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AGF GROUP OF FUNDS

ANNUAL INFORMATION FORM

Offering Series O units of

AGF ASIAN GROWTH FUND AGF CANADA FUND AGF EUROPEAN EQUITY FUND AGF GLOBAL RESOURCES FUND	AGF JAPAN FUND AGF SPECIAL U.S. FUND AGF U.S. RISK MANAGED FUND AGF U.S. VALUE FUND
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December 18, 2008

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The Funds and the units offered under this annual information form are not registered with the U.S. Securities and Exchange Commission. Units of the Funds are offered and sold in the United States only in reliance on exemptions from registration.

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INTRODUCTION

In this annual information form,

- *we, us, our* and *AGF* refer to AGF Funds Inc.
- *AGF Funds* refers to all of our AGF mutual funds offered to the public under a simplified prospectus and annual information form.
- *Fund* or *Funds* refer to the funds offered under the simplified prospectus and this annual information form.
- *registered dealer* refers to the firm the registered representative works for.
- *registered representative* refers to an individual who is registered to sell mutual funds.
- *securities* refers to both units and shares.
- *Series O* refers to the Series O units offered under the simplified prospectus and this annual information form.
- *unitholders* refer to unitholders of the Funds.
- *units or unit* refer to units of the Funds

The registered office and principal place of business of the AGF Funds is AGF Funds Inc., Suite 3100, 66 Wellington Street West, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario, M5K 1E9.

FORMATION AND HISTORY OF THE FUND

The Funds are open-ended unit trusts established on December 18, 2008 under the laws of Ontario by a declaration of trust (“Declaration of Trust”).

INVESTMENT RESTRICTIONS AND PRACTICES

The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102. This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. The Funds are managed in accordance with these investment restrictions and practices.

A change to the fundamental investment objectives of the Funds cannot be made without obtaining unitholder approval. AGF may change the Funds’ investment strategies from time to time at its discretion.

DESCRIPTION OF SECURITIES OFFERED BY THE FUNDS

Each of the Funds may have an unlimited number of series of units and may issue an unlimited number of units of each series. The Funds currently offer Series O which is designed for institutional investors, including funds, who meet the criteria established by AGF. Series O units may not be purchased by individuals.

AGF may reject purchase orders or a Fund may redeem units held by a unitholder if the Fund or other unitholders of the Fund would suffer negative tax consequences or be otherwise prejudiced by the holding or continued holding of units by such unitholder.

Distribution Rights

Each Fund intends to distribute in each year sufficient net income and net realized capital gains, if any, to ensure that the Fund is not liable for income tax under Part I of the *Income Tax Act* (Canada) (the “Tax Act”), after taking into account any loss carry forwards and other deductions or credits available to the Fund under the Tax Act. All or any portion of a Fund’s net capital gains will be allocated in respect of units of the Fund which have been redeemed at any time in that year, provided that the amount of net capital gains allocated in respect of such redeemed units shall not exceed the amount, if any, by which the amount payable on the redemption of such units exceeds the adjusted cost base of the units being redeemed. Any remaining net capital gains will be distributed to the unitholders in December.

Except with respect to net realized capital gains of redeemed units and in certain other circumstances, each unit outstanding on the date when the distribution is made in December will receive the same distribution as all other units. To the extent that distributions on redemption and general distributions made during a year exceed the net income and net realized capital gains available for distribution, such distributions will be a return of capital.

Distributions on units are reinvested (other than any distributions paid to a unitholder on redemption) in additional units of the Fund, unless you tell us in writing that you want cash payments instead. For information on how distributions can affect your taxes, see *Income Tax Considerations for Investors*.

Liquidation Rights

A series of a Fund will generally be entitled to a distribution in the event of a dissolution of the Fund. The distribution is equal to that series’ share of the net assets of the Fund after adjustment for expenses of the Fund attributable to the series and net realized capitalized gains allocated in respect of redeemed units.

Redemption

All units of a Fund are redeemable on the basis as described under *Selling Funds*.

In addition, a Fund may, in its discretion, redeem units of any series at their net asset value per unit: (a) if the total value of a unitholder’s holdings of a Fund falls below a specified amount as fixed by the Manager from time to time; (b) to pay any outstanding fees or expenses owed by the unitholder in accordance with the simplified prospectus; (c) if a unitholder fails to meet the eligibility requirements for those units; (d) if authorized to do so by applicable law or

by securities regulators; or (e) if the holding of such units by such unitholder would have an adverse effect on other unitholders.

Voting Rights

Each holder of a whole unit of a Fund is entitled to one vote at all meetings of the Fund. The Funds do not hold regular meetings. Unitholders of the Funds are permitted to vote on all matters that require unitholder approval under National Instrument 81-102 or under the constating documents of the Funds. These matters are:

- a change in the basis of calculation of a fee or expense that is charged to the Fund or directly to its unitholders in a way that could result in an increase in charges to the Fund or its unitholders;
- the introduction of a fee or expense that is charged to the Fund or directly to its unitholders that could result in an increase in charges to the Fund or its unitholders;
- a change in the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the net asset value per mutual fund unit of the Fund; or
- in certain cases, where the Fund undertakes a reorganization with, or transfers its assets to, another mutual fund or acquires another mutual fund's assets.

The rights and conditions attaching to the units of the Fund may be modified only in accordance with the provisions attaching to such units under the provisions of the Declaration of Trust of the Funds.

NET ASSET VALUE

Calculation of Net Asset Value

The unit price of each series of a Fund is called the net asset value per unit of such series. We calculate the unit price of each series of a Fund by:

- adding up the assets of the Fund and determining the share of the series
- subtracting the proportionate share of the series of the aggregate amount of liabilities common to all series
- subtracting the liabilities of the Fund that are specific to the series
- dividing the balance by the number of Fund units of the series held by unitholders

As the Funds only offer one series currently, the net asset value of each Fund is the same as the net asset value of the series. The Funds are valued in Canadian dollars and can only be bought in Canadian dollars.

When you buy, sell or switch units of a Fund, the price per unit is the next net asset value per unit we calculate after receiving your order.

We usually calculate the net asset value of each series of a Fund at the end of each business day. A business day is any day that The Toronto Stock Exchange ("TSX") is open. If we receive your buy, switch, or sell order before 4 p.m. Toronto time on a business day, we will process your order based on the net asset value calculated that day. If your order is received after 4 p.m. on a business day, we will process your order on the next business day based on that day's net asset value. If the TSX's trading hours are shortened on a given day or for other regulatory reasons, we may change the 4 p.m. deadline.

Valuation of Securities and Liabilities

The net asset value of the Funds must be calculated using the fair value of the assets and liabilities of the Funds. A summary of the valuation principles used to value the assets of the underlying funds held by the Funds are as follows:

Type of Asset	Method of Valuation
Liquid assets, including cash on hand or on deposit, bills, demand notes, accounts receivable and prepaid expenses	Valued at full face value.
Money market instruments	The purchase cost of money market instruments, together with the amortized discounts and accrued interest receivable, represents market value.
Underlying funds	Valued at the series net asset value per security held by the Fund as of the end of the business day.
Bonds, time notes, shares, subscription rights and other securities listed or traded on a stock exchange or other markets	<ul style="list-style-type: none"> • If a security listed on a stock exchange or other markets was traded on the day that the net asset value is being determined, the closing sale price. • If a listed security was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and asked prices or at a price no higher than the closing ask price and no lower than the closing bid price. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value. • If the securities are listed or traded on more than one exchange or market, the Fund uses the closing sale price from the principal exchange or market on which such securities are listed or traded.
Restricted securities as defined in NI 81-102	<p>One of the following values, whichever is less:</p> <ul style="list-style-type: none"> • the value based on reported closing price; or • a percentage of the market value of unrestricted securities of the same class. This percentage is equal to the percentage of the securities' market value when the Fund bought them. If we know the date when the restriction will be lifted, we generally take into account what the actual value of the securities will be when they are no longer restricted.
Long positions in clearing corporation options, options on futures, debt-like securities and warrants that are traded on a stock exchange or other markets	<ul style="list-style-type: none"> • If a security listed on a stock exchange or other markets was traded on the day that the net asset value is being determined, the closing sale price. • If a listed security was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and asked prices or at a price no higher than the closing ask price and no lower than the closing bid price. In cases where the average price varies from the last traded price by 10% or more, the last traded price is used. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value. • If the securities are listed or traded on more than one exchange or market, the Fund uses the closing sale price from the principal exchange or market on which such securities are listed or traded.

Premiums received from written clearing corporation options, options on futures	Treated as deferred credits and valued at an amount equal to the market value that would trigger closing the position. The deferred credit is deducted when calculating the net asset value of the Fund. Any securities that are the subject of a written clearing corporation option will be valued as described above.
Futures contracts listed on a stock exchange.	<ul style="list-style-type: none"> • If the futures contract listed on a stock exchange was traded on the day the net asset value is being determined, the settlement price. • If the futures contract was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and asked prices or at a price no higher than the closing ask price and no lower than the closing bid price. In cases where the average price varies from the last settlement price by 10% or more, the last settlement price is used. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value.

We have not exercised our discretion to deviate from the valuation principles described above in the past three years.

The liabilities of each Fund include:

- all bills, notes and accounts payable
- all administrative expenses payable or accrued (including management fees)
- all contractual obligations for the payment of money or property
- distributions declared payable
- all allowances authorized or approved by AGF for taxes, and
- all other securities of the Fund except liabilities to investors for outstanding units.

We will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time, for example, if trading in a security was halted because of significant negative news about a company.

While National Instrument 81-106 requires investment funds, such as the Funds, to use fair value, it does not require investment funds to determine fair value in accordance with the Canadian Institute of Chartered Accountants Handbook (“CICA Handbook”). The Funds calculate the net asset value of the securities of the Funds on the basis of the valuation policy set forth in this annual information form. Our valuation policy differs in some respects from the requirements of the CICA Handbook. The main differences are set out in the chart below:

Type of investments	AGF Valuation Principles	CICA Handbook
Securities listed on a public stock exchange	Closing sale price; if closing sale price is not available, use average of closing bid and ask prices. In cases where the average price varies from the last traded price by 10% or more, the last traded price is used.	Bid price for long securities and ask price for securities sold short; if bid/ask price is not available, use closing sale price
Futures contracts listed on a principal exchange, including options	Settlement price; if settlement price not available, use average of latest bid and ask prices	Bid price for long commodity futures and ask price for short commodity futures; if bid/ask prices not available, use settlement price

PURCHASES, SWITCHES AND REDEMPTIONS

Buying Funds

You can buy units of the Funds through your registered representative. You can buy them any time, and there is no limit to the number of units you can buy. Your registered dealer will forward your completed purchase order to us for processing:

- on the same day if your order is received by us before 4 p.m. Toronto time on a business day, or
- on the next business day in all other cases.

The purchase price per series is based on the net asset value per unit next determined after we receive your completed order. Your registered dealer is required to forward your purchase order to us on the same day it receives your completed purchase order or, on the next business day if it receives the order after normal business hours or on any day that is not a business day. Whenever practicable, your registered dealer is required to send your purchase order to us as soon as possible by courier, Priority Post or telecommunication facilities. It is the responsibility of your registered dealer to send orders to us in a timely manner. Your registered dealer is responsible for any costs associated with sending orders to us.

When you buy units of the Funds, your registered dealer or AGF will send you a confirmation notice, which is proof of your purchase.

Sales Charge

The front-end sales charge option is the only option available for the Funds. The commission is a percentage of the amount you invest and is paid to your registered dealer. You and your registered representative negotiate the actual commission. See *Fees and Expenses - Sales charges* in the simplified prospectus for the front-end sales charge rates.

The regulatory rules for buying

Here are the rules for buying units of the Funds. These rules were established by securities regulatory authorities:

- We must receive payment for the purchase of the units within three business days of receiving the order.
- If we do not receive payment within three business days, we are required to sell your units at the close of business on the next business day. If the proceeds are greater than the payment you owe, the Fund keeps the difference. If the proceeds are less than the payment you owe, your registered dealer is required to pay the Fund the difference. Your registered dealer may in turn collect this amount from you.

- We have the right to refuse any order to buy units within one business day of receiving it. If we reject your order, we will return your money immediately, without interest.

Switches

Switching between Funds

A switch is an order to sell or buy your units. You can switch all or part of your investment in one Fund to another Fund at any time by contacting your registered representative. When we receive your order, we'll sell your units from the first Fund and use the proceeds to buy the second Fund. The steps for buying and selling Funds also apply to switches.

Your registered dealer will forward your order to us for processing:

- on the same day if your order is received by us before 4 p.m. Toronto time on a business day, or
- on the next business day in all other cases.

When you switch units of a Fund, your registered dealer may charge you a fee. You and your registered representative negotiate the fee. The Fund may also charge you a short-term trading fee if you switch your units within 90 calendar days of buying them. See *Fees and Expenses – Short-term trading fees* in the simplified prospectus.

Switching between Funds is considered a disposition for tax purposes. You may realize a capital gain or loss on the disposition. For further discussion of the tax consequences, see *Income Tax Considerations*.

Selling Funds

You can sell your units by writing to us directly or by contacting your registered dealer who will forward your order to us for processing:

- on the same day if we receive your sale order before 4 p.m. Toronto time on a business day, or
- on the next business day in all other cases.

The sale price of the units is based on the net asset value per unit of the Fund, next determined after we receive your completed sale order. When you sell your units, you receive the proceeds of your sale in cash. The Fund may charge you a short-term trading fee if you sell units within 90 calendar days of buying them. See *Fees and expenses – Short-term trading fee* in the simplified prospectus.

The rules for selling

Here are the rules for selling your units:

- We will pay the proceeds of the sale to you, or to anyone else that you choose. We make payments by cheque or wire payment, within three business days of receiving a complete sale order.
- If the sale proceeds are more than \$25,000 or if you want the proceeds paid to someone else, your signature must be guaranteed by your bank, trust company or registered dealer. In some other cases, we may require other documents or proof of signing authority.
- If we haven't received all the required documents within 10 business days of receiving your sell order, we'll issue the same number of units on the 10th business day after the redemption request. If the cost is less than the sale proceeds, the Fund will keep the difference. If the cost is more than the sale proceeds, the Fund will collect this amount and any related costs from your registered dealer, who may have the right to collect it from you.

The law allows us to suspend your right to sell your units when:

- (i) normal trading is suspended on an exchange for which securities are listed and traded, or on which permitted derivatives are traded, if those securities or derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Fund without allowance for liabilities and if those securities or derivatives are not traded on any other exchange that represents a reasonable practical alternative for the Fund; or
- (ii) permission from securities regulatory authorities is received.

While your right to sell units is suspended, we won't accept orders to buy units of the Fund. You may withdraw your sell order before the end of the suspension period. Otherwise, we'll sell your units at the next price calculated after the suspension period ends.

RESPONSIBILITY FOR FUND OPERATIONS

The Manager

AGF Funds Inc., a corporation amalgamated under the laws of Ontario with offices located at 31st Floor, 66 Wellington Street West, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario M5K 1E9, is the manager and trustee of the Funds. The phone number of AGF is 416-367-1900, the email address is tiger@agf.com and the website address is www.agf.com.

AGF is responsible for providing or arranging for the Funds' day-to-day business administration (including valuation services, and maintaining unitholder records), marketing and overseeing all portfolio management and investment advisory services for the Funds and arranging for the distribution of units of the Funds.

AGF may terminate the management agreement at any time on 90 calendar days written notice to the Funds. A change in the manager of the Funds (other than an affiliate of the manager) may be made only with the approval of the unitholders of the Funds and of the securities regulatory authorities.

As the portfolio manager or one of the portfolio managers of some of the Funds, AGF is also responsible for the management of all or a portion of the portfolio assets of those Funds. This includes providing investment analysis or investment recommendations and making investment decisions. Some Funds also use other outside portfolio managers. AGF is responsible for hiring and monitoring these portfolio managers. You'll find more information about the portfolio managers on page 12.

Officers and Directors of AGF Funds Inc.

The names, municipalities of residence and principal occupations of the directors and officers of AGF during the last five years are as follows:

Name and Municipality of Residence	Position With AGF Funds Inc.	Principal Occupation Within the Five Preceding Years
Blake C. Goldring, CFA, LL.D M.S.M Toronto, Ontario	Director, Chairman and Chief Executive Officer	<ul style="list-style-type: none"> - Director, Senior Officer and Chairman of the Board, AGF Management Limited and AGF Trust Company - Director and/or Senior Officer of certain subsidiaries of AGF Management Limited
*William Robert Farquharson, CFA Toronto, Ontario	Director and Vice Chairman	<ul style="list-style-type: none"> - Director and Vice Chairman, AGF Management Limited and AGF Funds Inc. - Director and/or Senior Officer of certain subsidiaries of AGF Management Limited
Randy G. Ambrosie Oakville, Ontario	Director and President	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc. - 2003 - 2004, North American Sales Director, HSBC Securities, New York and Toronto - 2001 - 2002, Managing Director, CIBC Wood Gundy, Toronto

Name and Municipality of Residence	Position With AGF Funds Inc.	Principal Occupation Within the Five Preceding Years
*Martin Hubbes, CFA Toronto, Ontario	Director, Executive Vice President and Chief Investment Officer	<ul style="list-style-type: none"> - September 2005, Director, AGF Funds Inc. - Senior Officer, AGF Funds Inc. - December 2002, Treasurer of AGF All World Tax Advantage Group Limited, AGF Canadian Growth Equity Fund Limited and AGF Canadian Resources Fund Limited
Greg J. Henderson, CA Campbellville, Ontario	Director, Senior Vice-President and Chief Financial Officer	<ul style="list-style-type: none"> - Senior Officer, AGF Management Limited and Director and Senior Officer, AGF Funds Inc. - Director and Senior Officer of certain subsidiaries of AGF Management Limited - May 1993 to September 2004 various senior financial positions with Rogers Communications Inc., most recently Vice President, Group Controller
Judy G. Goldring, LL.B Toronto, Ontario	Director, General Counsel and Senior Vice President, Law and Corporate Affairs	<ul style="list-style-type: none"> - September 2005, Director, AGF Funds Inc. - Director and Senior Officer of certain subsidiaries of AGF Management Limited - Senior Officer, AGF Management Limited and AGF Funds Inc.
Rose Cammareri Toronto, Ontario	Senior Vice President of National Advisor Sales and Product Marketing	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc. - January 2002 – August 2004, National Sales Director, CIBC Asset Management, Toronto
Anthony Genua Toronto, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc; - 1998 – December 2004, Vice President, KBSH Capital Management, Toronto, Ontario
Christine Hughes, CFA Toronto, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc.
Stephen W. Way, CFA Toronto, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc.
Patricia A. Perez-Coutts, CFA Mississauga, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc.
Jean Charbonneau Boucherville, Quebec	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc. - 1997 to 2006 - Vice President, Global Fixed Income, CIBC Global Asset Management

Name and Municipality of Residence	Position With AGF Funds Inc.	Principal Occupation Within the Five Preceding Years
Robert Lyon, CFA Etobicoke, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc. - 2006-2008 – Vice President and Director, Proprietary Trading, TD Newcrest - 1997-2006 – Vice President of Portfolio Management, BPI Mutual Funds – (acquired by CI Funds in October 1999)
Larry Herscu, Richmond Hill, Ontario	Senior Vice President and Chief Operating Officer	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc.
Carrie Tuck Toronto, Ontario	Senior Vice President, Product Management and Development	<ul style="list-style-type: none"> - Senior Officer, AGF Funds Inc. - June 2002 to November 2007 – AVP, Product Management and Client Service, MFC Global Investment Management - June 1999 to June 2002 – Director Marketing, Elliott & Page Mutual Funds
Tristan M. Sones, CFA Toronto, Ontario	Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Officer, AGF Funds Inc.
Jacqueline Sanz Etobicoke, Ontario	Chief Compliance Officer, Vice President, Compliance and Risk Analysis	<ul style="list-style-type: none"> - Officer, AGF Management Limited, AGF Funds Inc. and AGF Securities (Canada) Limited
Edna Man North York, Ontario	Vice President, Fund Oversight	<ul style="list-style-type: none"> - Officer, AGF Funds Inc. - February 2002 to August 2005 - Vice-President, Fund Valuation & Reporting, Unisen Inc., Mississauga, Ontario
Mark Adams Toronto, Ontario	Associate General Counsel and Corporate Secretary	<ul style="list-style-type: none"> - Officer, AGF Management Limited and AGF Funds Inc. - Associate General Counsel and Corporate Secretary, AGF Management Limited; September 2005 – December 2007, Vice President, Legal Counsel, AGF Management Limited; April 2004 – September 2005, Legal Counsel, AGF Management Limited - Prior to 2004: Lawyer, McMillan LLP
Jacques Lepine Montreal, Quebec	Vice President, Sales	<ul style="list-style-type: none"> - Officer, AGF Funds Inc. - July 2000 to July 2004 - Regional Sales Manager, Franklin Templeton
<i>*Members of the Board of Governors of the Funds.</i>		

Portfolio Managers

The portfolio manager of each Fund is responsible for making and carrying out all investment decisions.

AGF uses a combination of internal and external portfolio managers. That means we sometimes hire other professional investment management companies to manage the portfolios of some Funds, and manage the portfolios of other Funds ourselves.

Some of the portfolio managers are located outside of Canada, which may make it difficult to enforce legal rights against them.

The following are the names of the persons employed by or associated with the portfolio managers who are principally responsible for the day-to-day management of a material portion of the portfolio of each Fund, implementing a particular material strategy or managing a particular segment of the portfolio of a Fund and each person's business experience during the last five years.

AGF FUNDS INC. (Toronto, Ontario, Canada)		
Individual	Details of Experience	Funds Managed
William Robert Farquharson CFA Director and Vice Chairman	Mr. Farquharson joined AGF in 1963 as an analyst and today is one of Canada's leading investment managers with over four decades of experience. Mr. Farquharson is chairman and director of both AGF Asset Management Asia and of AGF International Advisors Company Limited. He is a past chair of the Investment Funds Institute of Canada (IFIC) and a former director of the Toronto Stock Exchange.	AGF Global Resources Fund
Anthony Genua Senior Vice President and Portfolio Manager	Mr. Genua has 30 years of industry experience. Prior to joining AGF in January 2005, Mr. Genua was a partner at KBSH Capital Management Limited for 6 years. In that role, he managed a U.S. growth fund and a variety of mandates including pensions and investment pools for separately managed accounts and wrap accounts.	AGF Special U.S. Fund
Martin Hubbes, CFA Executive Vice President and Chief Investment Officer	Mr. Hubbes joined AGF in 1992 as a Canadian equity analyst, became a portfolio manager in 1996 and was appointed Chief Investment Officer in June 2005.	AGF Canada Fund
Stephen Way, CFA Senior Vice President and Portfolio Manager	Mr. Way joined AGF in 1987 and has 20 years' investment industry experience. Between 1991 and 1994, he was managing director of AGF's wholly-owned subsidiary, AGF International Advisors. Today, he is the chief liaison between AGF and its overseas subsidiaries in Europe and Asia. He is also the primary link between AGF and Nomura Asset Management.	AGF Japan Fund AGF U.S. Value Fund AGF European Equity Fund AGF Asian Growth Fund

AGF FUNDS INC. (Toronto, Ontario, Canada)		
Individual	Details of Experience	Funds Managed
Robert Lyon, CFA Senior Vice President and Portfolio Manager	Prior to joining AGF in May 2008, Mr. Lyon was Vice-President and Director of Proprietary Trading at TD Newcrest. From 1997 until 2006, Mr. Lyon was Vice-President of Portfolio Management with BPI Mutual Funds (acquired by CI Funds in October 1999)	AGF Global Resources Fund
Caterina Prato, CFA Portfolio Manager	Ms. Prato joined AGF in 2004. In addition to her portfolio manager duties, she is an analyst for AGF's North American Equities team covering a variety of sectors. Prior to joining AGF, Ms. Prato worked as an assistant vice-president focusing on North American equities at Aegon Capital Management. Ms. Prato has 10 years investment experience.	AGF Canada Fund

INTECH INVESTMENT MANAGEMENT LLC (formerly, Enhanced Investment Technologies, LLC) ("INTECH") (Palm Beach Gardens, Florida, USA)		
Individual	Details of Experience	Funds Managed
E. Robert Fernholz, PhD Co-Chief Investment Officer	Dr. Fernholz joined INTECH in June of 1987 and was CIO from January 1991 to January 2008. He received his A.B. in Mathematics from Princeton University and his Ph.D. in Mathematics from Columbia University. As Co-CIO, Dr. Fernholz sets policy for the investment strategy, reviews proposed changes, and assures adherence to policy. Dr. Fernholz implements and supervises the optimization process. He has 21 years of investment experience. He is also the portfolio manager for the Harmony U.S. Equity Pool.	AGF U.S. Risk Managed Fund
David E. Hurley, CFA Executive Vice President and Chief Operating Officer	Mr. Hurley, previously INTECH's Chief Compliance Officer from January 1996 to February 2003, joined INTECH in January 1988. He received his B.S. in Engineering from the United States Military Academy. Mr. Hurley is responsible for daily oversight of all aspects of the mathematical investment process from a portfolio management perspective. Mr. Hurley has oversight, supervisory, and support responsibility for the day to day implemental of the portfolio management and trading process. Mr. Hurley holds the Chartered Financial Analyst designation.	AGF U.S. Risk Managed Fund

INTECH INVESTMENT MANAGEMENT, LLC (formerly, Enhanced Investment Technologies, LLC) ("INTECH") (Palm Beach Gardens, Florida, USA)		
Individual	Details of Experience	Funds Managed
Joseph W. Runnels, CFA Vice President, Portfolio Management Group	Mr. Runnels, previously Director of Trading and Operations from January 1999 to March 2003, joined INTECH in June 1998. Mr. Runnels holds a B.S. in Business Administration from Murray State University. Mr. Runnels implements the day-to-day portfolio management and trading process for client portfolios. He also handles brokerage relationships and supervises the daily execution of trading for client accounts. Mr. Runnels holds the Chartered Financial Analyst designation.	AGF U.S. Risk Managed Fund
Adrian Banner, PhD Senior Investment Officer	Dr. Banner, previously Director of Research, joined INTECH in August 2002 and has been Senior Investment Officer since September 2007. He received his Ph.D. in Mathematics from Princeton University and holds a M.Sc. and B.Sc. in Mathematics from the University of New South Wales, Australia. Dr. Banner has delivered lectures on the stability of market capitalization at a number of academic and professional conferences. Dr. Banner continues to teach at Princeton University, where he is also a part-time Lecturer in the Department of Mathematics.	AGF U.S. Risk Managed Fund
Jason Greene, PhD Vice President and Senior Investment Officer	Dr. Greene joined INTECH in September of 2006 from Georgia State University where he was a tenured Associate Professor of Finance. He was also a consultant for the Office of Economic Analysis at the Securities and Exchange Commission and an expert consultant to mutual fund advisors. Dr. Greene has published numerous articles in premier academic and practitioner journals. He is a graduate of Rhodes College, cum laude, with a B.A. in Economics and Mathematics and Indiana University with a PhD in Finance.	AGF U.S. Risk Managed Fund

Portfolio Advisors

The portfolio advisor provides a Fund with investment research and recommendations. It does not make investment decisions on behalf of a Fund.

The following are the names of the persons employed by or associated with the portfolio advisors who are principally responsible for providing the Funds with investment advice and each person's business experience during the last five years.

AGF INTERNATIONAL ADVISORS COMPANY LIMITED (Dublin, Ireland)		
Individual	Details of Experience	Funds Advised
John Arnold Chief Investment Officer and Managing Director	Mr. John Arnold joined AGF International Advisors Company Limited in 1993. He is an international equities specialist with more than 30 years of experience.	AGF Canada Fund AGF European Equity Fund AGF Global Resources Fund AGF Japan Fund AGF Special U.S. Fund AGF U.S. Value Fund
Rory Flynn, CFA Global Advisor	Mr. Flynn joined AGF International Advisors Company Limited (AGFIA) in 1992 and has spent his entire investment career with AGFIA. As a principal member, Mr. Flynn has helped build the team and to develop their renowned investment expertise. He began his career with AGFIA as an investment analyst and fund advisor, eventually being promoted to head the research department. Currently, he holds the title of Global Advisor, where he oversees the day-to-day management of all mandates advised by the team.	
Yvonne Brett, CFA Head of Research	Ms. Brett joined AGF International Advisors Company Limited (AGFIA) in 1996. After four years as an analyst, Ms. Brett was promoted to Head of Research and Portfolio Advisor in 2000, a position she still holds. Ms. Brett is one of AGFIA's senior members and oversees the research generated by seven analysts to ensure that stock recommendations meet the rigorous investment standards established by the team.	
Richard McGrath Senior Analyst	With more than 11 years of investment experience, Mr. McGrath has spent his entire financial management career with AGF International Advisors Company Limited.	

AGF ASSET MANAGEMENT ASIA LTD. (Singapore)		
Individual	Details of Experience	Funds Advised
Eng Hock Ong Managing Director	Mr. Ong joined AGF Asset Management Asia Ltd. as Managing Director in January 2005. He has over 18 years of experience investing in Asian markets with several prominent firms.	AGF Asian Growth Fund AGF Global Resources Fund
Beng Liang Chu, CFA Director, Fund Management	Beng Liang Chu joined AGF Asset Management Asia Ltd. in May 2007, bringing over 14 years of investment experience to his role as Director, Fund Management. Prior to joining AGF, Beng Liang held portfolio management duties at various banks and investment management firms including RCM, a company of Allianz Global Investors where he was Head of the Investment Team in Singapore.	
NOMURA ASSET MANAGEMENT CO., LTD. (Japan)		
NOMURA ASSET MANAGEMENT U.S.A. INC. (United States)		
NOMURA ASSET MANAGEMENT HONG KONG LIMITED (Hong Kong)		
Individual	Details of Experience	Funds Advised
Yuichi Murao, CFA Senior Portfolio Manager Nomura Asset Management Co., Ltd. (Japan)	Mr. Murao joined Nomura (Japan) in 1990. He is a Senior Portfolio Manager of the Japan equity international institutional client team at Nomura. He has a wide range of experience in equities, pension funds, public fund investment management, investment strategy and institutional clients.	AGF Japan Fund
Shigeru Shinohara, President and Chief Executive Officer Nomura Asset Management U.S.A. Inc.	Mr. Shinohara was appointed as President and Chief Executive Officer of Nomura Asset Management U.S.A. Inc. (NAM USA) in 2007. Prior to his appointment, Mr. Shinohara served as Executive Vice President of Nomura Corporate Research and Asset Management Inc. (NCRAM), an affiliate of NAM USA, that specializes in enhanced fixed income strategies. He was formerly the Chief Fund Analyst at Nomura Funds Research and Technologies Co., Ltd., an affiliate of Nomura Securities Co., Ltd. (Nomura) for management of fund of funds products. In this role, he was charged with the analysis and selection of individual funds for their investments.	AGF Japan Fund

Brokerage Arrangements

The portfolio manager of each Fund makes the decisions for buying and selling portfolio securities and executing portfolio transactions, including selecting the market dealer and negotiating commissions, where applicable. In effecting portfolio transactions, the portfolio manager seeks to obtain prompt execution of orders on favourable terms. To the extent that executions, services and prices offered by more than one dealer are comparable, the portfolio manager may in its discretion allocate brokerage transactions to compensate brokerage firms for general investment research, statistical and other similar services that benefit the Fund and the unitholders.

Where it is in the best interest of the Fund, AGF may execute such transactions through AGF Securities, Inc. or through AGF Securities (Canada) Limited, each of which is a wholly-owned subsidiary of AGF Management Limited. These subsidiaries may execute such transactions directly or through other dealers and, from time to time, may receive brokerage business from other dealers who have executed transactions for such subsidiaries or for the Fund directly. In such event, the compensation with respect to the execution of such transactions will be received by AGF Securities, Inc. or AGF Securities (Canada) Limited, as the case may be.

Custodians

The Custodian receives and holds cash, portfolio securities and other assets of the Funds for safekeeping. Under the terms of a custodian agreement and subject to applicable securities legislation, the custodian may appoint one or more sub-custodians to effect portfolio transactions outside of Canada. The Custodian does not hold any margin or other property of a Fund which has been delivered or pledged to another party nor contract documents relating to derivative transactions.

The Custodian to the Funds is Citibank Canada of Toronto, Ontario. Citibank Canada is independent of AGF Funds Inc.

Auditors

The auditors conduct an audit of financial statements of each of the Funds in accordance with generally accepted auditing standards. The auditors of the Funds are PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario.

Transfer Agent and Registrar

AGF is the transfer agent and registrar for the Funds. As such, we are responsible for receiving investor payments for Fund units, for keeping a register of all Fund investors at our Toronto offices.

CONFLICTS OF INTEREST

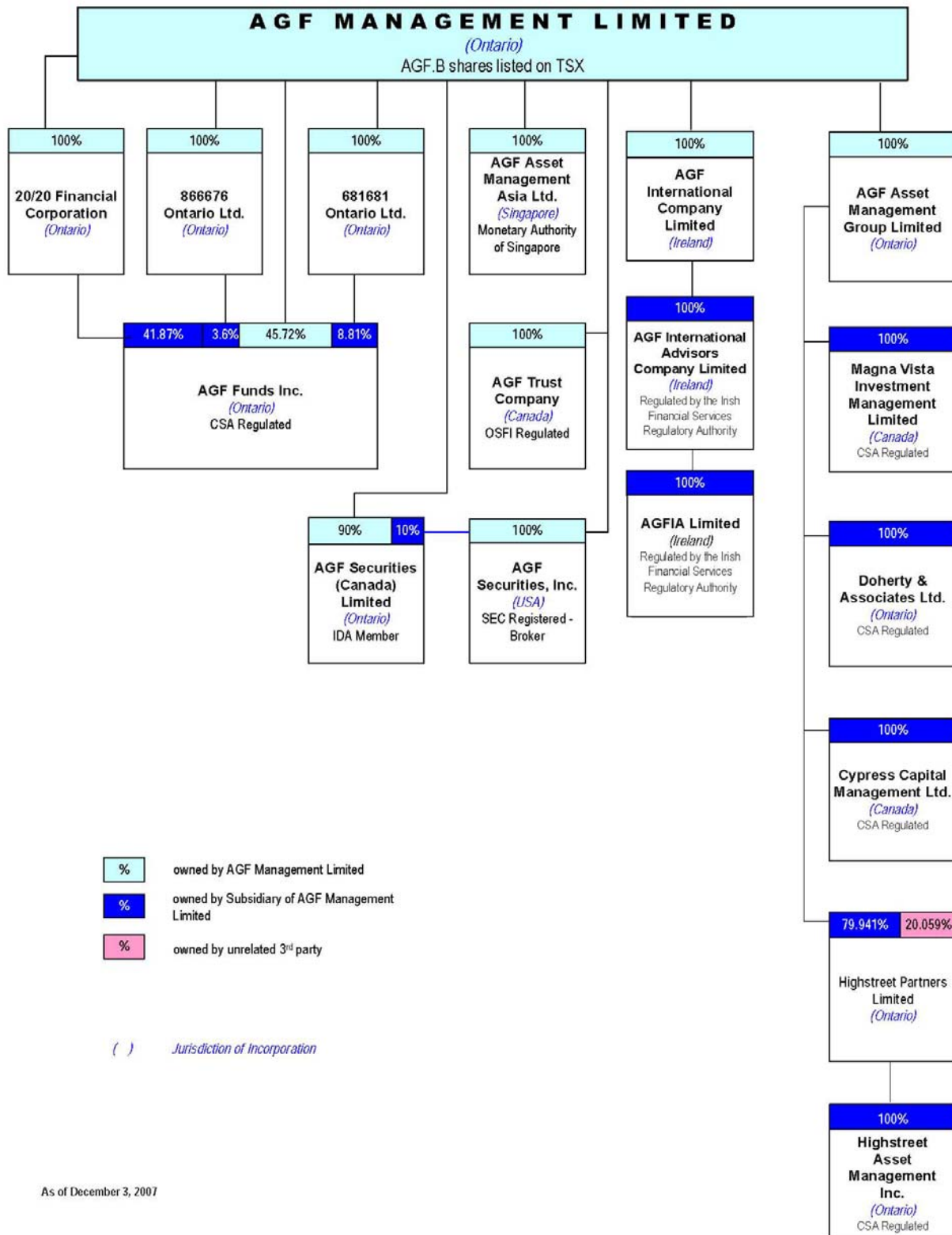
Principal Holders of Securities

As of the date of this annual information form, AGF Management Limited directly and indirectly owns and controls 100% of AGF Funds Inc. As of December 18, 2008, the following persons or companies held more than 10% of the identified Fund:

AGF Fund	Unitholder Name	Series	Number of Securities Held	Percentage of Fund Held
AGF Asian Growth Fund	AGF Funds Inc.	Series O	10,000	100%
AGF Canada Fund	AGF Funds Inc.	Series O	10,000	100%
AGF European Equity Fund	AGF Funds Inc.	Series O	10,000	100%
AGF Global Resources Fund	AGF Funds Inc.	Series O	10,000	100%
AGF Japan Fund	AGF Funds Inc.	Series O	10,000	100%
AGF Special U.S. Fund	AGF Funds Inc.	Series O	10,000	100%
AGF U.S. Risk Managed Fund	AGF Funds Inc.	Series O	166,666.667	100%
AGF U.S. Value Fund	AGF Funds Inc.	Series O	10,000	100%

Affiliated entities

The relationship between AGF and certain of its affiliates is shown below:



Dealer Manager Disclosure

The Funds are considered dealer managed mutual funds and follow the dealer manager provisions prescribed by National Instrument 81-102. These provisions provide that a Fund shall not knowingly make an investment during, or for 60 calendar days after, the period in which AGF or an affiliate of AGF acts as an underwriter in the distribution of the investment. In addition, a Fund shall not knowingly make an investment in securities where a partner, director, officer or employee of AGF or its affiliates is a partner, director or officer of the issuer of the securities.

FUND GOVERNANCE

AGF has established an independent review committee (the “Independent Review Committee”) for all funds managed by AGF.

The Independent Review Committee is composed of three members: John B. Newman (Chair), Philippe Casgrain, Q.C., Ad.E., and Louise Morwick, CFA, each of whom is independent of the Manager and its affiliates. The Independent Review Committee functions in accordance with National Instrument 81-107 (“NI 81-107”). In accordance with NI 81-107, the mandate of the Independent Review Committee is to review and make recommendations with respect to, or in certain circumstances, approve, conflicts of interest matters brought to it by AGF.

The Funds have a Board of Governors and its duties are:

- to advise the trustee in matters pertaining to the investment objectives and strategies of the Funds, including any restriction on investment which it deems advisable;
- to receive and review periodic reports concerning the investment of the Funds’ assets, the issue and redemption of securities, and distributions to unitholders of the Fund; and
- to advise or review any other matter required by the provisions of the Funds’ Declaration of Trust if brought to their attention by the Manager.

AGF, in its capacity as manager of the Funds, has appointed an Audit Advisory Committee. The Audit Advisory Committee members are John B. Newman (Chair), Philippe Casgrain Q.C., Ad.E, H. Ian Macdonald, Paul Hogan and Louise Morwick, CFA, all of whom are independent of AGF.

The meetings of the Board of Governors are held at least quarterly, and more often as required. Six out of the nine members of the Board of Governors are independent of AGF. The names and municipalities of residence of each member of the Board and their principal business occupations or associations within the last five years are as follows:

Name and Municipality of Residence	Principal Business Association Within the Five Preceding Years
** Casgrain, Q.C., Ad.E, Philippe Nuns Island, Quebec	Counsel, Fraser Milner Casgrain LLP, Barristers and Solicitors, Montreal, Quebec
* Farquharson, CFA, William Robert Toronto, Ontario	Director and Vice Chairman, AGF Management Limited and AGF Funds Inc.; Director and President of the Corporate Funds; Director and/or Senior Officer of certain subsidiaries of AGF Management Limited, Toronto, Ontario
Hogan, Paul London, Ontario	Managing Director, Lambton Fencing Ltd., Petrolia, Ontario
* Hubbes, Martin Toronto, Ontario	Director, Executive Vice President and Chief Investment Officer of AGF Funds Inc., Director of the Corporate Funds
Macdonald, Hugh Ian Toronto, Ontario	President Emeritus and Professor of Economics and Public Policy, Schulich School of Business, York University, Toronto, Ontario
Martin, Joseph E. Toronto, Ontario	Executive in Residence and Adjunct Professor of Business Strategy with the Rotman School of Management, University of Toronto, Toronto, Ontario
** Morwick, CFA Louise Toronto, Ontario	Director and President, Silvercreek Management Inc., Toronto, Ontario
** Newman, John B. Toronto, Ontario	Chairman and Chief Executive Officer, Multibanc Financial Holdings Limited (investment holding company), Toronto, Ontario
Cameron, William D. Toronto, Ontario	Director, AGF All World Tax Advantage Group Limited

*Directors and officers of the Manager.

** Member of the Independent Review Committee

Codes of Ethics

As described in this document, AGF is a member of the AGF Group of Companies. As such, AGF and the Funds adhere to the AGF Group of Companies Code of Business Conduct and Ethics (the "Code"). The Code sets out general good business practices and outlines the standards by which all directors, officers and employees of AGF must conduct themselves in their business dealings. AGF also has a Code of Ethics for Personal Trading ("Personal Trading Code"), which applies to those individuals with access to information used in making investment decisions. A breach of any of the provisions of the Code and Personal Trading Code is grounds for warning, revisions of responsibilities, suspension or dismissal, with or without notice, depending on the particular circumstances.

Policy on the Use of Derivatives

The Funds may use derivatives as permitted under securities law. For more details, see *Derivatives* in the simplified prospectus of the Funds. Any use of derivatives by the Funds is governed by AGF's own policies and procedures relating to derivatives trading. These policies and procedures are prepared and reviewed by senior management of AGF. The decision as to the use of derivatives is made by senior AGF portfolio managers and the designated registered options principal reviews any trading in derivatives as part of AGF's ongoing compliance procedures.

Securities Lending and Repurchase Risk Management

Pursuant to the requirements of National Instrument NI 81-102, AGF will have policies and procedures to provide for appropriate internal controls, records and procedures. These include establishing lists of approved borrowers based on accepted creditworthiness standards, transaction and credit limits for each borrower and collateral diversification standards. The policies require a review, no less frequently than annually, of the adequacy of AGF's internal controls, of the Fund's agents to determine suitable administration is occurring in conformity with the regulatory requirements and of the terms of the related contracts. The policies also require appropriate changes to be implemented based on the findings of such reviews.

Proxy Voting Policies and Procedures

AGF, as manager the Funds, has established policies and procedures in relation to voting on matters for which the Funds receive, in their capacity as unitholders, proxy materials for a meeting of unitholders of an issuer. AGF, as manager of the Funds, has delegated the responsibility to vote issuer proxy solicitations to the portfolio managers of the Fund as part of their obligations in the general management of portfolio securities of the Fund.

The guidelines established by AGF provide a framework for each portfolio manager, including the portfolio managers of AGF, on how to approach the voting of securities held by the Funds to create a disciplined approach to voting.

Under the guidelines, the primary responsibility of the portfolio manager is to act in the best interest of a Fund, which includes maximizing positive economic effect on the Fund's value and to protect the Fund's rights as a unitholder. The guidelines include a discussion regarding particular matters brought to a vote but the guidelines are not exhaustive. A portfolio manager may depart from the guidelines on specific matters addressed in the policy where the portfolio manager believes it is necessary to do so in the best interests of the Fund and its unitholders.

Each of the Funds is considered to have received a solicitation at the time it or its portfolio manager has received notice at its offices. In the event a portfolio manager does not receive a solicitation within sufficient time to execute a vote, or the proxy is not submitted to the issuer in the time required, a Fund will not be able to vote on the matters solicited.

The policies and procedures that the Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling toll-free at 1-800-268-8583, e-mailing us at tiger@agf.com or writing to us at:

AGF Funds Inc.
Compliance Department
Suite 3100, 66 Wellington Street West
P.O. Box 50
Toronto Dominion Bank Tower
Toronto Dominion Bank Centre
Toronto, Ontario M5K 1E9

The guidelines for each of the commonly raised matters require case-by-case analysis with consideration given to the protection of shareholder rights and positive economic shareholder value. Factors to be considered for each include:

- **Appointment of Auditors:** Independence.
- **Election of Directors:** Independence, long-term director performance, egregious actions, compensation and structure.
- **Increase in Authorized Common/Voting Stock:** Dilution implications.
- **Changes in Capital Structure:** Economic effect and shareholder rights.
- **Executive Compensation:** Interest alignment and performance.
- **Employee Stock Purchase Plans:** Dilution, plan governance, shareholder rights and interests alignment.

- **Corporate Restructurings, Mergers and Acquisitions:** Strategic rationale, shareholder rights, financial implications and future economic prospects.
- **Poison Pills:** Shareholder rights and economic impact.
- **Any Proposal Affecting Shareholder Rights:** Preservation of rights and dilution implications.

Fund of Fund Voting

If a Fund invests in securities of another mutual fund, AGF will vote the securities the Fund holds in the underlying fund unless the underlying fund is managed by AGF. AGF will arrange for the unitholders of the Fund to vote the securities of the underlying fund where appropriate to do so in the circumstances.

Conflicts of Interest

A conflict of interest may exist where a portfolio manager, its employees or an entity related to it maintains a relationship (that is or may be perceived as significant) with the issuer soliciting the proxy or a third party with material interest in the outcome of the proxy vote.

In cases where AGF is the portfolio manager and such a conflict of interest may exist, AGF has formed a proxy committee, which will include members independent of the conflict, to consider the matter that is subject to the vote and make a determination, based upon representations to it, as to how to vote the proxy. Review and recommendations by the Independent Review Committee in such cases will also be obtained where required.

As manager, AGF confirms that each portfolio manager maintains a Code of Ethics that identifies the conflicts of interest and requires, at all times, the best interests of the Fund be placed ahead of the conflicting interest. Where the interest is a personal interest, the Code of Ethics must provide for specific consequences to the individuals involved in the event the interests of the Fund are not placed ahead of their own.

Proxy Voting Record

As manager, AGF will compile and maintain annual proxy voting records for the Fund for the annual periods beginning July 1 in a year and ending June 30 of the following year. After completion of an annual period, the proxy voting record will be made available on the AGF website by August 31 following the annual period. AGF will deliver a copy of the Fund's proxy voting record free of charge to unitholders of the Fund upon request.

Short-term Trading

AGF has in place procedures to detect, identify and deter inappropriate short-term trading and may alter them from time to time, without notice. AGF reviews, at the time an order is received and processed for an account, purchases and redemptions (including switches) of a Fund to determine whether a redemption or switch out is made within a 90 calendar day period. Such trades are considered short-term trades. In considering whether the short-term trade is inappropriate, AGF, in its discretion, reviews the value of the transaction to assess its potential impact to the Fund and other unitholders in the Fund.

If inappropriate short-term trading activity is detected, AGF will take such action as it considers appropriate to deter the continuance of such activity. Such action may include the charging of a short term trading fee on redemptions or switches and the rejection of future purchase orders where multiple or frequent short-term trading activity is detected in an account or group of accounts.

The Fund may charge you a short-term trading fee of 2% of the total amount you redeem, if the short term trade, as determined by AGF, is detrimental to the Fund or to other unitholders. The fee is deducted from the amount you redeem or switch, or it is charged to your account. The short-term trading fee is in addition to any other trading fees to which you would otherwise be subject under this annual information form.

The fee will not be applied in circumstances which do not involve inappropriate trading activity, including redemptions or switches:

- from money-market and short-term income funds

- that are systematic transactions available from AGF as optional services
- to access the 10% free redemption amount.

All unitholders of the Funds are subject to the short-term trading policy.

INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Funds, the following is a fair summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “Tax Act”), as of the date hereof, for the Funds and for holders of securities who, for the purposes of the Tax Act are resident in Canada, hold such securities as capital property and deal with the Funds at arm’s length. This summary is based on certain information provided to counsel by senior officers of AGF, the facts set out in this annual information form, the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) (the “Minister”) prior to the date hereof (the “Tax Proposals”), and counsel’s understanding of the current published administrative and assessing policies of Canada Revenue Agency (“CRA”).

This summary is based on the assumption that AGF expects that the Funds are not and are not expected to be mutual fund trusts, registered investments or qualified investments for registered plans.

This summary is not exhaustive of all possible federal income tax considerations and, other than the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action. This summary does not deal with foreign or provincial income tax considerations, which might differ from the federal considerations. This summary does not constitute legal or tax advice to any particular investor. Investors are advised to consult their own tax advisors with respect to their particular circumstances.

Taxation of the Funds

Each Fund has advised counsel that it will distribute to unitholders in each taxation year, where applicable, sufficient of its net income and net realized capital gains so that it will not be liable in any year for income tax under Part I of the Tax Act (after taking into account applicable losses) other than with respect to alternative minimum tax. A Fund that is not a mutual fund trust throughout a taxation year is not eligible for the capital gains refund for the year.

Each Fund is required to compute its income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes.

Generally, each Fund will include gains and deduct losses on income account in connection with its derivative activities and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. In addition, if the Funds are “financial institutions” (as discussed below), gains and losses from the disposition or deemed disposition of “mark-to-market property” will be included and deducted on income account and will be recognized for tax purposes at the time they are realized or deemed to be realized by the Funds.

The Minister has introduced revised Tax Proposals regarding the taxation of investments in foreign investment entities (“FIEs”). These Tax Proposals will generally apply for taxation years beginning after 2006. In general, these rules may require a Fund, if it invests in a “participating interest” (as defined in the Tax Proposals) of a FIE, to include in income for income tax purposes each year, (i) an amount equal to a prescribed percentage of the Fund’s designated cost of its participating interest in the FIE; (ii) if certain conditions are met, any gain on such participating interest for the year on a mark-to-market basis whether or not such gain has been realized; or (iii) if certain other conditions are met, the Fund’s proportionate share of the FIE’s income (or loss) calculated using Canadian rules. In limited circumstances, the resulting gain under the mark-to-market regime may be treated on capital account. Accordingly, if these Tax Proposals apply to the Fund, the Fund may be required to include in income such amounts that the Fund has not earned or received and unitholders will be taxable on the portion of such payments payable to them by the Fund as described below.

Amendments to the Tax Act announced in 2006 significantly change the income tax treatment of most publicly traded trusts and partnerships (other than certain REITs) and distributions or allocations, as the case may be, from

these entities to their investors. In particular, certain income earned by these entities will be taxed in a manner similar to income earned by a corporation, and distributions or allocations made by these entities to investors will be taxed in a manner similar to dividends from taxable Canadian corporations. These distributions or allocations will be deemed to be eligible dividends for the enhanced dividend tax credit if paid or allocated to a resident of Canada. These new rules are effective for the 2007 taxation year for trusts and partnerships that commenced public trading after October 31, 2006, but will be delayed until the 2011 taxation year for trusts and partnerships that were publicly traded prior to November 1, 2006 provided there is no “undue expansion” of the trust or partnership in the intervening period.

The Funds are not and are not expected to be “mutual fund trusts” as defined in the Tax Act. Therefore, for each taxation year, each Fund could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have an investor who is a “designated beneficiary” under the Tax Act at any time in the taxation year are subject to a special tax under Part XII.2 of the Tax Act on the trust’s “designated income” under the Tax Act. “Designated beneficiaries” generally include non-resident persons, non-resident owned investment corporations, certain trusts, certain partnerships and certain tax-exempt persons in certain circumstances where the tax-exempt person acquires securities from another beneficiary. “Designated income” generally includes income from business carried on in Canada (including from derivatives) and from Canadian real estate, timber resource properties and Canadian resource properties, and taxable capital gains from dispositions of taxable resource properties, and taxable capital gains from dispositions of taxable Canadian property. Any Part XII.2 tax is not expected to be significant since the Funds are not expected to have designated beneficiaries or any material designated income. Unitholders of a Fund who are resident in Canada will be eligible for a tax credit in respect of their proportionate amount of any such tax. In addition, a Fund that does not qualify as a mutual fund trust throughout a taxation year could be subject to alternative minimum tax and will not be permitted to have a taxation year-end other than December 31 of each year. The units of the Fund will also not be “Canadian securities” for purposes of the irrevocable election under subsection 39(4) of the Tax Act.

Each Fund will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution.

Taxation of Unitholders

Unitholders of a Fund are required to include in their income for tax purposes, for a particular year, the amount of net income and net realized taxable capital gains if any, paid or payable to them by the Fund and deducted by the Fund in computing its income for tax purposes. Any amount in excess of the net income and net realized taxable capital gains of the Fund, being a return of capital, that is paid or payable to a unitholder in a year should be generally not be included in computing such unitholder’s income for the year. However, the payment by the Fund of such excess amount to a unitholder, other than as proceeds of disposition of a unit or part thereof and other than the portion, if any, of that excess amount that represents the non-taxable portion of net realized capital gains of the Fund, will reduce the adjusted cost base of a unitholder’s securities. If the adjusted cost base of a unitholders securities would otherwise be less than zero as a result of such distributions of return of capital on the securities, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of securities and the adjusted cost base of the securities will be increased by the amount such deemed gain.

Each Fund will designate to the extent permitted by the Tax Act and in respect of eligible dividends the CRA’s administrative practice, the portion, if any, of the net income distributed to unitholders as may reasonably be considered to consist of, respectively, (i) taxable dividends received by the Fund on securities of taxable Canadian corporations, (ii) eligible dividends and (iii) net taxable capital gains of the Fund. Any such designated amount will be deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend, an eligible dividend and as a taxable capital gain, respectively. In the case of a unitholder who is an individual, the dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation and eligible dividends will apply. In the case of a unitholder that is a corporation, amounts designated as taxable dividends will be included in computing its income but generally will also be deductible in computing its taxable income. A private corporation or a subject corporation (as defined in the Tax Act) which is entitled to deduct such dividends in computing its taxable income will normally be subject to the Part IV refundable tax under the Tax Act.

Corporations, other than private corporations and certain financial intermediary corporations, should consult their own tax advisors as to the possible application of tax under Part IV.1 of the Tax Act on amounts designated as taxable dividends. Capital gains so designated will be subject to the general rules relating to the taxation of capital gains, where one-half of such gains are included in income as taxable capital gains. In addition, the Fund may similarly make designations in respect of its income from foreign sources so that, for the purpose of computing any foreign tax credit to a unitholder, the unitholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Fund to that country that is equal to the unitholder's share of the Fund's income from sources in that country. Unitholders will be advised each year of the composition of amounts distributed to them.

The amount of any capital gain or loss realized upon the redemption, transfer or other disposition of a unit will generally be the difference between the amount for which the unit is disposed of, net of any reasonable costs of disposition, and the adjusted cost base to the unitholder of the unit. The cost of units acquired by reinvestment of distributions will be the amount of such reinvestment. The adjusted cost base to a unitholder of its units of a Fund will generally be determined by reference to the average cost of all units of the Fund held by it at the time of the disposition. The portion of a capital gain included in income as taxable capital gains and the portion of capital losses which are allowable capital losses is one-half, subject to and in accordance with the detailed rules of the Tax Act.

Each Fund shall allocate all or any portion of the net taxable capital gains to unitholders who have redeemed units of the Fund at any time in the year, provided that such amount of net taxable capital gains allocated to a redeeming unitholder (the "Net Taxable Capital Gains Allocation on Redemption") shall not exceed the amount, if any, by which the amount payable on the redemption of the units exceeds the adjusted cost base of the units being redeemed. The Net Taxable Capital Gains Allocation on Redemption will be designated by the Fund such that such allocation will be deemed to be a taxable capital gain of the redeeming unitholder. In computing their gain on redemption, a redeeming unitholder's proceeds of disposition of their units by will be equal to the net asset value of such units (determined as of the applicable valuation day in respect of the redemption) less the amount of the Net Taxable Capital Gains Allocation on Redemption.

Alternative Minimum Tax

Individuals and certain trusts and estates are subject to alternative minimum tax. Such persons may be liable for this alternative minimum tax in respect of realized capital gains and/or dividends.

Registered Plans and Eligibility for Investment

Units of the Funds are not qualified investments under the Tax Act for registered plans and are not expected to be qualified investments for tax-free savings account (TFSA's). A registered plan or the holder of a TFSA may be subject to adverse tax consequences if it holds units of any of the Funds

Certain pooled fund trusts, closed-end unit trusts, investment corporations and certain registered investments are restricted under the Tax Act with respect to holding investments that are not marketable securities. The CRA may take the view that units of investment funds such as the Funds are not marketable securities for purposes of these restrictions.

REMUNERATION OF TRUSTEE AND OTHERS

The remuneration of the members of the Board of Governors of the Funds is the responsibility of AGF, as trustee of the Funds. AGF receives no trustee fees.

MATERIAL CONTRACTS

The material contracts that have been entered into by the Funds are as follows:

Declaration of Trust

AGF Funds are governed by the amended and restated Master Declaration of Trust dated November 24, 2006, as amended from time to time, entered into by AGF, in its capacity as trustee of the AGF Funds, and each

Supplemental Trust Indenture in respect of each Fund, as amended from time to time. AGF is not paid a fee in its capacity as trustee (as would be required if an outside trustee was hired), but is entitled to be reimbursed for any costs incurred on the Funds' behalf. AGF as manager of the Funds may terminate a Fund at any time by giving written notice to each unitholder of its intention to terminate in accordance with applicable securities legislation.

Management Agreement

The amended and restated Master Management Agreement between AGF and the AGF Funds is dated as of April 20, 2007 as amended from time to time. AGF may terminate the management agreement at any time by giving 90 calendar days written notice to the trustee of a Fund. If the trustee of a Fund wishes to terminate the agreement, it must first consult with AGF and upon approval by AGF; it must then call a meeting of securityholders of the Fund to obtain securityholder approval. The management agreement can also be terminated in accordance with applicable law.

Custodian Agreement

The Funds have been included in the Global Custodial Services Agreement dated August 11, 2008 between Citibank Canada and AGF Funds Inc. in its capacity as manager and trustee of the Funds and effective for a Fund on the date that such Fund's assets are transferred to Citibank Canada as custodian. This contract may be terminated by either the custodian or the trustee of the Funds giving 60 calendar days' prior written notice to the other party.

Investment Management Agreement

1. Amended and Restated Investment Management Agreement dated November 28, 2008 between AGF and INTECH Investment Management LLC and AGF All World Tax Advantage Group Limited.

Investment Advisory Agreement

1. Master Investment Advisory Agreement dated May 1, 2002 between AGF in its capacity as trustee of certain AGF Funds, AGF All World Tax Advantage Group Limited, AGF and AGF Asset Management Asia Ltd.
2. Master Investment Advisory Agreement dated March 23, 2001 between AGF in its capacity as trustee of certain AGF Funds, AGF All World Tax Advantage Group Limited, AGF Canadian Resources Fund Limited, AGF Canadian Growth Equity Fund Limited, AGF and AGF International Advisors Company Limited.
3. Amended and Restated Investment Advisory Agreement dated December 18, 2008 between AGF and Nomura Asset Management Co., Ltd., Nomura Asset Management U.S.A. Inc., Nomura Asset Management Hong Kong Limited and AGF All World Tax Advantage Group Limited.

Copies of the agreements described above may be inspected during regular business hours on any business day at the registered office of the Funds.

OTHER MATTERS

In September 2004, AGF received a notice from the Ontario Securities Commission ("OSC") related to its industry wide mutual fund probe into late trading and market timing practices. On December 16, 2004, the OSC approved a settlement with AGF in which AGF agreed to compensate affected investors in certain global funds targeted by a small number of market timers between August 2000 and June 2003. The total amount of AGF's compensation approved by the OSC as part of the settlement was \$29.2 million, plus interest and certain amounts received from the Investment Dealers Association in connection with its settlement with certain of its member firms, which was distributed to affected investors in accordance with a distribution plan approved by the OSC on June 30, 2005. The process of distributing the compensation to affected investors was completed in January 2006. The OSC has stated that they have found no evidence of late trading or of insiders of AGF engaging in market timing. AGF has taken measures to prohibit the practice of frequent trading market timing.

A motion to institute a class action proceeding against AGF and other fund companies was filed in the Superior Court of the Province of Quebec on October 25, 2004, claiming a breach of fiduciary duty in respect of market

timing practices. The claim, as amended, proposed a class of all Canadian residents who held securities in certain AGF funds between January 1, 2000 and December 31, 2003.

A motion to institute a class action proceeding against AGF, other fund companies and investment dealers was filed in the Superior Court of the Province of Ontario on December 17, 2004 claiming inappropriate "market timing transactions" in certain funds within the period September 1998 to September 2003. A second Ontario action was launched in December 2005.

AUDITOR'S CONSENT

AGF Asian Growth Fund
AGF Canada Fund
AGF European Equity Fund
AGF Global Resources Fund
AGF Japan Fund
AGF Special U.S. Fund
AGF U.S. Risk Managed Fund
AGF U.S. Value Fund
(the Funds)

We have read the simplified prospectus and the related annual information form of the Funds dated December 18, 2008 relating to the issue and sale of Series O units of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through incorporation by reference in the above-mentioned simplified prospectus of our report to the unitholder of the Funds on the statements of net assets as at December 18, 2008. Our report is dated December 18, 2008.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
December 18, 2008

CERTIFICATE OF THE FUND AND OF AGF FUNDS INC.
AS MANAGER AND TRUSTEE OF

AGF ASIAN GROWTH FUND AGF CANADA FUND AGF EUROPEAN EQUITY FUND AGF GLOBAL RESOURCES FUND	AGF JAPAN FUND AGF SPECIAL U.S. FUND AGF U.S. RISK MANAGED FUND AGF U.S. VALUE FUND
(the "Funds")	

Dated December 18, 2008

This annual information form, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

"Blake C. Goldring"
 Blake C. Goldring, CFA
 Chairman and Chief Executive Officer
 of AGF Funds Inc., Manager and
 Trustee of the Funds

"Greg Henderson"
 Greg Henderson, CA
 Senior Vice President and Chief
 Financial Officer of AGF Funds Inc.,
 Manager and Trustee of the Funds

On behalf of the Board of Directors of AGF Funds Inc., as Manager and Trustee of the Funds:

"William Robert Farquharson"
 William Robert Farquharson, CFA
 Director

"Martin Hubbes"
 Martin Hubbes, CFA
 Director

[Back cover]

AGF Group of Funds

Annual Information Form

AGF ASIAN GROWTH FUND AGF CANADA FUND AGF EUROPEAN EQUITY FUND AGF GLOBAL RESOURCES FUND	AGF JAPAN FUND AGF SPECIAL U.S. FUND AGF U.S. RISK MANAGED FUND AGF U.S. VALUE FUND
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Additional information about the Funds is available in their most recently filed annual financial statements and annual management report of fund performance, and interim financial statements and interim management report of fund performance. You can get a copy of these documents, including a statement of portfolio transactions, at no charge by contacting your registered representative, calling us toll-free 1-800-268-8583 or in Toronto 416-367-1900, e-mailing us at tiger@agf.com or writing to us at the address below. These documents and other information about the Funds are also available at www.sedar.com.

Unless otherwise indicated herein, information about the Funds which may otherwise be obtained on the AGF website is not, and shall not be deemed to be, incorporated by reference in this annual information form.

Manager of the AGF Funds:

AGF Funds Inc.
Suite 3100, 66 Wellington Street West
Toronto Dominion Bank Tower
Toronto Dominion Centre
Toronto, Ontario M5K 1E9



What are you doing after work?

AMENDMENT NO. 1 DATED MARCH 3, 2009 TO THE ANNUAL INFORMATION FORM DATED DECEMBER 18, 2008 (THE "AIF"), OF

**AGF Special U.S. Fund (Series O securities)
AGF U.S. Value Fund (Series O securities)**

(the "Funds")

The AIF relating to the offering of Series O securities of the Funds is hereby amended as set out below. All capitalized terms have the respective meaning set out in the AIF, unless otherwise specifically defined in this Amendment No. 1.

PROPOSED CHANGE OF INVESTMENT OBJECTIVE

At special meetings of securityholders to be held on April 14, 2009 (the "Meetings"), securityholders of AGF Special U.S. Fund will be asked to approve the following proposed change to the investment objective of AGF Special U.S. Fund:

Existing Investment Objective	Proposed Investment Objective
The Fund's objective is to provide superior capital growth. It invests primarily in shares of U.S. companies that are expected to profit at above average rates.	The Fund's objective is to provide long-term capital growth. It invests primarily in equity securities of established U.S. companies.

NAME CHANGE

If the proposed change to the investment objective of AGF Special U.S. Fund is approved by securityholders (as described above), the name of AGF Special U.S. Fund will be changed to AGF American Growth Fund.

PROPOSED MERGERS

Subject to regulatory and securityholder approvals, AGF is proposing to merge the Merging Fund listed below into the Continuing Fund listed opposite the Merging Fund as follows:

Merging Fund	Continuing Fund
AGF U.S. Value Fund	AGF Special U.S. Fund*

**As described in this Amendment No. 1, securityholders of this fund are being requested to approve changing the investment objective so that the fund's investment objective is aligned with AGF American Growth Class. If securityholder approval is obtained to change the investment objective of this fund, it will be re-named "AGF American Growth Fund".*

At the Meetings, securityholders of AGF U.S. Value Fund will be asked to approve the proposed merger on a taxable basis of AGF U.S. Value Fund into AGF Special U.S. Fund (to be re-named AGF American Growth Fund).

If the required securityholder and regulatory approvals are obtained for the proposed merger, it is expected that the merger will be effective on or about May 22, 2009 (or such other date as determined by AGF), after which time, the Merging Fund will be wound up and terminated.

**CERTIFICATE OF THE FUNDS AND OF AGF FUNDS INC.
AS MANAGER AND TRUSTEE OF**

**AGF Special U.S. Fund
AGF U.S. Value Fund
(the “Funds”)**

Dated March 3, 2009

This Amendment No. 1, together with the annual information form dated December 18, 2008 (the “**Annual Information Form**”), and the simplified prospectus dated December 18, 2008, as amended by Amendment No. 1 dated March 3, 2009 (the “**Simplified Prospectus**”), required to be sent or delivered to a purchaser during the currency of the Annual Information Form, as amended, and the documents incorporated by reference into the Simplified Prospectus, as amended, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as amended, as required by the securities legislation of all of the provinces and territories of Canada and do not contain any misrepresentations.

“Blake C. Goldring”

Blake C. Goldring
Chairman and Chief Executive Officer of AGF
Funds Inc., Manager and Trustee of the Funds

“Greg Henderson”

Greg Henderson
Senior Vice President and Chief Financial
Officer of AGF Funds Inc., Manager and
Trustee of the Funds

On behalf of the Board of Directors of AGF Funds Inc., as Manager and Trustee of the Funds:

“William Robert Farquharson”

William Robert Farquharson, Director

“Martin Hubbes”

Martin Hubbes, Director