time at the discretion of the portfolio manager. The portfolio manager may also choose to write covered put options on a portion of the portfolio at their discretion. During periods of market downturn or for other reasons, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities.

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 investing for the medium to longer term, seeking the growth potential of equity securities of U.S. companies and who have medium tolerance for risk. The suitability of the Fund has not changed from what has been disclosed in the prospectus.

Results of Operations

The Fund commenced operations in August 2023.

Certain series of the Fund, as applicable, make monthly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the monthly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, 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.

Recent Developments

Global equities rallied strongly during the reporting period despite facing significant uncertainty and volatility, as central banks continued to fight inflationary pressures with tighter financial conditions. Furthermore, China's faltering economic recovery and a short-lived banking crisis added to the uncertainty. Companies with exposure to artificial intelligence ("AI") and large-language models led a significant market rally, though this was limited to a very narrow group of stocks from January to May 2023. However, market breadth started to widen in the final four months of the reporting period as rising real interest rates negatively impacted longer duration equities, which included many technology-focused companies. Long duration equities (often growth-oriented companies) are expected to produce their highest cash flows in the future and thus more sensitive to interest rate changes. The U.S. Federal Reserve hiked policy rates six times during the reporting period; however, it paused its rate hiking cycle at the September 2023 meeting to assess the lagged effects of rate hikes on the economy as inflationary pressures modestly eased. Elsewhere, core inflation in Europe and the UK remained sticky through the reporting period. Furthermore, Russia backed out of the Black Sea grain trade agreement in July 2023, reviving concerns about global food inflation.

In the U.S., despite expectations of a potential recession, the U.S. economy continued to grow at a 2.1% rate during the second calendar quarter of 2023. Early in 2023, a short-lived banking crisis resulted in three U.S. regional bank failures and one in Europe, leading to rising concerns over a global banking crisis. Nevertheless, regulators around the world were quick to act, which helped mitigate further contagion risk. The U.S. consumer sentiment remained resilient, supported by a still robust labour market.

The portfolio manager continues to maintain a constructive view on equities. While equity markets fell during the third calendar quarter of 2023, the portfolio manager expects positive returns in the final quarter of the year as, historically, the fourth quarter is the seasonally strongest period for equities.

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 1 800 268-8583, by writing to us at AGF Investments Inc., CIBC SQUARE, Tower One, 81 Bay Street, Suite 4000, Toronto, Ontario, Canada M5J 0G1 attention: Client Services, 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.

The pronounced market narrowness witnessed in the first half of 2023 somewhat eased during the third calendar quarter, primarily due to a substantial increase in U.S. real yields, which had a notable impact on AI, technology and long duration assets. While short-term rates now seem to be more reasonably priced, concerns persist regarding the sustainability of public debt, rising debt issuance and persistent core inflation, which may continue to keep interest rates elevated for an extended period. Consequently, the portfolio manager anticipates market leadership to continue to broaden in this environment and expects the Fund to benefit accordingly.

The portfolio manager is encouraged by the resilience of the U.S. economy, which has been underpinned by a faster-than-expected rebound in business investment and robust private consumption, driven by healthy household balance sheets and a tight labour market. However, the potential impact of higher for longer interest rates on the economy, a strong dollar, a potential government shutdown, the resumption of student loan repayments and a major auto strike are potential risks to the outlook. Leadership will begin to broaden out. As market participation in the uptrend broadens, the portfolio manager expects the Fund to benefit accordingly.

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, managing the investment portfolio of the Fund. Under the management agreement, the Fund (except for Series I, Series O, Series Q and Series W Units, if applicable) pays management fees, calculated based on the Net Asset Value of the respective series of the Fund. Management fees of approximately \$1,000 were incurred by Fund during the period from commencement of operations to September 30, 2023.

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 Mutual Fund Series, ETF Series, Series F and Series I Units, as applicable, of the Fund. The administration fee is calculated based on the Net Asset Value of the respective series of the Fund at a fixed annual rate, as disclosed in the current prospectus. Administration fees of approximately \$200 were incurred by the Fund during the period from commencement of operations to 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.

ETF Series Units - 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⁾	25.00*	-	-	-	-
Increase (decrease) from operations:					
Total revenue	0.11	-	-	-	-
Total expenses	(0.05)	-	-	-	-
Realized gains (losses)	(0.00)	-	-	-	-
Unrealized gains (losses)	(0.47)	-	-	-	-
Total increase (decrease) from operations⁽²⁾	(0.41)	-	-	-	-
Distributions:					
From income (excluding dividends)	(0.13)	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.13)	-	-	-	-
Net Assets, end of period⁽⁴⁾	24.46	-	-	-	-

ETF Series Units - 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)	1,468	-	-	-	-
Number of units outstanding (000's)	60	-	-	-	-
Management expense ratio ⁽⁵⁾	0.96%	-	-	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.96%	-	-	-	-
Trading expense ratio ⁽⁷⁾	0.13%	-	-	-	-
Portfolio turnover rate ⁽⁸⁾	0.93%	-	-	-	-
Net Asset Value per unit	24.46	-	-	-	-
Closing market price ⁽⁹⁾	24.50	-	-	-	-

Series F Units - 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⁾	10.00*	-	-	-	-
Increase (decrease) from operations:					
Total revenue	0.04	-	-	-	-
Total expenses	(0.01)	-	-	-	-
Realized gains (losses)	(0.00)	-	-	-	-
Unrealized gains (losses)	(0.19)	-	-	-	-
Total increase (decrease) from operations⁽²⁾	(0.16)	-	-	-	-
Distributions:					
From income (excluding dividends)	(0.05)	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.05)	-	-	-	-
Net Assets, end of period⁽⁴⁾	9.79	-	-	-	-

Series F Units - 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)	147	-	-	-	-
Number of units outstanding (000's)	15	-	-	-	-
Management expense ratio ⁽⁵⁾	0.11%	-	-	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.11%	-	-	-	-
Trading expense ratio ⁽⁷⁾	0.13%	-	-	-	-
Portfolio turnover rate ⁽⁸⁾	0.93%	-	-	-	-
Net Asset Value per unit	9.79	-	-	-	-

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 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 following series of the Fund commenced operations on the following dates, which represents the date upon which securities of a series were first made available for purchase by investors.

ETF Series Units	August 2023
Series F Units	August 2023

- (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. For new series launched during the period, the MER is annualized from the date of the first external purchase.

AGFI may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make management fee distributions to these unitholders in amounts equal to the amounts of the management fee reduction. The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.

- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses

* represents initial Net Assets
(1), (2), (3), (4), (5), (6), (7), (8) and (9) see Explanatory Notes

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, 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.
- (9) Closing market price on the last trading day of the period, as applicable, as reported on the NEO Exchange. Mid price is disclosed if no transaction took place on the last business day of the period.

Management Fees

The Fund is managed by AGFI. As a result of providing investment and management services, AGFI receives a monthly management fee, based on the Net Asset Value of the respective series, calculated daily and payable monthly. Management fees in respect of Series I, Series O, Series Q and Series W Units, if applicable, are arranged directly between the Manager and investors and are not expenses of the Fund. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, 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. Management fees have not yet been incurred in respect of Series F Units for the period ended September 30, 2023, as all issued units of the Fund were held by the Manager during the reporting period.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
ETF Series Units	0.75%	-	100.00%
Series F Units	0.75%	-	100.00%

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 August 2023.

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.

Portfolio by Country	Percentage of Net Asset Value (%)
United States	98.5
Cash & Cash Equivalents	1.9
Other Net Assets (Liabilities)	(0.4)

Portfolio by Sector	Percentage of Net Asset Value (%)
Energy	10.9
Information Technology	10.8
Health Care	9.2
Financials	9.2
Consumer Discretionary	8.9
Consumer Staples	8.8
Industrials	8.6
Real Estate	7.9
Materials	7.8
Short-Term Investments	7.4
Utilities	4.9
Communication Services	4.5
Cash & Cash Equivalents	1.9
Equity Options Written	(0.4)
Other Net Assets (Liabilities)	(0.4)

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Equity	91.5
Short-Term Investments	7.4
Cash & Cash Equivalents	1.9
United States Equity Options Written	(0.4)
Other Net Assets (Liabilities)	(0.4)

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Top Holdings	Percentage of Net Asset Value (%)
Long Positions:	
U.S. Treasury**	7.4
Exxon Mobil Corporation	5.9
Applied Materials Inc.	5.8
Gilead Sciences Inc.	5.0
Cisco Systems Inc.	5.0
Valero Energy Corporation	4.9
NRG Energy Inc.	4.9
Ford Motor Company	4.8
International Paper Company	4.8
MetLife Inc.	4.7
Altria Group Inc.	4.6
Verizon Communications Inc.	4.5
T. Rowe Price Group Inc.	4.5
3M Company	4.4
CH Robinson Worldwide Inc.	4.2
Conagra Brands Inc.	4.2
Pfizer Inc.	4.2
American Tower Corporation	4.2
Best Buy Company Inc.	4.1
Prologis Inc.	3.8
The Mosaic Company	3.0
Cash & Cash Equivalents	1.9
Subtotal	100.8
Short Positions:	
Equity Options Written	
Exxon Mobil Corporation	(0.1)
Valero Energy Corporation	(0.1)
Netflix Inc.	(0.1)
Ford Motor Company	(0.1)
NRG Energy Inc.	(0.0)
Meta Platforms Inc.	(0.0)
Applied Materials Inc.	(0.0)
CH Robinson Worldwide Inc.	(0.0)
International Paper Company	(0.0)
MetLife Inc.	(0.0)
Gilead Sciences Inc.	(0.0)
The Mosaic Company	(0.0)
Prologis Inc.	(0.0)
Cisco Systems Inc.	(0.0)
T Rowe Price Group Inc.	(0.0)
American Tower Corporation	(0.0)
Subtotal	(0.4)
Total Net Asset Value (thousands of dollars)	\$ 1,615

** Debt Instruments



For more information contact your investment advisor or:

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