

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Harmony U.S. Equity Pool

SEPTEMBER 30, 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 pool's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of Harmony U.S. Equity Pool (the "Pool") is to provide long-term capital growth through active stock selection by investing primarily in marketable equity securities of U.S. companies listed on U.S. stock exchanges or traded in U.S. over-the-counter markets. The Pool may also invest in securities of another mutual fund, including other mutual funds managed by AGF Investments Inc. ("AGFI") or its affiliates. In periods of unusual market conditions, a portion of the Pool's assets may be held in cash or money market instruments. The Pool is managed by three portfolio managers with complementary investment styles.

AGFI uses a bottom-up growth investment style. In bottom-up investing, the portfolio manager focuses attention on a specific company rather than on the industry in which that company operates or on the economy as a whole. AGFI looks for companies that have above-average earnings and/or revenue growth, display key growth characteristics relative to their own history, industry or overall market, and can sustain their competitive position. AGFI also uses a tactical managed volatility approach to make opportunistic shifts based on a number of quantitative and qualitative signals. This approach attempts to provide a defensive position for the Pool during times of heightened market volatility. In pursuit of this strategy, AGFI invests a portion of the Pool's assets in exchange traded funds ("ETFs") that are index participation units ("IPUs"). AGFI considers the advice and recommendations of Wilshire Associates Incorporated in selecting IPUs.

C.S. McKee, L.P. ("C.S. McKee") uses a combination of three proprietary quantitative models and a detailed qualitative security analysis to build a diversified portfolio of statistically undervalued stocks having favourable earnings dynamics. The three proprietary models incorporated in this process include relative value metrics, absolute value metrics, comparing enterprise value to earnings before interest, tax, depreciation and amortization, price momentum, earnings momentum and an internally developed risk assessment model.

Eagle Boston Investment Management, Inc. ("Eagle Boston") uses a bottom-up, fundamental research-driven investment approach. Eagle Boston seeks to buy assets at discounts to their long-term value and seeks to buy growth in earnings or cash flow at a reasonable price and thus, invests primarily in stocks when the fundamentals have the potential to dramatically improve over the projected two to three year period.

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 1 800 387-2563, by writing to us at AGF Investments Inc. 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Harmony 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.

Risk

The risks of investing in the Pool remain as disclosed in the current prospectus. The Pool continues to be suitable for investors investing for the longer term with a tolerance for volatility consistent with the growth potential of equity securities of U.S. companies and a medium tolerance for risk.

Results of Operations

For the year ended September 30, 2017, the Wrap Series Units of the Pool returned 13.8% (net of expenses) while the S&P 500 Index returned 12.7%. The performance of the other series of the Pool is substantially similar to that of the Wrap Series Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

The Pool out-performed the S&P 500 Index by 1.1% due to strong stock selection in the information technology and telecommunication services sectors. This was partially offset by the stock selection in the consumer discretionary and industrials sectors, which detracted during the reporting period. C.S. McKee out-performed due to the strong stock selection in the energy and information technology sectors, partially offset by stock selection in the financials and health care sectors. AGFI's stock selection in the financials, information technology and telecommunication services sectors added value, while stock selection in the industrials sector and an overweight allocation to the energy sector dragged performance. Eagle Boston out-performed due to strong stock selection in the energy, information technology and industrials sectors. On the other hand, poor stock selection in the financials sector detracted. The Pool's tactical positioning, via its ETF holdings, was positive on an absolute basis. During the third calendar quarter of 2017, exposure to Vanguard Mega Cap ETF was added and exposure to iShares Core S&P 500 ETF and Vanguard Mega Cap Value ETF was removed.

The Pool had net redemptions of approximately \$34 million for the current period, as compared to net redemptions of approximately \$24 million in the prior period. Rebalancing by an institutional program resulted in net subscriptions of approximately \$2 million in the Pool. The portfolio manager does not believe that redemption/subscription activity had a meaningful impact on the Pool'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 investment management and management fees accounted for most of the decrease in expenses during the period when compared to the previous period due to a decrease in average Net Asset Values. The decrease in annual and interim reports was due to a decrease in investor activity. On the contrary, custodian fees increased due to an

increase in the number of portfolio transactions. All other expenses remained fairly consistent throughout the periods.

Recent Developments

In the portfolio management team's opinion, equities have continued to move higher on the heels of strong positive sentiment despite rich valuations. In this environment, the portfolio management team believes that moving to a neutral stance regarding equity risk is prudent. Within the U.S., the portfolio management team is taking a neutral stance as it relates to value stocks relative to their growth counterparts.

The Canadian equity market, as measured by the S&P/TSX Composite Index, returned 3.7% in the third calendar quarter of 2017. Canada's gross domestic product ("GDP") registered 0.0% in July 2017. The Canadian dollar appreciated 4.0% relative to the U.S. dollar during the third calendar quarter of 2017.

The U.S. equity market was positive in the third calendar quarter of 2017, with the S&P 500 Index returning 0.6%. Real GDP rose during the second calendar quarter of 2017, expanding 3.1% on an annualized basis. The 10-year U.S. treasury yield increased, starting the first calendar quarter of 2017 at 2.31% and ending September at 2.33%.

Developed foreign markets posted positive performance for the third calendar quarter of 2017, with the MSCI EAFE Index rising 1.5% and the MSCI Emerging Markets Index returning 3.9%.

There have been no material changes in regards to the strategic position of the Pool. Additionally, there were no known material trends, commitments, events or uncertainties, to the portfolio management team's knowledge, that might reasonably be expected to affect the Pool

Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Pool. Unitholders of the Embedded Series Units agree to pay management fees, calculated based on the Net Asset Value of such series of the Pool. Unitholders of the Wrap Series Units pay service fees directly to their dealers and do not pay management fees. A portion of such service fee is retained by AGFI.

AGFI is also one of the investment (portfolio) managers of the Pool. The Pool pays investment management fees to AGFI to manage the assets of the Pool, based upon the Net Asset Value of the Pool. Management and investment management fees of approximately \$546,000 and \$263,000, respectively, were paid to AGFI during the period ended September 30, 2017.

AGF CustomerFirst Inc. ("AGFC") provides transfer agency services to the Pool pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$49,000 incurred by the Pool were paid to AGFC during the period ended September 30, 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 Pool, 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 Pool 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 Pool and economic factors.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Pool 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 Pool. 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 Pool 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 Pool and are intended to help you understand the Pool's financial performance for the past five years as applicable. The Pool 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").

Wrap Series Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
Net Assets, beginning of period⁽¹⁾	16.64	15.29	13.22	10.49	8.43
Increase (decrease) from operations:					
Total revenue	0.38	0.24	0.23	0.20	0.16
Total expenses	(0.17)	(0.14)	(0.14)	(0.11)	(0.06)
Realized gains (losses)	2.13	0.93	4.28	2.47	1.03
Unrealized gains (losses)	0.21	0.42	(1.95)	0.39	0.98
Total increase (decrease) from operations⁽²⁾	2.55	1.45	2.42	2.95	2.11
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.06)	(0.04)	(0.09)	(0.06)	(0.07)
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.06)	(0.04)	(0.09)	(0.06)	(0.07)
Net Assets, end of period⁽⁴⁾	18.86	16.64	15.29	13.22	10.49

Wrap Series Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	70,645	87,794	99,713	116,535	124,118
Number of units outstanding (000's)	3,745	5,277	6,523	8,813	11,837
Management expense ratio ⁽⁵⁾	0.63%	0.63%	0.62%	0.62%	0.63%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.76%	0.71%	0.68%	0.68%	0.69%
Trading expense ratio ⁽⁷⁾	0.04%	0.05%	0.09%	0.08%	0.08%
Portfolio turnover rate ⁽⁸⁾	31.26%	47.84%	104.53%	71.20%	76.08%
Net Asset Value per unit	18.86	16.64	15.29	13.22	10.49

Embedded Series Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
Net Assets, beginning of period⁽¹⁾	12.61	11.87	10.48	8.48	6.95
Increase (decrease) from operations:					
Total revenue	0.29	0.18	0.18	0.16	0.13
Total expenses	(0.50)	(0.43)	(0.42)	(0.35)	(0.26)
Realized gains (losses)	1.61	0.72	3.42	1.99	0.86
Unrealized gains (losses)	0.04	0.26	(1.68)	0.31	0.74
Total increase (decrease) from operations⁽²⁾	1.44	0.73	1.50	2.11	1.47
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	–	–
Net Assets, end of period⁽⁴⁾	13.97	12.61	11.87	10.48	8.49

Embedded Series Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	21,164	25,050	27,710	27,328	29,370
Number of units outstanding (000's)	1,515	1,986	2,334	2,609	3,462
Management expense ratio ⁽⁵⁾	3.39%	3.34%	3.28%	3.31%	3.38%
Management expense ratio before waivers or absorptions ⁽⁶⁾	3.47%	3.35%	3.32%	3.35%	3.43%
Trading expense ratio ⁽⁷⁾	0.04%	0.05%	0.09%	0.08%	0.08%
Portfolio turnover rate ⁽⁸⁾	31.26%	47.84%	104.53%	71.20%	76.08%
Net Asset Value per unit	13.97	12.61	11.87	10.48	8.48

Explanatory Notes

(1) a) This information is derived from the Pool'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.

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 Pool commenced operations on the following dates, which represents the date upon which securities of a series were first made available for purchase by investors.

Wrap Series Units	April 1998
Embedded Series Units	December 2002

(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 Pool, 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 Pool (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Pool's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Pool has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

(6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Pool. 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 Pool's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Pool has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.

(8) The Pool's portfolio turnover rate ("PTR") indicates how actively the Pool's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Pool 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.

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

Management Fees

The Pool is managed by AGFI. As a result of providing management services, AGFI receives a monthly management fee, based on the Net Asset Value of the Embedded Series Units, calculated daily and payable monthly. Unitholders of Wrap Series Units pay service fees directly to their dealers and do not pay management fees. These service fees are not expenses of the Pool. All series of the Pool bear indirectly the management fees (which includes investment management fees) borne by the ETFs that the Pool invested in, after giving effect to rebates or waivers, as applicable. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Pool'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
Embedded Series Units	2.25%	58.73%	41.27%

Past Performance*

The performance information shown assumes that all distributions made by the Pool in the periods shown were reinvested in additional securities of the Pool. 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 Pool has performed in the past does not necessarily indicate how it will perform in the future.

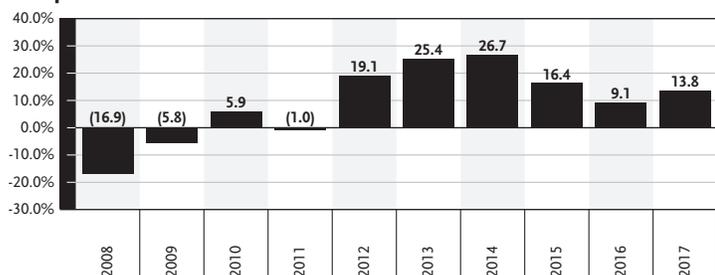
It is AGFI policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

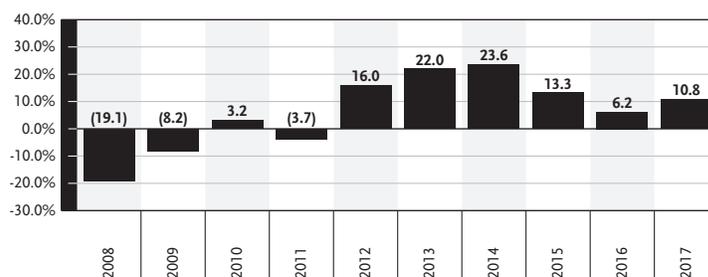
Year-By-Year Returns

The following bar charts show the Pool's annual performance for each of the past 10 years to September 30, 2017 as applicable, and illustrate how the Pool'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.

Wrap Series Units



Embedded Series Units



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, 2017.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Wrap Series Units	13.8	13.0	18.1	8.4	N/A
S&P 500 Index	12.7	14.9	19.8	9.9	N/A
Embedded Series Units	10.8	10.1	15.0	5.6	N/A
S&P 500 Index	12.7	14.9	19.8	9.9	N/A

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.

For a discussion of the relative performance of the Pool as compared to the index, see Results of Operations in the Management Discussion of Fund Performance.

Summary of Investment Portfolio

As at September 30, 2017

The major portfolio categories and top holdings (up to 25) of the Pool 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 Pool and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2017.

The prospectus and other information about the ETFs are available on the internet at www.sedar.com and/or www.sec.gov/edgar.shtml, as applicable.

Portfolio by Country	Percentage of Net Asset Value (%)
United States	98.5
Cash & Cash Equivalents	2.1
Netherlands	0.1
Greece	0.0
Canada	0.0

* 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.

Harmony U.S. Equity Pool

SEPTEMBER 30, 2017

Portfolio by Sector	Percentage of Net Asset Value (%)
Information Technology	20.4
Financials	18.3
Health Care	12.1
Industrials	10.1
ETFs – United States Equity	9.8
Consumer Discretionary	8.8
Energy	6.0
Consumer Staples	3.4
Materials	3.4
Telecommunication Services	2.5
Utilities	2.2
Cash & Cash Equivalents	2.1
Real Estate	1.6

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Equity	98.5
Cash & Cash Equivalents	2.1
International Equity	0.1
Canadian Equity	0.0

Top Holdings	Percentage of Net Asset Value (%)
Vanguard Mega Cap ETF	9.8
NVIDIA Corporation	2.8
Amazon.com Inc.	2.3
JPMorgan Chase & Company	2.1
EOG Resources Inc.	1.8
Raymond James Financial Inc.	1.7
Facebook Inc.	1.7
Albemarle Corporation	1.7
Wells Fargo & Company	1.7
T-Mobile US Inc.	1.7
FedEx Corporation	1.6
TD Ameritrade Holding Corporation	1.4
Costco Wholesale Corporation	1.4
General Electric Company	1.4
The Charles Schwab Corporation	1.3
Celgene Corporation	1.3
NextEra Energy Inc.	1.3
Equinix Inc.	1.3
Honeywell International Inc.	1.3
Discover Financial Services	1.3
Intuitive Surgical Inc.	1.2
Amphenol Corporation	1.2
Intel Corporation	1.2
Microchip Technology Inc.	1.2
Corning Inc.	1.2
Total Net Asset Value (thousands of dollars)	\$ 91,809



For more information contact your investment advisor or:

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