

Annual Management Report of Fund Performance

AGF Tactical Fund

September 30, 2018



Management Discussion of Fund Performance

This management discussion of fund performance represents the portfolio management team's view of the significant factors and developments affecting the fund's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Tactical Fund (the "Fund") is to provide absolute total return by investing tactically in a portfolio that could include global equity and fixed income securities, including equity and fixed income exchange traded funds ("ETFs") as well as cash and cash equivalents. AGF Investments Inc. ("AGFI"), as portfolio manager, uses a tactical, flexible investment approach through the construction of a portfolio that seeks to achieve positive total returns. The Fund has no geographic limits on where it may invest and may have significant investment in a single geographic region or country, including emerging and frontier markets. The Fund may also invest in index participation units ("IPUs") as permitted by National Instrument 81-102. In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash or fixed income securities.

Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The Fund continues to be suitable for investors investing for the longer term, seeking total return and who have medium to high tolerance for risk.

Results of Operations

For the year ended September 30, 2018, the Series S Units of the Fund returned 10.2% (net of expenses) while the FTSE TMX Canada 91 Day T-Bill Index ("FTSE TMX 91 Day Index") and the FTSE TMX 91 Day Index + 100 bps annualized returned 1.1% and 2.1%, respectively.

The Fund out-performed the FTSE TMX 91 Day Index due to the inclusion of equities, as equities significantly out-performed during the reporting period, while the index only contains cash-like securities.

The Fund out-performed the FTSE TMX 91 Day Index + 100 bps, due to its exposure to U.S., Japanese and Canadian equities throughout the reporting period. Towards the end of the reporting period, the Fund also introduced a small exposure to emerging markets equities, expecting a shift up in momentum if trade tensions alleviate and local currencies stabilize.

The Fund had net redemptions of approximately \$37 million for the current period, as compared to net subscriptions of approximately \$22 million in the prior period. Rebalancing by

an institutional program resulted in net redemptions of approximately \$74 million in the Fund. The portfolio manager does not believe that redemption/subscription 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 when compared to the previous period due to a decrease in average Net Asset Values. The decrease in custodian fees was due to a decrease in market value of investment portfolio. All other expenses remained fairly consistent throughout the periods.

Recent Developments

The portfolio manager remains constructive towards global growth over the medium term, though expects periods of unsettled markets along the way. Within equities, prospects for emerging markets have improved on the back of structural reform and a resilient Chinese economy, though higher oil prices and further strengthening of the U.S. dollar could temper returns. Within developed markets, the portfolio manager continues to view U.S. equities favourably as the effects of tax reform and global economic growth should support company earnings. Japanese equities are also favoured, as accommodative policy should support economic fundamentals and Prime Minister Shinzo Abe's election victory affirms political stability and the likelihood of further pro-growth reforms. Generally positive economic conditions and accommodative monetary policy in Europe are overshadowed by stagnant Brexit negotiations in the UK and political uncertainty in Italy, leading to a negative outlook for the region. The backdrop for Canadian equities has improved upon trade resolution with the U.S. and sustained higher energy prices, yet remains out-of-favour due to domestic political disruption and record-high household debt levels. Asia Pacific markets (excluding Japan) offer attractive valuations, though in light of potential risk of escalating tariffs, the portfolio manager prefers other developed markets in the near term.

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 pays management fees calculated based on the Net Asset Value

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 800 268-8583, by writing to us at AGF Investments Inc., 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, or by visiting our website at www.agf.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

of Series S Units of the Fund. Management fees of approximately \$2,735,000 were incurred by the Fund during the period ended September 30, 2018.

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 \$8,000 incurred by the Fund were paid to AGFC during the period ended September 30, 2018.

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 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. Previously, financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Series S Units - Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
Net Assets, beginning of period⁽¹⁾	10.89	10.35	10.14	10.00	10.00*
Increase (decrease) from operations:					
Total revenue	0.16	0.19	0.16	0.09	-
Total expenses	(0.02)	(0.03)	(0.04)	(0.02)	-
Realized gains (losses)	0.27	0.76	(0.40)	0.31	-
Unrealized gains (losses)	0.73	(0.21)	0.95	(0.32)	-
Total increase (decrease) from operations⁽²⁾	1.14	0.71	0.67	0.06	-
Distributions:					
From income (excluding dividends)	(0.03)	(0.01)	(0.01)	-	-
From dividends	(0.17)	(0.18)	(0.05)	-	-
From capital gains	(0.07)	-	(0.32)	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.27)	(0.19)	(0.38)	-	-
Net Assets, end of period⁽⁴⁾	11.72	10.89	10.35	10.14	10.00

Series S Units - Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	295,147	311,266	275,504	201,301	150
Number of units outstanding (000's)	25,186	28,587	26,622	19,853	15
Management expense ratio ⁽⁵⁾	0.23%	0.12%	0.09%	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.40%	1.29%	1.26%	1.20%	-
Trading expense ratio ⁽⁷⁾	0.06%	0.13%	0.25%	0.09%	-
Portfolio turnover rate ⁽⁸⁾	54.81%	95.48%	156.43%	55.70%	-
Net Asset Value per unit	11.72	10.89	10.35	10.14	10.00

Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. Under IFRS, investments that are traded in an active market are generally valued at closing price, which is determined to be within the bid-ask spread and most representative of fair value. As a result, there is no difference between the net assets per unit presented in the financial statements ("Net Assets") and the net asset value per unit calculated for fund pricing purposes ("Net Asset Value").

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,

* represents initial Net Assets
- annualized

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

for the purpose of comparability with subsequent reporting periods. These adjustments have no effect on the Net Asset Value per unit.

- b) Series S Units of the Fund commenced operations in January 2015, which represents the date upon which securities were first made available for purchase by investors.
- (2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
 - (3) Distributions were paid in cash/reinvested in additional units of the Fund, or both. The computation of the distributions per unit does not take into account the management fee distributions (see note 5 below). The characterization of the distributions is based on management's estimate of the actual income for the year.
 - (4) This is not a reconciliation of the beginning and ending Net Assets per unit.
 - (5) The management expense ratio ("MER") of a particular series is calculated in accordance with National Instrument 81-106, based on all the expenses of the Fund (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Fund's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Fund has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.
 AGFI may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make management fee distributions to these unitholders in amounts equal to the amounts of the management fee reduction. The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.
 - (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually on a series by series basis at the discretion of AGFI and AGFI can terminate the waiver or absorption at any time.
 - (7) The trading expense ratio represents total commissions and other portfolio transaction costs, including the Fund's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Fund has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
 - (8) The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's PTR in a year, the greater the trading costs payable by the fund in the year,

and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PTR is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.

Management Fees

The Fund is managed by AGFI. As a result of providing investment and management services, AGFI receives a monthly management fee, based on the Net Asset Value of Series S Units. 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 rate	Dealer compensation	General administration and investment advice
Series S 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.

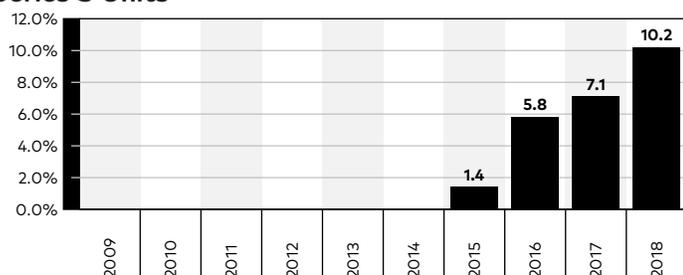
All rates of return are calculated based on the Net Asset Value.

Year-By-Year Returns

The following bar chart shows the Fund's annual performance for each of the past 10 years to September 30, 2018 as applicable, and illustrates how the Fund's performance has changed from year to year. The chart shows, 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.

* 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.

Series S Units



Performance for 2015 represents returns for the period from January 15, 2015 to September 30, 2015.

Annual Compound Returns

The following table compares the historical annual compound returns for each series with the indices, for each of the periods ended September 30, 2018.

Percentage Return:	Since				
	1 Year	3 Years	5 Years	10 Years	Inception
Series S Units	10.2	7.7	N/A	N/A	6.6
FTSE TMX Canada 91 Day T-Bill Index	1.1	0.7	N/A	N/A	0.7
FTSE TMX Canada 91 Day T-Bill Index + 100 bps annualized	2.1	1.7	N/A	N/A	1.7

The FTSE TMX Canada 91 Day T-Bill Index tracks the performance of Canadian government 3-month treasury bills.

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

Summary of Investment Portfolio

As at September 30, 2018

The major portfolio categories and top holdings (up to 25) of the Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2018.

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 (%)
Japan	38.3
United States	26.3
Cash & Cash Equivalents	19.7
ETFs – International	8.5
Canada	7.2

Portfolio by Sector	Percentage of Net Asset Value (%)
ETFs – International Equity	46.8
ETFs – United States Equity	26.3
Cash & Cash Equivalents	19.7
ETFs – Domestic Equity	7.2

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
International Equity	46.8
United States Equity	26.3
Cash & Cash Equivalents	19.7
Canadian Equity	7.2

Top Holdings	Percentage of Net Asset Value (%)
iShares MSCI Japan ETF	38.3
iShares Core S&P 500 ETF	22.0
iShares MSCI Emerging Markets ETF	8.5
SPDR S&P Oil & Gas Exploration & Production ETF	4.3
BMO Junior Oil Index ETF	3.9
iShares S&P/TSX Capped Energy ETF	3.3
Total Net Asset Value (thousands of dollars)	\$ 295,147



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