

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Traditional Income 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 Traditional Income Fund (the "Fund") is to provide income with capital appreciation by investing primarily in a mix of Canadian equities, fixed income as well as cash and cash equivalents. The Fund may also invest in foreign securities, which are not expected to exceed 49% of Net Asset Value (see Explanatory Note (1) a) of the Fund at the time of purchase. AGF Investments Inc. ("AGFI"), as portfolio manager, uses a bottom-up quantitative and qualitative approach to screen for companies where senior management has shown a commitment to rewarding shareholders through a growing dividend stream. 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. Among other factors, the portfolio manager searches for companies with a growing dividend stream, reasonable valuation and good management. The Fund has a targeted ex-cash "neutral" weighting of 50% equities and 50% fixed income, which generally fluctuates plus or minus 20% on an absolute basis. In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash or fixed income securities.

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, changes in legislation risk, counterparty risk, credit risk, depository securities and receipts 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 and substantial securityholder risk. The Fund is suitable for investors investing for the medium to long-term, seeking a strategically managed mix of equity and fixed income securities 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 8.3% (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 11.9%, respectively. The Blended Benchmark is composed of 60% S&P/TSX Index/30% FTSE TMX Universe Bond Index/10% Bloomberg Barclays U.S. Corporate High-Yield Bond Index (hedged to CAD) (formerly, Barclays Capital U.S. Corporate High-Yield Bond Index

(hedged to CAD)). 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 inclusion of fixed income, which under-performed equities during the reporting period. The Fund out-performed the FTSE TMX Universe Bond Index due to the inclusion of equities, which out-performed fixed income during the reporting period. The Fund under-performed the Blended Benchmark due to negative security selection within the equity portion of the portfolio.

Within the equity portion of the portfolio, security selection detracted from relative performance. Selection in the energy, financials and materials sectors detracted, though this was partially offset by strong security selection in the health care and consumer staples sectors. Overall sector allocation effect was positive and also contributed to relative performance. Relative to the S&P/TSX Index, the Fund's overweight allocation to information technology (6.3% versus 2.9%) sector contributed to relative performance.

In terms of individual equity holdings, the Fund's top contributors were Randgold Resources Limited, Saputo Inc. and First Quantum Minerals Limited, while top detractors were Corrections Corporation of America, Victrex PLC and Newalta Corporation. The Fund sold its holdings in Randgold Resources Limited and realized profits during the reporting period and no longer held Corrections Corporation of America and Newalta Corporation as of September 30, 2016. Avoiding Valeant Pharmaceuticals International Inc. was also a significant contributor to relative performance as the security declined more than 85.0% in value over the reporting period.

The Fund entered into foreign exchange forward 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 such 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 \$89 million for the current period, as compared to net subscriptions of approximately \$82 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$3 million in the Fund. The portfolio manager does not believe that redemption/subscription activity

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.

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. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values and investor activity. In particular, 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. The increase in registration fees was due to variances between the accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

Recent Developments

During the reporting period under review, U.S. equity markets mostly traded in a range before breaking out to new highs towards the end of the period. Equities rallied in the last calendar quarter of 2015 as interest rate expectations continued to be pushed out, before experiencing significant volatility and declining during the first six weeks of 2016. During this bout of volatility, investors worried about a slowing Chinese economy and potential U.S. recession; thus, selling off equities indiscriminately and particularly punishing stocks that did well in calendar year 2015.

However, as 2016 progressed and economic data showed slow but steady strength, worries about an imminent U.S. recession began to retreat, and equity markets began to rally. Equities rallied through the back half of the first calendar quarter and throughout the second calendar quarter, including bouncing back strongly following volatility related to a surprise vote in the UK to leave the European Union ("Brexit").

During this period under review, the U.S. Federal Reserve (the "Fed") continued to telegraph its intention to normalize its interest rate policy after its first interest rate hike in December 2015, though mixed economic data and geopolitical developments, such as the Brexit vote, continued to delay further increases. As investors continued to push out interest rate expectations, defensive, dividend-paying and low-volatility stocks outperformed over the period.

Equities were further buoyed by an improving backdrop for corporate earnings. Though U.S. corporations saw earnings stagnate throughout most of the period under review, due to the impacts of lower oil prices on the energy sector and of a strong U.S. dollar on multinational corporations, the impact of these factors began to abate towards the second half of calendar year 2016, leading to increasing expectations of the corporate profile. As a result, U.S. equities finally made new highs during the third calendar quarter of 2016, after failing to do so for more than a year.

In Canada, a slow growth environment persisted, with gross domestic product data released showing the Canadian economy contracted 1.6% in the second calendar quarter of 2016 due to fallout from weaker exports and the spring wildfires in northern Alberta. However, manufacturing data improved in the latter half of the third calendar quarter of 2016, driven by improvements in the food, primary metals and energy sectors

as oil production returns to normal levels in Alberta following the wildfires. During this period, the Bank of Canada left interest rates unchanged at 0.5%, but adopted a more dovish tone given weakness in exports and inflation.

The portfolio manager continues to expect the interest rate hikes by the Fed will continue to remain lower for longer, as the current slow growth environment has made it more difficult to achieve further interest rate hikes. This dynamic has been exacerbated by various geopolitical uncertainties, including the upcoming U.S. election and the fallout from the Brexit vote in the UK. Though the Fed has telegraphed a moderate pace of increases in the quarters ahead, the portfolio manager continues to believe that rates will generally remain lower for longer, as the Fed finds difficulty raising rates in a sluggish environment. Within this low rate environment, some parts of equity markets are showing signs of risky valuations. In particular, bond-proxy low volatility stocks popularized by various ETFs have garnered significant assets this year and outperformed in the first half of the calendar year, driving valuations to cycle highs. Within the Fund, the portfolio manager has avoided stocks where it sees extreme valuations that are not warranted by the company's growth profiles.

Overall, despite the assortment of global economic risks, the portfolio manager remains relatively optimistic and constructive on equities. It is the view of the portfolio manager that both Canada and the U.S. are emerging from recession-like conditions, and leading indicators lead the portfolio manager to believe that the economic environment is stable for the time being.

The portfolio manager remains constructive on equities and has been finding more opportunities in different sectors, and continues to take a long-term approach, focusing on stocks that have been well managed through previous downturns and can remain profitable in a slow-growth environment. In addition, the portfolio manager continues to be focused on picking what is deemed to be high-quality stocks with quality assets, high return on investment, strong balance sheets and sustainable and growing dividends. The portfolio manager believes this approach will endure and over time will prove to out-perform through all economic scenarios.

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. 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 \$7,870,000 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 \$417,000 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”).

* represents initial Net Assets
~ annualized

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

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⁾	9.75	11.10	10.49	10.24	9.76
Increase (decrease) from operations:					
Total revenue	0.31	0.33	0.33	0.33	0.32
Total expenses	(0.26)	(0.27)	(0.27)	(0.23)	(0.23)
Realized gains (losses)	(0.39)	0.26	0.70	0.60	0.52
Unrealized gains (losses)	1.08	(1.39)	0.34	0.09	0.31
Total increase (decrease) from operations⁽²⁾	0.74	(1.07)	1.10	0.79	0.92
Distributions:					
From income (excluding dividends)	–	(0.01)	(0.01)	(0.01)	(0.01)
From dividends	(0.24)	(0.11)	(0.07)	(0.11)	(0.15)
From capital gains	–	(0.05)	(0.46)	(0.51)	(0.23)
Return of capital	(0.08)	(0.26)	(0.02)	–	(0.12)
Total annual distributions⁽³⁾	(0.32)	(0.43)	(0.56)	(0.63)	(0.51)
Net Assets, end of period⁽⁴⁾	10.22	9.75	11.10	10.48	10.24

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)	387,319	451,731	363,978	282,938	156,932
Number of units outstanding (000's)	37,887	46,316	32,798	26,967	15,305
Management expense ratio ⁽⁵⁾	2.33%	2.25%	2.22%	2.24%	2.23%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.33%	2.25%	2.22%	2.24%	2.23%
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	0.16%	0.20%
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	75.19%	65.42%
Net Asset Value per unit	10.22	9.75	11.10	10.49	10.25

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⁾	9.77	10.48*	–	–	–
Increase (decrease) from operations:					
Total revenue	0.29	0.08	–	–	–
Total expenses	(0.23)	(0.05)	–	–	–
Realized gains (losses)	(0.37)	(0.11)	–	–	–
Unrealized gains (losses)	1.10	(0.57)	–	–	–
Total increase (decrease) from operations⁽²⁾	0.79	(0.65)	–	–	–
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.25)	(0.05)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.07)	(0.04)	–	–	–
Total annual distributions⁽³⁾	(0.32)	(0.09)	–	–	–
Net Assets, end of period⁽⁴⁾	10.28	9.77	–	–	–

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)	1,152	1,323	–	–	–
Number of units outstanding (000's)	112	135	–	–	–
Management expense ratio ⁽⁵⁾	2.01%	1.90%~	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.10%	2.06%~	–	–	–
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	–	–	–
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	–	–	–
Net Asset Value per unit	10.28	9.77	–	–	–

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⁾	10.09	11.35	10.80	10.50	9.90
Increase (decrease) from operations:					
Total revenue	0.43	0.34	0.34	0.35	0.32
Total expenses	(0.15)	(0.16)	(0.15)	(0.13)	(0.13)
Realized gains (losses)	(0.47)	0.42	0.71	0.61	0.49
Unrealized gains (losses)	1.19	(1.40)	0.37	0.06	0.31
Total increase (decrease) from operations⁽²⁾	1.00	(0.80)	1.27	0.89	0.99
Distributions:					
From income (excluding dividends)	–	(0.02)	(0.02)	(0.01)	(0.01)
From dividends	(0.26)	(0.24)	(0.21)	(0.20)	(0.20)
From capital gains	–	(0.05)	(0.52)	(0.50)	(0.18)
Return of capital	(0.07)	(0.13)	–	–	(0.13)
Total annual distributions⁽³⁾	(0.33)	(0.44)	(0.75)	(0.71)	(0.52)
Net Assets, end of period⁽⁴⁾	10.70	10.09	11.35	10.79	10.50

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)	10,476	8,759	10,556	8,635	3,284
Number of units outstanding (000's)	979	868	930	800	313
Management expense ratio ⁽⁵⁾	1.12%	1.14%	1.16%	1.16%	1.27%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.12%	1.14%	1.16%	1.16%	1.34%
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	0.16%	0.20%
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	75.19%	65.42%
Net Asset Value per unit	10.70	10.09	11.35	10.80	10.51

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⁾	9.97	11.14	11.36*	–	–
Increase (decrease) from operations:					
Total revenue	0.31	0.34	–	–	–
Total expenses	(0.03)	(0.03)	–	–	–
Realized gains (losses)	(0.35)	0.43	–	–	–
Unrealized gains (losses)	1.24	(1.15)	(0.23)	–	–
Total increase (decrease) from operations⁽²⁾	1.17	(0.41)	(0.23)	–	–
Distributions:					
From income (excluding dividends)	–	(0.03)	–	–	–
From dividends	(0.30)	(0.39)	–	–	–
From capital gains	–	(0.06)	–	–	–
Return of capital	(0.03)	–	–	–	–
Total annual distributions⁽³⁾	(0.33)	(0.48)	–	–	–
Net Assets, end of period⁽⁴⁾	10.69	9.97	11.14	–	–

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)	1,929	1,019	1	–	–
Number of units outstanding (000's)	180	102	1	–	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.07%	0.34%	98577.01%~	–	–
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	–	–
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	–	–
Net Asset Value per unit	10.69	9.97	11.14	–	–

Series Q 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⁾	9.83	10.98	10.48	10.00*	–
Increase (decrease) from operations:					
Total revenue	0.32	0.33	0.33	0.27	–
Total expenses	(0.03)	(0.03)	(0.02)	–	–
Realized gains (losses)	(0.42)	0.39	0.70	0.47	–
Unrealized gains (losses)	1.02	(1.38)	0.24	(0.05)	–
Total increase (decrease) from operations⁽²⁾	0.89	(0.69)	1.25	0.69	–
Distributions:					
From income (excluding dividends)	–	(0.03)	(0.03)	(0.01)	–
From dividends	(0.30)	(0.38)	(0.34)	(0.12)	–
From capital gains	–	(0.06)	(0.52)	(0.28)	–
Return of capital	(0.03)	–	–	(0.02)	–
Total annual distributions⁽³⁾	(0.33)	(0.47)	(0.89)	(0.43)	–
Net Assets, end of period⁽⁴⁾	10.55	9.83	10.98	10.47	–

Series Q 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)	7,344	8,896	10,346	6,127	–
Number of units outstanding (000's)	696	905	942	584	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.07%	0.09%	0.11%	0.18%~	–
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	0.16%	–
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	75.19%	–
Net Asset Value per unit	10.55	9.83	10.98	10.48	–

Series S 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⁾	10.82	12.06	11.43	10.81	10.07
Increase (decrease) from operations:					
Total revenue	0.77	0.35	0.36	0.35	0.32
Total expenses	(0.07)	(0.03)	(0.02)	–	–
Realized gains (losses)	(0.83)	0.16	0.74	0.64	0.19
Unrealized gains (losses)	1.29	(1.47)	0.39	0.06	0.75
Total increase (decrease) from operations⁽²⁾	1.16	(0.99)	1.47	1.05	1.26
Distributions:					
From income (excluding dividends)	–	(0.03)	(0.02)	(0.01)	(0.02)
From dividends	(0.32)	(0.41)	(0.35)	(0.17)	(0.28)
From capital gains	–	(0.06)	(0.53)	(0.33)	(0.17)
Return of capital	(0.04)	–	–	(0.05)	(0.06)
Total annual distributions⁽³⁾	(0.36)	(0.50)	(0.90)	(0.56)	(0.53)
Net Assets, end of period⁽⁴⁾	11.60	10.82	12.06	11.42	10.81

Series S 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)	19,883	25,242	86,366	63,729	105,514
Number of units outstanding (000's)	1,713	2,334	7,163	5,574	9,753
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.19%	1.18%	1.17%	1.19%	1.19%
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	0.16%	0.20%
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	75.19%	65.42%
Net Asset Value per unit	11.60	10.82	12.06	11.43	10.82

* represents initial Net Assets

~ annualized

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

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⁾	8.26	9.81	9.54	9.49	9.32
Increase (decrease) from operations:					
Total revenue	0.30	0.28	0.30	0.31	0.30
Total expenses	(0.21)	(0.23)	(0.24)	(0.21)	(0.22)
Realized gains (losses)	(0.36)	0.30	0.63	0.55	7.91
Unrealized gains (losses)	0.88	(1.13)	0.34	0.13	(7.16)
Total increase (decrease) from operations⁽²⁾	0.61	(0.78)	1.03	0.78	0.83
Distributions:					
From income (excluding dividends)	–	(0.00)	(0.01)	(0.01)	(0.01)
From dividends	(0.10)	(0.08)	(0.07)	(0.09)	(0.09)
From capital gains	–	(0.04)	(0.49)	(0.61)	(0.18)
Return of capital	(0.57)	(0.64)	(0.21)	(0.05)	(0.49)
Total annual distributions⁽³⁾	(0.67)	(0.76)	(0.78)	(0.76)	(0.77)
Net Assets, end of period⁽⁴⁾	8.25	8.26	9.81	9.53	9.49

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)	4,188	5,099	7,653	6,654	5,032
Number of units outstanding (000's)	507	617	780	697	530
Management expense ratio ⁽⁵⁾	2.20%	2.22%	2.19%	2.23%	2.27%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.20%	2.22%	2.19%	2.23%	2.27%
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	0.16%	0.20%
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	75.19%	65.42%
Net Asset Value per unit	8.25	8.26	9.81	9.54	9.50

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⁾	9.46	10.90	10.71*	–	–
Increase (decrease) from operations:					
Total revenue	0.32	0.33	0.31	–	–
Total expenses	(0.24)	(0.27)	(0.30)	–	–
Realized gains (losses)	(0.39)	0.27	0.70	–	–
Unrealized gains (losses)	1.08	(1.57)	(0.67)	–	–
Total increase (decrease) from operations⁽²⁾	0.77	(1.24)	0.04	–	–
Distributions:					
From income (excluding dividends)	–	(0.01)	(0.01)	–	–
From dividends	(0.14)	(0.19)	(0.13)	–	–
From capital gains	–	(0.07)	(0.50)	–	–
Return of capital	(0.34)	(0.26)	(0.03)	–	–
Total annual distributions⁽³⁾	(0.48)	(0.53)	(0.67)	–	–
Net Assets, end of period⁽⁴⁾	9.75	9.46	10.90	–	–

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)	1,403	982	451	–	–
Number of units outstanding (000's)	144	104	41	–	–
Management expense ratio ⁽⁵⁾	2.22%	2.33%	2.50%~	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.22%	2.70%	4.92%~	–	–
Trading expense ratio ⁽⁷⁾	0.22%	0.18%	0.15%	–	–
Portfolio turnover rate ⁽⁸⁾	109.47%	124.31%	106.91%	–	–
Net Asset Value per unit	9.75	9.46	10.90	–	–

* represents initial Net Assets

~ annualized

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

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	May 2010
Series D Units	July 2015
Series F Units	May 2010
Series O Units	September 2014
Series Q Units	December 2012
Series S Units	June 2010
Series T Units	May 2010
Series V Units	November 2013

c) On July 10, 2015, AGF Traditional Balanced Fund merged into the Fund. The financial data of the Fund includes the results of operations of AGF Traditional Balanced Fund from the date of the merger.

d) On May 23, 2014, AGF Social Values Balanced Fund merged into the Fund. The financial data of the Fund includes the results of operations of AGF Social Values Balanced Fund from the date of the merger.

e) In September 2014, the Fund recommenced the offering of Series O Units that are available to institutional investors. Series O Units first commenced offering in May 2012 and were closed due to full redemption by unitholders in October 2013. Series O Units re-opened in December 2013 and were closed subsequently due to full redemption by unitholders in January 2014. The financial data of the Series O Units includes the results of operations from date of the latest recommencement and are different than financial data presented in the financial statements, for which financial statements include financial data during the period the series was in existence.

(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 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.

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	1.85%	45.29%	54.71%
Series D Units	1.45% ^(a)	29.06%	70.94%
Series F Units	0.85%	–	100.00%
Series S Units	1.00%	–	100.00%
Series T Units	1.85%	50.55%	49.45%
Series V Units	1.85%	53.75%	46.25%

(a) 1.60% for the periods prior to April 1, 2016.

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 mergers of AGF Traditional Balanced Fund and AGF Social Values Balanced Fund with the Fund (see Explanatory Notes (1) c) and d)) did not constitute material changes to the Fund and accordingly did not impact the ability of the Fund to maintain its historical performance.

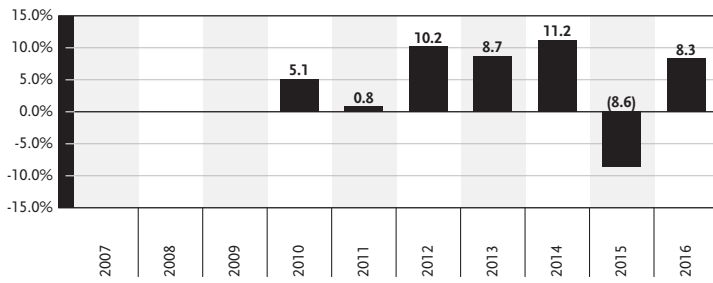
All rates of return are calculated based on the Net Asset Value.

Year-By-Year Returns

The following bar charts show the Fund’s annual performance for each of the past 10 years to September 30, 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.

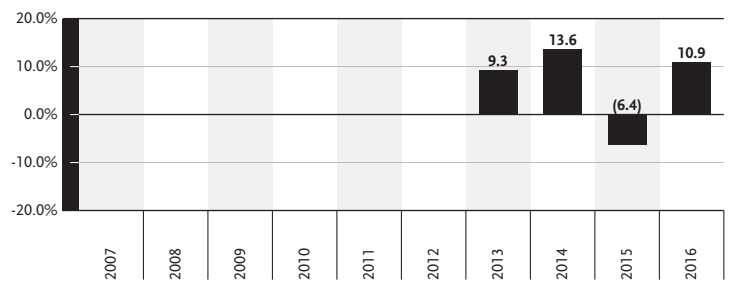
* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced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

Mutual Fund Units



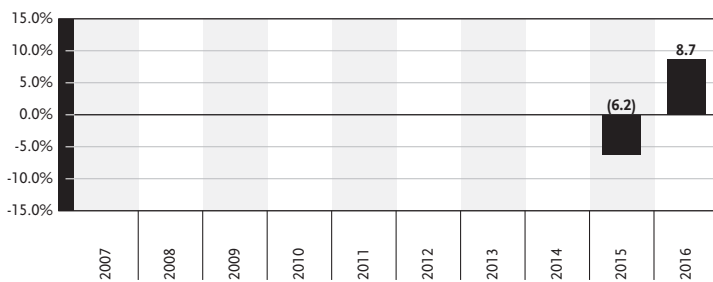
Performance for 2010 represents returns for the period from May 7, 2010 to September 30, 2010.

Series Q Units



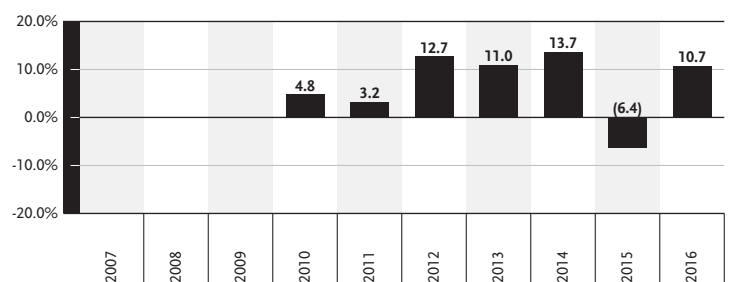
Performance for 2013 represents returns for the period from December 3, 2012 to September 30, 2013.

Series D Units



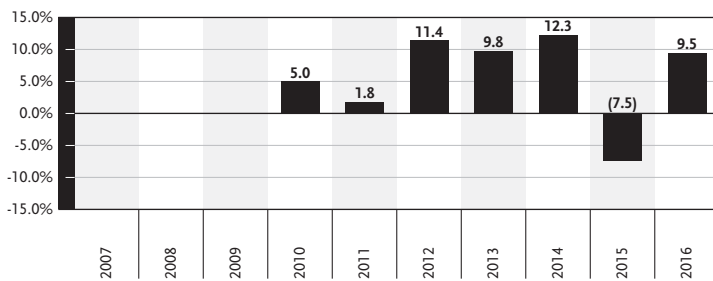
Performance for 2015 represents returns for the period from July 10, 2015 to September 30, 2015.

Series S Units



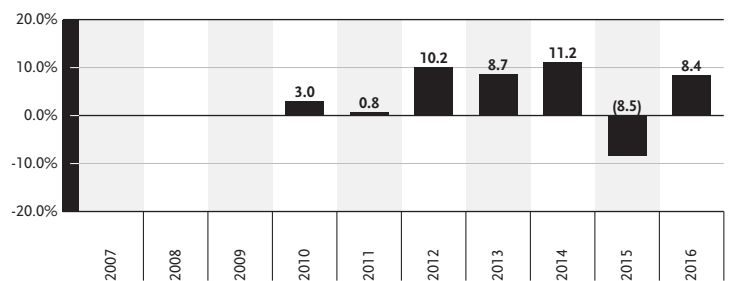
Performance for 2010 represents returns for the period from June 15, 2010 to September 30, 2010.

Series F Units



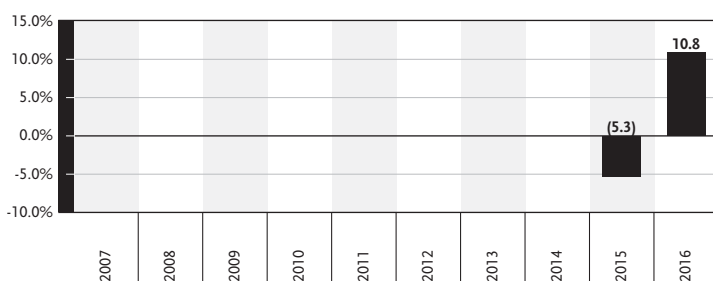
Performance for 2010 represents returns for the period from May 17, 2010 to September 30, 2010.

Series T Units



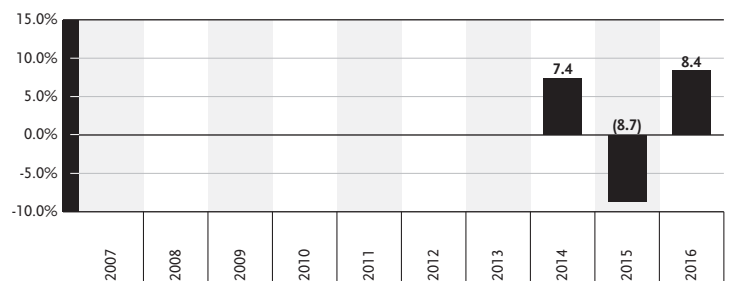
Performance for 2010 represents returns for the period from August 10, 2010 to September 30, 2010.

Series O Units



Performance for 2015 represents returns for the period from October 2, 2014 to September 30, 2015.

Series V Units



Performance for 2014 represents returns for the period from November 21, 2013 to September 30, 2014.

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	8.3	3.3	5.7	N/A	5.4
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	6.8
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	5.4
Blended Benchmark	11.9	7.4	7.2	N/A	6.7
Old Blended Benchmark	10.5	7.2	6.5	N/A	6.3
Series D Units	8.7	N/A	N/A	N/A	1.6
S&P/TSX Composite Index	14.2	N/A	N/A	N/A	5.0
FTSE TMX Canada Universe Bond Index	6.3	N/A	N/A	N/A	5.3
Blended Benchmark	11.9	N/A	N/A	N/A	5.4
Old Blended Benchmark	10.5	N/A	N/A	N/A	5.5
Series F Units	9.5	4.4	6.8	N/A	6.4
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	6.7
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	5.4
Blended Benchmark	11.9	7.4	7.2	N/A	6.7
Old Blended Benchmark	10.5	7.2	6.5	N/A	6.3
Series O Units	10.8	N/A	N/A	N/A	2.4
S&P/TSX Composite Index	14.2	N/A	N/A	N/A	3.0
FTSE TMX Canada Universe Bond Index	6.3	N/A	N/A	N/A	5.6
Blended Benchmark	11.9	N/A	N/A	N/A	4.2
Old Blended Benchmark	10.5	N/A	N/A	N/A	4.6
Series Q Units	10.9	5.6	N/A	N/A	6.8
S&P/TSX Composite Index	14.2	8.0	N/A	N/A	8.4
FTSE TMX Canada Universe Bond Index	6.3	6.0	N/A	N/A	4.2
Blended Benchmark	11.9	7.4	N/A	N/A	7.1
Old Blended Benchmark	10.5	7.2	N/A	N/A	6.5
Series S Units	10.7	5.6	8.1	N/A	7.7
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	6.5
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	5.1
Blended Benchmark	11.9	7.4	7.2	N/A	7.0
Old Blended Benchmark	10.5	7.2	6.5	N/A	6.5
Series T Units	8.4	3.3	5.7	N/A	5.3
S&P/TSX Composite Index	14.2	8.0	8.1	N/A	6.7
FTSE TMX Canada Universe Bond Index	6.3	6.0	4.4	N/A	4.8
Blended Benchmark	11.9	7.4	7.2	N/A	6.4
Old Blended Benchmark	10.5	7.2	6.5	N/A	6.0
Series V Units	8.4	N/A	N/A	N/A	2.2
S&P/TSX Composite Index	14.2	N/A	N/A	N/A	6.3
FTSE TMX Canada Universe Bond Index	6.3	N/A	N/A	N/A	6.2
Blended Benchmark	11.9	N/A	N/A	N/A	6.4
Old Blended Benchmark	10.5	N/A	N/A	N/A	6.5

Effective July 1, 2016, the Fund's Old Blended Benchmark, which comprised 50% FTSE TMX Canada Universe Bond Index/50% S&P/TSX Composite Index was changed to the Blended Benchmark to better reflect the investment opportunity set of the Fund.

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.

The Bloomberg Barclays U.S. Corporate High-Yield Bond Index (hedged to CAD) measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market. This variation is hedged to Canadian dollars.

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.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	67.7
United States	25.1
United Kingdom	3.5
Cash & Cash Equivalents	0.5
Mexico	0.3
Peru	0.3
Dominican Republic	0.3
Israel	0.3
Jersey	0.3
Australia	0.2
Luxembourg	0.1
Paraguay	0.1
Ireland	0.1
Austria	0.1
Romania	0.1
Turkey	0.0
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Sector	Percentage of Net Asset Value (%)
Energy	15.2
Corporate Bonds	13.0
Financials	9.2
Materials	8.1
Consumer Discretionary	8.1
Provincial Bonds	7.5
Consumer Staples	6.7
Government Bonds	6.6
Information Technology	6.3
Industrials	4.8
Health Care	3.5
Government Guaranteed Investments	3.2
High Yield Bonds	2.9
Utilities	1.7
Emerging Markets Bonds	0.7
Cash & Cash Equivalents	0.5
Telecommunication Services	0.5
Municipal Bonds	0.4
Asset-Backed Securities	0.1
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	38.8
Canadian Fixed Income	28.9
United States Equity	21.7
International Equity	3.6
United States Fixed Income	3.4
International Fixed Income	2.1
Cash & Cash Equivalents	0.5
Foreign Exchange Forward Contracts	(0.0)

Portfolio by Credit Rating^{††}	Percentage of Net Asset Value (%)
AAA	9.9
AA	3.2
A	9.0
BBB	7.0
BB	2.4
B	2.1
CCC	0.3
CC	0.1
C	0.0
Not Rated	1.1

Top Holdings	Percentage of Net Asset Value (%)
Government of Canada ^{**}	6.1
Province of Ontario ^{**}	3.3
Canada Housing Trust ^{**}	3.2
Province of Quebec ^{**}	1.7
Amgen Inc.	1.5
Shaw Communications Inc.	1.5
Saputo Inc.	1.4
ShawCor Limited	1.4
Pason Systems Inc.	1.4
Las Vegas Sands Corporation	1.4
Keyera Corporation	1.3
Stantec Inc.	1.3
Encana Corporation	1.3
Williams-Sonoma Inc.	1.3
Colgate-Palmolive Company	1.3
Methanex Corporation	1.3
Gibson Energy Inc.	1.3
Brookfield Asset Management Inc.	1.3
CME Group Inc.	1.3
Analog Devices Inc.	1.3
Manulife Financial Corporation	1.2
Philip Morris International Inc.	1.2
Perrigo Company PLC	1.2
Tiffany & Company	1.2
Inter Pipeline Limited	1.2

Total Net Asset Value (thousands of dollars) \$ 433,694

^{††} 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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