



**ANNUAL INFORMATION FORM
OF HARMONY POOLS**

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

**Harmony Diversified Income Pool
Harmony Global Fixed Income Pool**

October 28, 2011



What are you doing after work?®

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

The Pools 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 are offered and sold in the United States only in reliance on exemptions from registration.

TABLE OF CONTENTS

INTRODUCTION	1
FORMATION AND HISTORY OF THE POOLS	3
INVESTMENT RESTRICTIONS AND PRACTICES.....	3
DESCRIPTION OF SECURITIES OF THE POOLS	4
NET ASSET VALUE	5
PURCHASES, SWITCHES AND REDEMPTIONS	8
RESPONSIBILITY FOR OPERATIONS OF THE POOLS	11
CONFLICTS OF INTEREST	18
FUND GOVERNANCE.....	20
INCOME TAX CONSIDERATIONS	24
REMUNERATION OF DIRECTORS, TRUSTEE AND OTHERS.....	27
MATERIAL CONTRACTS	28
OTHER MATTERS.....	29
AUDITOR'S CONSENT	30
CERTIFICATE OF AGF INVESTMENTS INC. AS MANAGER AND TRUSTEE OF THE POOLS	31

INTRODUCTION

In this annual information form:

- **we, us, our** and **AGF** refer to AGF Investments Inc.
- **you** refers to the registered or beneficial owner of a security of a Pool.
- **Acuity Funds** refers to the mutual funds managed by Acuity Funds Ltd. and offered to the public under a simplified prospectus and annual information form.
- **AGF and Acuity Trust Funds** refers to the AGF Funds and Acuity Funds that are structured as mutual fund trusts and issue units.
- **AGF Funds** refers to all of our AGF mutual funds offered to the public under a simplified prospectus and annual information form, including the Pools.
- **ASIP** refers to an Associate of the Society of Investment Professionals.
- **Class(es)** refers to a Corporate Class Portfolio.
- **Corporate Class Portfolios** refer to the Harmony mutual fund Portfolios that are structured as classes of Harmony Tax Advantage Group and issue shares.
- **CRA** refers to Canada Revenue Agency.
- **DPSP** refers to a deferred profit sharing plan.
- **Embedded Series** refers to the Embedded Series securities of the Pools offered under a simplified prospectus.
- **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.
- **Group TFSA** refers to a group tax-free savings account.
- **Harmony Tax Advantage Group** refers to Harmony Tax Advantage Group Limited, the mutual fund corporation that offers the Corporate Class Portfolios. Each 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.
- **LRSPP** refers to a locked-in retirement savings plan.
- **Pools** refer to Harmony Diversified Income Pool and Harmony Global Fixed Income Pool, and **Pool** refers to either 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 retirement income fund in Saskatchewan and Manitoba.
- **registered dealer** refers to the firm the registered representative works for.
- **Registered Plans** collectively refer to trusts governed by RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs.
- **registered representative** refers to an individual who is registered to sell mutual funds.
- **RLIF** refers to a restricted life income fund.
- **RLSP** refers to a restricted locked-in savings plan.
- **RRIF** refers to a registered retirement income fund.
- **RRSP** refers to a registered retirement savings plan.
- **securities** refers to both units and/or shares.
- **securityholders** refers to both unitholders and/or shareholders.
- **Series T** refers to the Series T securities of the Pools offered under a simplified prospectus.
- **Series V** refers to the Series V securities of the Pools offered under a simplified prospectus.

- **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 including the Pools.
- **Wrap Series** refers to the Wrap Series securities of the Pools offered under a simplified prospectus.

The registered office and principal place of business of the Pools is the head office of AGF, Suite 3100, 66 Wellington Street West, Toronto Dominion Bank Tower, 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.

FORMATION AND HISTORY OF THE POOLS

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

The Pools

The Pools are open-end mutual fund trusts formed under the laws of Ontario. Each Pool has entered into a supplemental trust indenture as of the date set forth below with AGF, in its capacity as trustee of each Pool, 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 Pool.

The following is a summary of when each of the Pools was formed:

<u>Fund</u>	<u>Date of Formation</u>
Harmony Diversified Income Pool	October 28 , 2011
Harmony Global Fixed Income Pool	October 28 , 2011

INVESTMENT RESTRICTIONS AND PRACTICES

Investment Restrictions

Except as described below, the Pools 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 are diversified and relatively liquid and to ensure the proper administration of the Pools. The Pools are managed in accordance with these investment restrictions and practices.

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

General Investment Practices

Each Pool’s assets may be invested in such securities as the portfolio manager of the Pool sees fit, provided such investments do not contravene any investment restrictions or practices adopted. Each Pool may also retain all or part of the Pool’s assets in cash. The proportion of a 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 Pools under their management by using derivative instruments for both hedging and non-hedging purposes.

Wilshire Associates Incorporated provides AGF with advice respecting portfolio manager research and selection for the Pools, portfolio construction and ongoing support.

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

The Pools have received an exemption from the Canadian Securities Administrators, allowing them to invest in silver, silver certificates, and/or certain exchange-traded funds, the securities of which are not index participation units and would therefore not otherwise be permitted investments according to securities legislation. These exchange-traded funds seek to provide returns similar to a commodity, benchmark, market index, or an industry sector index. Unlike typical exchange-traded funds, some of these exchange-traded funds utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of the particular commodity, benchmark, market index, or industry sector. The Pools will not invest in exchange-traded funds whose reference index is based, directly or indirectly, through a derivative or otherwise, on a physical commodity other than gold and silver.

DESCRIPTION OF SECURITIES OF THE POOLS

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

Each of the Pools offers four series of securities (as further described below): Embedded Series, Series T, Series V and Wrap Series. 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 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 does not bear a management fee payable to AGF.

Distribution Rights for Pools

The Pools make annual distributions of net income and net realized capital gains. AGF may choose to make additional distributions at other times based on a rate determined by AGF from time to time, which rate will not necessarily be the same for all series, and which rate may be determined to be zero. In addition to distributions of net income and net realized capital gains, AGF may choose to make distributions constituting a return of capital. A distribution of a return of capital to investors may not be proportionately shared amongst series. Distributions on units held in Harmony Registered Plans are always reinvested in additional units of the Pools, as applicable. Distributions on units held in other Registered Plans or non-registered accounts are reinvested in additional units of the Pools, unless you tell us that you want cash payments instead. Each series of the Pools is entitled to its share of the Pool's net income and realized capital gains adjusted for the series specific expenses relative to the Pool.

Liquidation Rights

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

Redemptions

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

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

Reclassifications

Each series of units of the Pools can be reclassified into another series of units within the same Pool provided that you meet certain criteria that may be established by AGF as trustee of the Pool. 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 Pool, or may be reclassified into another series if you so direct, and if you meet the criteria for such series. In general, a reclassification is not considered a disposition for tax purposes. No capital gain or loss will result. For a discussion of the tax considerations, see *Income Tax Considerations*.

Voting Rights

Each holder of a whole unit of any series has one vote per unit at all meetings of securityholders of the Pool, except meetings at which the holders of another series have a right to vote separately as a series.

While the Pools 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 directly to their securityholders, in a way that could result in an increase in charges to that Pool or their securityholders;
- a change in the manager of the Pools, unless the new manager is an affiliate of the existing manager;
- a change in the fundamental investment objectives of a Pool;
- a decrease in the frequency of the calculation of the net asset value per security of a Pool; or
- in certain cases, where a Pool 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 is called the net asset value per security of such series. We calculate the security price of each series of a Pool by:

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

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

Valuation of Portfolio Securities and Liabilities

The net asset value of the Pools must be calculated using the fair value of the assets and liabilities of the Pools. A summary of the valuation principles used to value the assets held by the Pools 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 invests in another mutual fund, the series net asset value per security held by the Pool as of the end of the business day will be used.
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"> • If a security listed on a stock exchange or other markets was traded on the day that the net asset value is being determined, the closing sale price. • If a listed security was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and ask prices or at a price no higher than the closing ask price and no lower than the closing bid price. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value. • If the securities are listed or traded on more than one exchange or market, the Pool uses the closing sale price from the principal exchange or market on which such securities are listed or traded.
Restricted securities as defined in NI 81-102	<p>One of the following values, whichever is less:</p> <ul style="list-style-type: none"> • the value based on the reported closing price; or • a percentage of the market value of unrestricted securities of the same class. This percentage is equal to the percentage of the securities' market value when the Pool bought them. If we know the date when the restriction will be lifted, we generally take into account what the actual value of the securities will be when they are no longer restricted.
Long positions in clearing corporation options, options on futures, debt-like securities and warrants that are traded on a stock exchange or other markets	<ul style="list-style-type: none"> • If a security listed on a stock exchange or other markets was traded on the day that the net asset value is being determined, the closing sale price. • If a listed security was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and ask prices or at a price no higher than the closing ask price and no lower than the closing bid price. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value. • If the securities are listed or traded on more than one exchange or market, the Pool uses the closing sale price from the principal exchange or market on which such securities are listed or traded.

Type of Asset	Method of Valuation
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. Any securities that are the subject of a written clearing corporation option will be valued as described above.
Futures contracts listed on a stock exchange	<ul style="list-style-type: none"> • If the futures contract listed on a stock exchange was traded on the day the net asset value is being determined, the settlement price. • If the futures contract was not traded on the day that the net asset value is being determined, a price which is the average of the closing recorded bid and ask prices or at a price no higher than the closing ask price and no lower than the closing bid price. • If no bid or ask price is available, then the price last determined for such security for the purpose of calculating the net asset value.
Foreign exchange forward contracts	<ul style="list-style-type: none"> • Foreign exchange forward contracts are valued based on the difference between the contract forward rate and the forward rates prevailing on the valuation date.

The liabilities of each Pool 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 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 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 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	Valued based on the difference between the contract forward rate

Type of investments	AGF Valuation Principles	CICA Handbook
	and the forward rates prevailing on the valuation date.	and the forward bid rate (for currency held) and the forward ask rate (for currency sold short).

PURCHASES, SWITCHES AND REDEMPTIONS

Buying Pools

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 Trust Pools and Portfolios (i.e. Trust Portfolios and Corporate Class Portfolios).

Your initial investment in the Pools 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. 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, you can choose any of the sales charge options listed below.

Front-End Option

The front-end sales charge option is available for all securities of the Pools. 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. 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. Under certain circumstances, if you sell or reclassify your securities within 3 years of buying them, you'll pay a deferred sales charge at the time of your transaction. See *Dealer Compensation* in the simplified prospectus for details.

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

Deferred Sales Charge ("DSC") Option

The DSC option is available for all securities of the Pools. 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. Under certain circumstances, if you sell, convert to another purchase option or reclassify your securities within 7 years

of buying the original securities, you'll pay us a deferred sales charge at the time of your transaction. See *Dealer Compensation* in the simplified prospectus for details.

In the case of a switch of your securities of a Pool (the "Original Pool") into DSC securities of another Trust Pool or Portfolio, the seven-year time period will continue to run from your purchase of securities of the Original Pool (i.e. each switch will not result in a new seven-year timeframe being created). 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, you will have to pay any 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)
- **RRIF** (registered retirement income fund)
- **LIRA** (locked-in retirement account)
- **LRSP** (locked-in retirement savings plan)
- **RLSP** (restricted locked-in savings plan)
- **Group RRSP** (group registered retirement savings plan)
- **LIF** (life income fund)
- **LRIF** (locked-in retirement income fund)
- **RLIF** (restricted life income fund)
- **PRIF** (prescribed retirement income fund)
- **TFSA** (tax-free savings account)
- **Group TFSA** (group tax-free savings account)

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 through such plans. All the provisions concerning a RRSP, RRIF or TFSA 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 keeps the difference. If the proceeds are less than the payment of the purchase price, your registered dealer must pay the Pool 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 a Pool to another Trust Pool or Portfolio, or one series to another series of the same Pool. The steps for buying and selling securities of the Pools 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, or make multiple switches within ten calendar days of purchase, the Pool may charge you a short-term or frequent trading fee of up to 2% of the value of the securities you're switching.

Reclassification

Switching between series of the Pools 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 Pool 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.

Taxable Switches

Switching between Trust Pools, a Trust Pool and a Trust Portfolio, between Trust Portfolios, or switching between a 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

You can sell your securities of the Pools 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, 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, or make multiple sales within ten calendar days of purchase, the Pool may charge you a short-term or frequent trading fee of up to 2% of the value of the securities you're selling.

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 required documents within ten business days of receiving your sale order, we'll buy back the securities as of the close of business on the tenth business day after the redemption request. If the purchase cost is less than the sale proceeds, the Pool will keep the difference. If the purchase cost is more than the sale proceeds, the Pool will collect this and any related costs from your registered dealer, who may have the right to 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 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

- 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. 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

Manager

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

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

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

As the portfolio manager of the Pools, AGF is also responsible for the management of the portfolio assets of such Pools. This includes providing investment analysis or investment recommendations and making investment decisions. 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 Investments Inc.	Principal Occupation Within the Five Preceding Years
Blake C. Goldring, M.S.M., CFA, LL.D. Toronto, Ontario	Director and Chairman	<ul style="list-style-type: none"> - Director and Chairman of the Board of Directors, AGF Management Limited, AGF Investments Inc. and AGF Trust Company - Director and/or Senior Officer of certain subsidiaries of AGF Management Limited
William Robert Farquharson, CFA Toronto, Ontario	Vice Chairman	<ul style="list-style-type: none"> - Director and Vice Chairman of AGF Management Limited - Vice Chairman, AGF Investments Inc. - Director and/or Senior Officer of certain subsidiaries of AGF Management Limited - Director and President of AGF All World Tax Advantage Group Limited and Harmony Tax Advantage Group - April 1996 – January 2011, Director, AGF Investments Inc.
Robert J. Bogart, CPA Toronto, Ontario	Director, Executive Vice President and Chief Financial Officer	<ul style="list-style-type: none"> - March 2010, Senior Officer of AGF Management Limited and Director and Senior Officer of certain subsidiaries of AGF Management Limited - March 2010, Director & Senior Officer, AGF Investments Inc. - 2007-2010, Senior Vice President, Finance, Corporate Decision Support, Fidelity Investments - 2002-2007, Senior Vice President, Finance and Chief Financial Officer, Fidelity Human Resources Services Co.
Judy G. Goldring, LL.B Toronto, Ontario	Director, Executive Vice President, Chief Operating Officer and General Counsel	<ul style="list-style-type: none"> - April 2010, Director, AGF All World Tax Advantage Group Limited and Harmony Tax Advantage Group - June 2007, Director, AGF Management Limited and AGF Trust Company - Senior Officer, AGF Management Limited

Name and Municipality of Residence	Position With AGF Investments Inc.	Principal Occupation Within the Five Preceding Years
		<ul style="list-style-type: none"> - Director and Senior Officer, AGF Investments Inc. and of certain subsidiaries of AGF Management Limited
Robert D. Badun, MBA Toronto, Ontario	Executive Vice President	<ul style="list-style-type: none"> - Senior Officer, AGF Investments Inc. and AGF Management Limited - December 2006, Director and Senior Officer of certain subsidiaries of AGF Management Limited - Prior to December 2006, Chief Executive Officer, Highstreet Asset Management - May 2009 – January 2011, Director, AGF Investments Inc.
Rose Cammareri Toronto, Ontario	Executive Vice President, Retail Distribution	<ul style="list-style-type: none"> - Senior Officer, AGF Investments Inc.
Gordon Forrester Toronto, Ontario	Executive Vice President, Marketing & Product, and Head of Retail	<ul style="list-style-type: none"> - September 2010, Senior Officer, AGF Investments Inc. - November 1999 – December 2008, Head of Asia Pacific business, Putnam Investments
Martin Hubbes, CFA Toronto, Ontario	Executive Vice President, and Chief Investment Officer	<ul style="list-style-type: none"> - Senior Officer, AGF Investments Inc. - Director of AGF All World Tax Advantage Group Limited and Harmony Tax Advantage Group - September 2005 – January 2011, Director, AGF Investments Inc.
Chris Jackson Oakville, Ontario	Chief Information Officer and Senior Vice President, IT & Operations	<ul style="list-style-type: none"> - January 2011, Senior Officer of AGF Management Limited and AGF Investments Inc. - December 2008-December 2010, President, Canadian Operations, Belzberg Technologies Inc. - January 2008 to October 2008, Managing Director, Perimeter Markets Inc., Executive Vice President, Sales & Marketing - January 2007 to December 2007, Executive Vice President, Sales & Marketing, Perimeter Financial Corp.

Name and Municipality of Residence	Position With AGF Investments Inc.	Principal Occupation Within the Five Preceding Years
		<ul style="list-style-type: none"> - January 2006 to December 2006, Executive Vice President, Asset Management Services, Perimeter Financial Corp.
Chris Boyle Toronto, Ontario	Senior Vice-President, Institutional	<ul style="list-style-type: none"> - May 2011, Senior Officer of AGF Investments Inc. and AGF Investments America Inc. - 2007 - April 2011, Senior Vice President, CI Investments - 1997 - 2007, Vice President, National Accounts, Fidelity Investments Canada
Anthony Genua Toronto, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Investments Inc.
Stephen W. Way, CFA Toronto, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Senior Officer, AGF Investments Inc.
Patricia A. Perez-Coutts, CFA Mississauga, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - November 2007, Senior Officer, AGF Investments Inc. - September 2001 – November 2007, Officer, AGF Investments Inc.
Jean Charbonneau , MBA Boucherville, Quebec	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - December 2006, Senior Officer, AGF Investments Inc. - 1997 to 2006 – Vice President, Global Fixed Income, CIBC Global Asset Management
Robert Lyon, CFA Etobicoke, Ontario	Senior Vice President and Portfolio Manager	<ul style="list-style-type: none"> - April 2008, Senior Officer, AGF Investments Inc. - 2006-2008 – Vice President and Director of Proprietary Trading, TD Newcrest - 1997-2006 – Vice President of Portfolio Management, BPI Mutual Funds (acquired by CI Funds in October 1999)
Nadi Naderi Toronto, Ontario	Senior Vice President, Strategic Account Management	<ul style="list-style-type: none"> - September 2010, Senior Officer, AGF Investments Inc. - November 1993 – November 2008, Vice President, Investment Services, Guardian Capital

Name and Municipality of Residence	Position With AGF Investments Inc.	Principal Occupation Within the Five Preceding Years
Tristan M. Sones, CFA Toronto, Ontario	Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Officer, AGF Investments Inc.
Peter J. Frost Toronto, Ontario	Vice President and Portfolio Manager	<ul style="list-style-type: none"> - Officer, AGF Investments Inc. - November 2000 - November 2009, Portfolio Manager and Research Analyst, AMI Partners Inc.
Jacqueline Sanz, CA Etobicoke, Ontario	Vice President, Corporate Compliance and Oversight and Chief Privacy Officer	<ul style="list-style-type: none"> - Officer, AGF Management Limited and AGF Investments Inc. - Officer of certain subsidiaries of AGF Management Limited
Edna Man, CA Toronto, Ontario	Vice President, Fund Oversight	<ul style="list-style-type: none"> - Officer, AGF Investments Inc. - Treasurer of AGF All World Tax Advantage Group Limited. - Officer of certain subsidiaries of AGF Management Limited
Mark Adams, LL.B Toronto, Ontario	Associate General Counsel and Corporate Secretary	<ul style="list-style-type: none"> - Associate General Counsel and Corporate Secretary, AGF Management Limited and AGF Investments Inc. - Senior Officer of certain subsidiaries of AGF Management Limited - September 2005 - December 2007, Vice President, Legal Counsel, AGF Management Limited
C-J Chang, CA Toronto, Ontario	Associate Corporate Secretary	<ul style="list-style-type: none"> - April 2009, Officer, AGF Management Limited and AGF Investments Inc. - Officer of certain subsidiaries of AGF Management Limited - March 2008 – February 2011, Director of certain subsidiaries of AGF Management Limited - June 2004 – December 2007, Officer, AGF Management Limited

Portfolio Managers

The portfolio managers of the Pools are responsible for making and carrying out all investment decisions.

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, and each person's business experience during the last five years.

AGF Investments Inc. - Toronto, Ontario

Individual	Details of Experience	Pool Managed
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.	Harmony Diversified Income Pool
Jean Charbonneau, MBA Senior Vice-President and Portfolio Manager	Mr. Charbonneau joined AGF in 2006. He has 26 years of industry experience with 20 years of direct experience managing international fixed income mandates for retail and institutional mandates.	Harmony Global Fixed Income Pool
Tristan M. Sones, CFA Vice-President and Portfolio Manager	Mr. Sones is a Vice President and Portfolio Manager at AGF and has been in the industry since 1993. 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 Global Fixed Income Pool
Tom Nakamura, CFA Vice President and Portfolio Manager	Mr. Nakamura joined AGF Investments 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 Global Fixed Income Pool
Peter Frost, CFA Vice President and Portfolio Manager	Mr. Frost is a seasoned investment professional with 17 years of industry experience, including six years in pension consulting and two years at a large, bank-owned wealth management firm. In 2001, Mr. Frost was promoted to lead Portfolio Manager of a growing income pooled fund and was part of a team managing both a balanced fund and an equities fund at a leading Canadian money management firm. Mr. Frost joined AGF Investments Inc. in 2009 as Portfolio Manager.	Harmony Diversified Income Pool

Brokerage Arrangements

The portfolio manager of each Pool makes investment decisions to buy and sell portfolio securities and is responsible for executing portfolio transactions, including selecting the executing broker and negotiating commissions where applicable. The portfolio managers are responsible for seeking to obtain prompt execution of orders on favourable terms with an aim to ensure best execution.

Best execution is intrinsically tied to portfolio-decision value and can:

- not be evaluated independently,
- not be known with certainty in advance,
- be analyzed over time after the fact, and
- be part of the repetitive and continuing trading practices of the portfolio manager.

In selecting brokers to execute portfolio transactions, portfolio managers may consider price, speed, volume, certainty of execution, access to markets and total transaction cost.

In addition to compensating brokers for order execution services, services directly related to the execution, handling, facilitation and settlement of an order, a portfolio manager may in its discretion allocate brokerage commissions to compensate brokerage firms for “permitted” research goods and services, which directly add value to an investment or trading decision and are to the benefit of the Pools.

“Permitted” research goods and services include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities; and (iii) electronic tools, such as databases or software, that support (i) and (ii). Such goods and services may be provided by the executing dealer directly or by a party other than the executing dealer (third party). In certain circumstances, goods and services may be provided to portfolio managers in a bundled form and may include items that are not considered “permitted” research goods and services. Portfolio managers would ensure the costs of such *mixed-use* services are unbundled and portfolio managers would directly pay for those non-permitted goods and services. For example, the fee for Bloomberg terminals would not be considered as permitted, while the fee for the data feed would be.

Portfolio managers are required to ensure the Pools receive a reasonable benefit considering the cost of the services paid for by brokerage. Each portfolio manager conducts such reasonability testing and oversight activities it determines, in good faith, appropriate to ensure the Pools receive a reasonable benefit over time. AGF formally enquires into each portfolio manager’s soft dollars policies and practices on a quarterly basis.

For a list of any other dealer, broker or third party which provides research goods and services and/or order execution goods and services in respect of a Pool, at no cost, you can contact AGF via telephone at 416-367-1900, toll free at 1-800-387-2563, or via email at harmony@agf.com

Where it is in the best interest of the Pools, AGF may execute such transactions through AGF Securities (Canada) Limited, a wholly-owned subsidiary of AGF Management Limited. AGF Securities (Canada) Limited 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 directly. In such event, the compensation with respect to the execution of such transactions will be received by AGF Securities (Canada) Limited.

Custodian

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

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

Auditor

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

Transfer Agent and Registrar

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

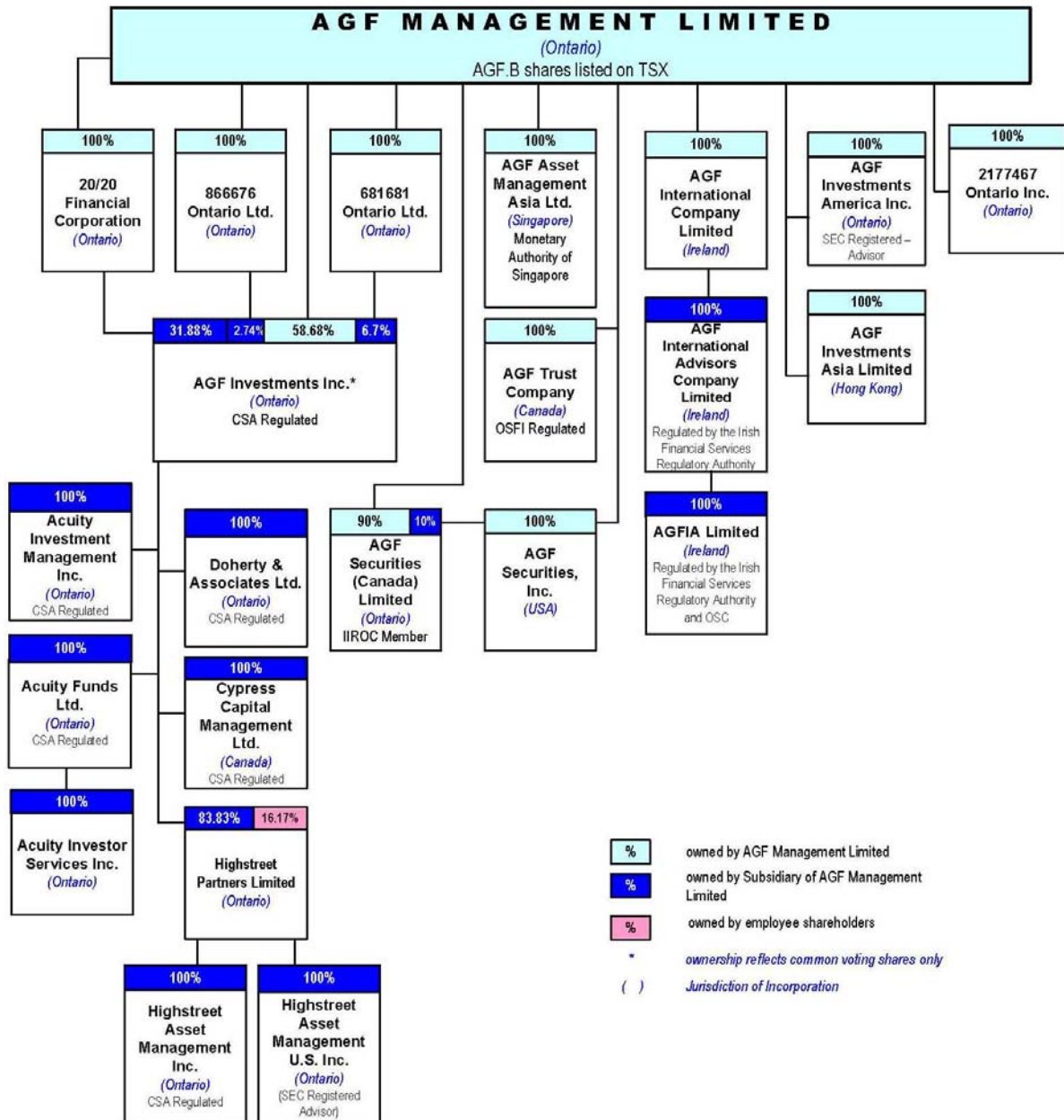
CONFLICTS OF INTEREST

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 Investments Inc.

Affiliated entities

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



Dealer manager disclosure

The Pools are considered dealer managed mutual funds and follow the dealer manager provisions prescribed by NI 81-102. These provisions provide that the Pools shall not knowingly make an investment in securities of an issuer 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 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), Louise Morwick and Paul Hogan, 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 Pools have an advisory board (the “Advisory Board”) and its advisory duties are:

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

AGF, in its capacity as manager of the Pools, has appointed an audit advisory committee (the “Audit Advisory Committee”). The Audit Advisory Committee members are John B. Newman (Chair), Paul Hogan, H. Ian Macdonald and Louise Morwick, all of whom are independent members of the Advisory Board.

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

Name and Municipality of Residence	Principal Business Association Within the Five Preceding Years
*William D. Cameron, CA Toronto, Ontario	Consultant, Self Employed (including providing services to AGF)
*William Robert Farquharson, CFA Toronto, Ontario	May 2008, Director & President, Harmony Tax Advantage Group; Director and Vice Chairman of AGF Management Limited; Vice Chairman, AGF Investments Inc.; Director and President of AGF All World Tax Advantage Group Limited; Director and/or Senior Officer of certain subsidiaries of AGF Management Limited; April 1996 – January 2011, Director, AGF Investments Inc.
*Judy G. Goldring, LL.B Toronto, Ontario	June 2007, Director, AGF Management Limited; Director and Senior Officer, AGF Investments Inc.; Senior Officer, AGF Management Limited; Director and Senior Officer of certain subsidiaries of AGF Management Limited

Name and Municipality of Residence	Principal Business Association Within the Five Preceding Years
Paul Hogan London, Ontario	Managing Director, Lambton Fencing Ltd.
*Martin Hubbes, CFA Toronto, Ontario	Executive Vice President and Chief Investment Officer, AGF Investments Inc.; September 2005 – January 2011, Director, AGF Investments Inc.
Hugh Ian Macdonald, OC Toronto, Ontario	President Emeritus and Professor of Policy and Director of the Master of Public Administration Program, Schulich School of Business, York University
Joseph E. Martin Toronto, Ontario	Director of Canadian Business History, Executive in Residence and Adjunct Professor of Business Strategy with the Rotman School of Management, University of Toronto
Louise Morwick, CFA Toronto, Ontario	Director and President, Silvercreek Management Inc.
John B. Newman Toronto, Ontario	Chairman and Chief Executive Officer, Multibanc Financial Holdings Limited (investment holding company)
<i>*Not independent of AGF</i>	

Codes of Ethics

As described in this document, AGF is a member of the AGF Group of Companies. As such, directors, officers and employees of AGF and the advisory board of the Pools 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. The AGF Code of Ethics for Personal Trading ("Personal Trading Code") 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 disciplinary action up to and including termination of employment without notice.

Policy on the Use of Derivatives

The Pools may use derivatives as permitted under securities law. For more details, see the simplified prospectus. Any use of derivatives by the Pools is governed by AGF's own policies and procedures relating to derivatives trading. The policy is reviewed annually by AGF's board of directors. Limits and controls on derivatives trading are part of AGF's compliance regime. Use of derivatives by the Pools is subject to the usual portfolio manager oversight procedures which occur monthly and quarterly to ensure that the derivative positions of the Pools are within the existing control policies and procedures. 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, Repurchase and Reverse Repurchase Risk Management

Pursuant to the requirements of National Instrument NI 81-102, AGF has policies and procedures to provide for appropriate internal controls, records and procedures, as applicable. 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 or by writing to us at:

AGF Investments Inc.
Compliance Department
Suite 3100, 66 Wellington Street West
Toronto Dominion Bank Tower
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 invests in securities of another mutual fund, AGF will vote the securities the Pool holds in the underlying fund unless the underlying fund is managed by AGF. AGF will arrange for the securityholders of the Pool to vote the securities of the underlying fund where appropriate to do so in the circumstances.

Conflicts of Interest

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

In cases where AGF is the portfolio manager and such a conflict of interest may exist, AGF has formed 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 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 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.

Short-term or Frequent Trading

Generally, short-term and frequent trading activities in mutual funds may adversely affect securityholders. Short-term and frequent trading has the potential to increase costs associated with the administration of the trades and potentially pose challenges to portfolio managers in generating optimum returns through long term portfolio investments.

AGF has in place procedures designed to detect, identify and deter inappropriate short-term and frequent trading and may alter them from time to time, without notice. AGF reviews, at the time an order is received and processed for an account, purchases and redemptions (including switches) of a Pool to determine whether a redemption or switch out is made within a 90 calendar day period from the date of purchase, or whether there have been multiple redemptions or switches made within ten calendar days of purchase. Such trades are considered short-term or frequent trades. In considering whether the activity is inappropriate, AGF, in its discretion, reviews the value of the transaction and/or the frequency of activity to assess its potential impact to the Pool and other securityholders in the Pool.

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

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

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

- under the Automatic Rebalancing service

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

All securityholders of the Pools are subject to the short-term and frequent trading policies.

INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Pools, 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 for holders of securities who, for purposes of the Tax Act, are resident in Canada, hold their securities of the Pools as capital property, and deal at arm's length with the Pools. 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.

Counsel has been advised that it is expected that each Pool will qualify as a "mutual fund trust" as defined in the Tax Act, at all material times. If the Pools 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

Each Pool 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 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 receives or makes payment.

Generally, each Pool that invests in derivatives, 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 non-hedging purposes on income account and will recognize such gains or losses for tax purposes at the time they are realized by the Pool. Generally, each Pool 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.

Provided that appropriate designations are made by the issuer, ordinary dividends (including "eligible dividends") from taxable Canadian corporations paid by the issuer to a Pool will effectively retain their character in the hands of the Pool.

An "eligible dividend" as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. Counsel has been advised that to the extent available under the Tax Act and CRA's administrative practice the Pools will pass on to securityholders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit. Each Pool will designate, to the extent permitted, any eligible dividends received by the Pool as eligible dividends to the extent such dividends are included in distributions to unitholders.

On August 27, 2010 the Minister released for consultation Tax Proposals to implement tax measures previously announced in the 2010 Canadian federal budget, which was tabled in the House of Commons on March 4, 2010. As previously announced, prior Tax Proposals relating to the taxation of investments in foreign investment entities (the "FIE Proposals") will not be implemented. Instead, existing section 94.1 of the Tax Act will stay in force subject to certain limited enhancements. A Pool may be subject to existing section 94.1 of the Tax Act if the

Pool holds or has an interest in “offshore investment fund property”. In order for existing section 94.1 of the Tax Act to apply to the Pool, the value of the interests must reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments of the offshore investment fund property. If applicable, these rules can result in the Pool including an amount in its income based on the cost of the Pool’s offshore investment fund property multiplied by a prescribed interest rate. These rules would apply in a taxation year to the Pool if it could reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Pool acquiring, holding or having the investment in the entity that is an offshore investment fund property, was to benefit from the portfolio investments of the entity in such a manner that the taxes on the income, profits and gains therefrom for any particular year were significantly less than the tax that would have been applicable if such income, profits and gains had been earned directly by the Pool. Counsel has been advised that none of the reasons for a Pool acquiring an interest in “offshore investment fund property” may reasonably be considered to be as stated above. As a result, based on the Tax Proposals, existing section 94.1 should not apply to the Pools.

The June 27, 2007 amendments to the Tax Act relating to Specified Investment Flow-Through (“SIFT”) trusts and partnerships significantly changed the income tax treatment of certain publicly traded trusts and partnerships (referred to as SIFT trusts and SIFT 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 is taxed at the entity level in a manner similar to income earned by a corporation, and distributions or allocations made by these entities to investors is taxed in a manner similar to dividends from taxable Canadian corporations. This dividend will be deemed as an eligible dividend for the enhanced dividend tax credit if paid or allocated to a resident of Canada including the Pools.

In certain circumstances, a capital loss realized by a Pool may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by a Pool will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Pool (or a person affiliated with the Pool for the purposes of the Tax Act) acquires a property that is, or is identical to, the particular property on which the loss was realized.

Each Pool 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 Pools).

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

Taxation of Securityholders of the Pools

A securityholder of a Pool will be required to include in computing its income the portion of the net income of the Pool and the taxable portion of the net realized capital gains of the Pool paid or payable to it (even though those amounts are reinvested in securities of the Pool), except to the extent that the Pool does not deduct such amounts in computing its income for tax purposes. Counsel has been advised that AGF intends that each of the Pools 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 Pool, the net asset value of the Pool 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 Pool 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 Pool, 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 Pool 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 Pool, 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 Pool 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 Pool 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 Pool on securities of taxable Canadian corporations, (ii) eligible dividends and (iii) net taxable capital gains of the Pool. 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 Pool 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 Pool to that country that is equal to the securityholder's share of the income of the Pool 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 Pool as securities of another series of the same Pool 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 Pool) 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 Pool must be determined separately for each series of securities held in a Pool 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.

In certain situations, where you dispose of securities of a Pool 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 Pool 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" or a "suspended 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 in the case of a superficial loss or kept with you until the owner sells the substituted property to a non-affiliated person in the case of a suspended loss.

In certain other situations, where you receive distributions of dividends from the Pool and would otherwise realize a capital or non-capital loss, you must reduce any loss realized by the amount of the distributed dividends received. This generally relates to deductible or non-taxable dividends.

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 from taxable Canadian corporations.

Registered Plans

In general, the amount of distributions paid or payable to a Registered Plan from a Pool will not be taxable under the Tax Act until it is withdrawn from the Registered Plan. However, the amount of distributions reinvested in additional securities of the Pool 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 TFSA's are not subject to tax, and trusts governed by RDSPs and RESPs are subject to special rules.

Eligibility for Investment

Provided that a Pool is registered as a "registered investment" or qualifies as a "mutual fund trust" within the meaning of the Tax Act, securities of the Pool will be qualified investments for Registered Plans. AGF has advised counsel that it anticipates that at all material times each of the Pools 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. The Notice of Ways and Means Motion which was released by the Minister on October 3, 2011 proposes to extend the "prohibited investment" rules and application of a penalty tax to the annuitant of an RRSP or RRIF. Securityholders who choose to purchase securities of the Pools through a Registered Plan should consult their own tax advisors regarding the tax treatment of contributions to, and acquisitions of property by, such Registered Plans or whether securities of the Pools would be prohibited investments under the Tax Act in their particular circumstances.

REMUNERATION OF DIRECTORS, TRUSTEE AND OTHERS

The aggregate remuneration paid or payable to the directors in their capacity as directors of the AGF corporate funds, advisory board members of the AGF and Acuity Trust Funds, and directors of Harmony Tax Advantage Group and Acuity Corporate Class Ltd. (collectively, the "Aggregate Group of Funds") in respect of the last completed financial year was \$392,000. W. Robert Farquharson, Judy G. Goldring and Martin Hubbes did not receive any remuneration in their capacity as directors or advisory board members of the Aggregate Group of Funds. The directors and advisory board members of the Aggregate Group of Funds are also entitled to be reimbursed for any expenses incurred by them in connection with their duties as directors and advisory board members, including travelling expenses associated with their attendance at meetings.

Executive officers of the Aggregate Group of Funds do not receive any remuneration in their capacity as executive officers.

The total remuneration paid or payable to the non-employee directors, advisory board members, and members of the Independent Review Committee ("IRC") by the Aggregate Group of Funds for the fiscal year ended September 30, 2011 was as follows:

Name	Director Remuneration - Aggregate Group of Funds			Expenses Reimbursed	Total Fees
	Director Retainer for Board Chair or Member ¹	Audit and audit (Advisory) Retainer for Chair or Member ¹	AGF IRC Chair or IRC Member Fee ¹		
	\$	\$	\$	\$	\$
John Newman	59,000	16,000	37,000	0	112,000
William D. Cameron	38,000	0	0	0	38,000
Paul Hogan	37,000	9,000	31,000	0	77,000
Hugh Ian Macdonald	39,000	9,000	0	0	48,000
Joseph E. Martin	37,500	0	0	0	37,500
Louise Morwick	39,000	9,000	32,000	0	80,000

¹Includes per meeting fees, as applicable.

The director retainer and audit and audit (advisory) retainer paid or payable by the Aggregate Group of Funds is allocated equally amongst the Aggregate Group of Funds except that the retainers for the AGF group of trust funds is paid by AGF. The IRC fee for the Aggregate Group of Funds is allocated equally amongst the Aggregate Group of Funds.

MATERIAL CONTRACTS

The material contracts that have been entered into by the Pools 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 Pools 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 Pools, and supplemental trust indentures, as may be amended from time to time (collectively, the "Declaration of Trust"). AGF as manager of the Pools may terminate a Pool at any time by giving written notice to each securityholder of its intention to terminate in accordance with applicable securities legislation.

Management Agreement

The amended and restated management agreement in respect of AGF, as manager of the Pools, 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 Pools. In the event that the trustee wishes to terminate the agreement it must first consult with AGF and upon approval by AGF, a meeting of securityholders of the Pools must be called to obtain securityholder approval. The management agreement can also be terminated in accordance with applicable law.

Custodian Agreement

Each Pool has been included in the amended and restated global custodial services agreement dated October 1, 2010 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.

Services Agreement

The Pools have been included in the Services Agreement between AGF Investments Inc. and Citigroup Fund Services Canada, Inc., relating to the provision of various unitholder record-keeping, fund accounting and other administrative services. The Services Agreement is dated October 3, 2005, as amended from time to time.

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. Any uncashed cheques that were originally distributed to such investors have been paid into the relevant AGF funds, as of June 1, 2011. 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 proposed class action proceeding against AGF and other fund companies was filed in the Superior Court of the Province of Ontario in December 2005 claiming inappropriate "market timing transactions" in certain funds. The proceeding proposed a class of all Canadian residents, except for Quebec residents, who held securities in certain AGF funds between August 2000 and June 2003. A motion for certification brought by the Plaintiffs was dismissed on or about January 12, 2010. The Plaintiffs filed a Notice of Appeal.

In September 2010, AGF entered into a settlement agreement with the proposed representative plaintiffs in the Quebec and Ontario proceedings to resolve the issues raised in the proceedings (including the appeal) without any admission of liability. The settlement payment net of amounts approved by the Ontario Superior Court and the Quebec Superior Court for plaintiffs' legal fees and disbursements incurred in implementing the settlement, has been paid to the AGF funds listed in the settlement agreement. The respective courts approved the settlement at their hearings on December 17, 2010, and the settlement was effective January 17, 2011.

AUDITOR'S CONSENT

Harmony Diversified Income Pool
Harmony Global Fixed Income Pool
(the Pools)

We have read the Simplified Prospectus of the Pools dated October 28, 2011 relating to the issue and sale of Embedded Series, Series T, Series V and Wrap Series Securities of the Pools, as applicable. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to being named in and the use, through incorporation by reference, in the above-mentioned Simplified Prospectus of our report to the unitholder of the Pools on the accompanying statement of net assets of each of the Pools as at October 28, 2011 and the related notes, which comprise a summary of significant accounting policies and other explanatory information. Our report is dated October 28, 2011.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants
Toronto Ontario
October 28, 2011

CERTIFICATE OF

Harmony Diversified Income Pool
Harmony Global Fixed Income Pool
(the "Pools")

**AND OF AGF INVESTMENTS INC.
AS MANAGER, TRUSTEE AND PROMOTER OF THE POOLS**

Dated: October 28, 2011

This annual information form, together with the simplified prospectus 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, M.S.M, CFA, LL.D.
Chairman and in the capacity of Chief
Executive Officer of AGF Investments
Inc., in its capacity as Manager, Trustee
and Promoter of the Pools

"Robert J. Bogart"

Robert J. Bogart, CPA
Executive Vice President and Chief
Financial Officer of AGF Investments Inc.
in its capacity as Manager, Trustee and
Promoter of the Pools

On behalf of the Board of Directors of AGF Investments Inc., as Manager, Trustee and Promoter of the Pools:

"Judy G. Goldring"

Judy G. Goldring, LL.B.
Director

[Back Cover]



ANNUAL INFORMATION FORM OF HARMONY POOLS

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

**Harmony Diversified Income Pool
Harmony Global Fixed Income Pool**

Additional information about the Pools is available in their most recently filed Fund Facts, 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 or by writing to us at the address below. These and other information about the Pools are also available at www.sedar.com.

Unless otherwise indicated herein, information about the Pools 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?®