

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

AGF U.S. Small-Mid Cap 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 U.S. Small-Mid Cap Fund (the "Fund") returned 17.8% (net of expenses) while the S&P MidCap 400 Index returned 13.2%. 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 out-performed the S&P MidCap 400 Index due to strong security selection and positive sector allocation. The Fund's security selection in the financials, consumer discretionary and materials sectors were the biggest contributors to relative performance. The Fund's average underweight allocations to real estate (0.7% versus 10.6%), energy (2.6% versus 3.8%) and consumer staples (0.4% versus 4.3%) also contributed to performance. These factors more than outweighed the negative security selection in information technology and industrials.

In terms of individual holdings, the Fund's the top contributors were Primerica Inc., Shopify Inc. and Universal Display Corporation, while the top detractors were 8x8 Inc., Tyler Technologies Inc. (no longer held by the Fund as of March 31, 2017) and WisdomTree Investments Inc.

The Fund had net redemptions of approximately \$14 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. The decrease in management fees accounted for most of the decrease in expenses during the period as compared to the previous period due mainly to a decrease in average Net Asset Values. Annual and interim reports decreased due to a decrease in investor activity. The increase in audit fees 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

Global equity markets rallied strongly throughout the reporting period. During the last calendar quarter of 2016, global equities made new highs

following the U.S. election in November 2016. As was the case with the UK's decision to leave the European Union in June 2016, a wave of populism resulted in an election surprise for investors, with Republican candidate Donald Trump winning the U.S. Presidency. After some initial signs of turmoil during election night, equity markets rebounded with conviction as markets welcomed new U.S. administration's plans for tax reform and fiscal stimulus. The surprise U.S. election result also triggered substantial shifts in allocations, as bond yields moved higher in quick fashion as investors contemplated the prospect of higher inflation resulting from the expected fiscal stimulus. Financials (which benefit from higher rates), oil and gas and defense stocks were generally among the winners, while renewable energy and interest rate sensitive stocks were among the losers.

During the first calendar quarter of 2017, global equities continued to move higher, continuing the rally that followed the U.S. election results. However, leadership in the market shifted, as the reflation trade that followed the election of the new U.S. President waned, with financials and cyclical leadership giving way to secular growth sectors. As such, portfolios with growth investment styles performed relatively better than in late 2016 when growth severely under-performed value.

From a macroeconomic perspective, economic data remained supportive and in some cases, saw acceleration. In the U.S., non-farm payrolls exceeded market expectations for the first two months of calendar year 2017, averaging 231,000 gains per month which was well above consensus and the pace in 2016. Meanwhile, the purchasing managers' index ("PMI") continued to accelerate well into expansion territory, hitting a high of 57.7 in February 2017 before settling at 57.2 in March 2017. Similarly the services sector remained robust, with the non-manufacturing PMI at 55.2 in March 2017, signalling strong expansion conditions. The PMI measures the economic health of the manufacturing sector and is compiled based on new orders, inventory levels, production, supplier deliveries and employment environment. An index reading above 50 indicates an overall increase in the sector and below 50 indicates an overall decrease. In response to the strong macroeconomic data, the U.S. Federal Reserve raised the federal funds rate in March 2017, while telegraphing more rate hikes to come in 2017.

Overall the portfolio manager's outlook remains bullish, but with caution as building of near term risks may result in short-term volatility. Given the sizable rally experienced during the reporting period, a correction will inevitably emerge at some point and may be triggered by factors such as additional rate hikes, delay of implementation of legislative initiatives, policy mishaps including trade protectionism, European election results or simply the end of the most seasonally favourable time for equities. However, the portfolio manager anticipates to stay long the market and use corrections as buying opportunities, as there remains more scope for continued economic expansion and an extended bull market rally. The

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.

portfolio manager believes much of the current expansion was spent recovering lost ground during one of the worst recessions in history in 2008, and that this cycle's sub-par growth has meant that an environment with investor exuberance and systemic imbalances that have historically signalled the end of a cycle has not yet arrived.

Investor sentiment for U.S. equities remains fairly tempered, with a combined USD \$70 billion in redemptions from U.S. domestic equity mutual funds and exchange traded funds in 2016. This condition is not consistent with market peaks, which generally occur amidst investor euphoria. Thus, the portfolio manager views the current environment of high levels of investor skepticism and a lack of retail participation in the market as a sign that the current cycle has yet to run its course.

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 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 \$1,700,000 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 \$257,000 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⁾	33.82	35.23	27.07	27.89	21.60	19.32
Increase (decrease) from operations:						
Total revenue	0.09	0.17	0.11	0.14	0.11	0.11
Total expenses	(0.51)	(0.96)	(0.89)	(0.79)	(0.63)	(0.55)
Realized gains (losses)	1.10	2.50	8.66	2.85	2.88	2.04
Unrealized gains (losses)	5.32	(3.18)	0.50	(2.88)	3.66	0.69
Total increase (decrease) from operations⁽²⁾	6.00	(1.47)	8.38	(0.68)	6.02	2.29
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–	–
Net Assets, end of period⁽⁴⁾	39.85	33.82	35.23	27.07	27.89	21.60

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

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)	173,990	160,013	187,811	167,732	197,837	186,128
Number of units outstanding (000's)	4,367	4,731	5,332	6,197	7,093	8,614
Management expense ratio ⁽⁵⁾	2.58%~	2.62%	2.57%	2.61%	2.68%	2.66%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.58%~	2.62%	2.57%	2.61%	2.68%	2.66%
Trading expense ratio ⁽⁷⁾	0.17%~	0.12%	0.13%	0.10%	0.23%	0.35%
Portfolio turnover rate ⁽⁸⁾	48.17%	58.77%	73.06%	41.61%	124.06%	215.19%
Net Asset Value per unit	39.85	33.82	35.23	27.07	27.89	21.61

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⁾	40.42	41.55	31.46	32.06	24.55	21.73
Increase (decrease) from operations:						
Total revenue	0.10	0.49	0.13	0.15	0.13	0.13
Total expenses	(0.35)	(0.70)	(0.60)	(0.52)	(0.41)	(0.36)
Realized gains (losses)	1.39	2.61	10.14	3.18	3.32	2.28
Unrealized gains (losses)	6.27	(3.45)	(1.12)	(3.84)	4.08	0.78
Total increase (decrease) from operations ⁽²⁾	7.41	(1.05)	8.55	(1.03)	7.12	2.83
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions ⁽³⁾	–	–	–	–	–	–
Net Assets, end of period ⁽⁴⁾	47.93	40.42	41.55	31.46	32.06	24.55

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)	8,960	8,015	6,434	3,938	3,861	3,709
Number of units outstanding (000's)	187	198	155	125	120	151
Management expense ratio ⁽⁵⁾	1.36%~	1.30%	1.39%	1.45%	1.54%	1.55%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.36%~	1.30%	1.39%	1.45%	1.54%	1.55%
Trading expense ratio ⁽⁷⁾	0.17%~	0.12%	0.13%	0.10%	0.23%	0.35%
Portfolio turnover rate ⁽⁸⁾	48.17%	58.77%	73.06%	41.61%	124.06%	215.19%
Net Asset Value per unit	47.93	40.42	41.55	31.46	32.06	24.56

Series Q 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⁾	12.73	12.92	9.66	10.00*	–	–
Increase (decrease) from operations:						
Total revenue	0.03	0.07	0.00	0.01	–	–
Total expenses	(0.02)	(0.02)	(0.02)	(0.00)	–	–
Realized gains (losses)	0.46	1.08	1.17	0.32	–	–
Unrealized gains (losses)	2.01	(1.72)	(21.13)	(0.67)	–	–
Total increase (decrease) from operations ⁽²⁾	2.48	(0.59)	(19.98)	(0.34)	–	–
Distributions:						
From income (excluding dividends)	–	–	–	–	–	–
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions ⁽³⁾	–	–	–	–	–	–
Net Assets, end of period ⁽⁴⁾	15.19	12.73	12.92	9.66	–	–

* represents initial Net Assets
~ annualized

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

Series Q 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)	1,079	636	227	1	–	–
Number of units outstanding (000's)	71	50	18	1	–	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.74%~	0.00%	267.08%	63756.13%~	–	–
Trading expense ratio ⁽⁷⁾	0.17%~	0.12%	0.13%	0.10%	–	–
Portfolio turnover rate ⁽⁸⁾	48.17%	58.77%	73.06%	41.61%	–	–
Net Asset Value per unit	15.19	12.73	12.92	9.66	–	–

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	June 1993
Series F Units	April 2000
Series Q Units	April 2014

(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 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%	43.28%	56.72%
Series F 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.

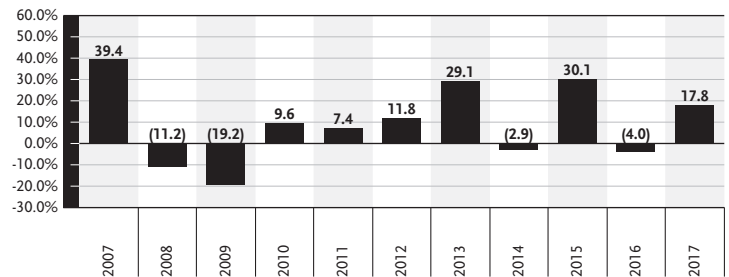
* The indicated rates of return shown here are the historical returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced returns or performance.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

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

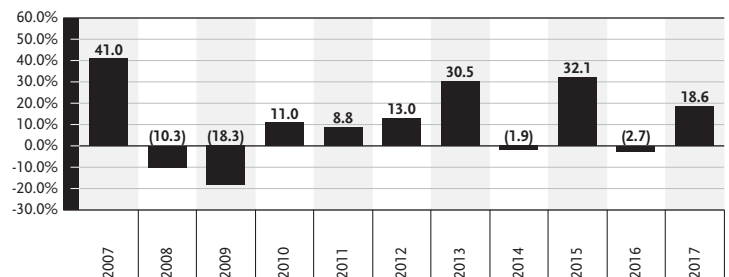
Year-By-Year Returns

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.

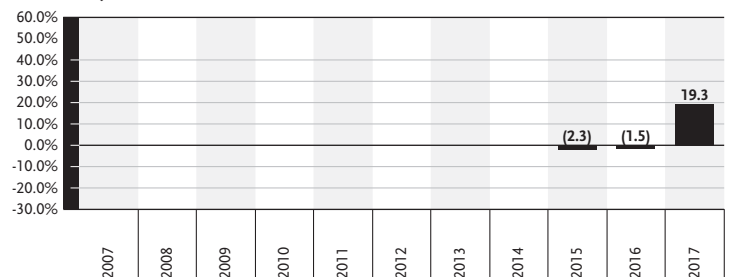
Mutual Fund Units



Series F Units



Series Q Units



Performance for 2015 represents returns for the period from September 18, 2015 to September 30, 2015.

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.

AGF U.S. Small-Mid Cap Fund

MARCH 31, 2017

Portfolio by Country	Percentage of Net Asset Value (%)
United States	86.1
Canada	6.2
Cash & Cash Equivalents	4.2
Netherlands	3.9

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	28.0
Information Technology	23.4
Industrials	11.8
Consumer Discretionary	9.6
Materials	9.3
Health Care	9.1
Cash & Cash Equivalents	4.2
Energy	2.6
Real Estate	2.4

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Equity	86.1
Canadian Equity	6.2
Cash & Cash Equivalents	4.2
International Equity	3.9

Top Holdings	Percentage of Net Asset Value (%)
Shopify Inc.	6.2
8x8 Inc.	5.4
Primerica Inc.	4.9
Raymond James Financial Inc.	4.9
US Concrete Inc.	4.7
Louisiana-Pacific Corporation	4.7
Pool Corporation	4.6
MarketAxess Holdings Inc.	4.3
Evercore Partners Inc.	4.2
InterXion Holding NV	3.9
HealthEquity Inc.	3.8
Panera Bread Company	3.8
Universal Display Corporation	3.7
WisdomTree Investments Inc.	3.6
Nevro Corporation	3.4
E*TRADE Financial Corporation	3.3
HEICO Corporation	3.2
Gibraltar Industries Inc.	3.0
2U Inc.	2.9
Beacon Roofing Supply Inc.	2.8
Bofl Holding Inc.	2.8
Air Lease Corporation	2.8
Diamondback Energy Inc.	2.6
Invitation Homes Inc.	2.4
Glaukos Corporation	1.9
Total Net Asset Value (thousands of dollars)	\$ 184,029



For more information contact your investment advisor or:

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