

Annual Management Report of Fund Performance

# AGF Equity Income Focus Fund

September 30, 2018



## 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 Equity Income Focus Fund (the "Fund") is to achieve a high level of income and capital appreciation by investing primarily in fixed income and dividend paying equity securities globally. AGF Investments Inc. ("AGFI"), as portfolio manager, allocates the Fund's assets among underlying funds managed by AGFI or an AGFI affiliate (the "Underlying Funds"). AGFI has set, and reviews quarterly, target dynamic allocations between Canadian balanced, global dividend and high yield bond funds for the Fund, consistent with the Fund's investment objective. The Fund may also invest directly in securities similar to those held by the Underlying Funds where the portfolio manager believes it would be beneficial to securityholders to do so. In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash, money market securities or money market funds.

### Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The Fund continues to be suitable for income-oriented investors investing for the medium to long-term, seeking a managed portfolio of equity and fixed income securities in a single fund and who have low to medium tolerance for risk.

### Results of Operations

For the year ended September 30, 2018, the Mutual Fund Units of the Fund returned 4.0% (net of expenses) while the S&P/TSX Composite Index ("S&P/TSX Index"), the FTSE TMX Canada Universe Bond Index ("FTSE TMX Universe Bond Index") and the Blended Benchmark returned 5.9%, 1.7% and 6.4%, respectively. The Blended Benchmark is composed of 25% Bloomberg Barclays Global High-Yield Index/25% FTSE TMX Universe Bond Index/25% MSCI All Country World Index/25% S&P/TSX 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 holds Series I Units of the Underlying Funds.

The Fund under-performed the S&P/TSX Index due to the inclusion of fixed income securities in the Underlying Funds, as fixed income significantly under-performed equities during the reporting period. Higher yields brought on by continued central bank tightening pressured this asset class.

Conversely, the Fund out-performed the FTSE TMX Universe Bond Index due to the inclusion of equities in the Underlying Funds, which out-performed fixed income over the reporting period.

The Fund under-performed the Blended Benchmark as sector allocation and security selection within the global equity component of the Underlying Funds detracted. A preference for higher dividend-yielding sectors, such as consumer staples and telecommunication services, detracted from relative returns given their under-performance due to rising bond yields. This was partly offset by the out-performance from the Fund's holding in the Canadian equity fund. Within fixed income, an underweight exposure to high yield bonds relative to the Blended Benchmark also detracted, as they generally out-performed within the asset class during the reporting period as spreads tightened and company fundamentals remained strong.

At the end of the reporting period, the Fund held approximately 52.0% and 42.0% in equities and fixed income, respectively, via Underlying Funds' holdings. During the period under review, the Fund's holding in AGF Monthly High Income Fund was eliminated, while its holdings in AGF Global Dividend Fund and AGF Total Return Bond Fund were increased and a new holding in AGFIQ Dividend Income Fund was added.

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 \$39 million for the current period, as compared to net subscriptions of approximately \$48 million in the prior period. 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 changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and

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.

transactions. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values. All other expenses remained fairly consistent throughout the periods.

## Recent Developments

The portfolio manager remains constructive towards global growth over the medium term, with periods of unsettled markets expected along the way. As such, the portfolio manager continues to favour equities over fixed income, though heightened political uncertainty and the risk of additional tariffs warrant a defensive shift in positioning for the upcoming period. Within equities, prospects for emerging markets have improved on the back of structural reform and a resilient Chinese economy, though higher oil prices and further strengthening of the U.S. dollar could temper returns. Within developed markets, the portfolio manager continues to view U.S. equities favourably as the effects of tax reform and global economic growth should support earnings. Japanese equities are also favoured, as accommodative policy should support economic fundamentals and Prime Minister Abe's election victory affirms political stability and the likelihood of further pro-growth reforms. Generally positive economic conditions and accommodative monetary policy in Europe are overshadowed by listless Brexit negotiations in the UK and political uncertainty in Italy, leading to a negative outlook for the region. The backdrop for Canadian equities has improved upon trade resolution and sustained higher energy prices, yet remains out-of-favour due to government regulation and record-high household debt levels. Asia Pacific markets (excluding Japan) offer attractive valuations, though adjusting for the potential risk of escalating tariffs, the portfolio manager prefers other developed markets in the near term.

The Fund maintains an underweight position in fixed income and a small allocation to cash in an effort to soften the impact of market volatility. Expectation for modestly higher yields as central banks continue to tighten policy has led to this underweight position. Within rate sensitive bonds, the portfolio manager prefers government issued debt over corporate issues. Prospects for high yield bonds are less favourable as late-cycle effects begin to wear on credit quality and could lead to spread widening. Emerging markets debt is most preferred within the asset class, particularly local denominated issues, though the portfolio manager remains cautious of the potential for contagion effects from volatile markets and escalating trade rhetoric.

Effective October 1, 2018, certain operating expenses relating to registrar and transfer agency services are paid directly by AGFI and in exchange, a fixed rate administration fee was introduced for the Mutual Fund Series, Series D, Series F, Series I, Series J, Series T and Series V Units, as applicable, of the Fund. The administration fee was approved by the unitholders of the Fund on June 14, 2018. The administration fee for each applicable series is calculated daily and payable monthly, based on the average Net Asset Value of the respective series of the Fund at a fixed annual rate, as disclosed in the current prospectus. The Fund continues to pay for all other operating expenses.

## 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 I, 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 \$9,319,000 were incurred by the Fund during the period ended September 30, 2018.

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 \$590,000 incurred by the Fund were paid to AGFC during the period ended September 30, 2018.

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 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. Previously, financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

### Mutual Fund Units - Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.67</b>	<b>10.83</b>	<b>10.55</b>	<b>11.09</b>	<b>10.41</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.33	0.42	0.48	0.48	0.63
Total expenses	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)
Realized gains (losses)	0.09	0.21	0.10	(0.01)	0.21
Unrealized gains (losses)	0.24	(0.02)	0.48	(0.29)	0.44
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.42</b>	<b>0.37</b>	<b>0.82</b>	<b>(0.06)</b>	<b>1.04</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.01)	(0.12)	-	(0.03)	(0.06)
From dividends	(0.06)	(0.16)	(0.44)	(0.17)	(0.25)
From capital gains	(0.03)	(0.18)	(0.07)	(0.35)	(0.31)
Return of capital	(0.44)	(0.08)	(0.06)	(0.00)	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.54)</b>	<b>(0.54)</b>	<b>(0.57)</b>	<b>(0.55)</b>	<b>(0.62)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>10.57</b>	<b>10.67</b>	<b>10.83</b>	<b>10.55</b>	<b>11.09</b>

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	504,368	473,995	438,034	390,284	299,017
Number of units outstanding (000's)	47,736	44,416	40,431	36,986	26,963
Management expense ratio <sup>(5)</sup>	2.22%	2.21%	2.22%	2.20%	2.20%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.25%	2.23%	2.25%	2.23%	2.26%
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	0.10%	0.11%	0.09%
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	19.45%	33.68%	33.51%
Net Asset Value per unit	10.57	10.67	10.83	10.55	11.09

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

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>11.02</b>	<b>11.07</b>	<b>10.66</b>	<b>11.34</b>	<b>10.59</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.43	0.49	0.47	0.67
Total expenses	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Realized gains (losses)	0.09	0.22	0.09	0.00	0.21
Unrealized gains (losses)	0.26	(0.05)	0.53	(0.41)	0.41
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.57</b>	<b>0.48</b>	<b>0.99</b>	<b>(0.06)</b>	<b>1.17</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.02)	(0.13)	-	(0.07)	(0.08)
From dividends	(0.09)	(0.18)	(0.49)	(0.36)	(0.33)
From capital gains	(0.03)	(0.19)	(0.08)	(0.39)	(0.28)
Return of capital	(0.42)	(0.06)	(0.01)	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.56)</b>	<b>(0.56)</b>	<b>(0.58)</b>	<b>(0.82)</b>	<b>(0.69)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.04</b>	<b>11.02</b>	<b>11.07</b>	<b>10.66</b>	<b>11.34</b>

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	8,242	7,600	6,307	5,178	1,782
Number of units outstanding (000's)	747	690	570	486	157
Management expense ratio <sup>(5)</sup>	1.10%	1.10%	1.11%	1.07%	1.07%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.12%	1.10%	1.14%	1.23%	1.65%
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	0.10%	0.11%	0.09%
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	19.45%	33.68%	33.51%
Net Asset Value per unit	11.04	11.02	11.07	10.66	11.34

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

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>11.42</b>	<b>11.34</b>	<b>10.80</b>	<b>11.14</b>	<b>11.32*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.36	0.45	0.50	0.51	0.03
Total expenses	-	-	-	-	-
Realized gains (losses)	0.09	0.23	0.11	0.00	-
Unrealized gains (losses)	0.28	(0.03)	0.49	(0.08)	(0.20)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.73</b>	<b>0.65</b>	<b>1.10</b>	<b>0.43</b>	<b>(0.17)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.02)	(0.15)	-	(0.05)	-
From dividends	(0.11)	(0.21)	(0.49)	(0.29)	-
From capital gains	(0.03)	(0.19)	(0.06)	(0.25)	-
Return of capital	(0.42)	(0.02)	(0.00)	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.58)</b>	<b>(0.57)</b>	<b>(0.55)</b>	<b>(0.59)</b>	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.55</b>	<b>11.42</b>	<b>11.34</b>	<b>10.80</b>	<b>11.14</b>

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	2,087	2,617	2,422	2,283	1
Number of units outstanding (000's)	181	229	214	211	1
Management expense ratio <sup>(5)</sup>	0.01%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.16%	0.15%	0.02%	0.23%	9838708*-
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	0.10%	0.11%	0.09%
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	19.45%	33.68%	33.51%
Net Asset Value per unit	11.55	11.42	11.34	10.80	11.14

\* represents initial Net Assets

- annualized

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

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

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.77</b>	<b>9.80</b>	<b>9.43</b>	<b>10.00*</b>	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.29	0.37	0.41	0.14	-
Total expenses	-	-	-	-	-
Realized gains (losses)	0.08	0.20	0.06	0.02	-
Unrealized gains (losses)	0.21	(0.06)	0.55	(0.68)	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.58</b>	<b>0.51</b>	<b>1.02</b>	<b>(0.52)</b>	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.02)	(0.19)	-	(0.01)	-
From dividends	(0.10)	(0.23)	(0.49)	(0.10)	-
From capital gains	(0.03)	(0.17)	(0.08)	(0.09)	-
Return of capital	(0.35)	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.50)</b>	<b>(0.59)</b>	<b>(0.57)</b>	<b>(0.20)</b>	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.89</b>	<b>9.77</b>	<b>9.80</b>	<b>9.43</b>	-

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	9,968	6,428	2,992	1,018	-
Number of units outstanding (000's)	1,008	658	305	108	-
Management expense ratio <sup>(5)</sup>	0.01%	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.08%	0.10%	0.05%	0.21%	-
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	0.10%	0.11%	-
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	19.45%	33.68%	-
Net Asset Value per unit	9.89	9.77	9.80	9.43	-

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

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.31</b>	<b>9.75</b>	<b>9.80</b>	<b>10.60</b>	<b>10.18</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.28	0.37	0.45	0.48	0.66
Total expenses	(0.20)	(0.21)	(0.21)	(0.23)	(0.24)
Realized gains (losses)	0.07	0.19	0.10	(0.03)	0.17
Unrealized gains (losses)	0.23	(0.01)	0.40	(0.25)	0.64
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.38</b>	<b>0.34</b>	<b>0.74</b>	<b>(0.03)</b>	<b>1.23</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.01)	(0.07)	-	(0.02)	(0.04)
From dividends	(0.03)	(0.10)	(0.32)	(0.12)	(0.17)
From capital gains	(0.03)	(0.20)	(0.05)	(0.32)	(0.30)
Return of capital	(0.69)	(0.41)	(0.43)	(0.37)	(0.33)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.76)</b>	<b>(0.78)</b>	<b>(0.80)</b>	<b>(0.83)</b>	<b>(0.84)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>8.93</b>	<b>9.31</b>	<b>9.75</b>	<b>9.80</b>	<b>10.60</b>

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	9,732	10,121	10,837	11,538	14,222
Number of units outstanding (000's)	1,090	1,087	1,112	1,178	1,341
Management expense ratio <sup>(5)</sup>	2.19%	2.18%	2.17%	2.20%	2.20%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.19%	2.18%	2.17%	2.20%	2.26%
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	0.10%	0.11%	0.09%
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	19.45%	33.68%	33.51%
Net Asset Value per unit	8.93	9.31	9.75	9.80	10.60

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

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>9.96</b>	<b>10.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.24	0.17	-	-	-
Total expenses	-	-	-	-	-
Realized gains (losses)	0.17	0.04	-	-	-
Unrealized gains (losses)	0.61	(0.18)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.02</b>	<b>0.03</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>10.96</b>	<b>9.96</b>	-	-	-

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

For the periods ended	Sept 30, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total Net Asset Value (\$000's)	1	1	-	-	-
Number of units outstanding (000's)	1	1	-	-	-
Management expense ratio <sup>(5)</sup>	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	3.92%	73166.56%	-	-	-
Trading expense ratio <sup>(7)</sup>	0.02%	0.09%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	55.16%	23.95%	-	-	-
Net Asset Value per unit	10.96	9.96	-	-	-

## Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. Under IFRS, investments that are traded in an active market are generally valued at closing price, which is determined to be within the bid-ask spread and most representative of fair value. As a result, there is no difference between the net assets per unit presented in the financial statements ("Net Assets") and the net asset value per unit calculated for fund pricing purposes ("Net Asset Value").

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	May 2012
Series F Units	May 2012
Series O Units	September 2014
Series Q Units	April 2015
Series T Units	May 2012
Series W Units	April 2017

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

\* represents initial Net Assets  
~ 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 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) allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.

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

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

- (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 ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily Net Asset Value during the period.

As a result of the Fund's investment in the Underlying Funds, the TER is calculated based on commissions and other portfolio transaction costs of the Fund, including such costs that are indirectly incurred by the Fund attributable to its investment in the Underlying Funds, divided by the average daily Net Asset Value of the Fund 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 I, 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	1.85%	58.24%	41.76%
Series F Units	0.85%	-	100.00%
Series T Units	1.85%	53.72%	46.28%

## 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. Series W Units commenced operations in April 2017 with no external purchase to date.

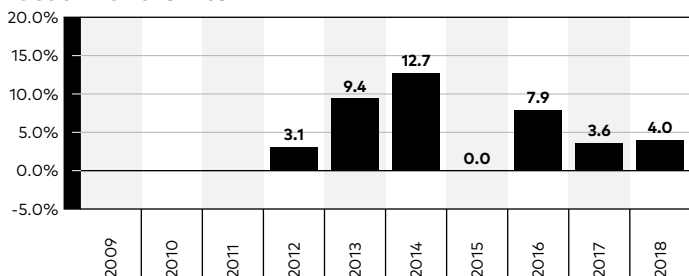
All rates of return are calculated based on the Net Asset Value.

## Year-By-Year Returns

The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2018 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.

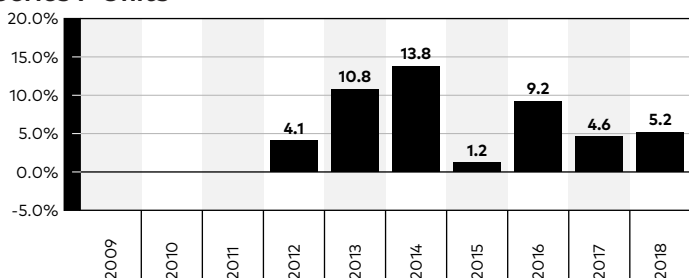
\* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced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

## Mutual Fund Units



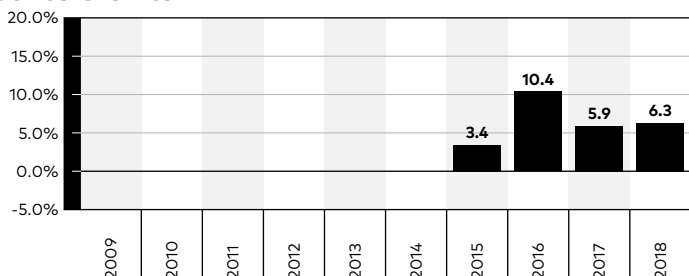
Performance for 2012 represents returns for the period from May 8, 2012 to September 30, 2012.

## Series F Units



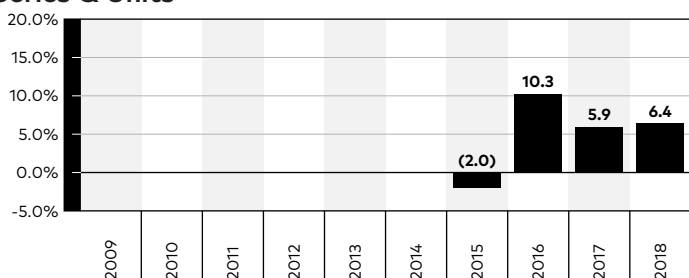
Performance for 2012 represents returns for the period from June 27, 2012 to September 30, 2012.

## Series O Units



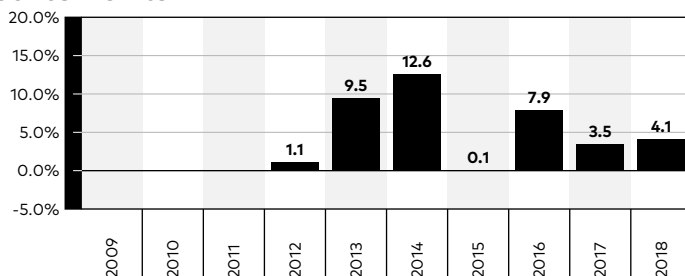
Performance for 2015 represents returns for the period from October 2, 2014 to September 30, 2015.

## Series Q Units



Performance for 2015 represents returns for the period from May 6, 2015 to September 30, 2015.

## Series T Units



Performance for 2012 represents returns for the period from August 22, 2012 to September 30, 2012.

## 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, 2018.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	4.0	5.2	5.6	N/A	6.3
S&P/TSX Composite Index	5.9	9.7	7.8	N/A	8.3
FTSE TMX Canada Universe Bond Index	1.7	1.6	3.3	N/A	2.7
Blended Benchmark	6.4	7.8	8.9	N/A	9.3
Series F Units	5.2	6.3	6.7	N/A	7.8
S&P/TSX Composite Index	5.9	9.7	7.8	N/A	8.8
FTSE TMX Canada Universe Bond Index	1.7	1.6	3.3	N/A	2.6
Blended Benchmark	6.4	7.8	8.9	N/A	9.6
Series O Units	6.3	7.5	N/A	N/A	6.5
S&P/TSX Composite Index	5.9	9.7	N/A	N/A	5.2
FTSE TMX Canada Universe Bond Index	1.7	1.6	N/A	N/A	2.4
Blended Benchmark	6.4	7.8	N/A	N/A	7.5
Series Q Units	6.4	7.5	N/A	N/A	5.9
S&P/TSX Composite Index	5.9	9.7	N/A	N/A	5.1
FTSE TMX Canada Universe Bond Index	1.7	1.6	N/A	N/A	1.7
Blended Benchmark	6.4	7.8	N/A	N/A	6.4
Series T Units	4.1	5.2	5.6	N/A	6.3
S&P/TSX Composite Index	5.9	9.7	7.8	N/A	7.9
FTSE TMX Canada Universe Bond Index	1.7	1.6	3.3	N/A	2.6
Blended Benchmark	6.4	7.8	8.9	N/A	9.3

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

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

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

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

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, 2018

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, 2018.

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

<b>Portfolio by Sector</b>	<b>Percentage of Net Asset Value (%)</b>
Equity Funds	52.0
Fixed Income Funds	42.1
Cash & Cash Equivalents	6.1

<b>Top Holdings</b>	<b>Percentage of Net Asset Value (%)</b>
AGF Total Return Bond Fund	42.1
AGF Global Dividend Fund	37.0
AGFiQ Dividend Income Fund	15.0
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 534,398</b>





For more information contact your investment advisor or:

**AGF Investments Inc.**

55 Standish Court, Suite 1050

Mississauga, Ontario L5R 0G3

Toll Free: (800) 268-8583

Web: [AGF.com](http://AGF.com)

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.