

**Interim Management Report of Fund Performance**

# **AGF Canadian Money Market Fund**

March 31, 2021



## 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, 2021, the Mutual Fund Units of AGF Canadian Money Market Fund (the "Fund") returned 0.0% (net of expenses) while the Bloomberg Barclays Canada 1-3 Month T-Bill Index returned 0.1%. The performance of the other series of the Fund is substantially similar to that of the Mutual Fund Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

On an expense-adjusted basis, the Fund out-performed the Bloomberg Barclays Canada 1-3 Month T-Bill Index. The Fund maintained exposure to money market instruments backed by Canadian financial institutions, which yielded slightly more than the benchmark and thus contributed to performance. In the current low rate environment, however, the Fund was unable to generate meaningful returns.

The Fund had net redemptions of approximately \$16 million for the current period, as compared to net subscriptions of approximately \$56 million in the prior period. The portfolio manager does not believe that redemption/subSCRIPTION activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values. Unitholder servicing and administrative fees also increased during the period as a result of the increased average Net Asset Values. Custodian fees increased due to an increase in market value of investment portfolio and interest expense decreased due to a decrease in overdraft positions throughout the period. The increase in registration fees and independent review committee fees were due to variances between the accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

### Recent Developments

The bond bull market enjoyed over the past four decades appears to have come to an end as yields have turned higher on the back of economic recovery, ongoing stimulus and related inflation concerns. The question now becomes whether this cyclical bond bear market experienced in recent

months extends into a longer term secular bond bear market. The portfolio manager believes the groundwork is gradually being laid for a secular environment with rates unable to fall much further from current levels. While the portfolio manager acknowledges the arguments in favour of sub-zero rates from a theoretical perspective, paying investors to borrow money is not a sustainable long-term solution in the portfolio manager's view and case studies in economies where this strategy has been or is employed show little efficacy. Central bank policy is also a critical factor and today's posturing differs from past regimes. The U.S. Federal Reserve (the "Fed") has turned more tolerant of inflation risk while prioritizing output and employment. This could have ramifications for the future and, if the Fed succeeds, it could be a major contributing factor to a new secular bond bear era.

This is not to suggest that a shift to a secular bear market is imminent, as historically the transition to sustained higher rates takes place over months, if not years. The portfolio manager believes such a measured shift would make sense in this cycle as well. Debt levels are at a point where the global economy simply cannot accommodate a fast reset to much higher rates, and a low rate environment is likely to remain relative to history for some time. Other factors, such as demographics and tech-related disinflation, may also continue to keep a lid on yields.

The portfolio manager expects the trajectory of yields will be more contained in the second calendar quarter of 2021 relative to the first quarter, which may offer rate-sensitive bonds some reprieve.

The recent international spread of COVID-19 has heightened certain risks associated with investing in the Fund, including liquidity risk. There are many factors that affect liquidity as well as the value of an investment. Those factors generally affect securities markets, including but not limited to general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the securities held by an investment fund, such as changes in management, strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events. While the precise impact of the recent COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies. The duration of the COVID-19 outbreak and its impact cannot be determined with certainty, but it may adversely affect the performance of the Fund. The portfolio manager, however, does not believe any changes to the Fund over the period has affected the overall risk of the Fund.

### Related Party Transactions

AGF Investments Inc. ("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

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 1 800 268-8583, by writing to us at AGF Investments Inc., 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, 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.

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 \$750,000 were incurred by the Fund during the six months ended March 31, 2021.

Certain operating expenses relating to registrar and transfer agency services are paid directly by AGFI and in exchange, a fixed rate administration fee is payable by the Mutual Fund Series, Series F, Series FV, Series I, Series T and Series V 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 \$324,000 were incurred by the Fund during the six months ended March 31, 2021.

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, 2021 and the past five years as applicable.

### Mutual Fund Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Mar 31, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	10.00	10.00	10.00	10.00	10.00	10.00
<b>Increase (decrease) from operations:</b>						
Total revenue	0.01	0.09	0.18	0.14	0.07	0.06
Total expenses	(0.01)	(0.09)	(0.16)	(0.14)	(0.07)	(0.06)
Realized gains (losses)	-	-	-	-	-	-
Unrealized gains (losses)	-	-	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	0.00	0.00	0.02	0.00	0.00	0.00
<b>Distributions:</b>						
From income (excluding dividends)	(0.00)	(0.01)	(0.02)	(0.00)	(0.00)	(0.00)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	(0.00)	(0.01)	(0.02)	(0.00)	(0.00)	(0.00)
<b>Net Assets, end of period<sup>(4)</sup></b>	10.00	10.00	10.00	10.00	10.00	10.00

### Mutual Fund Units - Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Mar 31, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016
Total Net Asset Value (\$'000's)	139,461	154,435	103,852	104,501	122,727	149,425
Number of units outstanding ('000's)	13,946	15,443	10,385	10,450	12,273	14,943
Management expense ratio <sup>(5)</sup>	0.77%	0.91%	1.65%	1.65%	0.70%	0.63%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.30%	1.69%	1.73%	2.05%	1.68%	1.68%
Trading expense ratio <sup>(7)</sup>	-	-	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Net Asset Value per unit	10.00	10.00	10.00	10.00	10.00	10.00

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

## Series F Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Mar 31, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.01	0.07	0.18	0.13	0.07	0.06
Total expenses	(0.01)	(0.06)	(0.11)	(0.10)	(0.07)	(0.06)
Realized gains (losses)	-	-	-	-	-	-
Unrealized gains (losses)	-	-	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.00</b>	<b>0.01</b>	<b>0.07</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.00)	(0.03)	(0.07)	(0.03)	(0.00)	(0.00)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.00)</b>	<b>(0.03)</b>	<b>(0.07)</b>	<b>(0.03)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

## Series F Units - Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Mar 31, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016
Total Net Asset Value (\$000's)	2,138	2,574	843	1,604	3,031	2,753
Number of units outstanding (000's)	214	257	84	160	303	275
Management expense ratio <sup>(5)</sup>	0.80%	0.60%	1.10%	1.09%	0.70%	0.63%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.70%	1.06%	1.47%	1.09%	1.18%	0.85%
Trading expense ratio <sup>(7)</sup>	-	-	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Net Asset Value per unit	10.00	10.00	10.00	10.00	10.00	10.00

## Series O Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Mar 31, 2021 (\$)	Sept 30, 2020 (\$)	Sept 30, 2019 (\$)	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.01	0.10	0.18	0.14	0.07	0.06
Total expenses	-	-	-	-	-	-
Realized gains (losses)	-	-	-	-	-	-
Unrealized gains (losses)	-	-	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.01</b>	<b>0.10</b>	<b>0.18</b>	<b>0.14</b>	<b>0.07</b>	<b>0.06</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.01)	(0.11)	(0.18)	(0.14)	(0.07)	(0.06)
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.01)</b>	<b>(0.11)</b>	<b>(0.18)</b>	<b>(0.14)</b>	<b>(0.07)</b>	<b>(0.06)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

## Series O Units - Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Mar 31, 2021	Sept 30, 2020	Sept 30, 2019	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016
Total Net Asset Value (\$000's)	2,708	3,325	2,654	2,482	2,498	2,483
Number of units outstanding (000's)	271	333	265	248	250	248
Management expense ratio <sup>(5)</sup>	-	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.28%	0.28%	0.35%	0.33%	0.35%	0.07%
Trading expense ratio <sup>(7)</sup>	-	-	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Net Asset Value per unit	10.00	10.00	10.00	10.00	10.00	10.00

## 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 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.

Mutual Fund Units	December 1975
Series F Units	January 2000
Series O Units	September 2014

c) On June 28, 2019, Harmony Money Market Pool merged into the Fund. The financial data of the Fund includes the results of operations of Harmony Money Market Pool from the date of the merger.

(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 (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) 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, 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

(1), (2), (3), (4), (5), (6), (7) and (8) 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 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. 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.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	1.00%	0.11%	99.89%
Series F Units	0.50%	-	100.00%

## 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.

It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of

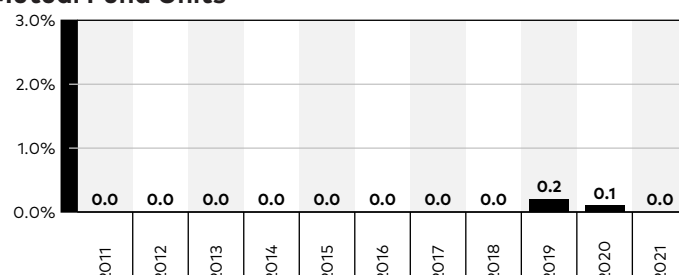
such series, excluding seed money. During the ten year period ended September 30, 2020, certain other funds with similar investment objectives merged into the Fund. Generally, for fund mergers, the continuing fund is considered a new fund for the purpose of calculating rates of return and therefore, the rates of return have not been provided for the period of the merger and previous periods. However, the merger of Harmony Money Market Pool with the Fund (see Explanatory Note (1) c)) and the merger of Acuity Money Market Fund with the Fund in August 2011 did not constitute material changes to the Fund and accordingly did not impact the ability of the Fund to maintain its historical performance.

All rates of return are calculated based on the Net Asset Value.

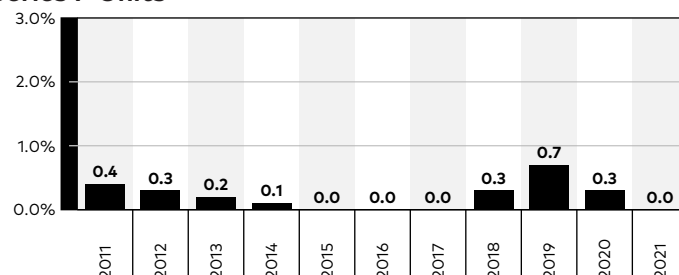
### Year-By-Year Returns

The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2020 (interim performance for the six months ended March 31, 2021) as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, 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.

### Mutual Fund Units

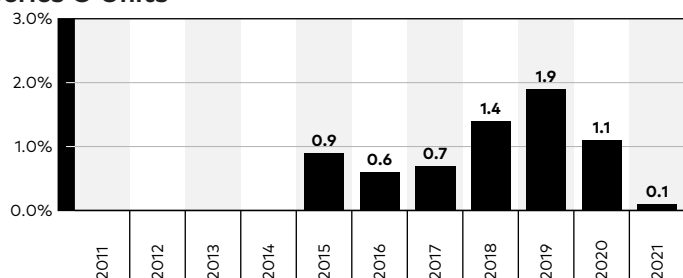


### Series F Units



\* 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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

## Series O Units



Performance for 2015 represents returns for the period from October 3, 2014 to September 30, 2015.

## Summary of Investment Portfolio

As at March 31, 2021

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, 2021.

Portfolio by Sector	Percentage of Net Asset Value (%)
Treasury Bills	47.7
Bankers' Acceptances	20.7
Government Guaranteed Investments	17.0
Promissory Notes	7.7
Short-Term Deposits	6.8

Portfolio by Credit Rating**	Percentage of Net Asset Value (%)
AAA	56.3
AA	14.2
A	29.4

Top Holdings	Percentage of Net Asset Value (%)
Government of Canada**	39.3
Canada Housing Trust No. 1**	17.0
Canadian Imperial Bank of Commerce**	8.2
CIBC Mellon Trust Company**	6.8
The Bank of Nova Scotia**	6.7
Province of Ontario**	4.9
Province of British Columbia**	4.9
Royal Bank of Canada**	3.6
Province of Quebec**	3.5
Province of Alberta**	2.8
The Toronto-Dominion Bank**	2.2
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 144,307</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:

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