

AGF POOLED FUNDS

# Semi-Annual Report 2016



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# Management's Responsibility for Financial Reporting

May 18, 2016

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The accompanying financial statements of the Funds (as defined in Note 1(a)) have been prepared by AGF Investments Inc. (the "Manager"). The Manager of the Funds is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Board of Directors of AGF Investments Inc., as trustee, is responsible for reviewing and approving the financial statements of the Funds and reviewing management's report of its financial reporting responsibilities.



Blake C. Goldring, CFA  
Chairman  
AGF Investments Inc.



Robert J. Bogart  
Executive Vice President &  
Chief Financial Officer  
AGF Investments Inc.

# Notice to Unitholders

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**The Auditor of the Funds has not reviewed these financial statements.**

AGF Investments Inc., the Manager of the Funds, appoints an independent auditor to audit the Funds' annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Funds' interim financial statements, this must be disclosed in an accompanying notice.

# AGF Pooled Canadian Balanced Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

| As at   | March 31,<br>2016 | September 30,<br>2015 |
|---|-------------------|-----------------------|
| <b>Assets</b>   |                   |                       |
| <b>Current Assets</b>   |                   |                       |
| Investments at fair value through profit or loss                                | \$ 9,673          | \$ 10,087             |
| Foreign exchange forward contracts at fair value through profit or loss         | 27                | 1                     |
| Cash and cash equivalents   | 89                | 382                   |
| Cash collateral received for securities on loan (Note 9)                        | —                 | —                     |
| Receivable for units issued   | —                 | —                     |
| Receivable for investments sold   | 131               | —                     |
| Receivable for foreign exchange forward contracts                               | —                 | —                     |
| Receivable from Manager (Note 7(b))   | —                 | —                     |
| Dividends and interest receivable   | 41                | 53                    |
| Tax reclaims receivable   | —                 | —                     |
| Refundable capital gains taxes  | —                 | —                     |
|   | <b>9,961</b>      | <b>10,523</b>         |
| <b>Liabilities</b>  |                   |                       |
| <b>Current Liabilities</b>  |                   |                       |
| Bank overdraft  | —                 | —                     |
| Foreign exchange forward contracts at fair value through profit or loss         | 4                 | 9                     |
| Payable for cash collateral under securities lending (Note 9)                   | —                 | —                     |
| Accrued expenses (Note 7(b))  | 3                 | 13                    |
| Payable for units redeemed  | 10                | 113                   |
| Payable for distributions   | —                 | 1                     |
| Payable for investments purchased   | 107               | 31                    |
| Payable for foreign exchange forward contracts                                  | —                 | —                     |
|   | <b>124</b>        | <b>167</b>            |
| <b>Net Assets Attributable to Holders of Redeemable Units (Note 2)</b>          | <b>\$ 9,837</b>   | <b>\$ 10,356</b>      |
| <b>Investments at Cost (Note 2)</b>   | <b>\$ 9,911</b>   | <b>\$ 10,783</b>      |
| <b>Net Assets Attributable to Holders of Redeemable Units per Unit (Note 6)</b> | <b>\$ 17.94</b>   | <b>\$ 17.47</b>       |

Approved by the Board of Directors of AGF Investments Inc.



Blake C. Goldring, Director



Robert J. Bogart, Director

# AGF Pooled Canadian Balanced Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

| For the periods ended March 31,  | 2016           | 2015           |
|--|----------------|----------------|
| <b>Income</b>  |                |                |
| Dividends  | \$ 121         | \$ 167         |
| Interest for distribution purposes (Note 2)  | 49             | 87             |
| Net realized gain (loss) on investments  | (288)          | 439            |
| Net change in unrealized appreciation (depreciation) in value of investments   | 458            | (186)          |
| Net gain (loss) on investments   | 340            | 507            |
| Net realized gain (loss) on derivatives  | 23             | (502)          |
| Net change in unrealized appreciation (depreciation) in value of derivatives   | 31             | 28             |
| Net gain (loss) on derivatives   | 54             | (474)          |
| Securities lending income (Note 9)   | 1              | 0              |
| Exchange gain (loss) on foreign currencies and other net assets  | (6)            | 49             |
| <b>Total Income (Loss), Net</b>  | <b>389</b>     | <b>82</b>      |
| <b>Expenses</b>  |                |                |
| Unitholder servicing and administrative fees (Note 7(c))   | 36             | 22             |
| Annual and interim reports   | 5              | 3              |
| Audit fees   | 7              | 5              |
| Custodian fees and bank charges  | 7              | 6              |
| Legal fees   | —              | —              |
| Registration fees  | 3              | 3              |
| Interest   | —              | —              |
| Harmonized sales tax and other taxes   | 5              | 5              |
| Foreign withholding taxes  | 5              | 8              |
| Commissions and other portfolio transaction costs (Note 2)   | 9              | 14             |
| Total expenses   | 77             | 66             |
| Less expenses waived/absorbed by Manager (Note 7(b))   | (39)           | (13)           |
| Net expenses   | 38             | 53             |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations</b>                   | <b>\$ 351</b>  | <b>\$ 29</b>   |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Note 2)</b> | <b>\$ 0.62</b> | <b>\$ 0.03</b> |

## STATEMENTS OF CASH FLOWS (UNAUDITED)

| For the periods ended March 31,   | 2016         | 2015            |
|---|--------------|-----------------|
| <b>Cash Flows from Operating Activities</b>   |              |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | \$ 351       | \$ 29           |
| Adjustments for:  |              |                 |
| Exchange (gain) loss on foreign currencies  | 8            | (43)            |
| Net realized (gain) loss on investments and derivatives                                       | 265          | 63              |
| Net change in unrealized (appreciation) depreciation in value of investments and derivatives  | (489)        | 158             |
| Purchases of investments and derivatives  | (4,838)      | (7,377)         |
| Proceeds from sale and maturity of investments and derivatives                                | 5,390        | 11,173          |
| Non-cash dividends reinvested   | —            | —               |
| (Increase) decrease in receivable from Manager  | —            | —               |
| (Increase) decrease in dividends and interest receivable                                      | 12           | 20              |
| (Increase) decrease in accrued interest for short-term investments                            | —            | —               |
| (Increase) decrease in tax reclaims receivable  | —            | —               |
| (Increase) decrease in refundable capital gains taxes   | —            | —               |
| Increase (decrease) in accrued expenses   | (10)         | (18)            |
| <b>Net Cash Generated (Used) by Operating Activities</b>                                      | <b>689</b>   | <b>4,005</b>    |
| <b>Cash Flows from Financing Activities</b>   |              |                 |
| Distributions paid to holders of redeemable units, net of reinvestments                       | (2)          | —               |
| Proceeds from redeemable units issued   | 366          | 105             |
| Amounts paid on redemption of redeemable units  | (1,338)      | (3,421)         |
| <b>Net Cash Generated (Used) by Financing Activities</b>                                      | <b>(974)</b> | <b>(3,316)</b>  |
| Exchange gain (loss) on foreign currencies  | (8)          | 43              |
| Net increase (decrease) in cash and cash equivalents  | (285)        | 689             |
| Cash and cash equivalents beginning of period   | 382          | 1,190           |
| <b>Cash and Cash Equivalents End of Period</b>  | <b>\$ 89</b> | <b>\$ 1,922</b> |
| Cash and cash equivalents comprise:   |              |                 |
| Cash (overdraft) at bank  | \$ 32        | \$ 1,922        |
| Short-term deposits   | 57           | —               |
|   | \$ 89        | \$ 1,922        |
| Interest received, net of withholding tax *   | \$ 55        | \$ 93           |
| Dividends received, net of withholding tax *  | \$ 121       | \$ 173          |

\* Included as part of Cash Flows from Operating Activities

# AGF Pooled Canadian Balanced Fund (Note 1)

THOUSANDS OF DOLLARS

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (UNAUDITED)

| For the periods ended March 31,   | 2016      | 2015      | For the periods ended March 31,  | 2016     | 2015      |
|---|-----------|-----------|--|----------|-----------|
| <b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>          | \$ 10,356 | \$ 18,636 |  |          |           |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | 351       | 29        |  |          |           |
| Redeemable unit transactions (Note 6):  |           |           |  |          |           |
| Proceeds from redeemable units issued   | 366       | 95        |  |          |           |
| Reinvestment of distributions to holders of redeemable units                                  | 110       | 127       |  |          |           |
| Payments on redemption of redeemable units  | (1,235)   | (3,387)   |  |          |           |
| Net increase (decrease) from redeemable unit transactions                                     | (759)     | (3,165)   |  |          |           |
|   |           |           | <b>Distributions to holders of redeemable units (Note 6):</b>                                |          |           |
|   |           |           | Net investment income  | \$ (111) | \$ (28)   |
|   |           |           | Capital gains  | —        | (96)      |
|   |           |           | Return of capital  | —        | (4)       |
|   |           |           | Net distributions to holders of redeemable units   | (111)    | (128)     |
|   |           |           | Increase (decrease) in net assets attributable to holders of redeemable units for the period | (519)    | (3,264)   |
|   |           |           | <b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>               | \$ 9,837 | \$ 15,372 |

# AGF Pooled Canadian Balanced Fund (Note 1)

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED)

| No. of Shares                        | Average Cost (\$)   | Fair Value (\$) | No. of Shares/<br>Face Value             | Average Cost (\$)             | Fair Value (\$)   |   |         |        |
|--------------------------------------|---|-----------------|--|-------------------------------|---|---|---------|--------|
| <b>Consumer Discretionary (5.5%)</b> |   |                 | <b>Information Technology (8.3%)</b>     |                               |   |   |         |        |
| 2,133                                | Coach Inc.  | 104,173         | 111,059                                  | 54,249                        | Advanced Semiconductor Engineering Inc.                             | 91,262  | 81,984  |        |
| 2,085                                | Cogeco Communications Inc.  | 133,830         | 144,407                                  | 1,794                         | Calian Technologies Limited   | 33,755  | 32,794  |        |
| 2,129                                | Las Vegas Sands Corporation   | 149,173         | 142,897                                  | 3,028                         | Cisco Systems Inc.  | 84,616  | 111,962 |        |
| 5,792                                | Shaw Communications Inc. 'B'  | 153,244         | 145,321                                  | 2,237                         | Computer Modelling Group Limited                                    | 23,294  | 22,683  |        |
|                                      |   | 540,420         | 543,684                                  | 4,942                         | Evertz Technologies Limited   | 82,853  | 84,508  |        |
| <b>Consumer Staples (6.2%)</b>       |   |                 | <b>Materials (10.0%)</b>                 |                               |   |   |         |        |
| 6,553                                | Clearwater Seafoods Inc.  | 74,397          | 83,813                                   | 1,308                         | Eastman Chemical Company  | 119,241   | 116,505 |        |
| 1,628                                | Colgate-Palmolive Company   | 145,940         | 149,380                                  | 7,053                         | First Quantum Minerals Limited                                      | 125,427   | 122,702 |        |
| 1,910                                | Imperial Brands PLC   | 107,313         | 137,629                                  | 1,313                         | Franco-Nevada Corporation   | 83,964  | 104,725 |        |
| 1,242                                | Philip Morris International Inc.                                    | 120,679         | 158,256                                  | 3,672                         | Labrador Iron Ore Royalty Corporation                               | 71,098  | 43,146  |        |
| 2,034                                | Saputo Inc.   | 57,210          | 84,696                                   | 6,683                         | Major Drilling Group International Inc.                             | 53,857  | 42,103  |        |
|                                      |   | 505,539         | 613,774                                  | 3,030                         | Methanex Corporation  | 148,330   | 126,472 |        |
| <b>Energy (12.9%)</b>                |   |                 | <b>Telecommunication Services (1.5%)</b> |                               |   |   |         |        |
| 3,687                                | AltaGas Limited   | 143,958         | 123,146                                  | 2,507                         | BCE Inc.  | 137,634   | 148,389 |        |
| 10,941                               | Canadian Energy Services & Technology Corporation                   | 61,073          | 34,902                                   | <b>Utilities (4.2%)</b>       |   |   |         |        |
| 3,097                                | Canadian Natural Resources Limited                                  | 106,284         | 108,798                                  | 2,615                         | Brookfield Infrastructure Partners Limited Partnership              | 118,918   | 143,014 |        |
| 815                                  | Enbridge Inc.   | 33,171          | 41,206                                   | 3,482                         | Canadian Utilities Limited 'A'                                      | 135,093   | 126,571 |        |
| 7,959                                | Encana Corporation  | 68,497          | 63,035                                   | 3,576                         | Fortis Inc.   | 129,911   | 145,579 |        |
| 4,431                                | Gibson Energy Inc.  | 124,439         | 76,213                                   |                               |   | 383,922   | 415,164 |        |
| 1,738                                | Inter Pipeline Limited  | 44,519          | 46,492                                   | <b>Corporate Bonds (8.5%)</b> |   |   |         |        |
| 2,758                                | Keyera Corporation  | 111,444         | 108,720                                  | CAD                           | 56,000  | Anheuser-Busch Inbev Finance Inc.   |         |        |
| 4,583                                | Newalta Corporation   | 73,411          | 8,891                                    |                               |   | 3.375% January 25, 2023   | 56,382  | 59,045 |
| 2,537                                | Noble Energy Inc.   | 142,463         | 103,494                                  | CAD                           | 50,000  | Bank of Montreal 2.100% October 6, 2020                                   | 50,019  | 50,787 |
| 4,814                                | Pason Systems Inc.  | 100,598         | 79,431                                   | CAD                           | 80,000  | Bell Canada 3.350% March 22, 2023   | 79,960  | 83,875 |
| 2,750                                | PrairieSky Royalty Limited  | 74,801          | 67,760                                   | CAD                           | 85,000  | Brookfield Asset Management Inc.  | 91,375  | 92,073 |
| 8,454                                | Precision Drilling Corporation                                      | 90,747          | 45,990                                   | CAD                           | 80,000  | Canadian Imperial Bank of Commerce 2.350% June 24, 2019                   | 80,000  | 82,050 |
| 873                                  | Schlumberger Limited  | 99,868          | 83,618                                   | CAD                           | 31,000  | Cardinal Energy Limited Convertible Debentures 5.500% December 31, 2020   | 31,000  | 32,318 |
| 4,788                                | Secure Energy Services Inc.   | 72,358          | 39,501                                   | USD                           | 20,000  | Cenovus Energy Inc. 6.750% November 15, 2039                              | 19,416  | 24,870 |
| 5,026                                | ShawCor Limited   | 186,478         | 141,884                                  | CAD                           | 30,000  | Chartwell Retirement Residences Convertible Bonds 5.700% March 31, 2018   | 35,887  | 38,490 |
| 1,583                                | Suncor Energy Inc.  | 54,970          | 57,257                                   | USD                           | 2,000   | Citigroup Inc. Floating Rate 5.875% Series O December 29, 2049            | 2,536   | 2,510  |
| 29,630                               | Tidewater Midstream and Infrastructure Limited                      | 41,482          | 41,482                                   | CAD                           | 20,000  | CPPIB Capital Inc. 1.000% Series B January 15, 2019                       | 20,000  | 19,986 |
|                                      |   | 1,630,561       | 1,271,820                                | CAD                           | 33,000  | Element Financial Corporation Convertible Debentures 5.125% June 30, 2019 | 33,000  | 34,980 |
| <b>Financials (9.2%)</b>             |   |                 | <b>Health Care (2.1%)</b>                |                               |   |   |         |        |
| 3,092                                | Alaris Royalty Corporation  | 89,730          | 86,576                                   | 23                            | Teva Pharmaceutical Industries Limited Convertible Preferred 7.000% | 31,311  | 26,404  |        |
| 1,914                                | Bank of Nova Scotia   | 109,309         | 121,482                                  | 1,774                         | The Ensign Group Inc.   | 52,610  | 52,162  |        |
| 2,215                                | Brookfield Asset Management Inc. 'A'                                | 75,579          | 100,052                                  | 743                           | UnitedHealth Group Inc.   | 115,319   | 124,385 |        |
| 1,545                                | Corrections Corporation of America                                  | 64,732          | 64,311                                   |                               |   | 199,240   | 202,951 |        |
| 3,957                                | Gluskin Sheff + Associates Inc.                                     | 77,717          | 72,888                                   | <b>Industrials (5.6%)</b>     |   |   |         |        |
| 1,607                                | Intact Financial Corporation  | 126,897         | 146,124                                  | 2,268                         | CSX Corporation   | 77,922  | 75,848  |        |
| 5,736                                | Janus Capital Group Inc.  | 112,545         | 108,988                                  | 3,195                         | Donaldson Company Inc.  | 137,669   | 132,411 |        |
| 2,282                                | Lazard Limited 'A'  | 139,497         | 114,993                                  | 1,693                         | Eaton Corporation PLC   | 131,546   | 137,556 |        |
| 503                                  | Royal Bank of Canada  | 26,161          | 37,639                                   | 662                           | Finning International Inc.  | 18,765  | 12,624  |        |
| 831                                  | Toronto-Dominion Bank   | 43,000          | 46,586                                   | 5,474                         | Monadelphous Group Limited  | 81,251  | 38,802  |        |
|                                      |   | 865,167         | 899,639                                  | 520                           | Stantec Inc.  | 17,256  | 17,160  |        |
| <b>Health Care (2.1%)</b>            |   |                 | <b>Industrials (5.6%)</b>                |                               |   |   |         |        |
| 23                                   | Teva Pharmaceutical Industries Limited Convertible Preferred 7.000% | 31,311          | 26,404                                   | 4,026                         | Toromont Industries Limited   | 111,003   | 138,132 |        |
| 1,774                                | The Ensign Group Inc.   | 52,610          | 52,162                                   |                               |   | 575,412   | 552,533 |        |
| 743                                  | UnitedHealth Group Inc.   | 115,319         | 124,385                                  |                               |   |   |         |        |
|                                      |   | 199,240         | 202,951                                  |                               |   |   |         |        |
| <b>Industrials (5.6%)</b>            |   |                 | <b>Industrials (5.6%)</b>                |                               |   |   |         |        |
| 2,268                                | CSX Corporation   | 77,922          | 75,848                                   |                               |   |   |         |        |
| 3,195                                | Donaldson Company Inc.  | 137,669         | 132,411                                  |                               |   |   |         |        |
| 1,693                                | Eaton Corporation PLC   | 131,546         | 137,556                                  |                               |   |   |         |        |
| 662                                  | Finning International Inc.  | 18,765          | 12,624                                   |                               |   |   |         |        |
| 5,474                                | Monadelphous Group Limited  | 81,251          | 38,802                                   |                               |   |   |         |        |
| 520                                  | Stantec Inc.  | 17,256          | 17,160                                   |                               |   |   |         |        |
| 4,026                                | Toromont Industries Limited   | 111,003         | 138,132                                  |                               |   |   |         |        |
|                                      |   | 575,412         | 552,533                                  |                               |   |   |         |        |



# AGF Pooled Canadian Balanced Fund (Note 1)

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED) CONTINUED

| Face Value                                     |           |   | Average Cost (\$) | Fair Value (\$)                     | Face Value |        |  | Average Cost (\$) | Fair Value (\$) |
|--|-----------|---|-------------------|-------------------------------------|------------|--------|--|-------------------|-----------------|
| <b>Corporate Bonds (continued)</b>             |           |   |                   | <b>High Yield Bonds (continued)</b> |            |        |  |                   |                 |
| CAD  | 20,000    | Element Financial Corporation<br>Convertible Debentures<br>4.250% June 30, 2020 | 20,000            | 19,650                              | USD        | 3,000  | Constellation Brands Inc.<br>4.250% May 1, 2023  | 3,210             | 3,984           |
| USD  | 9,000     | Fibria Overseas<br>Finance Limited<br>5.250% May 12, 2024                       | 10,883            | 11,338                              | USD        | 9,000  | Cott Beverages Inc.<br>5.375% July 1, 2022   | 10,473            | 11,864          |
| USD  | 6,000     | First Data Corporation<br>5.000% January 15, 2024                               | 7,934             | 7,802                               | CAD        | 4,000  | Crew Energy Inc.<br>8.375% October 21, 2020  | 4,314             | 3,670           |
| CAD  | 80,000    | Hydro One Inc.<br>3.200% January 13, 2022                                       | 82,696            | 85,700                              | USD        | 6,000  | FMG Resources (August 2006)<br>Pty. Limited<br>8.250% November 1, 2019                       | 7,115             | 7,442           |
| CAD  | 20,000    | Hydro One Inc.<br>2.770% February 24, 2026                                      | 19,993            | 20,415                              | USD        | 6,000  | Frontier Communications<br>Corporation<br>7.625% April 15, 2024                              | 7,950             | 6,916           |
| USD  | 2,000     | Laredo Petroleum Inc.<br>5.625% January 15, 2022                                | 2,441             | 2,169                               | USD        | 1,000  | Frontier Communications<br>Corporation<br>7.875% January 15, 2027                            | 1,053             | 1,032           |
| USD  | 5,000     | Lennar Corporation<br>4.750% November 15, 2022                                  | 6,528             | 6,510                               | USD        | 8,000  | HCA Holdings Inc.<br>5.375% February 1, 2025   | 10,100            | 10,504          |
| USD  | 4,000     | Level 3 Financing Inc.<br>5.375% August 15, 2022                                | 5,533             | 5,276                               | USD        | 7,000  | Hilcorp Energy I Limited<br>Partnership/Hilcorp<br>Finance Company<br>5.750% October 1, 2025 | 8,561             | 7,819           |
| USD  | 3,000     | Novelis Inc.<br>8.750% December 15, 2020  | 3,955             | 3,932                               | USD        | 6,000  | iHeartCommunications Inc.<br>10.000% January 15, 2018  | 3,587             | 2,455           |
| USD  | 8,000     | Pfizer Inc.<br>3.400% May 15, 2024  | 9,234             | 11,143                              | USD        | 11,000 | Intelsat (Luxembourg) SA<br>8.125% June 1, 2023  | 12,185            | 4,268           |
| USD  | 50,000    | Prudential Financial Inc.<br>Floating Rate<br>5.625% June 15, 2043              | 52,240            | 66,139                              | USD        | 7,000  | LifePoint Health Inc.<br>5.500% December 1, 2021   | 7,902             | 9,500           |
| CAD  | 30,000    | Royal Bank of Canada<br>3.040% July 17, 2024                                    | 29,995            | 30,103                              | USD        | 3,000  | MEG Energy Corporation<br>6.500% March 15, 2021  | 3,403             | 2,352           |
| USD  | 4,000     | Terex Corporation<br>6.000% May 15, 2021  | 5,244             | 5,026                               | USD        | 1,000  | Meritor Inc.<br>6.750% June 15, 2021   | 1,253             | 1,205           |
| USD  | 11,000    | The Goldman Sachs Group Inc.<br>3.750% May 22, 2025                             | 13,625            | 14,617                              | USD        | 6,000  | Meritor Inc.<br>6.250% February 15, 2024   | 7,455             | 6,867           |
| USD  | 4,000     | The Goodyear Tire &<br>Rubber Company<br>5.125% November 15, 2023               | 5,334             | 5,312                               | USD        | 2,000  | MGM Resorts International<br>6.625% December 15, 2021  | 2,385             | 2,786           |
| USD  | 12,000    | The Procter &<br>Gamble Company<br>3.100% August 15, 2023                       | 13,919            | 16,683                              | USD        | 2,000  | MGM Resorts International<br>6.000% March 15, 2023   | 2,725             | 2,688           |
|  |           |   | <u>789,129</u>    | <u>832,799</u>                      | USD        | 5,000  | NCR Corporation<br>5.875% December 15, 2021  | 5,766             | 6,640           |
| <b>Government Bonds (12.6%)</b>                |           |   |                   |                                     |            |        |  |                   |                 |
| CAD  | 1,090,000 | Government of Canada<br>1.500% June 1, 2026                                     | 1,077,509         | 1,107,815                           | USD        | 4,000  | Neiman Marcus Group<br>Limited LLC<br>8.750% October 15, 2021                                | 4,500             | 4,003           |
| CAD  | 90,000    | Government of Canada<br>5.750% June 1, 2029                                     | 125,067           | 133,882                             | USD        | 2,000  | Paramount Resources Limited<br>6.875% June 30, 2023  | 2,429             | 1,886           |
|  |           |   | <u>1,202,576</u>  | <u>1,241,697</u>                    | USD        | 4,000  | Post Holdings Inc.<br>7.750% March 15, 2024  | 5,289             | 5,702           |
| <b>Government Guaranteed Investment (7.2%)</b> |           |   |                   |                                     |            |        |  |                   |                 |
| CAD  | 700,000   | Canada Housing Trust<br>1.850% December 15, 2016                                | 715,715           | 706,153                             | USD        | 6,000  | Realogy Group LLC/<br>Co-Issuer Corporation<br>4.500% April 15, 2019                         | 6,416             | 8,007           |
| <b>High Yield Bonds (2.7%)</b>                 |           |   |                   |                                     |            |        |  |                   |                 |
| USD  | 7,000     | Ally Financial Inc.<br>4.125% March 30, 2020                                    | 8,733             | 9,023                               | USD        | 9,000  | Sabine Pass Liquefaction LLC<br>5.625% March 1, 2025   | 13,153            | 11,148          |
| USD  | 6,000     | American Axle &<br>Manufacturing Inc.<br>6.250% March 15, 2021                  | 7,024             | 8,046                               | CAD        | 3,000  | Sirius XM Canada<br>Holdings Inc.<br>5.625% April 23, 2021                                   | 3,049             | 2,891           |
| USD  | 4,000     | Amkor Technology Inc.<br>6.625% June 1, 2021                                    | 5,137             | 4,935                               | USD        | 9,000  | Sprint Corporation<br>7.250% September 15, 2021  | 8,614             | 8,927           |
| USD  | 3,000     | Avis Budget Car Rental LLC/<br>Avis Budget Finance Inc.<br>5.125% June 1, 2022  | 3,825             | 3,689                               | USD        | 1,000  | The Bon-Ton Department<br>Stores Inc.<br>8.000% June 15, 2021                                | 984               | 555             |
| USD  | 2,000     | Ball Corporation<br>5.250% July 1, 2025   | 2,750             | 2,727                               | USD        | 4,000  | The Chemours Company<br>7.000% May 15, 2025  | 4,199             | 4,156           |
| USD  | 6,000     | Baytex Energy Corporation<br>5.625% June 1, 2024                                | 6,480             | 5,241                               | USD        | 8,000  | T-Mobile US Inc.<br>6.625% April 1, 2023   | 10,568            | 10,936          |
| USD  | 6,000     | Bumble Bee Holdco SCA<br>9.625% March 15, 2018                                  | 7,406             | 7,676                               | USD        | 4,000  | Toll Brothers<br>Finance Corporation<br>5.875% February 15, 2022                             | 4,766             | 5,546           |
| CAD  | 4,000     | Cascades Inc.<br>5.500% July 15, 2021   | 4,011             | 3,910                               | USD        | 26,000 | Videotron Limited<br>5.000% July 15, 2022  | 33,838            | 34,949          |
| USD  | 5,000     | Centene Corporation<br>4.750% May 15, 2022                                      | 5,901             | 6,559                               | USD        | 9,000  | West Corporation<br>5.375% July 15, 2022   | 10,288            | 10,722          |

| Face Value   | Average Cost (\$) | Fair Value (\$)  |
|--|-------------------|------------------|
| <b>High Yield Bonds (continued)</b>  |                   |                  |
| USD 7,000 XPO Logistics Inc.<br>6.500% June 15, 2022                       | 8,760             | 8,830            |
|  | <u>267,557</u>    | <u>262,056</u>   |
| <b>Provincial Bonds (1.9%)</b>   |                   |                  |
| CAD 60,000 Province of Ontario<br>2.850% June 2, 2023                      | 63,708            | 64,025           |
| CAD 50,000 Province of Quebec<br>Floating Rate<br>1.065% December 19, 2018 | 49,940            | 50,005           |
| CAD 55,000 Province of Quebec<br>5.750% December 1, 2036                   | 76,615            | 77,229           |
|  | <u>190,263</u>    | <u>191,259</u>   |
| <b>Commissions and other portfolio transaction costs (Note 2)</b>          | <u>(10,427)</u>   | <u>–</u>         |
| <b>Total Investments (98.4%)</b>   | <u>9,910,570</u>  | <u>9,673,239</u> |
| <b>Foreign Exchange Forward Contracts (0.2%)</b><br>See Schedule A below   | <u>–</u>          | <u>23,095</u>    |
| <b>Total Portfolio (98.6%)</b>   | <u>9,910,570</u>  | <u>9,696,334</u> |

Note: Percentages shown relate investments at fair value to total Net Assets Attributable to Holders of Redeemable Units (“Net Assets”) as at March 31, 2016 of AGF Pooled Canadian Balanced Fund (the “Fund”).

#### Schedule A

##### Foreign Exchange Forward Contracts

| Purchased Currency | Sold Currency | Forward Rate | Maturity Date  | Fair Value (\$) | Counterparty         | Credit Rating |
|--------------------|---------------|--------------|----------------|-----------------|----------------------|---------------|
| USD 100,000        | CAD 132,890   | 0.7525       | April 8, 2016  | (3,016)         | Bank of Nova Scotia  | A             |
| CAD 217,615        | GBP 115,000   | 1.8923       | April 8, 2016  | 3,099           | Bank of America      | BBB           |
| CAD 420,183        | USD 324,000   | 1.2969       | April 8, 2016  | (608)           | Bank of America      | BBB           |
| CAD 531,502        | USD 400,000   | 1.3288       | April 8, 2016  | 12,007          | Bank of Nova Scotia  | A             |
| CAD 305,612        | USD 230,000   | 1.3287       | April 8, 2016  | 6,903           | Citibank NA          | A             |
| CAD 854,068        | USD 654,000   | 1.3059       | April 22, 2016 | 4,710           | Royal Bank of Canada | AA            |
|                    |               |              |                | <u>23,095</u>   |                      |               |

# AGF Pooled Canadian Balanced Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED)

### Investment Objective

The Fund's investment objective is to seek a prudent balance between capital appreciation and income by investing primarily in a combination of Canadian equity securities, common and preferred shares, warrants and securities convertible into equity securities, and debt securities.

### Summary of Investment Portfolio

As at March 31, 2016 and September 30, 2015, the Fund's major portfolio categories, as a percentage of Net Assets, are included in the following tables:

#### Portfolio by Country

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Canada                             | 65.5 |
| United States                      | 27.0 |
| United Kingdom                     | 4.1  |
| Taiwan                             | 0.8  |
| Australia                          | 0.5  |
| Israel                             | 0.3  |
| Foreign Exchange Forward Contracts | 0.2  |
| Luxembourg                         | 0.1  |
| Cayman Islands                     | 0.1  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Canada                             | 63.4  |
| United States                      | 26.3  |
| United Kingdom                     | 3.5   |
| Jersey                             | 1.0   |
| Bermuda                            | 0.9   |
| South Africa                       | 0.8   |
| Taiwan                             | 0.7   |
| Australia                          | 0.5   |
| Luxembourg                         | 0.2   |
| Cayman Islands                     | 0.1   |
| Foreign Exchange Forward Contracts | (0.1) |

#### Portfolio by Sector

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Energy                             | 12.9 |
| Government Bonds                   | 12.6 |
| Materials                          | 10.0 |
| Financials                         | 9.2  |
| Corporate Bonds                    | 8.5  |
| Information Technology             | 8.3  |
| Government Guaranteed Investments  | 7.2  |
| Consumer Staples                   | 6.2  |
| Industrials                        | 5.6  |
| Consumer Discretionary             | 5.5  |
| Utilities                          | 4.2  |
| High Yield Bonds                   | 2.7  |
| Health Care                        | 2.1  |
| Provincial Bonds                   | 1.9  |
| Telecommunication Services         | 1.5  |
| Foreign Exchange Forward Contracts | 0.2  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Government Bonds                   | 14.7  |
| Energy                             | 11.9  |
| Financials                         | 11.9  |
| Information Technology             | 10.2  |
| Materials                          | 8.3   |
| Corporate Bonds                    | 8.1   |
| Government Guaranteed Investments  | 6.9   |
| Industrials                        | 5.9   |
| Consumer Staples                   | 5.8   |
| High Yield Bonds                   | 4.3   |
| Utilities                          | 4.0   |
| Telecommunication Services         | 2.1   |
| Consumer Discretionary             | 1.8   |
| Health Care                        | 1.5   |
| Foreign Exchange Forward Contracts | (0.1) |

#### Portfolio by Asset Mix

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Canadian Equity                    | 36.9 |
| Canadian Fixed Income              | 28.6 |
| United States Equity               | 23.0 |
| International Equity               | 5.6  |
| United States Fixed Income         | 4.0  |
| International Fixed Income         | 0.3  |
| Foreign Exchange Forward Contracts | 0.2  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Canadian Equity                    | 34.5  |
| Canadian Fixed Income              | 28.9  |
| United States Equity               | 21.6  |
| International Equity               | 7.3   |
| United States Fixed Income         | 4.7   |
| International Fixed Income         | 0.4   |
| Foreign Exchange Forward Contracts | (0.1) |

As at March 31, 2016, the Fund did not hold any private and/or restricted securities. As at September 30, 2015, the total fair value of private and/or restricted securities held within the Fund represented approximately \$31,000.

#### Interest in Unconsolidated Structured Entities (Note 2)

As at March 31, 2016 and September 30, 2015, the Fund had no investments in underlying funds or exchange traded funds.

## DISCUSSION OF FINANCIAL INSTRUMENT RISK MANAGEMENT (Note 4)

### Credit Risk

As at March 31, 2016 and September 30, 2015, the Fund invested in debt instruments, foreign exchange forward contracts, preferred shares, short-term investments and cash and cash equivalents, as applicable, with the following credit ratings:

| Credit Rating | Percentage of Net Assets (%) |                    |
|---------------|------------------------------|--------------------|
|               | March 31, 2016               | September 30, 2015 |
| AAA           | 20.1                         | 21.6               |
| AA            | 0.7                          | 0.2                |
| A             | 5.7                          | 7.0                |
| BBB           | 2.9                          | 3.4                |
| BB            | 1.7                          | 2.1                |
| B             | 1.4                          | 1.9                |
| CCC           | 0.3                          | 0.5                |
| Not Rated     | 1.5                          | 1.0                |

### Interest Rate Risk

As at March 31, 2016 and September 30, 2015, the Fund's exposure to debt instruments by maturity was as follows:

| Debt Instruments*<br>by Maturity Date | (\$'000)       |                    |
|---------------------------------------|----------------|--------------------|
|                                       | March 31, 2016 | September 30, 2015 |
| Less than 1 year                      | 706            | –                  |
| 1-3 years                             | 119            | 730                |
| 3-5 years                             | 262            | 288                |
| Greater than 5 years                  | 2,147          | 2,507              |

\* Excludes cash and cash equivalents and preferred shares but includes short-term investments, as applicable

As at March 31, 2016 and September 30, 2015, if the yield curve had shifted in parallel by 25 basis points, with all other variables held constant, Net Assets would have increased or decreased, respectively, by approximately \$48,000 (September 30, 2015 – \$51,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### Other Price Risk

The Schedule of Investment Portfolio of the Fund classifies securities by market segment.

The impact on Net Assets of the Fund due to a 15 percent change in benchmarks (September 30, 2015 – 20 percent), using historical correlation between the return of the Fund's Units as compared to the return of the Fund's benchmarks, as at March 31, 2016 and September 30, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 monthly data points, unless

the inception of the Fund is less than three years, in which case since inception data has been used.

| Benchmark                           | Impact on Net Assets (\$'000) |                    |
|-------------------------------------|-------------------------------|--------------------|
|                                     | March 31, 2016                | September 30, 2015 |
| S&P/TSX Composite Index             | 1,127                         | 1,493              |
| FTSE TMX Canada Universe Bond Index | 274                           | 375                |
| Blended Benchmark                   | 1,628                         | 2,130              |

The Blended Benchmark is composed of 60% S&P/TSX Composite Index and 40% FTSE TMX Canada Universe Bond Index.

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net Assets could be materially different.

### Currency Risk

The amounts in the following tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of foreign exchange forward contracts, as applicable. Other financial assets (including cash collateral received for securities on loan, dividends and interest receivables and receivables for investments sold) and financial liabilities (including payable for cash collateral under securities lending and payable for investments purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currencies to which the Fund had exposure as at March 31, 2016 and September 30, 2015, were as follows:

#### March 31, 2016

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 2,726                 | (1,958)                            | 768     | 7.8                          |
| Pound Sterling       | 403                   | (215)                              | 188     | 1.9                          |
| New Taiwanese Dollar | 82                    | –                                  | 82      | 0.8                          |
| Australian Dollar    | 39                    | –                                  | 39      | 0.4                          |

#### September 30, 2015

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 2,784                 | (2,051)                            | 733     | 7.1                          |
| Pound Sterling       | 463                   | (251)                              | 212     | 2.0                          |
| South African Rand   | 87                    | –                                  | 87      | 0.8                          |
| New Taiwanese Dollar | 76                    | –                                  | 76      | 0.7                          |
| Australian Dollar    | 38                    | –                                  | 38      | 0.4                          |

\*\* Includes both monetary and non-monetary instruments, as applicable

As at March 31, 2016 and September 30, 2015, if the Canadian dollar had strengthened or weakened by 2 percent, in relation to all currencies, with all other variables held constant, Net Assets would have decreased or increased, respectively, by approximately \$22,000 (September 30, 2015 – \$23,000).

# AGF Pooled Canadian Balanced Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED) CONTINUED

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Note 4)

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2016 and September 30, 2015.

#### March 31, 2016

| (\$'000)                        | Level 1      | Level 2      | Level 3  | Total        |
|---------------------------------|--------------|--------------|----------|--------------|
| Equities                        | 6,439        | —            | —        | 6,439        |
| Debt Instruments                | —            | 3,234        | —        | 3,234        |
| Short-Term Investments          | —            | —            | —        | —            |
| Investments in Underlying Funds | —            | —            | —        | —            |
| <b>Total Investments</b>        | <b>6,439</b> | <b>3,234</b> | <b>—</b> | <b>9,673</b> |
| Derivative Assets               | —            | 27           | —        | 27           |
| Derivative Liabilities          | —            | (4)          | —        | (4)          |

#### September 30, 2015

| (\$'000)                        | Level 1      | Level 2      | Level 3   | Total         |
|---------------------------------|--------------|--------------|-----------|---------------|
| Equities                        | 6,562        | —            | —         | 6,562         |
| Debt Instruments                | —            | 3,494        | 31        | 3,525         |
| Short-Term Investments          | —            | —            | —         | —             |
| Investments in Underlying Funds | —            | —            | —         | —             |
| <b>Total Investments</b>        | <b>6,562</b> | <b>3,494</b> | <b>31</b> | <b>10,087</b> |
| Derivative Assets               | —            | 1            | —         | 1             |
| Derivative Liabilities          | —            | (9)          | —         | (9)           |

There were no significant transfers between levels 1 and 2 during the periods ended March 31, 2016 and September 30, 2015.

### Reconciliation of Level 3 Fair Value Measurement (Note 4)

The following tables reconcile the Fund's level 3 fair value measurements for the periods ended March 31, 2016 and September 30, 2015. The level 3 positions held in the Fund were not considered significant.

#### March 31, 2016

| (\$'000)   | Equities | Debt Instruments | Total    |
|--|----------|------------------|----------|
| <b>Balance at Beginning of period</b>  | —        | 31               | 31       |
| Investment purchases during the period   | —        | —                | —        |
| Proceeds from sales during the period  | —        | —                | —        |
| Net transfers in (out) during the period   | —        | (31)             | (31)     |
| Net realized gain (loss) on investments  | —        | —                | —        |
| Net change in unrealized appreciation (depreciation) in value of investments                       | —        | —                | —        |
| <b>Balance at End of Period</b>  | <b>—</b> | <b>—</b>         | <b>—</b> |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at March 31, 2016</b> | <b>—</b> | <b>—</b>         | <b>—</b> |

During the period ended March 31, 2016, investments of approximately \$31,000 were transferred from level 3 to level 2 due to a change in valuation to the use of quoted prices from recognized investment dealers.

#### September 30, 2015

| (\$'000)   | Equities | Debt Instruments | Total     |
|--|----------|------------------|-----------|
| <b>Balance at Beginning of Period</b>  | —        | —                | —         |
| Investment purchases during the period   | —        | 31               | 31        |
| Proceeds from sales during the period  | —        | —                | —         |
| Net transfers in (out) during the period   | —        | —                | —         |
| Net realized gain (loss) on investments  | —        | —                | —         |
| Net change in unrealized appreciation (depreciation) in value of investments                           | —        | —                | —         |
| <b>Balance at End of Period</b>  | <b>—</b> | <b>31</b>        | <b>31</b> |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at September 30, 2015</b> | <b>—</b> | <b>—</b>         | <b>—</b>  |

# AGF Pooled Fixed Income Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

| As at   | March 31,<br>2016 | September 30,<br>2015 |
|---|-------------------|-----------------------|
| <b>Assets</b>   |                   |                       |
| <b>Current Assets</b>   |                   |                       |
| Investments at fair value through profit or loss                                | \$ 35,858         | \$ 36,040             |
| Foreign exchange forward contracts at fair value through profit or loss         | -                 | 12                    |
| Cash and cash equivalents   | 441               | 1,485                 |
| Cash collateral received for securities on loan (Note 9)                        | -                 | -                     |
| Receivable for units issued   | -                 | 77                    |
| Receivable for investments sold   | -                 | -                     |
| Receivable for foreign exchange forward contracts                               | -                 | -                     |
| Receivable from Manager (Note 7(b))   | -                 | -                     |
| Dividends and interest receivable   | 318               | 377                   |
| Tax reclaims receivable   | -                 | -                     |
| Refundable capital gains taxes  | -                 | -                     |
|   | <b>36,617</b>     | <b>37,991</b>         |
| <b>Liabilities</b>  |                   |                       |
| <b>Current Liabilities</b>  |                   |                       |
| Bank overdraft  | -                 | -                     |
| Foreign exchange forward contracts at fair value through profit or loss         | 4                 | 111                   |
| Payable for cash collateral under securities lending (Note 9)                   | -                 | -                     |
| Accrued expenses (Note 7(b))  | 28                | 39                    |
| Payable for units redeemed  | 1                 | 4                     |
| Payable for distributions   | 48                | 46                    |
| Payable for investments purchased   | 195               | -                     |
| Payable for foreign exchange forward contracts                                  | -                 | -                     |
|   | <b>276</b>        | <b>200</b>            |
| <b>Net Assets Attributable to Holders of Redeemable Units (Note 2)</b>          | <b>\$ 36,341</b>  | <b>\$ 37,791</b>      |
| <b>Investments at Cost (Note 2)</b>   | <b>\$ 35,148</b>  | <b>\$ 35,023</b>      |
| <b>Net Assets Attributable to Holders of Redeemable Units per Unit (Note 6)</b> | <b>\$ 15.98</b>   | <b>\$ 16.24</b>       |

Approved by the Board of Directors of AGF Investments Inc.



Blake C. Goldring, Director



Robert J. Bogart, Director

# AGF Pooled Fixed Income Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

| For the periods ended March 31,  | 2016           | 2015            |
|--|----------------|-----------------|
| <b>Income</b>  |                |                 |
| Dividends  | \$ 4           | \$ 5            |
| Interest for distribution purposes (Note 2)  | 654            | 769             |
| Net realized gain (loss) on investments  | (45)           | 1,006           |
| Net change in unrealized appreciation (depreciation) in value of investments   | (307)          | 1,403           |
| Net gain (loss) on investments   | 306            | 3,183           |
| Net realized gain (loss) on derivatives  | 22             | (560)           |
| Net change in unrealized appreciation (depreciation) in value of derivatives   | 95             | 89              |
| Net gain (loss) on derivatives   | 117            | (471)           |
| Securities lending income (Note 9)   | 1              | –               |
| Exchange gain (loss) on foreign currencies and other net assets  | 26             | (4)             |
| <b>Total Income (Loss), Net</b>  | <b>450</b>     | <b>2,708</b>    |
| <b>Expenses</b>  |                |                 |
| Unitholder servicing and administrative fees (Note 7(c))   | 38             | 22              |
| Annual and interim reports   | 6              | 4               |
| Audit fees   | 7              | 5               |
| Custodian fees and bank charges  | 3              | 2               |
| Legal fees   | –              | –               |
| Registration fees  | 3              | 3               |
| Interest   | –              | 2               |
| Harmonized sales tax and other taxes   | 6              | 3               |
| Foreign withholding taxes  | 1              | 5               |
| Commissions and other portfolio transaction costs (Note 2)   | –              | –               |
| Total expenses   | 64             | 46              |
| Less expenses waived/absorbed by Manager (Note 7(b))   | (23)           | –               |
| Net expenses   | 41             | 46              |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations</b>                   | <b>\$ 409</b>  | <b>\$ 2,662</b> |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Note 2)</b> | <b>\$ 0.17</b> | <b>\$ 1.09</b>  |

## STATEMENTS OF CASH FLOWS (UNAUDITED)

| For the periods ended March 31,   | 2016           | 2015           |
|---|----------------|----------------|
| <b>Cash Flows from Operating Activities</b>   |                |                |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | \$ 409         | \$ 2,662       |
| Adjustments for:  |                |                |
| Exchange (gain) loss on foreign currencies  | (38)           | (12)           |
| Net realized (gain) loss on investments and derivatives                                       | 23             | (446)          |
| Net change in unrealized (appreciation) depreciation in value of investments and derivatives  | 212            | (1,492)        |
| Purchases of investments and derivatives  | (15,302)       | (16,297)       |
| Proceeds from sale and maturity of investments and derivatives                                | 15,349         | 18,984         |
| Non-cash dividends reinvested   | –              | –              |
| (Increase) decrease in receivable from Manager  | –              | –              |
| (Increase) decrease in dividends and interest receivable                                      | 59             | 31             |
| (Increase) decrease in accrued interest for short-term investments                            | –              | –              |
| (Increase) decrease in tax reclaims receivable  | –              | –              |
| (Increase) decrease in refundable capital gains taxes   | –              | –              |
| Increase (decrease) in accrued expenses   | (11)           | (3)            |
| <b>Net Cash Generated (Used) by Operating Activities</b>                                      | <b>701</b>     | <b>3,427</b>   |
| <b>Cash Flows from Financing Activities</b>   |                |                |
| Distributions paid to holders of redeemable units, net of reinvestments                       | (138)          | (130)          |
| Proceeds from redeemable units issued   | 1,652          | 2,616          |
| Amounts paid on redemption of redeemable units  | (3,297)        | (5,173)        |
| <b>Net Cash Generated (Used) by Financing Activities</b>                                      | <b>(1,783)</b> | <b>(2,687)</b> |
| Exchange gain (loss) on foreign currencies  | 38             | 12             |
| Net increase (decrease) in cash and cash equivalents  | (1,082)        | 740            |
| Cash and cash equivalents beginning of period   | 1,485          | (192)          |
| <b>Cash and Cash Equivalents End of Period</b>  | <b>\$ 441</b>  | <b>\$ 560</b>  |
| Cash and cash equivalents comprise:   |                |                |
| Cash (overdraft) at bank  | \$ –           | \$ 560         |
| Short-term deposits   | 441            | –              |
|   | \$ 441         | \$ 560         |
| Interest received, net of withholding tax *   | \$ 714         | \$ 796         |
| Dividends received, net of withholding tax *  | \$ 3           | \$ 4           |

\* Included as part of Cash Flows from Operating Activities

# AGF Pooled Fixed Income Fund (Note 1)

THOUSANDS OF DOLLARS

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (UNAUDITED)

| For the periods ended March 31,   | 2016             | 2015             | For the periods ended March 31,  | 2016             | 2015             |
|---|------------------|------------------|--|------------------|------------------|
| <b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>          | <b>\$ 37,791</b> | <b>\$ 40,248</b> |  |                  |                  |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | 409              | 2,662            | Distributions to holders of redeemable units (Note 6):                                       |                  |                  |
| Redeemable unit transactions (Note 6):  |                  |                  | Net investment income  | \$ (1,023)       | \$ (761)         |
| Proceeds from redeemable units issued   | 1,575            | 2,611            | Capital gains  | -                | (64)             |
| Reinvestment of distributions to holders of redeemable units                                  | 883              | 692              | Return of capital  | -                | -                |
| Payments on redemption of redeemable units  | (3,294)          | (6,745)          | Net distributions to holders of redeemable units   | (1,023)          | (825)            |
| Net increase (decrease) from redeemable unit transactions                                     | (836)            | (3,442)          | Increase (decrease) in net assets attributable to holders of redeemable units for the period | (1,450)          | (1,605)          |
|   |                  |                  | <b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>               | <b>\$ 36,341</b> | <b>\$ 38,643</b> |



# AGF Pooled Fixed Income Fund (Note 1)

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED)

| Face Value                     |         | Average Cost (\$)   | Fair Value (\$) | Face Value                         |     | Average Cost (\$) | Fair Value (\$)   |         |         |
|--------------------------------|---------|---|-----------------|------------------------------------|-----|-------------------|---|---------|---------|
| <b>Corporate Bonds (43.0%)</b> |         |   |                 | <b>Corporate Bonds (continued)</b> |     |                   |   |         |         |
| CAD                            | 175,000 | Aimia Inc.<br>5.600% May 17, 2019   | 193,101         | 179,231                            | CAD | 175,000           | First Capital Realty Inc.<br>4.323% Series S<br>July 31, 2025                               | 176,938 | 186,881 |
| CAD                            | 165,000 | Algonquin Power Company<br>4.650% February 15, 2022                             | 166,164         | 168,747                            | CAD | 200,000           | FortisAlberta Inc.<br>4.270% September 22, 2045   | 202,345 | 215,873 |
| CAD                            | 175,000 | Bank of Montreal<br>2.840% June 4, 2020   | 175,700         | 183,091                            | CAD | 100,000           | Great Canadian<br>Gaming Corporation<br>6.625% July 25, 2022                                | 100,000 | 100,667 |
| CAD                            | 200,000 | Bank of Montreal<br>2.100% October 6, 2020                                      | 200,078         | 203,149                            | CAD | 150,000           | Greater Toronto<br>Airports Authority<br>6.450% December 3, 2027                            | 163,050 | 206,403 |
| CAD                            | 475,000 | Bank of Nova Scotia<br>2.750% August 13, 2018                                   | 480,752         | 488,263                            | CAD | 250,000           | Heathrow Funding Limited<br>3.000% June 17, 2023  | 248,095 | 257,473 |
| CAD                            | 200,000 | Bell Canada<br>4.350% December 18, 2045   | 198,929         | 195,298                            | CAD | 100,000           | Husky Energy Inc.<br>3.550% March 12, 2025  | 100,056 | 95,780  |
| CAD                            | 175,000 | Brookfield Asset<br>Management Inc.<br>4.540% March 31, 2023                    | 180,848         | 189,561                            | CAD | 165,000           | Hydro One Inc.<br>2.770% February 24, 2026  | 164,942 | 168,422 |
| CAD                            | 200,000 | Brookfield Infrastructure<br>Finance ULC<br>3.452% March 11, 2022               | 200,000         | 199,080                            | CAD | 155,000           | Intact Financial Corporation<br>6.400% November 23, 2039                                    | 184,571 | 194,864 |
| CAD                            | 170,000 | BRP Finance ULC<br>5.140% Series 7<br>October 13, 2020                          | 175,749         | 188,585                            | USD | 200,000           | Intesa Sanpaolo SpA<br>7.700% December 29, 2049   | 252,731 | 238,645 |
| USD                            | 88,000  | Canadian Natural<br>Resources Limited<br>3.900% February 1, 2025                | 91,934          | 102,723                            | CAD | 112,000           | Just Energy Group Inc.<br>Convertible Bonds<br>6.000% June 30, 2017                         | 109,897 | 111,496 |
| CAD                            | 180,000 | Canadian Pacific<br>Railway Company<br>5.100% January 14, 2022                  | 187,634         | 203,815                            | USD | 200,000           | Just Energy Group Inc.<br>Convertible Bonds<br>6.500% July 29, 2019                         | 209,972 | 246,763 |
| CAD                            | 130,000 | Canadian Pacific<br>Railway Company<br>6.450% November 17, 2039                 | 171,276         | 159,101                            | USD | 65,000            | Kinder Morgan Energy Partners<br>Limited Partnership<br>6.850% February 15, 2020            | 86,781  | 92,240  |
| CAD                            | 250,000 | CDP Financial Inc.<br>4.600% July 15, 2020                                      | 264,390         | 281,817                            | USD | 115,000           | Laredo Petroleum Inc.<br>5.625% January 15, 2022  | 141,968 | 124,712 |
| USD                            | 75,000  | Cenovus Energy Inc.<br>6.750% November 15, 2039                                 | 72,809          | 93,261                             | CAD | 175,000           | Leisureworld Senior Care<br>Limited Partnership<br>3.474% Series B<br>February 3, 2021      | 175,000 | 185,306 |
| CAD                            | 200,000 | CI Financial Corporation<br>2.645% December 7, 2020                             | 200,000         | 202,154                            | CAD | 340,000           | Loblaw Companies Limited<br>4.860% September 12, 2023                                       | 350,243 | 385,274 |
| CAD                            | 140,000 | CIBC Capital Trust<br>Floating Rate<br>9.976% June 30, 2108                     | 183,000         | 169,605                            | CAD | 200,000           | Magna International Inc.<br>3.100% December 15, 2022  | 200,611 | 204,247 |
| USD                            | 50,000  | Ciena Corporation<br>Convertible Bonds<br>3.750% October 15, 2018               | 91,236          | 76,789                             | CAD | 175,000           | Merrill Lynch & Company Inc.<br>Floating Rate<br>5.290% May 30, 2022                        | 163,373 | 172,087 |
| CAD                            | 275,000 | Citigroup Inc.<br>3.390% November 18, 2021                                      | 283,845         | 286,524                            | CAD | 250,000           | Morgan Stanley<br>3.125% August 5, 2021   | 249,512 | 257,703 |
| USD                            | 140,000 | Citigroup Inc. Floating Rate<br>5.875% Series O<br>December 29, 2049            | 177,287         | 175,688                            | CAD | 135,000           | NAV Canada<br>7.400% June 1, 2027   | 176,089 | 196,164 |
| CAD                            | 100,000 | Cominar Real Estate<br>Investment Trust<br>4.941% July 27, 2020                 | 103,471         | 105,606                            | USD | 59,000            | Newmont Mining Corporation<br>Convertible Bonds<br>1.625% Series B<br>July 15, 2017         | 80,875  | 79,500  |
| CAD                            | 950,000 | CPPIB Capital Inc.<br>1.000% Series B<br>January 15, 2019                       | 950,708         | 949,338                            | CAD | 210,000           | North West Redwater<br>Partnership/NWR Financing<br>Company Limited<br>4.050% July 22, 2044 | 208,744 | 188,410 |
| USD                            | 35,000  | Ctrip.com International Limited<br>Convertible Bonds<br>1.250% October 15, 2018 | 41,571          | 58,354                             | USD | 155,000           | Northgroup Preferred Capital<br>Corporation Floating Rate<br>6.378% January 29, 2049        | 149,720 | 201,306 |
| CAD                            | 100,000 | DHX Media Limited<br>5.875% December 2, 2021                                    | 100,000         | 97,750                             | CAD | 122,000           | Northland Power Inc.<br>Convertible Bonds<br>4.750% June 30, 2020                           | 122,000 | 129,930 |
| CAD                            | 178,000 | Dollarama Inc.<br>3.095% November 5, 2018                                       | 179,820         | 182,657                            | CAD | 235,000           | OMERS Realty Corporation<br>2.473% November 12, 2019  | 236,019 | 240,833 |
| CAD                            | 25,000  | Element Financial Corporation<br>Convertible Debentures<br>5.125% June 30, 2019 | 25,000          | 26,500                             | CAD | 220,000           | OMERS Realty Corporation<br>2.858% February 23, 2024  | 220,000 | 224,410 |
| CAD                            | 75,000  | Element Financial Corporation<br>Convertible Debentures<br>4.250% June 30, 2020 | 75,000          | 73,687                             | USD | 30,000            | Palo Alto Networks Inc.<br>Zero Coupon<br>Convertible Bonds<br>July 1, 2019                 | 61,328  | 60,660  |
| CAD                            | 260,000 | Enbridge Inc.<br>4.570% March 11, 2044  | 249,536         | 228,890                            | CAD | 75,000            | Parkland Fuel Corporation<br>5.500% May 28, 2021  | 75,000  | 74,813  |
| CAD                            | 250,000 | Fairfax Financial<br>Holdings Limited<br>6.400% May 25, 2021                    | 274,182         | 280,050                            |     |                   |   |         |         |

| Corporate Bonds (continued) |         |  |                 | Emerging Markets Bonds (0.8%) |   |                   |  |           |           |
|-----------------------------|---------|--|-----------------|-------------------------------|---|-------------------|--|-----------|-----------|
| Face Value                  |         | Average Cost (\$)  | Fair Value (\$) | Face Value                    |   | Average Cost (\$) | Fair Value (\$)  |           |           |
| USD                         | 80,000  | Pattern Energy Group Inc. Convertible Bonds 4.000% July 15, 2020           | 103,659         | 92,601                        | USD   | 75,000            | Cemex SAB de CV 7.250% January 15, 2021                            | 100,093   | 101,302   |
| CAD                         | 95,000  | Pembina Pipeline Corporation 3.540% February 3, 2025                       | 95,163          | 91,471                        | MXN   | 2,100,000         | United Mexican States 8.000% Series M December 7, 2023             | 201,609   | 179,573   |
| USD                         | 150,000 | Prudential Financial Inc. Floating Rate 5.625% June 15, 2043               | 160,157         | 198,417                       |   |                   |  | 301,702   | 280,875   |
| USD                         | 49,600  | Red Hat Inc. Convertible Bonds 0.250% October 1, 2019                      | 75,782          | 79,919                        | <b>Government Bonds (18.9%)</b>                 |                   |  |           |           |
| CAD                         | 200,000 | RioCan Real Estate Investment Trust 3.287% Series W February 12, 2024      | 199,480         | 201,477                       | CAD   | 207,000           | Canada Post Corporation 4.360% July 16, 2040                       | 219,008   | 271,487   |
| CAD                         | 210,000 | Rogers Communications Inc. 4.000% March 13, 2024                           | 211,260         | 225,834                       | CAD   | 1,210,000         | Government of Canada 1.500% June 1, 2026                           | 1,206,456 | 1,229,776 |
| CAD                         | 460,000 | Royal Bank of Canada 2.770% December 11, 2018                              | 462,300         | 475,186                       | CAD   | 100,000           | Government of Canada Real Return Bonds 4.250% December 1, 2026     | 209,072   | 210,887   |
| USD                         | 20,000  | salesforce.com Inc. Convertible Bonds 0.250% April 1, 2018                 | 35,227          | 32,144                        | CAD   | 407,000           | Government of Canada 5.750% June 1, 2033                           | 629,306   | 638,570   |
| CAD                         | 90,000  | Scotiabank Tier 1 Trust Floating Rate 7.802% June 30, 2108                 | 92,330          | 103,005                       | CAD   | 386,000           | Government of Canada Real Return Bonds 3.000% December 1, 2036     | 687,613   | 718,368   |
| USD                         | 55,000  | ServiceNow Inc. Zero Coupon Convertible Bonds November 1, 2018             | 86,396          | 77,369                        | CAD   | 1,195,000         | Government of Canada 5.000% June 1, 2037                           | 1,744,566 | 1,813,147 |
| CAD                         | 375,000 | Sun Life Financial Inc. Floating Rate 2.600% September 25, 2025            | 375,229         | 372,412                       | USD   | 350,000           | U.S. Treasury Inflation Index Linked Notes 0.125% January 15, 2023 | 467,006   | 470,367   |
| CAD                         | 75,000  | TD Capital Trust IV Floating Rate 6.631% June 30, 2108                     | 88,811          | 87,169                        | USD   | 375,000           | U.S. Treasury Notes 2.250% November 15, 2024                       | 466,849   | 507,768   |
| CAD                         | 200,000 | The Goldman Sachs Group Inc. 3.375% February 1, 2018                       | 200,959         | 205,542                       | USD   | 570,000           | U.S. Treasury Notes 4.500% February 15, 2036                       | 837,356   | 1,015,726 |
| USD                         | 90,000  | The Goodyear Tire & Rubber Company 5.125% November 15, 2023                | 120,048         | 119,517                       |   |                   |  | 6,467,232 | 6,876,096 |
| CAD                         | 265,000 | The Manufacturers Life Insurance Company Floating Rate 4.165% June 1, 2022 | 265,703         | 271,432                       | <b>Government Guaranteed Investments (7.3%)</b> |                   |  |           |           |
| USD                         | 35,000  | The Priceline Group Inc. Convertible Bonds 0.900% September 15, 2021       | 48,739          | 45,740                        | CAD   | 710,000           | Canada Housing Trust 2.350% December 15, 2018                      | 722,490   | 738,260   |
| USD                         | 50,000  | The Royal Bank of Scotland Group PLC 7.648% August 29, 2049                | 77,312          | 75,977                        | CAD   | 525,000           | Canada Housing Trust Floating Rate 0.818% September 15, 2019       | 524,408   | 522,113   |
| CAD                         | 190,000 | Thomson Reuters Corporation 4.350% September 30, 2020                      | 189,878         | 205,251                       | CAD   | 300,000           | Kommunalbanken AS Floating Rate 3.740% May 27, 2021                | 303,544   | 300,861   |
| CAD                         | 200,000 | Toromont Industries Limited 3.710% September 30, 2025                      | 200,000         | 202,492                       | CAD   | 950,000           | Labrador-Island Link Funding Trust 3.760% Series A June 1, 2033    | 980,350   | 1,095,855 |
| CAD                         | 350,000 | Toronto-Dominion Bank 2.171% April 2, 2018                                 | 346,637         | 355,394                       |   |                   |  | 2,530,792 | 2,657,089 |
| CAD                         | 175,000 | Toronto-Dominion Bank 2.045% March 8, 2021                                 | 175,000         | 176,723                       | <b>High Yield Bonds (2.0%)</b>                  |                   |  |           |           |
| USD                         | 225,000 | TransCanada PipeLines Limited Floating Rate 6.350% May 15, 2067            | 271,525         | 197,978                       | USD   | 90,000            | Cascades Inc. 5.500% July 15, 2022                                 | 115,527   | 112,431   |
| CAD                         | 75,000  | Tricon Capital Group Inc. Convertible Bonds 5.600% March 31, 2020          | 75,074          | 80,625                        | USD   | 150,000           | Cott Beverages Inc. 5.375% July 1, 2022                            | 183,830   | 197,735   |
| USD                         | 200,000 | UBS Group AG Floating Rate 7.000% December 29, 2049                        | 263,329         | 265,348                       | USD   | 75,000            | Frontier Communications Corporation 7.125% January 15, 2023        | 81,485    | 86,205    |
| CAD                         | 200,000 | VW Credit Canada Inc. 2.500% October 1, 2019                               | 196,560         | 198,731                       | CAD   | 100,000           | Newalta Corporation 5.875% April 1, 2021                           | 100,000   | 73,000    |
| CAD                         | 325,000 | Wells Fargo & Company 3.874% May 21, 2025                                  | 325,000         | 341,923                       | CAD   | 105,000           | Quebecor Media Inc. 6.625% January 15, 2023                        | 105,750   | 107,362   |
| USD                         | 150,000 | Western Digital Corporation 10.500% April 1, 2024                          | 194,445         | 195,300                       | CAD   | 62,000            | Sirius XM Canada Holdings Inc. 5.625% April 23, 2021               | 62,000    | 59,752    |
| CAD                         | 45,000  | Westjet Airlines Limited 3.287% July 23, 2019                              | 44,910          | 44,866                        | USD   | 85,000            | XPO Logistics Inc. 6.500% June 15, 2022                            | 105,301   | 107,220   |
|                             |         |  | 15,284,793      | 15,610,019                    |   |                   |  | 753,893   | 743,705   |
|                             |         |  |                 |                               | <b>Provincial Bonds (22.8%)</b>                 |                   |  |           |           |
|                             |         |  |                 |                               | CAD   | 655,000           | Province of British Columbia 5.700% June 18, 2029                  | 820,788   | 886,243   |
|                             |         |  |                 |                               | CAD   | 90,000            | Province of Manitoba 4.700% September 22, 2017                     | 101,599   | 95,061    |
|                             |         |  |                 |                               | CAD   | 250,000           | Province of Manitoba 4.600% March 5, 2038                          | 295,810   | 303,104   |
|                             |         |  |                 |                               | CAD   | 165,000           | Province of Nova Scotia 4.400% June 1, 2042                        | 191,728   | 194,966   |



# AGF Pooled Fixed Income Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED)

### Investment Objective

The Fund's investment objective is to seek steady income by investing primarily in bonds (including high yield bonds), convertibles, debentures, notes and other debt obligations of primarily Canadian issuers and preferred shares.

### Summary of Investment Portfolio

As at March 31, 2016 and September 30, 2015, the Fund's major portfolio categories, as a percentage of Net Assets, are included in the following tables:

#### Portfolio by Sector

| March 31, 2016                     | (%)   |
|------------------------------------|-------|
| Corporate Bonds                    | 43.0  |
| Provincial Bonds                   | 22.8  |
| Government Bonds                   | 18.9  |
| Government Guaranteed Investments  | 7.3   |
| Supranational Bonds                | 3.4   |
| High Yield Bonds                   | 2.0   |
| Emerging Markets Bonds             | 0.8   |
| Health Care                        | 0.5   |
| Energy                             | 0.0   |
| Foreign Exchange Forward Contracts | (0.0) |

#### September 30, 2015

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Corporate Bonds                    | 42.3  |
| Provincial Bonds                   | 19.3  |
| Government Bonds                   | 16.1  |
| Government Guaranteed Investments  | 10.9  |
| High Yield Bonds                   | 4.1   |
| Supranational Bonds                | 2.2   |
| Emerging Markets Bonds             | 0.5   |
| Energy                             | 0.0   |
| Foreign Exchange Forward Contracts | (0.3) |

#### Portfolio by Asset Mix

| March 31, 2016                     | (%)   |
|------------------------------------|-------|
| Canadian Fixed Income              | 76.1  |
| United States Fixed Income         | 18.0  |
| International Fixed Income         | 4.1   |
| International Equity               | 0.5   |
| Canadian Equity                    | 0.0   |
| Foreign Exchange Forward Contracts | (0.0) |

#### September 30, 2015

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Canadian Fixed Income              | 76.4  |
| United States Fixed Income         | 15.0  |
| International Fixed Income         | 4.0   |
| Canadian Equity                    | 0.0   |
| Foreign Exchange Forward Contracts | (0.3) |

As at March 31, 2016, the total fair value of private and/or restricted securities held within the Fund represented approximately \$6,000 (September 30, 2015 – \$6,000)

### Interest in Unconsolidated Structured Entities (Note 2)

As at March 31, 2016 and September 30, 2015, the Fund had no investments in underlying funds or exchange traded funds.

### DISCUSSION OF FINANCIAL INSTRUMENT RISK MANAGEMENT (Note 4)

#### Credit Risk

As at March 31, 2016 and September 30, 2015, the Fund invested in debt instruments, foreign exchange forward contracts, preferred shares, short-term investments and cash and cash equivalents, as applicable, with the following credit ratings:

| Credit Rating | Percentage of Net Assets (%) |                    |
|---------------|------------------------------|--------------------|
|               | March 31, 2016               | September 30, 2015 |
| AAA           | 32.2                         | 30.6               |
| AA            | 9.8                          | 9.3                |
| A             | 27.7                         | 27.5               |
| BBB           | 20.2                         | 20.6               |
| BB            | 3.2                          | 4.1                |
| B             | 3.4                          | 3.2                |
| CCC           | 0.2                          | 1.0                |
| Not Rated     | 3.2                          | 2.7                |

#### Interest Rate Risk

As at March 31, 2016 and September 30, 2015, the Fund's exposure to debt instruments by maturity was as follows:

| Debt Instruments*<br>by Maturity Date | (\$'000)       |                    |
|---------------------------------------|----------------|--------------------|
|                                       | March 31, 2016 | September 30, 2015 |
| Less than 1 year                      | —              | —                  |
| 1-3 years                             | 5,772          | 1,520              |
| 3-5 years                             | 4,481          | 8,539              |
| Greater than 5 years                  | 25,439         | 25,975             |

\* Excludes cash and cash equivalents and preferred shares but includes short-term investments, as applicable

As at March 31, 2016 and September 30, 2015, if the yield curve had shifted in parallel by 25 basis points, with all other variables held constant, Net Assets would have increased or decreased, respectively, by approximately \$635,000 (September 30, 2015 – \$626,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

#### Other Price Risk

The Schedule of Investment Portfolio of the Fund classifies securities by asset type.

The impact on Net Assets of the Fund due to a 10 percent change in benchmark (September 30, 2015 – 10 percent), using historical correlation between the return of the Fund's Units as compared to the return of the Fund's benchmark, as at March 31, 2016 and September 30, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 monthly data points, unless

# AGF Pooled Fixed Income Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED) CONTINUED

the inception of the Fund is less than three years, in which case since inception data has been used.

| Benchmark                           | Impact on Net Assets (\$'000) |                    |
|-------------------------------------|-------------------------------|--------------------|
|                                     | March 31, 2016                | September 30, 2015 |
| FTSE TMX Canada Universe Bond Index | 3,657                         | 3,764              |

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net Assets could be materially different.

### Currency Risk

The amounts in the following tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of foreign exchange forward contracts, as applicable. Other financial assets (including cash collateral received for securities on loan, dividends and interest receivables and receivables for investments sold) and financial liabilities (including payable for cash collateral under securities lending and payable for investments purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currencies to which the Fund had exposure as at March 31, 2016 and September 30, 2015, were as follows:

#### March 31, 2016

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 5,696                 | (3,214)                            | 2,482   | 6.8                          |
| Mexican Peso         | 180                   | –                                  | 180     | 0.5                          |

#### September 30, 2015

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 5,810                 | (4,506)                            | 1,304   | 3.5                          |
| Mexican Peso         | 188                   | –                                  | 188     | 0.5                          |

\*\* Includes both monetary and non-monetary instruments, as applicable

As at March 31, 2016 and September 30, 2015, if the Canadian dollar had strengthened or weakened by 2 percent, in relation to all currencies, with all other variables held constant, Net Assets would have decreased or increased, respectively, by approximately \$53,000 (September 30, 2015 – \$30,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Note 4)

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2016 and September 30, 2015.

#### March 31, 2016

| (\$'000)                        | Level 1    | Level 2       | Level 3  | Total         |
|---------------------------------|------------|---------------|----------|---------------|
| Equities                        | 160        | –             | 6        | 166           |
| Debt Instruments                | –          | 35,692        | –        | 35,692        |
| Short-Term Investments          | –          | –             | –        | –             |
| Investments in Underlying Funds | –          | –             | –        | –             |
| <b>Total Investments</b>        | <b>160</b> | <b>35,692</b> | <b>6</b> | <b>35,858</b> |
| Derivative Assets               | –          | –             | –        | –             |
| Derivative Liabilities          | –          | (4)           | –        | (4)           |

#### September 30, 2015

| (\$'000)                        | Level 1  | Level 2       | Level 3  | Total         |
|---------------------------------|----------|---------------|----------|---------------|
| Equities                        | –        | –             | 6        | 6             |
| Debt Instruments                | –        | 36,034        | –        | 36,034        |
| Short-Term Investments          | –        | –             | –        | –             |
| Investments in Underlying Funds | –        | –             | –        | –             |
| <b>Total Investments</b>        | <b>–</b> | <b>36,034</b> | <b>6</b> | <b>36,040</b> |
| Derivative Assets               | –        | 12            | –        | 12            |
| Derivative Liabilities          | –        | (111)         | –        | (111)         |

There were no significant transfers between levels 1 and 2 during the periods ended March 31, 2016 and September 30, 2015.

### Reconciliation of Level 3 Fair Value Measurement (Note 4)

The following tables reconcile the Fund's level 3 fair value measurements for the periods ended March 31, 2016 and September 30, 2015. The level 3 positions held in the Fund were not considered significant.

#### March 31, 2016

| (\$'000)   | Equities | Debt Instruments | Total    |
|--|----------|------------------|----------|
| <b>Balance at Beginning of period</b>  | <b>6</b> | <b>–</b>         | <b>6</b> |
| Investment purchases during the period   | –        | –                | –        |
| Proceeds from sales during the period  | –        | –                | –        |
| Net transfers in (out) during the period   | –        | –                | –        |
| Net realized gain (loss) on investments  | –        | –                | –        |
| Net change in unrealized appreciation (depreciation) in value of investments                       | –        | –                | –        |
| <b>Balance at End of Period</b>  | <b>6</b> | <b>–</b>         | <b>6</b> |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at March 31, 2016</b> |          |                  | <b>–</b> |

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September 30, 2015

| (\$'000)   | Debt     |             | Total |
|--|----------|-------------|-------|
|  | Equities | Instruments |       |
| <b>Balance at Beginning of Period</b>  | 56       | –           | 56    |
| Investment purchases during the period   | –        | –           | –     |
| Proceeds from sales during the period  | –        | –           | –     |
| Net transfers in (out) during the period   | –        | –           | –     |
| Net realized gain (loss) on investments  | –        | –           | –     |
| Net change in unrealized appreciation<br>(depreciation) in value of investments                                | (50)     | –           | (50)  |
| <b>Balance at End of Period</b>  | 6        | –           | 6     |
| <b>Total change in unrealized appreciation<br/>(depreciation) for assets held as at<br/>September 30, 2015</b> |          |             | (50)  |

# AGF Pooled High Income Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

| As at   | March 31,<br>2016 | September 30,<br>2015 |
|---|-------------------|-----------------------|
| <b>Assets</b>   |                   |                       |
| <b>Current Assets</b>   |                   |                       |
| Investments at fair value through profit or loss                                | \$ 29,881         | \$ 39,139             |
| Foreign exchange forward contracts at fair value through profit or loss         | 131               | 5                     |
| Cash and cash equivalents   | -                 | 1,424                 |
| Cash collateral received for securities on loan (Note 9)                        | -                 | -                     |
| Receivable for units issued   | -                 | -                     |
| Receivable for investments sold   | 889               | 4                     |
| Receivable for foreign exchange forward contracts                               | -                 | -                     |
| Receivable from Manager (Note 7(b))   | -                 | -                     |
| Dividends and interest receivable   | 179               | 317                   |
| Tax reclaims receivable   | -                 | -                     |
| Refundable capital gains taxes  | -                 | -                     |
|   | <b>31,080</b>     | <b>40,889</b>         |
| <b>Liabilities</b>  |                   |                       |
| <b>Current Liabilities</b>  |                   |                       |
| Bank overdraft  | 274               | -                     |
| Foreign exchange forward contracts at fair value through profit or loss         | 48                | 53                    |
| Payable for cash collateral under securities lending (Note 9)                   | -                 | -                     |
| Accrued expenses (Note 7(b))  | 23                | 62                    |
| Payable for units redeemed  | 275               | 70                    |
| Payable for distributions   | 42                | 52                    |
| Payable for investments purchased   | 600               | 155                   |
| Payable for foreign exchange forward contracts                                  | -                 | -                     |
|   | <b>1,262</b>      | <b>392</b>            |
| <b>Net Assets Attributable to Holders of Redeemable Units (Note 2)</b>          | <b>\$ 29,818</b>  | <b>\$ 40,497</b>      |
| <b>Investments at Cost (Note 2)</b>   | <b>\$ 31,911</b>  | <b>\$ 44,015</b>      |
| <b>Net Assets Attributable to Holders of Redeemable Units per Unit (Note 6)</b> | <b>\$ 13.69</b>   | <b>\$ 13.49</b>       |

Approved by the Board of Directors of AGF Investments Inc.



Blake C. Goldring, Director



Robert J. Bogart, Director

# AGF Pooled High Income Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

| For the periods ended March 31,  | 2016            | 2015              |
|--|-----------------|-------------------|
| <b>Income</b>  |                 |                   |
| Dividends  | \$ 538          | \$ 909            |
| Interest for distribution purposes (Note 2)  | 237             | 444               |
| Net realized gain (loss) on investments  | (2,399)         | (209)             |
| Net change in unrealized appreciation (depreciation) in value of investments   | 2,846           | (1,895)           |
| Net gain (loss) on investments   | 1,222           | (751)             |
| Net realized gain (loss) on derivatives  | 62              | (1,619)           |
| Net change in unrealized appreciation (depreciation) in value of derivatives   | 131             | 151               |
| Net gain (loss) on derivatives   | 193             | (1,468)           |
| Securities lending income (Note 9)   | 7               | 5                 |
| Exchange gain (loss) on foreign currencies and other net assets  | (13)            | 139               |
| <b>Total Income (Loss), Net</b>  | <b>1,409</b>    | <b>(2,075)</b>    |
| <b>Expenses</b>  |                 |                   |
| Unitholder servicing and administrative fees (Note 7(c))   | 40              | 29                |
| Annual and interim reports   | 6               | 5                 |
| Audit fees   | 7               | 5                 |
| Custodian fees and bank charges  | 14              | 6                 |
| Legal fees   | —               | —                 |
| Registration fees  | 3               | 3                 |
| Interest   | 1               | —                 |
| Harmonized sales tax and other taxes   | 7               | 2                 |
| Foreign withholding taxes  | 31              | 38                |
| Commissions and other portfolio transaction costs (Note 2)   | 48              | 65                |
| Total expenses   | 157             | 153               |
| Less expenses waived/absorbed by Manager (Note 7(b))   | (45)            | —                 |
| Net expenses   | 112             | 153               |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations</b>                   | <b>\$ 1,297</b> | <b>\$ (2,228)</b> |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Note 2)</b> | <b>\$ 0.50</b>  | <b>\$ (0.54)</b>  |

## STATEMENTS OF CASH FLOWS (UNAUDITED)

| For the periods ended March 31,   | 2016            | 2015            |
|---|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>   |                 |                 |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | \$ 1,297        | \$ (2,228)      |
| Adjustments for:  |                 |                 |
| Exchange (gain) loss on foreign currencies  | 21              | (106)           |
| Net realized (gain) loss on investments and derivatives                                       | 2,337           | 1,828           |
| Net change in unrealized (appreciation) depreciation in value of investments and derivatives  | (2,977)         | 1,744           |
| Purchases of investments and derivatives  | (14,793)        | (28,155)        |
| Proceeds from sale and maturity of investments and derivatives                                | 24,120          | 39,394          |
| Non-cash dividends reinvested   | —               | —               |
| (Increase) decrease in receivable from Manager  | —               | —               |
| (Increase) decrease in dividends and interest receivable                                      | 138             | 77              |
| (Increase) decrease in accrued interest for short-term investments                            | —               | —               |
| (Increase) decrease in tax reclaims receivable  | —               | —               |
| (Increase) decrease in refundable capital gains taxes   | —               | —               |
| Increase (decrease) in accrued expenses   | (39)            | (6)             |
| <b>Net Cash Generated (Used) by Operating Activities</b>                                      | <b>10,104</b>   | <b>12,548</b>   |
| <b>Cash Flows from Financing Activities</b>   |                 |                 |
| Distributions paid to holders of redeemable units, net of reinvestments                       | (284)           | (467)           |
| Proceeds from redeemable units issued   | 120             | 1,248           |
| Amounts paid on redemption of redeemable units  | (11,617)        | (12,323)        |
| <b>Net Cash Generated (Used) by Financing Activities</b>                                      | <b>(11,781)</b> | <b>(11,542)</b> |
| Exchange gain (loss) on foreign currencies  | (21)            | 106             |
| Net increase (decrease) in cash and cash equivalents  | (1,677)         | 1,006           |
| Cash and cash equivalents beginning of period   | 1,424           | 860             |
| <b>Cash and Cash Equivalents End of Period</b>  | <b>\$ (274)</b> | <b>\$ 1,972</b> |
| Cash and cash equivalents comprise:   |                 |                 |
| Cash (overdraft) at bank  | \$ (274)        | \$ 572          |
| Short-term deposits   | —               | 1,400           |
|   | \$ (274)        | \$ 1,972        |
| Interest received, net of withholding tax *   | \$ 278          | \$ 495          |
| Dividends received, net of withholding tax *  | \$ 605          | \$ 895          |

\* Included as part of Cash Flows from Operating Activities



# AGF Pooled High Income Fund (Note 1)

THOUSANDS OF DOLLARS

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (UNAUDITED)

| For the periods ended March 31,   | 2016             | 2015             | For the periods ended March 31,  | 2016             | 2015             |
|---|------------------|------------------|--|------------------|------------------|
| <b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>          | <b>\$ 40,497</b> | <b>\$ 72,326</b> | Distributions to holders of redeemable units (Note 6):                                       |                  |                  |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | 1,297            | (2,228)          | Net investment income  | \$ (738)         | \$ (1,282)       |
| Redeemable unit transactions (Note 6):  |                  |                  | Capital gains  | -                | -                |
| Proceeds from redeemable units issued   | 120              | 1,248            | Return of capital  | (287)            | (646)            |
| Reinvestment of distributions to holders of redeemable units                                  | 751              | 1,479            | Net distributions to holders of redeemable units   | (1,025)          | (1,928)          |
| Payments on redemption of redeemable units  | (11,822)         | (12,545)         | Increase (decrease) in net assets attributable to holders of redeemable units for the period | (10,679)         | (13,974)         |
| Net increase (decrease) from redeemable unit transactions                                     | (10,951)         | (9,818)          | <b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>               | <b>\$ 29,818</b> | <b>\$ 58,352</b> |

# AGF Pooled High Income Fund (Note 1)

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED)

| No. of Shares                        | Average Cost (\$)                                 | Fair Value (\$) | No. of Shares/<br>Face Value             | Average Cost (\$)              | Fair Value (\$)   |           |           |
|--------------------------------------|---|-----------------|--|--------------------------------|---|-----------|-----------|
| <b>Consumer Discretionary (5.8%)</b> |   |                 | <b>Health Care (continued)</b>           |                                |   |           |           |
| 5,731                                | Coach Inc.  | 282,384         | 298,395                                  | 81                             | Teva Pharmaceutical Industries Limited Convertible Preferred 7.000% | 110,367   | 92,989    |
| 14,413                               | Gamehost Inc.                                     | 227,740         | 136,203                                  |                                |   | 1,079,046 | 1,076,008 |
| 4,594                                | Las Vegas Sands Corporation                       | 341,127         | 308,346                                  |                                |   |           |           |
| 4,509                                | Mattel Inc.                                       | 190,003         | 196,881                                  |                                |   |           |           |
| 70,836                               | Sands China Limited                               | 380,738         | 374,760                                  |                                |   |           |           |
| 16,918                               | Shaw Communications Inc. 'B'                      | 414,489         | 424,473                                  |                                |   |           |           |
|                                      |   | 1,836,481       | 1,739,058                                |                                |   |           |           |
| <b>Consumer Staples (2.2%)</b>       |   |                 | <b>Industrials (2.4%)</b>                |                                |   |           |           |
| 4,029                                | Imperial Brands PLC                               | 199,101         | 290,319                                  | 1,312                          | Ag Growth International Inc.  | 46,028    | 45,579    |
| 538                                  | Liquor Stores NA Limited                          | 6,750           | 4,272                                    | 9,691                          | Black Diamond Group Limited   | 98,387    | 41,090    |
| 2,737                                | Philip Morris International Inc.                  | 265,994         | 348,750                                  | 17,630                         | Monadelphous Group Limited  | 293,975   | 124,967   |
|                                      |   | 471,845         | 643,341                                  | 21,140                         | Russel Metals Inc.  | 403,792   | 418,149   |
|                                      |   |                 |  | 5,686                          | Westshore Terminals Investment Corporation                          | 195,317   | 98,766    |
|                                      |   |                 |  |                                |   | 1,037,499 | 728,551   |
| <b>Energy (14.1%)</b>                |   |                 | <b>Information Technology (3.5%)</b>     |                                |   |           |           |
| 8,400                                | AltaGas Limited                                   | 355,840         | 280,560                                  | 155,773                        | Advanced Semiconductor Engineering Inc.                             | 256,681   | 235,413   |
| 13,410                               | ARC Resources Limited                             | 424,602         | 253,315                                  | 7,398                          | Cisco Systems Inc.  | 207,297   | 273,544   |
| 12,947                               | Bonterra Energy Corporation                       | 540,114         | 273,959                                  | 9,247                          | Evertz Technologies Limited   | 164,171   | 158,124   |
| 11,973                               | Calfrac Well Services Limited                     | 190,918         | 16,283                                   | 770                            | Sabre Corporation   | 28,853    | 28,921    |
| 35,671                               | Canadian Energy Services & Technology Corporation | 196,743         | 113,791                                  | 5,563                          | Xilinx Inc.   | 328,765   | 342,679   |
| 4,308                                | Canadian Natural Resources Limited                | 152,092         | 151,340                                  |                                |   | 985,767   | 1,038,681 |
| 2,339                                | Enbridge Inc.                                     | 95,197          | 118,260                                  |                                |   |           |           |
| 29,108                               | Encana Corporation                                | 304,364         | 230,535                                  |                                |   |           |           |
| 14,092                               | Gibson Energy Inc.                                | 436,104         | 242,382                                  |                                |   |           |           |
| 11,501                               | Inter Pipeline Limited                            | 322,978         | 307,652                                  |                                |   |           |           |
| 7,586                                | Keyera Corporation                                | 307,577         | 299,040                                  |                                |   |           |           |
| 9,969                                | Pembina Pipeline Corporation                      | 407,446         | 350,012                                  |                                |   |           |           |
| 66,852                               | Pengrowth Energy Corporation                      | 330,052         | 113,648                                  |                                |   |           |           |
| 2,171                                | Peyto Exploration & Development Corporation       | 61,180          | 62,720                                   |                                |   |           |           |
| 7,721                                | PrairieSky Royalty Limited                        | 200,122         | 190,245                                  |                                |   |           |           |
| 17,071                               | Precision Drilling Corporation                    | 196,899         | 92,866                                   |                                |   |           |           |
| 15,126                               | Secure Energy Services Inc.                       | 211,394         | 124,790                                  |                                |   |           |           |
| 3,357                                | Suncor Energy Inc.                                | 119,988         | 121,423                                  |                                |   |           |           |
| 108,745                              | Tidewater Midstream and Infrastructure Limited    | 152,747         | 152,243                                  |                                |   |           |           |
| 5,647                                | TransCanada Corporation                           | 274,781         | 288,336                                  |                                |   |           |           |
| 7,876                                | Vermilion Energy Inc.                             | 396,992         | 299,367                                  |                                |   |           |           |
| 15,076                               | Whitecap Resources Inc.                           | 191,915         | 116,688                                  |                                |   |           |           |
|                                      |   | 5,870,045       | 4,199,455                                |                                |   |           |           |
| <b>Financials (13.9%)</b>            |   |                 | <b>Materials (10.3%)</b>                 |                                |   |           |           |
| 7,672                                | Admiral Group PLC                                 | 185,102         | 283,782                                  | 2,595                          | Agrium Inc.   | 292,097   | 297,569   |
| 8,310                                | Alaris Royalty Corporation                        | 237,625         | 232,680                                  | 29,444                         | Canexus Corporation   | 168,090   | 37,983    |
| 12,960                               | Apollo Global Management LLC 'A'                  | 362,431         | 288,161                                  | 2,619                          | Eastman Chemical Company  | 253,348   | 245,685   |
| 6,176                                | Bank of Nova Scotia                               | 341,669         | 391,991                                  | 14,166                         | First Quantum Minerals Limited                                      | 92,007    | 96,895    |
| 10,282                               | Brookfield Asset Management Inc. 'A'              | 386,594         | 464,438                                  | 152,225                        | Fortescue Metals Group Limited                                      | 367,326   | 386,448   |
| 19,546                               | Bursa Malaysia Berhad                             | 55,573          | 57,909                                   | 3,856                          | Franco-Nevada Corporation   | 247,008   | 307,555   |
| 10,119                               | Canaccord Genuity Group Inc.                      | 94,261          | 40,577                                   | 14,391                         | Labrador Iron Ore Royalty Corporation                               | 300,856   | 169,094   |
| 9,537                                | Corrections Corporation of America                | 456,719         | 396,977                                  | 14,787                         | Major Drilling Group International Inc.                             | 114,867   | 93,158    |
| 18,768                               | Gluskin Sheff + Associates Inc.                   | 408,064         | 345,707                                  | 9,783                          | Methanex Corporation  | 468,512   | 408,342   |
| 12,984                               | InnVest Real Estate Investment Trust              | 68,696          | 67,906                                   | 24,854                         | Tahoe Resources Inc.  | 409,755   | 323,599   |
| 3,367                                | Intact Financial Corporation                      | 270,343         | 306,161                                  | 11,837                         | Victrix PLC   | 363,146   | 363,876   |
| 6,190                                | Lazard Limited 'A'                                | 374,397         | 311,923                                  | 6,423                          | WestRock Company  | 438,381   | 325,583   |
| 10,797                               | Milestone Apartments Real Estate Investment Trust | 161,955         | 179,230                                  |                                |   | 3,515,393 | 3,055,787 |
| 4,079                                | Oritani Financial Corporation                     | 90,855          | 89,900                                   |                                |   |           |           |
| 2,736                                | Royal Bank of Canada                              | 151,442         | 204,735                                  |                                |   |           |           |
| 6,547                                | The GEO Group Inc.                                | 287,332         | 294,796                                  |                                |   |           |           |
| 3,234                                | Toronto-Dominion Bank                             | 166,449         | 181,298                                  |                                |   |           |           |
|                                      |   | 4,099,507       | 4,138,171                                |                                |   |           |           |
| <b>Health Care (3.6%)</b>            |   |                 | <b>Telecommunication Services (3.8%)</b> |                                |   |           |           |
| 29,686                               | Chartwell Retirement Residences                   | 330,578         | 418,573                                  | 7,024                          | BCE Inc.  | 396,344   | 415,751   |
| 11,530                               | GlaxoSmithKline PLC                               | 336,842         | 303,681                                  | 73,113                         | Frontier Communications Corporation                                 | 480,811   | 530,859   |
| 6,774                                | Pfizer Inc.                                       | 301,259         | 260,765                                  | 13,470                         | Vodacom Group Limited   | 154,282   | 190,218   |
|                                      |   |                 |  |                                |   | 1,031,437 | 1,136,828 |
|                                      |   |                 |  | <b>Utilities (5.3%)</b>        |   |           |           |
|                                      |   |                 |  | 7,805                          | Brookfield Infrastructure Partners Limited Partnership              | 365,381   | 426,855   |
|                                      |   |                 |  | 10,319                         | Canadian Utilities Limited 'A'                                      | 398,917   | 375,096   |
|                                      |   |                 |  | 67,022                         | DUET Group  | 140,950   | 152,131   |
|                                      |   |                 |  | 8,319                          | Fortis Inc.   | 305,421   | 338,666   |
|                                      |   |                 |  | 49,392                         | TransAlta Corporation   | 487,959   | 298,328   |
|                                      |   |                 |  |                                |   | 1,698,628 | 1,591,076 |
|                                      |   |                 |  | <b>Corporate Bonds (15.2%)</b> |   |           |           |
|                                      |   |                 |  | CAD 314,000                    | Anheuser-Busch InBev Finance Inc. 3.375% January 25, 2023           | 316,008   | 331,074   |
|                                      |   |                 |  | CAD 200,000                    | Bank of Montreal 2.100% October 6, 2020                             | 200,078   | 203,149   |
|                                      |   |                 |  | CAD 505,000                    | Bank of Montreal 3.400% April 23, 2021                              | 528,028   | 542,143   |
|                                      |   |                 |  | CAD 400,000                    | Bell Canada 3.350% March 22, 2023                                   | 399,800   | 419,375   |
|                                      |   |                 |  | CAD 555,000                    | Canadian Imperial Bank of Commerce 2.350% June 24, 2019             | 555,175   | 569,163   |

The accompanying notes are an integral part of these financial statements.

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# AGF Pooled High Income Fund (Note 1)

## SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED) CONTINUED

| Corporate Bonds (continued) |         |   |                 | Emerging Markets Bond (0.9%) |  |                   |   |           |           |
|-----------------------------|---------|---|-----------------|------------------------------|--|-------------------|---|-----------|-----------|
| Face Value                  |         | Average Cost (\$)   | Fair Value (\$) | Face Value                   |  | Average Cost (\$) | Fair Value (\$)   |           |           |
| USD                         | 66,000  | Canadian Natural Resources Limited<br>3.900% February 1, 2025                   | 68,946          | 77,042                       | MXN  | 3,250,000         | United Mexican States<br>8.000% Series M<br>December 7, 2023                              | 311,000   | 277,910   |
| CAD                         | 273,000 | Capital Power Limited Partnership<br>4.850% February 21, 2019                   | 272,761         | 276,493                      | <b>Government Bonds (7.0%)</b>                 |                   |   |           |           |
| CAD                         | 130,000 | Cardinal Energy Limited<br>Convertible Debentures<br>5.500% December 31, 2020   | 130,000         | 135,525                      | CAD  | 1,410,000         | Government of Canada<br>1.500% June 1, 2023   | 1,359,381 | 1,457,412 |
| USD                         | 27,000  | Caterpillar Inc.<br>3.400% May 15, 2024   | 37,062          | 36,830                       | CAD  | 600,000           | Government of Canada<br>1.500% June 1, 2026   | 593,124   | 609,806   |
| USD                         | 65,000  | Cenovus Energy Inc.<br>6.750% November 15, 2039                                 | 63,101          | 80,826                       | <b>Government Guaranteed Investment (2.0%)</b> |                   |   |           |           |
| CAD                         | 160,000 | Chartwell Retirement Residences<br>Convertible Bonds<br>5.700% March 31, 2018   | 191,400         | 205,280                      | CAD  | 600,000           | Canada Housing Trust<br>1.850% December 15, 2016  | 613,440   | 605,274   |
| USD                         | 15,000  | Citigroup Inc. Floating Rate<br>5.875% Series O<br>December 29, 2049            | 19,077          | 18,824                       | <b>High Yield Bonds (5.6%)</b>                 |                   |   |           |           |
| CAD                         | 65,000  | CPPIB Capital Inc.<br>1.000% Series B<br>January 15, 2019                       | 65,000          | 64,955                       | USD  | 52,000            | Ally Financial Inc.<br>4.125% March 30, 2020  | 66,175    | 67,028    |
| CAD                         | 106,000 | Element Financial Corporation<br>Convertible Debentures<br>5.125% June 30, 2019 | 106,000         | 112,360                      | USD  | 42,000            | American Axle & Manufacturing Inc.<br>6.250% March 15, 2021                               | 50,207    | 56,320    |
| CAD                         | 80,000  | Element Financial Corporation<br>Convertible Debentures<br>4.250% June 30, 2020 | 80,000          | 78,600                       | USD  | 30,000            | Amkor Technology Inc.<br>6.625% June 1, 2021  | 38,529    | 37,014    |
| USD                         | 60,000  | Fibria Overseas Finance Limited<br>5.250% May 12, 2024                          | 72,902          | 75,587                       | USD  | 17,000            | Avis Budget Car Rental LLC/<br>Finance Inc.<br>5.125% June 1, 2022                        | 21,674    | 20,906    |
| USD                         | 41,000  | First Data Corporation<br>5.000% January 15, 2024                               | 54,288          | 53,315                       | USD  | 19,000            | Ball Corporation<br>5.250% July 1, 2025   | 26,140    | 25,910    |
| CAD                         | 400,000 | Hydro One Inc.<br>3.200% January 13, 2022                                       | 413,480         | 428,502                      | USD  | 55,000            | Baytex Energy Corporation<br>5.625% June 1, 2024  | 59,403    | 48,038    |
| CAD                         | 60,000  | Hydro One Inc.<br>2.770% February 24, 2026                                      | 59,979          | 61,244                       | USD  | 32,000            | Bumble Bee Holdco SCA<br>9.625% March 15, 2018  | 39,499    | 40,937    |
| USD                         | 30,000  | JPMorgan Chase & Company<br>3.125% January 23, 2025                             | 39,242          | 39,099                       | CAD  | 27,000            | Cascades Inc.<br>5.500% July 15, 2021   | 27,077    | 26,392    |
| USD                         | 30,000  | Kraft Heinz Foods Company<br>3.950% July 15, 2025                               | 41,746          | 41,458                       | USD  | 29,000            | Centene Corporation<br>4.750% May 15, 2022  | 37,315    | 38,040    |
| USD                         | 21,000  | Laredo Petroleum Inc.<br>5.625% January 15, 2022                                | 24,934          | 22,774                       | USD  | 20,000            | Constellation Brands Inc.<br>4.250% May 1, 2023   | 21,402    | 26,559    |
| USD                         | 31,000  | Lennar Corporation<br>4.750% November 15, 2022                                  | 40,382          | 40,362                       | USD  | 63,000            | Cott Beverages Inc.<br>5.375% July 1, 2022  | 74,831    | 83,049    |
| USD                         | 27,000  | Level 3 Financing Inc.<br>5.375% August 15, 2022                                | 36,915          | 35,610                       | CAD  | 33,000            | Crew Energy Inc.<br>8.375% October 21, 2020   | 35,593    | 30,278    |
| USD                         | 21,000  | Novelis Inc.<br>8.750% December 15, 2020  | 27,683          | 27,527                       | USD  | 38,000            | FMG Resources (August 2006)<br>Pty. Limited<br>8.250% November 1, 2019                    | 45,263    | 47,132    |
| USD                         | 32,000  | Pfizer Inc.<br>3.400% May 15, 2024  | 37,195          | 44,573                       | USD  | 33,000            | Frontier Communications Corporation<br>7.625% April 15, 2024                              | 42,664    | 38,037    |
| USD                         | 70,000  | Prudential Financial Inc.<br>Floating Rate<br>5.625% June 15, 2043              | 73,130          | 92,594                       | USD  | 10,000            | Frontier Communications Corporation<br>7.875% January 15, 2027                            | 10,528    | 10,325    |
| CAD                         | 190,000 | Royal Bank of Canada<br>3.040% July 17, 2024                                    | 189,966         | 190,655                      | USD  | 50,000            | HCA Holdings Inc.<br>5.375% February 1, 2025  | 64,147    | 65,648    |
| USD                         | 35,000  | Terex Corporation<br>6.000% May 15, 2021  | 45,786          | 43,979                       | USD  | 45,000            | Hilcorp Energy I Limited<br>Partnership/Hilcorp Finance Company<br>5.750% October 1, 2025 | 55,029    | 50,262    |
| USD                         | 18,000  | The Goldman Sachs Group Inc.<br>3.750% May 22, 2025                             | 22,688          | 23,919                       | USD  | 77,000            | iHeartCommunications Inc.<br>10.000% January 15, 2018                                     | 46,029    | 31,501    |
| USD                         | 39,000  | The Goodyear Tire & Rubber Company<br>5.125% November 15, 2023                  | 52,033          | 51,791                       | USD  | 84,000            | Intelsat (Luxembourg) SA<br>8.125% June 1, 2023   | 90,666    | 32,592    |
| USD                         | 23,000  | The Procter & Gamble Company<br>3.100% August 15, 2023                          | 26,693          | 31,976                       | USD  | 38,000            | LifePoint Health Inc.<br>5.500% December 1, 2021  | 45,322    | 51,573    |
| CAD                         | 75,000  | Toronto-Dominion Bank<br>2.045% March 8, 2021                                   | 75,000          | 75,738                       | USD  | 20,000            | MEG Energy Corporation<br>6.500% March 15, 2021   | 22,689    | 15,682    |
|                             |         |   | 4,366,478       | 4,532,342                    | USD  | 9,000             | Meritor Inc.<br>6.750% June 15, 2021  | 11,219    | 10,841    |
|                             |         |   |                 |                              | USD  | 59,000            | Meritor Inc.<br>6.250% February 15, 2024  | 71,165    | 67,527    |
|                             |         |   |                 |                              | USD  | 30,000            | MGM Resorts International<br>6.625% December 15, 2021                                     | 38,490    | 41,787    |

| Face Value                          | Average Cost (\$) | Fair Value (\$)  | Face Value  | Average Cost (\$) | Fair Value (\$)                                      |
|-------------------------------------|-------------------|--|---|-------------------|--|
| <b>High Yield Bonds (continued)</b> |                   |  | <b>High Yield Bonds (continued)</b>   |                   |  |
| USD                                 | 18,000            | MGM Resorts International<br>6.000% March 15, 2023                   | USD   | 57,000            | West Corporation<br>5.375% July 15, 2022             |
|                                     |                   | 24,521   |   |                   | 66,055   |
| USD                                 | 25,000            | NCR Corporation<br>5.875% December 15, 2021                          | USD   | 33,000            | XPO Logistics Inc.<br>6.500% June 15, 2022           |
|                                     |                   | 28,775   |   |                   | 41,170   |
| USD                                 | 27,000            | Neiman Marcus Group<br>Limited LLC<br>8.750% October 15, 2021        |   |                   | 1,748,475  |
|                                     |                   | 36,234   |   |                   | 1,670,456  |
| CAD                                 | 49,000            | Newalta Corporation<br>5.875% April 1, 2021                          | <b>Provincial Bonds (4.6%)</b>  |                   |  |
|                                     |                   | 50,592   | CAD   | 470,000           | Province of British Columbia<br>4.700% June 18, 2037 |
| USD                                 | 13,000            | Paramount Resources Limited<br>6.875% June 30, 2023                  |   |                   | 572,366  |
|                                     |                   | 15,789   | CAD   | 370,000           | Province of Ontario<br>2.850% June 2, 2023           |
| USD                                 | 32,000            | Post Holdings Inc.<br>7.750% March 15, 2024                          |   |                   | 385,022  |
|                                     |                   | 43,475   | CAD   | 360,000           | Province of Quebec<br>3.000% September 1, 2023       |
| USD                                 | 42,000            | Realogy Group LLC/<br>Co-Issuer Corporation<br>4.500% April 15, 2019 |   |                   | 377,460  |
|                                     |                   | 46,527   |   |                   | 1,334,848  |
| USD                                 | 56,000            | Sabine Pass Liquefaction LLC<br>5.625% March 1, 2025                 | <b>Commissions and other portfolio<br/>transaction costs (Note 2)</b>   |                   |  |
|                                     |                   | 70,108   |   |                   | (41,059)   |
| CAD                                 | 17,000            | Sirius XM Canada<br>Holdings Inc.<br>5.625% April 23, 2021           | <b>Total Investments (100.2%)</b>   |                   |  |
|                                     |                   | 17,276   |   |                   | 31,911,335   |
| USD                                 | 47,000            | Sprint Corporation<br>7.250% September 15, 2021                      | <b>Foreign Exchange Forward Contracts (0.3%)</b><br>See Schedule A below  |                   |  |
|                                     |                   | 44,985   |   |                   | –  |
| USD                                 | 27,000            | The Chemours Company<br>7.000% May 15, 2025                          |   |                   | 83,022   |
|                                     |                   | 28,334   | <b>Total Portfolio (100.5%)</b>   |                   |  |
| USD                                 | 26,000            | T-Mobile US Inc.<br>6.625% April 1, 2023                             |   |                   | 31,911,335   |
|                                     |                   | 34,345   |   |                   | 29,964,477   |
| USD                                 | 24,000            | T-Mobile US Inc.<br>6.375% March 1, 2025                             | Note: Percentages shown relate investments at fair value to total Net Assets<br>Attributable to Holders of Redeemable Units (“Net Assets”) as at<br>March 31, 2016 of AGF Pooled High Income Fund (the “Fund”). |                   |  |
|                                     |                   | 32,027   |   |                   |  |
| USD                                 | 27,000            | Toll Brothers<br>Finance Corporation<br>5.875% February 15, 2022     |   |                   |  |
|                                     |                   | 32,200   |   |                   |  |
| USD                                 | 73,000            | Videotron Limited<br>5.000% July 15, 2022                            |   |                   |  |
|                                     |                   | 95,006   |   |                   |  |
|                                     |                   | 98,127   |   |                   |  |

**Schedule A  
Foreign Exchange Forward Contracts**

| Purchased Currency | Sold Currency | Forward Rate | Maturity Date | Fair Value (\$) | Counterparty   | Credit Rating |                      |     |
|--------------------|---------------|--------------|---------------|-----------------|----------------|---------------|----------------------|-----|
| USD                | 220,000       | CAD          | 291,313       | 0.7552          | April 8, 2016  | (5,591)       | Bank of Nova Scotia  | A   |
| USD                | 1,400,000     | CAD          | 1,860,460     | 0.7525          | April 8, 2016  | (42,229)      | Bank of Nova Scotia  | A   |
| CAD                | 719,074       | GBP          | 380,000       | 1.8923          | April 8, 2016  | 10,240        | Bank of America      | BBB |
| CAD                | 188,045       | USD          | 145,000       | 1.2969          | April 8, 2016  | (272)         | Bank of America      | BBB |
| CAD                | 2,378,471     | USD          | 1,790,000     | 1.3288          | April 8, 2016  | 53,733        | Bank of Nova Scotia  | A   |
| CAD                | 2,039,630     | USD          | 1,535,000     | 1.3287          | April 8, 2016  | 46,069        | Citibank NA          | A   |
| CAD                | 3,821,107     | USD          | 2,926,000     | 1.3059          | April 22, 2016 | 21,072        | Royal Bank of Canada | AA  |
|                    |               |              |               |                 |                | 83,022        |                      |     |

# AGF Pooled High Income Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED)

### Investment Objective

The Fund's investment objective is to seek a high-level of current interest and dividend income by investing primarily in dividend paying equities, preferred shares, bonds, convertible bonds, debentures, notes and other debt obligations of Canadian issuers.

### Summary of Investment Portfolio

As at March 31, 2016 and September 30, 2015, the Fund's major portfolio categories, as a percentage of Net Assets, are included in the following tables:

#### Portfolio by Country

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Canada                             | 66.5 |
| United States                      | 22.5 |
| United Kingdom                     | 4.2  |
| Australia                          | 2.4  |
| Hong Kong                          | 1.3  |
| Mexico                             | 0.9  |
| Taiwan                             | 0.8  |
| South Africa                       | 0.6  |
| Israel                             | 0.3  |
| Foreign Exchange Forward Contracts | 0.3  |
| Cayman Islands                     | 0.3  |
| Luxembourg                         | 0.2  |
| Malaysia                           | 0.2  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Canada                             | 57.4  |
| United States                      | 25.5  |
| United Kingdom                     | 3.7   |
| South Africa                       | 2.2   |
| Australia                          | 2.0   |
| Mexico                             | 1.4   |
| Bermuda                            | 1.1   |
| Jersey                             | 0.8   |
| Hong Kong                          | 0.7   |
| Taiwan                             | 0.6   |
| Malaysia                           | 0.4   |
| Belgium                            | 0.3   |
| Luxembourg                         | 0.3   |
| Cayman Islands                     | 0.2   |
| Foreign Exchange Forward Contracts | (0.1) |

#### Portfolio by Sector

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Corporate Bonds                    | 15.2 |
| Energy                             | 14.1 |
| Financials                         | 13.9 |
| Materials                          | 10.3 |
| Government Bonds                   | 7.0  |
| Consumer Discretionary             | 5.8  |
| High Yield Bonds                   | 5.6  |
| Utilities                          | 5.3  |
| Provincial Bonds                   | 4.6  |
| Telecommunication Services         | 3.8  |
| Health Care                        | 3.6  |
| Information Technology             | 3.5  |
| Industrials                        | 2.4  |
| Consumer Staples                   | 2.2  |
| Government Guaranteed Investments  | 2.0  |
| Emerging Markets Bonds             | 0.9  |
| Foreign Exchange Forward Contracts | 0.3  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Financials                         | 15.4  |
| Corporate Bonds                    | 14.3  |
| Energy                             | 12.6  |
| Government Bonds                   | 8.7   |
| Materials                          | 7.3   |
| High Yield Bonds                   | 6.8   |
| Utilities                          | 6.5   |
| Telecommunication Services         | 5.1   |
| Health Care                        | 4.7   |
| Information Technology             | 4.5   |
| Industrials                        | 2.9   |
| Consumer Staples                   | 2.5   |
| Consumer Discretionary             | 2.4   |
| Government Guaranteed Investments  | 1.5   |
| Emerging Markets Bonds             | 1.4   |
| Foreign Exchange Forward Contracts | (0.1) |

#### Portfolio by Asset Mix

| March 31, 2016                     | (%)  |
|------------------------------------|------|
| Canadian Equity                    | 40.1 |
| Canadian Fixed Income              | 26.4 |
| United States Equity               | 15.2 |
| International Equity               | 9.6  |
| United States Fixed Income         | 7.3  |
| International Fixed Income         | 1.6  |
| Foreign Exchange Forward Contracts | 0.3  |

| September 30, 2015                 | (%)   |
|------------------------------------|-------|
| Canadian Equity                    | 34.3  |
| Canadian Fixed Income              | 23.1  |
| United States Equity               | 17.9  |
| International Equity               | 11.7  |
| United States Fixed Income         | 7.6   |
| International Fixed Income         | 2.0   |
| Foreign Exchange Forward Contracts | (0.1) |

As at March 31, 2016, the Fund did not hold any private and/or restricted securities. As at September 30, 2015, the total fair value of private and/or restricted securities held within the Fund represented approximately \$130,000.

#### Interest in Unconsolidated Structured Entities (Note 2)

As at March 31, 2016 and September 30, 2015, the Fund had no investments in underlying funds or exchange traded funds.

#### DISCUSSION OF FINANCIAL INSTRUMENT RISK MANAGEMENT (Note 4)

##### Credit Risk

As at March 31, 2016 and September 30, 2015, the Fund invested in debt instruments, foreign exchange forward contracts, preferred shares, short-term investments and cash and cash equivalents, as applicable, with the following credit ratings:

| Credit Rating | Percentage of Net Assets (%) |                    |
|---------------|------------------------------|--------------------|
|               | March 31, 2016               | September 30, 2015 |
| AAA           | 9.2                          | 10.2               |
| AA            | 3.1                          | 0.1                |
| A             | 9.7                          | 10.7               |
| BBB           | 3.8                          | 7.1                |
| BB            | 2.9                          | 3.1                |
| B             | 3.2                          | 3.1                |
| CCC           | 0.8                          | 0.8                |
| CC            | 0.1                          | –                  |
| C             | 0.1                          | –                  |
| Not Rated     | 2.1                          | 1.0                |

##### Interest Rate Risk

As at March 31, 2016 and September 30, 2015, the Fund's exposure to debt instruments by maturity was as follows:

| Debt Instruments*<br>by Maturity Date | (\$'000)       |                    |
|---------------------------------------|----------------|--------------------|
|                                       | March 31, 2016 | September 30, 2015 |
| Less than 1 year                      | 605            | –                  |
| 1-3 years                             | 619            | 731                |
| 3-5 years                             | 1,475          | 2,186              |
| Greater than 5 years                  | 7,835          | 10,354             |

\* Excludes cash and cash equivalents and preferred shares but includes short-term investments, as applicable

As at March 31, 2016 and September 30, 2015, if the yield curve had shifted in parallel by 25 basis points, with all other variables held constant, Net Assets would have increased or decreased, respectively, by approximately \$150,000 (September 30, 2015 – \$185,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

##### Other Price Risk

The Schedule of Investment Portfolio of the Fund classifies securities by market segment.

The impact on Net Assets of the Fund due to a 15 percent change in benchmarks (September 30, 2015 – 20 percent), using historical

correlation between the return of the Fund's Units as compared to the return of the Fund's benchmarks, as at March 31, 2016 and September 30, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 monthly data points, unless the inception of the Fund is less than three years, in which case since inception data has been used.

| Benchmark                           | Impact on Net Assets (\$'000) |                    |
|-------------------------------------|-------------------------------|--------------------|
|                                     | March 31, 2016                | September 30, 2015 |
| S&P/TSX Composite Index             | 4,042                         | 6,882              |
| FTSE TMX Canada Universe Bond Index | 1,598                         | 2,669              |
| Blended Benchmark                   | 6,331                         | 10,834             |

The Blended Benchmark is composed of 50% S&P/TSX Composite Index, 30% FTSE TMX Canada Universe Bond Index and 20% FTSE TMX Canada High Yield Bond Index.

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net Assets could be materially different.

##### Currency Risk

The amounts in the following tables are based on the fair value of the Fund's financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of foreign exchange forward contracts, as applicable. Other financial assets (including cash collateral received for securities on loan, dividends and interest receivables and receivables for investments sold) and financial liabilities (including payable for cash collateral under securities lending and payable for investments purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currencies to which the Fund had exposure as at March 31, 2016 and September 30, 2015, were as follows:

##### March 31, 2016

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of  |
|----------------------|-----------------------|------------------------------------|---------|----------------|
|                      |                       |                                    |         | Net Assets (%) |
| United States Dollar | 7,041                 | (6,203)                            | 838     | 2.8            |
| Australian Dollar    | 664                   | –                                  | 664     | 2.2            |
| Pound Sterling       | 1,246                 | (709)                              | 537     | 1.8            |
| Hong Kong Dollar     | 375                   | –                                  | 375     | 1.3            |
| Mexican Peso         | 278                   | –                                  | 278     | 0.9            |
| New Taiwanese Dollar | 235                   | –                                  | 235     | 0.8            |
| South African Rand   | 190                   | –                                  | 190     | 0.6            |
| Malaysian Ringgit    | 58                    | –                                  | 58      | 0.2            |

\*\* Includes both monetary and non-monetary instruments, as applicable

# AGF Pooled High Income Fund (Note 1)

NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED) CONTINUED

## September 30, 2015

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 10,594                | (9,515)                            | 1,079   | 2.7                          |
| South African Rand   | 877                   | —                                  | 877     | 2.2                          |
| Pound Sterling       | 1,821                 | (976)                              | 845     | 2.1                          |
| Australian Dollar    | 745                   | —                                  | 745     | 1.8                          |
| Mexican Peso         | 559                   | —                                  | 559     | 1.4                          |
| Hong Kong Dollar     | 288                   | —                                  | 288     | 0.7                          |
| New Taiwanese Dollar | 230                   | —                                  | 230     | 0.6                          |
| Malaysian Ringgit    | 145                   | —                                  | 145     | 0.4                          |
| Euro Currency        | 141                   | —                                  | 141     | 0.3                          |

\*\* Includes both monetary and non-monetary instruments, as applicable

As at March 31, 2016 and September 30, 2015, if the Canadian dollar had strengthened or weakened by 2 percent, in relation to all currencies, with all other variables held constant, Net Assets would have decreased or increased, respectively, by approximately \$64,000 (September 30, 2015 – \$98,000).

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

## FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Note 4)

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2016 and September 30, 2015.

### March 31, 2016

| (\$'000)                        | Level 1       | Level 2       | Level 3  | Total         |
|---------------------------------|---------------|---------------|----------|---------------|
| Equities                        | 19,347        | —             | —        | 19,347        |
| Debt Instruments                | —             | 10,534        | —        | 10,534        |
| Short-Term Investments          | —             | —             | —        | —             |
| Investments in Underlying Funds | —             | —             | —        | —             |
| <b>Total Investments</b>        | <b>19,347</b> | <b>10,534</b> | <b>—</b> | <b>29,881</b> |
| Derivative Assets               | —             | 131           | —        | 131           |
| Derivative Liabilities          | —             | (48)          | —        | (48)          |

### September 30, 2015

| (\$'000)                        | Level 1       | Level 2       | Level 3    | Total         |
|---------------------------------|---------------|---------------|------------|---------------|
| Equities                        | 25,868        | —             | —          | 25,868        |
| Debt Instruments                | —             | 13,141        | 130        | 13,271        |
| Short-Term Investments          | —             | —             | —          | —             |
| Investments in Underlying Funds | —             | —             | —          | —             |
| <b>Total Investments</b>        | <b>25,868</b> | <b>13,141</b> | <b>130</b> | <b>39,139</b> |
| Derivative Assets               | —             | 5             | —          | 5             |
| Derivative Liabilities          | —             | (53)          | —          | (53)          |

There were no significant transfers between levels 1 and 2 during the periods ended March 31, 2016 and September 30, 2015.

## Reconciliation of Level 3 Fair Value Measurement (Note 4)

The following tables reconcile the Fund's level 3 fair value measurements for the periods ended March 31, 2016 and September 30, 2015. The level 3 positions held in the Fund were not considered significant.

### March 31, 2016

| (\$'000)   | Equities | Debt Instruments | Total |
|--|----------|------------------|-------|
| <b>Balance at Beginning of period</b>  | —        | 130              | 130   |
| Investment purchases during the period   | —        | —                | —     |
| Proceeds from sales during the period  | —        | —                | —     |
| Net transfers in (out) during the period   | —        | (130)            | (130) |
| Net realized gain (loss) on investments  | —        | —                | —     |
| Net change in unrealized appreciation (depreciation) in value of investments                       | —        | —                | —     |
| <b>Balance at End of Period</b>  | —        | —                | —     |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at March 31, 2016</b> |          |                  | —     |

During the period ended March 31, 2016, investments of approximately \$130,000 were transferred from level 3 to level 2 due to a change in valuation to the use of quoted prices from recognized investment dealers.

### September 30, 2015

| (\$'000)   | Equities | Debt Instruments | Total |
|--|----------|------------------|-------|
| <b>Balance at Beginning of Period</b>  | —        | —                | —     |
| Investment purchases during the period   | —        | 130              | 130   |
| Proceeds from sales during the period  | —        | —                | —     |
| Net transfers in (out) during the period   | —        | —                | —     |
| Net realized gain (loss) on investments  | —        | —                | —     |
| Net change in unrealized appreciation (depreciation) in value of investments                           | —        | —                | —     |
| <b>Balance at End of Period</b>  | —        | 130              | 130   |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at September 30, 2015</b> |          |                  | —     |

# AGF Pooled Pure Canadian Equity Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

| As at   | March 31,<br>2016 | September 30,<br>2015 |
|---|-------------------|-----------------------|
| <b>Assets</b>   |                   |                       |
| <b>Current Assets</b>   |                   |                       |
| Investments at fair value through profit or loss                                | \$ 10,469         | \$ 14,549             |
| Foreign exchange forward contracts at fair value through profit or loss         | —                 | —                     |
| Cash and cash equivalents   | 2,385             | 1,099                 |
| Cash collateral received for securities on loan (Note 9)                        | —                 | —                     |
| Receivable for units issued   | 480               | —                     |
| Receivable for investments sold   | —                 | —                     |
| Receivable for foreign exchange forward contracts                               | —                 | —                     |
| Receivable from Manager (Note 7(b))   | —                 | —                     |
| Dividends and interest receivable   | 20                | 33                    |
| Tax reclaims receivable   | —                 | —                     |
| Refundable capital gains taxes  | —                 | —                     |
|   | <b>13,354</b>     | <b>15,681</b>         |
| <b>Liabilities</b>  |                   |                       |
| <b>Current Liabilities</b>  |                   |                       |
| Bank overdraft  | —                 | —                     |
| Foreign exchange forward contracts at fair value through profit or loss         | —                 | —                     |
| Payable for cash collateral under securities lending (Note 9)                   | —                 | —                     |
| Accrued expenses (Note 7(b))  | 9                 | 38                    |
| Payable for units redeemed  | 29                | 179                   |
| Payable for distributions   | —                 | —                     |
| Payable for investments purchased   | —                 | —                     |
| Payable for foreign exchange forward contracts                                  | —                 | —                     |
|   | <b>38</b>         | <b>217</b>            |
| <b>Net Assets Attributable to Holders of Redeemable Units (Note 2)</b>          | <b>\$ 13,316</b>  | <b>\$ 15,464</b>      |
| <b>Investments at Cost (Note 2)</b>   | <b>\$ 7,915</b>   | <b>\$ 12,542</b>      |
| <b>Net Assets Attributable to Holders of Redeemable Units per Unit (Note 6)</b> | <b>\$ 16.19</b>   | <b>\$ 15.65</b>       |

Approved by the Board of Directors of AGF Investments Inc.



Blake C. Goldring, Director



Robert J. Bogart, Director



# AGF Pooled Pure Canadian Equity Fund (Note 1)

THOUSANDS OF DOLLARS EXCEPT PER UNIT AMOUNTS

## STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

| For the periods ended March 31,  | 2016           | 2015             |
|--|----------------|------------------|
| <b>Income</b>  |                |                  |
| Dividends  | \$ 154         | \$ 272           |
| Interest for distribution purposes (Note 2)  | 3              | 1                |
| Net realized gain (loss) on investments  | (100)          | 560              |
| Net change in unrealized appreciation (depreciation) in value of investments   | 547            | (1,789)          |
| Net gain (loss) on investments   | 604            | (956)            |
| Net realized gain (loss) on derivatives  | -              | -                |
| Net change in unrealized appreciation (depreciation) in value of derivatives   | -              | -                |
| Net gain (loss) on derivatives   | -              | -                |
| Securities lending income (Note 9)   | 1              | 0                |
| Exchange gain (loss) on foreign currencies and other net assets  | 2              | -                |
| <b>Total Income (Loss), Net</b>  | <b>607</b>     | <b>(956)</b>     |
| <b>Expenses</b>  |                |                  |
| Unitholder servicing and administrative fees (Note 7(c))   | 35             | 17               |
| Annual and interim reports   | 5              | 3                |
| Audit fees   | 7              | 5                |
| Custodian fees and bank charges  | 1              | -                |
| Legal fees   | -              | -                |
| Registration fees  | 3              | 3                |
| Interest   | -              | -                |
| Harmonized sales tax and other taxes   | 4              | 5                |
| Foreign withholding taxes  | -              | -                |
| Commissions and other portfolio transaction costs (Note 2)   | 10             | 5                |
| Total expenses   | 65             | 38               |
| Less expenses waived/absorbed by Manager (Note 7(b))   | (35)           | -                |
| Net expenses   | 30             | 38               |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations</b>                   | <b>\$ 577</b>  | <b>\$ (994)</b>  |
| <b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Note 2)</b> | <b>\$ 0.67</b> | <b>\$ (0.71)</b> |

## STATEMENTS OF CASH FLOWS (UNAUDITED)

| For the periods ended March 31,   | 2016            | 2015           |
|---|-----------------|----------------|
| <b>Cash Flows from Operating Activities</b>   |                 |                |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | \$ 577          | \$ (994)       |
| Adjustments for:  |                 |                |
| Exchange (gain) loss on foreign currencies  | (2)             | -              |
| Net realized (gain) loss on investments and derivatives                                       | 100             | (560)          |
| Net change in unrealized (appreciation) depreciation in value of investments and derivatives  | (547)           | 1,789          |
| Purchases of investments and derivatives  | -               | (435)          |
| Proceeds from sale and maturity of investments and derivatives                                | 4,527           | 2,605          |
| Non-cash dividends reinvested   | -               | -              |
| (Increase) decrease in receivable from Manager  | -               | -              |
| (Increase) decrease in dividends and interest receivable                                      | 13              | (1)            |
| (Increase) decrease in accrued interest for short-term investments                            | -               | -              |
| (Increase) decrease in tax reclaims receivable  | -               | -              |
| (Increase) decrease in refundable capital gains taxes   | -               | -              |
| Increase (decrease) in accrued expenses   | (29)            | (7)            |
| <b>Net Cash Generated (Used) by Operating Activities</b>                                      | <b>4,639</b>    | <b>2,397</b>   |
| <b>Cash Flows from Financing Activities</b>   |                 |                |
| Distributions paid to holders of redeemable units, net of reinvestments                       | -               | -              |
| Proceeds from redeemable units issued   | 348             | 477            |
| Amounts paid on redemption of redeemable units  | (3,703)         | (3,509)        |
| <b>Net Cash Generated (Used) by Financing Activities</b>                                      | <b>(3,355)</b>  | <b>(3,032)</b> |
| Exchange gain (loss) on foreign currencies  | 2               | -              |
| Net increase (decrease) in cash and cash equivalents  | 1,284           | (635)          |
| Cash and cash equivalents beginning of period   | 1,099           | 794            |
| <b>Cash and Cash Equivalents End of Period</b>  | <b>\$ 2,385</b> | <b>\$ 159</b>  |
| Cash and cash equivalents comprise:   |                 |                |
| Cash (overdraft) at bank  | \$ 2            | \$ 159         |
| Short-term deposits   | 2,383           | -              |
|   | \$ 2,385        | \$ 159         |
| Interest received, net of withholding tax *   | \$ 2            | \$ 1           |
| Dividends received, net of withholding tax *  | \$ 168          | \$ 271         |

\* Included as part of Cash Flows from Operating Activities

# AGF Pooled Pure Canadian Equity Fund (Note 1)

THOUSANDS OF DOLLARS

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (UNAUDITED)

| For the periods ended March 31,   | 2016      | 2015      | For the periods ended March 31,  | 2016      | 2015      |
|---|-----------|-----------|--|-----------|-----------|
| <b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>          | \$ 15,464 | \$ 26,477 |  |           |           |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations | 577       | (994)     |  |           |           |
| Redeemable unit transactions (Note 6):  |           |           |  |           |           |
| Proceeds from redeemable units issued   | 828       | 877       |  |           |           |
| Reinvestment of distributions to holders of redeemable units                                  | 124       | 236       |  |           |           |
| Payments on redemption of redeemable units  | (3,553)   | (3,477)   |  |           |           |
| Net increase (decrease) from redeemable unit transactions                                     | (2,601)   | (2,364)   |  |           |           |
|   |           |           | <b>Distributions to holders of redeemable units (Note 6):</b>                                |           |           |
|   |           |           | Net investment income  | \$ (124)  | \$ (238)  |
|   |           |           | Capital gains  | —         | —         |
|   |           |           | Return of capital  | —         | —         |
|   |           |           | Net distributions to holders of redeemable units   | (124)     | (238)     |
|   |           |           | Increase (decrease) in net assets attributable to holders of redeemable units for the period | (2,148)   | (3,596)   |
|   |           |           | <b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>               | \$ 13,316 | \$ 22,881 |

# AGF Pooled Pure Canadian Equity Fund (Note 1)

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2016 (UNAUDITED)

| No. of Shares                                     | Average Cost (\$) | Fair Value (\$) |
|---|-------------------|-----------------|
| <b>Consumer Discretionary (8.0%)</b>              |                   |                 |
| 3,300 Canadian Tire Corporation Limited 'A'       | 235,933           | 446,127         |
| 4,000 Dollarama Inc.                              | 126,777           | 365,560         |
| 4,500 Magna International Inc.                    | 120,430           | 251,235         |
|   | 483,140           | 1,062,922       |
| <b>Consumer Staples (5.3%)</b>                    |                   |                 |
| 8,450 Alimentation Couche-Tard Inc. 'B'           | 97,151            | 488,410         |
| 3,000 Loblaw Companies Limited                    | 137,207           | 218,160         |
|   | 234,358           | 706,570         |
| <b>Energy (15.4%)</b>                             |                   |                 |
| 7,300 Canadian Natural Resources Limited          | 251,778           | 256,449         |
| 31,800 Parex Resources Inc.                       | 277,402           | 348,210         |
| 4,200 Peyto Exploration & Development Corporation | 137,614           | 121,338         |
| 10,500 Raging River Exploration Inc.              | 76,072            | 95,340          |
| 24,100 Secure Energy Services Inc.                | 227,673           | 198,825         |
| 10,996 Suncor Energy Inc.                         | 390,207           | 397,725         |
| 49,200 Tamarack Valley Energy Limited             | 298,640           | 190,404         |
| 21,520 TORC Oil & Gas Limited                     | 192,112           | 166,135         |
| 3,000 TransCanada Corporation                     | 148,383           | 153,180         |
| 16,700 Whitecap Resources Inc.                    | 197,402           | 129,258         |
|   | 2,197,283         | 2,056,864       |
| <b>Financials (27.5%)</b>                         |                   |                 |
| 6,650 Bank of Montreal                            | 413,928           | 524,485         |
| 9,575 Bank of Nova Scotia                         | 506,513           | 607,725         |
| 6,450 Brookfield Asset Management Inc. 'A'        | 177,158           | 291,346         |
| 5,025 Canadian Imperial Bank of Commerce          | 392,387           | 487,526         |
| 3,900 IGM Financial Inc.                          | 200,227           | 152,568         |
| 19,200 Manulife Financial Corporation             | 325,248           | 352,896         |
| 7,150 Royal Bank of Canada                        | 387,639           | 535,035         |
| 11,500 Toronto-Dominion Bank                      | 428,591           | 644,690         |
| 7,500 Tricon Capital Group Inc.                   | 60,300            | 67,725          |
|   | 2,891,991         | 3,663,996       |
| <b>Health Care (0.6%)</b>                         |                   |                 |
| 175,600 Aphria Inc. Warrants December 2, 2019*    | –                 | 79,360          |
| <b>Industrials (10.3%)</b>                        |                   |                 |
| 23,800 Air Canada                                 | 146,382           | 213,248         |
| 8,000 Boyd Group Income Fund                      | 317,171           | 610,800         |
| 2,640 Canadian National Railway Company           | 96,831            | 214,262         |
| 900 Canadian Pacific Railway Limited              | 80,386            | 155,295         |
| 5,500 Stantec Inc.                                | 182,046           | 181,500         |
|   | 822,816           | 1,375,105       |
| <b>Information Technology (3.7%)</b>              |                   |                 |
| 4,500 CGI Group Inc. 'A'                          | 166,421           | 279,315         |
| 8,200 The Descartes Systems Group Inc.            | 72,625            | 207,296         |
|   | 239,046           | 486,611         |
| <b>Materials (6.3%)</b>                           |                   |                 |
| 3,600 Agnico Eagle Mines Limited                  | 130,956           | 169,164         |
| 7,200 Canam Group Inc.                            | 103,198           | 92,376          |
| 4,200 Canfor Corporation                          | 95,346            | 74,970          |
| 5,500 Goldcorp Inc.                               | 141,602           | 115,885         |
| 5,000 Intertape Polymer Group Inc.                | 60,734            | 93,050          |
| 7,700 Tahoe Resources Inc.                        | 178,268           | 100,254         |
| 3,700 West Fraser Timber Company Limited          | 173,179           | 192,807         |
|   | 883,283           | 838,506         |

| No. of Shares   | Average Cost (\$) | Fair Value (\$)   |
|---|-------------------|-------------------|
| <b>Telecommunication Services (1.5%)</b>                          |                   |                   |
| 4,700 TELUS Corporation   | 181,476           | 198,716           |
| <b>Commissions and other portfolio transaction costs (Note 2)</b> |                   |                   |
|   | (18,144)          | –                 |
| <b>Total Portfolio (78.6%)</b>                                    |                   |                   |
|   | <b>7,915,249</b>  | <b>10,468,650</b> |

\* Private and/or Restricted

Note: Percentages shown relate investments at fair value to total Net Assets Attributable to Holders of Redeemable Units ("Net Assets") as at March 31, 2016 of AGF Pooled Pure Canadian Equity Fund (the "Fund").

# AGF Pooled Pure Canadian Equity Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED)

### Investment Objective

The Fund's investment objective is to seek long-term capital appreciation by investing primarily in equity securities, including common and preferred shares, warrants and securities convertible into equity securities of Canadian issuers. The Fund will not hold any foreign property.

### Summary of Investment Portfolio

As at March 31, 2016 and September 30, 2015, the Fund's major portfolio categories, as a percentage of Net Assets, are included in the following tables:

#### Portfolio by Country

| March 31, 2016 | (%)  |
|----------------|------|
| Canada         | 78.6 |

| September 30, 2015 | (%)  |
|--------------------|------|
| Canada             | 94.1 |

#### Portfolio by Sector

| March 31, 2016             | (%)  |
|----------------------------|------|
| Financials                 | 27.5 |
| Energy                     | 15.4 |
| Industrials                | 10.3 |
| Consumer Discretionary     | 8.0  |
| Materials                  | 6.3  |
| Consumer Staples           | 5.3  |
| Information Technology     | 3.7  |
| Telecommunication Services | 1.5  |
| Health Care                | 0.6  |

| September 30, 2015         | (%)  |
|----------------------------|------|
| Financials                 | 29.9 |
| Energy                     | 17.6 |
| Industrials                | 11.9 |
| Consumer Discretionary     | 10.7 |
| Consumer Staples           | 6.3  |
| Information Technology     | 5.9  |
| Materials                  | 5.8  |
| Health Care                | 4.5  |
| Telecommunication Services | 1.5  |

#### Portfolio by Asset Mix

| March 31, 2016  | (%)  |
|-----------------|------|
| Canadian Equity | 78.6 |

| September 30, 2015 | (%)  |
|--------------------|------|
| Canadian Equity    | 94.1 |

As at March 31, 2016, the total fair value of private and/or restricted securities held within the Fund represented approximately \$79,000 (September 30, 2015 – \$55,000).

### Interest in Unconsolidated Structured Entities (Note 2)

As at March 31, 2016 and September 30, 2015, the Fund had no investments in underlying funds or exchange traded funds.

### DISCUSSION OF FINANCIAL INSTRUMENT RISK MANAGEMENT (Note 4)

#### Credit Risk

As at March 31, 2016 and September 30, 2015, the Fund had no significant investments in debt instruments and derivatives. Accordingly, the Fund was not subject to significant credit risk.

#### Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at March 31, 2016, the Fund held cash and cash equivalents which were subject to fluctuations in the prevailing levels of market interest rates. If market interest rates had changed by 25 basis points, with all other variables held constant, interest income would have changed by approximately \$6,000. As at September 30, 2015, the Fund did not hold any significant cash and cash equivalents.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

#### Other Price Risk

The Schedule of Investment Portfolio of the Fund classifies securities by market segment.

The impact on Net Assets of the Fund due to a 15 percent change in benchmark (September 30, 2015 – 20 percent), using historical correlation between the return of the Fund's Units as compared to the return of the Fund's benchmark, as at March 31, 2016 and September 30, 2015, with all other variables held constant, is included in the following table. Regression analysis has been utilized to estimate the historical correlation. The analysis uses 36 monthly data points, unless the inception of the Fund is less than three years, in which case since inception data has been used.

| Benchmark               | Impact on Net Assets (\$'000) |                    |
|-------------------------|-------------------------------|--------------------|
|                         | March 31, 2016                | September 30, 2015 |
| S&P/TSX Composite Index | 2,208                         | 3,231              |

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net Assets could be materially different.

#### Currency Risk

The amounts in the following table is based on the fair value of the Fund's financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of foreign exchange forward contracts, as applicable. Other financial assets (including cash collateral received for securities on loan, dividends and interest receivables and receivables for investments sold) and financial liabilities (including payable for cash collateral under securities lending and payable for

# AGF Pooled Pure Canadian Equity Fund (Note 1)

## NOTES TO FINANCIAL STATEMENTS — FUND SPECIFIC INFORMATION (UNAUDITED) CONTINUED

investments purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currencies to which the Fund had exposure as at March 31, 2016, were as follows:

### March 31, 2016

| (\$'000)             | Financial Instruments | Foreign Exchange Forward Contracts | Total** | Percentage of Net Assets (%) |
|----------------------|-----------------------|------------------------------------|---------|------------------------------|
| United States Dollar | 4                     | –                                  | 4       | 0.0                          |

\*\* Includes both monetary and non-monetary instruments, as applicable

As at March 31, 2016, if the Canadian dollar had strengthened or weakened by 2 percent, in relation to all currencies, with all other variables held constant, Net Assets would have decreased or increased, respectively, by approximately \$80. As at September 30, 2015, the Fund did not have a significant exposure to currency risk.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Note 4)

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2016 and September 30, 2015.

### March 31, 2016

| (\$'000)                        | Level 1       | Level 2   | Level 3  | Total         |
|---------------------------------|---------------|-----------|----------|---------------|
| Equities                        | 10,390        | 79        | –        | 10,469        |
| Debt Instruments                | –             | –         | –        | –             |
| Short-Term Investments          | –             | –         | –        | –             |
| Investments in Underlying Funds | –             | –         | –        | –             |
| <b>Total Investments</b>        | <b>10,390</b> | <b>79</b> | <b>–</b> | <b>10,469</b> |
| Derivative Assets               | –             | –         | –        | –             |
| Derivative Liabilities          | –             | –         | –        | –             |

### September 30, 2015

| (\$'000)                        | Level 1       | Level 2   | Level 3  | Total         |
|---------------------------------|---------------|-----------|----------|---------------|
| Equities                        | 14,494        | 55        | –        | 14,549        |
| Debt Instruments                | –             | –         | –        | –             |
| Short-Term Investments          | –             | –         | –        | –             |
| Investments in Underlying Funds | –             | –         | –        | –             |
| <b>Total Investments</b>        | <b>14,494</b> | <b>55</b> | <b>–</b> | <b>14,549</b> |
| Derivative Assets               | –             | –         | –        | –             |
| Derivative Liabilities          | –             | –         | –        | –             |

There were no significant transfers between levels 1 and 2 during the periods ended March 31, 2016 and September 30, 2015.

### Reconciliation of Level 3 Fair Value Measurement (Note 4)

For the period ended March 31, 2016, the Fund did not hold financial instruments within level 3 of the fair value hierarchy.

The following table reconciles the Fund's level 3 fair value measurements for the period ended September 30, 2015.

### September 30, 2015

| (\$'000)   | Equities | Debt Instruments | Total    |
|--|----------|------------------|----------|
| <b>Balance at Beginning of Period</b>  | 193      | –                | 193      |
| Investment purchases during the period   | –        | –                | –        |
| Proceeds from sales during the period  | –        | –                | –        |
| Net transfers in (out) during the period   | (193)    | –                | (193)    |
| Net realized gain (loss) on investments  | –        | –                | –        |
| Net change in unrealized appreciation (depreciation) in value of investments                           | –        | –                | –        |
| <b>Balance at End of Period</b>  | <b>–</b> | <b>–</b>         | <b>–</b> |
| <b>Total change in unrealized appreciation (depreciation) for assets held as at September 30, 2015</b> |          |                  | <b>–</b> |

During the period ended September 30, 2015, investments of approximately \$193,000 were transferred from level 3 to level 1 as the security became actively traded.

# Notes to Financial Statements (UNAUDITED)

MARCH 31, 2016

## 1. THE FUNDS:

- (a) The following funds (the “Funds”) are open-ended mutual fund trusts, except for the “Unit Trust Funds” (as defined below), established under the laws of Ontario and are governed by an Amended and Restated Master Declaration of Trust dated April 17, 2014 (“Declaration of Trust”), as amended from time to time. AGF Investments Inc. (“AGFI”) is the manager (“Manager”), registrar and trustee of these funds. The Funds were established on the following dates:

| Name of Fund                          | Date Established  |
|---------------------------------------|-------------------|
| AGF Pooled Canadian Balanced Fund*    | February 1, 1993  |
| AGF Pooled Fixed Income Fund          | February 1, 1993  |
| AGF Pooled High Income Fund           | February 1, 1993  |
| AGF Pooled Pure Canadian Equity Fund* | December 31, 2002 |

\* collectively, the “Unit Trust Funds”

The address of the Funds’ registered office is Suite 3100, 66 Wellington Street West, Toronto, Ontario. The investment objectives for each fund are provided in the respective fund’s Notes to Financial Statements – Fund Specific Information.

These financial statements were authorized for issue on May 18, 2016 by the Board of Directors of AGFI.

- (b) Fiscal periods:

The financial statements of the Funds comprise the statements of financial position as at March 31, 2016 and September 30, 2015 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the six month periods ended March 31, 2016 and 2015. The schedule of investment portfolio is as at March 31, 2016.

## 2. SUMMARY OF ACCOUNTING POLICIES:

### Basis of presentation and adoption of International Financial Reporting Standards

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The Funds have consistently applied the accounting policies used in the preparation of the most recent audited annual financial statements for the year ended September 30, 2015. The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (“FVTPL”).

### Accounting standards issued but not yet effective IFRS 9, Financial Instruments

The final version of IFRS 9 was issued by the International Accounting Standards Board in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for classification and measurement of financial instruments, impairment and hedge accounting. The new single, principle-based approach for determining the classification of

financial assets is driven by cash flow characteristics and the business model in which an asset is held. The classification and measurement of financial liabilities remain generally unchanged with the exception of the accounting for changes in fair value for those liabilities elected to be measured at fair value. Fair value changes attributable to changes in the entity’s own credit risk on such liabilities are to be recognized in other comprehensive income rather than profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. In addition, the entity’s own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Manager is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summarizes the significant accounting policies of the Funds.

#### Financial instruments

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Funds’ investments, with the exception of derivative assets and liabilities, are designated as FVTPL. Derivative assets and liabilities are classified as held for trading and measured at FVTPL.

The Funds’ obligations for net assets attributable to holders of redeemable units are presented at their redemption amounts. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract’s effective interest rate. Due to the short-term nature of these financial assets and liabilities, their carrying values approximate fair values.

The accounting policies for measuring the fair value of investments and derivatives are substantially similar to those used in measuring the Funds’ net asset value (“Net Asset Value”) for the purpose of processing unitholder transactions. As at all dates presented, there were no differences between the Funds’ Net Asset Value per unit and net assets attributable to holders of redeemable units per unit.

#### Valuation of investments and derivatives

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments and derivatives is determined as follows:

- (a) Investments that are traded in an active market through recognized public stock exchanges, over-the-counter markets, or through recognized investment dealers, are valued based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s closing bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the

MARCH 31, 2016

specific facts and circumstances. Investments held include equities, listed warrants, short-term notes, treasury bills, bonds, asset-backed securities and other debt instruments.

- (b) Investments that are not traded in an active market are valued using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which make the maximum use of observable inputs. The fair value of certain securities may be estimated using valuation techniques based on assumptions that are not supported by observable market inputs.
- (c) Foreign exchange forward contracts are valued based on the difference between the contractual forward rates and the mid forward rates for currency held long or sold short at the measurement date.

#### **Cash and cash equivalents**

Cash and cash equivalents are comprised of demand and short-term deposits with maturity less than 90 days with financial institutions. Where cash and cash equivalents are in net bank overdraft positions, these are presented as current liabilities in the Statements of Financial Position.

#### **Commissions and other portfolio transaction costs**

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in "Commissions and other portfolio transaction costs" in the Statements of Comprehensive Income.

#### **Cost of investments**

The cost of investments represents the amount paid for each security, and is determined on an average cost basis excluding commissions and other portfolio transaction costs, where applicable.

#### **Investment transactions and income**

Investment transactions are accounted for on the trade date. Realized gains and losses on investments and unrealized appreciation and depreciation of investments are calculated on an average cost basis.

Interest for distribution purposes shown in the Statements of Comprehensive Income represents coupon interest on debt instruments accounted for on an accrual basis. Interest receivable is included in "Dividends and interest receivable" in the Statements of Financial Position based on the debt instruments' stated rates of interest. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero-coupon bonds, which are amortized on an effective yield basis.

Dividend income is recognized on ex-dividend date. Securities lending income is recognized on an accrual basis.

#### **Foreign exchange forward contracts**

The Funds may enter into foreign exchange forward contracts for economic hedging purposes or to establish an exposure to a particular currency. Unrealized gains and losses on foreign exchange forward contracts are included in "Net change in unrealized appreciation (depreciation) in value of derivatives" in the Statements of Comprehensive Income. Upon closing of a contract, the gain or loss is included in "Net realized gain (loss) on derivatives". Outstanding settlement amounts on the close out of foreign exchange forward contracts are included in "Receivable for foreign exchange forward contracts" or "Payable for foreign exchange forward contracts" in the Statements of Financial Position.

#### **Investments in associates and subsidiaries**

The Funds have determined that they meet the definition of "investment entities". An investment entity is an entity that (i) obtains funds from one or more investors for the purpose of providing them with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgment that the Funds have made in determining that they meet this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of their investments.

Subsidiaries are entities over which the Funds have control through their exposure or rights to variable returns and have the ability to affect those returns through their power over the entities. As the Funds meet the definition of an investment entity, all subsidiaries, if any, are measured at FVTPL. The Funds' investments may also include associates over which the Funds have significant influence and these are designated at FVTPL.

#### **Interest in unconsolidated structured entities**

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Funds have determined that holdings in exchange traded funds ("ETFs") and asset-backed securities meet the definition of structured entities and as a result, such investments are accounted for at FVTPL. The ETFs are concluded to be structured entities as (i) the voting rights in these entities are not dominant factors in deciding who controls them; (ii) their activities are restricted by the prospectus; and (iii) the entities have narrow and well-defined objectives to provide investment opportunities for investors while passing on the associated risks and rewards.

The Funds may invest in ETFs to help achieve their respective investment objectives. Certain ETFs may employ leverage in a manner consistent with their respective investment objectives or as permitted by Canadian securities regulatory authorities. The ETFs finance their operations by issuing redeemable units, which are puttable at the holder's option and entitles the holder to a proportionate stake in the respective net assets. A fund has the right to request redemption of its investments in ETFs on each valuation

date. Additional information on the Funds' interest in ETFs, as applicable, is provided in the respective fund's Notes to Financial Statements – Fund Specific Information.

Certain funds may invest in asset-backed securities and these securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans.

The Funds' holdings in ETFs and asset-backed securities, as applicable, are included in the Schedule of Investment Portfolio and represent the Funds' maximum exposure to these investments. The change in fair value of these investments is included in "Net change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income.

#### **Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Securities lending transactions are subject to master netting arrangements and the related offsetting disclosure is presented in Note 9. Information on other financial assets and liabilities that are subject to master netting or similar arrangements, as applicable, is disclosed in the respective fund's Notes to Financial Statements – Fund Specific Information.

#### **Impairment of financial assets**

At each reporting date, the Funds assess whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Funds recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

#### **Classification of redeemable units**

The Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32, *Financial Instruments: Presentation*. The Funds' outstanding redeemable units' entitlements include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the unitholder) and therefore the ongoing redemption feature is not the units' only contractual obligation. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities.

#### **Foreign currency translation**

The financial statements are expressed in Canadian dollars, which is the Funds' functional and presentation currency. Foreign currency

transactions and balances are translated into the functional currency as follows:

- (a) Assets, including fair value of investments, and liabilities denominated in foreign currencies are converted into Canadian dollars at the exchange rates prevailing at the valuation date.
- (b) Purchases and sales of investments, dividends and interest income denominated in foreign currencies are converted into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions.
- (c) Foreign exchange gains and losses on investments are included in "Net realized gain (loss) on investments" and "Net change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income.
- (d) Foreign exchange gains and losses on other financial assets (other than investments) and liabilities denominated in foreign currencies are included in "Exchange gain (loss) on foreign currencies and other net assets" in the Statements of Comprehensive Income.

#### **Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit**

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units outstanding during the period. The Funds' weighted average number of units outstanding during the periods ended March 31, 2016 and 2015 is disclosed in Note 6.

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS:**

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions that may affect the reported amounts of assets, liabilities, income and expenses as at and during the period. Actual results could differ from these estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

#### **Fair value measurement of derivatives and securities not quoted in an active market**

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager. Private equity securities are valued primarily based on valuation techniques as discussed in Note 2. These models use observable data, to the extent practicable. However, due to inherent uncertainty of valuations of such



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investments, the fair values may differ from the values that would have been used should an active market existed.

#### **Classification and measurement of investments and application of the fair value option**

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, *Financial Instruments: Recognition and Measurement*. The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

#### **Investment entity**

In determining whether the Funds are investment entities, the Manager may be required to make significant judgments on whether the Funds meet the criteria and typical characteristics within IFRS 10, *Consolidated Financial Statements*. Certain funds may hold only one investment, have only one investor, or have investors that are related parties; however, the Funds meet the investment entity definition as discussed in Note 2 (refer to Investments in associates and subsidiaries).

## **4. FINANCIAL INSTRUMENTS:**

#### **Fair value measurement**

The fair value hierarchy framework provides information to financial statement users about the relative observability of inputs to fair value measurements. The hierarchy has the following levels:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. Refer to Notes to Financial Statements – Fund Specific Information of each fund for the fair value measurement disclosure.

All fair value measurements are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Funds, including Level 3 measurements. The Manager obtains pricing from third party pricing vendors, which is reviewed daily. At each

reporting date, the Manager reviews and approves all Level 3 fair value measurements. The Manager also has a Valuation Committee which meets monthly to perform detailed reviews of the valuations of investments held by the Funds.

#### **Management of financial instrument risks**

In the normal course of business, each fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The fair value of investments within a fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the fund. The level of risk depends on the fund's investment objectives and the type of securities it invests in.

Each fund's exposure to financial risks, as applicable, is disclosed in the respective fund's Notes to Financial Statements – Fund Specific Information.

The Manager aims to minimize potential adverse effects of these risks on a fund's performance by employing and overseeing professional and experienced portfolio advisers that regularly monitor a fund's positions and market events, and diversify the investment portfolio within the constraints of the investment objective. To assist in managing risks, the Manager also maintains a governance structure that oversees a fund's investment activities and monitors compliance with a fund's stated strategy, internal guidelines, and securities regulations.

#### **Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a fund.

Where a fund invests in debt instruments and derivatives or participates in securities lending, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the creditworthiness of the issuer and/or counterparty, and in the case of securities lending, creditworthiness of the borrower. This represents the maximum credit risk exposure of the fund. The credit risk related to the securities lending program is limited as each fund holds collateral of at least 102% of the fair value of the loaned securities. The collateral and loaned securities are marked to market on each valuation date and each fund lends no more than 50% of its Net Asset Value.

Certain funds invest in ETFs and may be exposed to indirect credit risk in the event that the ETFs invest in debt instruments and derivatives.

Each fund is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivable balances. All transactions executed by a fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

References made to credit ratings are obtained from Standard & Poor's, Moody's, Dominion Bond Rating Service and/or Fitch

Ratings. Where one or more rating is obtained for a security, the lowest rating has been used.

#### **Liquidity risk**

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligation on time or at a reasonable price.

Each fund is exposed to daily cash redemptions of redeemable units. The units of each fund are issued and redeemed on demand at the then current Net Asset Value per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of each fund's assets in investments that are traded in an active market and can be readily disposed. In addition, each fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

Each fund may, from time to time, invest in securities that are not traded in an active market and may be illiquid. Such investments include those that are identified as private and/or restricted securities in the applicable Schedule of Investment Portfolio.

The Funds may also employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

As at March 31, 2016 and September 30, 2015, the Funds' redeemable units are redeemable on demand at the option of the unitholder. All other financial liabilities of the Funds mature in one year or less.

#### **Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when a fund invests in interest-bearing financial instruments. The fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal fair value sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

Certain funds invest in ETFs and may be exposed to indirect interest rate risk in the event that the ETFs invest in interest-bearing financial instruments.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The methodology used to calculate the sensitivity impact on net assets attributable to holders of redeemable units may result in a figure that exceeds the net assets attributable to holders of redeemable units of the fund; however, the maximum loss that can be sustained by the unitholders of the fund in aggregate may not exceed the net assets attributable to holders of redeemable units.

The portfolio manager of each fund aims to moderate this risk through a selection and diversification of securities and other financial instruments within the limits of the fund's investment objectives and strategy. The maximum risk resulting from financial instruments is determined by the fair value of the financial

instruments. Each fund's overall market position is monitored on a daily basis by the portfolio manager. Financial instruments held by each fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

#### **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Funds. Each fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

Certain funds invest in ETFs and may be exposed to indirect currency risk in the event that the ETFs invest in financial instruments that are denominated in a currency other than Canadian dollars.

#### **Concentration risk**

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty exposure. The disclosure of concentration risk is provided in the Notes to Financial Statements – Fund Specific Information of each fund.

## **5. TAXATION:**

- (a) AGF Pooled High Income Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Tax Act"). In accordance with terms of the Declaration of Trust, all of the net income for tax purposes and sufficient net realized capital gains, determined in Canadian dollars, will be paid or payable to unitholders in the taxation year so that no income tax is payable by the funds (after taking into account applicable capital gains tax refunds and prior year unutilized losses). The Unit Trust Funds and AGF Pooled Fixed Income Fund qualify as unit trusts under the Tax Act. Each of the Unit Trust Funds intends to distribute in each year sufficient net income and net realized capital gains, if any, to ensure that the fund is not liable for income tax under Part I of the Tax Act, other than alternative minimum tax.

All or substantially all of the Funds' net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds have determined that they are in substance not taxable and therefore do not record income taxes in the Statements of Comprehensive Income. Consequently, the tax benefit of capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as deferred income tax assets or liabilities.

The Funds (except for the Unit Trust Funds) elected to have their taxation years end on December 15 of each calendar year. AGF Pooled Canadian Balanced Fund and AGF Pooled Pure Canadian Equity Fund have their taxation years end on December 31 of each calendar year.

# Notes to Financial Statements (UNAUDITED) CONTINUED

MARCH 31, 2016

As at the Funds' most recent taxation year end of December 15 and December 31, 2015, as applicable, the following funds had available capital and non-capital losses as follows:

| (thousands of dollars)               | Non-Capital Loss*<br>Year of<br>Expiry | (\$) | Capital<br>Loss**<br>(\$) |
|--------------------------------------|--|------|---------------------------|
| AGF Pooled Canadian Balanced Fund    | –                                      |      | 1,253                     |
| AGF Pooled High Income Fund          | –                                      |      | 32,723                    |
| AGF Pooled Pure Canadian Equity Fund | –                                      |      | 17,570                    |

\* Non-capital losses can be offset against income in future years.

\*\* Net capital losses can be carried forward indefinitely for offset against capital gains in future years.

(b) The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are included in "Foreign withholding taxes", which are shown as a separate expense in the Statements of Comprehensive Income.

## 6. REDEEMABLE UNITS:

Units issued and outstanding represent the capital of each fund. Each of the Funds is authorized to issue an unlimited number of units of a single class divided into an unlimited number of series. Currently, only one series of units of each fund is offered.

The units issued and redeemed and the weighted average number of units outstanding during the periods indicated are as follows:

| (thousands of units)                    | Units Outstanding<br>at Beginning of Period |       | Units Issued* |      | Units Redeemed |       | Units Outstanding<br>at End of Period |       | Weighted Average<br>Number of<br>Units Outstanding |       |
|---|---|-------|---------------|------|----------------|-------|---------------------------------------|-------|--|-------|
|   | 2016  | 2015  | 2016          | 2015 | 2016           | 2015  | 2016                                  | 2015  | 2016   | 2015  |
| Periods Ended March 31,                 |   |       |               |      |                |       |                                       |       |  |       |
| AGF Pooled Canadian Balanced Fund       | 593   | 958   | 26            | 12   | (71)           | (176) | 548                                   | 794   | 563  | 868   |
| AGF Pooled Fixed Income Fund            | 2,327                                       | 2,504 | 152           | 201  | (205)          | (407) | 2,274                                 | 2,298 | 2,345  | 2,436 |
| AGF Pooled High Income Fund             | 3,002                                       | 4,397 | 66            | 174  | (889)          | (804) | 2,179                                 | 3,767 | 2,607  | 4,158 |
| AGF Pooled Pure Canadian<br>Equity Fund | 988   | 1,485 | 59            | 66   | (224)          | (205) | 823                                   | 1,346 | 858  | 1,406 |

\* Units issued included reinvested distributions.

## 7. RELATED PARTY TRANSACTIONS:

### Management of the Funds

(a) Fees payable to the Manager for portfolio management services, which includes providing key management personnel, are arranged individually with each unitholder and are not expenses of the Funds.

AGFI is responsible for managing the investment portfolios of the Funds. Prior to April 17, 2015, AGF Pooled Fixed Income Fund was managed by Acuity Investment Management Inc., which was formerly a wholly owned subsidiary of AGF Management Limited ("AGF").

(b) Each fund is responsible for its administrative and operating expenses. The Manager pays these expenses on behalf of the Funds, and is then reimbursed by the Funds for such expenses.

The units are available to investors who are accredited investors (as defined in National Instrument 45-106), and purchase units as principal or are deemed to be purchasing as principal (within the meaning of applicable securities legislation). Units are also being offered to employees, executive officers and directors of AGFI. For institutional investors, the minimum initial purchase amount is \$1 million per fund per investor, and \$25,000 per fund per investor for other investors, or such lesser amount as may be acceptable to the Manager.

Units of the Funds are issued and redeemed at the then current Net Asset Value per unit at the option of the unitholder. Unitholders on record date are entitled to distributions. Distributions on units of a fund are reinvested in additional units of its own fund or, at the option of the unitholders, paid in cash. The characterization of the distributions is based on management's estimate of the actual income for the period. The Funds have no restrictions or specific capital requirements on the subscription and redemption of units, other than minimum subscription requirements. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Units identify changes in each fund's capital during the periods. AGFI manages the capital of the Funds in accordance with the Funds' investment objectives, including managing their liquidity in order to be able to meet redemptions as discussed in Note 4.

During the periods ended March 31, 2016 and 2015, the Manager waived certain fees or absorbed certain expenses otherwise payable by the Funds. The Manager may at its discretion, terminate the waiver or absorption at any time. The "Accrued expenses" or "Receivable from Manager", as applicable, in the Statements of Financial Position include the amount of reimbursement to or from the Manager for operating expenses (net of absorption, if applicable) paid on behalf of the Funds.

(c) Effective February 15, 2016, AGF CustomerFirst Inc., a wholly owned subsidiary of AGF, provides transfer agency services to the Funds. The Funds agree to pay servicing and administrative fees in accordance with the services agreement.

## 8. SOFT DOLLAR COMMISSIONS:

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the investment manager. The value of the research services included in the commissions paid by each fund to those brokers are as follows:

| Periods Ended March 31,<br>(thousands of dollars) | 2016<br>(\$) | 2015<br>(\$) |
|---|--------------|--------------|
| AGF Pooled Canadian Balanced Fund                 | 1            | 1            |
| AGF Pooled High Income Fund                       | 5            | 11           |
| AGF Pooled Pure Canadian Equity Fund              | 2            | 1            |

## 9. SECURITIES LENDING TRANSACTIONS:

Certain funds entered into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty (“lending fees”) and, in certain circumstances, interest paid on cash or securities held as collateral (“lending interest income”). Income earned from these transactions is included in “Securities lending income” in the Statements of Comprehensive Income. The amount of lending fees and lending interest income earned by each fund for the periods ended March 31, 2016 and 2015 were as follows:

| March 31, 2016<br>(thousands of dollars) | Securities<br>Collateral<br>Lending Fees (\$) | Cash Collateral<br>Lending Interest<br>Income (\$) |
|--|---|--|
| AGF Pooled Canadian<br>Balanced Fund     | 1   | –  |
| AGF Pooled Fixed<br>Income Fund          | 1   | –  |
| AGF Pooled High<br>Income Fund           | 7   | –  |
| AGF Pooled Pure Canadian<br>Equity Fund  | 1   | –  |

| March 31, 2015<br>(thousands of dollars) | Securities<br>Collateral<br>Lending Fees (\$) | Cash Collateral<br>Lending Interest<br>Income (\$) |
|--|---|--|
| AGF Pooled Canadian<br>Balanced Fund     | 0   | 0  |
| AGF Pooled High<br>Income Fund           | 2   | 3  |
| AGF Pooled Pure Canadian<br>Equity Fund  | 0   | 0  |

The aggregate market value of all securities loaned by a fund is not permitted to exceed 50% of the Net Asset Value of that fund. The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102. Collateral received is composed of cash (Canadian and U.S. dollar) as well as debt obligations of the Government of Canada and other countries, Canadian provincial governments and financial institutions, and is not included in the Schedule of Investment Portfolio. Cash collateral is included in

“Cash collateral received for securities on loan” and “Payable for cash collateral under securities lending” in the Statements of Financial Position. The market value of the loaned securities is determined on the close of any valuation date, and any additional required collateral is delivered to the funds on the next business day. The securities on loan continue to be included in the Schedule of Investment Portfolio, and are included in “Investments at fair value through profit or loss” in the Statements of Financial Position. All the counterparties have an approved credit rating equivalent to a Standard & Poor’s credit rating of not less than A-1 (low) on their short-term debt or A on their long-term debt.

The value of securities loaned and collateral received from securities lending as at March 31, 2016 and September 30, 2015 were as follows:

| March 31, 2016<br>(thousands of dollars) | Fair Value of<br>Securities<br>on Loan | Fair Value<br>of Cash<br>Collateral<br>Received | Fair Value of<br>Securities<br>Collateral<br>Received |
|--|--|---|---|
| AGF Pooled Canadian<br>Balanced Fund     | 965                                    | –   | 1,023   |
| AGF Pooled Fixed<br>Income Fund          | 1,212                                  | –   | 1,275   |
| AGF Pooled High<br>Income Fund           | 1,148                                  | –   | 1,212   |

| September 30, 2015<br>(thousands of dollars) | Fair Value of<br>Securities<br>on Loan | Fair Value<br>of Cash<br>Collateral<br>Received | Fair Value of<br>Securities<br>Collateral<br>Received |
|--|--|---|---|
| AGF Pooled Canadian<br>Balanced Fund         | 1,224                                  | –   | 1,285   |
| AGF Pooled Fixed<br>Income Fund              | 161                                    | –   | 176   |
| AGF Pooled High<br>Income Fund               | 3,429                                  | –   | 3,632   |
| AGF Pooled Pure<br>Canadian<br>Equity Fund   | 428                                    | –   | 450   |

Securities lending transactions are subject to enforceable master netting arrangements that allow for related amounts to be set-off when certain conditions arise. Under such circumstances, the Funds have the right to retain and dispose of the collateral to the extent necessary to satisfy their claims. The related amounts are disclosed in the above tables and are not offset in the Statements of Financial Position. The net of fair value of securities on loan and fair value of cash collateral received represents the impact on the respective fund if the set-off right was exercised.

# Notes to Financial Statements (UNAUDITED) CONTINUED

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| <b>Currency Code</b> | <b>Description</b>   |
|----------------------|----------------------|
| CAD                  | Canadian Dollar      |
| GBP                  | Pound Sterling       |
| MXN                  | Mexican Peso         |
| USD                  | United States Dollar |

For more information contact your  
investment advisor or:



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