

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Emerging Markets Balanced 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 Emerging Markets Balanced Fund (the "Fund") returned 2.8% (net of expenses) while the MSCI Emerging Markets Index, the J.P. Morgan GBIEM Global Diversified Index and the Blended Benchmark returned 8.5%, 1.4% and 5.2%, respectively. The Blended Benchmark is composed of 50% MSCI Emerging Markets Index/20% J.P. Morgan GBIEM Global Diversified Index/17.5% J.P. Morgan CEMBI Broad Diversified Index/12.5% J.P. Morgan EMBI Global Index. The performance of the other series of the Fund is substantially similar to that of the Mutual Fund Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

The Fund currently invests in Series S Units of AGF Emerging Markets Bond Fund and AGF Emerging Markets Fund (the "Underlying Funds"), managed by AGF Investments Inc. ("AGFI"). The following represents the portfolio management team's view of the significant developments affecting the Underlying Funds' performance.

The Fund under-performed the MSCI Emerging Markets Index due primarily to the inclusion of fixed income securities via AGF Emerging Markets Bond Fund, as fixed income under-performed equities during the period under review. On the other hand, the Fund out-performed the J.P. Morgan GBIEM Global Diversified Index due to the inclusion of equities via AGF Emerging Markets Fund.

The Fund under-performed the Blended Benchmark due to country and sector allocation in the equity portion as well as category allocation in the fixed income portion of the portfolio. Within the equity portion, exposure to Israel and China/Hong Kong detracted from performance, while nil exposure to the Philippines and active exposure to South Africa contributed. From a sector perspective, exposure to the health care sector was the most significant detractor from performance, although this was partially offset by active exposure to the materials and telecommunication services sectors. Within the fixed income portion, an underweight allocation to the out-performing emerging markets corporate bonds and an overweight allocation to emerging markets local and external bonds detracted from relative performance. In addition, the Fund's average allocation of 6.0% to cash and cash equivalents also detracted, as emerging markets fixed income and equities out-performed during the reporting period.

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.

The Fund had net redemptions of approximately \$4 million for the current period, as compared to net redemptions of approximately \$6 million for 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. 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. 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 custodian fees decreased due to renegotiated fee terms with third party service provider during the current period. 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 remains constructive on emerging market equities as profitability is trending upward for the first time since 2000 on the back of falling unit labour costs, which is a key driver of margins. Furthermore, equities are attractively valued, particularly given the recent sell-off, which coupled with improving profitability bodes well for future performance. The portfolio manager anticipates the gap in gross domestic product ("GDP") growth between emerging and developed market countries to widen in favour of emerging markets and expects this to support relative earnings momentum. Additionally, while the political landscape in developed markets has been dominated by the risk of populism, politics in emerging markets has been moving toward de-regulation and structural reforms that should drive higher growth rates and in turn support earnings growth. India, Mexico, Indonesia and more recently Brazil are examples of countries that have proposed and/or implemented a number of reforms, which the portfolio manager believes should benefit their economies and financial markets over the long-term. Finally, with lower debt-to-GDP levels relative to developed markets, and relatively high real interest rates, emerging markets have room to ease policy to bolster their economies.

In the near term, the portfolio manager expects bond yields will likely remain range-bound should economic data remain healthy and geopolitical risk remain stable. Although yields are likely to move higher if global growth and inflation prospects become more favourable later in 2017, they are unlikely to move substantially higher as the portfolio manager believes that significantly higher rates would likely start crimping economic activity.

Some of the risks the portfolio manager continues to monitor include persistent appreciation of the U.S. dollar as a result of investor's perception of tightening conditions in the U.S. Within the Underlying Funds, the portfolio manager maintains underweight to neutral positions to countries with high external funding requirements (i.e. high current account deficit, high short-term debt and low foreign exchange reserves), such as South Africa and Turkey, as these countries tend to be most vulnerable to a strong U.S. dollar. President Trump's protectionist stance also creates additional uncertainty for emerging markets equities until at least there is further clarity on the extent to which he will implement proposed trade policies. The portfolio manager also continues to monitor the risk of a significant devaluation of the Chinese Yuan, although the portfolio manager believes this risk has receded given the Chinese Yuan has already depreciated in recent months. China also maintains a high export market share globally and a large Chinese Yuan devaluation could invite protectionist retaliation.

The portfolio manager believes that to capture attractive opportunities and 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 Underlying Funds to benefit from exposure to the long-term secular trend of emerging market domestic demand from both consumers and enterprises. 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. As the environment of an artificially low cost of capital is coming to end, the portfolio manager expects companies with a high cash flow return on investment to fare well and act opportunistically to take market share in an uncertain environment.

Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. 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 \$363,000 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 \$55,000 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⁾	10.62	10.10	10.14	9.34	9.80	9.08
Increase (decrease) from operations:						
Total revenue	0.38	0.46	0.33	0.35	0.51	0.36
Total expenses	(0.15)	(0.30)	(0.31)	(0.28)	(0.28)	(0.27)
Realized gains (losses)	0.14	0.14	0.23	0.00	(0.01)	0.00
Unrealized gains (losses)	(0.13)	0.46	(0.21)	0.80	(0.50)	0.65
Total increase (decrease) from operations⁽²⁾	0.24	0.76	0.04	0.87	(0.28)	0.74
Distributions:						
From income (excluding dividends)	(0.07)	–	–	(0.02)	(0.16)	(0.07)
From dividends	–	–	–	(0.01)	(0.14)	(0.04)
From capital gains	(0.13)	(0.31)	–	(0.02)	–	(0.00)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	(0.20)	(0.31)	–	(0.05)	(0.30)	(0.11)
Net Assets, end of period⁽⁴⁾	10.70	10.62	10.10	10.14	9.34	9.80

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)	29,218	33,333	42,288	54,674	75,812	72,215
Number of units outstanding (000's)	2,731	3,138	4,186	5,394	8,118	7,366
Management expense ratio ⁽⁵⁾	2.94%~	2.95%	2.93%	2.91%	2.84%	2.77%
Management expense ratio before waivers or absorptions ⁽⁶⁾	3.07%~	3.10%	2.94%	2.91%	2.84%	2.78%
Trading expense ratio ⁽⁷⁾	0.09%~	0.07%	0.08%	0.07%	0.07%	0.03%
Portfolio turnover rate ⁽⁸⁾	9.29%	17.32%	0.58%	0.31%	12.88%	8.86%
Net Asset Value per unit	10.70	10.62	10.10	10.14	9.34	9.80

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⁾	10.92	10.43	10.34	9.52	9.91	9.16
Increase (decrease) from operations:						
Total revenue	0.38	0.47	0.34	0.35	0.52	0.37
Total expenses	(0.09)	(0.19)	(0.19)	(0.18)	(0.17)	(0.16)
Realized gains (losses)	0.14	0.14	0.25	0.01	(0.01)	0.01
Unrealized gains (losses)	(0.12)	0.53	(0.39)	0.81	(0.43)	0.61
Total increase (decrease) from operations⁽²⁾	0.31	0.95	0.01	0.99	(0.09)	0.83
Distributions:						
From income (excluding dividends)	(0.24)	–	–	(0.10)	(0.17)	(0.11)
From dividends	–	–	–	(0.03)	(0.16)	(0.07)
From capital gains	(0.13)	(0.49)	–	(0.02)	–	(0.00)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	(0.37)	(0.49)	–	(0.15)	(0.33)	(0.18)
Net Assets, end of period⁽⁴⁾	10.89	10.92	10.43	10.34	9.52	9.91

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)	3,198	3,148	3,071	2,709	3,353	4,592
Number of units outstanding (000's)	294	288	294	262	352	463
Management expense ratio ⁽⁵⁾	1.79%~	1.80%	1.80%	1.79%	1.74%	1.70%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.10%~	1.88%	1.90%	1.91%	1.74%	1.71%
Trading expense ratio ⁽⁷⁾	0.09%~	0.07%	0.08%	0.07%	0.07%	0.03%
Portfolio turnover rate ⁽⁸⁾	9.29%	17.32%	0.58%	0.31%	12.88%	8.86%
Net Asset Value per unit	10.89	10.92	10.43	10.34	9.52	9.91

~ 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 and unaudited interim financial statements. Prior to October 1, 2014, the net assets per unit presented in the financial statements ("Net Assets") was calculated using different valuation techniques for certain investments as required under Canadian GAAP. This had no impact on the Net Assets per unit since the series net asset value per unit calculated for fund pricing purposes ("Net Asset Value") of the Underlying Funds held was the most readily and regularly available price as no bid prices were available. This remains unchanged with the adoption of IFRS effective October 1, 2014.

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	November 2010
Series F Units	November 2010

(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 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) allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

As a result of the Fund's investment in Underlying Funds, the MER is calculated based on the expenses of the Fund allocated to that series, including expenses indirectly incurred by the Fund attributable to its investment in the Underlying Funds, divided by the average daily Net Asset Value of the series of the Fund during the period.

The Fund does not pay duplicate management and advisory fees, as applicable, on the portion of the assets that it invests in the Underlying Funds. Accordingly, AGFI will waive the management and advisory fees payable or paid by the Underlying Funds in order to avoid such duplication.

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

(7) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily Net Asset Value during the period.

As a result of the Fund's investment in the Underlying Funds, the TER is calculated based on commissions and other portfolio transaction costs of the Fund, including such costs that are indirectly incurred by the Fund attributable to its investment in each of the Underlying Funds, divided by the average daily Net Asset Value of the Fund 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	2.25%	37.81%	62.19%
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.

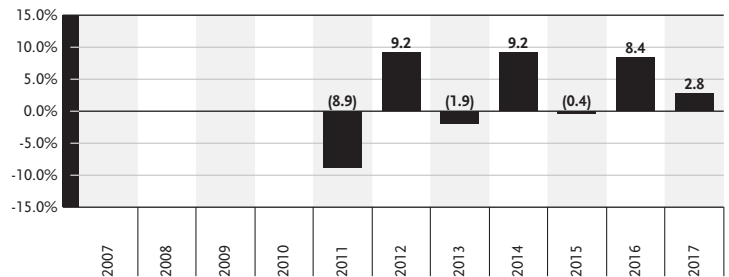
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

Year-By-Year Returns

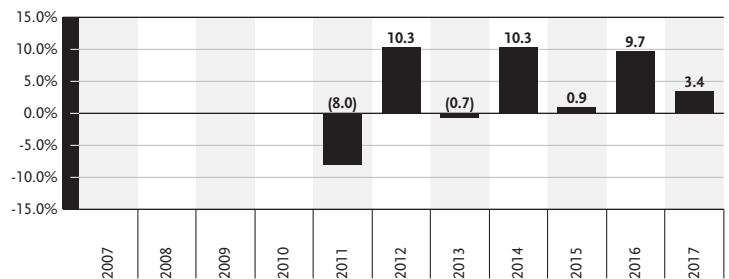
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2016 (interim performance for the six months ended March 31, 2017) as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how 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



Performance for 2011 represents returns for the period from November 29, 2010 to September 30, 2011.

Series F Units



Performance for 2011 represents returns for the period from November 29, 2010 to September 30, 2011.

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.

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

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	50.4
Fixed Income Funds	44.9
Cash & Cash Equivalents	5.0

* 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.

AGF Emerging Markets Balanced Fund

MARCH 31, 2017

Top Holdings	Percentage of Net Asset Value (%)
AGF Emerging Markets Fund	50.4
AGF Emerging Markets Bond Fund	44.9
Total Net Asset Value (thousands of dollars)	\$ 32,416



For more information contact your investment advisor or:

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