

Interim Management Report of Fund Performance

AGFiQ Enhanced Core Canadian Equity ETF

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, AGFiQ Enhanced Core Canadian Equity ETF (formerly, QuantShares Enhanced Core Canadian Equity ETF) (the "Fund") returned -1.0% (net of expenses) while the S&P/TSX Composite Index ("S&P/TSX Index") returned -0.3%.

The Fund out-performed the S&P/TSX Index. From a factor perspective, the Fund's negative exposure to the volatility factor and positive exposure to the momentum factor contributed to performance. Insufficient exposure to the size factor and exposure to the leverage factor detracted performance.

From a sector perspective, health care and information technology were the best performing sectors. On the other hand, energy, followed by utilities, were the worst performing sectors. The Fund's underweight exposure to the energy sector (13.1% versus 18.5%) and an overweight exposure to the information technology sector (4.4% versus 3.8%) contributed to performance, while an overweight exposure to the utilities sector (5.6% versus 3.7%) detracted.

The Fund had net redemptions of approximately \$44 million for the current period, as compared to net subscriptions of approximately \$3 million in the prior period from inception in January 2017 to March 2017. Rebalancing by an institutional program resulted in net redemptions of approximately \$47 million in the Fund. The portfolio manager does not believe that redemption/subscriber 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)). Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values. The increase in independent review committee fees was 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

Most equity markets worldwide were strong to end calendar year 2017, helped by broadly improving economic data. The Canadian economy continued its strength, posting solid labour market data and gross domestic product ("GDP") growth while inflation showed signs of strength towards the end of calendar year 2017. Economic data from the U.S. was mixed, with inflation, employment and GDP growth improving slightly towards the end of calendar year 2017, while sentiment remained strong. The U.S. Federal Reserve (the "Fed") stayed on its stated monetary policy path and raised interest rates by 0.25% to 1.5% during the last calendar quarter of 2017. The U.S. dollar was weak against most major currencies, while commodities ended the year strong, with the oil price breaching USD \$60 per barrel.

In the portfolio manager's opinion, equity markets worldwide were soft through the first calendar quarter of 2018 despite strong economic momentum as concerns of a tightening labour market, increased volatility, and a rising interest rate environment weighed on market sentiment. Canadian economic data was strong to start calendar year 2018, prompting a 0.25% interest rate increase by the Bank of Canada to 1.25%, but met or missed expectations on employment, inflation, and GDP growth through the rest of the quarter. U.S. economic data showed continued strength, particularly from the labour market, prompting the Fed to raise interest rates by 0.25% to 1.75% for the second time through the reporting period. The Canadian dollar was weak through first calendar quarter of 2018, while commodities experienced elevated volatility through the second half of the period, ending March 2018 positive.

The global economic recovery remains on track with robust economic data supporting strong sentiment. Central banks worldwide have indicated a less dovish path for monetary policy, but stress the reliance on continued robust economic data. The portfolio manager believes the Fund is well-positioned in this type of market environment and continues to focus on providing exposure to Canadian equities using a proprietary, multi-factor quantitative investment process to create opportunities for better risk-adjusted returns.

Effective October 1, 2017, the Fund has elected to early adopt IFRS 9, *Financial Instruments*. The new standard requires financial assets to be classified as amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets. The

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 1 800 387-2563, 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.

classification and measurement of financial liabilities remain generally unchanged except for liabilities recorded at FVTPL. Upon transition to IFRS 9, there were no changes to the classification and measurement attributes of the Fund's financial assets and financial liabilities for the current and prior periods.

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 Asset Management Inc. ("Highstreet"), indirect wholly-owned subsidiaries of AGF Management Limited, pursuant to which Highstreet is responsible for managing the investment portfolio of the Fund. Under the Declaration of Trust, the Fund pays management fees, calculated based on the Net Asset Value of the Fund. Management fees of approximately \$129,000 were incurred by the Fund during the six month period ended March 31, 2018.

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.

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⁾	26.05	25.22*	-	-	-	-
Increase (decrease) from operations:						
Total revenue	0.34	0.52	-	-	-	-
Total expenses	(0.07)	(0.09)	-	-	-	-
Realized gains (losses)	0.97	(0.43)	-	-	-	-
Unrealized gains (losses)	(0.96)	1.21	-	-	-	-
Total increase (decrease) from operations⁽²⁾	0.28	1.21	-	-	-	-
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.30)	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions⁽³⁾	(0.30)	-	-	-	-	-
Net Assets, end of period⁽⁴⁾	25.50	26.05	-	-	-	-

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)	51,638	95,734	-	-	-	-
Number of units outstanding (000's)	2,025	3,675	-	-	-	-
Management expense ratio ⁽⁵⁾	0.45%-	0.45%-	-	-	-	-
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.45%-	0.45%-	-	-	-	-
Trading expense ratio ⁽⁷⁾	0.11%-	0.09%-	-	-	-	-
Portfolio turnover rate ⁽⁸⁾	45.54%	41.85%	-	-	-	-
Net Asset Value per unit	25.50	26.05	-	-	-	-
Closing market price ⁽⁹⁾	25.46	26.05	-	-	-	-

* represents initial Net Assets

- annualized

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

Explanatory Notes

- (1) a) This information is derived from the Fund's audited annual financial statements and unaudited interim 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 exchange traded funds ("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 0.45%, 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*

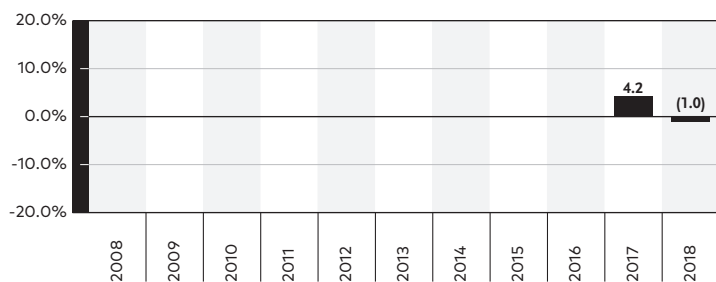
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

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.

* 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. The Fund is not guaranteed, its values change frequently and past performance may not be repeated.



Performance for 2017 represents returns for the period from January 30, 2017 to September 30, 2017.

Summary of Investment Portfolio

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 (%)
Canada	98.9
Cash & Cash Equivalents	0.8

Portfolio by Sector	Percentage of Net Asset Value (%)
Financials	31.2
Energy	13.1
Materials	12.4
Telecommunication Services	8.9
Industrials	8.9
Consumer Discretionary	7.5
Utilities	5.6
Information Technology	4.4
Real Estate	2.9
Consumer Staples	2.7
Health Care	1.3
Cash & Cash Equivalents	0.8

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	98.9
Cash & Cash Equivalents	0.8

Top Holdings

	Percentage of Net Asset Value (%)
The Bank of Nova Scotia	7.9
Suncor Energy Inc.	6.0
Bank of Montreal	5.8
Manulife Financial Corporation	4.0
BCE Inc.	3.5
TELUS Corporation	3.3
Canadian National Railway Company	3.3
Teck Resources Limited	3.0
Constellation Software Inc.	2.9
Barrick Gold Corporation	2.9
Fortis Inc.	2.6
Canadian Imperial Bank of Commerce	2.4
Franco-Nevada Corporation	2.3
TransCanada Corporation	2.3
Brookfield Asset Management Inc.	2.2
Rogers Communications Inc.	2.1
Restaurant Brands International Inc.	2.0
Waste Connections Inc.	2.0
New Flyer Industries Inc.	1.9
Laurentian Bank of Canada	1.9
CI Financial Corporation	1.9
Alimentation Couche-Tard Inc.	1.9
Northland Power Inc.	1.8
The Toronto-Dominion Bank	1.8
CAE Inc.	1.7

Total Net Asset Value (thousands of dollars) \$ 51,638



For more information contact your investment advisor or:

AGF Investments Inc.

Toronto-Dominion Bank Tower
66 Wellington Street West, 31st Floor
Toronto, Ontario M5K 1E9
Toll Free: (800) 387-2563
Web: AGFIQ.com

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