

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

# AGF Emerging Markets Fund

SEPTEMBER 30, 2016



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## 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 Emerging Markets Fund (the "Fund") is to provide superior capital growth by investing primarily in shares of companies that are located or active mainly in emerging market countries. AGF Investments Inc. ("AGFI"), as portfolio manager, uses a bottom-up stock selection process to identify stocks that are trading at a significant discount to what it believes is their underlying earnings potential. 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 portfolio manager intends to invest primarily in issuers located in emerging markets, as defined by the Morgan Stanley Capital International Emerging Markets Index ("MSCI Emerging Markets Index"), as well as issuers located in Hong Kong and Singapore. The portfolio manager focuses on discovering companies with strong long-term earnings, growth, excellent management teams and dominance of their underlying markets. A disciplined approach to investing also ensures broad diversification across countries and sectors. 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 changes in legislation risk, counterparty risk, depository securities and receipts risk, derivative risk, emerging markets 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, liquidity risk, repurchase agreement risk, reverse repurchase agreement risk, securities lending risk, small company risk, specialization risk and substantial securityholder risk. The Fund is suitable for investors investing for the longer term, seeking the growth potential of equity securities of emerging market countries and who have high tolerance for risk.

### Results of Operations

For the year ended September 30, 2016, the Mutual Fund Units of the Fund returned 12.1% (net of expenses) while the MSCI Emerging Markets Index returned 15.6%. 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 MSCI Emerging Markets Index due to sector and country allocation, though this was partially offset by security

selection which contributed positively. Relative sector and country allocation remained a residual of bottom-up stock selection. The Fund maintained broad diversification across several emerging market regions to take advantage of potential return opportunities and to reduce risk. From a sector allocation perspective, the Fund's active exposure to the health care and information technology sectors during the reporting period detracted from relative performance, while active exposure to the industrials and telecommunication services sectors contributed. From a country allocation perspective, the Fund's active exposure to Mexico and Czech Republic detracted from relative performance, while active exposure to China, Hong Kong and Peru contributed.

The Fund had net redemptions of approximately \$83 million for the current period, as compared to net redemptions of approximately \$139 million in the prior period. Rebalancing by institutional programs resulted in net subscriptions of approximately \$20 million in the Fund. The portfolio manager does not believe that redemption/subscription activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. 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. Custodian fees decreased due to a decrease in market value of the investment portfolio and number of portfolio transactions. On the contrary, the increase in audit fees was due to variance between the accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

### Recent Developments

The portfolio manager is positive on emerging market equities over the next 12 to 18 months as return on equity in emerging markets is now trending upward for the first time since 2000. This has been driven by margin expansion as productivity growth is out-pacing real wage growth for the first time since 2010. Furthermore, the valuation of emerging market equities relative to developed market equities is at historical lows, which coupled with improving profitability bodes well for emerging market equities out-performance. The gap in gross domestic product growth between emerging market and developed market countries is also expected to widen in favor of emerging markets, and the portfolio manager expects this to in turn support relative earnings momentum. It is also worth noting that while a number of emerging market countries have cut rates over the past calendar year, the portfolio manager believes there is significant scope for central banks to cut rates further, particularly as inflation levels decline, which would be conducive to further growth.

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](http://www.agf.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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

The portfolio manager currently favors countries that are implementing structural reforms as these countries are expected to benefit from higher potential growth rates that in turn drive longer term out-performance. India, Mexico, and more recently Indonesia are examples of countries that have proposed and implemented a number of reforms, which will benefit their economies and financial markets over the long-term. There is also potential for reforms in Brazil, after the current crisis, and in Thailand, after the elections in 2017, to bolster performance.

Some of the risks the portfolio manager continues to watch include a significant weakening in emerging market currencies, particularly in the face of persistent U.S. dollar strength. The portfolio manager maintains an underweight to neutral position to countries with a current account deficit, such as South Africa and Turkey, as these tend to be most vulnerable to a strong U.S. dollar. That said, concerns over slowing growth in developed markets may result in lower long-term interest rates and a delay in tightening by the U.S. Federal Reserve, providing a floor to emerging market currencies. The portfolio manager also continues to monitor the property market in China, where prices have risen significantly, as well as the risk of a significant devaluation of the Chinese Yuan. The portfolio manager's central case scenario is that steps taken by Chinese authorities to contain the property market, including placing restrictions on secondary mortgages in Tier 1 cities where affordability is most challenged, will serve to put a lid on the property market. Also, as the Chinese Yuan has already softened over the past calendar year and China's export market share position remains strong, the portfolio manager does not expect Chinese authorities to significantly devalue the Chinese Yuan. This view is predicated on China maintaining control of its capital account outflows.

The portfolio manager believes that to capture attractive opportunities and to help mitigate the potential risks when investing in emerging markets, active management remains key to adding value. The portfolio manager uses a long-term, bottom-up investment approach and, as a result, has positioned the portfolio to benefit from exposure to the long-term secular trend of emerging market domestic demand from both consumers and enterprises. By diversifying the Fund's holdings in light of expected volatility ahead, the portfolio manager continues to look for companies that can deliver positive economic value added.

#### **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 \$12,221,000 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 \$696,000

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<sup>(1)</sup>

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.67</b>	<b>11.44</b>	<b>10.48</b>	<b>11.00</b>	<b>10.03</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.26	0.35	0.29	0.27	0.29
Total expenses	(0.37)	(0.41)	(0.40)	(0.35)	(0.33)
Realized gains (losses)	0.68	0.76	0.72	0.61	0.11
Unrealized gains (losses)	0.71	(1.43)	0.33	(0.77)	0.88
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.28</b>	<b>(0.73)</b>	<b>0.94</b>	<b>(0.24)</b>	<b>0.95</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	(0.21)	–
From capital gains	(0.17)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.17)</b>	<b>–</b>	<b>–</b>	<b>(0.21)</b>	<b>–</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.78</b>	<b>10.67</b>	<b>11.44</b>	<b>10.48</b>	<b>11.00</b>

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

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)	465,342	472,443	586,380	736,232	922,733
Number of units outstanding (000's)	39,514	44,296	51,247	70,230	83,757
Management expense ratio <sup>(5)</sup>	3.13%	3.12%	3.13%	3.11%	3.06%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	3.15%	3.12%	3.13%	3.11%	3.06%
Trading expense ratio <sup>(7)</sup>	0.15%	0.16%	0.14%	0.13%	0.05%
Portfolio turnover rate <sup>(8)</sup>	31.29%	29.04%	19.13%	13.55%	4.70%
Net Asset Value per unit	11.78	10.67	11.44	10.48	11.02

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>11.66</b>	<b>12.36</b>	<b>11.19</b>	<b>11.67</b>	<b>10.58</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.26	0.36	0.30	0.28	0.30
Total expenses	(0.26)	(0.29)	(0.28)	(0.22)	(0.21)
Realized gains (losses)	0.75	0.83	0.76	0.68	0.10
Unrealized gains (losses)	0.66	(1.37)	0.34	(0.82)	0.92
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.41</b>	<b>(0.47)</b>	<b>1.12</b>	<b>(0.08)</b>	<b>1.11</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	(0.00)
From dividends	–	–	–	(0.30)	(0.06)
From capital gains	(0.18)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.18)</b>	<b>–</b>	<b>–</b>	<b>(0.30)</b>	<b>(0.06)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>13.02</b>	<b>11.66</b>	<b>12.36</b>	<b>11.18</b>	<b>11.67</b>

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

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)	21,034	25,162	41,047	62,233	91,071
Number of units outstanding (000's)	1,615	2,158	3,322	5,562	7,791
Management expense ratio <sup>(5)</sup>	1.95%	1.93%	1.93%	1.91%	1.88%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.95%	1.93%	1.93%	1.91%	1.88%
Trading expense ratio <sup>(7)</sup>	0.15%	0.16%	0.14%	0.13%	0.05%
Portfolio turnover rate <sup>(8)</sup>	31.29%	29.04%	19.13%	13.55%	4.70%
Net Asset Value per unit	13.02	11.66	12.36	11.19	11.69

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.37</b>	<b>12.94</b>	<b>11.59</b>	<b>12.22</b>	<b>11.08</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.40	0.40	0.32	0.25	0.32
Total expenses	(0.05)	(0.05)	(0.06)	–	–
Realized gains (losses)	0.70	0.86	0.81	1.08	0.11
Unrealized gains (losses)	0.88	(1.71)	0.40	(0.48)	0.96
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.93</b>	<b>(0.50)</b>	<b>1.47</b>	<b>0.85</b>	<b>1.39</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	(0.00)
From dividends	(0.08)	(0.08)	(0.10)	(0.69)	(0.28)
From capital gains	(0.19)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.27)</b>	<b>(0.08)</b>	<b>(0.10)</b>	<b>(0.69)</b>	<b>(0.28)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>13.99</b>	<b>12.37</b>	<b>12.94</b>	<b>11.59</b>	<b>12.22</b>

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

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)	51,232	47,201	47,361	51,920	249,889
Number of units outstanding (000's)	3,661	3,817	3,660	4,478	20,412
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.09%	0.12%	0.12%	0.09%	0.07%
Trading expense ratio <sup>(7)</sup>	0.15%	0.16%	0.14%	0.13%	0.05%
Portfolio turnover rate <sup>(8)</sup>	31.29%	29.04%	19.13%	13.55%	4.70%
Net Asset Value per unit	13.99	12.37	12.94	11.59	12.24

## Series Q Units – Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.37</b>	<b>10.85</b>	<b>9.72</b>	<b>10.00</b> *	<b>–</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.30	0.26	0.28	0.26	–
Total expenses	(0.03)	(0.04)	(0.05)	–	–
Realized gains (losses)	0.67	0.82	0.69	0.21	–
Unrealized gains (losses)	1.14	0.50	0.27	(1.65)	–
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.08</b>	<b>1.54</b>	<b>1.19</b>	<b>(1.18)</b>	<b>–</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.08)	(0.06)	(0.09)	–	–
From capital gains	(0.17)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.25)</b>	<b>(0.06)</b>	<b>(0.09)</b>	<b>–</b>	<b>–</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.72</b>	<b>10.37</b>	<b>10.85</b>	<b>9.71</b>	<b>–</b>

## Series Q Units – Ratios/Supplemental Data<sup>(1)</sup>

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)	343	148	762	730	–
Number of units outstanding (000's)	29	14	70	75	–
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.12%	0.90%	0.69%	0.77%	–
Trading expense ratio <sup>(7)</sup>	0.15%	0.16%	0.14%	0.13%	–
Portfolio turnover rate <sup>(8)</sup>	31.29%	29.04%	19.13%	13.55%	–
Net Asset Value per unit	11.72	10.37	10.85	9.72	–

\* represents initial Net Assets  
 ~ annualized

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

## Series S Units – Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.44</b>	<b>13.01</b>	<b>11.66</b>	<b>12.25</b>	<b>11.11</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.30	0.37	0.31	0.30	0.32
Total expenses	(0.03)	(0.05)	(0.05)	–	(0.00)
Realized gains (losses)	0.79	0.89	0.79	0.68	0.12
Unrealized gains (losses)	0.85	(1.41)	0.30	(0.80)	0.96
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.91</b>	<b>(0.20)</b>	<b>1.35</b>	<b>0.18</b>	<b>1.40</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	(0.00)
From dividends	(0.08)	(0.08)	(0.11)	(0.65)	(0.27)
From capital gains	(0.20)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.28)</b>	<b>(0.08)</b>	<b>(0.11)</b>	<b>(0.65)</b>	<b>(0.27)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>14.07</b>	<b>12.44</b>	<b>13.01</b>	<b>11.65</b>	<b>12.25</b>

## Series S Units – Ratios/Supplemental Data<sup>(1)</sup>

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)	88,948	97,944	146,668	169,323	224,168
Number of units outstanding ('000's)	6,323	7,876	11,276	14,524	18,264
Management expense ratio <sup>(5)</sup>	–	–	–	–	0.01%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.22%	1.23%	1.22%	1.21%	1.19%
Trading expense ratio <sup>(7)</sup>	0.15%	0.16%	0.14%	0.13%	0.05%
Portfolio turnover rate <sup>(8)</sup>	31.29%	29.04%	19.13%	13.55%	4.70%
Net Asset Value per unit	14.07	12.44	13.01	11.66	12.27

## 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	March 1994
Series F Units	April 2000
Series O Units	November 2005
Series Q Units	December 2012
Series S Units	January 2009

(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.

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

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	2.50%	23.38%	76.62%
Series F Units	1.50%	—	100.00%
Series S Units	1.00%	—	100.00%

## Past Performance\*

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

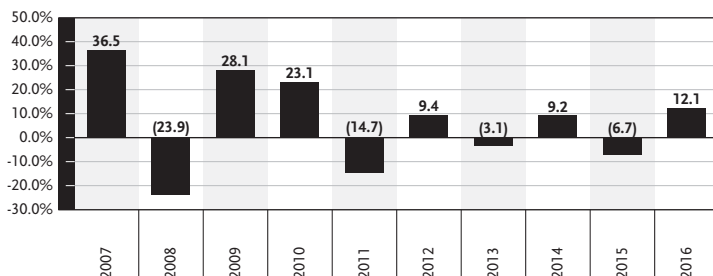
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

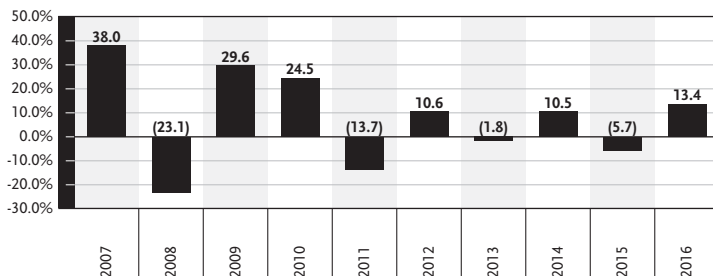
### Year-By-Year Returns

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.

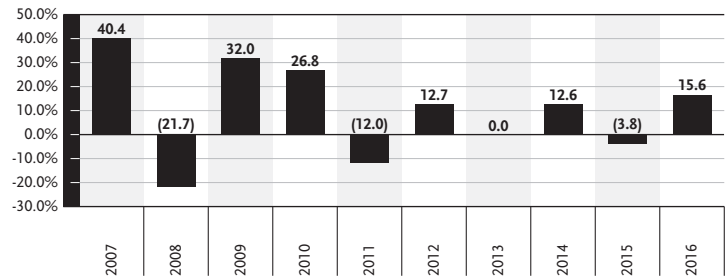
### Mutual Fund Units



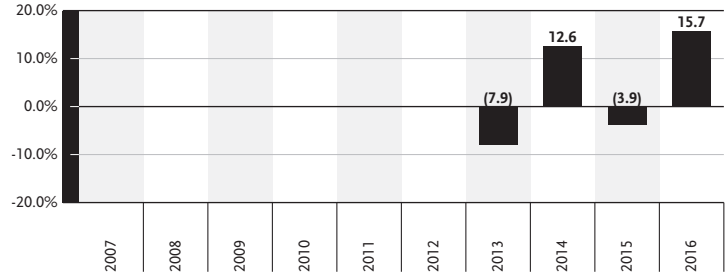
### Series F Units



### Series O Units

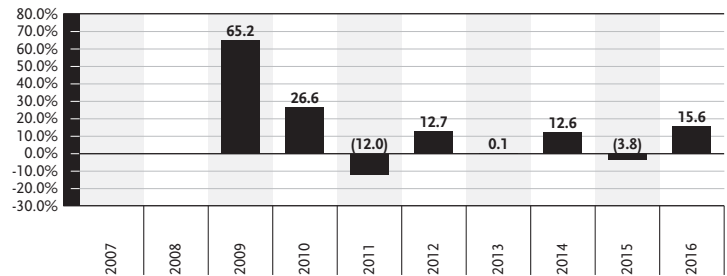


### Series Q Units



Performance for 2013 represents returns for the period from January 22, 2013 to September 30, 2013.

### Series S Units



Performance for 2009 represents returns for the period from January 26, 2009 to September 30, 2009.

### Annual Compound Returns

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

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	12.1	4.5	3.9	5.4	N/A
MSCI Emerging Markets Index	15.6	8.2	8.2	6.0	N/A
Series F Units	13.4	5.7	5.1	6.6	N/A
MSCI Emerging Markets Index	15.6	8.2	8.2	6.0	N/A
Series O Units	15.6	7.8	7.1	8.6	N/A
MSCI Emerging Markets Index	15.6	8.2	8.2	6.0	N/A
Series Q Units	15.7	7.8	N/A	N/A	4.0
MSCI Emerging Markets Index	15.6	8.2	N/A	N/A	5.9
Series S Units	15.6	7.8	7.1	N/A	13.2
MSCI Emerging Markets Index	15.6	8.2	8.2	N/A	11.7

\* 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.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of emerging markets.

For a discussion of the relative performance of the Fund as compared to the index, 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.

<b>Portfolio by Country</b>	<b>Percentage of Net Asset Value (%)</b>
China	18.0
India	12.7
South Korea	11.5
Taiwan	8.2
Mexico	7.5
Brazil	6.1
Thailand	6.1
Hong Kong	4.6
South Africa	4.3
Indonesia	3.7
Peru	2.6
Czech Republic	2.0
Turkey	2.0
Singapore	1.7
Canada	1.3
United Arab Emirates	1.2
Malaysia	1.2
Israel	1.2
Chile	1.1
Argentina	1.0
Jersey	0.8
Cash & Cash Equivalents	0.6

<b>Portfolio by Sector</b>	<b>Percentage of Net Asset Value (%)</b>
Financials	20.0
Information Technology	17.2
Consumer Discretionary	14.0
Health Care	9.2
Materials	8.7
Consumer Staples	8.6
Energy	8.3
Industrials	4.6
Telecommunication Services	3.8
Real Estate	2.4
Utilities	2.0
Cash & Cash Equivalents	0.6

<b>Portfolio by Asset Mix</b>	<b>Percentage of Net Asset Value (%)</b>
International Equity	97.5
Canadian Equity	1.3
Cash & Cash Equivalents	0.6

<b>Top Holdings</b>	<b>Percentage of Net Asset Value (%)</b>
Samsung Electronics Company Limited	4.4
Tencent Holdings Limited	4.0
Taiwan Semiconductor Manufacturing Company Limited	3.7
AIA Group Limited	3.1
UPL Limited	2.6
China Overseas Land & Investment Limited	2.3
Industrial & Commercial Bank of China Limited	2.3
Delta Electronics Inc.	2.1
Sinopharm Group Company Limited	2.1
Shinhan Financial Group Company Limited	2.1
Komercni Banka AS	2.0
CNOOC Limited	2.0
PT Bank Mandiri (Persero) Tbk	2.0
Fomento Economico Mexicano SAB de CV	2.0
Thai Oil Public Company Limited	1.9
ITC Limited	1.9
Hankook Tire Company Limited	1.8
Weichai Power Company Limited	1.8
Kasikornbank Public Company Limited	1.8
Grupo Financiero Banorte SAB de CV	1.7
Singapore Technologies Engineering Limited	1.7
PT Telekomunikasi Indonesia (Persero) Tbk	1.7
Bharat Forge Limited	1.7
Reliance Industries Limited	1.6
Genomma Lab Internacional SAB de CV	1.6
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 626,899</b>



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