

Interim Management Report of Fund Performance

AGF Asian Growth Fund

March 31, 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.

Results of Operations

For the six months ended March 31, 2018, the Series S Units of AGF Asian Growth Fund (the "Fund") returned 10.7% (net of expenses) while the MSCI Pacific Free ex-Japan Index ("MSCI Pacific ex-Japan Index") and the MSCI All Country Far East ex-Japan Index ("MSCI Far East ex-Japan Index") returned 6.4% and 13.1%, respectively.

The Fund out-performed the MSCI Pacific ex-Japan Index due to its holdings in emerging markets, which are not constituents of the benchmark. In particular, emerging markets such as China, South Korea, Taiwan, Malaysia and Thailand out-performed the developed markets of Australia, New Zealand and Hong Kong, which are constituents of the MSCI Pacific ex-Japan Index.

The Fund under-performed the MSCI Far East ex-Japan Index due to its relative underweight exposure to out-performing equity markets, such as South Korea, Taiwan, Malaysia and Thailand, which weighed negatively on returns. In addition, security selection also detracted from performance over the reporting period.

From a country allocation perspective, the Fund's aggregate exposure to Hong Kong/China decreased from 52.9% to 50.1% over the reporting period. The Fund exited its positions in real estate developer, Longfor Properties Company Limited, and cement manufacturer, West China Cement Limited. In addition, profits were realized on its holdings in shipping logistics firm, SITC International Holdings Company Limited. NetEase Inc., a gaming and internet technology company, was also sold during the period to help fund the purchase of leading Chinese video surveillance product and solution provider, Hangzhou Hikvision Digital Technology Company Limited. Amongst the telecommunication operators, the Fund reallocated its position from China Telecom Corporation Limited to the leader, China Mobile Limited.

The Fund's exposure to South Korea decreased from 18.9% to 18.3% over the reporting period as it realized profits on steelmaker, POSCO, given concerns over U.S. steel tariffs. Within the consumer space, the Fund switched its holdings in

LG Household & Health Care Limited to the laggard, Amorepacific Corporation, which could see operations rebound more strongly with an anticipated recovery in the number of Chinese tourists visiting South Korea. The Fund also exited its position in the internet company, NAVER Corporation, and realized profits on its holdings in Samsung Electronics Company Limited through a sale of the preferred shares. On the other hand, the Fund added gaming company, NCSoft Corporation, and battery maker, Samsung SDI Company Limited, to its portfolio.

The Fund's exposure to Taiwan fell from 12.2% to 10.5% over the reporting period as it sold its holdings in iPhone assembler, Hon Hai Precision Industry Company Limited, due to a weak iPhone sales outlook.

In South East Asia, the Fund increased its exposure in all countries over the reporting period except for the Philippines, where it sold off all its holdings on concerns over a weak Peso due to its swelling current account deficit. The Fund increased its exposure to Singapore from 4.0% to 6.5% as it added leading local bank, DBS Group Holdings Limited, as well as major integrated defence and engineering company, Singapore Technologies Engineering Limited. These were partly funded by the sale of an industrial conglomerate, Sembcorp Industries Limited. In Malaysia, the Fund's exposure increased from nil to 2.9% as it added Malayan Banking Berhad, the largest bank in the country by assets and deposits. In Indonesia, the Fund's exposure increased from 2.4% to 3.0%, as it added a residential property developer as well as a building materials maker. The Fund's exposure to Thailand also slightly rose from 2.5% to 2.7%, as it added to an existing position in a telecommunications and media holding company.

From a sector perspective, the Fund's exposure to consumer discretionary increased from 9.8% to 10.4%, as it added a duty-free operator in South Korea, Hotel Shilla Company Limited, and a gaming and hospitality company, Genting Malaysia Berhad. The latter is likely to see increased visitation after extensive refurbishment to its key property over the past few years. The purchases were partly funded by profits realized in a Hong Kong-listed leading global luggage producer.

The Fund's exposure to the financials sector rose from 22.5% to 29.3% over the reporting period, as position in a major Chinese state-owned insurer, China Life Insurance Company Limited, was initiated and holdings in banks in Hong Kong, Malaysia and Singapore were also added. The Fund also increased its holdings in Hong Kong's stock exchange

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or 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.

operator, which is well-placed to benefit from higher trading volumes and a strong initial public offering pipeline in 2018.

On the other hand, the Fund's exposure to a number of sectors were reduced over the reporting period. The Fund eliminated its exposure to the health care sector from 1.4% to nil, as it exited its position in the integrated healthcare solution provider, Universal Medical Financial & Technical Advisory Services Company Limited. The Fund's exposure to the information technology sector decreased from 37.1% to 35.7%, as exposure to the iPhone supply chain was reduced. Within the telecommunication services sector, the Fund sold its holdings in operators in Indonesia and the Philippines to reduce its overall exposure from 5.4% to 3.4%. The Fund's exposure to the utilities sector also fell from 3.6% to 1.1%, as it sold its position in South Korean electric utility company, Korea Electric Power Corporation, due to continued regulatory uncertainties. The Fund also exited its investment in a Chinese state-owned wastewater treatment company.

The Fund had net subscriptions of approximately \$0.1 million for the current period, as compared to net subscriptions of approximately \$2 million in the prior period. Rebalancing by an institutional program did not result in significant net capital activity in the Fund for the current period. 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. The increase in annual and interim reports and decrease in custodian fees were 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

Economic growth momentum in China remained resilient, as evidenced by the macroeconomic indicators released during the reporting period. The official manufacturing purchasing managers' index ("PMI") remained expansionary and held above 51.0 for most of the period. The PMI dipped below 51.0 only in February 2018, partly due to the Chinese New Year seasonality effect, and rebounded back to 51.5 in March as production recovered following the holidays. 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. An index reading above 50.0 indicates an overall increase in

the sector and below 50.0 indicates an overall decrease. Consumption in China also remained buoyant, as the non-manufacturing PMI remained well above 54.0 throughout the reporting period. It is worth highlighting that China's online retail sales growth accelerated further to 37.3% year-on-year in January and February 2018, up from approximately 33.0% in the last calendar quarter of 2017. The Chinese Yuan continued its strengthening trend against the U.S. dollar and appreciated by approximately 5.8% during the period under review.

On the political front, the National People's Congress of China concluded in March 2018 with a key constitutional amendment made to remove terms limits for China's president and vice president. This change will allow President Xi to remain in power beyond 2023 and continue to push through his reforms and initiatives, including the reform of the state's control of the economy as well as the 'One Belt and One Road' initiative. Externally, however, rising trade tensions with the U.S. following President Trump's imposition of tariffs on steel and aluminum imports remains a risk for China and the region. While these exports to the U.S. account for less than 1.0% of China's total exports, the U.S. is also conducting a Section 301 investigation into Chinese intellectual property rights' practices, which could result in a broader range of restrictions on Chinese exports and investments into the U.S. and in turn trigger a stronger retaliatory response from China.

Both South Korea and Taiwan saw their respective economies grow at their fastest pace in three years for calendar year 2017, and economic prospects appear to remain healthy. The Bank of Korea expects the South Korean economy to grow 3.0% in 2018, upgrading its outlook from an earlier forecast of 2.9% on expectations of continued domestic demand recovery and robust export growth. In Taiwan, the central bank sees growth of 2.6% for 2018, having twice raised its forecast to date on the back of continued strength in exports.

On the geopolitical front, conditions appear to be improving for South Korea. Its relationship with North Korea took a dramatic and surprising positive turn in January 2018, with North Korea announcing that it would send a team to the PyeongChang Winter Olympics. President Moon Jae-in is also set to meet North Korean leader Kim Jong Un for a historic summit on April 27. More headway is also occurring in the normalization of relations with China, as President Xi's special envoy Yang Jiechi visited Seoul and promised progress in bilateral economic issues, such as tourism. In contrast, China appears to be ratcheting up pressure on Taiwan, increasing air and naval operations in the island's vicinity and expressing firm opposition to the Taiwan Travel Act signed into law by the U.S. as a violation of the one-China policy.

South East Asian economies appear generally healthy, supported by the external environment and higher commodity prices. The infrastructure projects in Malaysia, Indonesia, Thailand and the Philippines have also continued to show progress. However, currency weakness has dragged on Indonesia and the Philippines markets. In particular for the Philippines, while economic growth remains robust at around 6.7% in calendar year 2017, inflation is moving towards 4.0%, which is the upper range of the central bank's target. This may lead to the central bank raising rates in 2018. Also, the country's current account balance has turned negative and may worsen in the coming years due to rising capital goods imports to support the government's multi-year infrastructure push.

In contrast, economic fundamentals in Singapore, Thailand and Malaysia are relatively stronger, with well-behaved inflation and surplus current account balances. The respective currencies are also likely to be better supported in an environment of rising U.S. rates.

Effective March 8, 2018, the risk rating of the Fund was changed from "high" to "medium to high". The change reflects compliance with the new Canadian Securities Administrators' Mutual Fund Risk Classification Methodology. No material changes have been made to the investment objective, strategies or management of the Fund.

Related Party Transactions

AGF Investments Inc. ("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. The Fund was also party to an investment advisory agreement with AGFI and AGF Asset Management Asia Ltd. ("AGF Asia"). AGF Asia acts as an investment advisor and provides investment advisory services to the Fund. Under the management and investment advisory agreements, the Fund pays management and advisory fees, calculated based on the Net Asset Value of Series S Units of the Fund. Management and advisory fees of approximately \$12,000 were incurred by the Fund during the six month period ended March 31, 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 \$1,000 incurred by the Fund were paid to AGFC during the six month period ended March 31, 2018.

AGFI, AGF Asia and AGFC are direct or 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 six months ended

March 31, 2018 and 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 ("Canadian GAAP").

Series S Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
Net Assets, beginning of period⁽¹⁾	15.02	13.04	12.13	11.15	20.97	19.31
Increase (decrease) from operations:						
Total revenue	0.08	0.32	0.27	0.24	0.23	0.58
Total expenses	(0.10)	(0.22)	(0.21)	(0.21)	(0.63)	(0.18)
Realized gains (losses)	0.47	0.30	0.01	2.67	11.98	(0.42)
Unrealized gains (losses)	1.17	1.93	1.29	(0.83)	(5.26)	0.51
Total increase (decrease) from operations⁽²⁾	1.62	2.33	1.36	1.87	6.32	0.49
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.15)	(0.01)	(0.46)	(0.44)	(9.55)	(0.64)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions⁽³⁾	(0.15)	(0.01)	(0.46)	(0.44)	(9.55)	(0.64)
Net Assets, end of period⁽⁴⁾	16.48	15.02	13.04	12.13	11.15	20.95

Series S Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$'000's)	2,503	2,149	317	295	555	11,386
Number of units outstanding ('000's)	152	143	24	24	50	543
Management expense ratio ⁽⁵⁾	0.62%	0.88%	0.88%	0.88%	0.91%	0.89%
Management expense ratio before waivers or absorptions ⁽⁶⁾	5.82%	6.80%	44.90%	25.15%	11.87%	2.29%
Trading expense ratio ⁽⁷⁾	0.49%	0.50%	0.57%	0.63%	3.09%	0.63%
Portfolio turnover rate ⁽⁸⁾	33.41%	60.77%	75.33%	62.20%	42.85%	101.79%
Net Asset Value per unit	16.48	15.02	13.04	12.13	11.15	20.97

Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements and unaudited interim 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.

~ annualized

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

- b) Series S Units of the Fund commenced operations in January 2009, 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 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 advisory and management services, AGFI receives a monthly management and advisory fee, based on the Net Asset Value of Series S Units, calculated daily and payable monthly. AGFI uses these management and advisory 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 and advisory 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.

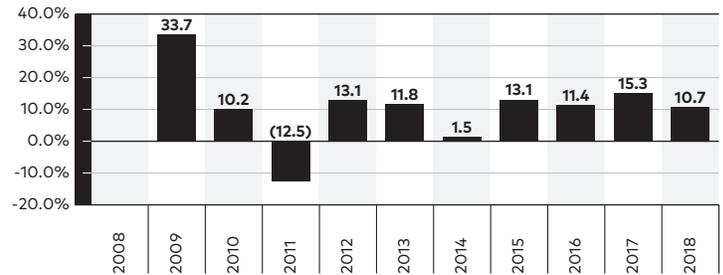
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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, 2017 (interim performance for the six months ended March 31, 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.

Series S Units



Performance for 2009 represents returns for the period from January 26, 2009 to September 30, 2009.

Summary of Investment Portfolio

As at March 31, 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 June 30, 2018.

Portfolio by Country	Percentage of Net Asset Value (%)
China	40.5
South Korea	18.3
Taiwan	10.5
Hong Kong	9.6
Singapore	6.5
India	3.1
Indonesia	3.0
Malaysia	2.9
Thailand	2.7
Cash & Cash Equivalents	1.7

Portfolio by Sector	Percentage of Net Asset Value (%)
Information Technology	35.7
Financials	29.3
Consumer Discretionary	10.4
Consumer Staples	5.0
Real Estate	3.8
Telecommunication Services	3.4
Industrials	3.2
Energy	2.7
Materials	2.5
Cash & Cash Equivalents	1.7
Utilities	1.1

* The indicated rates of return shown here are the historical 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 (%)
International Equity	97.1
Cash & Cash Equivalents	1.7

Top Holdings	Percentage of Net Asset Value (%)
Samsung Electronics Company Limited	7.7
Tencent Holdings Limited	7.5
Alibaba Group Holding Limited	6.4
Taiwan Semiconductor Manufacturing Company Limited	5.6
China Construction Bank Corporation	3.6
Ping An Insurance (Group) Company of China Limited	3.1
HDFC Bank Limited	3.1
Bank of China Limited	2.5
AIA Group Limited	2.3
Hong Kong Exchanges and Clearing Limited	2.2
DBS Group Holdings Limited	2.1
Sands China Limited	1.9
China Mobile Limited	1.9
Hyundai Motor Company	1.7
CK Asset Holdings Limited	1.7
Amorepacific Corporation	1.7
CICC Financial Trading Limited	1.7
Singapore Technologies Engineering Limited	1.7
Ctrip.com International Limited	1.7
Genting Malaysia Berhad	1.7
China Petroleum & Chemical Corporation	1.6
China Mengniu Dairy Company Limited	1.6
Samsung SDI Company Limited	1.5
Intouch Holdings Public Company Limited	1.5
Keppel Corporation Limited	1.5
Total Net Asset Value (thousands of dollars)	\$ 2,503



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