

Annual Management Report of Fund Performance

AGF Global Resources Fund

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 fund's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Global Resources Fund (the "Fund") is to provide long-term capital appreciation by investing primarily in equity securities of a diversified group of companies engaged either directly or indirectly in the natural resource sector. AGF Investments Inc. ("AGFI"), as portfolio manager, combines a top-down approach to asset and sector allocation with a bottom-up approach to individual stock selection. A top-down investment approach involves looking at the "big picture" in the economy and financial world and then breaking those components down into finer details. 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. The portfolio manager invests in exploration companies as well as in more mature, producing companies. Internal and third party research as well as management interviews are used to identify companies that have the potential to achieve long-term, low cost production, that have sufficient reserves to generate above-average growth or value enhancement and that have the potential to achieve exploration success. 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 growth-oriented investors investing for the longer term, seeking exposure to the natural resource sector and who have a high tolerance for risk.

Results of Operations

For the year ended September 30, 2017, the Series S Units of the Fund returned -9.3% (net of expenses) while the MSCI World Index and the Blended Benchmark returned 12.9% and 7.7%, respectively. The Blended Benchmark is composed of 60% MSCI World Energy Index/40% MSCI World Materials Index.

The Fund under-performed the MSCI World Index due to sector allocation and to a lesser degree, security selection and country allocation. Given the Fund's mandate to invest in global resources companies, a higher exposure to the energy sector and nil exposure to the financials sector detracted from performance. This was partially offset by nil exposure to consumer staples and health care sectors. Poor security selection within the materials and energy sectors as well as the Fund's overweight exposure to Canada and underweight exposure to the U.S. also detracted from performance.

The Fund under-performed the Blended Benchmark due to sector and country allocation, partially offset by security selection. The Fund's overweight exposure to the exploration & production sub-sector, gold and silver detracted from performance, partially offset by underweight exposure to the integrated oil & gas and storage & transportation sub-sectors. The Fund's overweight exposure to Canada and underweight exposure to the U.S. also detracted from performance due to out-performance of the latter. Security selection within the construction materials and diversified chemicals sub-sectors contributed positively, while selection within refining & marketing and exploration & production sub-sectors detracted.

The Fund had net subscriptions of approximately \$20 million for the current period, as compared to net subscriptions of approximately \$5 million in the prior period. Rebalancing by an institutional program resulted in net subscriptions of approximately \$2 million in the Fund. The portfolio manager does not believe that 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 increase in management fees accounted for most of the increase in expenses during the period as compared to the previous period due to an increase in average Net Asset Values. Custodian fees increased due to an increase in market value of investment portfolio. On the contrary, unitholder servicing and administrative fees decreased due to non-recurring expenses incurred in the previous period and registration fees decreased 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

Commodity prices have broadly appreciated over the reporting period, supported by synchronous and improving global economic growth, a falling U.S. dollar and solid speculative flows. In global oil markets, rising demand outpaced the better-than-expected growth in U.S. unconventional production, keeping the market in deficit and resulting in drawdowns in global inventory levels. Despite improving fundamentals, the price response in the physical oil market has remained muted, as investors displayed limited confidence in either the sustainability of the production cuts by the Organization of the Petroleum Exporting Countries or any restraint on the part of U.S. shale producers to constrain production growth. Additionally, production recoveries in fragile economies, such as Iraq, Iran, Libya and Venezuela, have also acted as an overhang with sharp production recoveries from cycle lows.

More recently, slowing productivity growth in U.S. unconventional

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.

production, rising investor pressure on companies to operate within cash flows and generate meaningful economic returns has resulted in the market revisiting 2018 production estimates and tightening supply balances. Looking forward, and barring a major economic slowdown, the portfolio manager anticipates that price risk in the physical oil market is biased to increase, rather than lower prices. U.S. unconventional production growth rates appear to be peaking and production from the more geopolitical and riskier nations is running close to maximum levels.

Energy sector equities failed to keep up with the price improvements in the underlying commodity, as equities of U.S. exploration and production sub-sector companies under-performed the West Texas Intermediate crude oil price during the reporting period. Muted investor flows and multiple contractions have resulted in weaker price performance and the failure and closure of several large commodity funds weighed on the energy sector as large resources positions were unwound.

In the metals space, strengthening and synchronous global growth and positive economic data from China provided fundamental demand support. However, the weaker U.S. dollar and rising speculative interest appears to have been the primary drivers of metals prices in the second half of calendar year 2017. Aluminum, copper, nickel and zinc tested multi-year highs but consolidated during the third calendar quarter of 2017. China's increasingly stringent enforcement of environmental regulations is starting to have an impact on metals supply, with expectations of production reductions in steel, aluminum and various other metals. In the bulk materials space, such as iron ore, thermal and metallurgical coal, rising supply continues to put pressure on prices, but the recent rally suggests the market is finding a balance.

In the near term, the portfolio manager expects industrial metals prices to consolidate near existing levels, but further U.S. dollar weakness and expectations of a rising interest rate environment over the next few years should support pricing. The gold market has continued to oscillate, reflecting rising geopolitical risk, evolving expectations for U.S. interest rates and the U.S. Federal Reserve (the "Fed") announcements. Continued downside surprises in inflation have reduced expectations for near term interest rate hikes, supporting gold price rallies, but the overhang of a rising interest rate environment will likely keep a ceiling on prices. In the medium term, the portfolio manager expects gold and silver prices to remain range-bound as the market, barring a weaker U.S. dollar or a move by the Fed to a substantially dovish tone, seems to lack meaningful price catalysts.

The portfolio manager expects solid economic growth through 2018, which will be supportive of commodity demand and prices. The most recent price moves, being driven by currency moves and speculate flows, need to consolidate before the group can move higher. The Fund continues to favour zinc and copper metal stocks, while remaining neutral on gold and silver stocks. The portfolio manager expects that continued deficits and declining inventories in the oil markets will push prices higher, but natural gas pricing will need cold winter weather to offset the generous sources of supply. Equities in the resources sector remain broadly undrowned institutionally, which should create a source of latent demand, should the market begin to rotate back to value/commodity names. Consequently, the Fund remains biased towards

commodity beta, with a focus on companies with solid balance sheets and meaningful growth outlook. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

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 of Series S Units of the Fund. Management fees of approximately \$222,000 were incurred by the Fund during the period ended September 30, 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 \$5,000 incurred by the Fund 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 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.

Series S 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⁾	9.02	7.31	11.48	10.68*	–
Increase (decrease) from operations:					
Total revenue	0.15	0.16	0.19	0.15	–
Total expenses	(0.05)	(0.06)	(0.15)	(0.11)	–
Realized gains (losses)	(0.22)	(1.11)	(2.54)	3.18	–
Unrealized gains (losses)	(0.85)	1.82	(2.42)	(2.29)	–
Total increase (decrease) from operations⁽²⁾	(0.97)	0.81	(4.92)	0.93	–
Distributions:					
From income (excluding dividends)	(0.00)	(0.00)	(0.00)	–	–
From dividends	(0.06)	(0.08)	(0.10)	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.06)	(0.08)	(0.10)	–	–
Net Assets, end of period⁽⁴⁾	8.13	9.02	7.31	11.48	–

Series S 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)	24,977	7,176	2,009	1,646	–
Number of units outstanding (000's)	3,072	795	275	143	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.64%	3.89%	1.23%	5.42%~	–
Trading expense ratio ⁽⁷⁾	0.43%	0.51%	1.45%	0.48%	–
Portfolio turnover rate ⁽⁸⁾	46.91%	79.56%	306.25%	60.37%	–
Net Asset Value per unit	8.13	9.02	7.31	11.48	–

Explanatory Notes

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

* represents initial Net Assets

~ annualized

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

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) In January 2014, the Fund recommenced the offering of Series S Units that are available to institutional investors. Series S Units previously commenced offering in May 2012 and was subsequently closed due to full redemption by unitholders in October 2012. The financial data of the Series S Units includes the results of operations from date of recommencement.
- 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.
 - 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.
 - This is not a reconciliation of the beginning and ending Net Assets per unit.
 - 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.

- 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.
- 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.
- 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, calculated daily and payable monthly. 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
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.

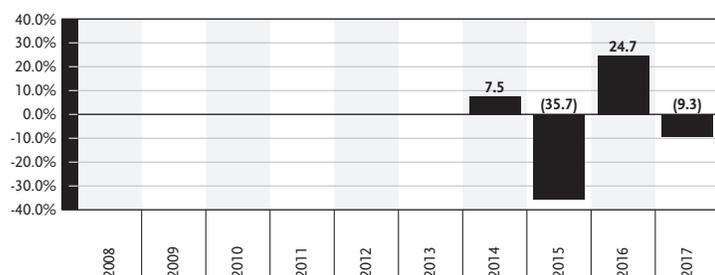
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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, 2017 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.

Series S Units



Performance for 2014 represents returns for the period from January 24, 2014 to September 30, 2014.

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, 2017.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Series S Units	(9.3)	(10.1)	N/A	N/A	(6.5)
MSCI World Index	12.9	12.3	N/A	N/A	12.2
Blended Benchmark	7.7	3.0	N/A	N/A	4.3

The MSCI World Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets.

The MSCI World Energy Index is a market capitalization-weighted index that is designed to measure the performance of the energy sector of the MSCI World Index.

The MSCI World Materials Index is a market capitalization-weighted index that is designed to measure the performance of the materials sector of the MSCI World Index.

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, 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 December 31, 2017.

Portfolio by Country	Percentage of Net Asset Value (%)
Canada	52.4
United States	33.4
United Kingdom	9.5
France	3.6
Cash & Cash Equivalents	1.0

Portfolio by Sector	Percentage of Net Asset Value (%)
Oil, Gas & Consumable Fuels	64.7
Metals & Mining	24.7
Energy Equipment & Services	4.5
Chemicals	3.6
Construction Materials	1.4
Cash & Cash Equivalents	1.0

* 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.

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	52.4
United States Equity	33.4
International Equity	13.1
Cash & Cash Equivalents	1.0

Top Holdings	Percentage of Net Asset Value (%)
Royal Dutch Shell PLC	5.2
Suncor Energy Inc.	4.8
Chevron Corporation	4.7
Parex Resources Inc.	4.3
Ring Energy Inc.	4.1
Canadian Natural Resources Limited	3.7
TOTAL SA	3.6
Parsley Energy Inc.	3.1
Devon Energy Corporation	2.9
HudBay Minerals Inc.	2.8
Seven Generations Energy Limited	2.7
Rio Tinto PLC	2.6
Encana Corporation	2.6
First Quantum Minerals Limited	2.4
Trevali Mining Corporation	2.3
EOG Resources Inc.	2.3
Lundin Mining Corporation	2.3
Kinross Gold Corporation	2.1
Eastman Chemical Company	2.0
Cimarex Energy Company	1.9
Teck Resources Limited	1.8
Anadarko Petroleum Corporation	1.7
Wheaton Precious Metals Corporation	1.7
Glencore PLC	1.7
Continental Resources Inc.	1.7
Total Net Asset Value (thousands of dollars)	\$ 24,977



For more information contact your investment advisor or:

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