

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Canadian Asset Allocation Fund

SEPTEMBER 30, 2016



What are you doing after work?®

Management Discussion of Fund Performance

This management discussion of fund performance represents the portfolio management team's view of the significant factors and developments affecting the fund's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Canadian Asset Allocation Fund (the "Fund") is to provide high long-term total investment returns with moderate risk through a combination of long-term capital growth and current income. The Fund invests primarily in a mix of common and preferred shares of Canadian companies, Canadian federal and provincial bonds, high quality corporate bonds and money market instruments. The Fund may also invest in foreign securities, which are not expected to exceed 30% of Net Asset Value (see Explanatory Note (1) a) of the Fund at the time of purchase. AGF Investments Inc. ("AGFI"), as portfolio manager, combines a top-down approach to asset allocation and sector selection and a bottom-up approach to stock selection. A top-down investment approach involves looking at the "big picture" in the economy and financial world and then breaking those components down into finer details. A bottom-up investment approach focuses attention on a specific company rather than on the industry in which that company operates or on the economy as a whole. The most important factor in the decision making process is managing risk. In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash or cash equivalents.

Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The principal risks associated with the Fund are capital erosion risk (Series T and Series V only), changes in legislation risk, counterparty risk, credit risk, derivative risk, equity risk, exchange traded fund ("ETF") general risks, ETF index risks, ETF industry sector risk, foreign currency risk, foreign market risk, gold and silver ETFs risk, interest rate risk, liquidity risk, repurchase agreement risk, reverse repurchase agreement risk, securities lending risk, small company risk and substantial securityholder risk. The Fund is suitable for investors investing for the medium to longer term, seeking a balanced portfolio of Canadian equity and fixed income securities in a single fund and who have low to medium tolerance for risk.

Results of Operations

For the year ended September 30, 2016, the Mutual Fund Units of the Fund returned 7.9% (net of expenses) while the S&P/TSX Composite Index ("S&P/TSX Index"), the FTSE TMX Canada Universe Bond Index ("FTSE TMX Universe Bond Index") and the Blended Benchmark returned 14.2%, 6.3% and 11.3%, respectively. The Blended Benchmark is composed of 60% S&P/TSX Index/40% FTSE TMX Universe Bond Index. The performance of the other series of the Fund is substantially similar to

that of the Mutual Fund Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

The Fund under-performed the S&P/TSX Index due to the Fund's inclusion of fixed income securities, which generally under-performed equities during the reporting period except for high yield bonds, which significantly out-performed. As such, the inclusion of high yield bonds partially offset the Fund's under-performance. Strong performance of the Fund's holdings in Canadian equities also contributed.

The Fund out-performed the FTSE TMX Universe Bond Index due to the Fund's inclusion of equities, which generally out-performed fixed income securities during the reporting period. The Fund under-performed the Blended Benchmark due to the under-performance of the fixed income portion of the portfolio and modest under-performance of the global and U.S. equity portions, while partially offset by the Fund's Canadian equity exposure, which out-performed over the reporting period.

The Fund entered into foreign exchange contracts during the period under review. As of September 30, 2016, the Fund was long Canadian dollar and short U.S. dollar in order to hedge its currency exposure.

Certain series of the Fund, as applicable, make monthly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the monthly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The portfolio manager does not believe that the distributions made by the Fund had a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objectives.

The Fund had net redemptions of approximately \$46 million for the current period, as compared to net redemptions of approximately \$117 million in the prior period. The portfolio manager does not believe that redemption activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values and investor activity, such as number of investor accounts and transactions. The decrease in management fees accounted for most of the decrease in expenses during the period as compared to the previous period due to a decrease in average Net Asset Values. On the contrary, custodian fees increased due to the change in third party service provider during the current period and interest expense increased due to an increase in the number of overdraft positions throughout the period. All other expenses remained fairly consistent throughout the periods.

Recent Developments

The portfolio manager continues to cautiously favour equities over

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 800 268-8583, by writing to us at AGF Investments Inc. 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, or by visiting our website at www.agf.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

bonds. Developed market equities are currently preferred, though the portfolio manager is forecasting improved conditions in emerging markets due to a supportive macro backdrop and margin expansion. Canadian equity conditions are favourable, although the portfolio manager is closely watching risks of an overheated real estate market and progression of the energy sector's recovery following the wildfires in Alberta earlier in calendar year 2016. The portfolio manager is forecasting range bound oil prices over the medium term.

The portfolio manager's outlook for U.S. equities remains positive on a relative basis, while being less favourable over Europe relative to the second calendar quarter of 2016 due to political uncertainties and issues arising in the banking sector. The Fund holds an overall underweight position in fixed income as the portfolio manager is cautious on government bonds in the short-term, but favours corporate securities in this environment.

Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. As indicated above, AGFI also acts as the investment (portfolio) manager, managing the investment portfolio of the Fund. The Fund was also party to an investment advisory agreement with AGFI and Highstreet Asset Management Inc. ("Highstreet"), wholly owned subsidiaries of AGF Management Limited. Highstreet acts as an investment advisor and provides investment advisory services to the Fund. Under the management agreement, the Fund (except for Series O, Series Q and Series W Units, if applicable) pays management fees, calculated based on the Net Asset Value of the respective series of the Fund. Management fees of approximately \$12,072,000 were incurred by the Fund during the period ended September 30, 2016.

Effective February 15, 2016, AGF CustomerFirst Inc. ("AGFC"), a wholly owned subsidiary of AGF Management Limited, provides transfer agency services to the Fund pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$489,000 incurred by the Fund were paid to AGFC for the period from February 15, 2016 to September 30, 2016.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years as applicable. The Fund adopted International Financial Reporting Standards ("IFRS") on October 1, 2014. All per unit information presented for the period ended September 30, 2014, including opening net assets, reflects retrospective adjustments in accordance with IFRS. Information for the periods prior to October 1, 2013 is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook ("Canadian GAAP").

Mutual Fund Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	26.75	26.69	25.70	23.54	22.28
Increase (decrease) from operations:					
Total revenue	0.65	0.52	0.54	0.57	0.58
Total expenses	(0.70)	(0.83)	(0.80)	(0.66)	(0.61)
Realized gains (losses)	0.55	4.02	2.99	1.01	0.29
Unrealized gains (losses)	1.32	(3.38)	(0.15)	1.22	1.05
Total increase (decrease) from operations⁽²⁾	1.82	0.33	2.58	2.14	1.31
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(3.26)	(0.13)	(1.56)	–	(0.10)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(3.26)	(0.13)	(1.56)	–	(0.10)
Net Assets, end of period⁽⁴⁾	25.39	26.75	26.69	25.69	23.54

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

Mutual Fund Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	492,667	569,679	675,977	671,056	769,491
Number of units outstanding (000's)	19,404	21,295	25,324	26,112	32,661
Management expense ratio ⁽⁵⁾	2.71%	2.69%	2.69%	2.70%	2.67%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.73%	2.69%	2.69%	2.71%	2.67%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	25.39	26.75	26.69	25.70	23.56

Series D Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	26.86	26.77	25.73	23.52	22.20
Increase (decrease) from operations:					
Total revenue	0.65	0.52	0.54	0.57	0.58
Total expenses	(0.63)	(0.80)	(0.75)	(0.61)	(0.49)
Realized gains (losses)	0.55	3.99	3.09	0.99	0.27
Unrealized gains (losses)	1.29	(3.33)	(0.07)	1.27	1.04
Total increase (decrease) from operations⁽²⁾	1.86	0.38	2.81	2.22	1.40
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(3.30)	(0.13)	(1.57)	–	(0.14)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(3.30)	(0.13)	(1.57)	–	(0.14)
Net Assets, end of period⁽⁴⁾	25.54	26.86	26.77	25.72	23.52

Series D Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	947	1,071	1,323	1,630	2,416
Number of units outstanding (000's)	37	40	49	63	103
Management expense ratio ⁽⁵⁾	2.44%	2.57%	2.52%	2.49%	2.15%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.44%	2.57%	2.52%	2.49%	2.41%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	25.54	26.86	26.77	25.73	23.54

Series F Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	27.53	27.28	26.07	23.62	22.39
Increase (decrease) from operations:					
Total revenue	0.65	0.53	0.55	0.58	0.58
Total expenses	(0.31)	(0.42)	(0.44)	(0.39)	(0.35)
Realized gains (losses)	0.62	4.24	2.93	1.00	0.28
Unrealized gains (losses)	1.36	(3.88)	(0.28)	1.21	1.03
Total increase (decrease) from operations⁽²⁾	2.32	0.47	2.76	2.40	1.54
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(3.89)	(0.37)	(1.74)	–	(0.38)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(3.89)	(0.37)	(1.74)	–	(0.38)
Net Assets, end of period⁽⁴⁾	25.99	27.53	27.28	26.06	23.62

Series F Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	9,148	7,185	7,806	5,911	7,493
Number of units outstanding (000's)	352	261	286	227	317
Management expense ratio ⁽⁵⁾	1.13%	1.16%	1.36%	1.59%	1.56%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.13%	1.16%	1.36%	1.59%	1.56%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	25.99	27.53	27.28	26.07	23.64

Series O Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	29.99	29.58	28.08	25.01	23.80
Increase (decrease) from operations:					
Total revenue	0.71	0.58	0.59	0.62	0.61
Total expenses	(0.03)	(0.10)	(0.07)	–	–
Realized gains (losses)	0.63	4.62	3.34	1.08	0.32
Unrealized gains (losses)	1.46	(4.02)	(0.28)	1.36	1.11
Total increase (decrease) from operations⁽²⁾	2.77	1.08	3.58	3.06	2.04
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(4.59)	(0.61)	(2.10)	–	(0.86)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(4.59)	(0.61)	(2.10)	–	(0.86)
Net Assets, end of period⁽⁴⁾	28.25	29.99	29.58	28.06	25.01

Series O Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	28,349	29,819	30,921	28,893	33,575
Number of units outstanding (000's)	1,003	994	1,045	1,029	1,341
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.05%	0.04%	0.04%	0.04%	0.05%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	28.25	29.99	29.58	28.08	25.03

Series T Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	8.39	9.04	9.15	9.06	9.28
Increase (decrease) from operations:					
Total revenue	0.21	0.17	0.19	0.21	0.24
Total expenses	(0.22)	(0.26)	(0.27)	(0.24)	(0.24)
Realized gains (losses)	0.19	1.32	1.05	0.38	0.12
Unrealized gains (losses)	0.44	(1.11)	(0.05)	0.45	0.41
Total increase (decrease) from operations⁽²⁾	0.62	0.12	0.92	0.80	0.53
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(0.93)	(0.06)	(0.72)	–	(0.01)
Return of capital	–	(0.68)	(0.30)	(0.72)	(0.75)
Total annual distributions⁽³⁾	(0.93)	(0.74)	(1.02)	(0.72)	(0.76)
Net Assets, end of period⁽⁴⁾	8.08	8.39	9.04	9.15	9.06

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

Series T Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	14,160	13,661	15,051	15,921	17,320
Number of units outstanding (000's)	1,753	1,629	1,666	1,740	1,909
Management expense ratio ⁽⁵⁾	2.65%	2.62%	2.62%	2.64%	2.61%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.65%	2.62%	2.62%	2.64%	2.61%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	8.08	8.39	9.04	9.15	9.07

Series V Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	12.00	12.54	12.46	11.98	11.88
Increase (decrease) from operations:					
Total revenue	0.30	0.24	0.26	0.28	0.30
Total expenses	(0.32)	(0.38)	(0.38)	(0.33)	(0.31)
Realized gains (losses)	0.24	1.80	1.45	0.51	0.15
Unrealized gains (losses)	0.59	(1.46)	(0.05)	0.61	0.54
Total increase (decrease) from operations⁽²⁾	0.81	0.20	1.28	1.07	0.68
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	(1.30)	(0.05)	(0.97)	–	(0.01)
Return of capital	–	(0.59)	(0.18)	(0.59)	(0.60)
Total annual distributions⁽³⁾	(1.30)	(0.64)	(1.15)	(0.59)	(0.61)
Net Assets, end of period⁽⁴⁾	11.57	12.00	12.54	12.46	11.98

Series V Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	2,960	3,939	5,661	6,214	7,333
Number of units outstanding (000's)	256	328	451	499	612
Management expense ratio ⁽⁵⁾	2.69%	2.70%	2.67%	2.68%	2.61%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.69%	2.70%	2.67%	2.68%	2.61%
Trading expense ratio ⁽⁷⁾	0.08%	0.25%	0.19%	0.18%	0.20%
Portfolio turnover rate ⁽⁸⁾	75.42%	156.27%	89.67%	70.51%	79.72%
Net Asset Value per unit	11.57	12.00	12.54	12.46	11.99

Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. Prior to October 1, 2014, the net assets per unit presented in the financial statements ("Net Assets") differed from the net asset value per unit calculated for fund pricing purposes ("Net Asset Value"), due to differences in valuation techniques of certain investments as required under Canadian GAAP. The adoption of IFRS, effective October 1, 2014, has generally eliminated the difference between Net Assets per unit and Net Asset Value per unit.

For the purpose of comparability with the period ended September 30, 2016, total Net Asset Value and number of units outstanding presented for the period ended September 30, 2015 may have been adjusted to include certain transactions, if applicable. These adjustments have no effect on the Net Asset Value per unit.

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

Mutual Fund Units	July 1931
Series D Units	April 2003
Series F Units	January 2000
Series O Units	June 2005
Series T Units	December 2006
Series V Units	August 2007

c) On May 23, 2014, AGF Conservative Asset Allocation Fund merged into the Fund. The financial data of the Fund includes the results of operations of AGF Conservative Asset Allocation Fund from the date of the merger.

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both. The computation of the distributions per unit does not take into account the management fee distributions (see note 5 below). The characterization of the distributions is based on management's estimate of the actual income for the year.

(4) This is not a reconciliation of the beginning and ending Net Assets per unit.

(5) The management expense ratio ("MER") of a particular series is calculated in accordance with National Instrument 81-106, based on all the expenses of the Fund (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Fund's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Fund has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

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

(6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually on a series by series basis at the discretion of AGFI and AGFI can terminate the waiver or absorption at any time.

(7) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs, including the Fund's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Fund has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.

(8) The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's PTR in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PTR is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.

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

Management Fees

The Fund is managed by AGFI. As a result of providing investment and management services, AGFI receives a monthly management fee, based on the Net Asset Value of the respective series, calculated daily and payable monthly. Management fees in respect of Series O, Series Q and Series W Units, if applicable, are arranged directly between the Manager and investors and are not expenses of the Fund. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to AGFI's role as manager.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	2.25%	34.60%	65.40%
Series D Units	1.85%	24.01%	75.99%
Series F Units	0.90%	—	100.00%
Series T Units	2.25%	56.05%	43.95%
Series V Units	2.25%	32.30%	67.70%

Past Performance*

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

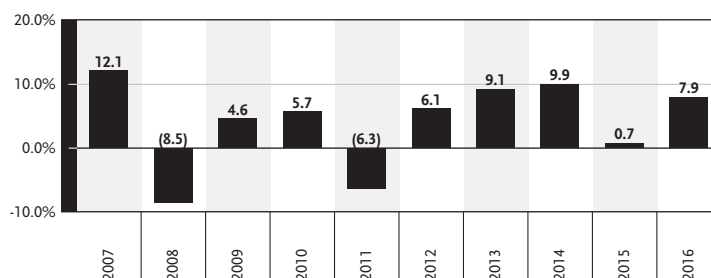
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. During the ten year period ended September 30, 2016, certain other funds with similar investment objectives merged into the Fund. Generally, for fund mergers, the continuing fund is considered a new fund for the purpose of calculating rates of return and therefore, the rates of return have not been provided for the period of the merger and previous periods. However, the merger of AGF Conservative Asset Allocation Fund with the Fund (see Explanatory Note (1) c)) did not constitute a material change to the Fund and accordingly did not impact the ability of the Fund to maintain its historical performance.

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

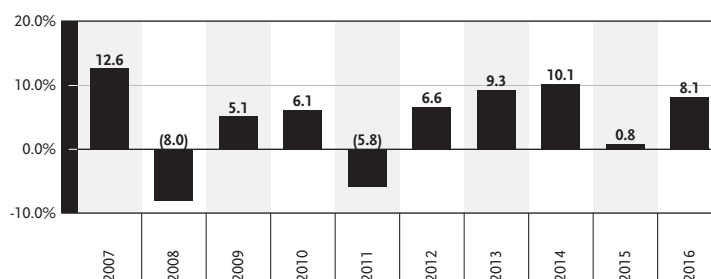
Year-By-Year Returns

The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2016 as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

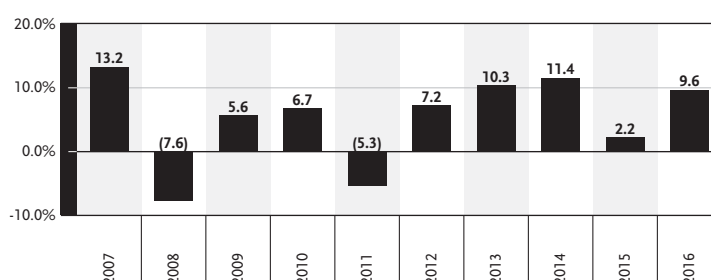
Mutual Fund Units



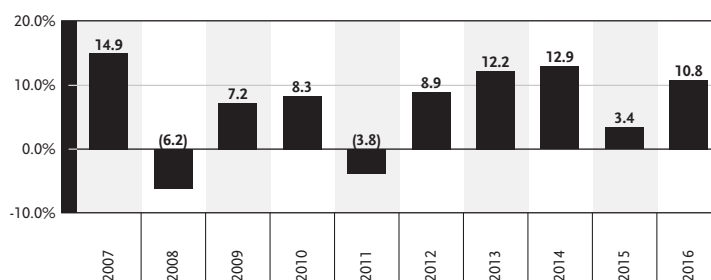
Series D Units



Series F Units

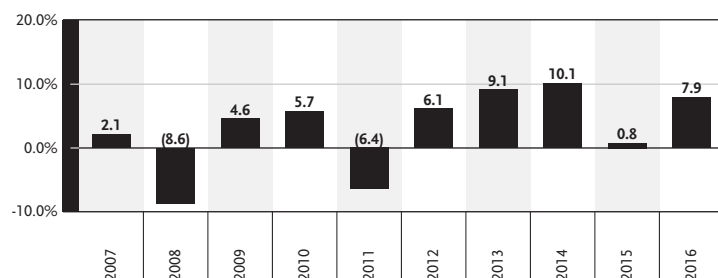


Series O Units



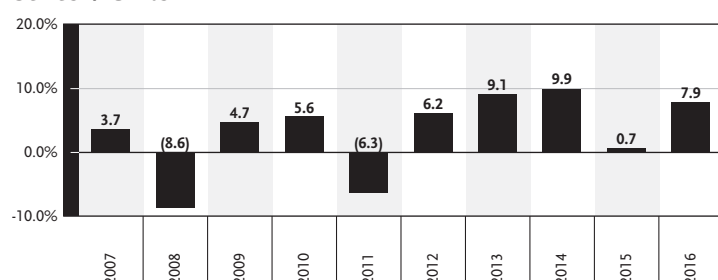
* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced returns or performance. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Series T Units



Performance for 2007 represents returns for the period from December 11, 2006 to September 30, 2007.

Series V Units



Performance for 2007 represents returns for the period from August 24, 2007 to September 30, 2007.

Annual Compound Returns

The following table compares the historical annual compound returns for each series with the indices, for each of the periods ended September 30, 2016.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	7.9	6.1	6.7	3.9	N/A
S&P/TSX Composite Index	14.2	8.0	8.1	5.3	N/A
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	5.2	N/A
Blended Benchmark	11.3	7.4	6.8	5.6	N/A
Series D Units	8.1	6.3	6.9	4.3	N/A
S&P/TSX Composite Index	14.2	8.0	8.1	5.3	N/A
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	5.2	N/A
Blended Benchmark	11.3	7.4	6.8	5.6	N/A
Series F Units	9.6	7.7	8.1	5.1	N/A
S&P/TSX Composite Index	14.2	8.0	8.1	5.3	N/A
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	5.2	N/A
Blended Benchmark	11.3	7.4	6.8	5.6	N/A
Series O Units	10.8	8.9	9.6	6.6	N/A
S&P/TSX Composite Index	14.2	8.0	8.1	5.3	N/A
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	5.2	N/A
Blended Benchmark	11.3	7.4	6.8	5.6	N/A
Series T Units	7.9	6.2	6.8	N/A	3.0
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	4.4
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	5.2
Blended Benchmark	11.3	7.4	6.8	N/A	5.0
Series V Units	7.9	6.1	6.7	N/A	3.4
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	4.0
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	5.6
Blended Benchmark	11.3	7.4	6.8	N/A	4.9

The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks and trusts listed on the Toronto Stock Exchange.

The FTSE TMX Canada Universe Bond Index is a market capitalization-weighted index designed to be a broad measure of the Canadian investment grade fixed income market.

For a discussion of the relative performance of the Fund as compared to the indices, see Results of Operations in the Management Discussion of Fund Performance.

Summary of Investment Portfolio

As at September 30, 2016

The major portfolio categories and top holdings (up to 25) of the Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2016.

The prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	78.1
United States	19.1
Cash & Cash Equivalents	1.0
Mexico	0.3
United Kingdom	0.3
Jersey	0.2
Switzerland	0.2
Peru	0.2
Israel	0.2
Italy	0.1
Cayman Islands	0.1
Hungary	0.1
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Sector	Percentage of Net Asset Value (%)
Corporate Bonds	15.4
Equity Funds	14.4
Financials	13.6
Energy	8.7
Provincial Bonds	7.3
Information Technology	6.5
Materials	5.0
Government Bonds	4.7
Consumer Discretionary	4.2
Telecommunication Services	4.1
Industrials	3.5
Government Guaranteed Investments	2.9
Consumer Staples	2.2
Health Care	1.5
High Yield Bonds	1.1
Real Estate	1.1
Cash & Cash Equivalents	1.0
Supranational Bonds	1.0
Utilities	0.7
Emerging Markets Bonds	0.6
Municipal Bonds	0.4
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	52.8
Canadian Fixed Income	25.3
United States Equity	12.5
United States Fixed Income	6.6
International Fixed Income	1.5
Cash & Cash Equivalents	1.0
International Equity	0.2
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Credit Rating††	Percentage of Net Asset Value (%)
AAA	10.0
AA	3.7
A	9.4
BBB	7.6
BB	1.7
B	0.9
CCC	0.3
Not Rated	1.1

Top Holdings	Percentage of Net Asset Value (%)
AGF Global Equity Fund	14.4
Province of Ontario**	3.1
Toronto-Dominion Bank	3.0
Government of Canada**	2.3
Royal Bank of Canada	2.2
Suncor Energy Inc.	2.1
U.S. Treasury**	2.1
BCE Inc.	2.0
Canadian National Railway Company	2.0
Canada Housing Trust**	2.0
Manulife Financial Corporation	1.8
Province of Quebec**	1.8
Enbridge Inc.	1.8
TELUS Corporation	1.6
Agnico Eagle Mines Limited	1.4
Bank of Montreal	1.4
Franco-Nevada Corporation	1.2
CGI Group Inc.	1.2
Power Corporation of Canada	1.1
Province of British Columbia**	1.0
Dollarama Inc.	1.0
Labrador-Island Link Funding Trust**	1.0
CPPIB Capital Inc.**	0.9
Teck Resources Limited	0.9
Alimentation Couche-Tard Inc.	0.8

Total Net Asset Value (thousands of dollars)	\$ 548,231
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†† 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.

** Debt Instruments



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