

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Precious Metals Fund

MARCH 31, 2017



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.

Results of Operations

For the six months ended March 31, 2017, the Mutual Fund Units of AGF Precious Metals Fund (the "Fund") returned -15.7% (net of expenses) while the S&P/TSX Composite Index ("S&P/TSX Index") and the S&P/TSX Global Gold Index returned 7.1% and -12.2%, respectively. 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 its larger exposure to the materials sector relative to the benchmark, specifically to the gold and precious metals sectors. The Fund under-performed the S&P/TSX Global Gold Index due to its exposure to the diversified metals & mining and copper sub-sectors. The Fund's cash position also acted as a drag on performance.

The gold price came under pressure following the U.S. election in November 2016, driven by expectations that the new U.S. administration would bring higher fiscal spending and support longer-term secular growth. U.S. treasury yields moved higher, underpinned by higher inflationary expectations and the U.S. dollar strengthened, in turn weighing on the bullion price. However, safe haven buying and rising inflation helped trim earlier losses as the gold price rallied at the start of 2017 on the back of the UK Prime Minister Theresa May's comments where she defined the broad objectives of the UK's withdrawal from the European Union with plans to complete a final deal by March 2019. Investors' interest in gold also strengthened as the U.S. dollar showed weakness on the back of new U.S. administration's travel ban and failure to obtain approval of a new health care bill. U.S. economic data released during the reporting period, though mostly encouraging, trimmed the precious metal's gains.

The Fund had net redemptions of approximately \$13 million for the current period, as compared to net redemptions of approximately \$8 million in the prior period. The portfolio manager does not believe that redemption activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) 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. Custodian fees increased due to an increase in market value of investment portfolio. On the contrary, unitholder servicing and administrative fees decreased due to non-recurring expenses incurred in the previous period. Annual and interim reports decreased due to a decrease in investor activity and interest expense decreased due to a decrease in overdraft positions throughout the period. The increase in audit fees and decrease in legal and registration fees were 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

The portfolio manager remains constructive on precious metals equities given a number of supportive factors at play. Inflation has been on the rise which bodes well for gold performance in a period of still very low nominal interest rates. The portfolio manager continues to believe that the U.S. Federal Reserve and central banks from major developed markets will welcome an environment in which inflation is running ahead of nominal rates in order to avoid stifling economic momentum. Gold sector has not priced in this scenario and presents an opportunity.

Geopolitical uncertainty also remains given upcoming elections in a number of European countries including Germany and France, which could drive volatility and increase safe haven demand for gold. Military tensions are also rising in Asia and the Middle East. This along with uncertainty on the impact of U.S. fiscal and trade policies could lead to equity and currency market volatility. Additional risks in the short-term include continued weakness in physical demand and/or any gold import bans from India and China. A further waning of investment demand could also pressure the metal.

The portfolio manager expects gold companies to remain focused on containing their costs, which should help sustain cash flows particularly in the current gold environment. Also, as producers are finding it difficult to replace reserves, mergers and acquisitions could continue to play a more prominent role in the sector over the near term. In this environment, the portfolio manager continues to look for companies that have quality assets, strong management teams and that are trading at attractive valuations. The portfolio manager remains focused on disciplined stock selection and diversification to ensure the Fund has exposure to current and future profitable gold production.

Related Party Transactions

AGF Investments Inc. ("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. AGFI also acts as the investment (portfolio) manager, managing the investment portfolio of the Fund. Under the management agreement, the Fund (except for Series I, Series O, Series Q and Series W Units, if applicable) pays management fees, calculated based on the Net Asset

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or 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.

Value of the respective series of the Fund. Management fees of approximately \$1,969,000 were incurred by the Fund during the six month period ended March 31, 2017.

AGF CustomerFirst Inc. ("AGFC") provides transfer agency services to the Fund pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$244,000 were incurred by the Fund during the six month period ended March 31, 2017.

AGFI and AGFC are indirect wholly-owned subsidiaries of AGF Management Limited.

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.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

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 six months ended March 31, 2017 and 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	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	28.50	14.64	18.96	18.81	33.10	37.10
Increase (decrease) from operations:						
Total revenue	0.07	0.14	0.11	0.13	0.18	0.21
Total expenses	(0.39)	(0.67)	(0.55)	(0.59)	(0.68)	(0.90)
Realized gains (losses)	1.35	1.03	(4.19)	(1.89)	(3.32)	2.42
Unrealized gains (losses)	(5.67)	13.43	0.36	2.59	(11.03)	(5.58)
Total increase (decrease) from operations⁽²⁾	(4.64)	13.93	(4.27)	0.24	(14.85)	(3.85)
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	(0.35)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–	(0.35)
Net Assets, end of period⁽⁴⁾	24.03	28.50	14.64	18.96	18.66	33.10

Mutual Fund Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	162,085	208,348	123,391	193,789	230,367	502,670
Number of units outstanding (000's)	6,745	7,309	8,431	10,219	12,247	15,128
Management expense ratio ⁽⁵⁾	2.80%~	2.80%	2.80%	2.80%	2.76%	2.68%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.83%~	2.89%	2.91%	2.85%	2.80%	2.68%
Trading expense ratio ⁽⁷⁾	0.34%~	0.33%	0.35%	0.21%	0.20%	0.16%
Portfolio turnover rate ⁽⁸⁾	19.56%	55.96%	55.72%	32.24%	23.90%	21.88%
Net Asset Value per unit	24.03	28.50	14.64	18.96	18.81	33.23

~ annualized

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

Series F Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period ⁽¹⁾	32.19	16.35	20.95	20.55	35.76	40.32
Increase (decrease) from operations:						
Total revenue	0.08	0.19	0.12	0.14	0.19	0.22
Total expenses	(0.28)	(0.51)	(0.39)	(0.42)	(0.45)	(0.59)
Realized gains (losses)	1.49	1.48	(4.66)	(1.99)	(3.50)	2.65
Unrealized gains (losses)	(6.15)	14.47	0.37	2.49	(12.75)	(6.04)
Total increase (decrease) from operations⁽²⁾	(4.86)	15.63	(4.56)	0.22	(16.51)	(3.76)
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	(1.00)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–	(1.00)
Net Assets, end of period⁽⁴⁾	27.29	32.19	16.35	20.95	20.39	35.76

Series F Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	7,547	8,138	3,062	5,410	5,767	14,410
Number of units outstanding (000's)	277	253	187	258	281	401
Management expense ratio ⁽⁵⁾	1.70%~	1.71%	1.70%	1.69%	1.66%	1.61%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.70%~	1.71%	1.83%	1.73%	1.71%	1.61%
Trading expense ratio ⁽⁷⁾	0.34%~	0.33%	0.35%	0.21%	0.20%	0.16%
Portfolio turnover rate ⁽⁸⁾	19.56%	55.96%	55.72%	32.24%	23.90%	21.88%
Net Asset Value per unit	27.29	32.19	16.35	20.95	20.55	35.90

Series I Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period ⁽¹⁾	10.00 [*]	–	–	–	–	–
Increase (decrease) from operations:						
Total revenue	–	–	–	–	–	–
Total expenses	(0.01)	–	–	–	–	–
Realized gains (losses)	0.38	–	–	–	–	–
Unrealized gains (losses)	(1.34)	–	–	–	–	–
Total increase (decrease) from operations⁽²⁾	(0.97)	–	–	–	–	–
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–	–
Net Assets, end of period⁽⁴⁾	8.89	–	–	–	–	–

Series I Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	1	–	–	–	–	–
Number of units outstanding (000's)	1	–	–	–	–	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	59891.45%~	–	–	–	–	–
Trading expense ratio ⁽⁷⁾	0.34%~	–	–	–	–	–
Portfolio turnover rate ⁽⁸⁾	19.56%	–	–	–	–	–
Net Asset Value per unit	8.89	–	–	–	–	–

* represents initial Net Assets
~ annualized

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

Series W Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period ⁽¹⁾	10.00 [*]	–	–	–	–	–
Increase (decrease) from operations:						
Total revenue	0.04	–	–	–	–	–
Total expenses	(0.02)	–	–	–	–	–
Realized gains (losses)	0.25	–	–	–	–	–
Unrealized gains (losses)	(1.80)	–	–	–	–	–
Total increase (decrease) from operations⁽²⁾	(1.53)	–	–	–	–	–
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–	–
Net Assets, end of period⁽⁴⁾	9.63	–	–	–	–	–

Series W Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	179	–	–	–	–	–
Number of units outstanding (000's)	19	–	–	–	–	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	6.05%~	–	–	–	–	–
Trading expense ratio ⁽⁷⁾	0.34%~	–	–	–	–	–
Portfolio turnover rate ⁽⁸⁾	19.56%	–	–	–	–	–
Net Asset Value per unit	9.63	–	–	–	–	–

Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements and unaudited interim 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.

Total Net Asset Value and number of units outstanding presented as at September 30, 2015 may have been adjusted to include certain transactions, if applicable, for the purpose of comparability with subsequent reporting periods. 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	September 1993
Series F Units	July 2001
Series I Units	October 2016
Series W Units	October 2016

(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 exchange traded funds ("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 I, Series O, Series Q and Series W Units, if applicable, are arranged directly between the Manager and investors and are not expenses of the Fund. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to AGFI's role as manager.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	2.25%	42.05%	57.95%
Series F Units	1.25%	–	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.

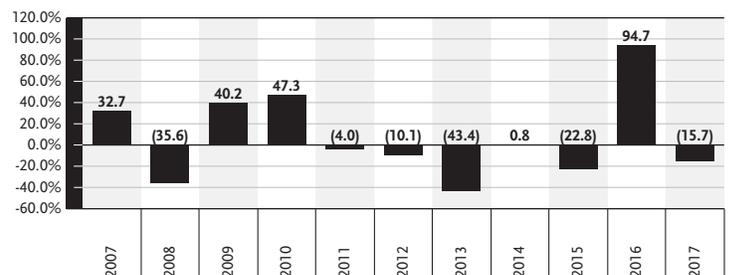
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. Series I and Series W Units commenced operations in October 2016.

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

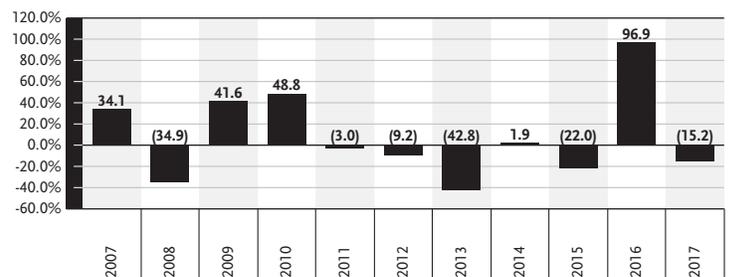
Year-By-Year Returns

The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2016 (interim performance for the six months ended March 31, 2017) 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



* The indicated rates of return shown here are the historical 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.

Summary of Investment Portfolio

As at March 31, 2017

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 June 30, 2017.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	82.0
Australia	7.1
United States	3.6
Jersey	2.1
Peru	2.0
United Kingdom	1.7
Cash & Cash Equivalents	0.9
South Africa	0.6

Portfolio by Sector	Percentage of Net Asset Value (%)
Metals & Mining	93.1
Bullion	4.4
Chemicals	0.9
Cash & Cash Equivalents	0.9
Energy Equipment & Services	0.7

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	77.6
International Equity	13.5
Bullion	4.4
United States Equity	3.6
Cash & Cash Equivalents	0.9

Top Holdings	Percentage of Net Asset Value (%)
Gold Bullion	4.4
Agnico Eagle Mines Limited	3.8
Detour Gold Corporation	3.0
Silver Wheaton Corporation	3.0
Tahoe Resources Inc.	2.8
OceanaGold Corporation	2.8
Asanko Gold Inc.	2.7
Belo Sun Mining Corporation	2.6
Endeavour Mining Corporation	2.5
Alamos Gold Inc.	2.5
Roxgold Inc.	2.5
Silver Standard Resources Inc.	2.4
SilverCrest Metals Inc.	2.1
Randgold Resources Limited	2.1
MAG Silver Corporation	2.1
TMAC Resources Inc.	2.0
Hochschild Mining PLC	2.0
Fortuna Silver Mines Inc.	1.9
B2Gold Corporation	1.9
Torex Gold Resources Inc.	1.8
Newmont Mining Corporation	1.8
Osisko Gold Royalties Limited	1.8
Evolution Mining Limited	1.6
Guyana Goldfields Inc.	1.6
Franco-Nevada Corporation	1.5
Total Net Asset Value (thousands of dollars)	\$ 169,812



For more information contact your investment advisor or:

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