

Annual Management Report of Fund Performance

# AGF Global Sustainable Growth Equity 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 Sustainable Growth Equity Fund (the "Fund") is to provide long-term capital appreciation by investing primarily in a diversified portfolio of equity securities which fit the Fund's concept of sustainable development. AGF Investments Inc. ("AGFI"), as portfolio manager, seeks companies with no capitalization bias and which may typically possess proven management, proprietary or strategic advantages and financial strength. In the portfolio manager's opinion, these companies have above-average sales or earnings growth potential and favourable valuation levels with respect to these growth expectations. The portfolio manager has identified a number of sustainability themes which provide an investment framework through which to identify attractive opportunities. As a result of this process, the portfolio manager does not invest in certain sectors, such as fossil fuel producers, and may have a reduced weighting in others, due to their lack of positive exposure to sustainability themes. 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 and who have medium tolerance for risk.

### Results of Operations

For the year ended September 30, 2017, the Mutual Fund Units of the Fund returned 8.3% (net of expenses) while the MSCI World Net Index returned 12.3%. 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 under-performed the MSCI World Net Index due to negative security selection effect. The Fund's security selection in the consumer staples, industrials and financials sectors detracted from relative performance, though this was partially offset by strong security selection in the real estate and health care sectors. The Fund's sector allocation also contributed to performance with average underweight allocations to the energy (1.5% versus 6.6%), telecommunication services (nil versus 3.1%) and consumer staples (5.6% versus 9.7%) sectors.

From a regional perspective, the Fund's allocations to Denmark, Ireland and Japan contributed to performance, while allocations to France, Sweden and the U.S. detracted.

In terms of individual holdings, the top contributors to the Fund's performance were Keyence Corporation, Kingspan Group PLC and Trex Company Inc., while the top detractors were Acuity Brands Inc., The Kroger Company and Shimano Inc. As of September 30, 2017, the Fund no longer had any holdings in The Kroger Company.

Certain series of the Fund, as applicable, make quarterly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the quarterly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The portfolio manager does not believe that the distributions made by the Fund had a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objectives.

The Fund had net subscriptions of approximately \$5 million for the current period, as compared to net redemptions of approximately \$1 million in the prior period. The portfolio manager does not believe that subscription/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 unitholder servicing and administrative fees accounted for most of the decrease in expenses during the period as compared to the previous period due to non-recurring expenses incurred in the previous period. Annual and interim reports 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

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 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.

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 deflation 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 began to out-perform during the

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](http://www.agf.com) or SEDAR at [www.sedar.com](http://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.

first six months of 2017. This continued until the third calendar quarter of 2017, when value began to out-perform growth, amidst re-accelerating corporate earnings.

From a macroeconomic perspective, economic data remained supportive and in some cases, saw acceleration. In the U.S., non-farm payrolls data remained supportive, with the unemployment reaching cycle lows at 4.3% before ending the reporting period with a slight uptick higher. Meanwhile, the purchasing managers' index ("PMI") in the U.S. remained well into expansion territory, as did other PMI indices around the world, illustrating the strong co-ordinated global economic growth. 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. In response to the strong macroeconomic data, the U.S. Federal Reserve raised interest rates twice this calendar year, with the potential for an additional increase in the last calendar quarter of 2017.

The portfolio manager remains optimistic as equity markets continue to favour growth-oriented investment strategies, continuing a pattern that began earlier this year after the immediate deflation trade following the U.S. election in November 2016. Secular growth areas of the market were rewarded, consistent with historical experiences in late-stage, slower growth economic environments.

The electrification of vehicles theme saw increased publicity recently as the UK and France announced that they would ban the sale of fossil-fuel powered vehicles by 2040, with China also announcing intentions for a similar ban along with mandatory electric vehicle quotas in the near term. As such, companies with exposure to electric vehicles such as lithium producers saw strong rallies in their stock prices. In portfolio manager's opinion, there is an evidence of broader acceptance of the eventual electrification of the passenger vehicle across multiple industries and companies, however, some near term cautiousness may be warranted as there have been dramatic valuation changes within the electric vehicle supply chain. In the portfolio manager's view, transition is happening for the longer term, and as electric vehicles become more economic, extend their ranges and with more availability of charging infrastructure, there remains tremendous upside for the adoption of electric vehicles and opportunities in companies that play into this theme.

The Fund remains focused on the fundamentals of current positions, investing in companies exhibiting innovation, providing solutions to sustainable issues, with the potential to disrupt traditional industries and deliver above average growth rates. While periods of volatility are to be expected, the portfolio manager continues to focus on the companies with the most compelling long-term sustainability solutions.

#### **Related Party Transactions**

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. AGFI also acts as the investment (portfolio) manager, managing the investment portfolio of the Fund. Under the management agreement, the Fund (except for Series O, Series Q and Series W Units, if applicable) pays management

fees calculated based on the Net Asset Value of the respective series of the Fund. Management fees of approximately \$995,000 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 \$83,000 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. 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<sup>(1)</sup>

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>18.69</b>       | <b>16.57</b>       | <b>16.23</b>       | <b>14.55</b>       | <b>12.02</b>       |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.30               | 0.24               | 0.21               | 0.24               | 0.25               |
| Total expenses   | (0.53)             | (0.57)             | (0.60)             | (0.58)             | (0.41)             |
| Realized gains (losses)  | 0.62               | 0.78               | 1.68               | 2.11               | 0.54               |
| Unrealized gains (losses)                                      | 1.15               | 1.66               | (0.88)             | (0.03)             | 2.09               |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>1.54</b>        | <b>2.11</b>        | <b>0.41</b>        | <b>1.74</b>        | <b>2.47</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | –                  | –                  | –                  | –                  | –                  |
| From dividends   | –                  | –                  | –                  | –                  | –                  |
| From capital gains   | –                  | –                  | –                  | –                  | –                  |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>20.24</b>       | <b>18.69</b>       | <b>16.57</b>       | <b>16.23</b>       | <b>14.49</b>       |

### Mutual Fund Units – Ratios/Supplemental Data<sup>(1)</sup>

| 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)                                       | 51,891        | 46,246        | 42,728        | 46,672        | 45,149        |
| Number of units outstanding (000's)                                   | 2,563         | 2,475         | 2,579         | 2,876         | 3,102         |
| Management expense ratio <sup>(5)</sup>                               | 2.60%         | 2.98%         | 3.19%         | 3.21%         | 3.08%         |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 2.60%         | 2.98%         | 3.19%         | 3.21%         | 3.29%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.07%         | 0.09%         | 0.21%         | 0.29%         | 0.17%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 28.48%        | 40.75%        | 72.01%        | 83.74%        | 34.56%        |
| Net Asset Value per unit  | 20.24         | 18.69         | 16.57         | 16.23         | 14.55         |

### Series F Units – Net Assets per Unit<sup>(1)</sup>

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>19.77</b>       | <b>17.33</b>       | <b>16.81</b>       | <b>14.93</b>       | <b>12.21</b>       |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.32               | 0.26               | 0.22               | 0.25               | 0.25               |
| Total expenses   | (0.33)             | (0.38)             | (0.45)             | (0.44)             | (0.28)             |
| Realized gains (losses)  | 0.55               | 0.86               | 1.77               | 2.24               | 0.56               |
| Unrealized gains (losses)                                      | 1.45               | 1.79               | (1.09)             | (0.35)             | 2.14               |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>1.99</b>        | <b>2.53</b>        | <b>0.45</b>        | <b>1.70</b>        | <b>2.67</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | –                  | –                  | –                  | –                  | –                  |
| From dividends   | –                  | –                  | –                  | –                  | –                  |
| From capital gains   | –                  | –                  | –                  | –                  | –                  |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>21.67</b>       | <b>19.77</b>       | <b>17.33</b>       | <b>16.81</b>       | <b>14.86</b>       |

### Series F Units – Ratios/Supplemental Data<sup>(1)</sup>

| 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)                                       | 4,947         | 1,970         | 1,081         | 1,083         | 770           |
| Number of units outstanding (000's)                                   | 228           | 100           | 62            | 64            | 52            |
| Management expense ratio <sup>(5)</sup>                               | 1.43%         | 1.74%         | 2.21%         | 2.23%         | 2.05%         |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 1.43%         | 1.74%         | 2.58%         | 2.46%         | 2.73%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.07%         | 0.09%         | 0.21%         | 0.29%         | 0.17%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 28.48%        | 40.75%        | 72.01%        | 83.74%        | 34.56%        |
| Net Asset Value per unit  | 21.67         | 19.77         | 17.33         | 16.81         | 14.93         |

### Series Q Units – Net Assets per Unit<sup>(1)</sup>

| For the periods ended  | Sept 30, 2017 (\$)       | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>10.00<sup>*</sup></b> | –                  | –                  | –                  | –                  |
| <b>Increase (decrease) from operations:</b>                    |                          |                    |                    |                    |                    |
| Total revenue  | 0.07                     | –                  | –                  | –                  | –                  |
| Total expenses   | (0.02)                   | –                  | –                  | –                  | –                  |
| Realized gains (losses)  | 0.19                     | –                  | –                  | –                  | –                  |
| Unrealized gains (losses)                                      | 2.22                     | –                  | –                  | –                  | –                  |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>2.46</b>              | –                  | –                  | –                  | –                  |
| <b>Distributions:</b>  |                          |                    |                    |                    |                    |
| From income (excluding dividends)                              | –                        | –                  | –                  | –                  | –                  |
| From dividends   | –                        | –                  | –                  | –                  | –                  |
| From capital gains   | –                        | –                  | –                  | –                  | –                  |
| Return of capital  | –                        | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>–</b>                 | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>10.28</b>             | –                  | –                  | –                  | –                  |

### Series Q Units – Ratios/Supplemental Data<sup>(1)</sup>

| 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)                                       | 11            | –             | –             | –             | –             |
| Number of units outstanding (000's)                                   | 1             | –             | –             | –             | –             |
| Management expense ratio <sup>(5)</sup>                               | –             | –             | –             | –             | –             |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 573.24%~      | –             | –             | –             | –             |
| Trading expense ratio <sup>(7)</sup>                                  | 0.07%         | –             | –             | –             | –             |
| Portfolio turnover rate <sup>(8)</sup>                                | 28.48%        | –             | –             | –             | –             |
| Net Asset Value per unit  | 10.28         | –             | –             | –             | –             |

### Series W Units – Net Assets per Unit<sup>(1)</sup>

| For the periods ended  | Sept 30, 2017 (\$)       | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>10.00<sup>*</sup></b> | –                  | –                  | –                  | –                  |
| <b>Increase (decrease) from operations:</b>                    |                          |                    |                    |                    |                    |
| Total revenue  | 0.07                     | –                  | –                  | –                  | –                  |
| Total expenses   | (0.01)                   | –                  | –                  | –                  | –                  |
| Realized gains (losses)  | (0.11)                   | –                  | –                  | –                  | –                  |
| Unrealized gains (losses)                                      | 0.23                     | –                  | –                  | –                  | –                  |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.18</b>              | –                  | –                  | –                  | –                  |
| <b>Distributions:</b>  |                          |                    |                    |                    |                    |
| From income (excluding dividends)                              | –                        | –                  | –                  | –                  | –                  |
| From dividends   | –                        | –                  | –                  | –                  | –                  |
| From capital gains   | –                        | –                  | –                  | –                  | –                  |
| Return of capital  | –                        | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>–</b>                 | <b>–</b>           | <b>–</b>           | <b>–</b>           | <b>–</b>           |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>10.33</b>             | –                  | –                  | –                  | –                  |

\* represents initial Net Assets

~ annualized

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

## Series W Units – Ratios/Supplemental Data<sup>(1)</sup>

| For the periods ended   | Sept 30,<br>2017 | Sept 30,<br>2016 | Sept 30,<br>2015 | Sept 30,<br>2014 | Sept 30,<br>2013 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total Net Asset Value (\$000's)                                       | 100              | –                | –                | –                | –                |
| Number of units outstanding (000's)                                   | 10               | –                | –                | –                | –                |
| Management expense ratio <sup>(2)</sup>                               | –                | –                | –                | –                | –                |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 16.30%~          | –                | –                | –                | –                |
| Trading expense ratio <sup>(7)</sup>                                  | 0.07%            | –                | –                | –                | –                |
| Portfolio turnover rate <sup>(8)</sup>                                | 28.48%           | –                | –                | –                | –                |
| Net Asset Value per unit  | 10.33            | –                | –                | –                | –                |

### 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.

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 | December 1991 |
| Series F Units    | March 2001    |
| Series Q Units    | April 2017    |
| Series W Units    | April 2017    |

(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%                              | 49.25%              | 50.75%                                       |
| Series F Units    | 0.90%                              | –                   | 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.

~ annualized

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

\* 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.

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. Series Q and Series W Units commenced operations in April 2017.

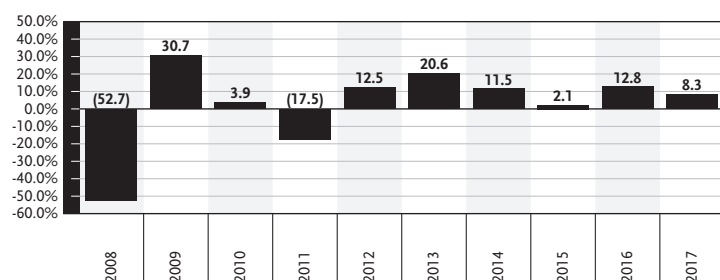
All rates of return are calculated based on the Net Asset Value.

## Year-By-Year Returns

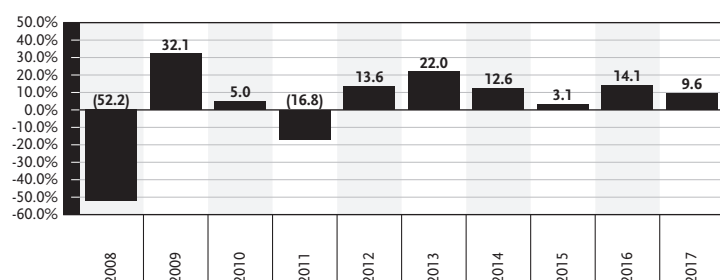
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2017 as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Annual performance prior to 2011 represents returns for the twelve month period ended December 31. Performance for 2011 represents returns for the period from January 1, 2011 to September 30, 2011. Annual performance for 2012 and thereafter represents returns for the twelve month period ended September 30.

## Mutual Fund Units



## Series F 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 |
|----------------------|--------|---------|---------|----------|-----------------|
| Mutual Fund Units    | 8.3    | 7.7     | 10.9    | 0.9      | N/A             |
| MSCI World Net Index | 12.3   | 11.6    | 16.4    | 6.6      | N/A             |
| Series F Units       | 9.6    | 8.8     | 12.1    | 1.9      | N/A             |
| MSCI World Net Index | 12.3   | 11.6    | 16.4    | 6.6      | N/A             |

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

For a discussion of the relative performance of the Fund 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 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 (%) |
|-------------------------|-----------------------------------|
| United States           | 52.7                              |
| Japan                   | 8.5                               |
| United Kingdom          | 6.4                               |
| Canada                  | 5.6                               |
| France                  | 5.0                               |
| Cash & Cash Equivalents | 4.6                               |
| Switzerland             | 3.3                               |
| Ireland                 | 2.9                               |
| Sweden                  | 2.7                               |
| Denmark                 | 2.3                               |
| Italy                   | 2.1                               |
| Netherlands             | 1.8                               |
| Finland                 | 0.8                               |
| China                   | 0.8                               |
| Taiwan                  | 0.4                               |

| Portfolio by Sector     | Percentage of Net Asset Value (%) |
|-------------------------|-----------------------------------|
| Industrials             | 35.8                              |
| Information Technology  | 19.6                              |
| Materials               | 13.6                              |
| Health Care             | 9.6                               |
| Consumer Discretionary  | 5.0                               |
| Cash & Cash Equivalents | 4.6                               |
| Financials              | 3.2                               |
| Utilities               | 3.1                               |
| Real Estate             | 1.9                               |
| Consumer Staples        | 1.9                               |
| Energy                  | 1.6                               |

| Portfolio by Asset Mix  | Percentage of Net Asset Value (%) |
|-------------------------|-----------------------------------|
| United States Equity    | 52.7                              |
| International Equity    | 37.0                              |
| Canadian Equity         | 5.6                               |
| Cash & Cash Equivalents | 4.6                               |

| Top Holdings   | Percentage of<br>Net Asset Value (%) |
|--|--------------------------------------|
| Keyence Corporation                                      | 4.2                                  |
| Waste Connections Inc.                                   | 3.6                                  |
| Geberit AG   | 3.3                                  |
| Xylem Inc.   | 3.2                                  |
| Danaher Corporation                                      | 3.2                                  |
| Toray Industries Inc.                                    | 3.2                                  |
| Croda International PLC                                  | 3.1                                  |
| AO Smith Corporation                                     | 3.0                                  |
| Thermo Fisher Scientific Inc.                            | 3.0                                  |
| Legrand SA   | 2.9                                  |
| Kingspan Group PLC                                       | 2.9                                  |
| Roper Technologies Inc.                                  | 2.8                                  |
| Halma PLC  | 2.8                                  |
| Cummins Inc.   | 2.6                                  |
| Delphi Automotive PLC                                    | 2.5                                  |
| Trex Company Inc.  | 2.4                                  |
| Chr. Hansen Holding AS                                   | 2.3                                  |
| Ecolab Inc.  | 2.2                                  |
| Dassault Systemes SA                                     | 2.2                                  |
| Amphenol Corporation                                     | 2.1                                  |
| Trimble Navigation Limited                               | 2.0                                  |
| Brookfield Renewable Energy Partners Limited Partnership | 2.0                                  |
| Equinix Inc.   | 1.9                                  |
| Albemarle Corporation                                    | 1.9                                  |
| Monolithic Power Systems Inc.                            | 1.9                                  |
| <b>Total Net Asset Value (thousands of dollars)</b>      | <b>\$ 56,949</b>                     |





For more information contact your investment advisor or:

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