

Interim Management Report of Fund Performance

# AGF Systematic Emerging Markets Equity 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 Systematic Emerging Markets Equity ETF (formerly, AGFiQ Emerging Markets Equity ETF) (the "Fund") returned 14.6% (net of expenses) while the MSCI Emerging Markets Index returned 11.7%.

The Fund out-performed the MSCI Emerging Markets Index due to stock selection. Financials was the biggest contributor owing to positive stock selection. Communication Services also contributed to overall performance as a result of beneficial stock choices. Consumer Discretionary was the biggest detractor from performance due to stock selection. Consumer Staples also detracted due to stock selection.

The Fund had net redemptions of approximately \$9 million for the current period, as compared to net subscriptions of approximately \$5 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$5 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

Equities rallied strongly during the reporting period, as major announcements around the globe spurred on markets. However, despite these late gains, 2022 was the worst calendar year for equities since the Global Financial Crisis. China's long-awaited economic rebound helped the global economic outlook somewhat after the country abandoned its much-debated zero-COVID policy. As Russia's invasion of Ukraine passed the one-year mark, NATO member nations pledged their unwavering support to Ukraine to continue the fight against the Kremlin. The monetary tightening cycle by the U.S. Federal Reserve (the "Fed") and the European Central Bank continued through the period, albeit at a slower pace, in an effort to balance growth with persistent inflation.

Emerging markets equities trailed developed markets equities during the reporting period on the back of the reopening of China's economy. The Bank of Japan set the trend for emerging markets central banks for the reporting period by announcing it would adjust its yield curve control policy to allow bond yields to climb modestly. Several emerging markets central banks hiked rates, including India,

Taiwan, Mexico, Indonesia, the Philippines, Malaysia, Thailand, Peru, Colombia, Chile, South Africa, Saudi Arabia and Egypt. China's reopening came as a boost for emerging markets, but geopolitical tensions between the Asian giants and the U.S. became an obstacle by March 2023. The banking crisis in the West also had investors feeling jittery. However, so far, emerging markets banks have felt a limited impact of the collapse of banks in the U.S. and Europe. The regulatory oversight in emerging markets countries, coupled with improved balance sheet construction, has supported greater resilience and these banks appear stronger from a fundamental standpoint.

While performance in Asia was initially weighed down by weak performance in China in October 2022 following the conclusion of the 20<sup>th</sup> Communist Party Congress, China's performance in November was the strongest in two decades following the country's policy easing and dramatic U-turn on COVID restrictions. This performance carried the region's out-performance until February 2023 when the country lagged the index for the first time in three months. South Korea's positive performance until January 2023 also became negative in February due to higher lending rates announced by central banks and uncertainty about China's recovery. India rebounded in February 2023, despite gross domestic product data for the last calendar quarter of 2022 coming in below consensus.

Countries in the Middle East posted negative returns as energy prices fell. South Africa out-performed the MSCI Emerging Markets Index during the same quarter due to higher precious metal prices, despite a pullback in December 2022 amid political uncertainty. However, by February 2023, the country had posted negative returns, as South Africa was 'grey-listed' by the Financial Action Task Force due to deficiencies in its processes to combat money laundering and terrorist financing.

The Latin American region under-performed the emerging markets during the reporting period, weighed down by Brazil, which saw the victory of Lula da Silva in the presidential election, rising inflation and anti-government riots in Brasilia, the country's capital. Peru out-performed strongly during the reporting period as the country's political and social crisis subsided and former Vice President Dina Boluarte seems primed to replace the impeached President Pedro Castillo.

The portfolio manager is positive on emerging markets equities due to the reopening of the economy in China and the strong banking fundamentals of the emerging markets countries. Emerging markets equities under-performed developed markets equities during 2022, weighed heavily by higher policy rates, inflation and a strong appreciation of the U.S. dollar. Global recession fears, rising commodity prices

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.

and China's zero-COVID lockdown also weighed on risk assets. Despite weaker equity performance, emerging markets economies fared relatively well, with most emerging markets central banks keeping pace or exceeding rate hikes by developed markets central banks.

Emerging markets inflation could ease as food and energy price shocks fade, but like developed markets, the portfolio manager believes core prices in emerging markets will likely remain higher than expected. As the Fed slows policy rate hikes, the slowdown in inflation and growth may allow emerging markets central banks to ease policy slowly. The portfolio manager expects the economies and financial markets in the Asian region will continue to benefit from China's reopening and further stimulus measures despite the potential for ongoing geopolitical tensions with the U.S. In addition, the recent decisions to support the property sector like enabling property developers to access markets, allowing access to pre-sale funds to complete existing projects, and broader measures ensuring liquidity in markets remains ample, are quite encouraging.

## 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. Effective January 27, 2023, AGFI entered into an investment sub-advisory agreement with AGF Investments LLC, which acts as a sub-advisor and provides investment sub-advisory services to the Fund. Under the Declaration of Trust, the Fund pays management fees (including fees for sub-advisory services), calculated based on the Net Asset Value of the Fund. Management fees of approximately \$108,000 were incurred by the Fund during the six months ended March 31, 2023.

AGFI and AGF Investments LLC are indirect wholly-owned subsidiaries 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>21.42</b>	<b>29.18</b>	<b>27.73</b>	<b>27.24</b>	<b>28.59</b>	<b>27.11</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.30	0.81	0.96	0.65	1.28	1.07
Total expenses	(0.16)	(0.40)	(0.34)	(0.32)	(0.35)	(0.36)
Realized gains (losses)	0.28	(2.74)	0.39	(1.27)	(1.20)	0.89
Unrealized gains (losses)	2.99	(4.68)	0.28	2.20	(1.10)	(0.07)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.41</b>	<b>(7.01)</b>	<b>1.29</b>	<b>1.26</b>	<b>(1.37)</b>	<b>1.53</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	(0.01)
From dividends	(0.68)	(0.74)	(0.60)	(0.64)	(0.74)	(0.36)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.68)</b>	<b>(0.74)</b>	<b>(0.60)</b>	<b>(0.64)</b>	<b>(0.74)</b>	<b>(0.37)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>23.83</b>	<b>21.42</b>	<b>29.18</b>	<b>27.73</b>	<b>27.24</b>	<b>28.59</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)	50,052	53,024	102,869	69,331	85,129	46,465
Number of units outstanding (000's)	2,100	2,475	3,525	2,500	3,125	1,625
Management expense ratio <sup>(5)</sup>	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.53%	0.50%	0.48%	0.47%	0.45%	0.45%
Trading expense ratio <sup>(7)</sup>	0.65%	0.42%	0.27%	0.33%	0.30%	0.45%
Portfolio turnover rate <sup>(8)</sup>	67.80%	87.78%	57.81%	78.71%	56.30%	111.08%
Net Asset Value per unit	23.83	21.42	29.18	27.73	27.24	28.59
Closing market price <sup>(9)</sup>	23.89	21.37	29.22	27.94	27.28	28.74

## 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 January 2017, 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 TSX. 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 (including fees for sub-advisory services) at the annual rate of 0.45%, 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.

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

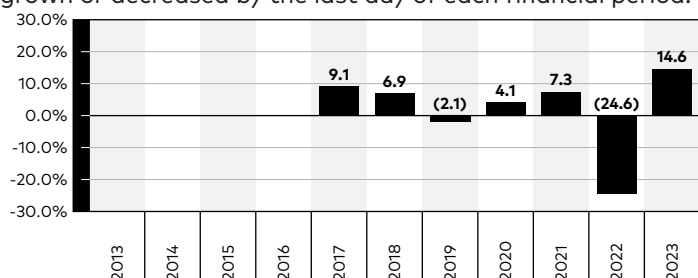
## Past Performance\*

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 2017 represents returns for the period from January 30, 2017 to September 30, 2017.

## 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 ETFs are available on the internet at [www.sedar.com](http://www.sedar.com) and/or [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml), as applicable.

Portfolio by Country	Percentage of Net Asset Value (%)
China	34.4
Taiwan	13.8
South Korea	13.1
India	12.5
South Africa	4.1
Brazil	3.8
Indonesia	3.0
Saudi Arabia	2.8
United Arab Emirates	2.4
Cash & Cash Equivalents	2.4
Mexico	2.0
Thailand	1.5
Poland	1.4
Czech Republic	0.8
Greece	0.8
Malaysia	0.7
Turkey	0.2
Russia	0.0
Other Net Assets (Liabilities)	0.3

Portfolio by Sector	Percentage of Net Asset Value (%)
Information Technology	22.7
Financials	19.7
Consumer Discretionary	14.1
Communication Services	10.2
ETFs - International Equity	6.6
Materials	5.9
Consumer Staples	5.7
Industrials	4.1
Energy	3.7
Cash & Cash Equivalents	2.4
Health Care	1.9
Utilities	1.7
Real Estate	1.0
Other Net Assets (Liabilities)	0.3

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
International Equity	97.3
Cash & Cash Equivalents	2.4
Other Net Assets (Liabilities)	0.3

\* 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 Systematic Emerging Markets Equity ETF

MARCH 31, 2023

<b>Top Holdings</b>	<b>Percentage of Net Asset Value (%)</b>
Taiwan Semiconductor Manufacturing Company Limited	7.3
Tencent Holdings Limited	5.5
Samsung Electronics Company Limited	5.5
Alibaba Group Holding Limited	4.0
Xtrackers Harvest CSI 300 China A-Shares ETF	3.8
Cash & Cash Equivalents	2.4
PT Bank Central Asia Tbk	1.6
ICICI Bank Limited	1.6
Baidu Inc.	1.5
iShares MSCI Saudi Arabia ETF	1.4
Franklin FTSE Saudi Arabia ETF	1.4
Infosys Limited	1.4
Reliance Industries Limited	1.3
SK Hynix Inc.	1.2
Samsung SDI Company Limited	1.2
Meituan	1.1
China Merchants Bank Company Limited	1.0
Geely Automobile Holdings Limited	1.0
Walmart de Mexico y Centroamerica	0.9
Gold Fields Limited	0.9
Wipro Limited	0.9
Shinhan Financial Group Company Limited	0.9
Emirates Telecommunications Group Company PJSC	0.9
Ping An Insurance (Group) Company of China Limited	0.8
BYD Electronic International Company Limited	0.8
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 50,052</b>



For more information contact your investment advisor or:

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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](http://AGF.com).

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