

Annual Management Report of Fund Performance

# AGF Elements Conservative Portfolio

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 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 this objective, AGF Investments Inc. ("AGFI"), as portfolio manager, allocates the Portfolio's assets among underlying mutual funds (the "Underlying Funds") and exchange traded funds ("ETFs"), all of which are managed by AGFI or an AGFI affiliate. 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 Portfolio continues to be 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, 2017, the Mutual Fund Units of the Portfolio returned 2.2% (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 -3.0%, 13.4% and 1.8%, respectively. The Blended Benchmark is composed of 36% Bloomberg Barclays Global Aggregate 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 Shares/Units of the Underlying Funds. The discussion below references performance figures for Mutual Fund Shares/Units of the Underlying Funds. The performance of Series S Shares/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 and ETFs representing

\*\* Class of AGF All World Tax Advantage Group Limited

distinct global asset class opportunities, each with unique risk and return expectations.

The Portfolio out-performed the FTSE TMX Universe Bond Index due to its inclusion of equities, as equities significantly out-performed during the reporting period. An overweight exposure to high yield bonds also contributed, as they were less impacted by rising rates than investment grade bonds. Strong performance from the Underlying Funds containing investment grade bonds, as compared to their respective benchmarks, also aided in Portfolio out-performance.

The Portfolio under-performed the MSCI All Country World Index due to its inclusion of fixed income, as bonds significantly under-performed equity markets during the reporting period. Within equities, a greater exposure to Canadian equities and lower exposure to global equities, relative to the MSCI All Country World Index, also detracted from performance. The performance of the Portfolio's Canadian equity Underlying Funds holdings, which generally out-performed their respective benchmarks, added value on an absolute basis.

The Portfolio out-performed the Blended Benchmark due to a greater exposure to equities and less exposure to fixed income. Within equities, exposure to global equities contributed to out-performance as did the Portfolio's exposure to Canadian equities with strong returns, though to a lesser extent. Within fixed income, an overweight exposure to high yield bonds also contributed.

The Portfolio held approximately 56.0% of its holdings in fixed income funds, 20.0% in foreign equity funds, 15.0% in Canadian equity funds and 9.0% in a balanced fund as at September 30, 2017. The Portfolio added ETFs to its holdings during the reporting period. Within the fixed income category, exposure to AGF Global Bond Fund was increased, while exposure to AGF Fixed Income Plus Fund was reduced. Within U.S. equity, exposure to AGF U.S. Risk Managed Fund was removed, while exposure to QuantShares Enhanced Core US Equity ETF was added. Within global equity, exposure to AGF Global Dividend Fund was reduced, while exposure to AGF Emerging Markets Fund, AGF Global Resources Class\*\* and QuantShares Enhanced Core International Equity ETF was added. Within Canadian equity, exposure to AGF Canadian Large Cap Dividend Fund was removed, while exposure to AGF Canadian Small Cap Fund and QuantShares Enhanced Core Canadian Equity ETF was added. Within the balanced fund category, the Portfolio's exposure to AGF Tactical Fund remained relatively unchanged.

During the reporting period, the Portfolio's fixed income exposure detracted from performance as AGF Fixed Income Plus Fund and AGF Global Bond Fund returned -3.2% and -4.1%, respectively. This was largely offset by positive returns posted by the equity portion of the Portfolio. Within foreign equity, AGF Global Dividend Fund and 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](http://www.agf.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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

Global Equity Fund returned 6.1% and 10.2%, respectively. In the U.S. equity positions, AGF American Growth Fund (Series S Units) returned 17.3%. Within Canadian equity, AGF Canadian Stock Fund and AGF Dividend Income Fund returned 9.5% and 8.7%, respectively. The balanced fund category also contributed with 7.1% return posted by AGF Tactical Fund (Series S Units).

The Portfolio had net subscriptions of approximately \$38 million for the current period, as compared to net subscriptions of approximately \$67 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 before 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. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values. On the contrary, custodian fees decreased due to renegotiated fee terms with third party service provider during the current period and interest expense decreased due to a decrease in overdraft positions throughout the period. The decrease in annual and interim reports 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

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.

The portfolio manager continues to favour equities over bonds and developed markets equities are still preferred over emerging markets equities. Canadian equity conditions appear favourable over the long-term, though over the short-term, the portfolio manager is cautiously monitoring the strengthening domestic currency and its impact on trade, as well as negative sentiment towards the energy sector. The portfolio manager's outlook for U.S. equities remains positive on a relative basis, having displayed resiliency through political risk, economic longevity and stretched valuations. The portfolio manager expects continuation of this trend, leading to further growth opportunities. European markets have withstood substantial political uncertainty, much of which has now passed, with little disruption. Some risk does remain with several upcoming elections and ongoing Brexit negotiations, leading to a neutral outlook by the portfolio manager. The portfolio manager holds a moderately unfavourable view for Asia ex-Japan. Although the Chinese economy has held up relatively well, downside risk remains as the government attempts to slow economic growth to a sustainable level in the coming months. The portfolio manager's outlook for Japan remains positive due to supportive policies and commitment from the central bank for necessary stimulus, though inability to get ahead of anemic growth warrants some caution. Emerging markets have shown signs of strength in recent months, aided by the weakening of the U.S. dollar and continued reform spurring market growth. As such, the portfolio manager currently holds a neutral view of emerging markets, though should the economic backdrop continue over the medium term, a greater conviction for the region may materialize.

The Portfolio holds an overall underweight position in fixed income, as higher interest rates are expected in the coming months, weighing on the asset class. High yield bonds are the most preferred category as defaults remain low. Emerging markets debt is also viewed favourably in the near term, boosted by depreciation of the U.S. dollar. Interest rate sensitive bonds remain underweight, as these are most susceptible to expected higher interest rates.

#### 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. AGFI also acts as the investment (portfolio) manager of the Portfolio, providing analysis and making decisions as to which Underlying Funds and ETFs 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 \$6,704,000 were incurred by the Portfolio during the period ended September 30, 2017.

AGF CustomerFirst Inc. ("AGFC") provides transfer agency services to the Portfolio pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$244,000 incurred by the Portfolio were paid to AGFC during the period ended September 30, 2017.

AGFI and AGFC are indirect wholly-owned subsidiaries of AGF Management Limited.

#### Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the 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.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Portfolio 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 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<sup>(1)</sup>

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>11.85</b>       | <b>11.92</b>       | <b>11.96</b>       | <b>11.35</b>       | <b>11.09</b>       |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.44               | 0.62               | 0.72               | 0.71               | 0.53               |
| Total expenses   | (0.28)             | (0.27)             | (0.28)             | (0.28)             | (0.26)             |
| Realized gains (losses)  | 0.20               | 0.07               | 0.43               | 0.53               | 0.46               |
| Unrealized gains (losses)                                      | (0.10)             | 0.24               | (0.25)             | 0.22               | (0.29)             |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.26</b>        | <b>0.66</b>        | <b>0.62</b>        | <b>1.18</b>        | <b>0.44</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.04)             | (0.05)             | (0.03)             | (0.05)             | (0.00)             |
| From dividends   | (0.02)             | (0.02)             | (0.02)             | (0.04)             | (0.00)             |
| From capital gains   | (0.12)             | (0.68)             | (0.59)             | (0.45)             | (0.17)             |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.18)</b>      | <b>(0.75)</b>      | <b>(0.64)</b>      | <b>(0.54)</b>      | <b>(0.17)</b>      |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>11.93</b>       | <b>11.85</b>       | <b>11.92</b>       | <b>11.96</b>       | <b>11.35</b>       |

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 232,499       | 240,700       | 221,647       | 230,587       | 239,299       |
| Number of units outstanding (000's)                                   | 19,496        | 20,318        | 18,592        | 19,275        | 21,083        |
| Management expense ratio <sup>(5)</sup>                               | 2.33%         | 2.37%         | 2.35%         | 2.36%         | 2.36%         |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 2.33%         | 2.38%         | 2.37%         | 2.36%         | 2.37%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | 0.08%         | 0.11%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | 25.51%        | 55.30%        |
| Net Asset Value per unit  | 11.93         | 11.85         | 11.92         | 11.96         | 11.35         |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>11.93</b>       | <b>12.00</b>       | <b>12.04</b>       | <b>11.42</b>       | <b>11.15</b>       |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.45               | 0.63               | 0.73               | 0.71               | 0.53               |
| Total expenses   | (0.29)             | (0.26)             | (0.27)             | (0.27)             | (0.25)             |
| Realized gains (losses)  | 0.19               | 0.07               | 0.43               | 0.53               | 0.50               |
| Unrealized gains (losses)                                      | (0.09)             | 0.25               | (0.25)             | 0.21               | (0.36)             |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.26</b>        | <b>0.69</b>        | <b>0.64</b>        | <b>1.18</b>        | <b>0.42</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.07)             | (0.06)             | (0.04)             | (0.05)             | (0.00)             |
| From dividends   | (0.03)             | (0.02)             | (0.02)             | (0.05)             | (0.00)             |
| From capital gains   | (0.13)             | (0.69)             | (0.59)             | (0.46)             | (0.17)             |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.23)</b>      | <b>(0.77)</b>      | <b>(0.65)</b>      | <b>(0.56)</b>      | <b>(0.17)</b>      |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>11.95</b>       | <b>11.93</b>       | <b>12.00</b>       | <b>12.04</b>       | <b>11.42</b>       |

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 315           | 325           | 332           | 350           | 344           |
| Number of units outstanding (000's)                                   | 26            | 27            | 28            | 29            | 30            |
| Management expense ratio <sup>(5)</sup>                               | 2.41%         | 2.23%         | 2.27%         | 2.29%         | 2.24%         |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 3.17%         | 2.24%         | 3.05%         | 3.03%         | 2.66%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | 0.08%         | 0.11%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | 25.51%        | 55.30%        |
| Net Asset Value per unit  | 11.95         | 11.93         | 12.00         | 12.04         | 11.42         |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Assets, beginning of period<sup>(1)</sup></b>           | <b>11.97</b>       | <b>12.08</b>       | <b>12.18</b>       | <b>11.60</b>       | <b>11.30</b>       |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.41               | 0.57               | 0.65               | 0.67               | 0.55               |
| Total expenses   | (0.12)             | (0.13)             | (0.16)             | (0.17)             | (0.15)             |
| Realized gains (losses)  | 0.20               | 0.07               | 0.37               | 0.52               | 0.50               |
| Unrealized gains (losses)                                      | (0.10)             | 0.32               | (0.44)             | 0.12               | (0.29)             |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.39</b>        | <b>0.83</b>        | <b>0.42</b>        | <b>1.14</b>        | <b>0.61</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.16)             | (0.18)             | (0.14)             | (0.12)             | (0.00)             |
| From dividends   | (0.08)             | (0.07)             | (0.08)             | (0.12)             | (0.08)             |
| From capital gains   | (0.12)             | (0.69)             | (0.60)             | (0.47)             | (0.17)             |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.36)</b>      | <b>(0.94)</b>      | <b>(0.82)</b>      | <b>(0.71)</b>      | <b>(0.25)</b>      |
| <b>Net Assets, end of period<sup>(4)</sup></b>                 | <b>12.02</b>       | <b>11.97</b>       | <b>12.08</b>       | <b>12.18</b>       | <b>11.60</b>       |

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

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 12,552        | 7,492         | 3,352         | 1,673         | 819           |
| Number of units outstanding (000's)                                   | 1,044         | 626           | 277           | 137           | 71            |
| Management expense ratio <sup>(2)</sup>                               | 0.99%         | 1.12%         | 1.38%         | 1.38%         | 1.37%         |
| Management expense ratio before waivers or absorptions <sup>(3)</sup> | 0.99%         | 1.13%         | 1.41%         | 1.62%         | 1.75%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | 0.08%         | 0.11%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | 25.51%        | 55.30%        |
| Net Asset Value per unit  | 12.02         | 11.97         | 12.08         | 12.18         | 11.60         |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period <sup>(1)</sup>                 | 11.55              | 11.68              | 11.80              | 11.28              | 11.13              |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.42               | 0.57               | 0.65               | 0.61               | 0.49               |
| Total expenses   | (0.26)             | (0.25)             | (0.27)             | (0.27)             | (0.26)             |
| Realized gains (losses)  | 0.19               | 0.07               | 0.38               | 0.52               | 0.39               |
| Unrealized gains (losses)                                      | (0.10)             | 0.29               | (0.39)             | 0.06               | (0.21)             |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.25</b>        | <b>0.68</b>        | <b>0.37</b>        | <b>0.92</b>        | <b>0.41</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.07)             | (0.10)             | (0.08)             | (0.09)             | (0.01)             |
| From dividends   | (0.03)             | (0.04)             | (0.05)             | (0.09)             | (0.11)             |
| From capital gains   | (0.12)             | (0.66)             | (0.58)             | (0.45)             | (0.17)             |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.22)</b>      | <b>(0.80)</b>      | <b>(0.71)</b>      | <b>(0.63)</b>      | <b>(0.29)</b>      |
| Net Assets, end of period <sup>(4)</sup>                       | 11.59              | 11.55              | 11.68              | 11.80              | 11.28              |

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 112,576       | 83,552        | 50,781        | 26,399        | 10,765        |
| Number of units outstanding (000's)                                   | 9,711         | 7,234         | 4,347         | 2,238         | 954           |
| Management expense ratio <sup>(2)</sup>                               | 2.22%         | 2.25%         | 2.29%         | 2.30%         | 2.31%         |
| Management expense ratio before waivers or absorptions <sup>(3)</sup> | 2.26%         | 2.29%         | 2.30%         | 2.30%         | 2.37%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | 0.08%         | 0.11%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | 25.51%        | 55.30%        |
| Net Asset Value per unit  | 11.59         | 11.55         | 11.68         | 11.80         | 11.28         |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period <sup>(1)</sup>                 | 12.23              | 12.31              | 12.38              | 11.76              | 11.48              |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.44               | 0.50               | 0.74               | 0.72               | 0.49               |
| Total expenses   | (0.00)             | –                  | –                  | –                  | –                  |
| Realized gains (losses)  | 0.19               | 0.07               | 0.44               | 0.54               | 0.58               |
| Unrealized gains (losses)                                      | (0.13)             | 0.49               | (0.26)             | 0.18               | (0.39)             |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.50</b>        | <b>1.06</b>        | <b>0.92</b>        | <b>1.44</b>        | <b>0.68</b>        |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.23)             | (0.26)             | (0.22)             | (0.19)             | (0.01)             |
| From dividends   | (0.11)             | (0.10)             | (0.13)             | (0.19)             | (0.25)             |
| From capital gains   | (0.13)             | (0.70)             | (0.61)             | (0.47)             | (0.18)             |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.47)</b>      | <b>(1.06)</b>      | <b>(0.96)</b>      | <b>(0.85)</b>      | <b>(0.44)</b>      |
| Net Assets, end of period <sup>(4)</sup>                       | 12.31              | 12.23              | 12.31              | 12.38              | 11.76              |

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 17,758        | 11,305        | 4,074         | 4,050         | 3,296         |
| Number of units outstanding (000's)                                   | 1,442         | 924           | 331           | 327           | 280           |
| Management expense ratio <sup>(2)</sup>                               | 0.01%         | –             | –             | –             | –             |
| Management expense ratio before waivers or absorptions <sup>(3)</sup> | 0.07%         | 0.07%         | 0.16%         | 0.15%         | 0.17%         |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | 0.08%         | 0.11%         |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | 25.51%        | 55.30%        |
| Net Asset Value per unit  | 12.31         | 12.23         | 12.31         | 12.38         | 11.76         |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period <sup>(1)</sup>                 | 10.46              | 10.03              | 10.00 <sup>*</sup> | –                  | –                  |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.36               | 0.40               | 0.11               | –                  | –                  |
| Total expenses   | (0.00)             | –                  | –                  | –                  | –                  |
| Realized gains (losses)  | 0.17               | 0.07               | 0.02               | –                  | –                  |
| Unrealized gains (losses)                                      | (0.11)             | 0.48               | (0.28)             | –                  | –                  |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.42</b>        | <b>0.95</b>        | <b>(0.15)</b>      | –                  | –                  |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | (0.20)             | (0.09)             | –                  | –                  | –                  |
| From dividends   | (0.09)             | (0.04)             | –                  | –                  | –                  |
| From capital gains   | (0.11)             | (0.25)             | –                  | –                  | –                  |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | <b>(0.40)</b>      | <b>(0.38)</b>      | –                  | –                  | –                  |
| Net Assets, end of period <sup>(4)</sup>                       | 10.53              | 10.46              | 10.03              | –                  | –                  |

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 11,240        | 4,020         | 180           | –             | –             |
| Number of units outstanding (000's)                                   | 1,067         | 384           | 18            | –             | –             |
| Management expense ratio <sup>(2)</sup>                               | 0.01%         | –             | –             | –             | –             |
| Management expense ratio before waivers or absorptions <sup>(3)</sup> | 0.08%         | 0.08%         | 0.94%~        | –             | –             |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | 0.07%         | 0.10%         | –             | –             |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | 21.45%        | 61.82%        | –             | –             |
| Net Asset Value per unit  | 10.53         | 10.46         | 10.03         | –             | –             |

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

| For the periods ended  | Sept 30, 2017 (\$) | Sept 30, 2016 (\$) | Sept 30, 2015 (\$) | Sept 30, 2014 (\$) | Sept 30, 2013 (\$) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net Assets, beginning of period <sup>(1)</sup>                 | 10.00 <sup>*</sup> | –                  | –                  | –                  | –                  |
| <b>Increase (decrease) from operations:</b>                    |                    |                    |                    |                    |                    |
| Total revenue  | 0.10               | –                  | –                  | –                  | –                  |
| Total expenses   | (0.00)             | –                  | –                  | –                  | –                  |
| Realized gains (losses)  | 0.04               | –                  | –                  | –                  | –                  |
| Unrealized gains (losses)                                      | 0.05               | –                  | –                  | –                  | –                  |
| <b>Total increase (decrease) from operations<sup>(2)</sup></b> | <b>0.19</b>        | –                  | –                  | –                  | –                  |
| <b>Distributions:</b>  |                    |                    |                    |                    |                    |
| From income (excluding dividends)                              | –                  | –                  | –                  | –                  | –                  |
| From dividends   | –                  | –                  | –                  | –                  | –                  |
| From capital gains   | –                  | –                  | –                  | –                  | –                  |
| Return of capital  | –                  | –                  | –                  | –                  | –                  |
| <b>Total annual distributions<sup>(3)</sup></b>                | –                  | –                  | –                  | –                  | –                  |
| Net Assets, end of period <sup>(4)</sup>                       | 9.91               | –                  | –                  | –                  | –                  |

\* represents initial Net Assets

~ annualized

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

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

| For the periods ended   | Sept 30, 2017 | Sept 30, 2016 | Sept 30, 2015 | Sept 30, 2014 | Sept 30, 2013 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Asset Value (\$000's)                                       | 636           | –             | –             | –             | –             |
| Number of units outstanding (000's)                                   | 64            | –             | –             | –             | –             |
| Management expense ratio <sup>(5)</sup>                               | 0.01%~        | –             | –             | –             | –             |
| Management expense ratio before waivers or absorptions <sup>(6)</sup> | 2.40%~        | –             | –             | –             | –             |
| Trading expense ratio <sup>(7)</sup>                                  | 0.06%         | –             | –             | –             | –             |
| Portfolio turnover rate <sup>(8)</sup>                                | 27.42%        | –             | –             | –             | –             |
| Net Asset Value per unit  | 9.91          | –             | –             | –             | –             |

## 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.

Total Net Asset Value and number of units outstanding presented as at September 30, 2015 may have been adjusted to include certain transactions, if applicable, for the purpose of comparability with subsequent reporting periods. These adjustments have no effect on the Net Asset Value per unit.

b) The following series of the 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    |
| Series W Units    | April 2017    |

- (2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional units of the 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) and the Portfolio's proportionate share of the MER, if applicable, of the Underlying Funds and ETFs in which the Portfolio has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

~ annualized

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

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 represents total commissions and other portfolio transaction costs, including the Portfolio's proportionate share of the commissions, if applicable, of the Underlying Funds and ETFs in which the Portfolio has invested, expressed as an annualized percentage of average daily Net Asset Value 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%                              | 60.73%              | 39.27%                                       |
| Series D Units    | 1.75%                              | 56.68%              | 43.32%                                       |
| Series F Units    | 0.80%                              | –                   | 100.00%                                      |
| Series J Units    | 2.00%                              | 69.29%              | 30.71%                                       |

## 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.

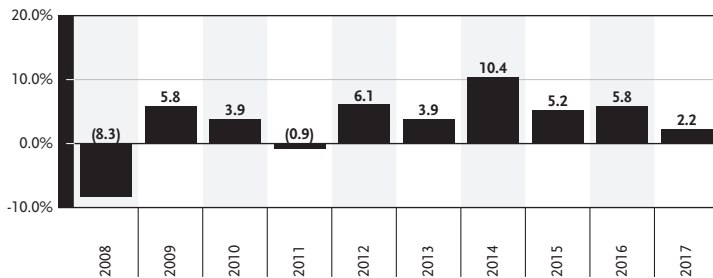
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. Series W Units commenced operations in April 2017.

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

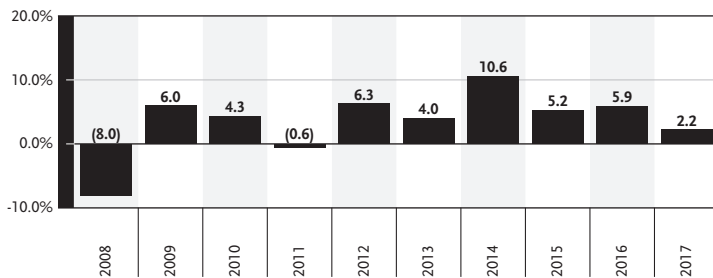
### Year-By-Year Returns

The following bar charts show the Portfolio's annual performance for each of the past 10 years to September 30, 2017 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.

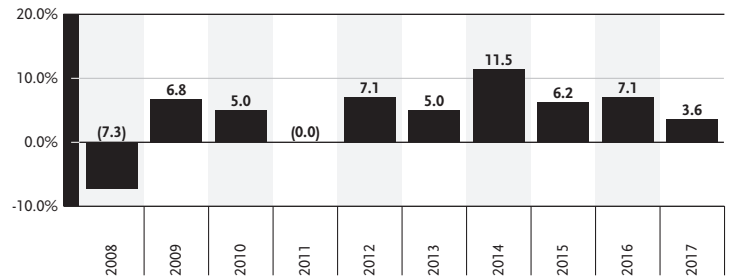
### Mutual Fund Units



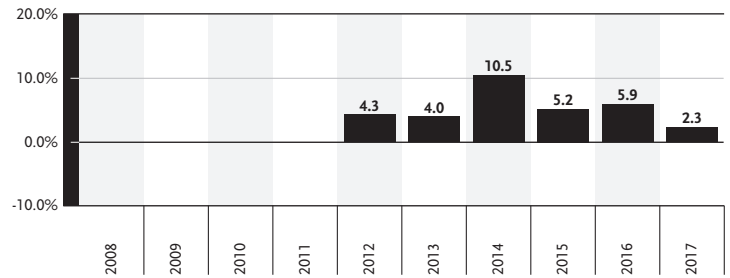
### Series D Units



### Series F Units

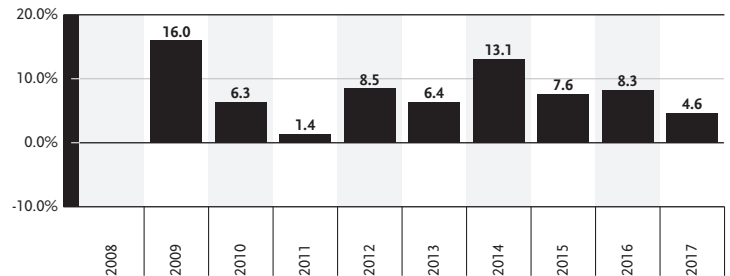


### Series J Units



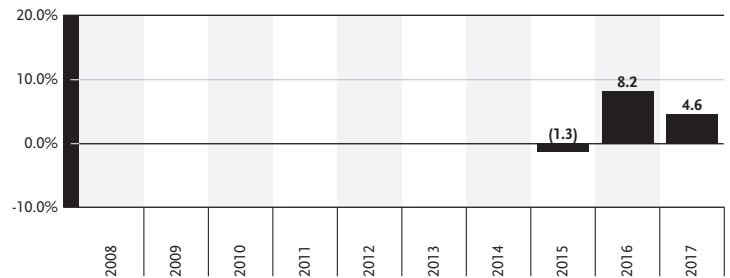
Performance for 2012 represents returns for the period from December 13, 2011 to September 30, 2012.

### 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.

\* 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.

## 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, 2017.

| Percentage Return:                  | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|-------------------------------------|--------|---------|---------|----------|-----------------|
| Mutual Fund Units                   | 2.2    | 4.4     | 5.5     | 3.3      | N/A             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | 2.8     | 2.7     | 4.7      | N/A             |
| MSCI All Country World Index        | 13.4   | 12.0    | 16.2    | 6.8      | N/A             |
| Blended Benchmark                   | 1.8    | 6.8     | 8.3     | 6.0      | N/A             |
| Series D Units                      | 2.2    | 4.4     | 5.6     | 3.5      | N/A             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | 2.8     | 2.7     | 4.7      | N/A             |
| MSCI All Country World Index        | 13.4   | 12.0    | 16.2    | 6.8      | N/A             |
| Blended Benchmark                   | 1.8    | 6.8     | 8.3     | 6.0      | N/A             |
| Series F Units                      | 3.6    | 5.6     | 6.6     | 4.4      | N/A             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | 2.8     | 2.7     | 4.7      | N/A             |
| MSCI All Country World Index        | 13.4   | 12.0    | 16.2    | 6.8      | N/A             |
| Blended Benchmark                   | 1.8    | 6.8     | 8.3     | 6.0      | N/A             |
| Series J Units                      | 2.3    | 4.5     | 5.5     | N/A      | 5.5             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | 2.8     | 2.7     | N/A      | 2.9             |
| MSCI All Country World Index        | 13.4   | 12.0    | 16.2    | N/A      | 15.7            |
| Blended Benchmark                   | 1.8    | 6.8     | 8.3     | N/A      | 8.0             |
| Series O Units                      | 4.6    | 6.8     | 8.0     | N/A      | 8.1             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | 2.8     | 2.7     | N/A      | 4.7             |
| MSCI All Country World Index        | 13.4   | 12.0    | 16.2    | N/A      | 12.5            |
| Blended Benchmark                   | 1.8    | 6.8     | 8.3     | N/A      | 7.4             |
| Series Q Units                      | 4.6    | N/A     | N/A     | N/A      | 5.1             |
| FTSE TMX Canada Universe Bond Index | (3.0)  | N/A     | N/A     | N/A      | 1.2             |
| MSCI All Country World Index        | 13.4   | N/A     | N/A     | N/A      | 8.8             |
| Blended Benchmark                   | 1.8    | N/A     | N/A     | N/A      | 4.9             |

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, 2017

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, 2017.

The prospectus and other information about the underlying investment funds and ETFs are available on the internet at [www.sedar.com](http://www.sedar.com).

| Portfolio by Sector         | Percentage of Net Asset Value (%) |
|-----------------------------|-----------------------------------|
| Fixed Income Funds          | 55.5                              |
| Equity Funds                | 30.4                              |
| Balanced Funds              | 9.0                               |
| ETFs – Domestic Equity      | 3.0                               |
| ETFs – United States Equity | 1.0                               |
| ETFs – International Equity | 1.0                               |
| Cash & Cash Equivalents     | 0.1                               |

| Top Holdings  | Percentage of Net Asset Value (%) |
|---|-----------------------------------|
| AGF Global Bond Fund                                | 29.7                              |
| AGF Fixed Income Plus Fund                          | 9.9                               |
| AGF Tactical Fund                                   | 9.0                               |
| AGF Total Return Bond Fund                          | 8.9                               |
| AGF Global Equity Fund                              | 8.1                               |
| AGF Dividend Income Fund                            | 6.1                               |
| AGF Canadian Stock Fund                             | 5.1                               |
| AGF Global Dividend Fund                            | 4.0                               |
| AGF Emerging Markets Bond Fund                      | 4.0                               |
| QuantShares Enhanced Core Canadian Equity ETF       | 3.0                               |
| AGF High Yield Bond Fund                            | 3.0                               |
| AGF Global Resources Class**                        | 2.1                               |
| AGF American Growth Fund                            | 2.0                               |
| AGF EAFE Equity Fund                                | 1.0                               |
| QuantShares Enhanced Core US Equity ETF             | 1.0                               |
| QuantShares Enhanced Core International Equity ETF  | 1.0                               |
| AGF Canadian Small Cap Fund                         | 1.0                               |
| AGF Emerging Markets Fund                           | 1.0                               |
| <b>Total Net Asset Value (thousands of dollars)</b> | <b>\$ 387,576</b>                 |

\*\* Class of AGF All World Tax Advantage Group Limited





For more information contact your investment advisor or:

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