

Interim Management Report of Fund Performance

# AGF Canadian Asset Allocation Fund

March 31, 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.

### Results of Operations

For the six months ended March 31, 2018, the Mutual Fund Units of AGF Canadian Asset Allocation Fund (the "Fund") returned 1.3% (net of expenses) while the S&P/TSX Composite Index ("S&P/TSX Index"), the FTSE TMX Canada Universe Bond Index ("FTSE TMX Universe Bond Index") and the Blended Benchmark returned -0.3%, 2.1% and 0.7%, respectively. The Blended Benchmark is composed of 60% S&P/TSX Index/40% FTSE TMX Universe Bond 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 out-performed the S&P/TSX Index due to its inclusion of global equities, which out-performed Canadian equities by a wide margin during the period under review.

Conversely, the Fund under-performed the FTSE TMX Universe Bond Index due to its inclusion of Canadian equities, which largely under-performed fixed income during the reporting period.

The Fund out-performed the Blended Benchmark largely due to allocation effect, as its out-of-benchmark exposure to global equities and global fixed income largely out-performed Canadian equities and Canadian fixed income, respectively, during the period under review.

The Fund entered into foreign exchange forward contracts during the period under review. As of March 31, 2018, the Fund was long Canadian dollar and short Euro and U.S. dollar in order to hedge its currency exposure.

Certain series of the Fund, as applicable, make monthly distributions at a rate determined by AGF Investments Inc. ("AGFI") from time to time. If the aggregate amount of the monthly distributions made to a series in a year exceeds the portion of the net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The portfolio manager does not believe that the distributions made by the Fund had a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objectives.

The Fund had net redemptions of approximately \$32 million for the current period, as compared to net redemptions of approximately \$47 million in the prior period. The portfolio manager does not believe that 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 decreased as compared to the previous period due mainly to a decrease in average Net Asset Values. Custodian fees decreased due to a decrease in market value of investment portfolio and the number of portfolio transactions, while registration fees decreased due to a decrease in subscription activity. Interest expense decreased due to a decrease in overdraft positions throughout the period. The increase in annual and interim reports and decrease in audit fees were due to variances between the accrued amounts versus the actual expenses incurred in the previous period. All other expenses remained fairly consistent throughout the periods.

### Recent Developments

The portfolio manager remains constructive towards global growth over the long-term, though is expecting considerably more volatility over the short-term. As such, the portfolio manager continues to favour equities over fixed income, yet with a defensive shift in positioning for the upcoming period. The portfolio manager also continues to view U.S. equities favourably as recently passed tax reform is expected to lift company earnings. Japanese equities are also favoured, as accommodative policy and pro-growth reforms have led to sustained economic growth. European markets have withstood substantial political uncertainty, much of which has now passed, with little disruption. Some risk does remain with ongoing Brexit negotiations, however, leading to the portfolio manager's neutral outlook. The portfolio manager believes Asia Pacific markets (excluding Japan) offer attractive valuations, though a potential for slowing growth in China and heightened trade risk result in a moderately unfavourable outlook. The Fund holds an overall underweight position in fixed income as the portfolio manager expects continued central bank tightening and range-bound yields in the near term. Credit conditions are also starting to deteriorate with concerns over valuations and technical indicators. The risk and reward trade-off for high yield debt has become less appealing, resulting in the Fund's

This interim management report of fund performance contains financial highlights, but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1 800 268-8583, by writing to us at AGF Investments Inc. 55 Standish Court, Suite 1050, Mississauga, Ontario, Canada L5R 0G3 attention: Client Services, or by visiting our website at [www.agf.com](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.

underweight position. Overall, the portfolio manager currently favours duration risk in rates over credit risk in high yield bonds. Duration exposure is the sensitivity of the portfolio due to changes in interest rates.

## 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. The Fund was also party to an investment advisory agreement with AGFI and Highstreet Asset Management Inc. ("Highstreet"). Highstreet acts as an investment advisor and provides investment advisory services to 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 \$4,784,000 were incurred by the Fund during the six month period ended March 31, 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 \$345,000 incurred by the Fund were paid to AGFC during the six month period ended March 31, 2018.

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

## Caution Regarding Forward-looking Statements

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

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

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the

forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

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

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

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended March 31, 2018 and the past five years as applicable. The Fund adopted International Financial Reporting Standards ("IFRS") on October 1, 2014. All per unit information presented for the period ended September 30, 2014, including opening net assets, reflects retrospective adjustments in accordance with IFRS. Information for the periods prior to October 1, 2013 is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

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

For the periods ended	Mar 31, 2018 (\$)	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>25.25</b>	<b>25.39</b>	<b>26.75</b>	<b>26.69</b>	<b>25.70</b>	<b>23.54</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.37	0.66	0.65	0.52	0.54	0.57
Total expenses	(0.35)	(0.71)	(0.70)	(0.83)	(0.80)	(0.66)
Realized gains (losses)	0.62	1.70	0.55	4.02	2.99	1.01
Unrealized gains (losses)	(0.27)	(0.91)	1.32	(3.38)	(0.15)	1.22
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.37</b>	<b>0.74</b>	<b>1.82</b>	<b>0.33</b>	<b>2.58</b>	<b>2.14</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.89)	(0.86)	(3.26)	(0.13)	(1.56)	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.89)</b>	<b>(0.86)</b>	<b>(3.26)</b>	<b>(0.13)</b>	<b>(1.56)</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>24.71</b>	<b>25.25</b>	<b>25.39</b>	<b>26.75</b>	<b>26.69</b>	<b>25.69</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	382,600	421,806	492,667	569,679	675,977	671,056
Number of units outstanding (000's)	15,481	16,702	19,404	21,295	25,324	26,112
Management expense ratio <sup>(5)</sup>	2.72%-	2.72%	2.71%	2.69%	2.69%	2.70%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.73%-	2.72%	2.73%	2.69%	2.69%	2.71%
Trading expense ratio <sup>(7)</sup>	0.10%-	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	24.71	25.25	25.39	26.75	26.69	25.70

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

For the periods ended	Mar 31, 2018 (\$)	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>25.35</b>	<b>25.54</b>	<b>26.86</b>	<b>26.77</b>	<b>25.73</b>	<b>23.52</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.37	0.66	0.65	0.52	0.54	0.57
Total expenses	(0.35)	(0.70)	(0.63)	(0.80)	(0.75)	(0.61)
Realized gains (losses)	0.62	1.71	0.55	3.99	3.09	0.99
Unrealized gains (losses)	(0.27)	(0.94)	1.29	(3.33)	(0.07)	1.27
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.37</b>	<b>0.73</b>	<b>1.86</b>	<b>0.38</b>	<b>2.81</b>	<b>2.22</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.92)	(0.93)	(3.30)	(0.13)	(1.57)	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.92)</b>	<b>(0.93)</b>	<b>(3.30)</b>	<b>(0.13)</b>	<b>(1.57)</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>24.78</b>	<b>25.35</b>	<b>25.54</b>	<b>26.86</b>	<b>26.77</b>	<b>25.72</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	795	832	947	1,071	1,323	1,630
Number of units outstanding (000's)	32	33	37	40	49	63
Management expense ratio <sup>(5)</sup>	2.70%-	2.67%	2.44%	2.57%	2.52%	2.49%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.93%-	2.78%	2.44%	2.57%	2.52%	2.49%
Trading expense ratio <sup>(7)</sup>	0.10%-	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	24.78	25.35	25.54	26.86	26.77	25.73

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

For the periods ended	Mar 31, 2018 (\$)	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>25.74</b>	<b>25.99</b>	<b>27.53</b>	<b>27.28</b>	<b>26.07</b>	<b>23.62</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.37	0.67	0.65	0.53	0.55	0.58
Total expenses	(0.16)	(0.31)	(0.31)	(0.42)	(0.44)	(0.39)
Realized gains (losses)	0.62	1.70	0.62	4.24	2.93	1.00
Unrealized gains (losses)	(0.25)	(0.95)	1.36	(3.88)	(0.28)	1.21
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.58</b>	<b>1.11</b>	<b>2.32</b>	<b>0.47</b>	<b>2.76</b>	<b>2.40</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(1.38)	(1.38)	(3.89)	(0.37)	(1.74)	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.38)</b>	<b>(1.38)</b>	<b>(3.89)</b>	<b>(0.37)</b>	<b>(1.74)</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>24.93</b>	<b>25.74</b>	<b>25.99</b>	<b>27.53</b>	<b>27.28</b>	<b>26.06</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	11,465	12,171	9,148	7,185	7,806	5,911
Number of units outstanding (000's)	460	473	352	261	286	227
Management expense ratio <sup>(5)</sup>	1.15%-	1.14%	1.13%	1.16%	1.36%	1.59%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.15%-	1.14%	1.13%	1.16%	1.36%	1.59%
Trading expense ratio <sup>(7)</sup>	0.10%-	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	24.93	25.74	25.99	27.53	27.28	26.07

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

For the periods ended	Mar 31, 2018 (\$)	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>28.01</b>	<b>28.25</b>	<b>29.99</b>	<b>29.58</b>	<b>28.08</b>	<b>25.01</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.40	0.70	0.71	0.58	0.59	0.62
Total expenses	(0.01)	(0.02)	(0.03)	(0.10)	(0.07)	-
Realized gains (losses)	0.68	1.88	0.63	4.62	3.34	1.08
Unrealized gains (losses)	(0.29)	(1.51)	1.46	(4.02)	(0.28)	1.36
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.78</b>	<b>1.05</b>	<b>2.77</b>	<b>1.08</b>	<b>3.58</b>	<b>3.06</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(1.83)	(1.79)	(4.59)	(0.61)	(2.10)	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.83)</b>	<b>(1.79)</b>	<b>(4.59)</b>	<b>(0.61)</b>	<b>(2.10)</b>	<b>-</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>26.95</b>	<b>28.01</b>	<b>28.25</b>	<b>29.99</b>	<b>29.58</b>	<b>28.06</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	9,520	9,980	28,349	29,819	30,921	28,893
Number of units outstanding (000's)	353	356	1,003	994	1,045	1,029
Management expense ratio <sup>(5)</sup>	-	-	-	-	-	-
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.07%-	0.06%	0.05%	0.04%	0.04%	0.04%
Trading expense ratio <sup>(7)</sup>	0.10%-	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	26.95	28.01	28.25	29.99	29.58	28.08

~ annualized

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

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

For the periods ended	Mar 31, 2018 (\$)	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>7.66</b>	<b>8.08</b>	<b>8.39</b>	<b>9.04</b>	<b>9.15</b>	<b>9.06</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.11	0.21	0.21	0.17	0.19	0.21
Total expenses	(0.11)	(0.22)	(0.22)	(0.26)	(0.27)	(0.24)
Realized gains (losses)	0.19	0.53	0.19	1.32	1.05	0.38
Unrealized gains (losses)	(0.09)	(0.30)	0.44	(1.11)	(0.05)	0.45
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.10</b>	<b>0.22</b>	<b>0.62</b>	<b>0.12</b>	<b>0.92</b>	<b>0.80</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.15)	(0.45)	(0.93)	(0.06)	(0.72)	-
Return of capital	(0.16)	(0.19)	-	(0.68)	(0.30)	(0.72)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.31)</b>	<b>(0.64)</b>	<b>(0.93)</b>	<b>(0.74)</b>	<b>(1.02)</b>	<b>(0.72)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>7.46</b>	<b>7.66</b>	<b>8.08</b>	<b>8.39</b>	<b>9.04</b>	<b>9.15</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	14,929	15,115	14,160	13,661	15,051	15,921
Number of units outstanding (000's)	2,002	1,972	1,753	1,629	1,666	1,740
Management expense ratio <sup>(5)</sup>	2.70%	2.68%	2.65%	2.62%	2.62%	2.64%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.70%	2.68%	2.65%	2.62%	2.62%	2.64%
Trading expense ratio <sup>(7)</sup>	0.10%	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	7.46	7.66	8.08	8.39	9.04	9.15

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

For the periods ended	Mar 31, 2018 (\$)	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>11.32</b>	<b>11.57</b>	<b>12.00</b>	<b>12.54</b>	<b>12.46</b>	<b>11.98</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.17	0.30	0.30	0.24	0.26	0.28
Total expenses	(0.16)	(0.32)	(0.32)	(0.38)	(0.38)	(0.33)
Realized gains (losses)	0.28	0.77	0.24	1.80	1.45	0.51
Unrealized gains (losses)	(0.10)	(0.41)	0.59	(1.46)	(0.05)	0.61
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>0.19</b>	<b>0.34</b>	<b>0.81</b>	<b>0.20</b>	<b>1.28</b>	<b>1.07</b>
<b>Distributions:</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	(0.18)	(0.52)	(1.30)	(0.05)	(0.97)	-
Return of capital	(0.11)	(0.06)	-	(0.59)	(0.18)	(0.59)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.29)</b>	<b>(0.58)</b>	<b>(1.30)</b>	<b>(0.64)</b>	<b>(1.15)</b>	<b>(0.59)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>11.19</b>	<b>11.32</b>	<b>11.57</b>	<b>12.00</b>	<b>12.54</b>	<b>12.46</b>

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

For the periods ended	Mar 31, 2018	Sept 30, 2017	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014	Sept 30, 2013
Total Net Asset Value (\$000's)	2,313	2,645	2,960	3,939	5,661	6,214
Number of units outstanding (000's)	207	234	256	328	451	499
Management expense ratio <sup>(5)</sup>	2.74%	2.73%	2.69%	2.70%	2.67%	2.68%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	2.85%	2.81%	2.69%	2.70%	2.67%	2.68%
Trading expense ratio <sup>(7)</sup>	0.10%	0.08%	0.08%	0.25%	0.19%	0.18%
Portfolio turnover rate <sup>(8)</sup>	45.02%	61.37%	75.42%	156.27%	89.67%	70.51%
Net Asset Value per unit	11.19	11.32	11.57	12.00	12.54	12.46

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

Total Net Asset Value and number of units outstanding presented as at September 30, 2015 may have been adjusted to include certain transactions, if applicable, for the purpose of comparability with subsequent reporting periods. These adjustments have no effect on the Net Asset Value per unit.

b) The following series of the Fund commenced operations on the following dates, which represents the date upon which securities of a series were first made available for purchase by investors.

Mutual Fund Units	July 1931
Series D Units	April 2003
Series F Units	January 2000
Series O Units	June 2005
Series T Units	December 2006
Series V Units	August 2007

c) On May 23, 2014, AGF Conservative Asset Allocation Fund merged into the Fund. The financial data of the Fund includes the results of operations of AGF Conservative Asset Allocation Fund from the date of the 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 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	2.25%	41.19%	58.81%
Series D Units	1.85%	26.97%	73.03%
Series F Units	0.90%	-	100.00%
Series T Units	2.25%	66.34%	33.66%
Series V Units	2.25%	41.92%	58.08%

## 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.

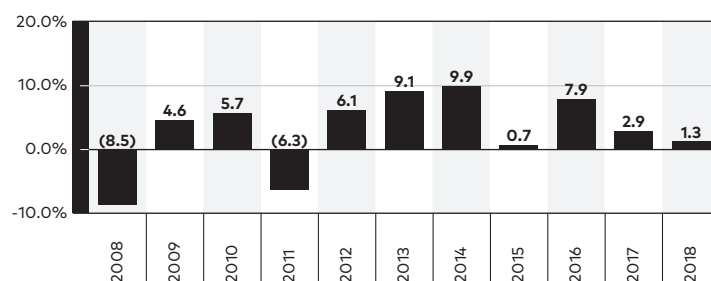
It is AGFI's policy to report rates of return for series in existence greater than one year. The performance start date for each series represents the date of the first purchase of such series, excluding seed money. During the ten year period ended September 30, 2017, certain other funds with similar 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 merger of AGF Conservative Asset Allocation Fund with the Fund (see Explanatory Note (1) c)) did not constitute a material change 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

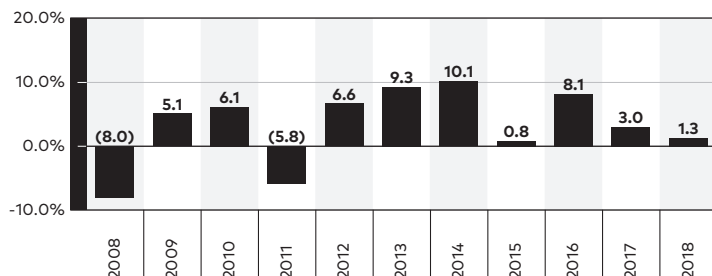
The following bar charts show the Fund's annual performance for each of the past 10 years to September 30, 2017 (interim performance for the six months ended March 31, 2018) as applicable, and illustrate how the Fund's performance has changed from year to year. The charts show, in percentage terms, how 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

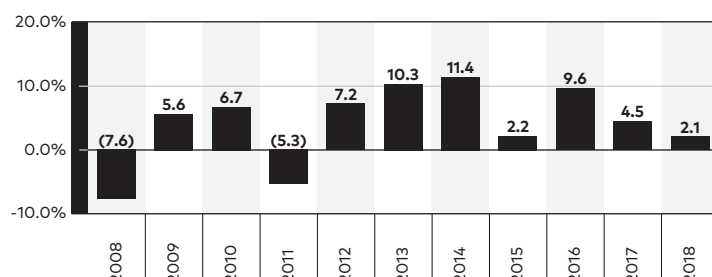


\* The indicated rates of return shown here are the historical returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges by any securityholder that would have reduced returns or performance.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

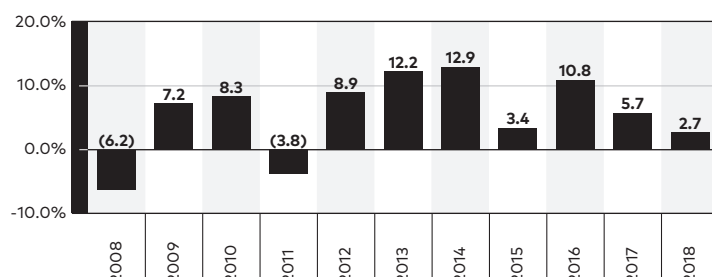
## Series D Units



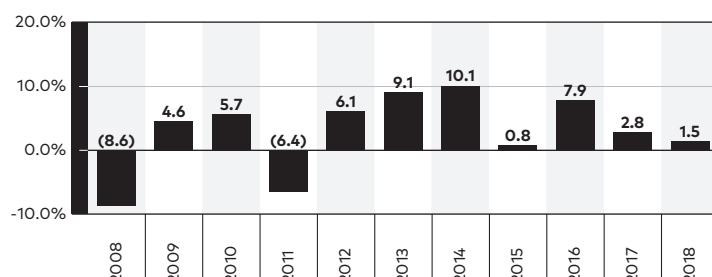
## Series F Units



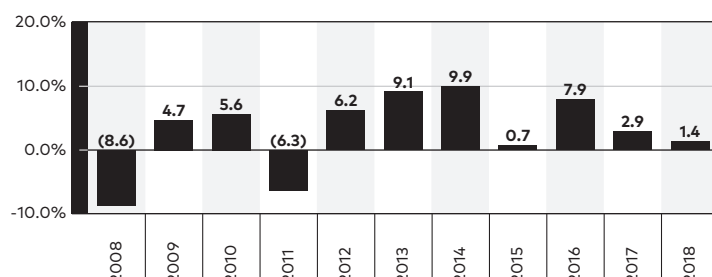
## Series O Units



## Series T Units



## Series V Units



## Summary of Investment Portfolio

As at March 31, 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 June 30, 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 (%)
Canada	85.2
United States	10.4
Cash & Cash Equivalents	2.7
South Korea	0.3
Luxembourg	0.2
Italy	0.2
Netherlands	0.2
United Kingdom	0.2
Switzerland	0.1
Mexico	0.1
Israel	0.1
China	0.1
Jersey	0.0
Germany	0.0
Foreign Exchange Forward Contracts	0.0

Portfolio by Sector	Percentage of Net Asset Value (%)
Equity Funds	34.6
Corporate Bonds	16.2
Financials	10.8
Government Bonds	4.8
Provincial Bonds	4.5
Industrials	3.8
Energy	3.7
Information Technology	3.4
Consumer Discretionary	3.1
Government Guaranteed Investments	2.8
Cash & Cash Equivalents	2.7
Materials	2.2
High Yield Bonds	1.4
Consumer Staples	1.3
Telecommunication Services	1.2
Supranational Bonds	1.1
Utilities	0.9
Health Care	0.9
Emerging Markets Bonds	0.2
Asset-Backed Securities	0.1
Real Estate	0.1
Foreign Exchange Forward Contracts	0.0

Portfolio by Asset Mix	Percentage of Net Asset Value (%)
Canadian Equity	59.7
Canadian Fixed Income	25.5
United States Equity	6.2
United States Fixed Income	4.2
Cash & Cash Equivalents	2.7
International Fixed Income	1.4
International Equity	0.1
Foreign Exchange Forward Contracts	0.0

Portfolio by Credit Rating**	Percentage of Net Asset Value (%)
AAA	9.4
AA	2.7
A	9.2
BBB	8.6
BB	1.6
B	1.3
CCC	0.2
Not Rated	1.1

Top Holdings	Percentage of Net Asset Value (%)
AGF Global Equity Fund	21.7
AGF Canadian Growth Equity Class***	9.9
AGF Global Resources Fund	3.0
Government of Canada**	2.9
Canada Housing Trust No.1**	2.1
Province of Ontario**	2.1
Canadian National Railway Company	1.7
U.S. Treasury**	1.4
Manulife Financial Corporation	1.3
Bank of Montreal	1.3
The Bank of Nova Scotia	1.2
Suncor Energy Inc.	1.2
Province of Quebec**	1.1
The Toronto-Dominion Bank	1.1
Royal Bank of Canada	1.1
Alimentation Couche-Tard Inc.	1.0
Brookfield Asset Management Inc.	1.0
Canadian Natural Resources Limited	0.9
Enbridge Inc.	0.9
Restaurant Brands International Inc.	0.9
Dollarama Inc.	0.9
TELUS Corporation**	0.9
CCL Industries Inc.	0.8
Intact Financial Corporation	0.7
Sun Life Financial Inc.	0.7
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 421,622</b>

## Other Material Information

1. Effective April 26, 2018, the Fund was renamed to AGF Strategic Income Fund.
2. On April 26, 2018, the Manager announced that a special securityholder meeting will be held on or about June 14, 2018 to approve the proposed merger of AGF Traditional Income Fund into the Fund on or about August 3, 2018.

\*\* 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

\*\*\* Class of AGF All World Tax Advantage Group Limited





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