

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AGF EAFE Equity 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 EAFE Equity Fund (the "Fund") is to provide long-term capital appreciation by investing primarily in equity securities of issuers in Europe, Australasia and the Far East. Highstreet Asset Management Inc. ("Highstreet"), as portfolio manager, seeks for companies in each of the small, medium and large capitalization ranges which typically may possess proven management and proprietary or strategic advantages, have above-average sales or earnings growth potential and favourable valuation levels with respect to these growth expectations. 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, concentration 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, small company risk and substantial securityholder risk. The Fund is suitable for growth-oriented investors investing for the longer term and who have a medium tolerance for risk.

Results of Operations

For the year ended September 30, 2016, the Mutual Fund Units of the Fund returned 0.7% (net of expenses) while the MSCI EAFE Net Index returned 5.0%. 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 EAFE Net Index primarily due to negative security selection in the materials and consumer discretionary sectors, while partially offset by strong security selection in the utilities and industrials sectors.

Within the materials sector, the Fund's holding in Amcor Limited contributed to performance as the company produced consistent operating results and made a series of favourable acquisitions. However, this was not sufficient to offset the weakness from nil holdings in Glencore PLC, which gained from the precious metal rally and stabilizing

oil prices following market turmoil at the beginning of calendar year 2016. Within the consumer discretionary sector, the Fund's holding in Taylor Wimpey PLC detracted from relative performance due to concerns around Brexit's impact on the industry. On the other hand, the Fund's holding in Japanese gaming company, BANDAI NAMCO Holdings Inc., contributed to performance on the back of the company's strong online and computer gaming segment.

Within the utilities sector, the Fund's holding in Osaka Gas Company Limited during the reporting period contributed to performance as the stock benefited from its relatively defensive and higher yield profile. Conversely, the Fund's nil position in CLP Holdings Limited detracted from relative performance. Within the industrials sector, the Fund's holding in bpost SA/NV, a Belgian postal company, contributed to performance during the reporting period as the stock benefited from improving volume trends and cost savings. On the contrary, the Fund's nil exposure to ITOCHU Corporation during the period detracted from performance as the security gained as a result of the company's sustainable earnings growth.

As of September 30, 2016, the Fund no longer had any holdings in Taylor Wimpey PLC and bpost SA/NV.

Certain series of the Fund, as applicable, make quarterly distributions at a rate determined by AGF Investments Inc. ("AGFI") from time to time. If the aggregate amount of the quarterly 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 \$2 million for the current period, as compared to net redemptions of approximately \$236 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$6 million in the Fund. 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 (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 investment portfolio and number of portfolio transactions. The decrease in unitholder servicing and administrative fees was due to a decrease in investor activity and variance between the

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.

accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

Recent Developments

The U.S. economic recovery has continued to lead the rest of the world during the past few years, driven in particular by strengthening consumers who have benefited from improving labor markets and low interest rates. This allowed the U.S. Federal Reserve to signal to investors in late calendar year 2015 that it believed its underlying economy was ready to generate growth without relying so heavily on non-conventional monetary policy, by increasing its interest rate for the first time in over nine years. So far in calendar year 2016, markets have been tested with several major 'stress' events that have effectively challenged the global economy's capacity to deliver a level of growth that would allow for a broad based sustainable expansion. Some of these events include depressed commodity prices, such as oil which briefly traded at USD \$26 dollars per barrel; concerns over China's growth; an unexpectedly weak U.S. jobs report in June 2016 and fallout from the UK's decision to leave the European Union. The global response towards these events from governments to central banks has been impressive. The portfolio manager believes they have clearly signaled to investors their commitment to support a continued global recovery and meet future challenges as they arise.

In the portfolio manager's opinion, the Fund continues to be well-positioned for the current environment. During the period under review, from a regional perspective, the Fund has increased its exposure to Europe while decreasing its exposure to Japan and emerging markets in Asia. From a sector perspective, the Fund has increased its exposure to the energy, telecommunication services, utilities and consumer staples sectors while decreasing its exposure to the information technology, financials and health care sectors.

Related Party Transactions

AGFI is the manager (the "Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. AGFI acts either as the investment (portfolio) manager itself or hires an external investment manager to manage the investment portfolio of the Fund. AGFI and Highstreet, wholly owned subsidiaries of AGF Management Limited, entered into an investment management agreement pursuant to which Highstreet is responsible for 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 \$606,000 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 \$10,000 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⁾	7.46	8.20	8.42	7.26	6.90
Increase (decrease) from operations:					
Total revenue	0.27	0.20	0.24	0.19	0.22
Total expenses	(0.28)	(0.27)	(0.31)	(0.21)	(0.21)
Realized gains (losses)	(1.14)	1.21	1.33	0.34	(0.38)
Unrealized gains (losses)	1.16	0.46	(0.86)	0.88	0.35
Total increase (decrease) from operations⁽²⁾	0.01	1.60	0.40	1.20	(0.02)
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.06)	(0.10)	(0.06)	(0.06)	(0.03)
From capital gains	–	(0.68)	(0.62)	–	–
Return of capital	–	(0.56)	–	–	–
Total annual distributions⁽³⁾	(0.06)	(1.34)	(0.68)	(0.06)	(0.03)
Net Assets, end of period⁽⁴⁾	7.45	7.46	8.20	8.41	7.26

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)	1,800	1,665	167,267	152,644	147,462
Number of units outstanding ('000's)	242	223	20,402	18,126	20,290
Management expense ratio ⁽⁵⁾	2.68%	2.69%	2.69%	2.70%	3.05%
Management expense ratio before waivers or absorptions ⁽⁶⁾	3.42%	2.97%	2.98%	3.01%	3.05%
Trading expense ratio ⁽⁷⁾	0.51%	0.59%	0.55%	0.37%	0.65%
Portfolio turnover rate ⁽⁸⁾	156.29%	142.20%	160.71%	98.64%	56.86%
Net Asset Value per unit	7.45	7.46	8.20	8.42	7.27

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⁾	7.75	8.54	8.69	7.39	6.93^{3*}
Increase (decrease) from operations:					
Total revenue	0.27	0.23	0.27	0.18	0.15
Total expenses	(0.08)	(0.08)	(0.08)	–	–
Realized gains (losses)	0.06	2.25	1.37	0.30	(0.23)
Unrealized gains (losses)	0.03	(1.21)	(0.97)	1.07	0.21
Total increase (decrease) from operations⁽²⁾	0.28	1.19	0.59	1.55	0.13
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.21)	(0.22)	(0.21)	(0.17)	(0.09)
From capital gains	–	(1.43)	(0.65)	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.21)	(1.65)	(0.86)	(0.17)	(0.09)
Net Assets, end of period⁽⁴⁾	7.80	7.75	8.54	8.67	7.39

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)	59,492	60,749	150,069	149,981	82,168
Number of units outstanding ('000's)	7,632	7,840	17,565	17,269	11,115
Management expense ratio ⁽⁵⁾	0.01%	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.38%	1.23%	1.19%	1.19%	1.22%~
Trading expense ratio ⁽⁷⁾	0.51%	0.59%	0.55%	0.37%	0.65%
Portfolio turnover rate ⁽⁸⁾	156.29%	142.20%	160.71%	98.64%	56.86%
Net Asset Value per unit	7.80	7.75	8.54	8.69	7.39

* 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 August 2007

Series S Units January 2012

c) In January 2012, the Fund recommenced the offering of Series S Units that are available to institutional investors. Series S Units previously commenced offering in August 2011 and were closed due to full redemption by unitholders in August 2011. The financial data of the Series S Units includes the results of operations from date of recommencement.

(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	2.00% ^(a)	52.00%	48.00%
Series S Units	1.00%	—	100.00%

(a) 2.50% 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.

The performance information for the year ended September 30, 2012 reflects performance of Acuity Investment Management Inc., formerly a wholly owned subsidiary of AGFI, for the period ended April 18, 2012 and that of Highstreet effective April 19, 2012.

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.

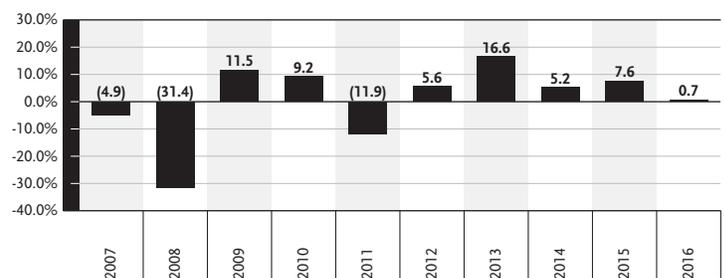
* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced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

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.

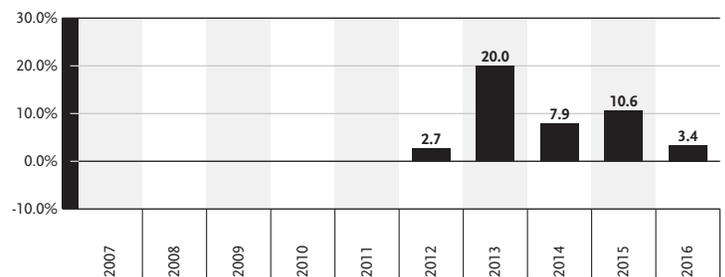
Annual performance prior to 2011 represents returns for the twelve month period ended December 31. Performance for 2011 represents returns for the period from January 1, 2011 to September 30, 2011. Annual performance for 2012 and thereafter represents returns for the twelve month period ended September 30.

Mutual Fund Units



Performance for 2007 represents returns for the period from August 27, 2007 to December 31, 2007.

Series S Units



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

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	0.7	4.5	7.0	N/A	(0.2)
MSCI EAFE Net Index	5.0	8.9	12.5	N/A	2.7
Series S Units	3.4	7.3	N/A	N/A	9.4
MSCI EAFE Net Index	5.0	8.9	N/A	N/A	11.4

The MSCI EAFE Net Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index net of dividends, that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

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.

Portfolio by Country	Percentage of Net Asset Value (%)
Japan	23.7
United Kingdom	16.0
Germany	12.3
Netherlands	8.2
Australia	8.0
Switzerland	6.9
France	6.7
Spain	2.6
Belgium	2.6
Denmark	2.5
China	2.1
Italy	1.9
Sweden	1.3
Hong Kong	1.3
Austria	1.0
Singapore	0.9
Norway	0.6
Finland	0.5
Cash & Cash Equivalents	0.4

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	15.6
Consumer Staples	13.8
Industrials	13.8
Health Care	10.4
Materials	9.6
Consumer Discretionary	9.4
Information Technology	7.0
Telecommunication Services	7.0
Energy	5.0
Utilities	4.8
ETFs – International Equity	2.1
Real Estate	0.6
Cash & Cash Equivalents	0.4

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
International Equity	99.1
Cash & Cash Equivalents	0.4

Top Holdings	Percentage of Net Asset Value (%)
Nippon Telegraph and Telephone Corporation	2.2
Unilever NV	1.9
Roche Holding AG	1.9
Anheuser-Busch InBev SA/NV	1.9
BT Group PLC	1.9
BASF SE	1.8
Deutsche Telekom AG	1.7
Industria de Diseno Textil SA	1.6
Imperial Brands PLC	1.5
Tencent Holdings Limited	1.5
Royal Dutch Shell PLC	1.5
Reckitt Benckiser Group PLC	1.5
Woodside Petroleum Limited	1.4
Intrum Justitia AB	1.3
Actelion Limited	1.3
HKT Trust and HKT Limited	1.3
Safran SA	1.2
Thales SA	1.2
Allianz SE	1.2
The Weir Group PLC	1.2
Murata Manufacturing Company Limited	1.2
Otsuka Holdings Company Limited	1.2
Koninklijke Ahold Delhaize NV	1.2
Brenntag AG	1.2
Randstad Holding NV	1.2
Total Net Asset Value (thousands of dollars)	\$ 61,292



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For more information contact your investment advisor or:

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