



**ANNUAL INFORMATION FORM OF HARMONY POOLS AND PORTFOLIOS  
DATED JULY 16, 2009**

**OFFERING EMBEDDED SERIES, SERIES F, SERIES T, SERIES V AND WRAP SERIES SECURITIES OF**

Harmony Canadian Enhanced Fixed Income Pool Class\*  
Harmony Canadian Equity Pool  
Harmony Canadian Equity Pool Class\*  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool\*\*  
Harmony Non-traditional Pool  
Harmony Non-traditional Pool Class\*  
Harmony Overseas Equity Pool  
Harmony Overseas Equity Pool Class\*  
Harmony U.S. Equity Pool  
Harmony U.S. Equity Pool Class\*

(the "Pools")

Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Growth Portfolio Class\*  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Plus Portfolio Class\*  
Harmony Growth Portfolio  
Harmony Growth Portfolio Class\*  
Harmony Maximum Growth Portfolio  
Harmony Maximum Growth Portfolio Class\*

(the "Portfolios")

*\*Classes of Harmony Tax Advantage Group Limited*

*\*\*Only Embedded Series, Series F and Wrap Series offered for Harmony Money Market Pool*

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

The Pools, Portfolios and the securities they offer under this annual information form are not registered with the U.S. Securities and Exchange Commission. Securities of the Pools and Portfolios are offered and sold in the United States only in reliance on exemptions from registration.



**What are you doing after work?**

## TABLE OF CONTENTS

INTRODUCTION .....	1
FORMATION AND HISTORY OF THE POOLS AND PORTFOLIOS .....	2
INVESTMENT RESTRICTIONS AND PRACTICES.....	6
DESCRIPTION OF SECURITIES OF THE POOLS AND PORTFOLIOS.....	7
NET ASSET VALUE .....	10
PURCHASES, SWITCHES AND REDEMPTIONS .....	13
RESPONSIBILITY FOR OPERATIONS OF THE POOLS AND PORTFOLIOS .....	17
CONFLICTS OF INTEREST .....	32
FUND GOVERNANCE.....	34
INCOME TAX CONSIDERATIONS .....	38
REMUNERATION OF DIRECTORS, TRUSTEE AND OTHERS.....	44
MATERIAL CONTRACTS .....	44
OTHER MATTERS.....	45
CERTIFICATES .....	47

## INTRODUCTION

In this annual information form:

- **we, us, our** and **AGF** refer to AGF Funds Inc.
- **Board** refers to the board of directors of Harmony Tax Advantage Group.
- **Class(es)** refers to a Corporate Class Pool and/or a Corporate Class Portfolio.
- **Corporate Class Pools** and **Corporate Class Portfolios** refer to the Harmony mutual fund Pools and Portfolios that are structured as classes of Harmony Tax Advantage Group and issue shares.
- **CRA** refers to Canada Revenue Agency.
- **Embedded Series** refers to the Embedded Series securities offered in this annual information form.
- **ETFs** refers to investment funds traded on a stock exchange (i.e. exchange-traded funds).
- **Group RRSP** refers to a group registered retirement savings plan.
- **Harmony Tax Advantage Group** refers to Harmony Tax Advantage Group Limited, the mutual fund corporation that offers the Corporate Class Pools and Corporate Class Portfolios. Each Corporate Class Pool and Corporate Class Portfolio is like a separate mutual fund with its own investment objectives.
- **LIF** refers to a life income fund.
- **LIRA** refers to a locked-in retirement account.
- **LRIF** refers to a locked-in retirement income fund.
- **LRSP** refers to a locked-in retirement savings plan.
- **Pools** refer to all of the Harmony mutual fund Pools within the Harmony Investment Program, whether offered as Trust Pools or Corporate Class Pools, and **Pool** refers to any one of them.
- **Portfolios** refer to all of the Harmony mutual fund Portfolios within the Harmony Investment Program, whether offered as Trust Portfolios or Corporate Class Portfolios, and **Portfolio** refers to any one of them.
- **PRIF** refers to a prescribed registered income fund.
- **registered dealer** refers to the firm the registered representative works for.
- **registered representative** refers to an individual who is registered to sell mutual funds.
- **RLSP** refers to a restricted locked-in savings plan.
- **RLIF** refers to a restricted life income fund.
- **RRIF** refers to a registered retirement income fund.
- **RRSP** refers to a registered retirement savings plan.
- **securities** refer to both units and/or shares.
- **securityholders** refer to both unitholders and/or shareholders.
- **Series F** refers to the Series F securities offered in this annual information form.
- **Series T** refers to the Series T securities offered in this annual information form.
- **Series V** refers to the Series V securities offered in this annual information form.
- **TFSA** refers to a tax-free savings account.
- **Trust Pools** and **Trust Portfolios** refer to the Harmony mutual fund Pools and Portfolios that are structured as mutual fund trusts and issue units.
- **Underlying Pool** refers to a Trust Pool in which a Trust Portfolio, a Corporate Class Pool or a Corporate Class Portfolio invests.
- **Wrap Series** refers to the Wrap Series securities offered in this annual information form.

The registered office and principal place of business of the Pools and Portfolios is the head office of AGF, Suite 3100, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario M5K 1E9. AGF can be contacted via telephone 416-367-1900 or toll free 1-800-387-2563, via e-mail at [harmony@agf.com](mailto:harmony@agf.com).

## FORMATION AND HISTORY OF THE POOLS AND PORTFOLIOS

AGF is the manager of all the Pools and Portfolios, and the trustee of the Trust Pools and Trust Portfolios. The registered office of the Pools and Portfolios and AGF is located at Suite 3100, 66 Wellington Street West, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario M5K 1E9.

### *Corporate Class Pools and Corporate Class Portfolios*

Each of the Corporate Class Pools and Corporate Class Portfolios is a class of Harmony Tax Advantage Group, which was incorporated on May 13, 2008 under the *Business Corporations Act* (Ontario). Harmony Tax Advantage Group is authorized to issue a class of special voting shares and 100 classes of mutual fund shares, of which 9 have currently been issued, although we may issue more in the future. Each class is authorized to issue 20 series of shares. The board of Harmony Tax Advantage Group is authorized to refer to each Class by a name.

The following chart shows the names of each Class and series and when each Class was started:

<b>Class</b>	<b>Date Started</b>
Class 1 - Harmony Canadian Equity Pool Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 2 - Harmony Canadian Enhanced Fixed Income Pool Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 3 - Harmony Non-traditional Pool Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 4 - Harmony Overseas Equity Pool Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 5 - Harmony U.S. Equity Pool Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 6 - Harmony Balanced Growth Portfolio Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 7 - Harmony Growth Plus Portfolio Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 8 - Harmony Growth Portfolio Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008
Class 9 - Harmony Maximum Growth Portfolio Class: Embedded Series, Series F, Series T, Series V, and Wrap Series	August 11, 2008

*Trust Pools and Trust Portfolios*

The Trust Pools and Trust Portfolios are open-end mutual fund trusts formed under the laws of Ontario. Each Trust Pool and Trust Portfolio has entered into a supplemental trust indenture with AGF, in its capacity as trustee of each Trust Pool and Trust Portfolio, and each of the supplemental trust indentures incorporate by reference the amended and restated master declaration of trust dated August 11, 2008, as amended from time to time, containing the standard terms and conditions of each Trust Pool and Trust Portfolio.

The following is a summary of important changes to the Trust Pools and Trust Portfolios since their inception.

<b>Name of Pool</b>	<b>Date of Formation</b>	<b>Name Changes</b>	<b>Portfolio Manager Changes</b>	<b>Other Changes</b>
Harmony Canadian Equity Pool*	December 10, 1996	-	<p>January 19, 2009 – Each of Connor, Clark &amp; Lunn Investment Management Ltd., Scheer, Rowlett &amp; Associates Investment Management Ltd., MFC Global Investment Management (Canada) and Highstreet Asset Management Inc. appointed as portfolio managers to the Pool; each of AGF Funds Inc. and Foyston, Gordon &amp; Payne Inc. terminated as portfolio managers to the Pool</p> <p>September 2, 2008 – Ridgewood Capital Asset Management Inc. assumed portfolio manager responsibilities of Mulvihill Capital Management Inc.</p> <p>May 23, 2008 – AGF Funds Inc. was appointed as a third portfolio manager to the Pool</p> <p>January 6, 2004 - Foyston, Gordon and Payne replaced AGF Private Investment Management Limited</p> <p>September 1, 2000 – AGF Private Investment Management Limited (Magna Vista Investment Management) replaced Beutel, Goodman &amp; Company Ltd.</p>	<p>August 11, 2008 – created Series F, Series T and Series V of the Pool</p> <p>May 23, 2008 – Harmony Americas Small Cap Equity Pool merged into Harmony Canadian Equity Pool</p> <p>December 20, 2002 – created Embedded Series of the Pool</p>
Harmony Canadian Fixed Income Pool*	December 10, 1996	-	-	<p>August 11, 2008 – created Series F, Series T and Series V of the Pool</p> <p>December 20, 2002 – created Embedded Series of the Pool</p>

Name of Pool	Date of Formation	Name Changes	Portfolio Manager Changes	Other Changes
Harmony Money Market Pool*	January 26, 2000	-	-	<p>July 16, 2009 – removed Series T and Series V from the Pool</p> <p>August 11, 2008 – created Series F, Series T and Series V of the Pool</p> <p>December 20, 2002 – created Embedded Series of the Pool</p>
Harmony Overseas Equity Pool*	December 10, 1996	-	<p>January 19, 2009 – Each of AllianceBernstein Canada Inc., Tradewinds Global Investors, LLC and Martin Currie Inc. appointed as portfolio managers to the Pool; Harris Associates L.P. terminated as portfolio manager to the Pool</p> <p>May 2, 2008 – Principal Global Investors, LLC was appointed as a third portfolio manager to the Pool</p> <p>November 19, 2004 – McKinley Capital Management Inc. replaced Oechsle International Advisors LLP</p> <p>August 22, 2002 – Harris Associates L.P. replaced Brandes Investment Partners, L.P.</p> <p>September 1, 2000 – Oechsle International Advisors, LLC. replaced Goldman Sachs Asset Management</p>	<p>August 11, 2008 – created Series F, Series T and Series V of the Pool</p> <p>December 20, 2002 – created Embedded Series of the Pool</p>

Name of Pool	Date of Formation	Name Changes	Portfolio Manager Changes	Other Changes
Harmony U.S. Equity Pool*	March 11, 1998	May 21, 2002 – name changed from Harmony U.S. Active Equity Pool to Harmony U.S. Equity Pool	<p>January 19, 2009 – Each of Turner Investment Partners, Inc., Rainier Investment Management, Inc. and Goldman Sachs Asset Management, L.P. appointed as portfolio managers to the Pool; William Blair &amp; Company, L.L.C. terminated as portfolio manager to the Pool</p> <p>May 14, 2008 – William Blair &amp; Company, L.L.C. was appointed as a third portfolio manager to the Pool</p> <p>May 4, 2006 – Systematic Financial Management, L.P. replaced Boston Partners Asset Management, LLC</p> <p>January 6, 2004 – INTECH Investment Management, LLP replaced Munder Capital Management</p> <p>August 22, 2002 – Boston Partners Asset Management LLC replaced Denver Investment Advisors LLC</p> <p>May 16, 2002 – AGF Funds Inc. replaced PanAgora Asset Management, Inc.</p> <p>July 24, 1998 – Denver Investment Advisors LLC was appointed the second portfolio manager of the Pool</p>	<p>August 11, 2008 – created Series F, Series T and Series V of the Pool</p> <p>December 20, 2002 – created Embedded Series of the Pool</p>
Harmony Balanced and Income Portfolio	January 14, 2005	-	-	<p>August 11, 2008 – created Series F and Series V of the Portfolio</p> <p>November 24, 2006 – created Series T of the Portfolio</p>
Harmony Balanced Growth Portfolio	June 5, 2007	-	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio

Name of Pool	Date of Formation	Name Changes	Portfolio Manager Changes	Other Changes
Harmony Balanced Portfolio**	January 5, 2004	-	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio
Harmony Conservative Portfolio	January 5, 2004	-	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio
Harmony Growth Plus Portfolio**	January 5, 2004	January 14, 2005 - Name changed from Harmony Aggressive Growth Portfolio to Harmony Growth Plus Portfolio	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio
Harmony Growth Portfolio**	January 5, 2004	-	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio
Harmony Maximum Growth Portfolio**	January 5, 2004	-	-	August 11, 2008 – created Series F, Series T and Series V of the Portfolio

*\*The French equivalent of these Pool names were changed on December 20, 2002 to be consistent with the amended and restated declaration of trust dated December 20, 2002.*

*\*\* Harmony RSP Balanced Portfolio, Harmony RSP Growth Plus Portfolio, Harmony RSP Growth Portfolio and Harmony RSP Maximum Growth Portfolio were merged into their corresponding non-RSP Harmony Portfolios on July 7, 2006.*

## INVESTMENT RESTRICTIONS AND PRACTICES

### Investment Restrictions

Except as described below, the Pools and Portfolios are subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 (“NI 81-102”). This legislation is designed, in part, to ensure that the investments of the Pools and Portfolios are diversified and relatively liquid and to ensure the proper administration of the Pools and Portfolios. The Pools and Portfolios are managed in accordance with these investment restrictions and practices.

A change to the fundamental investment objectives of the Pools and Portfolios cannot be made without obtaining securityholder approval. AGF may change the investment strategies of the Pools and Portfolios from time to time at its discretion.

### General Investment Practices

Each Corporate Class Pool will invest in or obtain exposure to a specified Underlying Pool, provided such investment does not contravene any investment restrictions or practices adopted.

Each Trust Pool’s assets may be invested in such securities as the portfolio manager of the Trust Pool sees fit, provided such investments do not contravene any investment restrictions or practices adopted. Each Trust Pool may also retain all or part of the Trust Pool’s assets in cash. The proportion of a Trust Pool’s investment in any

type or class of security or country may vary significantly. Portfolio managers may attempt to protect the net asset values and total returns of the Trust Pools under their management by using derivative instruments for both hedging and non-hedging purposes.

Each Portfolio's (Trust Portfolios and Corporate Class Portfolios) assets will be invested in one or more Underlying Pools as determined by AGF based on recommendations from Wilshire Associates Incorporated. In addition to asset allocation for the Portfolios, Wilshire Associates Incorporated provides AGF with advice respecting portfolio manager research and selection for the Trust Pools, portfolio construction and ongoing support.

Each Portfolio and Pool may hold a portion of its assets in cash or money market instruments during periods of market downturn or for other reasons.

## DESCRIPTION OF SECURITIES OF THE POOLS AND PORTFOLIOS

The Trust Pools and Trust Portfolios may have an unlimited number of series of units and may issue an unlimited number of units of each series.

Harmony Tax Advantage Group is currently authorized to issue a class of special voting shares and 100 classes of mutual fund shares, issuable in series. The special voting shares are entitled to vote at all meetings of securityholders except at meetings of a class or series of shares, are entitled to \$10 on redemption or on the liquidation of Harmony Tax Advantage Group but have no rights to dividends or distributions or to participate in the remaining property of Harmony Tax Advantage Group on the liquidation of Harmony Tax Advantage Group. Each Corporate Class Pool and Corporate Class Portfolio may have 20 series of shares and may issue an unlimited number of shares of each series.

Except in the case of Harmony Money Market Pool, each of the Pools and Portfolios offers five series of securities (as further described below): Embedded Series, Series F, Series T, Series V and Wrap Series. Harmony Money Market Pool offers Embedded Series, Wrap Series and Series F only. Not all of the series of securities qualified for distribution by this annual information form are currently available for purchase; a series of securities will only be available when AGF so determines.

**Embedded Series:** Designed for any investors.

**Series F:** Designed for investors who are: (i) participants in a fee-for-service account program sponsored by certain registered dealers, or (ii) employees of AGF Management Limited and its Canadian subsidiaries.

**Series T:** Designed for investors seeking regular monthly distributions of a return of capital, at a higher rate than Series V securities.

**Series V:** Designed for investors seeking regular monthly distributions of a return of capital.

**Wrap Series:** Designed for investors who are participants in a wrap account program sponsored by certain registered dealers and who pay a service fee directly to their registered dealer. The Pool or Portfolio does not bear a management fee payable to AGF.

## Distribution Rights for Trust Pools and Trust Portfolios

The Trust Pools and Trust Portfolios may make monthly distributions to some or all series based on a rate determined by AGF from time to time, which rate will not necessarily be the same for all series. If the aggregate amount of the monthly distributions made to Series T or Series V in a year exceeds the portion of the net income and net realized capital gains allocated to Series T or Series V, the excess will constitute a return of capital. In respect of Series T and Series V, the regular monthly distributions, including the December monthly distribution, will be reinvested or, if requested by the investor, paid in cash. If there is a second distribution in December to investors in Series T or Series V, the second distribution is automatically reinvested. Distributions on units held

in Harmony registered plans are always reinvested in additional units of the Trust Pools or Trust Portfolios, as applicable. Distributions on units held in other registered plans or non-registered accounts are reinvested in additional units of the Trust Pools and Trust Portfolios, unless you tell us that you want cash payments instead. Each series of the Trust Pools and Trust Portfolios is entitled to its share of the Trust Pool or Trust Portfolio's net income and realized capital gains adjusted for the series specific expenses relative to the Trust Pool or Trust Portfolio.

### **Dividend Rights and Distributions for Corporate Class Pools and Corporate Class Portfolios**

Harmony Tax Advantage Group does not pay dividends at regular intervals. Harmony Tax Advantage Group intends to pay ordinary dividends or capital gains dividends only to the extent necessary to obtain refunds of tax under the Income Tax Act (Canada) (the "Tax Act") and in such event, the dividend is expected to be declared no later than 15 days after the financial and tax year end of Harmony Tax Advantage Group. Any dividends would generally be allocated amongst all Corporate Class Pools and Corporate Class Portfolios on a proportional basis, but the Board has the right to pay dividends only to a particular Corporate Class Pool or Corporate Class Portfolio if the Board believes it is appropriate to do so based upon the recommendation of AGF. Any dividend payable will be shared amongst all series of the Corporate Class Pool or Corporate Class Portfolio, after adjusting for series specific expenses. The Board may introduce, upon the recommendation of AGF, a dividend policy at any time. Dividends on shares held in AGF registered plans are always reinvested in additional shares of the relevant Corporate Class Pool or Corporate Class Portfolio. Similarly, dividends on Series T shares or Series V shares are always reinvested. Dividends on shares held in other series or in other registered plans or non-registered accounts are reinvested in additional shares of the Corporate Class Pool or Corporate Class Portfolio, unless you tell us that you want cash payments instead.

Harmony Tax Advantage Group has a policy to make monthly distributions of capital to Series T shares and Series V shares. Distributions will be payable on Series T shares or Series V shares of a particular Corporate Class Pool or Corporate Class Portfolio only so long as there is sufficient capital attributable to the relevant series. Distributions on Series T or Series V shares held in AGF registered plans are always reinvested in additional shares of the relevant Corporate Class Pool or Corporate Class Portfolio. Distributions on Series T shares or Series V shares held in other registered plans or non-registered accounts are reinvested in additional shares of the Corporate Class Pool or Corporate Class Portfolio, unless you tell us that you want cash payments instead.

### **Liquidation Rights**

Each series of the Trust Pools and Trust Portfolios will be entitled to a distribution in the event of dissolution of the Trust Pool or Trust Portfolio. The distribution is equal to that series' proportionate share of the net assets of the Trust Pool or Trust Portfolio after adjustment for expenses of the Trust Pool or Trust Portfolio attributable to the series.

In the event of the liquidation or dissolution of Harmony Tax Advantage Group, all Corporate Class Pools and Corporate Class Portfolios have the right to participate in the remaining property of Harmony Tax Advantage Group based on the relative net asset value of each Corporate Class Pool and Corporate Class Portfolio. In the event of the liquidation or dissolution of Harmony Tax Advantage Group, if amounts payable on a return of capital in respect of a series of shares are not paid in full, the shares of all series of a Corporate Class Pool or Corporate Class Portfolio participate ratably on a return of capital based on the relative net asset value of each series of such Corporate Class Pool or Corporate Class Portfolio.

### **Redemptions**

All securities of the Pools and Portfolios are redeemable, at the option of the securityholder, on the basis described under *Selling Pools or Portfolios*.

If, at any time, you no longer satisfy the criteria that may be established by AGF as trustee of the Trust Pools and Trust Portfolios for holding a particular series of units, then your units may be redeemed by the relevant Trust Pool or Trust Portfolio.

Harmony Tax Advantage Group may, in its discretion, redeem shares of any series at their net asset value per share: (a) if the total value of a securityholder's holdings of a Corporate Class Pool or Corporate Class Portfolio falls below a specified amount as fixed by Harmony Tax Advantage Group from time to time; (b) to pay any outstanding fees or expenses owed by the securityholder in accordance with the simplified prospectus; (c) if a securityholder fails to meet the eligibility requirements for those shares and such shares are not, in the discretion of Harmony Tax Advantage Group, converted to another series of shares; (d) if authorized to do so by applicable law or by securities regulators; or (e) if the holding of such shares by such securityholder would have an adverse effect on other securityholders.

### **Reclassifications for Trust Pools and Trust Portfolios**

Each series of units of the Trust Pools and Trust Portfolios can be reclassified into another series of units within the same Trust Pool or Trust Portfolio provided that you meet certain criteria that may be established by AGF as trustee of the Trust Pool or Trust Portfolio. If, after reclassification, you no longer satisfy the criteria, your units may be reclassified back to units of the original series, if not otherwise redeemed by the relevant Trust Pool or Trust Portfolio, or may be reclassified into another series if you so direct, and if you meet the criteria for such series.

### **Conversions for Corporate Class Pools and Corporate Class Portfolios**

The movement of your investment money from one Corporate Class Pool or Corporate Class Portfolio to another Corporate Class Pool or Corporate Class Portfolio, from one series to another series of the same Corporate Class Pool or Corporate Class Portfolio, or from one series of a Corporate Class Pool or Corporate Class Portfolio to a different series of a different Corporate Class Pool or Corporate Class Portfolio, is called a conversion.

If you wish to change your investment objective within Harmony Tax Advantage Group, you convert from one Corporate Class Pool or Corporate Class Portfolio to another Corporate Class Pool or Corporate Class Portfolio. You may request that your shares of a series of a Corporate Class Pool or Corporate Class Portfolio be converted into shares of another series of the same Corporate Class Pool or Corporate Class Portfolio or of another Corporate Class Pool or Corporate Class Portfolio provided that you meet certain criteria that may be established by the Corporate Class Pool or Corporate Class Portfolio. If after conversion, you no longer satisfy the criteria applicable to a particular Corporate Class Pool or Corporate Class Portfolio or series, your shares may be converted back to shares of the original series, if not otherwise redeemed, or may be converted into another series if you so direct and if you meet the criteria for such series.

### **Voting Rights**

Securityholders of the Corporate Class Pools and Corporate Class Portfolios do not have the right to vote except as required by the Business Corporations Act (Ontario) ("OBCA") or by Canadian securities legislation. If securityholders of a Corporate Class Pool or Corporate Class Portfolio are entitled to vote, they will have one vote for each share held. Securityholders of a Corporate Class Pool or Corporate Class Portfolio or a series thereof have the right to vote on matters prescribed by the OBCA, including in particular the modification of the rights and conditions attaching to such Corporate Class Pool or Corporate Class Portfolio or a series thereof. However, no vote of securityholders of a Corporate Class Pool or Corporate Class Portfolio or series is required (and no rights to dissent arise) to:

- increase any maximum number of authorized shares of a Corporate Class Pool or Corporate Class Portfolio having rights or privileges equal or superior to the shares of such Corporate Class Pool or Corporate Class Portfolio;
- effect an exchange, reclassification or cancellation of all or part of the shares of the Corporate Class Pool or Corporate Class Portfolio; or
- create a new Corporate Class Pool or Corporate Class Portfolio having rights equal or superior to the shares of such Corporate Class Pool or Corporate Class Portfolio.

In addition, if no shares of a series are outstanding, the board of directors of Harmony Tax Advantage Group may change the rights, privileges, restrictions and conditions attaching to such series.

In respect of the Trust Pools and Trust Portfolios, each holder of a whole unit of any series has one vote per unit at all meetings of securityholders of the Trust Pool or of the Trust Portfolio, except meetings at which the holders of another series have a right to vote separately as a series.

If securityholders of an Underlying Pool (held by a Corporate Class Pool, a Corporate Class Portfolio or a Trust Portfolio) are asked to vote on an issue, a securityholder of the Corporate Class Pool, Corporate Class Portfolio or Trust Portfolio can direct AGF how to vote such holdings in the Underlying Pool.

While the Pools and Portfolios do not hold regular meetings, pursuant to current Canadian securities legislation, the approval of securityholders is required for:

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

## **NET ASSET VALUE**

### **Calculation of Net Asset Value**

The security price of each series of a Pool or Portfolio is called the net asset value per security of such series. We calculate the security price of each series of a Pool or Portfolio by:

- adding up the assets of the Pool or Portfolio and determining the proportionate share of the series;
- subtracting the liabilities of the Pool or Portfolio that are common to all series and determining the proportionate share of the series;
- subtracting the liabilities of the Pool or Portfolio that are specific to the series; and
- dividing the balance by the number of Pool or Portfolio securities of the series held by securityholders.

In addition, common expenses of Harmony Tax Advantage Group are shared by all Corporate Class Pools and Corporate Class Portfolios and are allocated based on the relative net asset values of each Corporate Class Pool and Corporate Class Portfolio. We may allocate expenses to a particular Corporate Class Pool or Corporate Class Portfolio when it's reasonable to do so.

When you buy, sell or switch securities of a Pool or Portfolio, the price per security is the next net asset value per security we calculate after receiving your order.

We calculate the net asset value of each series of a Pool or Portfolio 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.

The net asset value of Harmony Money Market Pool remains constant since all income received by the Pool will be credited daily to securityholders. However, no assurance can be given in this regard.

## Valuation of Portfolio Securities and Liabilities

The net asset value of the Pools and Portfolios must be calculated using the fair value of the assets and liabilities of the Pools and Portfolios. A summary of the valuation principles used to value the assets held by the Pools and Portfolios 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	If a Pool or Portfolio invests in another mutual fund, the series net asset value per security held by the Pool or Portfolio as of the end of the business day will be used.
Underlying Pools in the case of the Corporate Class Pools and the Portfolios (Corporate Class Portfolios and Trust Portfolios)	Net asset value per security of the relevant series of the Underlying Pool, which is expected to be the Wrap Series.
Bonds, time notes, shares, subscription rights and other securities listed or traded on a stock exchange or other market	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 ask prices or at a price no higher than the closing ask price and no lower than the closing bid price.</li> <li>• 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.</li> <li>• If the securities are listed or traded on more than one exchange or market, the Pool or Portfolio uses the closing sale price from the principal exchange or market on which such securities are listed or traded.</li> </ul>
Restricted securities as defined in NI 81-102	<p>One of the following values, whichever is less:</p> <ul style="list-style-type: none"> <li>• the value based on the reported closing price; or</li> <li>• 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 Pool or Portfolio 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.</li> </ul>

Type of Asset	Method of Valuation
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"> <li>• 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.</li> <li>• 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 ask prices or at a price no higher than the closing ask price and no lower than the closing bid price.</li> <li>• 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.</li> <li>• If the securities are listed or traded on more than one exchange or market, the Pool or Portfolio uses the closing sale price from the principal exchange or market on which such securities are listed or traded.</li> </ul>
Premiums received from written clearing corporation options, or 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 Pool or Portfolio. 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"> <li>• If the futures contract listed on a stock exchange was traded on the day the net asset value is being determined, the settlement price.</li> <li>• 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 ask prices or at a price no higher than the closing ask price and no lower than the closing bid price.</li> <li>• 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.</li> </ul>
Foreign exchange forward contracts	<ul style="list-style-type: none"> <li>• Foreign exchange forward contracts are valued based on the difference between the contract forward rate and the forward rates prevailing on the valuation date.</li> </ul>

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

The liabilities of each Pool and Portfolio 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, including unpaid distributions
- all allowances authorized or approved by the trustee for taxes, and
- all other liabilities of the Pool and Portfolio except liabilities to investors for outstanding securities.

We will use the fair value when securities are not traded and where they are usually traded 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 Pools and Portfolios to use fair value, it does not require investment funds to determine fair value in accordance with the Canadian Institute of

Chartered Accountants Handbook (the “CICA Handbook”). The Pools and Portfolios calculate the net asset value of securities on the basis of the valuation principles set forth in this annual information form. Our valuation principles differ in some respects from the requirements of the CICA Handbook, which are used for financial reporting purposes only. 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 or other market	Closing sale price; if closing sale price is not available, use average of closing bid and ask prices	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
Foreign exchange forward contracts	Valued based on the difference between the contract forward rate and the forward rates prevailing on the valuation date	Valued based on the difference between the contract forward rate and the forward bid rate (for currency held) and the forward ask rate (for currency sold short)

## PURCHASES, SWITCHES AND REDEMPTIONS

### Buying Pools and Portfolios

The Harmony Investment Program, which is available through registered dealers, is designed to build a diversified portfolio of investments through strategic asset allocation. The program offers Pools (i.e. Trust Pools and Corporate Class Pools) and Portfolios (i.e. Trust Portfolios and Corporate Class Portfolios).

Your initial investment in the Pools and Portfolios must total at least \$50,000 for a non-registered account and \$25,000 for a registered account. You can meet the minimum amount by combining investments you and members of your immediate family (parents, spouse and children) make at the same time. Where you and members of your immediate family combine investments, the minimum initial investment in each account must be \$10,000. Each additional investment must be at least \$100 for the Pools and Portfolios. In respect of your optimum asset allocation profile, additional investments in Pools are allocated in your account according to your instructions. We may waive these minimum investment amounts.

In accordance with securities law and under arrangements with your registered dealer, purchase orders are to be transmitted whenever practicable, by courier, Priority Post or telecommunications facilities in order to expedite its receipt by us. It is the responsibility of your registered dealer to transmit orders to us in a timely manner. The cost of this transmittal, regardless of its form, must be borne by the registered dealer.

If your registered dealer suffers any losses arising from a failed settlement of a purchase of securities, your registered dealer may be able to recover the shortfall from you.

Your registered dealer or AGF will send you a confirmation of your order once we process it. With systematic investment or withdrawal plans, you will receive a confirmation for your first order only.

### Sales Charge Options

When you buy Embedded Series, Series T, Series V or Wrap Series securities of a Pool or Portfolio, you can choose any of the sales charge options listed below. When you buy Series F securities, you may only choose the front-end option.

#### Front-End Option

The front-end option is available for all securities of the Pools and Portfolios. If you buy under this option, you pay a sales commission at the time of purchase. The commission is a percentage of the amount you invest and is paid to your registered dealer. See *Dealer Compensation* in the simplified prospectus for details. You and your registered representative negotiate the actual commission. See *Fees and expenses* in the simplified prospectus for further details.

#### Low Load Option

The low load option is available for all securities of the Pools and Portfolios, except Series F. If you buy under this option, you don't pay a sales commission at the time of purchase. Instead, we pay an up-front commission to your registered dealer, except in the case of Harmony Money Market Pool. Under certain circumstances, if you sell, convert to another purchase option, or reclassify your securities (except in the case of Harmony Money Market Pool) within 3 years of buying them, you'll pay a deferred sales charge at the time of your transaction. When you switch securities of Harmony Money Market Pool originally purchased under the low load option, your registered dealer receives a sales commission for all Pools and Portfolios held as a result of such switch, and a new low load schedule will be created with respect to the investment in the new Pool or Portfolio. See *Dealer Compensation* in the simplified prospectus for details.

In the case of a switch of your securities of a Pool or Portfolio (the "Original Pool or Portfolio") into securities of another Pool or Portfolio, the three-year time period will continue to run from your purchase of securities of the Original Pool or Portfolio (i.e. each switch will not result in a new three-year timeframe being created, except where the Original Pool is the Harmony Money Market Pool). See *Fees and expenses payable directly by you – Redemption fees* in the simplified prospectus for details.

#### Deferred Sales Charge ("DSC")

The DSC option is available for all securities of the Pools and Portfolios, except Series F. If you buy under this option, you don't pay a sales commission at the time of purchase. Instead, we pay an up-front commission to your registered dealer, except in the case of Harmony Money Market Pool. Under certain circumstances, if you sell, convert to another purchase option or reclassify your securities (except in the case of Harmony Money Market Pool) within 7 years of buying the original securities, you'll pay us a deferred sales charge at the time of your transaction. When you switch securities of Harmony Money Market Pool originally purchased under the DSC option, your registered dealer receives a sales commission for all Pools and Portfolios held as a result of such switch, and a new DSC schedule will be created with respect to the investment in the new Pool or Portfolio. See *Dealer Compensation* in the simplified prospectus for details.

In the case of a switch of your securities of a Pool or Portfolio (the "Original Pool or Portfolio") into securities of another Pool or Portfolio, the seven-year time period will continue to run from your purchase of securities of the Original Pool or Portfolio (i.e. each switch will not result in a new seven-year timeframe being created, except where the Original Pool is the Harmony Money Market Pool). See *Fees and expenses payable directly by you – Redemption fees* in the simplified prospectus for details.

#### Changing Sales Charge Options

If after buying your securities, you agree with your registered representative to change your sales charge option from low load or DSC to front-end, whether or not you also switch from one series of securities to another within the same Pool or Portfolio, you will have to pay a deferred sales charge that applies at the time of such change.

## Registered Plans

We offer the following Harmony registered plans:

- **RRSP** (registered retirement savings plan)
- **Group RRSP** (group registered retirement savings plan)
- **RRIF** (registered retirement income fund)
- **LRSP** (locked-in retirement savings plan)
- **LRIF** (locked-in retirement income fund)
- **LIRA** (locked-in retirement account)
- **LIF** (life income fund)
- **PRIF** (prescribed registered income fund)
- **TFSA** (tax-free savings account)
- **RLSP** (restricted locked-in savings plan)
- **RLIF** (restricted life income fund)

AGF Trust Company, as trustee of the Harmony registered plans, will attend to the registration of such plans on behalf of the investors under the provisions of the Tax Act and, if applicable, under the provisions of any similar provincial legislation. Investors may invest in the Pools and Portfolios through such plans. All the provisions concerning a RRSP or RRIF are contained in the application form for the plan and in the declaration of trust which is attached thereto.

## The Regulatory Rules for Buying

These are the rules for buying securities, as established by the regulatory authorities:

- We must receive payment for the purchase of securities within three business days of receiving the order.
- If we do not receive payment for the purchase of securities within three business days, we are required to sell the securities. If the proceeds are greater than the payment of the purchase price of the securities, the Pool or Portfolio keeps the difference. If the proceeds are less than the payment of the purchase price, your registered dealer must pay the Pool or Portfolio the shortfall. Your registered dealer may in turn collect the shortfall from you.
- We have the right to refuse any order to buy securities within one business day of receiving it. If we reject your purchase order, we will return the money, without interest, to you immediately.

## Switches

A switch involves moving money from one Pool or Portfolio to another Pool or Portfolio, or one series to another series of the same Pool or Portfolio. The steps for buying and selling securities of the Pools and Portfolios also apply to switches.

Your registered representative 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

If you switch your securities within 90 calendar days of buying them, the Pool or Portfolio may charge you a short-term trading fee of up to 2% of the value of the securities you're switching.

## Reclassification

Switching between series of the Trust Pools or Trust Portfolios is called a reclassification. When you reclassify securities, the value of your investment won't change, however, the number of securities you hold will change as each series of a Trust Pool or Trust Portfolio has a different unit price.

In general, a reclassification is not considered a disposition for tax purposes. No capital gain or loss will result. For a further discussion of the tax consequences, see *Income tax considerations*.

If you bought securities under the DSC or low load option and you reclassify them to another series, you'll have

to pay any deferred sales charge that applies. See *Fees and Expenses payable directly by you – Redemption fees* in the simplified prospectus for the DSC and low load option redemption schedules. If you reclassify your securities from one series to another series, you can choose the front-end sales charge, DSC or low load option.

### **Conversion**

When you switch securities between Corporate Class Pools or Corporate Class Portfolios within Harmony Tax Advantage Group, it is called a conversion. Switching between series of securities of the same Corporate Class Pool or Corporate Class Portfolio is also treated as a conversion.

You can convert securities of a Corporate Class Pool or Corporate Class Portfolio into securities of another Corporate Class Pool or Corporate Class Portfolio. You can also convert securities of one series of a Corporate Class Pool or Corporate Class Portfolio into securities of another series of the same Corporate Class Pool or Corporate Class Portfolio if you are eligible for that series and the Corporate Class Pool or Corporate Class Portfolio offers that series.

When you convert securities between Corporate Class Pools or Corporate Class Portfolios or between series of a Corporate Class Pool or Corporate Class Portfolio, the value of your investment won't change, but the number of securities you hold will change. This is because each series of each Corporate Class Pool and Corporate Class Portfolio has a different share price.

In general, a conversion is not considered a disposition for tax purposes, so no capital gain or loss will result. For a further discussion of the tax consequences, see *Income tax considerations*.

### **Taxable Switches**

Switching between Trust Pools, a Trust Pool and a Trust Portfolio, between Trust Portfolios, or switching between a Corporate Class Pool or Corporate Class Portfolio and a Trust Pool or Trust Portfolio is considered a disposition for tax purposes. If you hold your securities in a non-registered account, you may realize a capital gain or loss when your securities are sold. Capital gains are taxable. For a further discussion of the tax consequences, see *Income tax considerations*.

### **Selling Pools or Portfolios**

You can sell your securities of the Pools and Portfolios by contacting your registered representative. Your registered representative will forward your order to us for processing on the same day if your sale order is received by us before 4 p.m. Toronto time (or if the TSX closes early then this deadline may be changed by us) on a business day, or on the next business day in all other cases.

The sale price of the securities is based on the net asset value per security of the Pool or Portfolio, next determined after we are in receipt of your completed sale order. When you sell your securities, you receive the proceeds of your sale in cash.

If you sell securities within 90 calendar days of buying them, the Pool or Portfolio may charge you a short-term trading fee of up to 2% of the value of the securities you're switching.

### **The Rules for Selling**

These are the rules for selling securities:

- 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 required to complete the sale order within ten business days, we'll issue the same number of securities on the tenth business day after the redemption request. If the cost is less than the proceeds of the sale, the Pool or Portfolio will keep the difference. If the cost is greater than the proceeds of the sale, your registered dealer must pay the Pool or Portfolio the shortfall. Your registered dealer may in turn collect the shortfall from you.

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

- normal trading is suspended on an exchange on 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 Pool or Portfolio 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 Pool or Portfolio, or
- permission from securities regulatory authorities is received.

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

## RESPONSIBILITY FOR OPERATIONS OF THE POOLS AND PORTFOLIOS

### Manager

AGF Funds Inc., a corporation amalgamated under the laws of Ontario with its principal office located at Toronto-Dominion Bank Tower, 31<sup>st</sup> Floor, Toronto-Dominion Centre, Toronto, Ontario, M5K 1E9, is the manager of all the Pools and Portfolios, and the trustee of the Trust Pools and Trust Portfolios. The phone number of AGF is (416) 367-1900, the email address is [harmony@agf.com](mailto:harmony@agf.com) and the website is [www.AGF.com](http://www.AGF.com).

AGF is responsible for providing and arranging the day-to-day business administration of each Pool and Portfolio (including valuation services and maintaining securityholder records), marketing and overseeing all investment advisory and portfolio management services for the Pools and Portfolios. AGF, as manager of the Pools and Portfolios, selects, retains, and (as applicable) replaces portfolio managers of the Pools and Portfolios; and, as applicable, allocates the Pools' and Portfolios' assets among portfolio managers.

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

As the portfolio manager of certain of the Pools and Portfolios, AGF is also responsible for the management of all or a portion of the portfolio assets of such Pools and Portfolios. This includes providing investment analysis or investment recommendations and making investment decisions. Certain Pools and Portfolios use external portfolio managers. AGF is responsible for hiring and monitoring these portfolio managers. You'll find more information about the portfolio managers in this annual information form.

## Officers and Directors of AGF

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

Name and Municipality of Residence	Position With AGF Funds Inc.	Principal Occupation Within the Five Preceding Years
Blake C. Goldring, M.S.M., CFA, LL.D. Toronto, Ontario	Director, Chairman and Chief Executive Officer	<ul style="list-style-type: none"> <li>- Director, Chief Executive Officer and Chairman of the Board of Directors AGF Management Limited, AGF Funds Inc. and AGF Trust Company</li> <li>- Director and/or Senior Officer of certain subsidiaries of AGF Management Limited</li> </ul>
William Robert Farquharson, CFA Toronto, Ontario	Director and Vice Chairman	<ul style="list-style-type: none"> <li>- Director and Vice Chairman of AGF Management Limited and AGF Funds Inc.</li> <li>- Director and/or Senior Officer of certain subsidiaries of AGF Management Limited</li> </ul>
Martin Hubbes, CFA Toronto, Ontario	Director, Executive Vice-President and Chief Investment Officer	<ul style="list-style-type: none"> <li>- September 2005, Director, AGF Funds Inc.</li> <li>- Senior Officer, AGF Funds Inc.</li> <li>- December 2002, Treasurer of AGF All World Tax Advantage Group Limited, AGF Canadian Growth Equity Fund Limited and AGF Canadian Resources Fund Limited</li> </ul>
Greg J. Henderson, CA Campbellville, Ontario	Director, Senior Vice-President and Chief Financial Officer	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Management Limited and Director and Senior Officer, AGF Funds Inc.</li> <li>- Director and Senior Officer of certain subsidiaries of AGF Management Limited</li> <li>- May 1993 to September 2004 various senior financial positions with Rogers Communications Inc., most recently Vice President, Group Controller</li> </ul>
Judy G. Goldring, LL.B Toronto, Ontario	Director, General Counsel, Executive Vice-President and Chief Operating Officer	<ul style="list-style-type: none"> <li>- June 2007, Director, AGF Management Limited</li> <li>- September 2005, Director, AGF Funds Inc.</li> <li>- Senior Officer, AGF Management Limited and AGF Funds Inc.</li> <li>- Director and Senior Officer of certain subsidiaries of AGF Management Limited</li> </ul>

<b>Name and Municipality of Residence</b>	<b>Position With AGF Funds Inc.</b>	<b>Principal Occupation Within the Five Preceding Years</b>
Rose Cammareri Toronto, Ontario	Executive Vice-President, National Advisor Sales	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> <li>- January 2002 – August 2004, National Sales Director, CIBC Asset Management, Toronto</li> </ul>
Anthony Genua Toronto, Ontario	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> <li>- 1998 – December 2004, Vice President, KBSH Capital Management, Toronto, Ontario</li> </ul>
Christine Hughes, CFA Toronto, Ontario	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> </ul>
Stephen W. Way, CFA Toronto, Ontario	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> </ul>
Patricia A. Perez-Coutts, CFA Mississauga, Ontario	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> </ul>
Jean Charbonneau Boucherville, Quebec	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> <li>- 1997 to 2006 - Vice President, Global Fixed Income, CIBC Global Asset Management</li> </ul>
Robert Lyon, CFA Etobicoke, Ontario	Senior Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> <li>- 2006-2008 – Vice President and Director, Proprietary Trading, TD Newcrest</li> <li>- 1997-2006 – Vice President of Portfolio Management, BPI Mutual Funds (acquired by CI Funds in October 1999)</li> </ul>
Larry Herscu Richmond Hill, Ontario	Senior Vice-President, Operations	<ul style="list-style-type: none"> <li>- Senior Officer, AGF Funds Inc.</li> </ul>
Tristan M. Sones, CFA Toronto, Ontario	Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- Officer, AGF Funds Inc.</li> </ul>
Jacqueline Sanz, CA Etobicoke, Ontario	Vice-President, Compliance and Risk Analysis and Chief Privacy Officer	<ul style="list-style-type: none"> <li>- Officer, AGF Management Limited, AGF Funds Inc. and AGF Securities (Canada) Limited</li> </ul>
Edna Man, CA North York, Ontario	Vice-President, Fund Oversight	<ul style="list-style-type: none"> <li>- Officer, AGF Funds Inc.</li> <li>- February 2002 to August 2005 - Vice-President, Fund Valuation &amp; Reporting, Unisen Inc., Mississauga, Ontario</li> </ul>

<b>Name and Municipality of Residence</b>	<b>Position With AGF Funds Inc.</b>	<b>Principal Occupation Within the Five Preceding Years</b>
Mark Adams, LL.B Toronto, Ontario	Associate General Counsel and Corporate Secretary	<ul style="list-style-type: none"> <li>- Officer, AGF Management Limited and AGF Funds Inc.</li> <li>- 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</li> <li>- Prior to 2004: Lawyer, McMillan LLP</li> </ul>
C-J Chang, CA Toronto, Ontario	Associate Corporate Secretary	<ul style="list-style-type: none"> <li>- Officer, AGF Management Limited, AGF Funds Inc.</li> <li>- - Director and officer of certain subsidiaries of AGF Management Limited</li> </ul>
Jacques Lepine Montreal, Quebec	Vice-President, Sales	<ul style="list-style-type: none"> <li>- Officer, AGF Funds Inc.</li> <li>- July 2000 to July 2004 - Regional Sales Manager, Franklin Templeton</li> </ul>
Niall Dineen, CFA	Vice-President and Portfolio Manager	<ul style="list-style-type: none"> <li>- March 20, 2008 – present, Portfolio Manager, AGF Funds Inc.</li> <li>- January 2008 – March 2008, Analyst, AGF Funds Inc.,</li> <li>- November 1999 – January 2008, Analyst, AGF International Advisors Company Limited (Dublin)</li> </ul>

## Portfolio Managers

The portfolio managers of the Pools and Portfolios are 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 certain of the Pools or Portfolios, and manage the portfolios of other Pools or Portfolios ourselves. Each external portfolio manager has entered into an investment management agreement with AGF in respect of the relevant Pool or Portfolio. Under these agreements, such portfolio managers may be terminated and replaced by AGF or such portfolio managers may resign on 90 calendar days' notice. In addition, any of the portfolio managers may be terminated without notice by AGF if the portfolio manager should become bankrupt or insolvent and in certain other circumstances.

The following are the names of the persons employed by or associated with the portfolio manager who are principally responsible for the day-to-day management of a material portion of the portfolio of the Pools or Portfolios, and each person's business experience during the last five years.

### *AGF Funds Inc. - Toronto, Ontario*

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool/Portfolio Managed</b>
Martin Hubbes, CFA Director, 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.	All of the Corporate Class Pools, the Corporate Class Portfolios and the Trust Portfolios  Harmony Non-traditional Pool
Jean Charbonneau, MBA Senior Vice-President and Portfolio Manager	Mr. Charbonneau joined AGF in December 2006. He has 25 years of industry experience with 20 years of direct experience managing international fixed income mandates for retail and institutional mandates.	Harmony Canadian Fixed Income Pool  Harmony Canadian Enhanced Fixed Income Pool Class
Tristan M. Sones, CFA Vice-President and Portfolio Manager	Mr. Sones is vice-president and portfolio manager at AGF and has 16 years of industry experience. Early on he specialized in short-term bonds, money market securities and preferred shares, eventually moving on to investment grade and high yield debt. With a particular focus on credit, he contributes to the teams' analysis of the global macroeconomic landscape, with specific emphasis on global investment and non-investment grade debt, as well as U.S. dollar, Euro and local currency denominated emerging market debt.	Harmony Money Market Pool  Harmony Canadian Fixed Income Pool  Harmony Canadian Enhanced Fixed Income Pool Class
Tom Nakamura, CFA Portfolio Manager	Mr. Nakamura joined AGF Funds Inc. in 1998 as an analyst in the Fund Analytics department. In 2000, he was given responsibility to develop procedures and to analyze trading and cash management for AGF's dedicated institutional portfolios. In 2002, he joined the fixed-income group to provide analysis on global fixed-income markets.	Harmony Money Market Pool  Harmony Canadian Fixed Income Pool  Harmony Canadian Enhanced Fixed Income Pool Class

***AllianceBernstein Canada Inc. - Toronto, Ontario***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool/Portfolio Managed</b>
Christopher W. Marx, MBA Senior Portfolio Manager	Mr. Marx joined the firm in 1997 as a research analyst. He covered a variety of industries both domestically and internationally, including chemicals, food, supermarkets, beverages and tobacco. Prior to that, he spent six years as a consultant for Deloitte & Touche and the Boston Consulting Group. Mr. Marx earned an AB in economics from Harvard, and an MBA from the Stanford Graduate School of Business.	Harmony Overseas Equity Pool

***Baker Gilmore & Associates Inc. – Montreal, Quebec***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Harold Scheer President and Chief Investment Officer	Prior to joining the firm in 2001, Mr. Scheer was founding president of Scheer, Rowlett & Associates, an affiliated company of the Connor Clark & Lunn Financial Group. Mr. Scheer has over 21 years of investment experience.	Harmony Canadian Fixed Income Pool

***Connor, Clark & Lunn Investment Management Ltd. – Vancouver, B.C.***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Martin Gerber, CFA Director, Partner, Portfolio Manager & Commodity Advising Officer	Previously a Research Analyst from 1989 to 1991, Mr. Gerber joined CC&L in 1991 as a Canadian Equity Analyst. Since then, Mr. Gerber has become a Partner and Head of the Quantitative Equity team. He received his Bachelor of Commerce from University of British Columbia and CFA Charter in 1994. Mr. Gerber responsibilities include heading the Quantitative Equity team and derivatives management strategies.	Harmony Canadian Equity Pool
Dion Roseman, CFA Portfolio Manager & Partner	Previously Principal, Lead Portfolio Manager, Canada Market Neutral from 2001 to 2004 and also a Adjunct Professor/Sessional Lecturer in Finance at University of British Columbia from 2003 to 2004, Mr. Roseman joined Connor, Clark & Lunn Investment Management in 2004 as Portfolio Manager. He became a partner in 2005. He received his BBusSc from University of Cape Town and MSc from University of London and holds his CFA Charter since 1998. Mr. Roseman is responsible for quantitative portfolio management.	Harmony Canadian Equity Pool
Chris Archbold, CFA Portfolio Manager & Partner	Previously in the Investment Resource Group at CC&L from 1993 to 1998, Mr. Archbold became a Portfolio Manager in 1998 and Partner in 2002. He received his Financial Management Diploma from British Columbia Institute of Technology and CFA Charter in 2000. Mr. Archbold is a member of the quantitative equity team responsible for portfolio management.	Harmony Canadian Equity Pool

***Goldman Sachs Asset Management, L.P. -- New York, New York***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Eileen Rominger Managing Director, Co-Chief Investment Officer	Ms. Rominger joined the firm as a portfolio manager and Chief Investment Officer of the value team in August 1999. Ms. Rominger became the Co-Chief Investment Officer of global equity in 2008. From 1981 to 1999, she worked at Oppenheimer Capital, most recently as a senior portfolio manager.	Harmony U.S. Equity Pool
Andrew Braun Managing Director, Co-Chief Investment Officer	Mr. Braun joined the firm as a mutual fund product development analyst in July 1993. From January 1997 to April 2001, he was a research analyst on the value team and he became a portfolio manager in May 2001.	Harmony U.S. Equity Pool
Sean Gallagher Managing Director, Co-Chief Investment Officer	Mr. Gallagher joined the firm as a research analyst in May 2000. He became a portfolio manager in December 2001. From October 1993 to May 2000, he was a research analyst at Merrill Lynch Asset Management.	Harmony U.S. Equity Pool

***Highstreet Asset Management Inc. – London, Ontario***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Melanie Blue, CA Vice President, Investments	Ms. Blue is responsible for the leadership of the Canadian Small Cap portfolio and is an integral member of the core Canadian and US equity teams. Since joining Highstreet in 2001, Ms. Blue has been responsible for the analysis of the quantitative portfolio and risk information generated by our investment models. She has over 15 years of experience in the industry with a focus on risk management. Ms. Blue earned a Bachelor of Science degree in Mathematics in 1988 from the University of Western Ontario. Ms. Blue also earned her Chartered Accountant designation in 1992 and has recently completed the second level of the CFA program.	Harmony Canadian Equity Pool
Shaun Arnold, CFA CA Chief Investment Officer	Together with Highstreet's Chief Risk Officer, Mr. Arnold leads the investment team and is the portfolio leader of our core Canadian equity portfolios. A strategic member of the investment team since the firm's inception, Mr. Arnold has enhanced Highstreet's portfolio management techniques and processes. Over Mr. Arnold's 15 year investment career, he has become an expert in quantitative investment management. Prior to joining Highstreet, Mr. Arnold was a portfolio manager with a large financial institution. Mr. Arnold is a graduate of the University of Western Ontario with a Bachelor of Arts degree in economics. He earned his Chartered Accountant designation in 1994 and Chartered Financial Analyst designation in 2000.	Harmony Canadian Equity Pool

***INTECH Investment Management, LLC (“INTECH”) – Palm Beach Gardens, Florida***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
E. Robert Fernholz, PhD Chief Investment Officer	Dr. Fernholz founded INTECH in June of 1987. He received his A.B. in Mathematics from Princeton University and his Ph.D. in Mathematics from Columbia University. As 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.	Harmony U.S. Equity Pool
Adrian Banner, PhD Co-Chief Investment Officer	Dr. Banner has been Co-Chief Investment Officer (“Co-CIO”) of INTECH since January 2009. Dr. Banner, previously Senior Investment Officer since September 2007 and Director of Research from August 2002 to August 2007, joined INTECH in August 2002. 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 a part-time Lecturer in the Department of Mathematics. Dr. Banner implements the optimization process and supervises implementation of the portfolio management and trading process. He conducts mathematical research on the investment process and reviews and recommends improvements.	Harmony U.S. Equity Pool
Joseph W. Runnels, CFA Vice President of Portfolio Management	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.	Harmony U.S. Equity Pool

***Martin Currie Inc. – Edinburgh, Scotland***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
James Fairweather Chief investment officer and head of global equities Portfolio Manager	Mr. Fairweather joined Martin Currie in 1984, and has 29 years of industry experience. He previously worked on eurobond sales with Kleinwort Benson and as an institutional sales and economics assistant with Montague Loebel Stanley & Co.	Harmony Overseas Equity Pool
David Sheasby Director and Portfolio Manager	Having obtained a degree in mathematics, Mr. Sheasby joined the firm in 2004, and has 24 years of industry experience. Before coming to Martin Currie, David worked for Aegon Asset Management for 18 years.	Harmony Overseas Equity Pool

***McKinley Capital Management LLC – Anchorage, Alaska***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Robert B. Gillam President and Chief Executive Officer	Mr. Gillam is founder of McKinley Capital Management, LLC (“McKinley”). As President of McKinley, he sets firm policy and long-term strategy. He has managed individual, corporate, and public investment accounts since 1970.	Harmony Overseas Equity Pool
Robert A. Gillam, CFA Senior Vice President and Chief Investment Officer	As Chief Investment Officer, Mr. Gillam is responsible for all investment functions and personnel as well as oversight of the investment model. Prior to being named CIO, he was Director of Global Equities. Mr. Gillam was instrumental in establishing the non-U.S. and global products for the firm. Mr. Gillam is a member of the CFA Institute and a CFA charter holder and a member of the Wharton Global Family Alliance – an advisory board to the Wharton School on the creation of graduate level academic expertise in family business.	Harmony Overseas Equity Pool

***MFC Global Investment Management (Canada) – Toronto, Ontario***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Shauna Sexsmith, CFA Vice President and Senior Portfolio Manager	Ms. Sexsmith joined MFC GIM in 2002 and has been managing Canadian equities since 1987. Prior to joining MFC GIM, she was Vice President and Portfolio Manager with Altamira Management Limited where, as sub-advisor, she managed a Canadian large-cap growth fund for Manulife since 1999. She has a bachelor of Arts with a major in Finance and Economics from the University of Toronto and holds the Chartered Financial Analyst designation.	Harmony Canadian Equity Pool
Allison Mendes, CFA Assistant Vice President and Portfolio Manager	Ms. Mendes joined MFC GIM in 2003 and has worked in the investment industry since 1998. Previously, she held research positions with Credit Suisse First Boston and RBC Dominion Securities. She has an Honours Bachelor of Science with a major in mathematics and physics from the University of Toronto and an MBA in Finance from the Schulich School of Business, York University, Toronto. Ms. Mendes holds the Chartered Financial Analyst designation.	Harmony Canadian Equity Pool
Eric Brass Investment Analyst	Mr. Brass began his career in the investment industry in 2005 when he joined MFC GIM through its internal rotational program for high-potential university graduates. He has worked at MFC GIM's U.K. office with the European equities team, and at the Toronto office with the product marketing, high yield debt, and global dividend equity teams. Mr. Brass holds an Honours Business Administration degree from the Ivey School of Business at the University of Western	Harmony Canadian Equity Pool

	Ontario. He has successfully completed the examinations of the Chartered Financial Analyst Institute and is awaiting his CFA designation.	
--	---	--

***Principal Global Investors, LLC – Des Moines, Iowa***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Michael L. Reynal, MBA Portfolio Manager	Mr. Reynal is a portfolio manager for Principal Global Investors, LLC. He leads the emerging markets team, encompassing markets in Asia, Latin America, Eastern Europe, the Middle East and Africa. He oversees both diversified emerging markets portfolios and specialized regional Asian equity strategies. Mr. Reynal is also active in company research, with an emphasis on health care globally, and consumers and financials in the Latin America/EEMEA region. Before joining the firm in early 2001, Mr. Reynal was responsible for equity investments in Latin America, the Mediterranean and the Balkans while at Wafra Investment Advisory Group, Inc. in New York. Mr. Reynal also spent four years with Paribas Capital Markets in New York in international equities and three years with Barclays de Zoete Wedd in London focusing on Latin American equities. He received an MBA from the Amos Tuck School at Dartmouth College, an MA in history from Christ's College at the University of Cambridge and a bachelor's degree in history from Middlebury College.	Harmony Overseas Equity Pool
Mihail Dobrinov, CFA Portfolio Manager	Mr. Dobrinov is a portfolio manager for Principal Global Investors, LLC. He serves as co-manager for diversified emerging markets portfolios. Mr. Dobrinov's analytical responsibilities are focused on companies in the industrials sector globally, and the telecommunications and utilities sectors in the Latin America/EEMEA regions. He has had experience with the materials and energy sectors as well. Mr. Dobrinov joined the firm as an international and emerging market debt and currency specialist in 1995 and joined the equities team in 2002. He became a co-portfolio manager in 2007. Mr. Dobrinov received an MBA in finance from the University of Iowa and a law degree from Sofia University, Bulgaria. He has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute. (Mr. Dobrinov does not provide legal services on behalf of any of the member companies of the Principal Financial Group.)	Harmony Overseas Equity Pool

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Michael Ade, CFA Portfolio Manager	Mr. Ade is a portfolio manager for Principal Global Investors. He serves as co-manager for diversified emerging markets and Asian equity strategies. Based in Singapore, his analytical responsibilities are focused on the Asian consumers sector. Mr. Ade joined the firm in 2001 and became a co-portfolio manager in 2007. He received a bachelor's degree in finance from the University of Wisconsin. Mr. Ade has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.	Harmony Overseas Equity Pool

***Rainier Investment Management Inc. – Seattle, Washington***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
James R. Margard, CFA Chief Investment Officer and Director of Equity Management	Mr. Margard has been with Rainier since 1985. He received his MBA from the University of New Mexico. Mr. Margard has final authority relating to asset allocation, equity selection and portfolio weightings.	Harmony U.S. Equity Pool
Daniel M. Brewer, CFA Senior Portfolio Manager	Mr. Brewer has been with Rainier since 2000. He received his B.A. from California State University.	Harmony U.S. Equity Pool
Mark W. Broughton, CFA Senior Portfolio Manager	Mr. Broughton has been with Rainier since 2002. He received his MBA from the University of Southern California.	Harmony U.S. Equity Pool
Stacie L. Cowell, CFA Senior Portfolio Manager	Ms. Cowell has been with Rainier since 2006. Prior to joining Rainier, Ms. Cowell was a senior vice president and lead portfolio manager at Invesco Funds Group from 1996 to 2004 and senior analyst at Kennedy Capital Management in 2005. She received her M.S. from the University of Colorado.	Harmony U.S. Equity Pool
Mark H. Dawson, CFA Senior Portfolio Manager	Mr. Dawson has been with Rainier since 1996. He received his MBA from the Fletcher School at Tufts University.	Harmony U.S. Equity Pool
Andrea L. Durbin, CFA Senior Portfolio Manager	Ms. Durbin has been with Rainier since 2002. She received her B.S. from the University of Minnesota.	Harmony U.S. Equity Pool
Peter M. Musser, CFA Senior Portfolio Manager	Mr. Musser has been with Rainier since 1994. He received his BA from Lawrence University.	Harmony U.S. Equity Pool

***Ridgewood Capital Asset Management Inc. – Toronto, Ontario***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Paul W. Meyer, CFA Vice President, Equities	Mr. Meyer joined the firm in 1994. He is responsible for Canadian large cap and international equity research, quantitative analysis, portfolio management and asset mix. Mr. Meyers has over 17 years of investment experience.	Harmony Canadian Equity Pool

***Scheer, Rowlett & Associates Investment Management Ltd. – Toronto, Ontario***

\*\* affiliate of Connor, Clark & Lunn Investment Management Ltd.

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Lloyd E. Rowlett, CFA President, CIO and Portfolio Manager	Mr. Rowlett is a founding member of SRA and is Canadian Equity team leader. Prior to the formation of SRA, Mr. Rowlett was Vice-President at Crown Life Investment Management Ltd. from 1996 to 1998, the predecessor firm to SRA, where he had overall responsibility for Canadian equity portfolios. Mr. Rowlett brings to the firm over 25 years of investment experience, with a background in commercial banking, venture capital, fixed income, and Asset Liability Management, the latter as Assistant Vice-President, Asset Liability Management at Crown Life Insurance Company. He received a Bachelor of Commerce degree from the University of Saskatchewan in 1983 and a CFA Charter in 1993. Mr. Rowlett has overall responsibilities for strategy and research. As Chief Investment Officer, he is also responsible for investment policy.	Harmony Canadian Equity Pool
Rob Dionne, CFA Compliance Officer, Portfolio Manager	Mr. Dionne is a founding member of SRA and has been a co-manager of the Canadian equity portfolio since 1998. Prior to the formation of SRA, Mr. Dionne was an equity analyst from 1996-1998 with SRA's predecessor company, Crown Life Investment Management Ltd., and an investment analyst in asset/liability risk management for Crown Life Insurance from 1994-1996. Mr. Dionne received a B. Admin degree from University of Regina and a CFA charter in 1998. Mr. Dionne is responsible for research and strategy. As Compliance Officer, Mr. Dionne oversees the firm's corporate compliance program and reviews and evaluates compliance issues and concerns within the organization.	Harmony Canadian Equity Pool
Scott Merriman, CFA Portfolio Manager	Previously an Equity Analyst from 1999 to 2003, Mr. Merriman joined Scheer Rowlett in 2003 as an Associate Portfolio Manager until 2007 when he became a Portfolio Manager. He received his Bachelor of Commerce degree from the University of Saskatchewan in 1998 and a CFA charter in 2000. Mr. Merriman is responsible for strategy and research.	Harmony Canadian Equity Pool
Drew Thiessen Equity Analyst	Previously an analyst from 2007 to 2008, Mr. Thiessen joined Scheer Rowlett in July 2008. He received his Bachelor of Commerce from University of Saskatchewan. Mr. Thiessen is responsible for equity research and portfolio administration.	Harmony Canadian Equity Pool

***Systematic Financial Management, L.P. – Teaneck, New Jersey***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Kevin McCreesh, CFA Portfolio Manager	Mr. McCreesh is a partner in the firm and, as Chief Investment Officer, has oversight responsibilities for all client portfolios. In addition, Kevin serves as the lead portfolio manager for the firm's large and small cap portfolios and maintains analyst responsibilities within the Technology and Finance sectors. He joined Systematic in 1996, has 20 years of investment experience, and has been actively involved with the firm's investment discipline since 1990. Kevin holds the Chartered Financial Analyst designation and is a member of the New York Society of Security Analysts. He received his M.B.A. in financial management from Drexel University and his B.S. in geology from the University of Delaware.	Harmony U.S. Equity Pool
Ronald M. Mushock, CFA Portfolio Manager	Mr. Mushock is a partner in the firm and has lead portfolio management responsibility for all mid and small cap portfolios. Additionally, he maintains analyst responsibilities within selected economic sectors. He joined Systematic in 1997 and has 18 years investment experience. Ron is a Chartered Financial Analyst, a member of the Association for Investment Management and Research (AIMR) and a member of the New York Society of Security Analysts (NYSSA). Ron received an M.B.A. in finance and international business from New York University's Stern School of Business, and graduated Summa Cum Laude from Seton Hall University with a B.S. in finance.	Harmony U.S. Equity Pool

***Tradewinds Global Investors, LLC -- Los Angeles, California***

<b>Individual</b>	<b>Details of Experience</b>	<b>Pool Managed</b>
Peter Boardman Managing Director; Portfolio Manager, Equity Analyst	Prior to joining Tradewinds as an equity analyst in 2006, Mr. Boardman worked as an equity analyst at NWQ Investment Management Company from 2003 to 2006 and as a senior analyst at USAA Investment Management from 2000 to 2002.	Harmony Overseas Equity Pool
Alberto Jimenez-Crespo, CFA Managing Director; Portfolio Manager, Equity Analyst	Prior to joining Tradewinds Global Investors as an equity analyst in 2006, Mr. Jimenez-Crespo worked as an equity analyst at Merrill Lynch from 2003 to 2006 and as an equity analyst at Salomon Smith Barney from 2000 to 2002.	Harmony Overseas Equity Pool

**Turner Investment Partners, Inc. -- Berwyn, Pennsylvania**

Individual	Details of Experience	Pool Managed
Thomas J. DiBella, CFA, CPA Chief Investment Officer	Prior to joining Turner Investment Partners, Mr. DiBella served as a portfolio manager at Aeltus Investment Management leading the Aeltus Small Cap Select Equity Strategy as well as the Aetna Small Company Fund. Mr. DiBella received both his BS in accounting and MBA in finance from the University of Connecticut. He is also a member of the CFA Institute. As lead portfolio manager, Mr. DiBella, CFA, CPA is responsible for the day to day management of the portfolio and has final decision-making authority for Turner's small cap core equity strategy.	Harmony U.S. Equity Pool
Steven L. Gold, CFA Senior Portfolio Manager/Security Analyst	Prior to joining Turner Investment Partners, Mr. Gold was employed with Standish Mellon Equity and Aetna Life & Casualty. He received his bachelor's degree at Case Western Reserve University and he is also a member of the CFA Institute and the Boston Security Analysts Society. Mr. Gold is the Co-Manager of the Turner's small cap core equity strategy.	Harmony U.S. Equity Pool

The names and addresses of the agents for service of process of registered international advisers are available from the Ontario Securities Commission. Foreign portfolio managers may not be fully subject to the requirements of the *Securities Act* (Ontario) and regulation thereunder concerning proficiency, capital, insurance, record keeping, segregation of funds and securities, statements of account and portfolio, and conflicts of interest. The enforcement of legal rights against foreign portfolio managers may be impaired due to their foreign residency and the fact that a substantial portion of their assets may be situated outside Canada.

**Brokerage Arrangements**

The portfolio manager of each Pool and Portfolio makes the decisions for buying and selling portfolio securities. The portfolio manager is responsible for executing portfolio transactions for other securities, including selecting the market dealer and negotiating commissions, where applicable. In effecting portfolio transactions, the portfolio managers seek 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 Pools and Portfolios and the securityholders. Since the date of the last annual information form, the following is a list of primary companies that have provided portfolio investment decision-making services in the nature of research, statistical and other services to AGF, or the Pools or Portfolios, or to the portfolio managers of the Pools or Portfolios in return for the allocation of portfolio transactions:

- |                        |                           |                         |
|------------------------|---------------------------|-------------------------|
| BMO Capital Markets    | First Energy Capital Corp | Paradigm Capital Inc.   |
| Canaccord Capital Corp | GMP Securities            | Raymond James           |
| CIBC World Markets     | Goldman Sachs             | RBC Dominion Securities |
| Citigroup              | JP Morgan                 | Sanford Bernstein & Co. |
| CLSA                   | Macquarie Equities Inc.   | Scotia Capital          |
| Credit Suisse          | Merrill Lynch             | State Street Bank       |
| Desjardin              | Morgan Stanley & Co       | TD Securities           |
| Dundee Securities      | National Bank             | UBS                     |

Where it is in the best interest of the Pools, 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 Pools or Portfolios 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.

### **Custodian**

The Custodian receives and holds cash, portfolio securities and other financial assets of the Pools and Portfolios 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 Pool or Portfolio which has been delivered or pledged to another party nor contract documents relating to derivative transactions.

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

### **Auditor**

The auditor conducts an audit of the annual financial statements of the Pools and Portfolios in accordance with generally accepted auditing standards. The auditor of the Pools and Portfolios is PricewaterhouseCoopers LLP, Toronto, Ontario.

### **Transfer Agent and Registrar**

AGF is the transfer agent and registrar for the Pools and Portfolios. As such, we are responsible for receiving investor payments for Pool and Portfolio securities and for keeping a register of all Pool and Portfolio investors at our Toronto offices.

## CONFLICTS OF INTEREST

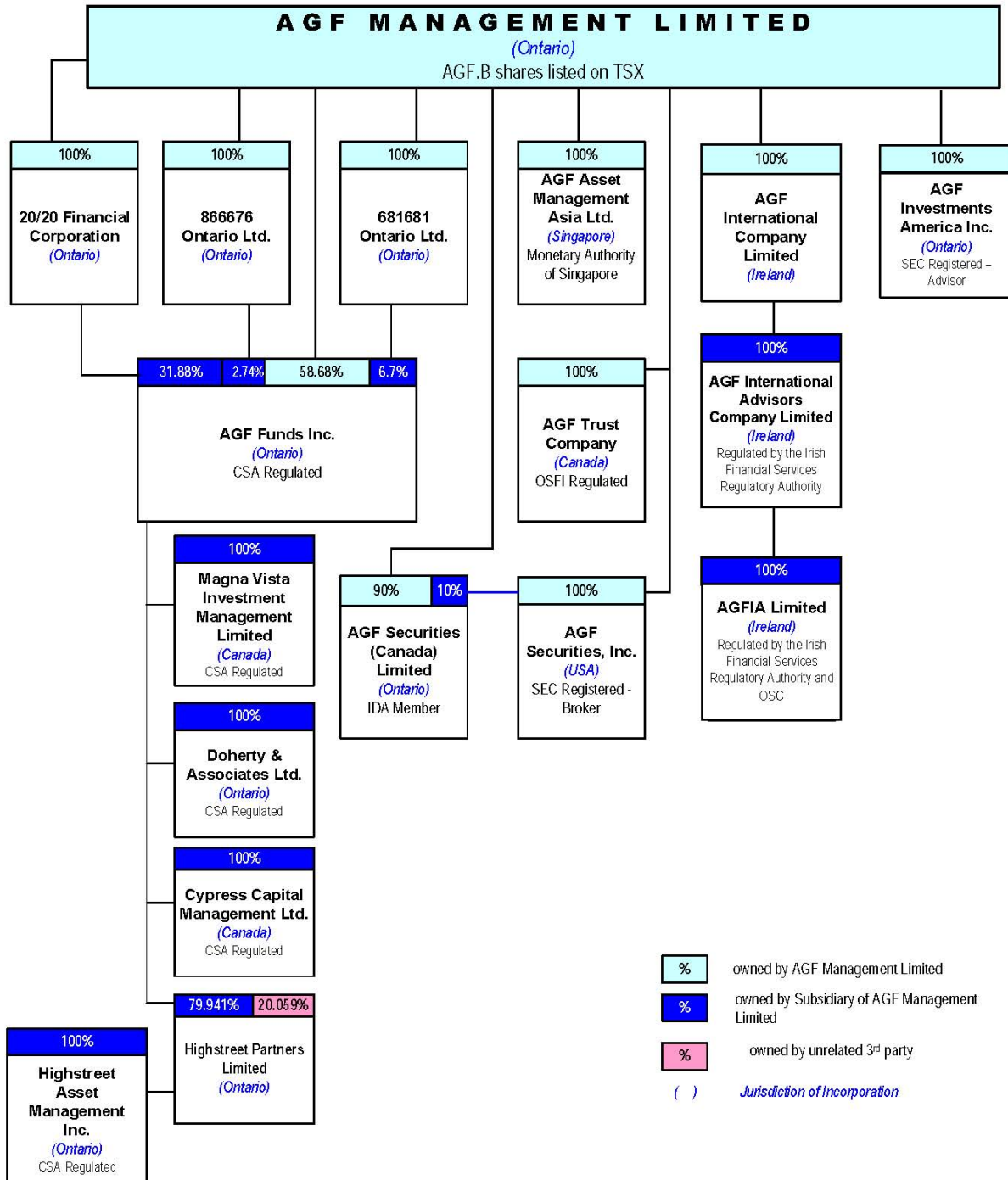
### Principal holders of securities

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 June 30, 2009, the following persons or companies held more than 10% of the identified Pool or Portfolio.

Pool/Portfolio	Securityholder Name	Series	Number of Securities Held	Percentage of Pool or Portfolio Held
Harmony Canadian Equity Pool	Harmony Balanced Portfolio	Embedded Series	4,056,212	16
Harmony Canadian Equity Pool	Harmony Growth Portfolio	Embedded Series	4,954,726	20
Harmony Canadian Equity Pool Class	Hero Heko Investments Inc	Embedded Series	134,437	37
Harmony Canadian Fixed Income Pool	Harmony Growth Portfolio	Embedded Series	6,938,834	12
Harmony Canadian Fixed Income Pool	Harmony Conservative Portfolio	Embedded Series	7,506,538	13
Harmony Canadian Fixed Income Pool	Harmony Balanced Portfolio	Embedded Series	19,055,843	32
Harmony Growth Plus Portfolio Class	Kinik Limited	Embedded Series	54,246	21
Harmony Non-traditional Pool	Harmony Balanced Portfolio	Embedded Series	1,232,506	22
Harmony Non-traditional Pool	Harmony Growth Portfolio	Embedded Series	2,087,096	37
Harmony Overseas Equity Pool	Harmony Growth Portfolio	Embedded Series	8,721,400	24
Harmony Overseas Equity Pool	Harmony Balanced Portfolio	Embedded Series	9,016,428	25
Harmony Overseas Equity Pool Class	Hero Heko Investments Inc	Embedded Series	72,037	41
Harmony U.S. Equity Pool	Harmony Growth Portfolio	Embedded Series	9,790,761	24
Harmony U.S. Equity Pool	Harmony Balanced Portfolio	Embedded Series	9,823,092	24
Harmony U.S. Equity Pool Class	Hero Heko Investments Inc	Embedded Series	74,282	47

## Affiliated entities

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



As of July 1, 2009

## Dealer manager disclosure

The Pools and Portfolios are considered dealer managed mutual funds and follow the dealer manager provisions prescribed by NI 81-102. These provisions provide that the Pools and Portfolios 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 securities of such issuer. In addition, the Pools and Portfolios 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 mutual funds managed by AGF.

The Independent Review Committee is currently composed of three members: John B. Newman (Chair), Philippe Casgrain, Q.C., Ad.E., and Louise Morwick, CFA, each of whom is independent of AGF and its affiliates. The Independent Review Committee functions in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“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 Board of Directors of Harmony Tax Advantage Group is responsible for oversight of the mutual fund corporation. It is responsible, through oversight, to review the management of the business and affairs of the Corporate Class Pools and Corporate Class Portfolios within Harmony Tax Advantage Group and discharges its duties by, among other ways, providing certain advice and guidance to AGF, as manager of the Corporate Class Pools and Corporate Class Portfolios. The Board of Directors of Harmony Tax Advantage Group has delegated the day-to-day management and administration of the Corporate Class Pools and Corporate Class Portfolios to AGF. The Board of Directors of Harmony Tax Advantage Group has appointed an Audit Committee. The Audit Committee members are John B. Newman (Chair), Philippe Casgrain, Q.C., Ad.E., Paul Hogan, H. Ian Macdonald and Louise Morwick, CFA, all of whom are independent members of the Board of Directors.

The Trust Pools and Trust Portfolios have an Advisory Board and its advisory duties are:

- to receive and review periodic reports concerning the investment of the Trust Pools’ and Trust Portfolios’ assets, the issue and redemption of securities, and distributions to securityholders of the Trust Pools and Trust Portfolios; and
- to advise on any other matter required by the provisions of the Trust Pools’ and Trust Portfolios’ Declaration of Trust (as hereinafter defined) if brought to their attention by AGF.

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

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

<b>Name and Municipality of Residence</b>	<b>Principal Business Association Within the Five Preceding Years</b>
*William D. Cameron Toronto, Ontario	Consultant; Until October 2004, Senior Vice-President and Chief Financial Officer, AGF Management Limited

<b>Name and Municipality of Residence</b>	<b>Principal Business Association Within the Five Preceding Years</b>
Philippe Casgrain, Q.C., Ad.E. Nuns Island, Quebec	Counsel, Fraser Milner Casgrain LLP, Barristers and Solicitors, Montreal, Quebec
*William Robert Farquharson, CFA Toronto, Ontario	Director and Vice Chairman, AGF Management Limited and AGF Funds Inc.; Director and President of AGF All World Tax Advantage Group Limited, Harmony Tax Advantage Group Limited, AGF Canadian Growth Equity Fund Limited and AGF Canadian Resources Fund Limited; Director and/or Senior Officer of certain subsidiaries of AGF Management Limited, Toronto, Ontario
Paul Hogan London, Ontario	Managing Director, Lambton Fencing Ltd., Petrolia, Ontario. Prior to 2004, President, Cartier Partners Financial Group, London, Ontario
*Martin Hubbes, CFA Toronto, Ontario	Executive Vice-President, AGF Funds Inc.; September 2005, Director, AGF Funds Inc.; June 2005, Chief Investment Officer, AGF Funds Inc.; September 2001, Senior Officer, AGF Funds Inc.; December 2002 – September 2005, Treasurer of AGF All World Tax Advantage Group Limited, AGF Canadian Growth Equity Fund Limited and AGF Canadian Resources Fund Limited
Hugh Ian Macdonald Toronto, Ontario	President Emeritus and Professor of Economics and Public Policy, Schulich School of Business, York University, Toronto, Ontario
John B. Newman Toronto, Ontario	Chairman and Chief Executive Officer, Multibanc Financial Holdings Limited (investment holding company), Toronto, Ontario
Joseph E. Martin Toronto, Ontario	Executive in Residence and Adjunct Professor of Business Strategy with the Rotman School of Management, University of Toronto, Toronto, Ontario
Louise Morwick, CFA Toronto, Ontario	Director and President, Silvercreek Management Inc., Toronto, Ontario

*\*Not independent of AGF.*

## Codes of Ethics

As described in this document, AGF is a member of the AGF Group of Companies. As such, AGF and the Pools and Portfolios adhere to the AGF Group of Companies Code of Business Conduct and Ethics (the "Code"). The Code sets out general good business practices as well as specific rules in dealing with conflicts of interest, confidential information and insider trading. It also references the requirement to comply with the AGF 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 Pools may use derivatives as permitted under securities law. For more details, see *Derivatives* in the simplified prospectus. Any use of derivatives by the Pools 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 Pools' 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 of the Pools, has established policies and procedures in relation to voting on matters for which the Pools receive, in their capacity as securityholder, proxy materials for a meeting of securityholders of an issuer. AGF, as manager of the Pools, has delegated the responsibility to vote issuer proxy solicitations to the portfolio managers of the Pools as part of their obligations in the general management of portfolio securities of the Pools.

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 Pools 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 Pool, which includes maximizing positive economic effect on the Pool's value and to protect the Pool's rights as a securityholder. 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 Pool and its securityholders.

Each of the Pools 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 Pool will not be able to vote on the matters solicited.

The policies and procedures that the Pools follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling toll-free at 1-800-268-8583, by e-mailing us at [harmony@agf.com](mailto:harmony@agf.com) or by writing to us at:

AGF Funds Inc.  
Suite 3100, 66 Wellington Street West  
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 securityholder rights and positive economic securityholder 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 securityholder rights.
- **Executive Compensation:** Interest alignment and performance.
- **Employee Stock Purchase Plans:** Dilution, plan governance, securityholder rights and interests alignment.

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

### **Fund of Fund Voting**

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

### **Underlying Pool Voting**

As the Corporate Class Pools and the Portfolios (Corporate Class Portfolios and Trust Portfolios) will invest in or obtain exposure to securities of an Underlying Pool, AGF will not vote the securities that are held in the Underlying Pool because the Underlying Pool is managed by AGF. AGF will arrange for the securityholders of the Corporate Class Pools or the Portfolios to vote the securities of the Underlying Pool 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 an independent proxy voting 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 Pool or Portfolio 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 Pool or Portfolio are not placed ahead of their own.

### **Proxy Voting Record**

As manager, AGF will compile and maintain annual proxy voting records for the Pools 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 Pools' proxy voting records free of charge to securityholders of the Pools upon request.

## INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Pools and Portfolios, the following is a fair summary of the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, for the Pools and Portfolios and for holders of securities who, for purposes of the Tax Act, are resident in Canada, hold their securities of the Pools or Portfolios as capital property, and deal at arm's length with the Pools and Portfolios. 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 or on behalf of 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 CRA.

AGF expects, and this summary assumes that Harmony Tax Advantage Group qualifies as a "mutual fund corporation", and that each Trust Pool and Trust Portfolio qualifies as a "mutual fund trust" and/or a "registered investment", as such terms are defined in the Tax Act and will continue to so qualify at all material times. If the Pools and Portfolios were to fail to so qualify at any time, the tax considerations could in some respects be materially different from those described herein.

**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 all Pools and Portfolios

Each Pool or Portfolio is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes. Also, where a Pool or Portfolio accepts subscriptions or makes payments for redemptions or distributions in U.S. dollars or other foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Pool or Portfolio receives or makes payment.

Generally, each of the Pools and Portfolio that invests in derivatives, other than Harmony Canadian Enhanced Fixed Income Pool Class and Harmony Balanced Growth Portfolio Class, will, for the purposes of computing its income under the Income Tax Act (Canada) (the "Tax Act"), include all gains and deduct all losses with respect to non-hedging derivatives activities on income account and will recognize such gains or losses for tax purposes at the time they are realized by the Pool or Portfolio. Generally, each of the Pools and Portfolios will, for the purposes of computing its income under the Tax Act, include all gains and deduct all losses with respect to derivatives used for hedging purposes on capital account.

On November 9, 2006, the Minister 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 the Pool or Portfolio, 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 Pool or Portfolio'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 Pool or Portfolio'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 Pool or Portfolio, the Pool or Portfolio may be required to include in income such amounts that the Pool or Portfolio has not earned or received and securityholders will be taxable on the portion of such payments payable to them by the Pool or Portfolio as described below. If these Tax Proposals apply to an Underlying Pool, the Underlying Pool may make distributions to a Pool or Portfolio of amounts included on account of its investments in FIEs. The January 27, 2009 Federal Budget announced that the Government of

Canada will continue to review these Tax Proposals in light of submissions it has received before proceeding with their implementation.

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 rules became 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.

### **Taxation of the Trust Pools and Trust Portfolios**

Each Trust Pool and Trust Portfolio has advised counsel that it will distribute to securityholders in each taxation year its net income and net realized capital gains to such an extent 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 and capital gains tax refunds, if any, of the Trust Pools and Trust Portfolios).

All deductible expenses of a Trust Pool or Trust Portfolio, including expenses common to all series of the Trust Pool or Trust Portfolio and management fees and other expenses specific to a particular series of the Trust Pool or Trust Portfolio, will be taken into account in determining the income or loss of the Trust Pool or Trust Portfolio as a whole and applicable taxes payable by the Trust Pool or Trust Portfolio as a whole.

In certain circumstances, capital losses realized by the Trust Pools and Trust Portfolios may be suspended and, therefore, would be unavailable to shelter capital gains.

### **Taxation of the Corporate Class Pools and Corporate Class Portfolios**

Harmony Tax Advantage Group is a single legal entity for tax purposes. Harmony Tax Advantage Group is not taxed on a series by series, or Class by Class, basis. Consequently, all of Harmony Tax Advantage Group's revenues, deductible expenses, capital gains and capital losses in connection with all of Harmony Tax Advantage Group's investment portfolios, and other items relevant to the tax position of Harmony Tax Advantage Group (including the tax attributes of all of Harmony Tax Advantage Group's assets), will be taken into account in determining the income or loss of Harmony Tax Advantage Group and applicable taxes payable by Harmony Tax Advantage Group as a whole, including refundable capital gains taxes payable. For example, all deductible expenses of Harmony Tax Advantage Group, including both expenses common to all series or Classes of Harmony Tax Advantage Group and expenses attributable to a particular series or Class, will be taken into account in computing the income or loss of Harmony Tax Advantage Group as a whole. Similarly, capital losses of Harmony Tax Advantage Group in respect of any segment of Harmony Tax Advantage Group's investment portfolio referable to a particular Class may be applied against capital gains of Harmony Tax Advantage Group in respect of any segment of Harmony Tax Advantage Group's investment portfolio referable to another Class in determining any refundable capital gains taxes payable by Harmony Tax Advantage Group as a whole. In addition, any ordinary operating losses of Harmony Tax Advantage Group (whether from the current year or carried forward from prior years) attributable to any particular Class may be applied against income or taxable income of Harmony Tax Advantage Group attributable to any other Classes.

Harmony Tax Advantage Group is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize foreign exchange gains or losses that will be taken into account in computing its income for tax purposes.

The taxable portion of capital gains (net of any applicable capital losses) realized by Harmony Tax Advantage Group will be subject to tax at normal corporate rates. Taxes paid by Harmony Tax Advantage Group on realized capital gains will be refundable on a formula basis when shares are redeemed or when Harmony Tax Advantage Group pays capital gains dividends. Capital gains may be realized by Harmony Tax Advantage Group in a variety

of circumstances including on the disposition of portfolio assets of Harmony Tax Advantage Group as a result of securityholders of a Class converting their shares of one Class into shares of another Class.

As a mutual fund corporation (which is not expected to be an investment corporation as defined in the Tax Act), Harmony Tax Advantage Group is generally subject to tax on taxable dividends received by it from taxable Canadian corporations under Part IV of the Tax Act in an amount equal to 33-1/3% of such dividends, which tax will be refundable on the basis of \$1 for each \$3 of ordinary dividends paid by Harmony Tax Advantage Group to securityholders. With respect to other income (net of deductible expenses), generally Harmony Tax Advantage Group is subject to tax at normal corporate tax rates less applicable credits for foreign taxes paid. If Harmony Tax Advantage Group qualifies as an investment corporation, it will not be subject to the refundable Part IV tax and will be entitled to deduct from its tax otherwise payable an amount equal to a percentage generally of the amount, if any, by which its taxable income exceeds its net taxable capital gains.

In addition to income tax, Harmony Tax Advantage Group is also liable for Ontario capital tax. The applicable rate of Ontario capital tax for 2009 is 0.225%. The applicable rate of Ontario capital tax is scheduled to be reduced over the coming years until the capital tax is eliminated in 2010.

Provided that appropriate designations are made by the issuer, taxable dividends and/or eligible dividends from taxable Canadian corporations paid by an Underlying Pool to a Corporate Class Pool or Corporate Class Portfolio will effectively retain their character in the hands of Harmony Tax Advantage Group.

An “eligible dividend” as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. AGF has advised counsel that, to the extent available under the Tax Act, Harmony Tax Advantage Group will designate its taxable dividends as eligible dividends.

In certain situations, where Harmony Tax Advantage Group disposes of property and would otherwise realize a capital loss, the loss will be denied. This may occur if Harmony Tax Advantage Group disposes of and acquires the same property during the period that begins 30 days before and ends 30 days after the disposition of property and holds it at the end of that period. These rules will be an issue if Harmony Tax Advantage Group redeems securities of the Underlying Pools at a loss to fulfill redemption requests or for rebalancing purposes.

### **Harmony Canadian Enhanced Fixed Income Pool Class and Harmony Balanced Growth Portfolio Class**

Each of Harmony Canadian Enhanced Fixed Income Pool Class and/or Harmony Balanced Growth Portfolio Class may enter into derivative transactions, including forward or swap contracts (collectively, “Forward Contracts”), under which it will forward sell or swap its portfolio of equity securities of Canadian public issuers (the “Canadian securities”) in return for the total return of an investment in securities of an Underlying Pool. In determining its income for tax purposes, the taxation resulting from the disposition of the Canadian securities will depend on how the obligations of Harmony Canadian Enhanced Fixed Income Pool Class and Harmony Balanced Growth Portfolio Class and the counterparty are settled under the Forward Contract. If Harmony Canadian Enhanced Fixed Income Pool Class or Harmony Balanced Growth Portfolio Class delivers the Canadian securities to the counterparty and receives payment from the counterparty equal to the forward price stipulated in the Forward Contract, and provided that Harmony Canadian Enhanced Fixed Income Pool Class or Harmony Balanced Growth Portfolio Class elects in accordance with the Tax Act to have its Canadian securities treated as capital property, each of Harmony Canadian Enhanced Fixed Income Pool Class or Harmony Balanced Growth Portfolio Class will realize capital gains (losses) equal to the amount by which the forward price exceeds (is less than) the aggregate adjusted cost base of the securities. If the Forward Contract does not settle by delivery of the Canadian securities, the proceeds may be treated as being on income account.

AGF has advised counsel that Harmony Canadian Enhanced Fixed Income Pool Class and Harmony Balanced Growth Portfolio Class may purchase the Canadian securities with the objective of earning distributions and income thereon and may take the position that gains and losses realized on the disposition thereof are capital gains and capital losses.

**No advance income tax ruling has been requested or obtained from CRA regarding the timing or characterization of Harmony Canadian Enhanced Fixed Income Pool Class’ or Harmony Balanced Growth Portfolio Class’ gains or losses. If upon any settlement of the Forward Contract, the character and timing of any gain arising with respect**

to the Forward Contract were other than a capital gain realized from the sale of the Canadian Securities, or Harmony Tax Advantage Group does not qualify as a “mutual fund corporation” for the purpose of the Tax Act, and is found to be a “trader or dealer in securities”, as a result of a change of law or otherwise, after-tax returns to securityholders could be reduced and Harmony Tax Advantage Group could be subject to non-refundable income tax from such transactions.

### **Taxation of Securityholders of Trust Pools and Trust Portfolios**

A securityholder of a Trust Pool or Trust Portfolio will be required to include in computing its income the portion of the net income of the Trust Pool or Trust Portfolio and the taxable portion of the net realized capital gains of the Trust Pool or Trust Portfolio paid or payable to it (even though those amounts are reinvested in securities of the Trust Pool or Trust Portfolio), except to the extent that the Trust Pool or Trust Portfolio does not deduct such amounts in computing its income for tax purposes. Counsel has been advised that AGF intends that each of the Trust Pools and Trust Portfolios will deduct the entire amount of such net income and taxable portion of capital gains so paid or payable to securityholders such that in computing income each securityholder would be required to include its share of such entire amount. At the time a securityholder acquires securities of a Trust Pool or Trust Portfolio, the net asset value of the Trust Pool or Trust Portfolio may reflect accrued income and realized capital gains which have not been distributed and accrued capital gains which have not been realized. When and if such income and the taxable portion of such realized capital gains are recognized and distributed by the Trust Pool or Trust Portfolio to the securityholder, the securityholder will be required to include those amounts in its income.

Any amount in excess of the net income and net realized taxable capital gains of a Trust Pool or Trust Portfolio, being a return of capital, that is paid or payable to a securityholder in a year should not generally be included in computing a securityholder’s income for the year. However, the payment by the Trust Pool or Trust Portfolio of such excess amount to a securityholder, other than as proceeds of disposition of a security 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 Trust Pool or Trust Portfolio, will reduce the adjusted cost base of the securityholder’s securities. To the extent the adjusted cost base of the securityholder’s securities of a Trust Pool or Trust Portfolio would otherwise be less than zero as a result of such distributions of returns of capital on the securities, the negative amount would be deemed to be a capital gain realized by the securityholder from a disposition of securities and the adjusted cost base of the securities would be increased by the amount of such deemed gain.

Each Trust Pool and Trust Portfolio 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 securityholders as may reasonably be considered to consist of, respectively, (i) taxable dividends received by a Trust Pool or Trust Portfolio on securities of taxable Canadian corporations, (ii) eligible dividends and (iii) net taxable capital gains of the Trust Pool or Trust Portfolio. Any such designated amount will be deemed for tax purposes to be received or realized by securityholders in the year as a taxable dividend, an eligible dividend and as a taxable capital gain, respectively. In the case of a securityholder 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 securityholder 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 advisers 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, each Trust Pool and Trust Portfolio may similarly make designations in respect of its income and taxes from foreign sources, if any, so that, for the purpose of computing any foreign tax credit to a securityholder, the securityholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Trust Pool or Trust Portfolio to that country that is equal to the securityholder’s share of the income of the Trust Pool or Trust Portfolio from sources in that country. Securityholders will be advised each year of the composition of amounts distributed to them.

The reclassification of securities of a Trust Pool or Trust Portfolio as securities of another series of the same Trust Pool or Trust Portfolio will not be considered to be a disposition for tax purposes and accordingly, the securityholder will realize neither a gain nor a loss as a result of a reclassification. The securityholder's adjusted cost base of the securities received for the securities of another series will equal the adjusted cost base of the latter securities.

The amount of any capital gain or loss realized upon the redemption, transfer or other disposition of a security (but not a reclassification of securities among series of the same Trust Pool or Trust Portfolio) will generally be the difference between the amount for which the security is disposed of, net of any reasonable costs of disposition, and the adjusted cost base to the securityholder of the security. The cost of securities acquired by reinvestment of distributions will be the amount of such reinvestment. The adjusted cost base to a securityholder of its securities of a Trust Pool or Trust Portfolio must be determined separately for each series of securities held in a Trust Pool or Trust Portfolio and will generally be determined by reference to the average cost of all securities of such series 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.

Securityholders should consult their own tax advisors regarding the tax treatment of service fees paid by them in respect of Wrap Series securities.

### **Taxation of Securityholders of Corporate Class Pools and Corporate Class Portfolios**

Dividends paid by Harmony Tax Advantage Group, whether received in cash or reinvested in additional shares, will constitute either ordinary dividends or capital gains dividends.

Ordinary dividends must be included in computing a securityholder's income. Ordinary dividends will be subject to the gross-up and dividend tax credit treatment normally applicable to dividends paid by a taxable Canadian corporation. An enhanced gross-up and dividend tax credit is available for certain eligible ordinary dividends paid by Harmony Tax Advantage Group.

Capital gains dividends may be paid by the Corporate Class Pools and Corporate Class Portfolios to securityholders in order to obtain a refund of capital gains taxes payable by Harmony Tax Advantage Group as a whole, whether or not such taxes relate to the investment portfolio attributable to any particular Corporate Class Pool or Corporate Class Portfolio. Capital gains dividends paid by the Corporate Class Pools and Corporate Class Portfolios will be treated as realized capital gains in the hands of securityholders and will be subject to the general rules relating to the taxation of capital gains which are described below.

Distributions that are a return of capital made to securityholders of certain series of a Class will not be taxable, but will reduce the adjusted cost base of the securityholder's securities. If the adjusted cost base of a securityholder's securities would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the securityholder and the adjusted cost base of the securities will be increased by the amount of such gain.

Upon the actual or deemed disposition of a security of a Corporate Class Pool or Corporate Class Portfolio, including a redemption, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the securities of the Corporate Class Pool or Corporate Class Portfolio exceed (or are exceeded by) the aggregate of the adjusted cost base to the securityholder of the securities and any reasonable costs of disposition. The portion of capital gains included in income as taxable capital gains and the portion of capital losses that are allowable capital losses is one-half, subject to and in accordance with the detailed rules of the Tax Act.

The adjusted cost base to a securityholder of a security of a series of a Corporate Class Pool or Corporate Class Portfolio will generally be the weighted average cost of all securities of the series of the Corporate Class Pool or Corporate Class Portfolio that are owned by that securityholder, including securities acquired on the reinvestment of a dividend or distribution. Accordingly, when a security of a Corporate Class Pool or Corporate Class Portfolio is acquired, its cost would generally be averaged with the adjusted cost base of the other securities of the series of the Corporate Class Pool or Corporate Class Portfolio owned by the securityholder to

determine the adjusted cost base of each security of the series of the Corporate Class Pool or Corporate Class Portfolio then owned. Note that a separate adjusted cost base must be determined for each series of securities of a Corporate Class Pool or Corporate Class Portfolio.

In certain situations, where you dispose of securities of a Corporate Class Pool or Corporate Class Portfolio and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse, or another person affiliated with you (including a corporation controlled by you) has acquired securities of the same series of the Corporate Class Pool or Corporate Class Portfolio within 30 days before or after you disposed of your securities, which are considered to be “substituted property”. In these circumstances, your capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the adjusted cost base of the owner of the securities which are substituted property.

The conversion by a securityholder of securities of a series of one Corporate Class Pool or Corporate Class Portfolio into securities of another Corporate Class Pool or Corporate Class Portfolio or securities of a different series of the same Corporate Class Pool or Corporate Class Portfolio will not be a disposition under the Tax Act of the securities so converted. In addition, the conversion by a securityholder of securities of a series of a Corporate Class Pool or Corporate Class Portfolio into securities of another series of the same Corporate Class Pool or Corporate Class Portfolio will not be a disposition under the Tax Act of the securities so converted. As a result, such a securityholder will not realize a capital gain or capital loss on the conversion. The securityholder's cost of the securities of a series of a Corporate Class Pool or Corporate Class Portfolio acquired on the conversion will be deemed under the Tax Act to be the adjusted cost base to the securityholder of the securities of the series of the Corporate Class Pool or Corporate Class Portfolio so converted immediately before the conversion. This cost will be required to be averaged with the adjusted cost base of other securities of such series owned by the securityholder.

The redemption of securities of a Corporate Class Pool or Corporate Class Portfolio in order to satisfy the conversion fee payable by a securityholder will be a disposition of such securities to the securityholder and will give rise to a capital gain (capital loss) equal to the amount by which the proceeds of disposition of such securities exceeds (or is less than) the aggregate of the adjusted cost base of such securities and any reasonable costs of disposition.

Securityholders should consult their own tax advisors regarding the tax treatment of service fees paid by them in respect of Wrap Series securities.

### **Alternative Minimum Tax**

Individuals and certain trusts and estates are subject to an 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**

In general, the amount of dividends or distributions paid or payable to a registered plan from a Pool or Portfolio will not be taxable under the Tax Act until it is withdrawn from the registered plan. However, the amount of dividends or distributions reinvested in additional securities of the Pool or Portfolio will increase the registered plan's tax cost of the securities. Registered plan holders are responsible for keeping a record of their investment.

A registered plan that sells, switches or otherwise disposes of securities (other than a reclassification of securities) will be considered to have disposed of those securities for purposes of the Tax Act. In general, gains from a switch or sale will not be taxable under the Tax Act until they are withdrawn from the registered plan. However, withdrawals from TFSAs are not subject to tax, and trusts governed by RESPs and registered disability savings plans are subject to special rules.

Securities of the Pools and Portfolios will be qualified investments for trusts governed by a registered plan if the Pool or Portfolio is either a "mutual fund trust", "mutual fund corporation" or a "registered investment" within the meaning of the Tax Act. AGF has advised counsel that it anticipates that at all material times each of the Pools and Portfolios will satisfy at least one of these requirements. However, you may be subject to a penalty tax

if the securities are a "prohibited investment" for the purposes of a TFSA as set out in the Tax Act. Securityholders should consult their own tax advisors in this regard.

## **REMUNERATION OF DIRECTORS, TRUSTEE AND OTHERS**

So long as AGF is the trustee of the Trust Pools and Trust Portfolios, no trustee fee will be charged to the Trust Pools and Trust Portfolios. The remuneration of the members of the Board of Directors of the Corporate Class Pools and Corporate Class Portfolios is the responsibility of the Corporate Class Pools and Corporate Class Portfolios. For the year ended September 30, 2008, the Board of Directors received from the Corporate Class Pools and Corporate Class Portfolios annual fees and meeting fees in the amount of approximately \$8,067.78 in connection with performing their duties for the Corporate Class Pools and Corporate Class Portfolios. The remuneration of the members of the Advisory Board of the Trust Pools and Trust Portfolios is the responsibility of AGF. The remuneration of the members of the Independent Review Committee is the responsibility of the Pools and Portfolios. For the period ended September 30, 2008, the Independent Review Committee received from the Pools and Portfolios (together with other funds comprising the AGF group of funds) approximately \$70,157.24 in connection with performing their duties.

## **MATERIAL CONTRACTS**

The material contracts that have been entered into by the Pools and Portfolios are described below. You can inspect copies of these documents during regular business hours on any business day at the offices of AGF.

### **Declaration of Trust**

The Trust Pools and Trust Portfolios are governed by an amended and restated declaration of trust dated August 11, 2008, as may be amended from time to time, between AGF and AGF as trustee of the Trust Pools and Trust Portfolios, and supplemental trust indentures, as may be amended from time to time (collectively, the "Declaration of Trust"). AGF as manager of the Trust Pools and Trust Portfolios may terminate a Trust Pool or Trust Portfolio at any time by giving written notice to each securityholder of its intention to terminate in accordance with applicable securities legislation.

### **Articles of Incorporation**

Harmony Tax Advantage Group was incorporated under the *Business Corporations Act* (Ontario) by articles of incorporation dated May 13, 2008. See the description under *Formation and History of the Pools and Portfolios* on page 2.

### **Management Agreement**

The amended and restated management agreement in respect of AGF, as manager of the Pools and Portfolios, is dated August 11, 2008, as amended from time to time. The management agreement may be terminated at any time by AGF on 90 calendar days' written notice to the trustee of the Trust Pools and Trust Portfolios and to the Board of Harmony Tax Advantage Group. In the event that the trustee or the Board wishes to terminate the agreement it must first consult with AGF and upon approval by AGF, a meeting of securityholders of the Pools and Portfolios must be called to obtain securityholder approval. The management agreement can also be terminated in accordance with applicable law.

### **Custodian Agreement**

Each Pool and Portfolio has been included in the amended and restated global custodial services agreement dated August 11, 2008 between Citibank Canada and AGF. This contract may be terminated by either the custodian or AGF giving 60 calendar days' prior written notice to the other party.

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

## 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. This action was dismissed against AGF and the other defendant fund companies by Court Order dated September 24, 2008. A second Ontario action was launched in December 2005.

## AUDITOR'S CONSENT

Harmony Canadian Enhanced Fixed Income Pool Class  
Harmony Canadian Equity Pool  
Harmony Canadian Equity Pool Class  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool  
Harmony Non-traditional Pool  
Harmony Non-traditional Pool Class  
Harmony Overseas Equity Pool  
Harmony Overseas Equity Pool Class  
Harmony U.S. Equity Pool  
Harmony U.S. Equity Pool Class

(collectively the Pools)

Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Growth Portfolio Class  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Plus Portfolio Class  
Harmony Growth Portfolio  
Harmony Growth Portfolio Class  
Harmony Maximum Growth Portfolio  
Harmony Maximum Growth Portfolio Class

(collectively the Portfolios)

We have read the Simplified Prospectus and the related Annual Information Form of the Pools and the Portfolios dated July 16, 2009 relating to the issue and sale of Embedded Series, Series F, Series T, Series V and Wrap Series units of the Pools and Portfolios, as applicable. 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 unitholders / shareholders of the Pools and the Portfolios on the statements of investment portfolio of each of the Pools and Portfolios as at September 30, 2008, the statements of net assets as at September 30, 2008 and 2007 (other than Harmony Non-traditional Pool, Harmony Canadian Enhanced Fixed Income Pool Class, Harmony Canadian Equity Pool Class, Harmony Non-traditional Pool Class, Harmony Overseas Equity Pool Class, Harmony U.S. Equity Pool Class, Harmony Balanced Growth Portfolio Class, Harmony Growth Plus Portfolio Class, Harmony Growth Portfolio Class and Harmony Maximum Growth Portfolio Class which are as at September 30, 2008) and the statements of operations and changes in net assets for the years ended September 30, 2008 and 2007 (other than Harmony Balanced Growth Portfolio which is for the year ended September 30, 2008 and for the period from June 11, 2007 (commencement of operations) to September 30, 2007, Harmony Non-traditional Pool, Harmony Canadian Equity Pool Class, Harmony Non-traditional Pool Class, Harmony Overseas Equity Pool Class, Harmony U.S. Equity Pool Class, Harmony Balanced Growth Portfolio Class, Harmony Growth Plus Portfolio Class, Harmony Growth Portfolio Class and Harmony Maximum Growth Portfolio Class which are for the period from August 25, 2008 (commencement of operations) to September 30, 2008 and Harmony Canadian Enhanced Fixed Income Pool Class which is for the period from August 11, 2008 (date of establishment) to September 30, 2008). Our report is dated November 24, 2008.

Toronto, Ontario  
July 16, 2009

*"PricewaterhouseCoopers LLP"*  
Chartered Accountants,  
Licensed Public Accountants

**CERTIFICATE OF  
HARMONY TAX ADVANTAGE GROUP LIMITED**

Harmony Canadian Equity Pool Class  
Harmony Canadian Enhanced Fixed Income Pool Class  
Harmony Non-traditional Pool Class  
Harmony Overseas Equity Pool Class  
Harmony U.S. Equity Pool Class

Harmony Balanced Growth Portfolio Class  
Harmony Growth Plus Portfolio Class  
Harmony Growth Portfolio Class  
Harmony Maximum Growth Portfolio Class

Dated: July 16, 2009

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.

*"William Robert Farquharson"*

William Robert Farquharson  
President and in the capacity of Chief  
Executive Officer of Harmony Tax  
Advantage Group Limited

*"Edna Man"*

Edna Man  
Treasurer and in the capacity of Chief Financial  
Officer of Harmony Tax Advantage Group  
Limited

On behalf of the Board of Directors of Harmony Tax Advantage Group Limited:

*"Martin Hubbes"*

Martin Hubbes  
Director

*"John B. Newman"*

John B. Newman  
Director

On behalf of AGF Funds Inc., as Manager of Harmony Tax Advantage Group Limited:

*"Blake C. Goldring"*

Blake C. Goldring  
Chairman and Chief Executive Officer of  
AGF Funds Inc. in its capacity as Manager  
of Harmony Tax Advantage Group Limited

*"Greg Henderson"*

Greg Henderson  
Senior Vice President and Chief Financial  
Officer of AGF Funds Inc. in its capacity as  
Manager of Harmony Tax Advantage Group  
Limited

On behalf of the Board of Directors of AGF Funds Inc.

*"William Robert Farquharson"*

William Robert Farquharson  
Director

*"Martin Hubbes"*

Martin Hubbes  
Director

## CERTIFICATE OF

Harmony Canadian Equity Pool  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool  
Harmony Non-traditional Pool  
Harmony Overseas Equity Pool  
Harmony U.S. Equity Pool  
(the "Trust Pools")

Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Portfolio  
Harmony Maximum Growth Portfolio  
(the "Trust Portfolios")

## AND OF AGF FUNDS INC. AS MANAGER AND TRUSTEE OF THE TRUST POOLS AND TRUST PORTFOLIOS AND PROMOTER OF THE TRUST PORTFOLIOS

Dated: July 16, 2009

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 Trust Pools and Trust Portfolios and  
Promoter of the Trust Portfolios

*"Greg Henderson"*

Greg Henderson, CA  
Senior Vice-President and Chief Financial  
Officer of AGF Funds Inc., Manager and  
Trustee of the Trust Pools and Trust  
Portfolios and Promoter of the Trust  
Portfolios

On behalf of the Board of Directors of AGF Funds Inc., as Manager and Trustee of each Trust Pool and Trust Portfolio and Promoter of the Trust Portfolios:

*"William Robert Farquharson"*

William Robert Farquharson, CFA  
Director

*"Martin Hubbes"*

Martin Hubbes, CFA  
Director

[Back Cover]



**ANNUAL INFORMATION FORM OF HARMONY POOLS AND PORTFOLIOS  
OFFERING EMBEDDED SERIES, SERIES F, SERIES T, SERIES V AND WRAP SERIES SECURITIES OF**

Harmony Canadian Enhanced Fixed Income Pool Class\*  
Harmony Canadian Equity Pool  
Harmony Canadian Equity Pool Class\*  
Harmony Canadian Fixed Income Pool  
Harmony Money Market Pool\*\*  
Harmony Non-traditional Pool  
Harmony Non-traditional Pool Class\*  
Harmony Overseas Equity Pool  
Harmony Overseas Equity Pool Class\*  
Harmony U.S. Equity Pool  
Harmony U.S. Equity Pool Class\*

(the "Pools")

Harmony Balanced and Income Portfolio  
Harmony Balanced Growth Portfolio  
Harmony Balanced Growth Portfolio Class\*  
Harmony Balanced Portfolio  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Plus Portfolio Class\*  
Harmony Growth Portfolio  
Harmony Growth Portfolio Class\*  
Harmony Maximum Growth Portfolio  
Harmony Maximum Growth Portfolio Class\*

(the "Portfolios")

*\*Classes of Harmony Tax Advantage Group Limited*

*\*\*Only Embedded Series, Series F and Wrap Series offered for Harmony Money Market Pool*

Additional information about the Pools and Portfolios are 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 at no charge by contacting your registered representative, by calling our toll free Harmony Client Services team at 1-800-387-2563, by emailing us at [harmony@agf.com](mailto:harmony@agf.com) or by writing to us at the address below. These and other information about the Pools and Portfolios are also available at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated herein, information about the Pools and Portfolios 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.

Harmony Client Services  
2920 Matheson Blvd. E.  
Mississauga, Ontario  
L4W 5J4



What are you doing after work?