

Interim Management Report of Fund Performance

# AGF Global Opportunities Bond ETF

March 31, 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.

### Results of Operations

For the six months ended March 31, 2023, AGF Global Opportunities Bond ETF (the "Fund") returned 4.2% (net of expenses) while the Bloomberg Global Aggregate Index and the Blended Benchmark returned 5.4% and 8.2%, respectively. The Blended Benchmark is composed of 40% Bloomberg Emerging Markets USD Aggregate Index (hedged to CAD)/40% Bloomberg Global High-Yield Index (hedged to CAD)/20% Bloomberg Global Aggregate Index.

The Fund under-performed the Bloomberg Global Aggregate Index primarily due to the Fund having a shorter duration than that of the benchmark as bond yields mostly declined over the reporting period. Duration exposure is the sensitivity of the portfolio due to changes in interest rates. Credit markets benefited from markets anticipating that central banks would be less aggressive. The Fund was overweight high yield corporate credit relative to the benchmark. Inflation, although very elevated, was also starting to show signs of peaking. In terms of currency exposure, the Fund maintained a partial hedge on the U.S. dollar, which was a net contributor to performance as the Canadian dollar was stronger relative to the U.S. dollar over the reporting period.

The Fund under-performed the Blended Benchmark primarily due to the Fund's underweight allocation to high yield corporate bonds, which out-performed lower beta fixed income categories. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Corporate credit spreads tightened as credit markets benefited from markets anticipating that central banks would be less aggressive. Although the Fund's overweight to emerging markets bonds denominated in local currency contributed to performance, its underweight exposure to emerging markets overall relative to the Blended Benchmark detracted. In terms of currency exposure, the Fund maintained a partial hedge on the U.S. dollar and despite this partial hedge being reduced over the reporting period, the Fund's overall net U.S. dollar exposure was a detractor as it was a significant overweight relative to the Blended Benchmark.

The Fund entered into foreign exchange forward contracts during the period under review. As of March 31, 2023, the Fund was long Canadian dollar and short Chinese Yuan

Renminbi, Czech Republic Koruna, Euro, Mexican Peso, Pound Sterling and U.S. dollar in order to hedge its currency exposure.

The Fund had net redemptions of approximately \$17,000 for the current period, as compared to net subscriptions of approximately \$2 million in the prior period. Rebalancing by an institutional program resulted in net subscriptions of approximately \$1 million in the Fund. The portfolio manager does not believe that redemption/subscriber 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, the banking system turmoil that arose in March 2023, central bank policies and the markets' reaction to them. 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 and growth, as well as the fact that monetary policy acts with a long and variable lag, the Bank of Canada elected to pause its rate hike campaign after raising rates in October 2022, December 2022 and January 2023. The U.S. Federal Reserve (the "Fed") and European Central Bank's tightening cycles continued at a slower pace in an effort to contain elevated inflation while striving to avoid too hard an impact on economic activity through braking too aggressively. The U.S. dollar declined during the period and Fed Chairman Jerome Powell cautioned that taming inflation might take longer than previously anticipated. Elsewhere, China's long-awaited economic rebound helped the global economic outlook somewhat after the country abandoned its zero-COVID policy. As Russia's invasion of Ukraine passed the one-year mark, NATO member nations pledged their unwavering support to Ukraine.

The U.S. economy grew 2.6% in the last calendar quarter of 2022, fueled by an increase in inventory investment and consumer spending, partly offset by a decline in housing investment. In January 2023, the unemployment rate hit a 50-year low of 3.4% and moved up to 3.6% in February. Inflation fell to 6.0% year on year in February 2023, the lowest since September 2021.

Bond prices were lower in February 2023 due to strong global economic data, prompting comments from the Fed pushing back on market expectations of cuts later in the year. These moves reversed most of the previous gains made over the period. However, the bond market rally resumed in March as news of regional bank failures hit the headlines and reintroduced the narrative of this tightening cycle nearing an

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1 800 387-2563, by writing to us at AGF Investments Inc., CIBC SQUARE, Tower One, 81 Bay Street, Suite 3900, 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.

end. The Fed still raised the federal funds rate by 0.25% to a range of 4.75% to 5.00% in March 2023, pushing borrowing costs to the highest since 2007. Consumer sentiment fell for the first time in four months to 63.4 in March 2023 from 67.0 in February 2023, which was the highest since January 2022. Consumer sentiment is an economic indicator that measures how optimistic consumers feel about their finances and the state of the economy. In March 2023, the central bank noted that the U.S. banking sector is resilient despite recent developments surrounding SVB Financial Group and other regional banks. These developments are likely to result in tighter credit conditions and could weigh on economic activity.

The global economic outlook remains somewhat resilient despite the significant amount of tightening that has occurred so far. Inflation has remained sticky and although it may continue to decelerate in the coming months, it is likely to remain above-target and keep central banks vigilant. As a result, the bar remains quite high for central banks to cut interest rates in 2023 unless the growth profile deteriorates significantly. Many developed market yield curves have been substantially inverted for some time, another potential leading indicator of slowing economic growth. Given the likely prospects of slower economic growth going forward, the portfolio manager continues to remain defensive from a credit perspective, while tactically adding duration. By the end of the reporting period, the Fund held a somewhat higher cash position to take advantage of any weakness in credit markets going forward. Furthermore, the portfolio manager continues to focus on carry as it remains higher than what has been seen in recent years resulting in a more attractive yield profile for the Fund without taking excessive credit risk. Carry is the difference between the yield on a longer maturity bond and the cost of borrowing.

## Related Party Transactions

AGF Investments Inc. ("AGFI") is the manager ("Manager"), trustee and promoter of the Fund and 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 Declaration of Trust, the Fund pays management fees, calculated based on the Net Asset Value of the Fund. Management fees of approximately \$94,000 were incurred by the Fund during the six months ended March 31, 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 six months ended March 31, 2023 and the past five years as applicable.

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

For the periods ended	Mar 31, 2023 (\$)	Sept 30, 2022 (\$)	Sept 30, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>21.73</b>	<b>24.63</b>	<b>25.00</b>	<b>25.00*</b>	-	-
<b>Increase (decrease) from operations:</b>						
Total revenue	0.44	0.85	0.72	-	-	-
Total expenses	(0.07)	(0.16)	(0.16)	-	-	-
Realized gains (losses)	(0.14)	(1.55)	(0.12)	-	-	-
Unrealized gains (losses)	0.70	(1.39)	(0.40)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.93</b>	<b>(2.25)</b>	<b>0.04</b>	-	-	-
<b>Distributions:</b>						
From income (excluding dividends)	(0.38)	(0.65)	(0.45)	-	-	-
From dividends	(0.00)	(0.01)	(0.00)	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.38)</b>	<b>(0.66)</b>	<b>(0.45)</b>	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>22.26</b>	<b>21.73</b>	<b>24.63</b>	<b>25.00</b>	-	-

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

For the periods ended	Mar 31, 2023	Sept 30, 2022	Sept 30, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018
Total Net Asset Value (\$000's)	34,511	33,676	35,713	1	-	-
Number of units outstanding (000's)	1,550	1,550	1,450	1	-	-
Management expense ratio <sup>(5)</sup>	0.65%	0.65%	0.65%	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.65%	0.65%	0.65%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	98.13%	198.39%	43.43%	-	-	-
Net Asset Value per unit	22.26	21.73	24.63	25.00	-	-
Closing market price <sup>(9)</sup>	22.33	21.73	24.67	N/A	-	-

## Explanatory Notes

- (1) a) This information is derived from the Fund's audited annual financial statements and unaudited interim 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 October 2020, 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 exchange traded funds ("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.
- (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. 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. As compensation for such services, AGFI receives a monthly management fee at the annual rate of 0.65%, which includes applicable taxes, based on the Net Asset Value of the Fund, calculated daily and payable monthly. AGFI bears all operating expenses of the Fund except for management fees, brokerage expenses and commissions, costs associated with the use of derivatives (if applicable), income and withholding taxes as well as all other applicable taxes, costs of complying with any new governmental or regulatory requirement introduced after the Fund was established, costs associated with the establishment and on-going operation of the Independent Review Committee, and extraordinary expenses.

\* represents initial Net Assets

(1), (2), (3), (4), (5), (6), (7), (8) and (9) see Explanatory Notes

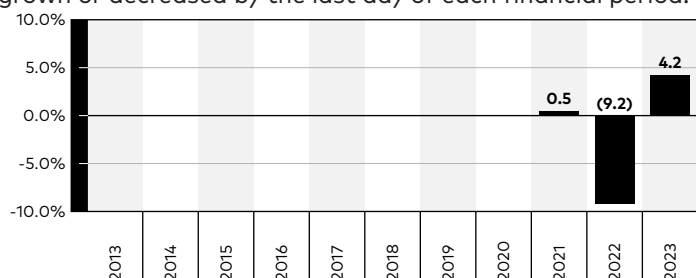
## Past Performance\*

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, 2022 (interim performance for the six months ended March 31, 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 2021 represents returns for the period from October 2, 2020 to September 30, 2021.

## Summary of Investment Portfolio

As at March 31, 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 June 30, 2023.

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

Portfolio by Country	Percentage of Net Asset Value (%)
United States	50.4
Canada	18.7
Cash & Cash Equivalents	5.7
Japan	3.6
Mexico	2.9
United Kingdom	1.7
Australia	1.7
China	1.7
Portugal	1.6
Norway	1.6
New Zealand	1.3
Cayman Islands	1.1
Czech Republic	1.0
Paraguay	0.7
Costa Rica	0.7
Croatia	0.6
South Africa	0.5
Greece	0.5
Chile	0.5
Austria	0.4
Senegal	0.4
Italy	0.3
Egypt	0.3
Ecuador	0.3
Argentina	0.3
United Arab Emirates	0.3
Spain	0.2
Peru	0.1
Ukraine	0.1
Foreign Exchange Forward Contracts	0.1
Other Net Assets (Liabilities)	0.7

Portfolio by Sector	Percentage of Net Asset Value (%)
Government Bonds	47.1
Corporate Bonds	19.6
High Yield Bonds	13.9
Emerging Markets Bonds	8.8
Cash & Cash Equivalents	5.7
Government Guaranteed Investments	1.3
Fixed Income Funds	1.3
Supranational Bonds	1.0
Financials	0.3
Utilities	0.2
Foreign Exchange Forward Contracts	0.1
Other Net Assets (Liabilities)	0.7

\* The indicated rates of return shown here are the historical 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. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

# AGF Global Opportunities Bond ETF

MARCH 31, 2023

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Fixed Income	50.4
International Fixed Income	24.4
Canadian Fixed Income	16.9
Cash & Cash Equivalents	5.7
Canadian Equity	1.8
Foreign Exchange Forward Contracts	0.1
Other Net Assets (Liabilities)	0.7

Portfolio by Credit Rating**	Percentage of Net Asset Value (%)
AAA	36.9
AA	2.5
A	19.7
BBB	13.3
BB	11.0
B	6.1
CCC	1.0
Not Rated	7.5

Top Holdings	Percentage of Net Asset Value (%)
U.S. Treasury**	28.8
Cash & Cash Equivalents	5.7
Government of Canada**	5.1
Japan Government**	3.0
United Mexican States**	2.7
Bank of America Corporation**	1.8
Government of Australia**	1.7
People's Republic of China**	1.7
Republic of Portugal**	1.6
Kingdom of Norway**	1.6
United Kingdom**	1.4
Canada Housing Trust No. 1**	1.3
Government of New Zealand**	1.3
AGF Global Convertible Bond Fund	1.3
Biogen Inc.**	1.1
The Procter & Gamble Company**	1.1
Pfizer Inc.**	1.0
Republic of Czech**	1.0
JPMorgan Chase & Company**	1.0
The Goldman Sachs Group Inc.**	1.0
HCA Inc.**	0.9
Caterpillar Inc.**	0.9
GFL Environmental Inc.**	0.8
Seagate HDD Cayman**	0.8
Parkland Corporation**	0.7
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 34,511</b>

\*\* References made to credit ratings are obtained from Standard & Poor's and/or Dominion Bond Rating Service. Where one or more rating is obtained for a security, the lowest rating has been used.

\*\* Debt Instruments



For more information contact your investment advisor or:

**AGF Investments Inc.**

CIBC SQUARE, Tower One  
81 Bay Street, Suite 3900  
Toronto, Ontario M5J 0G1  
Toll Free: (800) 387-2563  
Web: AGF.com

There is no guarantee that AGF ETFs will achieve their stated objectives and there is risk involved in investing in the ETFs. Before investing you should read the prospectus or relevant ETF Facts and carefully consider, among other things, each ETF's investment objectives, risks, charges and expenses. A copy of the prospectus and ETF Facts is available on AGF.com.

® / TM The "AGF" logo and all associated trademarks are registered trademarks of AGF Management Limited and used under licence.