

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

# AGF Floating Rate Income Fund

SEPTEMBER 30, 2016



What are you doing after work?®

## Management Discussion of Fund Performance

This management discussion of fund performance represents the portfolio management team's view of the significant factors and developments affecting the fund's performance and outlook.

### Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Floating Rate Income Fund (the "Fund") is to provide a high level of current income by investing primarily in senior floating rate loans and other floating rate debt securities of companies domiciled in the U.S. Eaton Vance Management ("Eaton Vance"), as portfolio manager, uses a bottom-up, research driven investment approach, diversifying across sector, issuer and credit tier to invest in senior floating rate loans ("senior loans"). In bottom-up investing, the portfolio manager focuses attention on a specific company rather than on the industry in which that company operates or on the economy as a whole. The portfolio manager invests primarily in senior loans that pay interest rates that float, adjust or vary periodically, generally based on a recognized base lending rate such as the London Inter-Bank Offered Rate, a prime rate or another base lending rate used by commercial banks and lenders. The Fund may also invest in high yield bonds. In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities.

### Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The principal risks associated with the Fund are capital erosion risk (Series T and Series V only), changes in legislation risk, concentration risk, counterparty risk, credit risk, derivative 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, loan risk, specialization risk and substantial securityholder risk. The Fund is suitable for investors investing for the medium to long-term, seeking the income potential of floating rate bank loan securities 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 Fund returned 4.9% (net of expenses) while the S&P/LSTA Leveraged Loan Index returned 4.0%. The performance of the other series of the Fund 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 Fund out-performed the S&P/LSTA Leveraged Loan Index, with relative performance characterized by rebounding portfolio positions that worked against the Fund in the prior reporting period. In a reversal of performance trends experienced prior to the reporting period, the larger

and generally more actively traded loans included within the S&P/LSTA Leveraged Loan 100 Index fared better than the broad-based index at large. As the Fund generally tends to favour the credit risk profile of loans to larger capitalization issuers, higher concentrations in this segment helped relative results as many larger issuers rallied from greater selling pressure in the first few months of the reporting period.

From a quality perspective, loans within the CCC-rated tier of the market out-performed their higher quality counterparts, while in a similar vein the higher-risk second-lien market segment out-performed the S&P/LSTA Leveraged Loan Index at large. As a result of this performance mix, the Fund's underweight exposure to the distressed end of the market, as well as its preference for first-lien paper, detracted from relative performance during the reporting period. Additionally, the Fund's exposure to high yield bonds, which out-paced floating rate loans during the reporting period, benefited performance relative to the S&P/LSTA Leveraged Loan Index, which does not include bonds.

The Fund entered into foreign exchange forward contracts during the period under review. As of September 30, 2016, the Fund was net long Canadian dollar and net short U.S. dollar in order to hedge its currency exposure.

Certain series of the Fund, as applicable, make monthly distributions at a rate determined by AGF Investments Inc. ("AGFI") from time to time. If the aggregate amount of the monthly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The portfolio manager does not believe that the distributions made by the Fund had a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objectives.

The Fund had net redemptions of approximately \$90 million for the current period, as compared to net redemptions of approximately \$60 million for the prior period. The portfolio manager does not believe that redemption activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. The decrease in management fees accounted for most of the decrease in expenses during the period as compared to the previous period due to a decrease in average Net Asset Values. Registration fees decreased due to a decrease in subscription activity. All other expenses remained fairly consistent throughout the periods.

### Recent Developments

The cornerstones of the Fund's investment philosophy include rigorous fundamental credit research and diversification. As at the end of the

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.

reporting period, the Fund remained diversified across 280 loan issuer positions and 37 industry groups. Looking ahead, the portfolio manager believes that an optimal risk and return profile can be achieved predominately through interest income realized through investments of higher quality loans, rather than seeking opportunities associated with lower quality or distressed loans. The Fund continues to maintain an overweight allocation to the higher quality securities with limited exposure to aggressive and lower rated market segments.

## Related Party Transactions

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and AGFI, AGFI is responsible for the day-to-day business of the Fund. AGFI acts either as the investment (portfolio) manager itself or hires an external investment manager to manage the investment portfolio of the Fund. Under the management agreement, the Fund (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 Fund. Management fees of approximately \$3,854,000 were incurred by the Fund 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 Fund pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$181,000 incurred by the Fund 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 Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years as applicable. The Fund adopted International Financial Reporting Standards ("IFRS") on October 1, 2014. All per unit information presented for the period ended September 30, 2014, including opening net assets, reflects retrospective adjustments in accordance with IFRS. Information for the periods prior to October 1, 2013 is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles 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, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.60</b>	<b>10.05</b>	<b>10.08</b>	<b>10.04</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.50	0.52	0.50	0.48	0.20
Total expenses	(0.18)	(0.18)	(0.19)	(0.19)	(0.08)
Realized gains (losses)	0.46	(1.03)	(0.19)	(0.28)	0.27
Unrealized gains (losses)	(0.38)	0.55	0.15	0.17	(0.15)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.40</b>	<b>(0.14)</b>	<b>0.27</b>	<b>0.18</b>	<b>0.24</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.33)	(0.34)	(0.31)	(0.27)	(0.11)
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.03)	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.33)</b>	<b>(0.34)</b>	<b>(0.31)</b>	<b>(0.30)</b>	<b>(0.11)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.73</b>	<b>9.60</b>	<b>10.05</b>	<b>10.06</b>	<b>10.04</b>

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

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)	226,626	290,012	310,675	260,367	35,603
Number of units outstanding (000's)	23,282	30,224	30,901	25,826	3,546
Management expense ratio <sup>(5)</sup>	1.90%	1.83%	1.83%	1.87%	1.96%~
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.90%	1.83%	1.83%	1.87%	2.08%~
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	10.00%
Net Asset Value per unit	9.73	9.60	10.05	10.08	10.04

\* represents initial Net Assets

~ annualized

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

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.62</b>	<b>10.07</b>	<b>10.10</b>	<b>10.04</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.49	0.52	0.50	0.49	0.19
Total expenses	(0.13)	(0.13)	(0.13)	(0.13)	(0.06)
Realized gains (losses)	0.48	(1.11)	(0.20)	(0.30)	0.13
Unrealized gains (losses)	(0.45)	0.72	0.16	0.22	(0.06)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.39</b>	<b>(0.00)</b>	<b>0.33</b>	<b>0.28</b>	<b>0.20</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.38)	(0.40)	(0.37)	(0.32)	(0.12)
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.03)	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.38)</b>	<b>(0.40)</b>	<b>(0.37)</b>	<b>(0.35)</b>	<b>(0.12)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.76</b>	<b>9.62</b>	<b>10.07</b>	<b>10.08</b>	<b>10.04</b>

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

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)	31,532	50,236	88,675	72,766	23,929
Number of units outstanding (000's)	3,232	5,224	8,807	7,208	2,382
Management expense ratio <sup>(5)</sup>	1.32%	1.26%	1.25%	1.30%	1.40%~
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.32%	1.26%	1.25%	1.30%	1.44%~
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	10.00%
Net Asset Value per unit	9.76	9.62	10.07	10.10	10.05

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.62</b>	<b>10.07</b>	<b>10.10</b>	<b>10.04</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.51	0.52	0.50	0.49	0.04
Total expenses	–	–	(0.00)	–	–
Realized gains (losses)	0.47	(1.13)	(0.15)	(0.33)	0.02
Unrealized gains (losses)	(0.31)	0.64	0.05	0.28	0.00
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.67</b>	<b>0.03</b>	<b>0.40</b>	<b>0.44</b>	<b>0.06</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.50)	(0.52)	(0.50)	(0.45)	(0.04)
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.03)	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.50)</b>	<b>(0.52)</b>	<b>(0.50)</b>	<b>(0.48)</b>	<b>(0.04)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.77</b>	<b>9.62</b>	<b>10.07</b>	<b>10.08</b>	<b>10.04</b>

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

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)	12,981	11,595	9,308	4,642	1,358
Number of units outstanding (000's)	1,329	1,206	924	460	135
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.20%	0.16%	0.16%	0.29%	1.54%~
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	10.00%
Net Asset Value per unit	9.77	9.62	10.07	10.10	10.04

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.50</b>	<b>9.95</b>	<b>9.98</b>	<b>10.00*</b>	<b>–</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.48	0.51	0.49	0.02	–
Total expenses	–	–	(0.00)	–	–
Realized gains (losses)	0.53	(1.19)	(0.12)	0.20	–
Unrealized gains (losses)	(0.50)	0.87	(0.03)	(0.33)	–
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.51</b>	<b>0.19</b>	<b>0.34</b>	<b>(0.11)</b>	<b>–</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.49)	(0.52)	(0.49)	(0.02)	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.49)</b>	<b>(0.52)</b>	<b>(0.49)</b>	<b>(0.02)</b>	<b>–</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.64</b>	<b>9.50</b>	<b>9.95</b>	<b>9.97</b>	<b>–</b>

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

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)	3,903	7,374	20,053	760	–
Number of units outstanding (000's)	405	776	2,014	76	–
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.12%	0.11%	0.11%	6.21%~	–
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	–
Net Asset Value per unit	9.64	9.50	9.95	9.98	–

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>8.08</b>	<b>8.88</b>	<b>9.38</b>	<b>9.86</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.40	0.45	0.45	0.46	0.18
Total expenses	(0.15)	(0.16)	(0.18)	(0.19)	(0.08)
Realized gains (losses)	0.40	(0.94)	(0.16)	(0.20)	1.42
Unrealized gains (losses)	(0.35)	0.58	0.12	0.08	(1.24)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.30</b>	<b>(0.07)</b>	<b>0.23</b>	<b>0.15</b>	<b>0.28</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.54)	(0.30)	(0.28)	(0.26)	(0.13)
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.02)	–
Return of capital	(0.10)	(0.41)	(0.48)	(0.53)	(0.20)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.64)</b>	<b>(0.71)</b>	<b>(0.76)</b>	<b>(0.81)</b>	<b>(0.33)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>7.81</b>	<b>8.08</b>	<b>8.88</b>	<b>9.36</b>	<b>9.86</b>

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

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)	812	1,629	2,539	2,143	146
Number of units outstanding (000's)	104	202	286	228	15
Management expense ratio <sup>(5)</sup>	1.91%	1.91%	1.91%	1.93%	2.05%~
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.91%	1.92%	1.92%	2.26%	3.34%~
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	10.00%
Net Asset Value per unit	7.81	8.08	8.88	9.38	9.86

\* represents initial Net Assets

~ annualized

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

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>8.98</b>	<b>9.57</b>	<b>9.80</b>	<b>9.99</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.41	0.49	0.48	0.48	0.19
Total expenses	(0.17)	(0.18)	(0.19)	(0.20)	(0.07)
Realized gains (losses)	0.45	(1.04)	(0.21)	(0.34)	0.22
Unrealized gains (losses)	(0.47)	0.68	0.19	0.28	(0.05)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.22</b>	<b>(0.05)</b>	<b>0.27</b>	<b>0.22</b>	<b>0.29</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.40)	(0.32)	(0.29)	(0.26)	(0.11)
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.02)	–
Return of capital	(0.04)	(0.16)	(0.20)	(0.25)	(0.10)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.44)</b>	<b>(0.48)</b>	<b>(0.49)</b>	<b>(0.53)</b>	<b>(0.21)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>8.96</b>	<b>8.98</b>	<b>9.57</b>	<b>9.78</b>	<b>9.99</b>

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

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)	559	1,250	1,874	1,992	311
Number of units outstanding (000's)	62	139	196	203	31
Management expense ratio <sup>(5)</sup>	1.92%	1.94%	1.94%	1.97%	1.92%~
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.92%	1.97%	1.96%	2.16%	2.56%~
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	54.95%	10.00%
Net Asset Value per unit	8.96	8.98	9.57	9.80	9.99

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

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.48</b>	<b>9.93</b>	<b>10.00*</b>	–	–
<b>Increase (decrease) from operations:</b>					
Total revenue	0.47	0.52	0.17	–	–
Total expenses	–	–	(0.00)	–	–
Realized gains (losses)	0.44	(1.08)	(0.48)	–	–
Unrealized gains (losses)	(0.46)	0.54	0.12	–	–
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.45</b>	<b>(0.02)</b>	<b>(0.19)</b>	–	–
<b>Distributions:</b>					
From income (excluding dividends)	(0.50)	(0.52)	(0.13)	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.50)</b>	<b>(0.52)</b>	<b>(0.13)</b>	–	–
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.61</b>	<b>9.48</b>	<b>9.93</b>	–	–

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

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)	2,197	4,375	2,750	–	–
Number of units outstanding (000's)	229	461	277	–	–
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.11%	0.18%	0.39%~	–	–
Trading expense ratio <sup>(7)</sup>	–	–	–	–	–
Portfolio turnover rate <sup>(8)</sup>	32.60%	40.98%	48.97%	–	–
Net Asset Value per unit	9.61	9.48	9.93	–	–

\* 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 Fund's audited annual financial statements. Prior to October 1, 2014, the net assets per unit presented in the financial statements ("Net Assets") differed from the net asset value per unit calculated for fund pricing purposes ("Net Asset Value"), due to differences in valuation techniques of certain investments as required under Canadian GAAP. The adoption of IFRS, effective October 1, 2014, has generally eliminated the difference between Net Assets per unit and Net Asset Value per unit.

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 Fund 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	May 2012
Series F Units	May 2012
Series O Units	September 2012
Series Q Units	September 2013
Series T Units	May 2012
Series V Units	May 2012
Series W Units	June 2014

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both. The computation of the distributions per unit does not take into account the management fee distributions (see note 5 below). The characterization of the distributions is based on management's estimate of the actual income for the year.

(4) This is not a reconciliation of the beginning and ending Net Assets per unit.

(5) The management expense ratio ("MER") of a particular series is calculated in accordance with National Instrument 81-106, based on all the expenses of the Fund (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Fund's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Fund has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

AGFI may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the Fund and directing the Fund to make management fee distributions to these unitholders in amounts equal to the amounts of the management fee reduction. The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.

(6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is determined annually on a series by series basis at the discretion of AGFI and AGFI can terminate the waiver or absorption at any time.

- (7) The trading expense ratio represents total commissions and other portfolio transaction costs, including the Fund's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Fund has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (8) The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's PTR in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

PTR is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.

## Management Fees

The Fund is managed by AGFI. As a result of providing investment 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 Fund. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to AGFI's role as manager.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	1.45%	19.91%	80.09%
Series F Units	0.95%	—	100.00%
Series T Units	1.45%	32.83%	67.17%
Series V Units	1.45%	23.59%	76.41%

## Past Performance\*

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

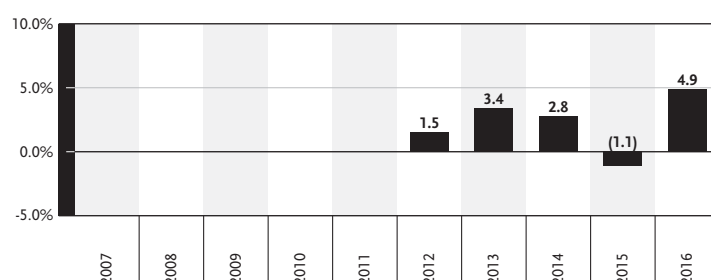
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

## Year-By-Year Returns

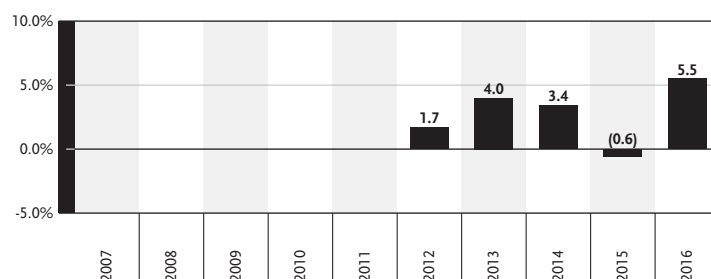
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2016 as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

### Mutual Fund Units



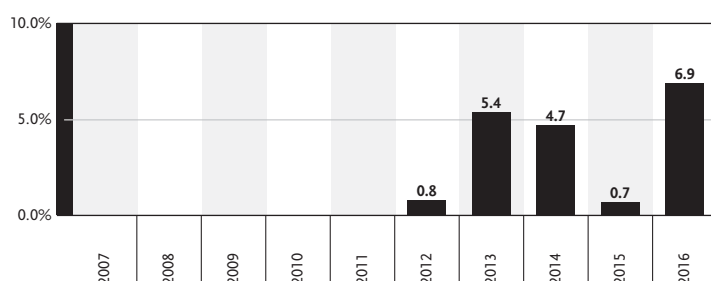
Performance for 2012 represents returns for the period from May 1, 2012 to September 30, 2012.

### Series F Units



Performance for 2012 represents returns for the period from May 1, 2012 to September 30, 2012.

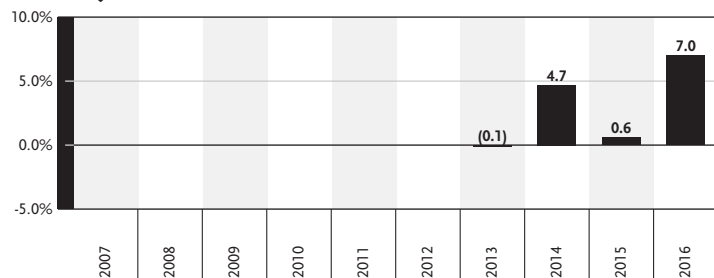
### Series O Units



Performance for 2012 represents returns for the period from September 4, 2012 to September 30, 2012.

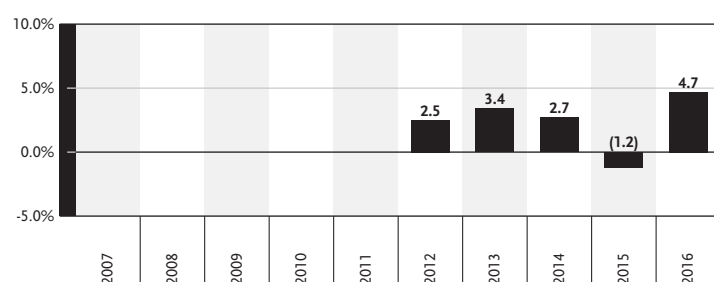
\* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced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

## Series Q Units



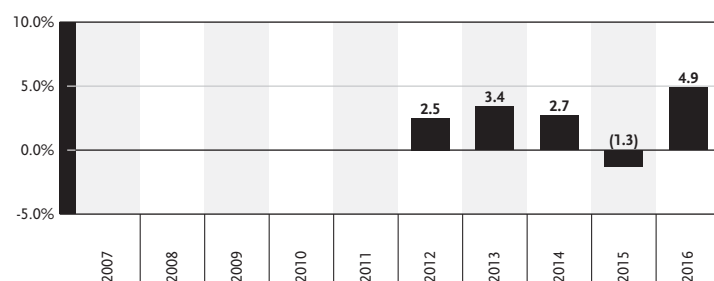
Performance for 2013 represents returns for the period from September 25, 2013 to September 30, 2013.

## Series T Units



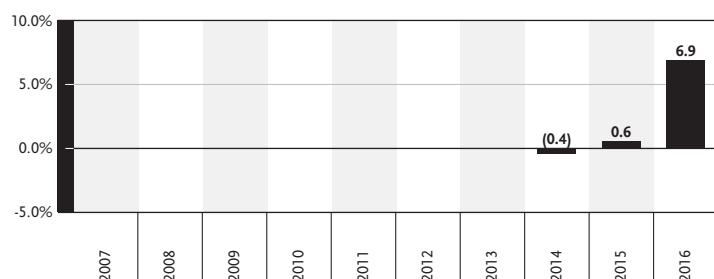
Performance for 2012 represents returns for the period from May 17, 2012 to September 30, 2012.

## Series V Units



Performance for 2012 represents returns for the period from May 17, 2012 to September 30, 2012.

## Series W Units



Performance for 2014 represents returns for the period from July 18, 2014 to September 30, 2014.

## Annual Compound Returns

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

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	4.9	2.2	N/A	N/A	2.6
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	11.2
Series F Units	5.5	2.7	N/A	N/A	3.1
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	11.2
Series O Units	6.9	4.1	N/A	N/A	4.5
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	11.6
Series Q Units	7.0	4.1	N/A	N/A	4.0
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	12.1
Series T Units	4.7	2.1	N/A	N/A	2.8
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	10.8
Series V Units	4.9	2.1	N/A	N/A	2.8
S&P/LSTA Leveraged Loan Index	4.0	12.1	N/A	N/A	10.8
Series W Units	6.9	N/A	N/A	N/A	3.2
S&P/LSTA Leveraged Loan Index	4.0	N/A	N/A	N/A	11.9

The S&P/LSTA Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market.

For a discussion of the relative performance of the Fund as compared to the index, 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 Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2016.

Portfolio by Sector	Percentage of Net Asset Value (%)
Term Loans:	
Consumer Discretionary	19.7
Information Technology	12.1
Financials	11.7
Materials	10.7
Health Care	10.7
Industrials	6.6
Telecommunication Services	4.6
Consumer Staples	4.4
Energy	3.3
Utilities	1.3
<b>Subtotal</b>	<b>85.1</b>
Corporate Bonds	7.7
Cash & Cash Equivalents	6.0
High Yield Bonds	2.8
Materials – Equity	0.1
Financials – Equity	0.0
Energy – Equity	0.0
Health Care – Equity	0.0
Foreign Exchange Forward Contracts	0.0

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Fixed Income	86.5
Cash & Cash Equivalents	6.0
International Fixed Income	5.5
Canadian Fixed Income	3.6
United States Equity	0.1
Foreign Exchange Forward Contracts	0.0

Portfolio by Credit Rating <sup>††</sup>	Percentage of Net Asset Value (%)
A	6.0
BBB	0.6
BB	26.4
B	51.6
CCC	8.6
CC	0.0
C	0.3
Not Rated	8.1

Top Holdings	Percentage of Net Asset Value (%)
Guggenheim Partners LLC**	1.1
Ineos U.S. Finance LLC**	1.1
Sinclair Television Group Inc.**	1.0
1011778 B.C. Unlimited Liability Company**	1.0
EIG Investors Corporation**	1.0
Axalta Coating Systems U.S. Holdings Inc.**	1.0
Avago Technologies Cayman Limited**	0.9
Asurion LLC**	0.9
Supervalu Inc.**	0.9
Univision Communications Inc.**	0.8
CS Intermediate Holdco 2 LLC**	0.8
Rexnord LLC**	0.8
MacDermid Inc.**	0.8
Amaya Holdings BV**	0.8
inVentiv Health Inc.**	0.7
Acadia Healthcare Company Inc.**	0.7
CSC Holdings LLC**	0.7
IMS Health Inc.**	0.7
Albertsons LLC**	0.7
Intelsat Jackson Holdings SA**	0.7
Reynolds Group Holdings Inc.**	0.7
Valeant Pharmaceuticals International Inc.**	0.7
Fieldwood Energy LLC**	0.7
DTZ U.S. Borrower LLC**	0.7
Serta Simmons Holdings LLC**	0.6
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 278,610</b>

<sup>††</sup> References made to credit ratings are obtained from Standard & Poor's, Moody's, Dominion Bond Rating Service and/or Fitch Ratings. Where one or more rating is obtained for a security, the lowest rating has been used.

\*\* Debt Instruments





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