

Annual Management Report of Fund Performance

# AGF Fixed Income Plus Fund

September 30, 2017



## Management Discussion of Fund Performance

This management discussion of fund performance represents the portfolio management team's view of the significant factors and developments affecting the fund's performance and outlook.

### Investment Objective and Strategies

Pursuant to the Declaration of Trust, the investment objective of AGF Fixed Income Plus Fund (the "Fund") is to provide steady income to investors by investing primarily in fixed income securities. AGF Investments Inc. ("AGFI"), as portfolio manager, invests primarily in high quality Canadian government and corporate fixed income securities with maturities in excess of one year. The portfolio manager focuses on government or corporate securities with a history of steady interest or distribution payouts, as the portfolio manager believes these securities have the ability to sustain the payouts for a reasonable period of time and are favourably priced with respect to these payout expectations. The Fund may also invest in convertibles and high yield bonds as well as up to 49% of the market value of its assets, at the time of purchase, in foreign securities. 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 income-oriented investors investing for the medium term and who have low tolerance for risk.

### Results of Operations

For the year ended September 30, 2017, the Mutual Fund Units of the Fund returned -3.2% (net of expenses) while the FTSE TMX Canada Universe Bond Index ("FTSE TMX Universe Bond Index") returned -3.0%. 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.

On a gross-of-fees basis, the Fund out-performed the FTSE TMX Universe Bond Index. The Fund's modestly shorter duration relative to the benchmark contributed to performance, as yields rose significantly across the yield curve during the reporting period. The Fund's exposure to investment grade corporate bonds contributed, as did its out-of-benchmark exposure to high yield bonds as corporate spreads tightened. The Fund's convertible bond exposure also contributed due to the rise in equity markets during the reporting period. The Fund's lower exposure to the long end of the curve positively impacted returns due to the long end under-performing. As well, the Fund's exposure to inflation-linked bonds added value due to rising inflation expectations. The Fund's modest exposure to the U.S. dollar, after hedging activity, detracted.

The Fund entered into foreign exchange forward contracts during the period under review. As of September 30, 2017, the Fund was long Canadian dollar and short Euro and U.S. dollar in order to hedge its currency exposure.

Certain series of the Fund, as applicable, make quarterly distributions at a rate determined by AGFI from time to time. If the aggregate amount of the quarterly 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 \$32 million for the current period, as compared to net subscriptions of approximately \$763 million in the prior period. Rebalancing by an institutional program resulted in net redemptions of approximately \$31 million in the Fund. The portfolio manager does not believe that subscription/redemption activity had a meaningful impact on the Fund's performance or the ability to implement its investment strategy.

Total expenses before foreign withholding taxes, commissions and other portfolio transaction costs vary period over period mainly as a result of changes in average Net Asset Values (see Explanatory Note (1) a)) and investor activity, such as number of investor accounts and transactions. Expenses have increased as compared to the previous period due mainly to an increase in average Net Asset Values and investor activity. In particular, custodian fees increased due to an increase in market value of investment portfolio and registration fees increased due to an increase in subscription activity. The decrease in annual and interim reports, audit fees and interest expense were due to variances between the accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

### Recent Developments

In the portfolio manager's opinion, the strong pace of economic growth exhibited in Canada during the first half of calendar year 2017 will likely slow following the unsustainable pace. The portfolio manager believes that the Bank of Canada ("BoC") will raise interest rates again before end of 2017. BoC governor Stephen Poloz recently stressed the need for caution while normalizing interest rates as the BoC wants to monitor how the economy, and particularly the highly-leveraged household sector, responds to the two prior rate increases in 2017 and stronger Canadian dollar.

Global growth continues to accelerate, supported by both developed and emerging markets economies. However, higher yields and the recent appreciation of the U.S. dollar may tighten financial conditions, which along with slowing money growth, could constrain economic growth in the near term. The U.S. Federal Reserve (the "Fed") remains committed

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.

to tightening monetary policy as financial conditions remain healthy. In the portfolio manager's view, the Fed will continue on its path of balance sheet reduction and gradual policy rate increases. In the near term, the Trump administration should announce the next Fed chair following the end of Janet Yellen's term in February 2018. While there are several candidates in the running, the Trump administration will likely support a future chair that favours more accommodative monetary policies and less onerous financial regulations. On the fiscal front, the lack of progress on health care and tax reforms in the U.S. has contributed to economic and market uncertainty, though increasing expectations over some form of tax relief provided support for riskier asset classes and the U.S. dollar.

The portfolio manager anticipates that the European Central Bank may announce a reduction in asset purchases in October 2017. Encouragingly, Europe remains in the early stage of the business cycle and is experiencing an improvement in credit conditions and economic growth, driven by strong household consumption, fixed investment and exports. The portfolio manager believes that structural reform remains important to long-term growth within the region. France has already started to overhaul its rigid labour laws, while recapitalization of banks in Italy has helped to alleviate systemic risks within the banking system. Still, political uncertainty remains. The re-emergence and support of populism remains an ongoing risk, with recent elections in Germany and the Catalonian referendum in Spain serving as notable reminders. The portfolio manager continues to watch political developments in Spain and Italy, which could create instability across the region. Geopolitical risks such as North Korea as well as trade protectionism (North American Free Trade Agreement negotiations) are other potential challenges on the horizon.

The portfolio manager anticipates that bond yields will move higher if global growth continues to improve. Inflation in the developed economies remains below target and developments on this front will be a key element influencing the path of bond yields and monetary policy.

The portfolio manager's outlook continues to be mildly positive as economic growth momentum continues, partially offset by the somewhat elevated valuations of riskier asset classes. Consequently, the portfolio manager prefers investment grade corporate bonds over government bonds, which may struggle if yields rise. The portfolio manager remains neutral on high yield bonds. While defaults should not be significant in the absence of a recession and corporate fundamentals have improved recently, but in the late stage of the cycle, valuations are closer to the high end of their historical range. The portfolio manager believes that equities, and hence convertible bonds, should still perform well relative to bonds in the medium term as earnings growth continues to rebound along with economic growth.

#### **Related Party Transactions**

AGFI is the manager ("Manager") and trustee of the Fund. Pursuant to the management agreement between the Fund and the AGFI, AGFI is responsible for the day-to-day business of the Fund. AGFI also acts as the investment (portfolio) manager, managing the investment portfolio of the Fund. Under the management agreement, the Fund (except for Series O, Series Q and Series W Units, if applicable) pays management fees calculated based on the Net Asset Value of the respective series of the Fund. Management fees of approximately \$15,552,000 were incurred by the Fund during the period ended September 30, 2017.

AGF CustomerFirst Inc. ("AGFC") provides transfer agency services to the Fund pursuant to a services agreement with AGFI. Unitholder servicing and administrative fees of approximately \$1,391,000 incurred by the Fund were paid to AGFC during the period ended September 30, 2017.

AGFI and AGFC are indirect wholly-owned subsidiaries of AGF Management Limited.

#### **Caution Regarding Forward-looking Statements**

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

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

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

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

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years as applicable. The Fund adopted International Financial Reporting Standards ("IFRS") on October 1, 2014. All per unit information presented for the period ended September 30, 2014, including opening net assets, reflects retrospective adjustments in accordance with IFRS. Information for the periods prior to October 1, 2013 is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook ("Canadian GAAP").

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

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.38</b>	<b>12.14</b>	<b>11.99</b>	<b>11.52</b>	<b>12.02</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.41	0.41	0.46	0.49	0.52
Total expenses	(0.22)	(0.23)	(0.24)	(0.23)	(0.23)
Realized gains (losses)	0.08	0.10	(0.12)	0.02	(0.00)
Unrealized gains (losses)	(0.67)	0.42	(0.06)	0.48	(0.50)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.40)</b>	<b>0.70</b>	<b>0.04</b>	<b>0.76</b>	<b>(0.21)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.18)	(0.19)	(0.20)	(0.28)	(0.29)
From dividends	(0.00)	–	(0.00)	(0.00)	–
From capital gains	(0.01)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.19)</b>	<b>(0.19)</b>	<b>(0.20)</b>	<b>(0.28)</b>	<b>(0.29)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.79</b>	<b>12.38</b>	<b>12.14</b>	<b>11.99</b>	<b>11.52</b>

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

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	941,013	1,013,158	282,271	143,661	191,352
Number of units outstanding (000's)	79,813	81,808	23,259	11,987	16,605
Management expense ratio <sup>(5)</sup>	1.83%	1.85%	1.94%	1.95%	1.95%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.83%	1.96%	2.39%	2.43%	2.41%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	75.42%	49.22%
Net Asset Value per unit	11.79	12.38	12.14	11.99	11.52

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

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.44</b>	<b>12.14</b>	<b>12.03</b>	<b>11.52</b>	<b>12.01</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.42	0.41	0.46	0.49	0.53
Total expenses	(0.10)	(0.10)	(0.09)	(0.09)	(0.13)
Realized gains (losses)	0.07	0.06	(0.13)	0.04	0.00
Unrealized gains (losses)	(0.77)	0.30	0.07	0.42	(0.48)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.38)</b>	<b>0.67</b>	<b>0.31</b>	<b>0.86</b>	<b>(0.08)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.28)	(0.28)	(0.38)	(0.37)	(0.39)
From dividends	(0.00)	–	(0.00)	(0.00)	–
From capital gains	(0.03)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.31)</b>	<b>(0.28)</b>	<b>(0.38)</b>	<b>(0.37)</b>	<b>(0.39)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.86</b>	<b>12.44</b>	<b>12.14</b>	<b>12.03</b>	<b>11.52</b>

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

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	11,085	15,646	6,708	3,696	3,934
Number of units outstanding (000's)	935	1,258	552	307	341
Management expense ratio <sup>(5)</sup>	0.78%	0.79%	0.75%	0.79%	1.10%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.91%	0.89%	0.99%	1.37%	1.63%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	75.42%	49.22%
Net Asset Value per unit	11.86	12.44	12.14	12.03	11.52

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

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.47</b>	<b>12.17</b>	<b>12.03</b>	<b>11.55</b>	<b>12.05</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.42	0.41	0.46	0.49	0.53
Total expenses	(0.00)	(0.00)	(0.00)	(0.00)	–
Realized gains (losses)	0.08	0.05	(0.10)	0.04	(0.02)
Unrealized gains (losses)	(0.68)	0.32	0.11	0.44	(0.55)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.18)</b>	<b>0.78</b>	<b>0.47</b>	<b>0.97</b>	<b>(0.04)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.37)	(0.37)	(0.45)	(0.50)	(0.53)
From dividends	(0.01)	–	(0.00)	(0.00)	–
From capital gains	(0.03)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.41)</b>	<b>(0.37)</b>	<b>(0.45)</b>	<b>(0.50)</b>	<b>(0.53)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.88</b>	<b>12.47</b>	<b>12.17</b>	<b>12.03</b>	<b>11.55</b>

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

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	28,700	35,601	18,904	10,790	10,514
Number of units outstanding (000's)	2,416	2,855	1,554	897	910
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.03%	0.03%	0.07%	0.11%	0.11%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	75.42%	49.22%
Net Asset Value per unit	11.88	12.47	12.17	12.03	11.55

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

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.41</b>	<b>10.16</b>	<b>10.03</b>	<b>9.63</b>	<b>10.00*</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.37	0.39	0.41	0.36
Total expenses	(0.00)	(0.00)	(0.00)	(0.00)	–
Realized gains (losses)	0.07	0.03	0.02	0.01	(0.03)
Unrealized gains (losses)	(0.55)	0.17	(0.02)	0.35	(0.54)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.13)</b>	<b>0.57</b>	<b>0.39</b>	<b>0.77</b>	<b>(0.21)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.32)	(0.31)	(0.37)	(0.41)	(0.34)
From dividends	(0.00)	–	(0.00)	(0.00)	–
From capital gains	(0.03)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.35)</b>	<b>(0.31)</b>	<b>(0.37)</b>	<b>(0.41)</b>	<b>(0.34)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.91</b>	<b>10.41</b>	<b>10.16</b>	<b>10.03</b>	<b>9.63</b>

\* represents initial Net Assets

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

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

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	2,489	2,912	2,754	2,990	2,985
Number of units outstanding (000's)	251	280	271	298	310
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.19%	0.04%	0.15%	0.24%	0.30%~
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	75.42%	49.22%
Net Asset Value per unit	9.91	10.41	10.16	10.03	9.63

## Series S Units – Net Assets per Unit<sup>(1)</sup>

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>12.46</b>	<b>12.16</b>	<b>12.02</b>	<b>11.55</b>	<b>12.05</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.42	0.44	0.46	0.49	0.53
Total expenses	(0.00)	(0.00)	(0.00)	(0.00)	–
Realized gains (losses)	0.11	0.03	(0.18)	0.05	(0.01)
Unrealized gains (losses)	(0.72)	0.20	(0.13)	0.42	(0.48)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.19)</b>	<b>0.67</b>	<b>0.15</b>	<b>0.96</b>	<b>0.04</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.37)	(0.37)	(0.45)	(0.50)	(0.53)
From dividends	(0.01)	–	(0.00)	(0.00)	–
From capital gains	(0.03)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.41)</b>	<b>(0.37)</b>	<b>(0.45)</b>	<b>(0.50)</b>	<b>(0.53)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.88</b>	<b>12.46</b>	<b>12.16</b>	<b>12.02</b>	<b>11.54</b>

## Series S Units – Ratios/Supplemental Data<sup>(1)</sup>

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	334,127	279,693	243,520	71,777	77,239
Number of units outstanding (000's)	28,131	22,439	20,020	5,970	6,689
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.15%	1.16%	1.16%	1.19%	1.16%
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	75.42%	49.22%
Net Asset Value per unit	11.88	12.46	12.16	12.02	11.55

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

For the periods ended	Sept 30, 2017 (\$)	Sept 30, 2016 (\$)	Sept 30, 2015 (\$)	Sept 30, 2014 (\$)	Sept 30, 2013 (\$)
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>10.23</b>	<b>9.94</b>	<b>10.00*</b>	–	–
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.35	0.10	–	–
Total expenses	(0.00)	(0.00)	(0.00)	–	–
Realized gains (losses)	0.03	0.04	(0.25)	–	–
Unrealized gains (losses)	(0.70)	0.20	(0.07)	–	–
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.33)</b>	<b>0.59</b>	<b>(0.22)</b>	–	–
<b>Distributions:</b>					
From income (excluding dividends)	(0.30)	(0.26)	(0.09)	–	–
From dividends	(0.00)	–	(0.00)	–	–
From capital gains	(0.03)	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.33)</b>	<b>(0.26)</b>	<b>(0.09)</b>	–	–
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>9.75</b>	<b>10.23</b>	<b>9.94</b>	–	–

\* represents initial Net Assets

~ annualized

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

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

For the periods ended	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	4,620	9,303	5,827	–	–
Number of units outstanding (000's)	474	909	586	–	–
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.08%	0.03%	0.02%~	–	–
Trading expense ratio <sup>(7)</sup>	0.00%	0.00%	0.00%	–	–
Portfolio turnover rate <sup>(8)</sup>	59.74%	78.92%	66.96%	–	–
Net Asset Value per unit	9.75	10.23	9.94	–	–

## Explanatory Notes

(1) a) This information is derived from the Fund's audited annual financial statements. Prior to October 1, 2014, the net assets per unit presented in the financial statements ("Net Assets") differed from the net asset value per unit calculated for fund pricing purposes ("Net Asset Value"), due to differences in valuation techniques of certain investments as required under Canadian GAAP. The adoption of IFRS, effective October 1, 2014, has generally eliminated the difference between Net Assets per unit and Net Asset Value per unit.

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	November 1998
Series F Units	April 2001
Series O Units	August 2011
Series Q Units	December 2012
Series S Units	May 2012
Series W Units	June 2015

c) On May 20, 2016, AGF Canadian Bond Fund and AGF Inflation Plus Bond Fund merged into the Fund. The financial data of the Fund includes the results of operations of AGF Canadian Bond Fund and AGF Inflation Plus Bond Fund from the date of merger.

(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 O, Series Q and Series W Units, if applicable, are arranged directly between the Manager and investors and are not expenses of the Fund. AGFI uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to AGFI's role as manager.

	As a percentage of management fees		
	Annual rates	Dealer compensation	General administration and investment advice
Mutual Fund Units	1.50%	13.39%	86.61%
Series F Units	0.70%	—	100.00%
Series S Units	1.00%	—	100.00%

## Past Performance\*

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have

reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. During the ten year period ended September 30, 2017, certain other funds with similar investment objectives merged into the Fund. Generally, for fund mergers, the continuing fund is considered a new fund for the purpose of calculating rates of return and therefore, the rates of return have not been provided for the period of the merger and previous periods. However, the mergers of AGF Canadian Bond Fund and AGF Inflation Plus Bond Fund with the Fund (see Explanatory Note (1) c)) did not constitute material changes to the Fund and accordingly did not impact the ability of the Fund to maintain its historical performance.

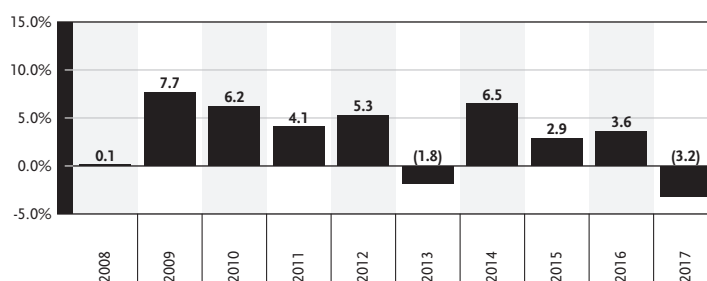
All rates of return are calculated based on the Net Asset Value.

### Year-By-Year Returns

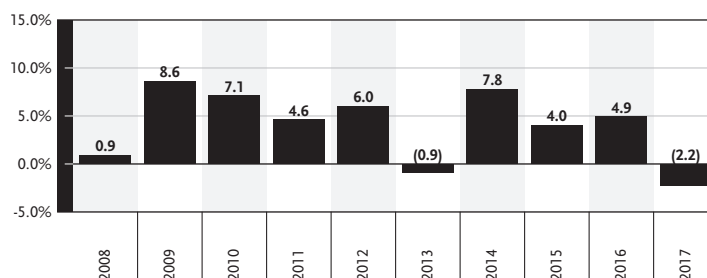
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2017 as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Annual performance prior to 2011 represents returns for the twelve month period ended December 31. Performance for 2011 represents returns for the period from January 1, 2011 to September 30, 2011. Annual performance for 2012 and thereafter represents returns for the twelve month period ended September 30.

### Mutual Fund Units

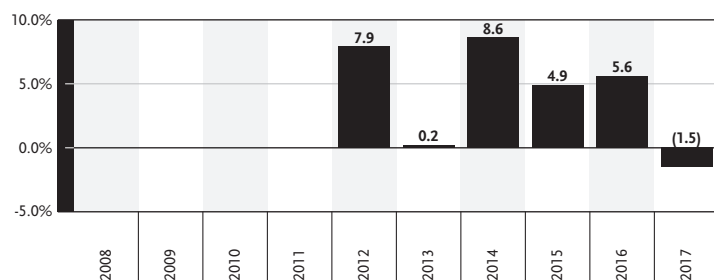


### Series F Units



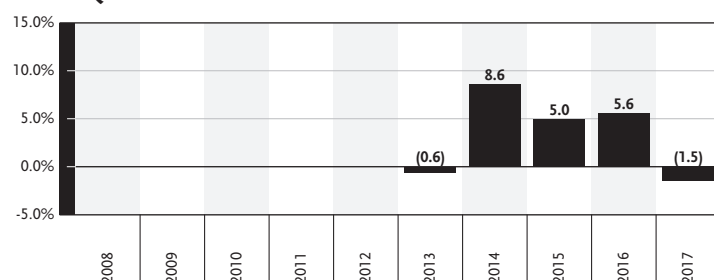
\* The indicated rates of return shown here are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced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

## Series O Units



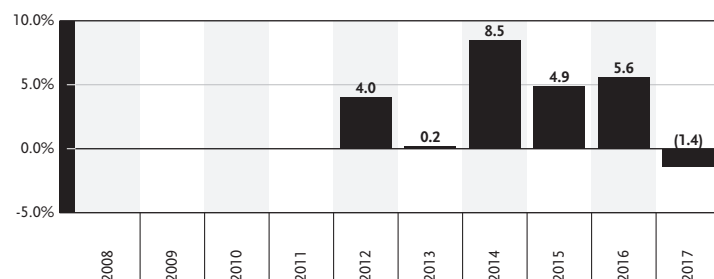
Performance for 2012 represents returns for the period from October 19, 2011 to September 30, 2012.

## Series Q Units



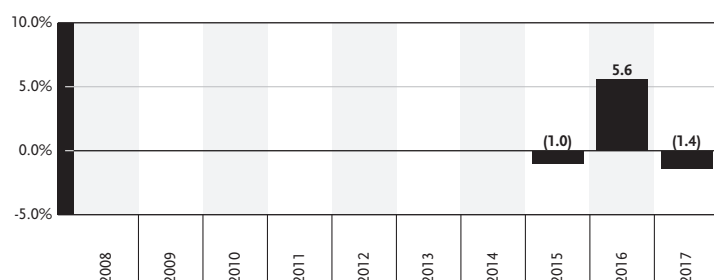
Performance for 2013 represents returns for the period from January 21, 2013 to September 30, 2013.

## Series S Units



Performance for 2012 represents returns for the period from May 1, 2012 to September 30, 2012.

## Series W Units



Performance for 2015 represents returns for the period from July 16, 2015 to September 30, 2015.

## Annual Compound Returns

The following table compares the historical annual compound returns for each series with the index, for each of the periods ended September 30, 2017.

Percentage Return:	1 Year	3 Years	5 Years	10 Years	Since Inception
Mutual Fund Units	(3.2)	1.0	1.5	3.3	N/A
FTSE TMX Canada Universe Bond Index	(3.0)	2.8	2.7	4.7	N/A
Series F Units	(2.2)	2.2	2.6	4.2	N/A
FTSE TMX Canada Universe Bond Index	(3.0)	2.8	2.7	4.7	N/A
Series O Units	(1.5)	3.0	3.5	N/A	4.3
FTSE TMX Canada Universe Bond Index	(3.0)	2.8	2.7	N/A	3.3
Series Q Units	(1.5)	3.0	N/A	N/A	3.6
FTSE TMX Canada Universe Bond Index	(3.0)	2.8	N/A	N/A	2.9
Series S Units	(1.4)	3.0	3.5	N/A	4.0
FTSE TMX Canada Universe Bond Index	(3.0)	2.8	2.7	N/A	3.1
Series W Units	(1.4)	N/A	N/A	N/A	1.4
FTSE TMX Canada Universe Bond Index	(3.0)	N/A	N/A	N/A	1.2

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.

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

## Summary of Investment Portfolio

As at September 30, 2017

The major portfolio categories and top holdings (up to 25) of the Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be in the Quarterly Portfolio Disclosure as at December 31, 2017.

Portfolio by Sector	Percentage of Net Asset Value (%)
Corporate Bonds	52.7
Provincial Bonds	14.8
Government Bonds	13.0
Government Guaranteed Investments	9.5
Supranational Bonds	3.8
High Yield Bonds	2.9
Emerging Markets Bonds	1.0
Cash & Cash Equivalents	0.9
Health Care	0.4
Telecommunication Services	0.1
Consumer Discretionary	0.0
Energy	0.0
Foreign Exchange Forward Contracts	(0.2)

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Fixed Income	76.8
United States Fixed Income	15.7
International Fixed Income	5.2
Cash & Cash Equivalents	0.9
United States Equity	0.3
International Equity	0.2
Canadian Equity	0.0
Foreign Exchange Forward Contracts	(0.2)

Portfolio by Credit Rating <sup>††</sup>	Percentage of Net Asset Value (%)
AAA	29.5
AA	7.1
A	22.7
BBB	28.3
BB	3.9
B	3.8
CCC	0.5
Not Rated	3.1

Top Holdings	Percentage of Net Asset Value (%)
Government of Canada <sup>**</sup>	7.6
Province of Ontario <sup>**</sup>	6.9
Canada Housing Trust <sup>**</sup>	6.7
U.S. Treasury <sup>**</sup>	4.4
Province of Quebec <sup>**</sup>	3.8
Labrador-Island Link Funding Trust <sup>**</sup>	2.7
TELUS Corporation <sup>**</sup>	2.2
Morgan Stanley <sup>**</sup>	2.0
CPPIB Capital Inc. <sup>**</sup>	2.0
Royal Bank of Canada <sup>**</sup>	1.9
Bell Canada Inc. <sup>**</sup>	1.7
The Bank of Nova Scotia <sup>**</sup>	1.5
Citigroup Inc. <sup>**</sup>	1.2
Province of British Columbia <sup>**</sup>	1.2
PSP Capital Inc. <sup>**</sup>	1.0
Canadian Western Bank <sup>**</sup>	1.0
Alimentation Couche-Tard Inc. <sup>**</sup>	1.0
Wells Fargo & Company <sup>**</sup>	1.0
Intact Financial Corporation <sup>**</sup>	1.0
International Bank for Reconstruction and Development <sup>**</sup>	1.0
Inter-American Development Bank <sup>**</sup>	1.0
Anheuser-Busch Inbev Finance Inc. <sup>**</sup>	1.0
OMERS Realty Corporation <sup>**</sup>	1.0
Financement-Quebec <sup>**</sup>	1.0
Fairfax Financial Holdings Limited <sup>**</sup>	1.0

<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 1,322,034</b>
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<sup>††</sup> 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.

<sup>\*\*</sup> Debt Instruments





For more information contact your investment advisor or:

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