

Annual Management Report of Fund Performance

# AGF Total Return Bond 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 Total Return Bond Fund (the "Fund") is to provide interest income and capital appreciation by investing in debt securities of governments and other issuers around the world. AGF Investments Inc. ("AGFI"), as portfolio manager, seeks to maximize the total return of the portfolio through a bottom-up approach to corporate bond selection and a top-down approach to country allocation, category allocation and duration management. A bottom-up investment approach focuses attention on a specific company rather than on the industry in which that company operates or on the economy as a whole. A top-down investment approach involves looking at the "big picture" in the economy and financial world and then breaking those components down into finer details. Duration exposure is the sensitivity of the portfolio due to changes in interest rates. The portfolio manager looks for bond issues that provide an attractive return relative to the risk of each credit. The Fund may also invest in below investment grade government and corporate debt with a credit rating below BBB from Standard & Poor's (or an equivalent rating from another rating agency). In periods of unusual market conditions, a significant portion of the Fund's assets may be held in cash, cash equivalents or fixed income securities.

### Risk

The risks of investing in the Fund remain as disclosed in the current prospectus. The Fund continues to be suitable for investors investing for the medium to longer term and who have low tolerance for risk.

### Results of Operations

For the year ended September 30, 2018, the Mutual Fund Units of the Fund returned -0.9% (net of expenses) while the Bloomberg Barclays Global High-Yield Index and the Blended Benchmark returned 3.8% and 2.7%, respectively. The Blended Benchmark is composed of 40% Bloomberg Barclays Emerging Markets USD Aggregate Index/40% Bloomberg Barclays Global High-Yield 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 exposure to emerging markets debt and investment grade corporate bonds, both of which generally lagged high yield bonds during the reporting period. Currency volatility triggered by trade risks weighed on emerging markets debt, while higher yields brought on by tighter central bank policy negatively impacted rate-sensitive bonds. The Fund reduced its exposure to high yield bonds through the reporting period with an expectation that credit quality would weaken late into the economic cycle. However, company fundamentals held relatively strong and default rates remained low, leading to the out-performance of high yield bonds, and as such, served as an obstacle for the Fund.

The Fund under-performed the Blended Benchmark due to category allocation and hedging effects. The Fund further reduced its exposure to high yield bonds as the risk/reward trade-off became less favourable. However, the out-performance of high yield bonds relative to the fixed income asset class detracted as the Fund further increased its underweight position. The Fund's hedging effects also detracted in comparison to the Blended Benchmark, which does not actively manage currency risks. The Fund's net U.S. dollar exposure was reduced in an effort to mitigate foreign exchange volatility, however, the U.S. dollar appreciated through much of the reporting period, serving as a short-term obstacle against the Blended Benchmark.

The Fund entered into foreign exchange forward contracts during the period under review. As of September 30, 2018, the Fund was long Canadian dollar and short U.S. dollar in order to hedge its currency exposure.

Certain series of the Fund, as applicable, make monthly distributions at a rate determined by 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 \$580 million for the current period, as compared to net subscriptions of approximately \$71 million in the prior period. Rebalancing by institutional programs resulted in net subscriptions of approximately \$85 million in the Fund. The portfolio manager does not believe that subscription activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

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.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. The decrease in management fees accounted for most of the decrease in expenses during the period as compared to the previous period due to a decrease in average Net Asset Values for Mutual Fund Units as well as a full redemption of Series S Units and reduction in management fee rates since December 2017. On the contrary, custodian fees increased due to an increase in market value of investment portfolio. All other expenses remained fairly consistent throughout the periods.

## Recent Developments

The portfolio manager remains constructive towards global growth over the medium term as strong company fundamentals and economic data are supportive. However, trade uncertainty and political turmoil could temper near term returns with periods of unsettled markets along the way.

Trade tensions between the U.S. and China could escalate further, which would weigh on market performance and economic activity. Apart from higher input costs and consumer prices, sentiment around investments and capital expenditure decisions, as well as risk premiums, may also be negatively impacted. The portfolio manager anticipates that an eventual trade agreement between the U.S. and China will ultimately be established, given the high potential costs of the alternative. However, the level of tariffs could worsen in the near term before conditions improve.

U.S. dollar strength has served as an obstacle for global fixed income markets in 2018, particularly for local currency denominated emerging markets debt. In the portfolio manager's opinion, this trend will not be sustained over the longer term and a degree of reversion should take place as trade deficits weigh on the U.S. dollar. This could create an opportunity for local currency denominated emerging markets debt to out-perform.

In the portfolio manager's view, global bond yields will continue to move higher as central banks continue to tighten policy, albeit generally remain range-bound in the near term. While the level of yields is certainly worth monitoring, the pace of such shifts is believed to be the greater threat to market growth.

Within interest rate sensitive bonds, the portfolio manager continues to prefer corporate debt over government issued debt, as corporate debt is expected to be less impacted by rising interest rates in comparison to government debt. Prospects for high yield bonds are less favourable as late-cycle effects begin to wear on credit quality and could lead to spread widening. Near term outlook for emerging markets debt is turning more constructive as select countries appear oversold. Local currency denominated emerging markets debt could benefit from currency reversion if recent U.S.

dollar strength begins to unwind. However, contagion effects from volatile markets and further trade rhetoric could diminish returns.

Effective December 11, 2017, the risk rating of the Fund was changed from "low to medium" to "low". The change reflects compliance with the new Canadian Securities Administrators' Mutual Fund Risk Classification Methodology. No material changes have been made to the investment objective, strategies or management of the Fund.

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 \$3,665,000 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 \$247,000 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>3.32</b>	<b>3.36</b>	<b>3.26</b>	<b>3.37</b>	<b>3.19</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.15	0.14	0.17	0.20
Total expenses	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
Realized gains (losses)	(0.10)	0.13	0.06	(0.17)	0.10
Unrealized gains (losses)	0.01	(0.16)	0.05	0.09	0.10
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.02)</b>	<b>0.06</b>	<b>0.19</b>	<b>0.03</b>	<b>0.34</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.06)	(0.10)	(0.09)	(0.13)	(0.15)
From dividends	(0.00)	(0.00)	-	(0.00)	(0.00)
From capital gains	-	-	-	(0.01)	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.06)</b>	<b>(0.10)</b>	<b>(0.09)</b>	<b>(0.14)</b>	<b>(0.15)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>3.23</b>	<b>3.32</b>	<b>3.36</b>	<b>3.26</b>	<b>3.37</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)	114,366	123,998	136,566	152,393	169,034
Number of units outstanding (000's)	35,385	37,381	40,592	46,800	50,211
Management expense ratio <sup>(5)</sup>	1.89%	1.92%	1.92%	1.89%	1.90%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.89%	1.92%	1.92%	1.89%	1.90%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	67.95%	73.23%	68.02%	125.48%
Net Asset Value per unit	3.23	3.32	3.36	3.26	3.37

### 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>3.31</b>	<b>3.35</b>	<b>3.25</b>	<b>3.36</b>	<b>3.18</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.15	0.14	0.17	0.20
Total expenses	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses)	(0.10)	0.13	0.04	(0.17)	0.09
Unrealized gains (losses)	0.00	(0.17)	0.09	0.08	0.07
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.00</b>	<b>0.07</b>	<b>0.23</b>	<b>0.04</b>	<b>0.32</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.09)	(0.13)	(0.12)	(0.15)	(0.17)
From dividends	(0.00)	(0.00)	-	(0.00)	(0.00)
From capital gains	-	-	-	(0.01)	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.09)</b>	<b>(0.13)</b>	<b>(0.12)</b>	<b>(0.16)</b>	<b>(0.17)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>3.23</b>	<b>3.31</b>	<b>3.35</b>	<b>3.25</b>	<b>3.36</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)	29,622	25,725	29,250	27,040	21,663
Number of units outstanding (000's)	9,185	7,774	8,726	8,316	6,448
Management expense ratio <sup>(5)</sup>	1.02%	1.16%	1.16%	1.16%	1.24%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.02%	1.16%	1.16%	1.16%	1.24%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	67.95%	73.23%	68.02%	125.48%
Net Asset Value per unit	3.23	3.31	3.35	3.25	3.36

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

## Series I 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>10.00*</b>	-	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.27	-	-	-	-
Total expenses	(0.00)	-	-	-	-
Realized gains (losses)	(0.20)	-	-	-	-
Unrealized gains (losses)	(0.06)	-	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.01</b>	-	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.26)	-	-	-	-
From dividends	(0.00)	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.26)</b>	-	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.78</b>	-	-	-	-

## Series I 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)	1,131,273	-	-	-	-
Number of units outstanding (000's)	115,718	-	-	-	-
Management expense ratio <sup>(5)</sup>	0.02%-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.02%-	-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.00%	-	-	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	-	-	-	-
Net Asset Value per unit	9.78	-	-	-	-

## 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>3.35</b>	<b>3.39</b>	<b>3.29</b>	<b>3.40</b>	<b>3.22</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.16	0.16	0.17	0.20
Total expenses	(0.00)	(0.00)	(0.00)	-	(0.00)
Realized gains (losses)	(0.10)	0.13	0.04	(0.17)	0.10
Unrealized gains (losses)	0.00	(0.19)	0.08	0.06	0.02
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.03</b>	<b>0.10</b>	<b>0.28</b>	<b>0.06</b>	<b>0.32</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.12)	(0.15)	(0.17)	(0.19)	(0.21)
From dividends	(0.00)	(0.00)	-	(0.00)	(0.00)
From capital gains	-	-	-	(0.01)	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.12)</b>	<b>(0.15)</b>	<b>(0.17)</b>	<b>(0.20)</b>	<b>(0.21)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>3.27</b>	<b>3.35</b>	<b>3.39</b>	<b>3.29</b>	<b>3.40</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)	3,091	3,024	7,840	4,871	2,398
Number of units outstanding (000's)	946	902	2,315	1,479	705
Management expense ratio <sup>(5)</sup>	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.11%	0.10%	0.08%	0.22%	0.48%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	67.95%	73.23%	68.02%	125.48%
Net Asset Value per unit	3.27	3.35	3.39	3.29	3.40

## 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>10.69</b>	<b>10.79</b>	<b>10.50</b>	<b>10.85</b>	<b>10.26</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.41	0.50	0.52	0.55	0.62
Total expenses	(0.00)	(0.00)	(0.00)	-	(0.00)
Realized gains (losses)	(0.33)	0.33	0.15	(0.59)	0.29
Unrealized gains (losses)	0.01	(0.49)	0.10	0.18	(0.10)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.09</b>	<b>0.34</b>	<b>0.77</b>	<b>0.14</b>	<b>0.81</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.39)	(0.49)	(0.54)	(0.60)	(0.66)
From dividends	(0.01)	(0.00)	-	(0.00)	(0.01)
From capital gains	-	-	-	(0.05)	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.40)</b>	<b>(0.49)</b>	<b>(0.54)</b>	<b>(0.65)</b>	<b>(0.67)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>10.42</b>	<b>10.69</b>	<b>10.79</b>	<b>10.50</b>	<b>10.85</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)	3,099	1,882	3,532	4,262	1,497
Number of units outstanding (000's)	298	176	327	406	138
Management expense ratio <sup>(5)</sup>	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.18%	0.22%	0.05%	0.18%	0.77%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	67.95%	73.23%	68.02%	125.48%
Net Asset Value per unit	10.42	10.69	10.79	10.50	10.85

## 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>9.81</b>	<b>10.00*</b>	-	-	-
<b>Increase (decrease) from operations:</b>					
Total revenue	0.38	0.17	-	-	-
Total expenses	(0.00)	(0.00)	-	-	-
Realized gains (losses)	(0.21)	0.38	-	-	-
Unrealized gains (losses)	(0.09)	(0.57)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.08</b>	<b>(0.02)</b>	-	-	-
<b>Distributions:</b>					
From income (excluding dividends)	(0.31)	(0.05)	-	-	-
From dividends	(0.00)	(0.00)	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.31)</b>	<b>(0.05)</b>	-	-	-
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.61</b>	<b>9.81</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)	547	33	-	-	-
Number of units outstanding (000's)	57	3	-	-	-
Management expense ratio <sup>(5)</sup>	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.91%	44.69%-	-	-	-
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	-	-	-
Portfolio turnover rate <sup>(8)</sup>	54.40%	67.95%	-	-	-
Net Asset Value per unit	9.61	9.81	-	-	-

\* represents initial Net Assets

- annualized

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

## Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. 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	June 1994
Series F Units	April 2000
Series I Units	January 2018
Series O Units	July 2010
Series Q Units	December 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.

(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 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	1.45% <sup>(a)</sup>	56.38%	43.62%
Series F Units	0.75% <sup>(b)</sup>	-	100.00%

(a) 1.50% for the period prior to December 11, 2017

(b) 0.90% for the period prior to December 11, 2017

## 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.

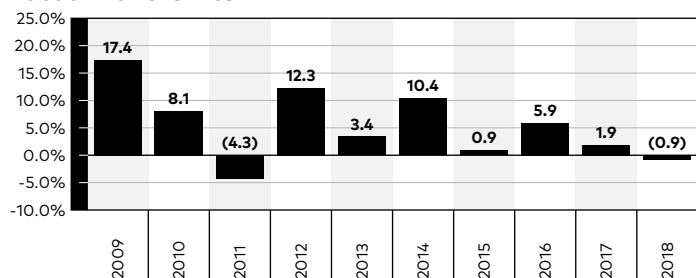
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. Series I Units commenced operations in January 2018.

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

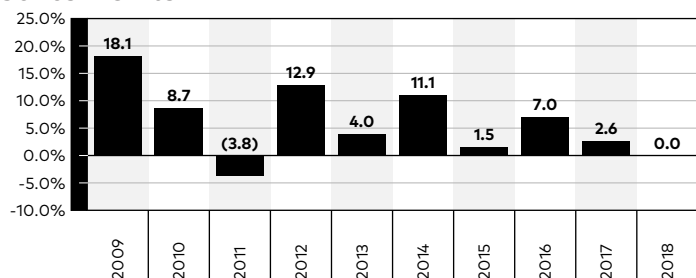
### Year-By-Year Returns

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.

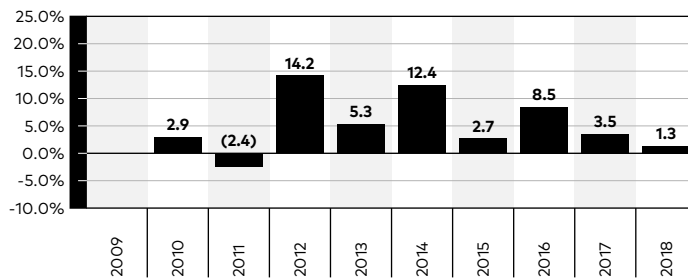
### Mutual Fund Units



### Series F Units



### Series O Units



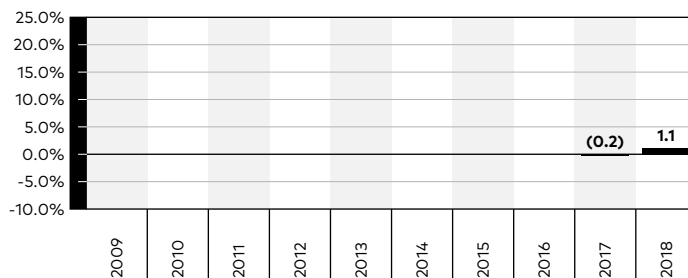
Performance for 2010 represents returns for the period from August 3, 2010 to September 30, 2010.

### Series Q Unit



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

### Series W Unit



Performance for 2017 represents returns for the period from July 5, 2017 to September 30, 2017.

### 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	
Mutual Fund Units	(0.9)	2.3	3.6	5.3	N/A
Bloomberg Barclays Global High-Yield Index	3.8	6.5	9.7	11.4	N/A
Blended Benchmark	2.7	4.5	8.7	9.4	N/A
Series F Units	(0.0)	3.1	4.3	6.0	N/A
Bloomberg Barclays Global High-Yield Index	3.8	6.5	9.7	11.4	N/A
Blended Benchmark	2.7	4.5	8.7	9.4	N/A

\* 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.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Series O Units	1.3	4.4	5.6	N/A	5.8
Bloomberg Barclays Global High-Yield Index	3.8	6.5	9.7	N/A	9.9
Blended Benchmark	2.7	4.5	8.7	N/A	7.6
Series Q Units	1.1	4.3	5.6	N/A	5.4
Bloomberg Barclays Global High-Yield Index	3.8	6.5	9.7	N/A	9.5
Blended Benchmark	2.7	4.5	8.7	N/A	8.6
Series W Units	1.1	N/A	N/A	N/A	0.7
Bloomberg Barclays Global High-Yield Index	3.8	N/A	N/A	N/A	2.4
Blended Benchmark	2.7	N/A	N/A	N/A	1.2

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

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

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

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

## Summary of Investment Portfolio

As at September 30, 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).

Portfolio by Country	Percentage of Net Asset Value (%)
United States	48.7
Canada	17.0
Cash & Cash Equivalents	14.3
Mexico	3.0
United Kingdom	2.0
Ireland	1.8
Portugal	1.4
The Philippines	1.4
Germany	1.3
Brazil	1.1
Peru	1.0
Argentina	0.8
Luxembourg	0.8
Republic of Serbia	0.8
United Arab Emirates	0.5
Foreign Exchange Forward Contracts	0.4
Paraguay	0.4
Italy	0.4
Belize	0.4
Egypt	0.3
India	0.3
Switzerland	0.3
Ecuador	0.3
Oman	0.2
Netherlands	0.2
South Korea	0.1
Australia	0.1
Indonesia	0.1
Turkey	0.1
Hong Kong	0.0

Portfolio by Sector	Percentage of Net Asset Value (%)
Government Bonds	39.3
Corporate Bonds	18.9
Cash & Cash Equivalents	14.3
High Yield Bonds	11.9
Emerging Markets Bonds	6.9
Supranational Bonds	5.6
Fixed Income Funds	2.2
Foreign Exchange Forward Contracts	0.4
Materials	0.0



# AGF Total Return Bond Fund

SEPTEMBER 30, 2018

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
United States Fixed Income	48.7
International Fixed Income	19.1
Canadian Fixed Income	14.8
Cash & Cash Equivalents	14.3
Canadian Equity	2.2
Foreign Exchange Forward Contracts	0.4
International Equity	0.0

Portfolio by Credit Rating**	Percentage of Net Asset Value (%)
AAA	40.8
AA	3.4
A	20.0
BBB	7.8
BB	10.9
B	10.4
CCC	1.8
Not Rated	2.2

Top Holdings	Percentage of Net Asset Value (%)
U.S. Treasury**	26.0
Government of Canada**	8.6
AGF Global Convertible Bond Fund	2.2
United Mexican States**	1.9
European Bank for Reconstruction and Development**	1.7
Republic of Portugal**	1.4
Asian Development Bank**	1.4
KfW**	1.3
International Bank for Reconstruction and Development**	1.1
Ballsbridge Repackaging Limited**	1.1
Petroleos Mexicanos**	0.9
JPMorgan Chase & Company**	0.9
Bank of America Corporation**	0.9
Biogen Inc.**	0.9
The Procter & Gamble Company**	0.9
Kraft Heinz Foods Company**	0.9
Pfizer Inc.**	0.9
Prudential Financial Inc.**	0.8
Republic of Argentina**	0.8
The Goldman Sachs Group Inc.**	0.8
Republic of Serbia**	0.8
International Finance Corporation**	0.8
Caterpillar Inc.**	0.7
Republic of Peru**	0.7
Royal Bank of Canada**	0.6
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 1,281,998</b>

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

\*\* Debt Instruments



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