

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Total Return Bond 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 Total Return Bond Fund (the "Fund") is to provide interest income and capital appreciation by investing in debt securities of governments and other issuers around the world. AGF Investments Inc. ("AGFI"), as portfolio manager, combines a bottom-up approach to corporate bond selection with a top-down approach to country allocation, category allocation and duration management. 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. A top-down investment approach involves looking at the "big picture" in the economy and financial world and then breaking those components down into finer details. The portfolio manager looks for bond issues that provide an attractive return relative to the risk of each credit. The Fund may also invest in below investment grade government and corporate debt (i.e. credit rating below BBB from Standard & Poor's or equivalent rating from another rating agency). 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 include changes in legislation risk, counterparty risk, credit risk, derivative risk, exchange traded fund ("ETF") general risks, ETF index risks, ETF industry sector risk, foreign currency risk, foreign market risk, gold and silver ETFs risk, interest rate risk, liquidity risk, repurchase agreement risk, reverse repurchase agreement risk, securities lending risk, specialization risk and substantial securityholder risk. The Fund is suitable for investors investing for the medium to longer term 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 5.9% (net of expenses) while the Bloomberg Barclays Global High-Yield Index (formerly, Barclays Capital Global High-Yield Bond Index) and the Blended Benchmark returned 11.9% and 11.2%, respectively. The Blended Benchmark is composed of 40% Bloomberg Barclays Global High-Yield Index/40% Bloomberg Barclays Emerging Markets USD Aggregate Index (formerly, Barclays Capital EM USD Aggregate Bond Index)/20% Bloomberg Barclays Global Aggregate Index (formerly, Barclays Capital Global Aggregate Bond Index). 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 under-performed the Bloomberg Barclays Global High-Yield Index due to inclusion of investment grade bonds, which under-performed. Despite declining yields which resulted in strong returns, high yield bond spreads tightened during the second half of the reporting period and led to their out-performance.

The Fund under-performed the Blended Benchmark. The Fund's underweight allocation to emerging markets debt detracted from performance, as emerging markets debt modestly out-performed global high yield bonds and significantly out-performed government and corporate investment grade bonds during the reporting period. The Fund's out-of-benchmark exposure to emerging markets local currency bonds contributed positively to performance as a result of their strong performance due to emerging markets currency appreciation during the period under review. At the end of the reporting period, the Fund held an average of approximately 20.0% in emerging markets debt, while Blended Benchmark held a static 40.0%.

The Fund's significant underweight exposure to the U.S. dollar, relative to the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark contributed positively to performance as a result of the appreciation of the Canadian dollar during the reporting period. At the end of the reporting period, the Fund's exposure to the U.S. dollar was approximately 21.0% net of hedging activity, compared to approximately 82.0% for both the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark.

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 Euro, New Zealand dollar and 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 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 subscriptions of approximately \$100 million for the current period, as compared to net subscriptions of approximately \$127 million in the prior period. Rebalancing by an institutional program resulted in net subscriptions of approximately \$1 million in the Fund. The portfolio manager does not believe that subscription activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of

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

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

changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. The increase in management fees accounted for most of the increase in expenses during the period as compared to the previous period due mainly to an increase in average Net Asset Values. Custodian fees increased due to an increase in market value of investment portfolio and interest expense increased due to an increase in the number of overdraft positions throughout the period. All other expenses remained fairly consistent throughout the periods.

Recent Developments

The economic fallout from the UK's decision to leave European Union ("Brexit") in June 2016 has generally been milder than feared, resulting in economic and market conditions that have been better than expected. However, formal Brexit process is anticipated to enact by early 2017. The portfolio manager will be closely monitoring the situation as it continues to unfold.

While the U.S. Federal Reserve did not hike rates at its September 2016 meeting, the portfolio manager believes federal funds rate may raise in December 2016, as underlying economic data are likely to hold up strongly enough to support it. The Bank of Japan's shift in monetary policy allows it to be more flexible and potentially support more sustainable growth over the long-term. As a number of central banks are potentially approaching their limits on monetary policy, a number of countries have announced plans to implement expansionary fiscal policy, which is likely to be supportive of growth in the medium term. Countries such as Canada, Japan and South Korea have announced fiscal packages, while others such as the U.S. and UK are likely to follow. While near term growth may improve, the portfolio manager believes longer term benefits will depend on how effectively those policies are deployed. Historically, government spending has not been as productive or supportive of gross domestic product growth as private sector spending, although refurbishing of aging infrastructure does present an opportunity to enhance productivity.

In the portfolio manager's opinion, ongoing political risk may result in mixed investor sentiment and could potentially weigh on financial markets going forward, particularly the U.S. presidential election in November 2016. The Italian referendum in December 2016 and European Union elections in 2017 also pose medium term uncertainty.

The portfolio manager expects bond yields to gradually move higher in the near term, supported by more favourable growth and inflation prospects as the economy continues to recover from weak growth during first half of 2016. However, the portfolio manager anticipates yields to remain in a low range as the global economy continues to experience anemic growth and central bank accommodations remains supportive. The portfolio manager anticipates maintaining and potentially adding to the Fund's inflation-linked bond exposure, based on the expectation of modest increase in inflation.

The portfolio manager holds a neutral outlook as riskier asset classes have rebounded significantly off their mid-February 2016 lows, making valuations somewhat less attractive. Consequently, the portfolio manager remains more neutral on high yield bonds and expects to maintain the Fund's neutral exposure relative to the Blended Benchmark. The portfolio

manager also expects to remain underweight and selective within emerging markets debt relative to the Blended Benchmark, including out-of-benchmark exposure to local currency emerging markets debt. Within the emerging markets asset class, the portfolio manager expects to focus on countries and corporations with strong or improving fundamentals.

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. As indicated above, AGFI also acts as the investment (portfolio) manager, managing 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 \$6,679,000 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 \$149,000 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⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.26	3.37	3.19	3.28	3.10
Increase (decrease) from operations:					
Total revenue	0.14	0.17	0.20	0.22	0.25
Total expenses	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
Realized gains (losses)	0.06	(0.17)	0.10	(0.07)	0.08
Unrealized gains (losses)	0.05	0.09	0.10	0.03	0.10
Total increase (decrease) from operations⁽²⁾	0.19	0.03	0.34	0.12	0.37
Distributions:					
From income (excluding dividends)	(0.09)	(0.13)	(0.15)	(0.16)	(0.18)
From dividends	–	(0.00)	(0.00)	–	(0.01)
From capital gains	–	(0.01)	–	(0.04)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.09)	(0.14)	(0.15)	(0.20)	(0.19)
Net Assets, end of period⁽⁴⁾	3.36	3.26	3.37	3.19	3.28

Mutual Fund Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	136,566	152,393	169,034	199,208	236,642
Number of units outstanding (000's)	40,592	46,800	50,211	62,501	72,145
Management expense ratio ⁽⁵⁾	1.92%	1.89%	1.90%	1.89%	1.86%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.92%	1.89%	1.90%	1.89%	1.86%
Trading expense ratio ⁽⁷⁾	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.36	3.26	3.37	3.19	3.28

Series F Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.25	3.36	3.18	3.27	3.09
Increase (decrease) from operations:					
Total revenue	0.14	0.17	0.20	0.22	0.24
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses)	0.04	(0.17)	0.09	(0.07)	0.09
Unrealized gains (losses)	0.09	0.08	0.07	0.02	0.09
Total increase (decrease) from operations⁽²⁾	0.23	0.04	0.32	0.13	0.38
Distributions:					
From income (excluding dividends)	(0.12)	(0.15)	(0.17)	(0.18)	(0.20)
From dividends	–	(0.00)	(0.00)	(0.00)	(0.01)
From capital gains	–	(0.01)	–	(0.04)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.12)	(0.16)	(0.17)	(0.22)	(0.21)
Net Assets, end of period⁽⁴⁾	3.35	3.25	3.36	3.18	3.27

* represents initial Net Assets

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

Series F Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	29,250	27,040	21,663	14,699	33,372
Number of units outstanding (000's)	8,726	8,316	6,448	4,624	10,205
Management expense ratio ⁽⁵⁾	1.16%	1.16%	1.24%	1.32%	1.30%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.16%	1.16%	1.24%	1.32%	1.30%
Trading expense ratio ⁽⁷⁾	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.35	3.25	3.36	3.18	3.27

Series O Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.29	3.40	3.22	3.31	3.13
Increase (decrease) from operations:					
Total revenue	0.16	0.17	0.20	0.25	0.25
Total expenses	(0.00)	–	(0.00)	–	–
Realized gains (losses)	0.04	(0.17)	0.10	0.02	0.09
Unrealized gains (losses)	0.08	0.06	0.02	0.54	0.07
Total increase (decrease) from operations⁽²⁾	0.28	0.06	0.32	0.81	0.41
Distributions:					
From income (excluding dividends)	(0.17)	(0.19)	(0.21)	(0.21)	(0.24)
From dividends	–	(0.00)	(0.00)	(0.00)	(0.01)
From capital gains	–	(0.01)	–	(0.05)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.17)	(0.20)	(0.21)	(0.26)	(0.25)
Net Assets, end of period⁽⁴⁾	3.39	3.29	3.40	3.22	3.31

Series O Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	7,840	4,871	2,398	908	28,350
Number of units outstanding (000's)	2,315	1,479	705	282	8,564
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.08%	0.22%	0.48%	0.32%	0.08%
Trading expense ratio ⁽⁷⁾	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.39	3.29	3.40	3.22	3.31

Series Q Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	10.50	10.85	10.26	10.00*	–
Increase (decrease) from operations:					
Total revenue	0.52	0.55	0.62	0.52	–
Total expenses	(0.00)	–	(0.00)	–	–
Realized gains (losses)	0.15	(0.59)	0.29	(0.38)	–
Unrealized gains (losses)	0.10	0.18	(0.10)	(0.14)	–
Total increase (decrease) from operations⁽²⁾	0.77	0.14	0.81	(0.00)	–
Distributions:					
From income (excluding dividends)	(0.54)	(0.60)	(0.66)	(0.17)	–
From dividends	–	(0.00)	(0.01)	–	–
From capital gains	–	(0.05)	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.54)	(0.65)	(0.67)	(0.17)	–
Net Assets, end of period⁽⁴⁾	10.79	10.50	10.85	10.25	–

Series Q Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	3,532	4,262	1,497	198	–
Number of units outstanding (000's)	327	406	138	19	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.05%	0.18%	0.77%	15.83%	–
Trading expense ratio ⁽⁷⁾	0.00%	–	–	0.00%	–
Portfolio turnover rate ⁽⁸⁾	73.23%	68.02%	125.48%	195.08%	–
Net Asset Value per unit	10.79	10.50	10.85	10.26	–

Series S Units – Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.26	3.37	3.19	3.28	3.10
Increase (decrease) from operations:					
Total revenue	0.17	0.17	0.20	0.22	0.24
Total expenses	(0.00)	–	(0.00)	–	(0.00)
Realized gains (losses)	0.01	(0.19)	0.10	(0.08)	0.08
Unrealized gains (losses)	0.09	0.08	0.08	(0.05)	0.09
Total increase (decrease) from operations⁽²⁾	0.27	0.06	0.38	0.09	0.41
Distributions:					
From income (excluding dividends)	(0.17)	(0.18)	(0.21)	(0.22)	(0.24)
From dividends	–	(0.00)	(0.00)	(0.00)	(0.01)
From capital gains	–	(0.02)	–	(0.04)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.17)	(0.20)	(0.21)	(0.26)	(0.25)
Net Assets, end of period⁽⁴⁾	3.35	3.26	3.37	3.19	3.28

Series S Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	488,611	357,992	241,378	205,123	75,805
Number of units outstanding (000's)	145,689	109,738	71,607	64,312	23,108
Management expense ratio ⁽⁵⁾	–	–	–	–	0.00%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.11%	1.17%	1.18%	1.18%	1.18%
Trading expense ratio ⁽⁷⁾	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.35	3.26	3.37	3.19	3.28

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.

~ annualized

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

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	June 1994
Series F Units	April 2000
Series O Units	July 2010
Series Q Units	December 2012
Series S Units	January 2009

- (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	1.50%	31.99%	68.01%
Series F Units	0.90%	—	100.00%
Series S Units	1.00%	—	100.00%

Past Performance*

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

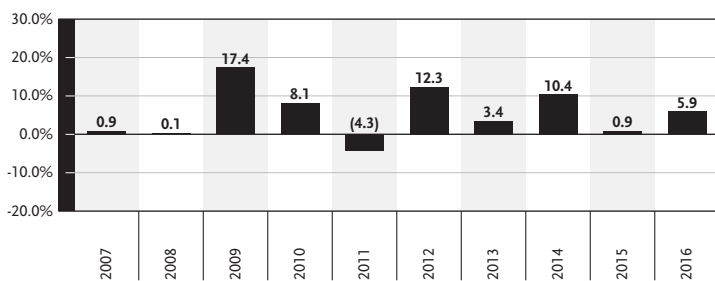
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

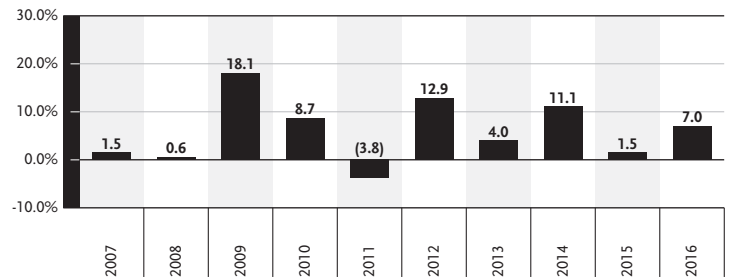
Year-By-Year Returns

The following bar 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.

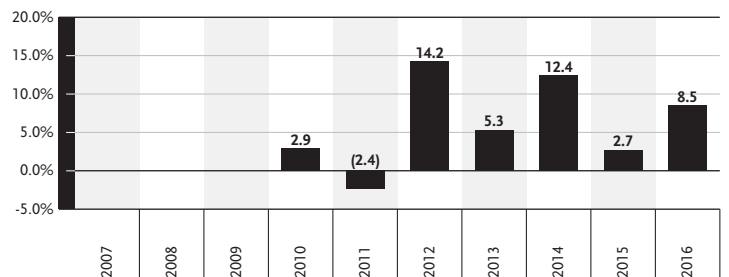
Mutual Fund Units



Series F Units

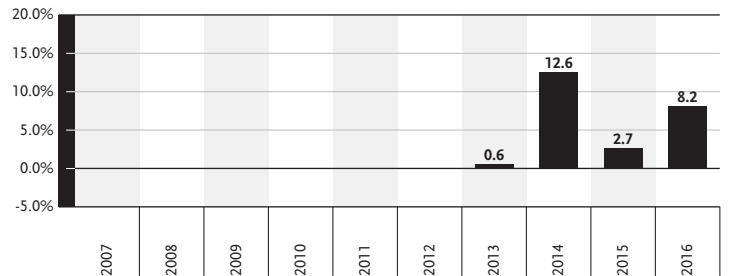


Series O Units



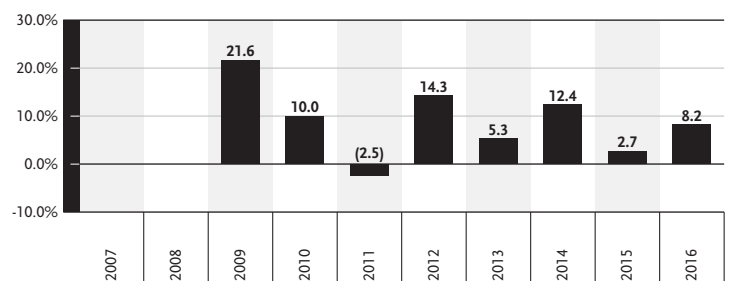
Performance for 2010 represents returns for the period from August 3, 2010 to September 30, 2010.

Series Q Units



Performance for 2013 represents returns for the period from July 9, 2013 to September 30, 2013.

Series S Units



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

* 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, 2016.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	5.9	5.7	6.5	5.3	N/A
Bloomberg Barclays Global High-Yield Index	11.9	13.8	13.6	9.6	N/A
Blended Benchmark	11.2	13.9	11.6	8.8	N/A
Series F Units	7.0	6.4	7.2	6.0	N/A
Bloomberg Barclays Global High-Yield Index	11.9	13.8	13.6	9.6	N/A
Blended Benchmark	11.2	13.9	11.6	8.8	N/A
Series O Units	8.5	7.8	8.5	N/A	7.0
Bloomberg Barclays Global High-Yield Index	11.9	13.8	13.6	N/A	11.9
Blended Benchmark	11.2	13.9	11.6	N/A	9.7
Series Q Units	8.2	7.8	N/A	N/A	7.4
Bloomberg Barclays Global High-Yield Index	11.9	13.8	N/A	N/A	13.2
Blended Benchmark	11.2	13.9	N/A	N/A	13.2
Series S Units	8.2	7.7	8.5	N/A	9.2
Bloomberg Barclays Global High-Yield Index	11.9	13.8	13.6	N/A	14.3
Blended Benchmark	11.2	13.9	11.6	N/A	11.2

The Bloomberg Barclays Global High-Yield Index is a multi-currency flagship measure of the global high yield debt market.

The Bloomberg Barclays Emerging Markets USD Aggregate Index is a flagship hard currency emerging markets debt benchmark that includes U.S. dollar denominated debt from sovereign, quasi-sovereign and corporate emerging markets issuers.

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

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

Summary of Investment Portfolio

As at September 30, 2016

The major portfolio categories and top holdings (up to 25) of the 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 Country	Percentage of Net Asset Value (%)
United States	57.2
Cash & Cash Equivalents	8.8
Mexico	5.3
Canada	4.5
Ireland	2.6
United Kingdom	2.1
Brazil	1.7
Peru	1.5
Luxembourg	1.4
Portugal	1.4
Italy	1.3
Australia	1.1
Argentina	1.0
Dominican Republic	1.0
Cayman Islands	0.8
Paraguay	0.7
Indonesia	0.7
Pakistan	0.7
Republic of Honduras	0.7
Netherlands	0.7
Vietnam	0.6
Belize	0.6
Austria	0.6
United Arab Emirates	0.6
Guatemala	0.5
Turkey	0.2
India	0.1
Foreign Exchange Forward Contracts	0.0
Hong Kong	0.0

Portfolio by Sector	Percentage of Net Asset Value (%)
High Yield Bonds	31.0
Corporate Bonds	22.5
Government Bonds	17.4
Emerging Markets Bonds	11.7
Cash & Cash Equivalents	8.8
Supranational Bonds	6.0
Provincial Bonds	1.0
Foreign Exchange Forward Contracts	0.0
Materials	0.0

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Fixed Income	57.2
International Fixed Income	27.9
Cash & Cash Equivalents	8.8
Canadian Fixed Income	4.5
Foreign Exchange Forward Contracts	0.0
International Equity	0.0

AGF Total Return Bond Fund

SEPTEMBER 30, 2016

Portfolio by Credit Rating ^{††}	Percentage of Net Asset Value (%)
AAA	16.2
AA	1.1
A	15.0
BBB	9.3
BB	23.6
B	24.5
CCC	4.8
CC	0.7
C	0.2
Not Rated	3.0

Top Holdings	Percentage of Net Asset Value (%)
U.S. Treasury**	10.1
Inter-American Development Bank**	3.7
United Mexican States**	3.1
International Bank for Reconstruction and Development**	1.8
Ballsbridge Repackaging Limited**	1.8
T-Mobile US Inc.**	1.5
Federal Republic of Brazil**	1.5
Republic of Peru**	1.5
HCA Holdings Inc.**	1.4
Republic of Portugal**	1.4
West Corporation**	1.3
Meritor Inc.**	1.3
Cemex SAB de CV**	1.3
CCO Holdings LLC/Capital Corporation**	1.2
Realogy Group LLC/Co-Issuer Corporation**	1.2
FMG Resources (August 2006) Pty. Limited**	1.1
Cott Beverages Inc.**	1.1
Tenet Healthcare Corporation**	1.1
Frontier Communications Corporation**	1.1
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corporation**	1.1
Amkor Technology Inc.**	1.0
Western Digital Corporation**	1.0
American Axle & Manufacturing Inc.**	1.0
Republic of Italy**	1.0
Republic of Argentina**	1.0
Total Net Asset Value (thousands of dollars)	\$ 665,799

^{††} 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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For more information contact your investment advisor or:

AGF Investments Inc.

55 Standish Court, Suite 1050

Mississauga, ON L5R 0G3

Toll Free: (800) 268-8583

Web: AGF.com

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