

Annual Management Report of Fund Performance

Harmony Global Fixed Income Pool

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 pool's performance and outlook.

Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of Harmony Global Fixed Income Pool (the "Pool") is to provide interest income and capital appreciation by investing primarily in investment grade debt securities of governments, corporations and other issuers around the world. The Pool may also invest in securities of another mutual fund, including other mutual funds managed by AGF Investments Inc. ("AGFI") or its affiliates. In periods of unusual market conditions, a portion of the Pool's assets may be held in cash or money market instruments.

AGFI, as portfolio manager, invests primarily in exchange traded funds ("ETFs") that are index participation units ("IPUs"). The ETFs are invested in a wide range of fixed income asset classes from around the world that may provide attractive income opportunities as well as capital appreciation. AGFI considers the advice and recommendations of Wilshire Associates Incorporated in selecting IPUs.

The Pool may invest in a diversified portfolio of investment grade debt and debt-related instruments denominated in currencies of any member state of the Organization for Economic Cooperation and Development ("OECD") or in other freely convertible currencies, issued by governments, supranational entities, corporations and other issuers around the world. In addition, the Pool may also invest in the entire emerging market fixed income opportunity set, which is made up of local and foreign currency, denominated emerging market sovereign and corporate debt instruments issued by a broad range of countries. The portfolio manager may engage in active currency management strategies to exploit or hedge the risk of changes in currency exchange rates.

Risk

The risks of investing in the Pool remain as disclosed in the current prospectus. The Pool continues to be suitable for investors investing for the medium term, who want the income potential of foreign fixed income securities and who have low to medium tolerance for risk.

Results of Operations

For the year ended September 30, 2018, the Wrap Series Units of the Pool returned -0.2% (net of expenses) while the Bloomberg Barclays Global Aggregate Index and the Blended Benchmark returned 2.2% and 1.6%, respectively. The Blended Benchmark is composed of 80% Bloomberg Barclays Global Aggregate Index/8% J.P. Morgan GBIEM Global Diversified Index/7% J.P. Morgan CEMBI Broad Diversified Index/5% J.P. Morgan EMBI Global Index. The performance of the other series of the Pool is substantially similar to that of the Wrap Series Units, save for differences in expense structure. Refer to "Past Performance" section for performance information of such series.

The Pool under-performed both the Bloomberg Barclays Global Aggregate Index and the Blended Benchmark by 2.4% and 1.8%, respectively. Performance was negatively impacted by being overweight emerging markets debt as well as being underweight U.S. exposure, relative to the Blended Benchmark. The Pool was primarily invested in ETFs during the reporting period. Exposure to iShares Core Total USD Bond Market ETF was removed while exposure to iShares Core US Aggregate Bond ETF and Vanguard Total Bond Market ETF was increased in order to increase the credit quality and exposure to government issues.

The Pool had net redemptions of approximately \$5 million for the current period, as compared to net subscriptions of approximately \$3 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$0.02 million in the Pool. The portfolio manager does not believe that redemption/subscriber activity had a meaningful impact on the Pool's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. The decrease in investment management and management fees accounted for most of the decrease in expenses during the period when compared to the previous period due to a decrease in average Net Asset Values. On the contrary, custodian fees and independent review committee fees increased 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

Moving into the third calendar quarter of 2018, the portfolio management team remains cautiously optimistic regarding global economies and global equities. Strong earnings growth has helped to bring equity valuations closer to historical averages, while economic growth remains resilient. The portfolio management team continues to expect a moderate economic growth environment in the near future, and therefore believes that the current economic landscape warrants low (relative to historical averages) interest rates in longer dated issues and lower expected returns across risk asset classes. Within the U.S., the portfolio management team is maintaining an underweight stance as it relates to growth stocks relative to their value counterparts.

The Canadian equity market, as measured by the S&P/TSX Composite Index, returned -0.6% in the third calendar quarter of 2018. Canada's gross domestic product ("GDP") increased 2.9% year-over-year in the second calendar quarter of 2018, the strongest growth since the second calendar quarter of 2014. The Canadian dollar appreciated 1.8% relative to the U.S. dollar during the third calendar quarter of 2018.

The U.S. equity market was positive in the third calendar quarter of 2018, with the S&P 500 Index returning 5.3%. Real GDP rose during the second calendar quarter of 2018, expanding 4.2% on an annualized basis. The 10-year U.S. Treasury yield increased, starting the third calendar quarter at 2.85% and ending September 2018 at 3.05%.

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 1 800 387-2563, by writing to us at AGF Investments Inc., 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Harmony 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.

Developed foreign markets posted negative performance for the third calendar quarter of 2018, with the MSCI EAFE Index falling 0.4% and the MSCI Emerging Markets Index returning -2.8%.

Fixed income returns were negative in the third calendar quarter of 2018, with the FTSE TMX Canada Universe Bond Index returning -1.0% and the Citi World Government Bond Index returning -3.3%.

There have been no material changes in regards to the strategic position of the Pool. Additionally, there were no known material trends, commitments, events or uncertainties that might reasonably be expected to affect the Pool.

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 all series of the Pool. The administration fee was approved by the unitholders of the Pool on June 14, 2018. The administration fee for each series is calculated daily and payable monthly, based on the average Net Asset Value of the respective series of the Pool at a fixed annual rate, as disclosed in the current prospectus. The Pool continues to pay for all other operating expenses.

Related Party Transactions

AGFI is the manager (“Manager”) and trustee of the Pool. Unitholders of the Embedded Series Units agree to pay management fees, calculated based on the Net Asset Value of such series of the Pool. Unitholders of the Wrap Series Units pay service fees directly to their dealers and do not pay management fees. A portion of such service fee is retained by AGFI.

AGFI is also the investment (portfolio) manager of the Pool. The Pool pays investment management fees to AGFI to manage the assets of the Pool, based upon the Net Asset Value of the Pool. Management and investment management fees of approximately \$20,000 and \$61,000, respectively, were paid to AGFI during the period ended September 30, 2018.

AGF CustomerFirst Inc. (“AGFC”) provides transfer agency services to the Pool pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$12,000 incurred by the Pool 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 Pool, 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 Pool 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 Pool and economic factors.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Pool 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 Pool. 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 Pool 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 Pool and are intended to help you understand the Pool’s financial performance for the past five years as applicable. The Pool 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”).

Wrap Series Units - Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
Net Assets, beginning of period⁽¹⁾	8.76	10.94	10.88	10.66	10.03
Increase (decrease) from operations:					
Total revenue	0.26	0.22	0.30	0.43	0.39
Total expenses	(0.12)	(0.11)	(0.10)	(0.07)	(0.06)
Realized gains (losses)	(0.07)	0.02	1.18	0.41	0.18
Unrealized gains (losses)	(0.03)	(0.62)	(0.56)	0.15	0.52
Total increase (decrease) from operations⁽²⁾	0.04	(0.49)	0.82	0.92	1.03
Distributions:					
From income (excluding dividends)	–	(0.21)	(0.37)	(0.34)	(0.36)
From dividends	(0.13)	(0.02)	–	–	(0.00)
From capital gains	–	(1.37)	(0.50)	(0.33)	(0.01)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.13)	(1.60)	(0.87)	(0.67)	(0.37)
Net Assets, end of period⁽⁴⁾	8.62	8.76	10.94	10.88	10.66

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

Wrap Series Units - Ratios/Supplemental Data⁽¹⁾

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)	14,100	18,737	19,083	49,155	57,353
Number of units outstanding (000's)	1,636	2,138	1,744	4,516	5,381
Management expense ratio ⁽⁵⁾	1.34%	1.27%	0.91%	0.56%	0.53%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.34%	1.27%	0.93%	0.63%	0.60%
Trading expense ratio ⁽⁷⁾	0.03%	0.05%	0.07%	0.04%	0.01%
Portfolio turnover rate ⁽⁸⁾	8.87%	35.35%	184.24%	84.12%	53.69%
Net Asset Value per unit	8.62	8.76	10.94	10.88	10.66

Embedded Series Units - Net Assets per Unit⁽¹⁾

For the periods ended	Sept 30, 2018 (\$)	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)
Net Assets, beginning of period⁽¹⁾	8.69	10.83	10.71	10.47	9.81
Increase (decrease) from operations:					
Total revenue	0.25	0.22	0.30	0.42	0.39
Total expenses	(0.32)	(0.33)	(0.36)	(0.35)	(0.34)
Realized gains (losses)	(0.06)	0.03	1.24	0.40	0.19
Unrealized gains (losses)	(0.01)	(0.64)	(0.60)	0.15	0.49
Total increase (decrease) from operations⁽²⁾	(0.14)	(0.72)	0.58	0.62	0.73
Distributions:					
From income (excluding dividends)	–	–	(0.07)	(0.05)	(0.05)
From dividends	–	–	–	–	(0.00)
From capital gains	–	(1.35)	(0.50)	(0.32)	(0.01)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	–	(1.35)	(0.57)	(0.37)	(0.06)
Net Assets, end of period⁽⁴⁾	8.48	8.69	10.83	10.71	10.47

Embedded Series Units - Ratios/Supplemental Data⁽¹⁾

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)	782	1,215	1,493	2,433	2,550
Number of units outstanding (000's)	92	140	138	227	244
Management expense ratio ⁽⁵⁾	3.60%	3.59%	3.38%	3.18%	3.23%
Management expense ratio before waivers or absorptions ⁽⁶⁾	4.51%	4.41%	3.74%	3.24%	3.30%
Trading expense ratio ⁽⁷⁾	0.03%	0.05%	0.07%	0.04%	0.01%
Portfolio turnover rate ⁽⁸⁾	8.87%	35.35%	184.24%	84.12%	53.69%
Net Asset Value per unit	8.48	8.69	10.83	10.71	10.47

Explanatory Notes

(1) a) This information is derived from the Pool'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 Pool commenced operations on the following dates, which represents the date upon which securities of a series were first made available for purchase by investors.

Wrap Series Units
Embedded Series Units

November 2011
November 2011

- (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 Pool, 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 Pool (including Harmonized Sales Tax, Goods and Services Tax and interest, but excluding foreign withholding taxes, commissions and other portfolio transaction costs) and the Pool's proportionate share of the MER, if applicable, of the underlying funds and ETFs in which the Pool has invested, allocated to that series, expressed as an annualized percentage of average daily Net Asset Value of that series during the period.
- (6) AGFI waived certain fees or absorbed certain expenses otherwise payable by the Pool. 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 Pool's proportionate share of the commissions, if applicable, of the underlying funds and ETFs in which the Pool has invested, expressed as an annualized percentage of average daily Net Asset Value during the period.
- (8) The Pool's portfolio turnover rate ("PTR") indicates how actively the Pool's portfolio advisor manages its portfolio investments. A PTR of 100% is equivalent to the Pool 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 Pool is managed by AGFI. As a result of providing management services, AGFI receives a monthly management fee, based on the Net Asset Value of the Embedded Series Units, calculated daily and payable monthly. Unitholders of Wrap Series Units pay service fees directly to their dealers and do not pay management fees. These service fees are not expenses of the Pool. All series of the Pool bear indirectly the management fees (which includes investment management fees) borne by the ETFs that the Pool invested in, after giving effect to rebates or waivers, as applicable. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Pool'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.

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

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Embedded Series Units	1.85%	78.32%	21.68%

Past Performance*

The performance information shown assumes that all distributions made by the Pool in the periods shown were reinvested in additional securities of the Pool. 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 Pool has performed in the past does not necessarily indicate how it will perform in the future.

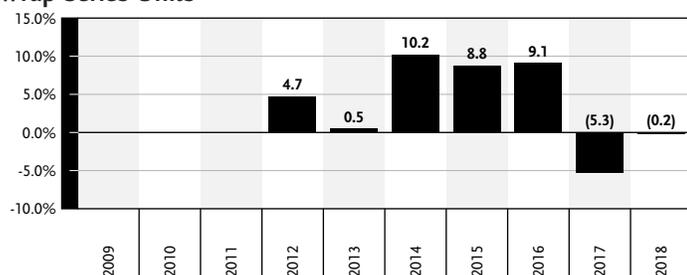
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money.

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

Year-By-Year Returns

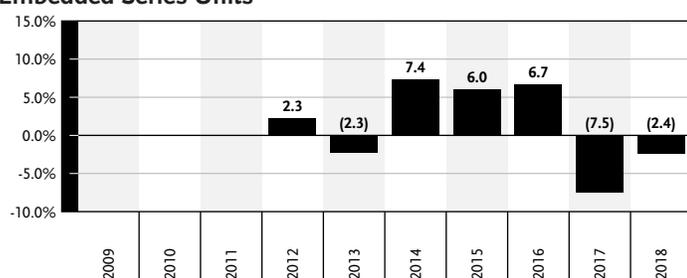
The following bar charts show the Pool's annual performance for each of the past 10 years to September 30, 2018 as applicable, and illustrate how the Pool's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Wrap Series Units



Performance for 2012 represents returns for the period from November 21, 2011 to September 30, 2012.

Embedded Series Units



Performance for 2012 represents returns for the period from November 21, 2011 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:	Since Inception				
	1 Year	3 Years	5 Years	10 Years	Inception
Wrap Series Units	(0.2)	1.0	4.3	N/A	3.9
Bloomberg Barclays Global Aggregate Index	2.2	1.0	5.4	N/A	4.1
Blended Benchmark	1.6	1.7	5.7	N/A	4.9
Embedded Series Units	(2.4)	(1.2)	1.9	N/A	1.3
Bloomberg Barclays Global Aggregate Index	2.2	1.0	5.4	N/A	4.1
Blended Benchmark	1.6	1.7	5.7	N/A	4.9

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

The J.P. Morgan GBIEM Global Diversified Index comprises government bonds with maturities greater than one year from countries that have been ranked by the World Bank as Low/Upper/Middle income for two to five consecutive years. This index was created to capture a diverse set of countries that most investors can access and replicate through bonds or derivatives.

The J.P. Morgan CEMBI Broad Diversified Index comprises bonds with one to five years to maturity from companies that are headquartered in emerging markets countries whose assets are 100% located in or secured by assets located in emerging markets countries. The index uses only a certain portion of the current face amount of the outstanding instruments from countries with larger debt stocks.

The J.P. Morgan EMBI Global Index is a traditional, market capitalization-weighted index which includes both fixed and floating rate instruments, including callable or puttable instruments, as well as capitalizing/amortizing bonds or loans denominated in U.S. dollars. It comprises bonds from countries that have been included in the World Bank Low/Middle income statistics for two consecutive years. Only those bonds issued by sovereign and quasi-sovereign entities are eligible for index inclusion.

For a discussion of the relative performance of the Pool 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 Pool 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 Pool and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2018.

The prospectus and other information about the ETFs are available on the internet at www.sedar.com and/or www.sec.gov/edgar.shtml, as applicable.

* 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.

Portfolio by Country	Percentage of Net Asset Value (%)
ETFs – International	60.0
United States	37.7
Cash & Cash Equivalents	3.0

Portfolio by Sector	Percentage of Net Asset Value (%)
ETFs – International Fixed Income	60.0
ETFs – United States Fixed Income	37.7
Cash & Cash Equivalents	3.0

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
International Equity	60.0
United States Equity	37.7
Cash & Cash Equivalents	3.0

Top Holdings	Percentage of Net Asset Value (%)
SPDR Bloomberg Barclays International Treasury Bond ETF	16.5
Vanguard Total Bond Market ETF	16.1
iShares Core U.S. Aggregate Bond ETF	14.3
iShares J.P. Morgan USD Emerging Markets Bond ETF	14.1
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	11.4
iShares International Treasury Bond ETF	10.0
SPDR Bloomberg Barclays International Corporate Bond ETF	8.0
iShares Intermediate Government/Credit Bond ETF	7.3
Total Net Asset Value (thousands of dollars)	\$ 14,882



For more information contact your investment advisor or:

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