

FOCUS | FUNDS

# Tune out the noise

## AGF Focus Funds

AGF INCOME FOCUS FUND

AGF EQUITY INCOME FOCUS FUND



What are you doing after work?®

## Main features

- › Typically three underlying funds in a one-ticket solution
- › Low to medium risk
- › Active asset allocation
- › Oversight and monitoring
- › Automatic rebalancing to dynamic target mix
- › Multi-level diversification
- › Experienced investment team

## Why the AGF Focus Funds?

- › Unprecedented low-interest rate environment has prompted an increased demand for income and yield among investors wanting to earn a reasonable return
- › provides core asset class diversification without dilution
- › appropriate for clients with a low to medium risk tolerance

### AGF INCOME FOCUS FUND:

potential to add return to a bond portfolio

### AGF EQUITY INCOME FOCUS FUND:

potential to achieve equity-like returns with less risk

## AGF Asset Allocation Committee

The AGF Asset Allocation Committee oversees the asset allocation mix of the AGF Focus Funds. The Committee conducts formal quarterly reviews of the asset mix of each of the Focus Funds by assessing the outlook for various asset classes and regions and then optimizing the portfolios by return, yield and volatility.

The Asset Allocation Committee is comprised of senior investment professionals who are responsible for various regions and asset classes.

The views of the Committee are used to determine each Fund's asset mix.

### Committee Members – Region/Asset class

**Kevin McCreadie, MBA, CFA**  
President and CIO  
AGF Investments Inc.  
Committee Head

**Jean Charbonneau, MBA**  
Senior Vice-President and  
Portfolio Manager  
AGF Investments Inc.  
Co-Chair, Fixed Income

**Tony Genua**  
Senior Vice-President and  
Portfolio Manager  
AGF Investments Inc.  
Co-Chair, U.S. equity

**Peter Frost, MBA, CFA**  
Vice-President and  
Portfolio Manager  
AGF Investments Inc.  
Canadian equity

**Stephen Bonnyman, MBA, CFA**  
Portfolio Manager  
AGF Investments Inc.  
Resources

**Stephen Way, CFA**  
Senior Vice-President and  
Portfolio Manager  
AGF Investments Inc.  
Global Equity and  
Emerging Markets

**Alpha Ba, M.Sc., CFA**  
Vice-President and  
Portfolio Manager  
AGF Investments Inc.  
Emerging Markets

**Esko Mickels, MBA, CFA**  
Analyst  
AGF Investments Inc.  
Asset allocation

## Fund details

| AGF INCOME FOCUS FUND <sup>1</sup> | AGF EQUITY INCOME FOCUS FUND |
|------------------------------------|------------------------------|
|------------------------------------|------------------------------|

### Neutral Weight<sup>Δ</sup>

|  |     |                              |     |
|--|-----|------------------------------|-----|
| AGF Traditional Income Fund <sup>2</sup> | 50% | AGF Monthly High Income Fund | 30% |
| AGF Fixed Income Plus Fund <sup>3</sup>  | 25% | AGF Global Dividend Fund     | 35% |
| AGF High Yield Bond Fund <sup>4</sup>    | 25% | AGF Total Return Bond Fund   | 35% |

### Credit Mix<sup>†</sup>

|   |  |
|---|--|
| The credit mix is relatively balanced across the spectrum | More focus on investment grade and below for additional income |
|---|--|

### Geographic Mix<sup>†</sup>

|  |                          |
|--|--------------------------|
| Invests the majority of assets in Canada | Invests across the globe |
|--|--------------------------|

### Annual Distributions

|           |    |           |    |
|-----------|----|-----------|----|
| MF Series | 3% | MF Series | 5% |
| Series F  | 3% | Series F  | 5% |
| Series Q  | 3% | Series Q  | 5% |
| Series T  | 8% | Series T  | 8% |
| Series V  | 5% | Series V  | –  |

<sup>Δ</sup> Neutral weight is the initial allocation based on objectives prior to the Committee's quarterly asset mix decisions.

<sup>†</sup> Based on an approximation of target underlying funds. For additional details, please see [AGF.com/funds](http://AGF.com/funds).

### Expected tax breakdown of the distributions

- > Distributions are expected to be primarily interest and dividend income, with the potential for capital gains and a small amount of return-of-capital (RoC) on the MF Series, Series F and Q.
- > Series T & V will have a larger RoC component than the MF Series, Series F and Q.
- > As with other AGF funds, distributions will be broken out as 100% income until year end when we can determine the actual split between interest, dividends, capital gains and RoC.
- > MF Series and Series F, Q, T and V distributions are based on a fixed percent. At the end of every year, the NAV of the Funds is multiplied by the fixed percent weight and then divided by 12 to arrive at the monthly payout amount, which is kept constant for that year.

**For more information, contact:**

**AGF Investments Inc.**

c/o 100-5900 Hurontario Street  
Mississauga, Ontario, Canada L5R 0E8  
Attention: AGF Client Services



What are you doing after work?®

Telephone: 1 800 268-8583

Website: AGF.com

Email: tiger@AGF.com

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<sup>1</sup> On April 9, 2014, unitholders approved a change in the investment objective to provide income by investing primarily in fixed-income securities and dividend-paying equity securities.

<sup>2</sup> AGF Traditional Balanced Fund merged into AGF Traditional Income Fund on July 10, 2015.

<sup>3</sup> AGF Investments Inc. replaced Acuity Investments Management Inc. as portfolio manager, effective April 17, 2015.

<sup>4</sup> On April 10, 2012, shareholders approved a change in the investment objective providing the Fund with greater flexibility to invest in high-yield bonds issued or guaranteed by corporations around the world.

The information contained in this material is designed to provide you with general information related to investment alternatives and strategies and is not intended to be comprehensive investment advice applicable to the circumstances of the individual. We strongly recommend you to consult with a financial advisor prior to making any investment decisions.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share and/or unit value and reinvestment of all dividends and/or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated.

The payment of distributions should not be confused with a fund's performance, rate of return or yield. If distributions paid by the fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a fund, and income and dividends earned by a fund, are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base falls below zero, you will have to pay capital gains tax on the amount below zero.

The targeted annual distribution is based on the Fund's or Portfolio's previous year-end net asset value and is subject to change. Monthly distributions on Series T and Series V shares may generally be a return of capital so long as there is sufficient capital attributable to the relevant series. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base falls below zero, you will have to pay capital gains tax on the amount below zero.

Investors must place a minimum of \$100,000 per fund in each account in order to qualify for purchase into AGF Gold Label (Series Q and/or W). Management fees (for Series Q and W) as well as service fees (for Series Q only) within the AGF Gold Label program will be taken out directly from client accounts. For AGF Gold Label clients, AGF pays the operating expenses, custody and other administration-related costs (except brokerage commissions, counterparty fees, IRC fees or other extraordinary items). Tier level discounts apply only to the dollar amount(s) grouped in each particular tier.

Publication date: December 3, 2015.