

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Elements Conservative Portfolio

SEPTEMBER 30, 2016



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 portfolio's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Elements Conservative Portfolio (the "Portfolio") is to provide long-term returns with lower risk by investing primarily in a diversified mix of income, bond, money market and equity mutual funds. To achieve these objectives, AGF Investments Inc. ("AGFI"), as portfolio manager, allocates the Portfolio's assets among underlying funds managed by AGFI or an AGFI affiliate (the "Underlying Funds"). AGFI has set, and reviews quarterly, target dynamic allocations between income, bond, money market and equity funds for the Portfolio, consistent with the Portfolio's investment objective. In periods of unusual market conditions, a significant portion of the Portfolio's assets may be held in cash, money market securities or money market funds.

Risks

The risks of investing in the Portfolio remain as disclosed in the current prospectus. The principal risks associated with the Portfolio are the same as those of the Underlying Funds held by the Portfolio and include changes in legislation risk, counterparty risk, credit risk, derivative risk, emerging markets risk, equity risk, exchange traded fund ("ETF") general risks, ETF index risks, ETF industry sector risk, foreign currency risk, foreign market risk, gold and silver ETFs risk, interest rate risk, liquidity risk, repurchase agreement risk, reverse repurchase agreement risk, securities lending risk, substantial securityholder risk and underlying fund risk. The Portfolio is suitable for investors investing for the medium term, seeking a mix of fixed income and equity funds in a single portfolio and who have low to medium tolerance for risk.

Results of Operations

For the year ended September 30, 2016, the Mutual Fund Units of the Portfolio returned 5.8% (net of expenses) while the FTSE TMX Canada Universe Bond Index ("FTSE TMX Universe Bond Index"), the MSCI All Country World Index and the Blended Benchmark returned 6.3%, 11.0% and 9.2%, respectively. The Blended Benchmark is composed of 36% Bloomberg Barclays Global Aggregate Index (formerly, Barclays Capital Global Aggregate Bond Index)/30% MSCI All Country World Index/ 24% FTSE TMX Universe Bond Index/10% S&P/TSX Composite Index. The performance of the other series of the Portfolio 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 Portfolio holds Series S Units of the Underlying Funds. The discussion below references performance figures for Mutual Fund Units

of the Underlying Funds. The performance of Series S Units is substantially similar to that of the Mutual Fund Units, save for differences in expense structure.

The Portfolio is constructed based on an asset allocation framework that allocates to a diverse array of mutual funds representing distinct global asset class opportunities, each with unique risk and return expectations.

The Portfolio slightly under-performed the FTSE TMX Canada Universe Bond Index due mainly to the under-performance of the underlying fixed income funds, though inclusion of equities within the Portfolio relative to the FTSE TMX Universe Bond Index, which consists only of fixed income, contributed positively.

The Portfolio under-performed the MSCI All Country World Index due to inclusion of fixed income securities, which generally under-performed equities during the reporting period, except for high yield bonds, which out-performed. However, partially offsetting the under-performance was the Portfolio's greater exposure to Canadian equities and lower exposure to global equities, relative to the MSCI All Country World Index.

The Portfolio under-performed the Blended Benchmark due to the Portfolio's preference for investment grade bonds over high yield bonds, as high yields bonds posted strong performance due to tightening spreads during the reporting period. The Portfolio's preference and higher exposure to global equities, which under-performed the Canadian equities for most of the reporting period, further detracted from performance. Canadian equity market benefited from rising commodity prices, especially in the materials and energy sectors. By the end of the reporting period, the Portfolio decreased its global equity exposure and increased its Canadian equity exposure, which helped offset returns.

The Portfolio held approximately 56.0% of its holdings in fixed income funds, 23.0% in foreign equity funds, 13.0% in Canadian equity funds and 8.0% in a balanced fund as at September 30, 2016. The allocation of the Portfolio to these various categories remained relatively steady over the period under review. Within global equity, exposure to AGF American Growth Fund was decreased and exposure to AGF European Equity Fund was eliminated. This was partially offset by adding exposure to AGF Dividend Income Fund within Canadian equity. From fixed income perspective, exposure to AGF Total Return Bond Fund was decreased, while exposure to AGF Global Bond Fund and AGF High Yield Bond Fund was increased.

During the period under review, performance from the Portfolio's global fixed income segment detracted as all holdings under-performed the Bloomberg Barclays Global Aggregate Index. In terms of Canadian fixed income, AGF Fixed Income Plus Fund under-performed the FTSE TMX Universe Bond Index. The Portfolio's global equity exposure detracted from relative performance as AGF EAFE Equity Fund returned a meager 0.7%, though partially offset by 10.0% and 7.8% returns posted by AGF

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 800 268-8583, by writing to us at AGF Investments Inc. 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, or by visiting our website at www.agf.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Global Equity Fund and AGF Global Dividend Fund, respectively. The Portfolio's exposure to AGF European Equity Fund was eliminated during the last reporting quarter, which returned -6.4% , detracting performance while it was held in the Portfolio. Within Canadian equity, AGF Dividend Income Fund returned 13.5% , AGF Canadian Stock Fund returned 10.0% and AGF Canadian Large Cap Dividend Fund returned 10.6% , respectively, which contributed to performance.

The Portfolio had net subscriptions of approximately \$67 million for the current period, as compared to net subscriptions of approximately \$19 million in the prior period. The portfolio manager does not believe subscription activity had a meaningful impact on the Portfolio's performance or the ability to implement its investment strategy.

Total expenses 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. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values and investor activity. In particular, custodian fees increased due to the change in third party service provider during the current period. Registration fees increased due to an increase in subscription activity and interest expense increased due to an increase in the number of overdraft positions throughout the period. All other expenses remained fairly consistent throughout the periods.

Recent Developments

AGFI, as portfolio manager, monitors and reviews the Portfolio and the strategic asset allocation on a quarterly basis. Rebalancing of the allocation of funds within the Portfolio occurs quarterly.

Developed market equities are currently preferred, though improved conditions are forecasted in emerging markets due to a supportive macro backdrop and margin expansion. Canadian equity conditions are favourable, although the portfolio manager is closely watching risks of an overheated real estate market and progression of the energy sector's recovery following the wildfires in Alberta in the second calendar quarter of 2016. The portfolio manager is forecasting range bound oil prices over the medium term. The portfolio manager's outlook for U.S. equities remains positive on a relative basis, though less favourable for European equities due to political uncertainties and issues arising in the banking sector. In the Asia Pacific region, Singapore and Australia are moving off market lows and experiencing re-acceleration in earnings figures, while the outlook for Japan remains neutral due to supportive policies and commitment from the central bank, yet economic growth is still anemic. The portfolio manager remains cautious on government bonds in the short-term but favours corporate securities in the current economic environment.

Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Portfolio. Pursuant to the management agreement between the Portfolio and AGFI, AGFI is responsible for the day-to-day business of the Portfolio. As indicated above, AGFI also acts as the investment (portfolio) manager of the Portfolio, providing analysis and making decisions as to which Underlying Funds the Portfolio invests in and the target weighting of the Portfolio's assets. Under the management agreement, the Portfolio (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 Portfolio. Management fees of approximately \$5,892,000 were incurred by the Portfolio during the period ended September 30, 2016.

Effective February 15, 2016, AGF CustomerFirst Inc. ("AGFC"), a wholly owned subsidiary of AGF Management Limited, provides transfer agency services to the Portfolio pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$139,000 incurred by the Portfolio were paid to AGFC for the period from February 15, 2016 to September 30, 2016.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Portfolio, 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 Portfolio 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 Portfolio and economic factors.

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 Portfolio. 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 Portfolio 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 Portfolio and are intended to help you understand the Portfolio's financial performance for the past five years as applicable. The Portfolio 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⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 11.92 | 11.96 | 11.35 | 11.09 | 10.49 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.62 | 0.72 | 0.71 | 0.53 | 0.31 |
| Total expenses | (0.27) | (0.28) | (0.28) | (0.26) | (0.25) |
| Realized gains (losses) | 0.07 | 0.43 | 0.53 | 0.46 | 0.04 |
| Unrealized gains (losses) | 0.24 | (0.25) | 0.22 | (0.29) | 0.53 |
| Total increase (decrease) from operations⁽²⁾ | 0.66 | 0.62 | 1.18 | 0.44 | 0.63 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.05) | (0.03) | (0.05) | (0.00) | (0.01) |
| From dividends | (0.02) | (0.02) | (0.04) | (0.00) | (0.02) |
| From capital gains | (0.68) | (0.59) | (0.45) | (0.17) | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (0.75) | (0.64) | (0.54) | (0.17) | (0.03) |
| Net Assets, end of period⁽⁴⁾ | 11.85 | 11.92 | 11.96 | 11.35 | 11.09 |

Mutual Fund Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 240,700 | 221,647 | 230,587 | 239,299 | 270,546 |
| Number of units outstanding (000's) | 20,318 | 18,592 | 19,275 | 21,083 | 24,397 |
| Management expense ratio ⁽⁵⁾ | 2.37% | 2.35% | 2.36% | 2.36% | 2.31% |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 2.38% | 2.37% | 2.36% | 2.37% | 2.32% |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | 0.08% | 0.11% | 0.09% |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | 25.51% | 55.30% | 25.73% |
| Net Asset Value per unit | 11.85 | 11.92 | 11.96 | 11.35 | 11.09 |

Series D Units – Net Assets per Unit⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 12.00 | 12.04 | 11.42 | 11.15 | 10.51 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.63 | 0.73 | 0.71 | 0.53 | 0.32 |
| Total expenses | (0.26) | (0.27) | (0.27) | (0.25) | (0.22) |
| Realized gains (losses) | 0.07 | 0.43 | 0.53 | 0.50 | 0.01 |
| Unrealized gains (losses) | 0.25 | (0.25) | 0.21 | (0.36) | 0.61 |
| Total increase (decrease) from operations⁽²⁾ | 0.69 | 0.64 | 1.18 | 0.42 | 0.72 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.06) | (0.04) | (0.05) | (0.00) | (0.01) |
| From dividends | (0.02) | (0.02) | (0.05) | (0.00) | (0.01) |
| From capital gains | (0.69) | (0.59) | (0.46) | (0.17) | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (0.77) | (0.65) | (0.56) | (0.17) | (0.02) |
| Net Assets, end of period⁽⁴⁾ | 11.93 | 12.00 | 12.04 | 11.42 | 11.15 |

Series D Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 325 | 332 | 350 | 344 | 662 |
| Number of units outstanding (000's) | 27 | 28 | 29 | 30 | 59 |
| Management expense ratio ⁽⁵⁾ | 2.23% | 2.27% | 2.29% | 2.24% | 2.00% |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 2.24% | 3.05% | 3.03% | 2.66% | 2.43% |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | 0.08% | 0.11% | 0.09% |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | 25.51% | 55.30% | 25.73% |
| Net Asset Value per unit | 11.93 | 12.00 | 12.04 | 11.42 | 11.15 |

Series F Units – Net Assets per Unit⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 12.08 | 12.18 | 11.60 | 11.30 | 10.68 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.57 | 0.65 | 0.67 | 0.55 | 0.32 |
| Total expenses | (0.13) | (0.16) | (0.17) | (0.15) | (0.15) |
| Realized gains (losses) | 0.07 | 0.37 | 0.52 | 0.50 | 0.02 |
| Unrealized gains (losses) | 0.32 | (0.44) | 0.12 | (0.29) | 0.59 |
| Total increase (decrease) from operations⁽²⁾ | 0.83 | 0.42 | 1.14 | 0.61 | 0.78 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.18) | (0.14) | (0.12) | (0.00) | (0.07) |
| From dividends | (0.07) | (0.08) | (0.12) | (0.08) | (0.06) |
| From capital gains | (0.69) | (0.60) | (0.47) | (0.17) | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (0.94) | (0.82) | (0.71) | (0.25) | (0.13) |
| Net Assets, end of period⁽⁴⁾ | 11.97 | 12.08 | 12.18 | 11.60 | 11.30 |

Series F Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 7,492 | 3,352 | 1,673 | 819 | 1,039 |
| Number of units outstanding (000's) | 626 | 277 | 137 | 71 | 92 |
| Management expense ratio ⁽⁵⁾ | 1.12% | 1.38% | 1.38% | 1.37% | 1.35% |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 1.13% | 1.41% | 1.62% | 1.75% | 1.55% |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | 0.08% | 0.11% | 0.09% |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | 25.51% | 55.30% | 25.73% |
| Net Asset Value per unit | 11.97 | 12.08 | 12.18 | 11.60 | 11.30 |

Series J Units – Net Assets per Unit⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 11.68 | 11.80 | 11.28 | 11.13 | 10.74* |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.57 | 0.65 | 0.61 | 0.49 | 0.26 |
| Total expenses | (0.25) | (0.27) | (0.27) | (0.26) | (0.24) |
| Realized gains (losses) | 0.07 | 0.38 | 0.52 | 0.39 | 0.03 |
| Unrealized gains (losses) | 0.29 | (0.39) | 0.06 | (0.21) | 0.35 |
| Total increase (decrease) from operations⁽²⁾ | 0.68 | 0.37 | 0.92 | 0.41 | 0.40 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.10) | (0.08) | (0.09) | (0.01) | (0.01) |
| From dividends | (0.04) | (0.05) | (0.09) | (0.11) | (0.01) |
| From capital gains | (0.66) | (0.58) | (0.45) | (0.17) | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (0.80) | (0.71) | (0.63) | (0.29) | (0.02) |
| Net Assets, end of period⁽⁴⁾ | 11.55 | 11.68 | 11.80 | 11.28 | 11.13 |

Series J Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 83,552 | 50,781 | 26,399 | 10,765 | 5,444 |
| Number of units outstanding (000's) | 7,234 | 4,347 | 2,238 | 954 | 489 |
| Management expense ratio ⁽⁵⁾ | 2.25% | 2.29% | 2.30% | 2.31% | 2.45%~ |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 2.29% | 2.30% | 2.30% | 2.37% | 2.53%~ |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | 0.08% | 0.11% | 0.09% |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | 25.51% | 55.30% | 25.73% |
| Net Asset Value per unit | 11.55 | 11.68 | 11.80 | 11.28 | 11.13 |

* represents initial Net Assets
~ annualized

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

Series O Units – Net Assets per Unit⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 12.31 | 12.38 | 11.76 | 11.48 | 10.85 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.50 | 0.74 | 0.72 | 0.49 | 0.32 |
| Total expenses | – | – | – | – | – |
| Realized gains (losses) | 0.07 | 0.44 | 0.54 | 0.58 | 0.07 |
| Unrealized gains (losses) | 0.49 | (0.26) | 0.18 | (0.39) | 0.51 |
| Total increase (decrease) from operations⁽²⁾ | 1.06 | 0.92 | 1.44 | 0.68 | 0.90 |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.26) | (0.22) | (0.19) | (0.01) | (0.14) |
| From dividends | (0.10) | (0.13) | (0.19) | (0.25) | (0.13) |
| From capital gains | (0.70) | (0.61) | (0.47) | (0.18) | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (1.06) | (0.96) | (0.85) | (0.44) | (0.27) |
| Net Assets, end of period⁽⁴⁾ | 12.23 | 12.31 | 12.38 | 11.76 | 11.48 |

Series O Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 11,305 | 4,074 | 4,050 | 3,296 | 4,606 |
| Number of units outstanding (000's) | 924 | 331 | 327 | 280 | 401 |
| Management expense ratio ⁽⁵⁾ | – | – | – | – | – |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 0.07% | 0.16% | 0.15% | 0.17% | 0.15% |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | 0.08% | 0.11% | 0.09% |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | 25.51% | 55.30% | 25.73% |
| Net Asset Value per unit | 12.23 | 12.31 | 12.38 | 11.76 | 11.48 |

Series Q Units – Net Assets per Unit⁽¹⁾

| For the periods ended | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) | Sept 30, 2012 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period⁽¹⁾ | 10.03 | 10.00 * | – | – | – |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.40 | 0.11 | – | – | – |
| Total expenses | – | – | – | – | – |
| Realized gains (losses) | 0.07 | 0.02 | – | – | – |
| Unrealized gains (losses) | 0.48 | (0.28) | – | – | – |
| Total increase (decrease) from operations⁽²⁾ | 0.95 | (0.15) | – | – | – |
| Distributions: | | | | | |
| From income (excluding dividends) | (0.09) | – | – | – | – |
| From dividends | (0.04) | – | – | – | – |
| From capital gains | (0.25) | – | – | – | – |
| Return of capital | – | – | – | – | – |
| Total annual distributions⁽³⁾ | (0.38) | – | – | – | – |
| Net Assets, end of period⁽⁴⁾ | 10.46 | 10.03 | – | – | – |

Series Q Units – Ratios/Supplemental Data⁽¹⁾

| For the periods ended | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 | Sept 30, 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's) | 4,020 | 180 | – | – | – |
| Number of units outstanding (000's) | 384 | 18 | – | – | – |
| Management expense ratio ⁽⁵⁾ | – | – | – | – | – |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 0.08% | 0.94% | – | – | – |
| Trading expense ratio ⁽⁷⁾ | 0.07% | 0.10% | – | – | – |
| Portfolio turnover rate ⁽⁸⁾ | 21.45% | 61.82% | – | – | – |
| Net Asset Value per unit | 10.46 | 10.03 | – | – | – |

* represents initial Net Assets

~ annualized

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

Explanatory Notes

(1) a) This information is derived from the Portfolio's audited annual financial statements. Prior to October 1, 2014, the net assets per unit presented in the financial statements ("Net Assets") was calculated using different valuation techniques for certain investments as required under Canadian GAAP. This had no impact on the Net Assets per unit since the series net asset value per share/unit calculated for fund pricing purposes ("Net Asset Value") of the Underlying Funds held was the most readily and regularly available price as no bid prices were available. This remains unchanged with the adoption of IFRS effective October 1, 2014.

For the purpose of comparability with the period ended September 30, 2016, total Net Asset Value and number of units outstanding presented for the period ended September 30, 2015 may have been adjusted to include certain transactions, if applicable. These adjustments have no effect on the Net Asset Value per unit.

b) The following series of the Portfolio 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 | November 2005 |
| Series D Units | March 2006 |
| Series F Units | November 2005 |
| Series J Units | November 2011 |
| Series O Units | October 2008 |
| Series Q Units | April 2015 |

(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 Portfolio, 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 Portfolio (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding commissions and other portfolio transaction costs) allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

As a result of the Portfolio's investment in the Underlying Funds, the MER is calculated based on the expenses of the Portfolio allocated to that series, including expenses indirectly incurred by the Portfolio attributable to its investment in the Underlying Funds, divided by the average daily Net Asset Value of the series of the Portfolio during the period.

The Portfolio does not pay duplicate management and advisory fees, as applicable, on the portion of the assets that it invests in the Underlying Funds. Accordingly, AGFI will waive the management and advisory fees payable or paid by the Underlying Funds in order to avoid such duplication.

Under the Elements Advantage Program, holders of Mutual Fund Units, Series D Units and Series F Units of the Portfolio may be entitled to receive distributions in an amount equal to management

fee reductions by AGFI. The MER does not take into account the reduction in management fees due to such distributions to unitholders.

Any new units of the applicable series of the Portfolio purchased subsequent to June 19, 2009 will no longer be eligible for the Elements Advantage Program. Units purchased in eligible series of the Portfolio prior to a trade date of June 22, 2009 will continue to be eligible for any subsequent three year periods so long as the relevant units are not redeemed before the end of each three year period.

- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Portfolio. 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 ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily Net Asset Value during the period.

As a result of the Portfolio's investment in the Underlying Funds, the TER is calculated based on commissions and other portfolio transaction costs of the Portfolio, including such costs that are indirectly incurred by the Portfolio attributable to its investment in each of the Underlying Funds, divided by the average daily Net Asset Value of the Portfolio during the period.

- (8) The Portfolio's portfolio turnover rate ("PTR") indicates how actively the Portfolio's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Portfolio 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 Portfolio 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 Portfolio. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Portfolio'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% | 55.47% | 44.53% |
| Series D Units | 1.75% | 65.54% | 34.46% |
| Series F Units | 0.80% ^(a) | — | 100.00% |
| Series J Units | 2.00% | 61.07% | 38.93% |

(a) 1.00% for the periods prior to April 1, 2016.

Past Performance*

The performance information shown assumes that all distributions made by the Portfolio in the periods shown were reinvested in additional securities of the Portfolio. 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 Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

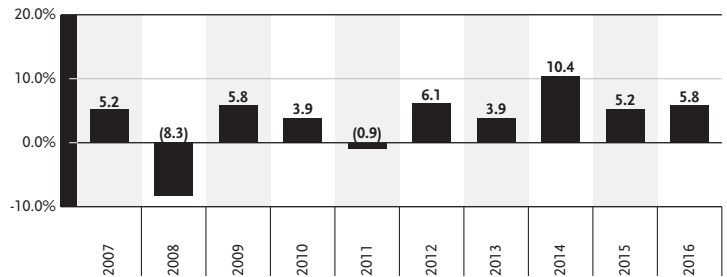
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

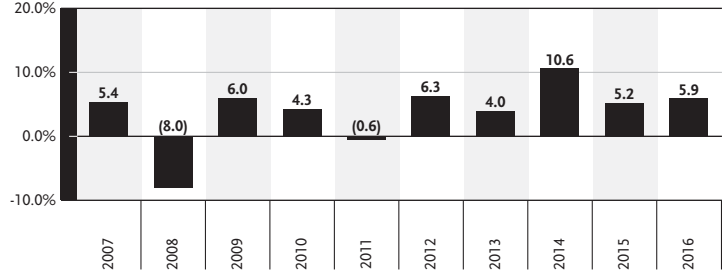
Year-By-Year Returns

The following bar charts show the Portfolio's annual performance for each of the past 10 years to September 30, 2016 as applicable, and illustrate how the Portfolio'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.

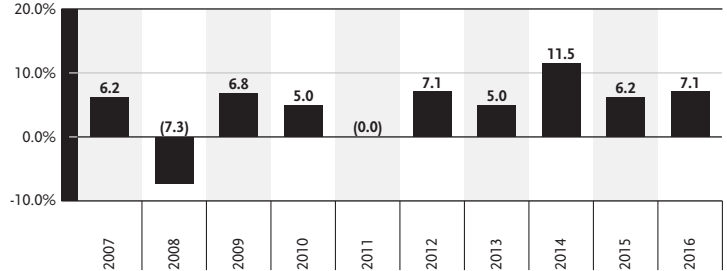
Mutual Fund Units



Series D Units

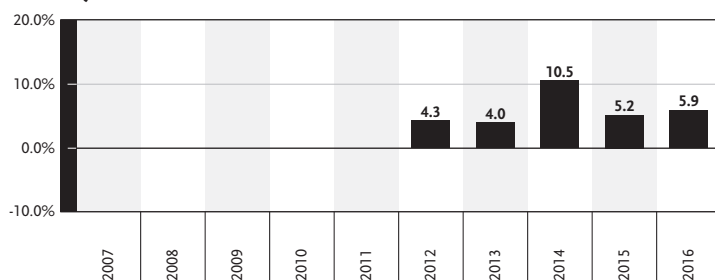


Series F Units



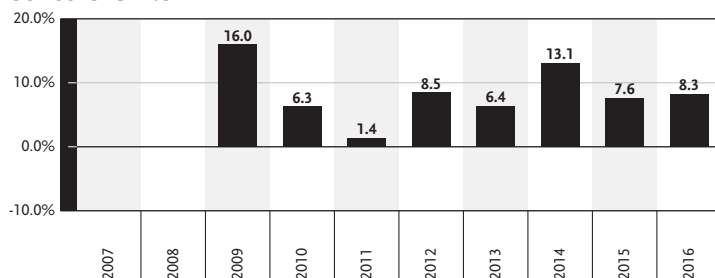
* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced returns or performance. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Series J Units



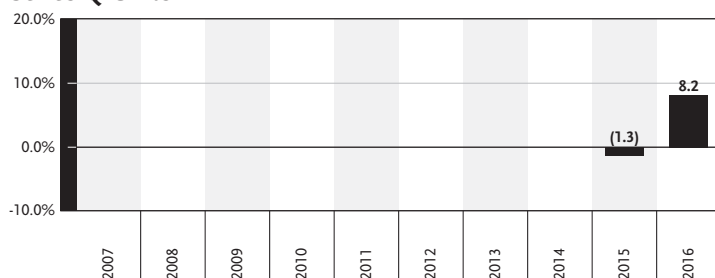
Performance for 2012 represents returns for the period from December 13, 2011 to September 30, 2012.

Series O Units



Performance for 2009 represents returns for the period from November 18, 2008 to September 30, 2009.

Series Q Units



Performance for 2015 represents returns for the period from July 7, 2015 to September 30, 2015.

Annual Compound Returns

The following table compares the historical annual compound returns for each series with the indices, for each of the periods ended September 30, 2016.

| Percentage Return: | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|-------------------------------------|--------|---------|---------|----------|-----------------|
| Mutual Fund Units | 5.8 | 7.1 | 6.3 | 3.6 | N/A |
| FTSE TMX Canada Universe Bond Index | 6.3 | 6.0 | 4.4 | 5.2 | N/A |
| MSCI All Country World Index | 11.0 | 14.6 | 16.4 | 6.6 | N/A |
| Blended Benchmark | 9.2 | 10.7 | 9.3 | 6.3 | N/A |
| Old Blended Benchmark | 9.1 | 10.1 | 9.0 | 6.2 | N/A |
| Series D Units | 5.9 | 7.2 | 6.4 | 3.8 | N/A |
| FTSE TMX Canada Universe Bond Index | 6.3 | 6.0 | 4.4 | 5.2 | N/A |
| MSCI All Country World Index | 11.0 | 14.6 | 16.4 | 6.6 | N/A |
| Blended Benchmark | 9.2 | 10.7 | 9.3 | 6.3 | N/A |
| Old Blended Benchmark | 9.1 | 10.1 | 9.0 | 6.2 | N/A |

| Percentage Return: | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|-------------------------------------|--------|---------|---------|----------|-----------------|
| Series F Units | 7.1 | 8.2 | 7.3 | 4.6 | N/A |
| FTSE TMX Canada Universe Bond Index | 6.3 | 6.0 | 4.4 | 5.2 | N/A |
| MSCI All Country World Index | 11.0 | 14.6 | 16.4 | 6.6 | N/A |
| Blended Benchmark | 9.2 | 10.7 | 9.3 | 6.3 | N/A |
| Old Blended Benchmark | 9.1 | 10.1 | 9.0 | 6.2 | N/A |
| Series J Units | 5.9 | 7.2 | N/A | N/A | 6.2 |
| FTSE TMX Canada Universe Bond Index | 6.3 | 6.0 | N/A | N/A | 4.2 |
| MSCI All Country World Index | 11.0 | 14.6 | N/A | N/A | 16.2 |
| Blended Benchmark | 9.2 | 10.7 | N/A | N/A | 9.4 |
| Old Blended Benchmark | 9.1 | 10.1 | N/A | N/A | 9.1 |
| Series O Units | 8.3 | 9.6 | 8.7 | N/A | 8.5 |
| FTSE TMX Canada Universe Bond Index | 6.3 | 6.0 | 4.4 | N/A | 5.7 |
| MSCI All Country World Index | 11.0 | 14.6 | 16.4 | N/A | 12.3 |
| Blended Benchmark | 9.2 | 10.7 | 9.3 | N/A | 8.1 |
| Old Blended Benchmark | 9.1 | 10.1 | 9.0 | N/A | 8.1 |
| Series Q Units | 8.2 | N/A | N/A | N/A | 5.5 |
| FTSE TMX Canada Universe Bond Index | 6.3 | N/A | N/A | N/A | 4.6 |
| MSCI All Country World Index | 11.0 | N/A | N/A | N/A | 5.2 |
| Blended Benchmark | 9.2 | N/A | N/A | N/A | 7.4 |
| Old Blended Benchmark | 9.1 | N/A | N/A | N/A | 6.6 |

Effective April 1, 2016, the Portfolio's Old Blended Benchmark, which comprised 36% FTSE TMX Canada Universe Bond Index/30% MSCI All Country World Index/24% Bloomberg Barclays Global Aggregate Index/10% S&P/TSX Composite Index, was changed to the Blended Benchmark to better represent the Portfolio's global bias with respect to its fixed income allocation.

The FTSE TMX Canada Universe Bond Index is a market capitalization-weighted index designed to be a broad measure of the Canadian investment grade fixed income market.

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

The Bloomberg Barclays Global Aggregate Index provides a broad-based measure of the global investment grade fixed income markets.

The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks and trusts listed on the Toronto Stock Exchange.

For a discussion of the relative performance of the Portfolio as compared to the indices, see Results of Operations in the Management Discussion of Fund Performance.

Summary of Investment Portfolio

As at September 30, 2016

The major portfolio categories and top holdings (up to 25) of the Portfolio 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 Portfolio and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2016.

AGF Elements Conservative Portfolio

SEPTEMBER 30, 2016

The prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.

| Portfolio by Sector | Percentage of Net Asset Value (%) |
|----------------------------|--|
| Fixed Income Funds | 55.6 |
| Equity Funds | 35.9 |
| Balanced Funds | 8.0 |
| Cash & Cash Equivalents | 0.1 |

| Top Holdings | Percentage of Net Asset Value (%) |
|---|--|
| AGF Global Bond Fund | 23.9 |
| AGF Fixed Income Plus Fund | 13.9 |
| AGF Total Return Bond Fund | 8.9 |
| AGF Tactical Fund | 8.0 |
| AGF Global Equity Fund | 7.9 |
| AGF Dividend Income Fund | 7.0 |
| AGF Global Dividend Fund | 6.0 |
| AGF Emerging Markets Bond Fund | 4.9 |
| AGF Canadian Stock Fund | 4.0 |
| AGF High Yield Bond Fund | 4.0 |
| AGF U.S. Risk Managed Fund | 4.0 |
| AGF American Growth Fund | 3.0 |
| AGF Canadian Large Cap Dividend Fund | 2.0 |
| AGF EAFE Equity Fund | 2.0 |
| Total Net Asset Value (thousands of dollars) | \$ 347,394 |



What are you doing after work?®

For more information contact your investment advisor or:

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Mississauga, ON L5R 0G3

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VANCOUVER CALGARY SASKATOON WINNIPEG TORONTO OTTAWA MONTREAL HALIFAX DUBLIN LONDON SINGAPORE HONG KONG BEIJING



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