

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

AGF Total Return Bond Fund

MARCH 31, 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 fund's performance and outlook.

Results of Operations

For the six months ended March 31, 2017, the Mutual Fund Units of AGF Total Return Bond Fund (the "Fund") returned 2.2% (net of expenses) while the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark returned 4.4% and 1.7%, respectively. The Blended Benchmark is composed of 40% Bloomberg Barclays Global High-Yield Index/40% Bloomberg Barclays Emerging Markets USD Aggregate Index/20% Bloomberg Barclays Global Aggregate 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 its inclusion of investment grade bonds, which under-performed high yield bonds as spreads tightened.

The Fund out-performed the Blended Benchmark. The Fund's slightly higher exposure to high yield bonds benefited performance as high yield bonds out-performed due to spread tightening. The Fund's lower exposure to emerging markets debt, relative to the Blended Benchmark, also contributed as emerging markets bonds generally under-performed high yield bonds. The Fund's out-of-benchmark exposure to emerging markets local currency bonds contributed positively to performance as a result of their out-performance relative to emerging markets bonds denominated in foreign currencies. As at March 31, 2017, the Fund had approximately 13.0% of emerging markets debt, while the Blended Benchmark held 40.0%.

The portfolio manager reduced the Fund's high yield bond exposure during the reporting period as valuations became less attractive and shifted the Fund's exposure into more investment grade corporate bonds. Cash exposure was also increased during the reporting period.

The Fund's significant underweight to the U.S. dollar, relative to the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark detracted as a result of the appreciation of the Canadian dollar during the reporting period. As of March 31, 2017, the Fund's exposure to the U.S. dollar was approximately 27.0% net of hedging activity, relative to the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark with exposure of approximately 83.0% and 82.0%, respectively.

The Fund entered into foreign exchange forward contracts during the period under review. As of March 31, 2017, the Fund was long Canadian

dollar and short Euro 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 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 subscriptions of approximately \$7 million for the current period, as compared to net subscriptions of approximately \$95 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$50 million in the Fund. The portfolio manager does not believe that subscription/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. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values. On the contrary, unitholder servicing and administrative fees decreased due to non-recurring expenses incurred in the previous period. Annual and interim reports decreased due to a decrease in investor activity and interest expense decreased due to a decrease in the number of overdraft positions throughout the period. The increase in audit fees and decrease in custodian fees were 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

In Canada, economic growth continues to rebound from the sluggishness of 2015 and early 2016 as energy prices recover and household consumption remains robust. In addition, should U.S. growth strengthen, exports in Canada could benefit. However, record level of Canadian household debt, coupled with the implementation of several housing policy measures may pose challenges to consumer spending. The U.S. Federal Reserve is likely to raise federal funds rate further in the coming months, albeit at a gradual pace. European Central Bank is expected to announce a reduction in or cessation of asset purchases later this year. Bank of Canada's interest rate policy is expected to remain on hold in the near term as exports remain subdued and inflation and unemployment trends remain stable.

The major political risks that commenced in 2016 have been well telegraphed and may not have as great a capacity to surprise in 2017.

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1 800 268-8583, 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.

Nonetheless, markets were negatively impacted by the new U.S. administration's failed health care bill and focus will now be on the new administration's ability to pass through pro-growth policies, such as tax reforms. Two major global political events to watch in 2017 are elections in France in April and Germany in September.

In the near term, the portfolio manager expects the bond yields to likely remain range-bound, should economic data remain healthy and geopolitical risks remain stable. However, yields are likely to move higher if global growth and inflation prospects become more favourable later this year. Though, in portfolio manager's view, rates are unlikely to move substantially higher as significantly higher rates would likely start compressing economic activity.

The portfolio manager's outlook is currently mildly positive as economic growth momentum continues, partially offset by the somewhat elevated valuations of riskier asset classes. Consequently, the portfolio manager prefers investment grade corporate bonds over government bonds, which may struggle if yields increase. The portfolio manager remains neutral on high yield bonds; while defaults should not be significant in the absence of a recession, corporate fundamentals have started to improve and valuations are closer to high end of their historical range. The portfolio manager also expects to maintain an underweight and be more selective within emerging markets debt relative to the Blended Benchmark, and prefers exposure to local currency emerging markets debt, which is anticipated to out-perform in the medium to long-term.

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 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 \$3,535,000 were incurred by the Fund during the six month period ended March 31, 2017.

AGF CustomerFirst Inc. ("AGFC") provides transfer agency services to the Fund pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$154,000 were incurred by the Fund during the six month period ended March 31, 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 Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are

inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

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

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

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended March 31, 2017 and 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").

AGF Total Return Bond Fund

MARCH 31, 2017

Mutual Fund Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.36	3.26	3.37	3.19	3.28	3.10
Increase (decrease) from operations:						
Total revenue	0.08	0.14	0.17	0.20	0.22	0.25
Total expenses	(0.03)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
Realized gains (losses)	0.02	0.06	(0.17)	0.10	(0.07)	0.08
Unrealized gains (losses)	(0.01)	0.05	0.09	0.10	0.03	0.10
Total increase (decrease) from operations⁽²⁾	0.06	0.19	0.03	0.34	0.12	0.37
Distributions:						
From income (excluding dividends)	(0.06)	(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⁾	(0.06)	(0.09)	(0.14)	(0.15)	(0.20)	(0.19)
Net Assets, end of period⁽⁴⁾	3.37	3.36	3.26	3.37	3.19	3.28

Mutual Fund Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	125,221	136,566	152,393	169,034	199,208	236,642
Number of units outstanding (000's)	37,205	40,592	46,800	50,211	62,501	72,145
Management expense ratio ⁽⁵⁾	1.90%~	1.92%	1.89%	1.90%	1.89%	1.86%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.90%~	1.92%	1.89%	1.90%	1.89%	1.86%
Trading expense ratio ⁽⁷⁾	0.00%~	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	46.48%	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.37	3.36	3.26	3.37	3.19	3.28

Series F Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.35	3.25	3.36	3.18	3.27	3.09
Increase (decrease) from operations:						
Total revenue	0.08	0.14	0.17	0.20	0.22	0.24
Total expenses	(0.02)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses)	0.02	0.04	(0.17)	0.09	(0.07)	0.09
Unrealized gains (losses)	(0.01)	0.09	0.08	0.07	0.02	0.09
Total increase (decrease) from operations⁽²⁾	0.07	0.23	0.04	0.32	0.13	0.38
Distributions:						
From income (excluding dividends)	(0.07)	(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⁾	(0.07)	(0.12)	(0.16)	(0.17)	(0.22)	(0.21)
Net Assets, end of period⁽⁴⁾	3.36	3.35	3.25	3.36	3.18	3.27

Series F Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	22,833	29,250	27,040	21,663	14,699	33,372
Number of units outstanding (000's)	6,804	8,726	8,316	6,448	4,624	10,205
Management expense ratio ⁽⁵⁾	1.15%~	1.16%	1.16%	1.24%	1.32%	1.30%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.15%~	1.16%	1.16%	1.24%	1.32%	1.30%
Trading expense ratio ⁽⁷⁾	0.00%~	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	46.48%	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.36	3.35	3.25	3.36	3.18	3.27

Series O Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.39	3.29	3.40	3.22	3.31	3.13
Increase (decrease) from operations:						
Total revenue	0.08	0.16	0.17	0.20	0.25	0.25
Total expenses	(0.00)	(0.00)	–	(0.00)	–	–
Realized gains (losses)	0.02	0.04	(0.17)	0.10	0.02	0.09
Unrealized gains (losses)	(0.00)	0.08	0.06	0.02	0.54	0.07
Total increase (decrease) from operations⁽²⁾	0.10	0.28	0.06	0.32	0.81	0.41
Distributions:						
From income (excluding dividends)	(0.08)	(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⁾	(0.08)	(0.17)	(0.20)	(0.21)	(0.26)	(0.25)
Net Assets, end of period⁽⁴⁾	3.40	3.39	3.29	3.40	3.22	3.31

Series O Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	8,209	7,840	4,871	2,398	908	28,350
Number of units outstanding (000's)	2,416	2,315	1,479	705	282	8,564
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.12%~	0.08%	0.22%	0.48%	0.32%	0.08%
Trading expense ratio ⁽⁷⁾	0.00%~	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	46.48%	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.40	3.39	3.29	3.40	3.22	3.31

Series Q Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	10.79	10.50	10.85	10.26	10.00^{aa}	–
Increase (decrease) from operations:						
Total revenue	0.27	0.52	0.55	0.62	0.52	–
Total expenses	(0.00)	(0.00)	–	(0.00)	–	–
Realized gains (losses)	0.04	0.15	(0.59)	0.29	(0.38)	–
Unrealized gains (losses)	(0.08)	0.10	0.18	(0.10)	(0.14)	–
Total increase (decrease) from operations⁽²⁾	0.23	0.77	0.14	0.81	(0.00)	–
Distributions:						
From income (excluding dividends)	(0.27)	(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⁾	(0.27)	(0.54)	(0.65)	(0.67)	(0.17)	–
Net Assets, end of period⁽⁴⁾	10.83	10.79	10.50	10.85	10.25	–

Series Q Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$000's)	2,026	3,532	4,262	1,497	198	–
Number of units outstanding (000's)	187	327	406	138	19	–
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.21%~	0.05%	0.18%	0.77%	15.83%~	–
Trading expense ratio ⁽⁷⁾	0.00%~	0.00%	–	–	0.00%	–
Portfolio turnover rate ⁽⁸⁾	46.48%	73.23%	68.02%	125.48%	195.08%	–
Net Asset Value per unit	10.83	10.79	10.50	10.85	10.26	–

* represents initial Net Assets
~ annualized

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

Series S Units – Net Assets per Unit⁽¹⁾

For the periods ended	Mar 31, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)	Sept 30, 2012 (\$)
Net Assets, beginning of period⁽¹⁾	3.35	3.26	3.37	3.19	3.28	3.10
Increase (decrease) from operations:						
Total revenue	0.08	0.17	0.17	0.20	0.22	0.24
Total expenses	(0.00)	(0.00)	–	(0.00)	–	(0.00)
Realized gains (losses)	0.02	0.01	(0.19)	0.10	(0.08)	0.08
Unrealized gains (losses)	(0.00)	0.09	0.08	0.08	(0.05)	0.09
Total increase (decrease) from operations⁽²⁾	0.10	0.27	0.06	0.38	0.09	0.41
Distributions:						
From income (excluding dividends)	(0.08)	(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⁾	(0.08)	(0.17)	(0.20)	(0.21)	(0.26)	(0.25)
Net Assets, end of period⁽⁴⁾	3.36	3.35	3.26	3.37	3.19	3.28

Series S Units – Ratios/Supplemental Data⁽¹⁾

For the periods ended	Mar 31, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013	Sept 30, 2012
Total Net Asset Value (\$'000's)	516,806	488,611	357,992	241,378	205,123	75,805
Number of units outstanding ('000's)	153,587	145,689	109,738	71,607	64,312	23,108
Management expense ratio ⁽⁵⁾	–	–	–	–	–	0.00%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.16%~	1.11%	1.17%	1.18%	1.18%	1.18%
Trading expense ratio ⁽⁷⁾	0.00%~	0.00%	–	–	0.00%	0.00%
Portfolio turnover rate ⁽⁸⁾	46.48%	73.23%	68.02%	125.48%	195.08%	145.62%
Net Asset Value per unit	3.36	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 and unaudited interim 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.

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 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.

~ annualized

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

(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 exchange traded funds ("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%	40.59%	59.41%
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.

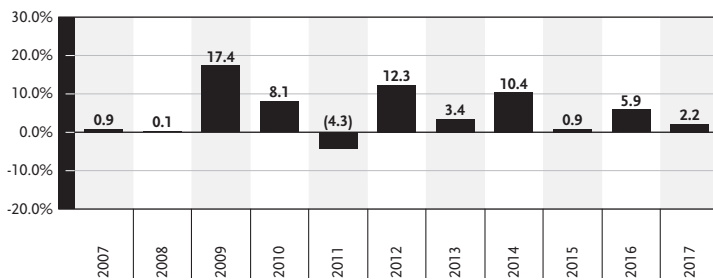
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

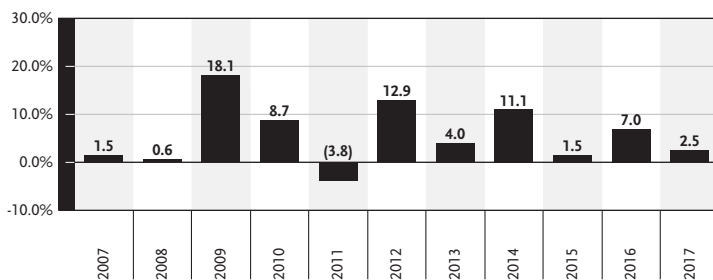
Year-By-Year Returns

The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2016 (interim performance for the six months ended March 31, 2017) 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.

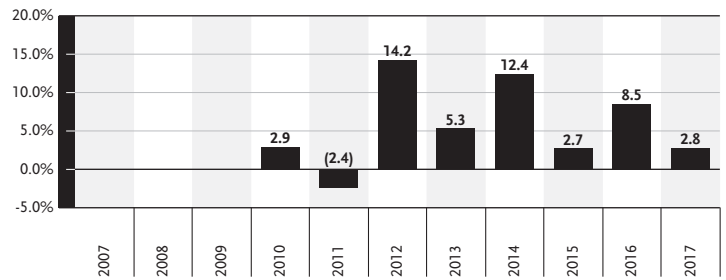
Mutual Fund Units



Series F Units

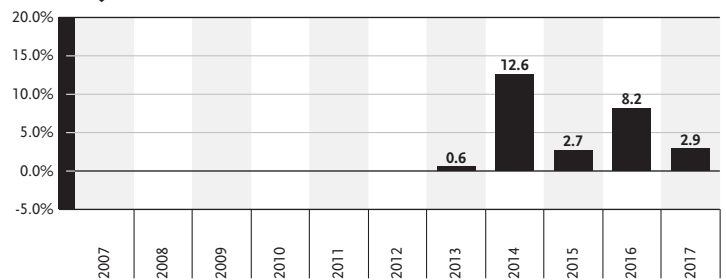


Series O Units



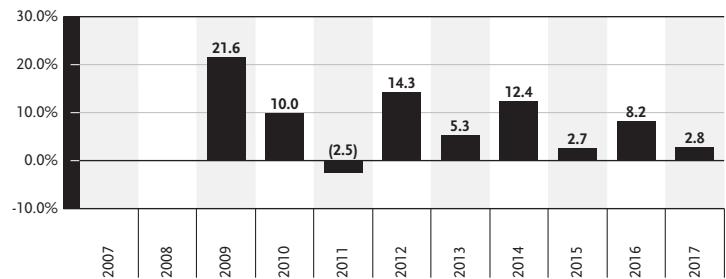
Performance for 2010 represents returns for the period from August 3, 2010 to September 30, 2010.

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 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.

Summary of Investment Portfolio

As at March 31, 2017

The major portfolio categories and top holdings (up to 25) of the Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at June 30, 2017.

Portfolio by Country	Percentage of Net Asset Value (%)
United States	49.6
Cash & Cash Equivalents	13.3
Canada	6.7
Mexico	5.2
Brazil	3.3
United Kingdom	2.9
Luxembourg	2.6
Ireland	2.4
Peru	2.0
Portugal	1.9
Argentina	1.0
Dominican Republic	0.9
Belize	0.7
Italy	0.7
Paraguay	0.7
Republic of Honduras	0.7
United Arab Emirates	0.7
Cayman Islands	0.5
France	0.5
The Philippines	0.5
India	0.5
Yugoslavia	0.5
Switzerland	0.4
Turkey	0.4
Israel	0.2
Foreign Exchange Forward Contracts	0.2
Netherlands	0.0
Hong Kong	0.0

Portfolio by Sector	Percentage of Net Asset Value (%)
Corporate Bonds	27.1
High Yield Bonds	20.4
Government Bonds	17.6
Cash & Cash Equivalents	13.3
Emerging Markets Bonds	13.2
Supranational Bonds	6.0
Provincial Bonds	1.0
Health Care	0.2
Foreign Exchange Forward Contracts	0.2
Materials	0.0

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Fixed Income	49.6
International Fixed Income	29.0
Cash & Cash Equivalents	13.3
Canadian Fixed Income	6.7
International Equity	0.2
Foreign Exchange Forward Contracts	0.2

Portfolio by Credit Rating††	Percentage of Net Asset Value (%)
AAA	17.7
AA	3.3
A	22.6
BBB	12.0
BB	19.4
B	18.5
CCC	2.4
CC	0.7
C	0.3
Not Rated	2.1

Top Holdings	Percentage of Net Asset Value (%)
U.S. Treasury**	11.7
United Mexican States**	3.2
International Bank for Reconstruction and Development**	2.2
European Bank for Reconstruction and Development**	1.9
Republic of Portugal**	1.9
Federal Republic of Brazil**	1.6
Republic of Peru**	1.5
Ballsbridge Repackaging Limited**	1.2
Cemex SAB de CV**	1.1
Micron Technology Inc.**	1.1
The Goldman Sachs Group Inc.**	1.0
Meritor Inc.**	1.0
West Corporation**	1.0
Pfizer Inc.**	1.0
Kraft Heinz Foods Company**	1.0
Bank of America Corporation**	1.0
Caterpillar Inc.**	1.0
Petrobras Global Finance BV**	1.0
Republic of Argentina**	1.0
JPMorgan Chase & Company**	1.0
The Procter & Gamble Company**	1.0
The Chemours Company**	1.0
Prudential Financial Inc.**	1.0
International Finance Corporation**	1.0
Dominican Republic**	0.9
Total Net Asset Value (thousands of dollars)	\$ 675,095

†† 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



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

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

Securities of the funds are offered and sold in the United States only in reliance on exemptions from registration. No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise.

® The AGF logo and all associated trademarks are registered trademarks of AGF Management Limited and used under licence.