

Annual Management Report of Fund Performance

QuantShares MultiAsset Income Allocation ETF

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 QuantShares MultiAsset Income Allocation ETF (the "Fund") is to generate capital growth and regular income by investing, directly or indirectly, including through exchange traded funds ("ETFs"), in global equity and fixed income securities including securities related to non-traditional asset classes. Highstreet Asset Management Inc. ("Highstreet"), as portfolio manager, and FFCM LLC ("FFCM"), as investment sub-advisor, select a portfolio aimed to provide high current income by investing primarily in ETFs domiciled in Canada and the U.S. that provide exposure to global equity and fixed income securities including securities related to non-traditional asset classes such as infrastructure (including securities of infrastructure companies and issuers that hold or are exposed to infrastructure companies), commodities (including gold and silver, natural resource companies and income or royalty based commodities issuers) and real estate (including securities of issuers that hold, or are exposed to, real property) that have high income streams and exhibit low correlations to each other. The Fund may also invest directly in gold bullion in accordance with National Instrument 81-102 and silver bullion in accordance with relief obtained from applicable securities legislation. The strategy will tactically reweight ETFs to reduce risk and to help reduce drawdowns over time. The portfolio asset allocation is reconstituted and rebalanced on a monthly basis but has the latitude to rebalance on an ad hoc basis should market conditions dictate.

Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The Fund continues to be suitable for investors with a low to medium tolerance for risk.

Results of Operations

The Fund commenced operations in January 2017.

Since its inception, the Fund has maintained its biggest position in Canadian corporate bonds, mostly due to their lower risk profile relative to other assets. Risk factor performance was strong in some months such as February 2017 while mixed in others. The Fund's allocation to Canadian and global equities, and preferred equities added value; however, equities were fully exposed to currency movements and the adverse currency movements caused the Fund to under-perform relative to the Bloomberg Barclays Global Aggregate Index (hedged to CAD) during June and July 2017. Fixed income securities were hedged, which

mitigated the potential loss from rapid appreciation in Canadian currency towards the end of the reporting period.

Recent Developments

In the portfolio manager's opinion, economic sentiment around the world remains strong despite slightly underwhelming economic data. Central banks worldwide have taken note and have indicated a less dovish path for monetary policy, but stress the reliance on robust economic data. Going forward, the portfolio manager expects the investment backdrop to remain accommodative and the overall pace of interest rate hikes in the U.S. and rest of the world should be measured. The Fund remains focused on generating capital growth and regular income by investing in global equity and fixed-income securities (including securities related to non-traditional asset classes), primarily through ETFs, using a proprietary, multi-factor quantitative investment process to create opportunities for better risk-adjusted returns.

Related Party Transactions

AGF Investments Inc. ("AGFI") is the manager ("Manager"), trustee and promoter of the Fund and is responsible for the day-to-day business of the Fund. The Fund entered into an investment management agreement with AGFI and Highstreet, indirect wholly-owned subsidiaries of AGF Management Limited ("AGF"), pursuant to which Highstreet is responsible for managing the investment portfolio of the Fund. AGFI and Highstreet also entered into an investment sub-advisory agreement with FFCM, an indirect subsidiary of AGF. FFCM acts as a sub-advisor and provides investment sub-advisory services to the Fund. Under the Declaration of Trust, the Fund pays management fees (including fees for sub-advisory services), calculated based on the Net Asset Value of the Fund. Management fees of approximately \$6,000 were incurred by the Fund during the period from commencement of operations to September 30, 2017.

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

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., Toronto-Dominion Bank Tower, 66 Wellington Street West, 31st Floor, Toronto, Ontario, Canada M5K 1E9, or by visiting our website at AGFIQ.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.

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.

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⁾	25.02^{2*}	-	-	-	-
Increase (decrease) from operations:					
Total revenue	0.65	-	-	-	-
Total expenses	(0.11)	-	-	-	-
Realized gains (losses)	0.10	-	-	-	-
Unrealized gains (losses)	0.34	-	-	-	-
Total increase (decrease) from operations⁽²⁾	0.98	-	-	-	-
Distributions:					
From income (excluding dividends)	(0.16)	-	-	-	-
From dividends	(0.30)	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.46)	-	-	-	-
Net Assets, end of period⁽⁴⁾	25.52	-	-	-	-

* represents initial Net Assets
~ annualized

(1), (2), (3), (4), (5), (6), (7), (8) and (9) see Explanatory Notes

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)	2,552	-	-	-	-
Number of units outstanding (000's)	100	-	-	-	-
Management expense ratio ⁽⁵⁾	0.85%~	-	-	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.05%~	-	-	-	-
Trading expense ratio ⁽⁷⁾	0.13%~	-	-	-	-
Portfolio turnover rate ⁽⁸⁾	15.39%	-	-	-	-
Net Asset Value per unit	25.52	-	-	-	-
Closing market price ⁽⁹⁾	25.54	-	-	-	-

Explanatory Notes

- (1) a) This information is derived from the Fund's audited annual financial statements. Under International Financial Reporting Standards ("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").
- b) The Fund commenced operations in January 2017, 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 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") 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, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually 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.

- (9) Closing market price on the last trading day of the period, as applicable, as reported on the TSX. Mid price is disclosed if no transaction took place on the last business day of the period.

Management Fees

The Fund is managed by AGFI. AGFI is responsible for the day-to-day operations of the Fund, which include providing investment and management services as well as other administrative services required by the Fund. As compensation for such services, AGFI receives a monthly management fee at the annual rate of 0.55%, which includes applicable taxes, based on the Net Asset Value of the Fund, calculated daily and payable monthly. AGFI bears all operating expenses of the Fund except for management fees, brokerage expenses and commissions, costs associated with the use of derivatives (if applicable), income and withholding taxes as well as all other applicable taxes, costs of complying with any new governmental or regulatory requirement introduced after the Fund was established, costs associated with the establishment and on-going operation of the Independent Review Committee, and extraordinary expenses.

Past Performance

It is AGFI's policy to report rates of return for a fund in existence greater than one year. The Fund commenced operations in January 2017.

Summary of Investment Portfolio

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.

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 (%)
Canada	42.1
United States	39.6
ETFs – International	17.8
Cash & Cash Equivalents	0.5

Portfolio by Sector	Percentage of Net Asset Value (%)
ETFs – Domestic Fixed Income	24.5
ETFs – United States Fixed Income	20.0
ETFs – United States Equity	19.6
ETFs – International Equity	17.8
ETFs – Domestic Equity	17.6
Cash & Cash Equivalents	0.5

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	42.1
United States Equity	39.6
International Equity	17.8
Cash & Cash Equivalents	0.5

Top Holdings	Percentage of Net Asset Value (%)
iShares Canadian Corporate Bond Index ETF	14.8
O'Shares FTSE Asia Pacific Quality Dividend ETF	10.3
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)	10.1
O'Shares FTSE U.S. Quality Dividend ETF	10.1
iShares U.S. High Yield Bond Index ETF (CAD-Hedged)	9.9
iShares S&P/TSX Capped REIT Index ETF	9.9
iShares Canadian HYBRID Corporate Bond Index ETF	9.7
iShares U.S. Preferred Stock ETF	9.5
O'Shares FTSE Europe Quality Dividend ETF	7.5
iShares S&P/TSX Canadian Preferred Share Index ETF	5.2
iShares Canadian Select Dividend Index ETF	2.5
Total Net Asset Value (thousands of dollars)	\$ 2,552

Other Material Information

Effective November 2, 2017, the Fund was renamed to AGFIQ MultiAsset Income Allocation ETF.



For more information contact your investment advisor or:

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QuantShares are ETFs offered by AGF Investments Inc. and listed on the Toronto Stock Exchange. There is no guarantee that QuantShares will achieve their stated objectives and there is risk involved in investing in the ETFs. The risks associated with each ETF are detailed in the prospectus. Before investing you should carefully consider each ETF's investment objectives, risks, charges and expenses. This and other information is in the ETF's prospectus, which is available on our website at AGFiQ.com.

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