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AGF GROUP OF FUNDS

SIMPLIFIED PROSPECTUS
Offering Mutual Fund Series, Series F, Series O, Series Q and Series W units of

AGF FLEX ASSET ALLOCATION FUND

August 25, 2015

TABLE OF CONTENTS

INTRODUCTION

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. In this simplified prospectus:

we, ***us***, ***our*** and ***AGF*** refer to AGF Investments Inc.

you refers to the registered or beneficial owner of a security of the Fund.

AGF Group of Funds or ***AGF Funds*** refers to the Fund, as well as all of the AGF mutual funds offered to the public under the AGF Group of Funds simplified prospectus and an annual information form.

Class or ***Classes*** refers to a class or classes of the Tax Advantage Group

CRA refers to the Canada Revenue Agency.

ETFs refers to investment funds traded on a stock exchange (i.e. exchange traded funds).

Fund means AGF Flex Asset Allocation Fund.

Gold Label refers to, as applicable, Series Q and Series W securities of the Fund offered in this simplified prospectus.

Gold Label Household refers to a single investor holding Gold Label securities, their spouse and family members residing at the same address, as well as corporate, partnership or trust accounts for which the investor and other members of the Gold Label Household beneficially own more than 50% of the voting equity. Gold Label Households will be established after AGF receives authorization from all members of the Gold Label Household group. Each member of a Gold Label Household must meet the minimum investment requirements for the applicable series offered under the Gold Label program. See *Buying The Fund – Minimum Investment.*

Group RRSP refers to a group registered retirement savings plan.

Group TFSA refers to a group tax-free savings account.

LIF refers to a life income fund.

LIRA refers to a locked-in retirement account.

LRIF refers to a locked-in retirement income fund.

LRSP refers to a locked-in retirement savings plan.

MF Series refers to the Mutual Fund Series securities of the Fund offered in this simplified prospectus.

PRIF refers to a prescribed retirement income fund in Saskatchewan and Manitoba.

Qualifying Book Value refers to the book value calculated to determine minimum amount investment thresholds to invest in Gold Label securities. For purposes of such calculations, AGF will not include amounts in respect of dividends, distributions or management fee rebates, or deduct amounts in respect of management fee or dealer service fee redemptions, as applicable.

RDSP refers to a registered disability savings plan.

registered dealer refers to the firm the registered representative works for.

registered representative refers to an individual who is registered to sell mutual funds.

RESP refers to a registered education savings plan

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 refer to units and/or shares, as applicable.

securityholders refer to unitholders and/or shareholders, as applicable.

Series F refers to the Series F securities of the Fund offered in this simplified prospectus.

Series O refers to the Series O securities of the Fund offered in this simplified prospectus.

Series Q refers to the Series Q securities of the Fund offered in this simplified prospectus.

Series W refers to the Series W securities of the Fund offered in this simplified prospectus.

Tax Act refers to the *Income Tax Act* (Canada).

Tax Advantage Group refers to AGF All World Tax Advantage Group Limited, a mutual fund corporation that currently offers 19 different classes of securities and may offer more classes in the future. Each class is like a separate mutual fund with its own investment objective.

TFSA refers to a tax-free savings account.

Trust Funds refers to the AGF Funds that are structured as mutual fund trusts and issue units.

underlying fund refers to a mutual fund (either an AGF Fund or otherwise) in which an AGF Fund invests.

Additional information can be found in the Fund's annual information form.

This simplified prospectus is divided into two parts. The first part, from pages 1 to 28 contains general information that applies to the Fund. The second part, from pages 29 to 33 contains specific information about the Fund.

This simplified prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the name of the firm responsible for the management of the Fund.

Additional information about the Fund is available in the following documents:

- the annual information form
- the most recently filed Fund Facts
- the most recently filed annual financial statements
- any interim financial statements filed after those annual financial statements
- the most recently filed annual management report of fund performance
- any interim management report of fund performance filed after the annual management report of fund performance.

These documents are incorporated by reference into this document, which means they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at no charge by contacting your registered representative, calling us toll free at 1-800-268-8583, e-mailing us at tiger@agf.com, or writing us at:

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These documents and other information about the Fund are also available on the internet site of SEDAR at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

Mutual funds offer a simple and affordable way for investors seeking to meet financial goals, such as saving for retirement or a child's education. But what exactly is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

A mutual fund is an investment that allows people with similar investment goals to pool their money in a diversified portfolio. A professional portfolio manager uses that money to buy securities, such as stocks, bonds, cash or a combination of these, depending on the mutual fund's investment objectives. The portfolio manager makes all the decisions about which securities to buy and when to buy and sell them. Sometimes, the portfolio manager receives advice from a portfolio advisor as well.

You invest in a mutual fund by buying securities of the fund. Each security represents a portion of the value of the investments of the fund. Mutual fund investors share in the fund's income and expenses, as well as in any gains or losses, in proportion to the number of securities they own, after taking into account any special dividends or distributions.

There are a number of advantages to investing in mutual funds over investing in securities on your own:

- ***Professional money management.*** Professional portfolio managers devote their time and expertise to research potential investments and to make the investment decisions. They have access to up-to-the-minute information on trends in the financial markets and other in-depth data that may not be readily available to individual investors.
- ***Diversification.*** Investment values can change at different times and for different reasons. Owning a variety of investments can help reduce the effect that a poorly performing investment may have on your portfolio and increase the potential for better returns over time.
- ***Accessibility.*** Mutual funds tend to have low investment minimums, making them accessible to most investors. It's easy to buy, switch and sell mutual funds through your registered representative.

How mutual funds are structured

AGF has mutual fund trusts and a mutual fund corporation. The Fund is a mutual fund trust which may invest in mutual funds, which are trusts or corporations. Each class of a mutual fund corporation works like a separate fund, which in turn can invest in mutual funds, which are trusts or corporations. Both types allow you to pool your money with other investors, however, there are a few differences you should know about:

- You buy "units" of a mutual fund trust and "shares" of a mutual fund corporation. Units and shares both represent ownership.
- If a mutual fund corporation has more than one investment objective, each investment objective is represented by a separate class of shares. Each class works like a separate mutual fund. Shares are issued and redeemed on the basis of the net asset value of the class.
- A mutual fund trust has only one investment objective.
- Both classes of a mutual fund corporation and mutual fund trusts offer different series of securities, each of which has different features, including some that offer distributions of capital. You'll find more information about the different series of shares of the Fund under *Purchases, Switches and Redemptions*.
- When you switch between series of the same class of a mutual fund corporation, this is called a conversion. In general, a conversion is not considered a disposition for tax purposes so no taxes are payable solely as a result of the conversion. If you switch from one mutual fund trust to another mutual fund trust or to a mutual fund corporation, this is considered a disposition for tax purposes and may give rise to taxable capital gains.
- A mutual fund corporation is a single entity and taxpayer regardless of how many classes it offers. The mutual fund corporation must consolidate its income, capital gains, expenses and capital losses from all the investments made for all classes in order to determine the amount of tax payable. For example, capital gains of one class are offset by capital losses of another class. With mutual fund trusts, the capital losses of one mutual fund trust cannot be offset against the capital gains of another mutual fund trust. Mutual fund trusts are separate taxpayers.
- An allocation policy is established for a multi-class corporation whereby each asset and liability is

allocated either to a specific class or shared amongst multiple classes.

- A mutual fund corporation pays dividends out of income or capital gains, while a mutual fund trust pays distributions out of income or capital gains. Unlike mutual fund trust distributions, dividends are not declared regularly by a mutual fund corporation. A mutual fund corporation will have to pay tax on all sources of income other than capital gains in the event that it pays capital gains dividends. A mutual fund corporation typically pays out sufficient dividends to recover tax it pays on dividends received from taxable Canadian corporations. For this reason, the investment objective of a class of a mutual fund corporation is usually capital growth and not income. A mutual fund trust will not pay taxes on any source of income or capital gains as long as it distributes its net taxable income to securityholders. Both mutual fund corporations and mutual fund trusts may pay distributions out of capital.
- In some cases, the same investment objective and portfolio manager may be offered both by a mutual fund trust and a class of a multi-class mutual fund corporation, although not all the same series. In such circumstances, the investor has the additional option to select a fund based on the investor's particular circumstances.
- In general, the portfolio manager will seek to fairly allocate portfolio investments between the AGF Funds. However, while the investment objective of a mutual fund trust (trust fund) and a class of the mutual fund corporation (corporate class fund) may be identical, the performance of the respective funds may not be identical for various reasons. These reasons include, but are not limited to, timing differences in available cash flow to each fund, and differences in the manner in which the portfolio manager chooses to implement investment strategies between the trust fund and the corporate class fund.

What are the risks?

Just like any investment, mutual funds have an element of risk. A mutual fund's portfolio is made up of many different investments, depending on its investment objectives. The value of these investments can change from day to day because of changes in interest rates, economic conditions, and market and company news. As a result, the price of the securities of a mutual fund may go up or down based on these changes. When you sell your investment in a mutual fund, you could receive less money than you invested.

The level of risk depends on the mutual fund's investment objectives and the kinds of securities it invests in. A general rule of investing is that the higher the potential for gains from a particular investment, the higher the risk and potential for losses associated with that investment. Mutual funds that invest in highly liquid, short-term securities, such as treasury bills, usually offer the lowest risk because their potential returns are tied to short-term interest rates. Mutual funds that invest mainly in bonds typically have higher long-term returns, but they carry more risk because their prices can change when interest rates change. Mutual funds that invest in equity securities expose investors to the highest level of risk because the prices of these securities can rise and fall significantly in a short period of time.

You should keep in mind that mutual funds come with no guarantees. AGF doesn't guarantee that the full amount of your original investment in a fund will be returned to you. Unlike bank accounts or guaranteed investment certificates (GICs), your investment in a mutual fund isn't covered by the Canada Deposit Insurance Corporation (CDIC) or any other government deposit insurer. Under exceptional circumstances, we may temporarily suspend securityholders' rights to sell their securities. See *When you may not be able to buy, switch or sell securities* for details.

Specific risks of the Fund

The value of the Fund's investments can change for many reasons. You'll find the specific risks of investing in the Fund under the Fund's description in this simplified prospectus. What follows is a description of these risks listed in alphabetical order.

Changes in legislation risk

There can be no assurance that income tax, securities or other laws, or any administrative practice or interpretation thereof, will not be changed in a manner which adversely affects mutual funds or their securityholders.

Commodity risk

Should the Fund invest in natural resource companies or in income or royalty trusts based on commodities, such as oil and gas, it will be affected by changes in commodity prices. Commodity prices tend to be cyclical and government regulations can affect the price of commodities.

In addition, the Fund may invest directly or indirectly in commodities such as gold or silver. The net asset value of the Fund may be affected by changes in the price of such commodities which may occur as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability and changes in interest rates. The price of these commodities may fluctuate significantly over a short period of time causing volatility in the Fund's net asset value.

Concentration risk
The Fund may concentrate its investments in securities of a small number of issuers. The result is that the securities in which it invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. The Fund may also have a significant portion of its portfolio invested in the securities of a single issuer. A relatively high concentration of assets in a single or small number of investments may reduce the diversification and liquidity of the Fund.

Counterparty risk

The Fund may enter into derivatives with one or more counterparties. In entering into a derivative, the Fund will be fully exposed to the credit risk associated with the counterparty. Securityholders will have no recourse or rights against the assets of the counterparty or any affiliate thereof in respect of the derivatives or arising out of the derivatives or in respect of any payments due to securityholders.

Credit risk
Credit risk is the risk that an issuer of a bond or other fixed income security won’t be able to pay interest or repay the principal when it’s due. Credit risk is generally lowest among issuers that have a high credit rating from an independent credit rating agency. It is generally highest among issuers that have a low credit rating or no credit rating. Debt securities issued by companies or governments in emerging markets often have higher credit risk (lower rated debt),while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). The prices of securities with a low rating or no rating tend to fluctuate more than securities with higher ratings. They usually offer higher interest rates, which may help to compensate for the higher credit risk.

Derivative risk
A derivative is a contract between two parties. The value of the contract is based on or derived from an underlying asset, such as a stock, a market index, a currency, a commodity or a basket of securities. It’s not a direct investment in the underlying asset itself. While derivatives can be useful for hedging against losses, making indirect investments and gaining exposure to financial markets and other assets, they have certain risks:

- There’s no guarantee that hedging will be effective.
- There’s no guarantee a market will exist for some derivatives. This could prevent the Fund from making a profit or limiting its losses.
- Exchanges can impose trading limits that could prevent us from carrying out the derivative contract.
- The price of a derivative may not accurately reflect the value of the underlying asset.
- The other party to a derivative contract may not be able to honour its obligations under the contract.
- If money has been deposited with a derivatives dealer and the dealer goes bankrupt, the mutual fund may lose its deposit.
- Derivatives don’t prevent changes in the market value of the investments in a Fund’s portfolio or prevent losses if the market value of the investments falls.
- Some exchange traded derivatives may lack liquidity when we try to complete the derivative contract.

Emerging markets risk
In emerging market countries, securities markets may be less liquid, less diverse and may provide less transparency, making it more difficult to buy and sell securities. Also, some emerging markets economies may face political or other non-economic events that may have an impact on the normal functioning of the securities markets. Further, fixed income and equity markets may become more highly correlated at times than developed markets, which may make it difficult to buy and sell securities. The value of mutual funds that invest in emerging markets may fluctuate more than those that invest in developed markets.

Equity risk
The prices of individual equity securities can rise and fall with the fortunes of the companies that issue them or with general stock market conditions. Changes in the price of individual equity securities held by the Fund will affect the Fund’s price.

ETF general risks
The Fund intends to invest in ETFs. There are risks to investing in ETFs generally.

Absence of an active market and lack of operating history risk
There is no guarantee that any particular ETF will be available or will continue to be available at any time. The ETFs may be newly or recently organized investment funds with limited or no previous operating history. Although the ETFs are or will be listed on a Canadian or U.S. stock exchange, or such other stock exchanges as may be approved from time to time by

Canadian securities regulators, there can be no assurance that an active public market for the ETF will develop or be sustained.

Leverage risk

Some ETFs may employ leverage (Leveraged ETF) in an attempt to magnify returns by either a multiple or an inverse multiple of the particular commodity, benchmark, market index, or industry sector. This can result in the Leveraged ETF experiencing more volatility than the particular commodity, benchmark, market index, or industry sector, and achieving longer-term returns that deviate significantly from the particular commodity, benchmark, market index, or industry sector. An investment in a Leveraged ETF may therefore be highly speculative. In addition, Leveraged ETFs can magnify potential gains or losses, and as a result typically have a higher degree of risk than an ETF that simply tracks the particular commodity, benchmark, market index, or industry sector.

Redemption risk

The Fund's ability to realize the full value of an investment in an underlying ETF will depend on the Fund's ability to sell such ETF units or shares on a securities market. If the Fund chooses to exercise its rights to redeem ETF units or shares, then it may receive less than 100% of the ETF's then net asset value per unit or share.

Reinvestment risk

If an underlying ETF pays distributions in cash that the Fund is not able to reinvest in additional units or shares of the ETF on a timely or cost-effective basis, then the performance of the Fund will be impacted by holding such uninvested cash.

Trading price of ETFs risk

Units or shares of an ETF may trade in the market at a premium or discount to the ETF's net asset value per unit or share and there can be no assurance that units or shares will trade at prices that reflect their net asset value. The trading price of the units or shares will fluctuate in accordance with changes in the ETF's net asset value, as well as market supply and demand on the stock exchange.

ETF index risks

The Fund may invest in ETFs which (i) invest in securities that are included in one or more indices in substantially the same proportion as those securities are reflected in a referenced index or indices, or (ii) invest in a manner that substantially replicates the performance of such a referenced index or indices, whether on a leveraged or unleveraged basis.

Calculation and termination of the indices risk

If the computer or other facilities of the index providers or a stock exchange malfunction for any reason, calculation of the value of the indices and the determination by the manager of the prescribed number of units or shares and baskets of securities may be delayed and trading in units or shares of the ETF may be suspended for a period of time. In the event that an index provider ceases to calculate the indices or the license agreement with the manager of an ETF is terminated, the manager of the ETF may terminate the relevant ETF, change the investment objective of the ETF or seek to replicate an alternative index (subject to investor approval in accordance with the ETF's constating documents), or make such other arrangements as the manager determines.

Cease trading of constituent securities risk

If constituent securities of the indices are cease traded at any time by order of a stock exchange, a securities regulatory authority or other relevant regulator, the manager of the ETF may suspend the exchange or redemption of units or shares of the ETF until such time as the transfer of the securities is permitted by law.

Index investment strategy risk

The indices on which the ETFs are based were not created by the index providers for the purpose of the ETFs. The index providers have the right to make adjustments or to cease calculating the indices without regard to the particular interests of the manager of the ETF, the ETFs, or the investors in the ETF.

Rebalancing and adjustment risk

Adjustments to baskets of securities held by ETFs to reflect rebalancing of and adjustments to the underlying indices on which they are based will depend on the ability of the manager of the ETF and its brokers to perform their respective obligations. If a designated broker fails to perform, an ETF would be required to sell or purchase, as the case may be, constituent securities of the index on which it is based in the market. If this happens, the ETF would incur additional transaction costs that would cause the performance of the ETF to deviate more significantly from the performance of such index than would otherwise be expected.

Risk of not replicating the indices

The ETFs will not replicate exactly the performance of the underlying indices on which they are based because the total return generated will be reduced by the management fee payable to the manager of the ETF and transaction costs incurred in adjusting the portfolio of securities held by the ETFs and other expenses of the ETFs, whereas such transaction costs and expenses are not included in the calculation of such indices. It is also possible that, for a short period of time, the ETFs may not fully replicate the performance of such indices due to the temporary unavailability of certain securities that are included in an index in the secondary market or due to other extraordinary circumstances.

Tracking error risk
Deviations in the tracking by an ETF of the index on which it is based could occur for a variety of reasons. For example, where an ETF tenders securities under a successful takeover bid for less than all securities of a constituent issuer and the constituent issuer is not taken out of the applicable index, the ETF would be required to buy replacement securities for more than the takeover bid proceeds.

Adjustments to the basket of securities necessitated by the rebalancing of or adjustment to an index could affect the underlying market for constituent securities of the applicable index which in turn would be reflected in the value of that index. Similarly, subscriptions for units or shares of an ETF by designated brokers and underwriters may impact the market for constituent securities of the index, as the designated broker or underwriter seeks to buy or borrow such securities to constitute baskets of securities to deliver to the ETF as payment for the units or shares to be issued.

Foreign currency risk
The Fund intends to invest in foreign securities using foreign currency. Changes in the value of the Canadian dollar compared to foreign currencies will therefore affect the value, in Canadian dollars, of any foreign securities or foreign currencies in the Fund. In particular, securities that are priced in foreign currencies can lose value when the Canadian dollar rises against the foreign currency, and can gain value when the Canadian dollar weakens against the foreign currency. Foreign governments may impose currency exchange restrictions, which could limit a Fund's ability to buy and sell certain foreign investments and could reduce the value of the foreign securities such Fund holds.

Foreign market risk
Foreign investments involve additional risks because financial markets outside of Canada and the U.S. may be less liquid and companies may be less regulated and have lower standards of accounting and financial reporting. There may not be an established stock market or legal system that adequately protects the rights of investors. Foreign investments can also be affected by social, political, or economic instability. Foreign governments may impose investment restrictions. In general, securities issued by companies in more developed markets, such as the U.S. and Western Europe, have lower foreign market risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, tend to have a higher foreign market risk.

The Fund may trade in futures, forward and option contracts on exchanges located outside Canada and outside the United States where the regulations of Canadian or U.S. commodity futures regulators do not apply. Some foreign exchanges, in contrast to Canadian or U.S. exchanges, are "principals' markets" in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on such foreign exchanges, the Fund will be subject to the risk of the inability of, or refusal by, the counterparty, to perform with respect to such contracts. The Fund also may not have the same access to certain trades as do various other participants in foreign markets. Due to the absence of a clearinghouse system on certain foreign markets, such markets are significantly more susceptible to disruptions than Canadian or U.S. exchanges.

Gold and silver ETFs risk
The Fund may invest in ETFs that invest directly in gold or silver. There is a risk that part or all of the ETF's gold or silver could be lost, damaged or stolen, notwithstanding the handling of deliveries of the commodity by and storage of the commodity in the vaults of the custodian or subcustodian of the ETF. The custodian of the ETF does not typically inspect the fineness or quality of the gold or silver that is delivered to it and there can be no assurance as to the fineness or quality of the gold or silver delivered.

Interest rate risk
Changes in interest rates have an impact on a whole range of investments. When interest rates rise, the prices of fixed-rate bonds or other securities like treasury bills tend to fall. When interest rates fall, the prices of the fixed-rate bonds or treasury bills tend to rise. Fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates. Changes in the prices of these securities will affect the price of the Fund.

Liquidity risk
Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the investments owned by the Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But the Fund may also hold investments that are illiquid, which means they can't be sold quickly or easily. Some investments are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. If the Fund has trouble selling an

investment, it can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in the Fund's value.

Platinum, palladium and rhodium ETFs risk

The Funds may invest in ETFs that invest directly in platinum, palladium or rhodium ("PPR"). There is a risk that part or all of the ETF's PPR could be lost, damaged or stolen, notwithstanding the handling of deliveries of the commodity by and storage of the commodity in the vaults of the custodian or subcustodian of the ETF. The custodian of the ETF does not typically inspect the fineness or quality of the PPR that is delivered to it and there can be no assurance as to the fineness or quality of the commodity delivered.

Repurchase agreement risk

Through a repurchase agreement, the Fund sells a security at one price and agrees to buy it back from the buyer at a fixed price on a specified date. Repurchase agreements involve certain risks. In entering into repurchase agreements, the Fund is subject to the risk that the purchaser may not fulfill its obligations leaving the Fund holding cash in an amount that is less than the value of the sold securities at the relevant time. To limit this risk, the Fund must hold cash equal to not less than 102% of the value of the sold securities and the amount of the cash is adjusted daily to ensure this level is maintained. The Fund cannot lend more than 50% of its net asset value through securities lending or repurchase transactions. We also enter into repurchase agreements only with parties that have the approved credit ratings as mandated by the securities regulatory authorities.

Reverse repurchase agreement risk

Through a reverse repurchase agreement, the Fund buys securities for cash from a counterparty at a price set at the date of purchase and at the same time agrees to resell the same securities for cash to the counterparty at a price (usually higher) at a later date. Reverse repurchase agreements involve certain risks. The Fund is subject to the risk that the counterparty may not fulfill its obligation to repurchase the securities leaving the Fund holding securities which are trading at a price lower than the agreed repurchase price. Further, if the trading price decreases below the price at which the Fund initially bought the security, the Fund will suffer a loss. To limit these risks, the securities purchased must have a market value at the time of purchase equal to at least 102% of the cash paid for the securities purchased by the Fund and either the amount of the purchase price or the amount of purchased securities are adjusted to ensure this level is maintained. We also enter into reverse repurchase agreements only with parties that have the approved credit ratings as mandated by the securities regulatory authorities.

Securities lending risk

Securities lending involves lending for a fee portfolio securities held by the Fund for a set period of time to willing, qualified borrowers who have posted collateral. In lending its securities, the Fund is subject to the risk that the borrower may not fulfill its obligations or go bankrupt leaving the Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund. To limit this risk, the Fund must hold collateral worth no less than 102% of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained. The collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned. The Fund will not lend more than 50% of its net asset value through securities lending or repurchase transactions unless the Fund is permitted in law to lend a greater amount. Pursuant to applicable securities laws, the securities lending agent is required to be the custodian or sub-custodian of the Fund.

Substantial securityholder risk

The purchase or redemption of a substantial number of securities of the Fund may require the portfolio manager to change the composition of the Fund's portfolio significantly or may force the portfolio manager to buy or sell investments at unfavourable prices, which can affect the Fund's returns. Therefore, the purchase or redemption of securities by a substantial securityholder, including another mutual fund, may adversely affect the Fund's performance and may increase the Fund's realized capital gains. Portfolio turnover for the Fund may result in increased trading costs, with the resulting size of the Fund impacting the trading expense ratio.

PURCHASES, SWITCHES AND REDEMPTIONS

You can invest in the Fund through different accounts we offer, such as the registered plans described under *Optional Services*. You can also invest in the Fund through accounts or plans offered by other financial institutions. Ask your registered representative for details.

Series of securities

Each series of securities is intended for different kinds of investors as follows:

MF Series:

MF Series securities are available to all investors and they can be purchased under this simplified prospectus.

Series F:

Series F securities are intended for investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers.

Series F securities can be purchased under this simplified prospectus only through your registered dealer who has obtained the consent of AGF to offer Series F securities. Participation in the offering of Series F securities by a registered dealer is subject to terms and conditions relating to the distribution of Series F securities including the requirement of your registered representative to notify AGF if you are no longer enrolled in the fee-for-service or wrap account program.

No trailing commission or service fee is paid with respect to Series F securities.

If AGF is notified that you no longer meet the eligibility criteria, we will sell or reclassify your Series F securities in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically sell your Series F securities or reclassify them to the MF Series. There may be tax implications arising from any sale. See *Income Tax Considerations for Investors* for more details.

Series O:

Series O securities are intended for institutional investors, including funds, who meet the criteria established by AGF. The management fees for Series O securities are negotiated in a subscription agreement with AGF and paid directly by Series O securityholders, not by the Fund. Series O securities may not be purchased by individuals. Series O securities are generally offered pursuant to this simplified prospectus. Management fees paid directly by the investor are generally not deductible for tax purposes.

Series Q:

Series Q securities are available to investors who are individuals with $100,000 or more to invest in Series Q securities of the Fund, and they can be purchased under this simplified prospectus. Series Q securities are designed for individual investors who have agreed with their registered representative that they wish to purchase a series of securities offering reduced overall costs, including a reduced management fee via a tiered management fee schedule. The management fees for Series Q securities are paid directly by Series Q securityholders, not by the Fund. In addition, Series Q securityholders pay a service fee, which is payable to their registered dealer each quarter. This service fee is in addition to the management fee which is payable directly to us by investors who purchase Series Q securities. No trailing commission is paid with respect to Series Q securities. An investor must maintain a minimum balance of $100,000 in Series Q securities in the Fund in each account based on Qualifying Book Value in order to remain eligible for investment in Series Q. For the purposes of determining whether or not an investor meets the minimum investment requirements, AGF will not aggregate investments from investors in the same household, from an investor's registered plan and non-registered accounts, or otherwise. If an investor's Fund balance based on Qualifying Book Value falls below $100,000, the Series Q securities held by such investor will be switched to an equivalent value of MF Series securities of the Fund. AGF will contact your registered dealer and/or investment advisor before processing the switch. This switch will not be processed if you increase your investment to the minimum investment amount within 30 calendar days of your registered dealer and/or investment advisor being notified. Subject to applicable laws, AGF may vary the terms of the Series Q securities or discontinue offering such securities at its sole discretion.

Series W:

Series W securities are available to investors who are individuals with $100,000 or more to invest in Series W securities of the Fund, and they can be purchased under this simplified prospectus. Series W securities are designed for individual investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers, and who have agreed with their registered representative that they wish to purchase a series of securities offering reduced overall costs, including a reduced management fee via a tiered management fee schedule. The management fees for Series W securities are paid directly by Series W securityholders, not by the Fund. No trailing commission or service fee is paid with respect to Series W securities. An investor must maintain an account with a minimum balance of $100,000 in Series W securities of the Fund based on Qualifying Book Value in order to remain eligible for investment in Series W. For the purposes of determining whether or not an investor meets the minimum investment requirements, AGF will not aggregate investments from investors in the same household, from an investor's registered plan and non-registered accounts, or otherwise. If an investor's per Fund balance based on Qualifying Book Value falls below $100,000, the Series W securities held by such investor will be switched to an equivalent value of MF Series securities of the Fund. AGF will contact your registered dealer and/or investment advisor before processing the switch. This switch will not be processed if you increase your investment to the minimum investment amount within 30 calendar days of your registered dealer and/or investment advisor being notified. Subject to applicable laws, AGF may vary the terms of the Series W securities or discontinue offering such securities at its sole discretion. Management fees paid directly by the investor are generally not deductible for tax purposes.

How we calculate the price of a security

You can buy, switch or transfer securities of the Fund through your registered dealer. You can sell your securities through your registered dealer or by writing to us directly. Selling your securities is also known as redeeming. All transactions are based on the Fund's security price per series next determined after we receive your purchase, switch, or sale request in good order. This price is also called the net asset value per security.

We usually calculate the security price of each series of the Fund at the end of each business day. A business day is any day that The Toronto Stock Exchange (TSX) is open. In unusual circumstances, we may suspend the calculation of the Fund's price. We calculate the net asset value per security of each series of the Fund by:

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

The Fund is valued in Canadian dollars and can be bought in Canadian dollars only.

How we process orders

Your order must be in the proper form and include all necessary supporting documents. Your registered dealer is responsible for sending your order to us. If we receive your order to buy, switch or sell before 4 p.m. Toronto time on a business day, we'll process your order based on the price calculated that day. If we receive your order after 4 p.m. on a business day, we'll process your order based on the price calculated on the next business day. If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the 4 p.m. deadline. 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.

Buying the Fund

Minimum Investment

The minimum amount you can buy depends on the series you are purchasing:

MINIMUM INVESTMENT REQUIREMENTS			
Series of the Fund	**Initial Purchase**	**Subsequent Purchase**	**Systematic Investment Plan**
MF Series and Series F	$500	$25	$25
Series O	The minimum purchase amount will be agreed upon by you and AGF.		
Series Q and Series W	$100,000	$25	$25

We may waive the minimum investment amounts, other than for Series Q and Series W.

Individuals who each meet the minimum investment requirements for Gold Label securities, and who fit within the definition of Gold Label Household, may direct AGF to establish a Gold Label Household account, allowing all members' assets to be considered for management fee reductions. Establishing a Gold Label Household is not automatic. A Gold Label Household will only be established after AGF receives authorization from all members.

You have to pay for your securities when you buy them. If we don't receive payment for your purchase within three business days of receiving your order, we'll sell your securities as of the close of business on the next business day. If the proceeds from the sale are more than the cost of buying the securities, the Fund will keep the difference. If the proceeds are less than the cost of buying the securities, your registered dealer must pay the shortfall and may in turn have the right to collect it from you.

We can reject all or part of your order within one business day of the Fund receiving it. If we reject your order, we'll return any money received, without interest.

If you switch the type of account you hold your securities in (for instance, switching from an investment account to an RRSP), you may pay a negotiable fee to your registered dealer of 0-2% of the net asset value in your account.

If your investment falls below the minimum requirement

Because of the high cost of maintaining small accounts, we require that investors keep at least $500 invested in the Fund. If the value of your investment falls below the minimum requirement, we may sell, reclassify or convert your securities and send you the proceeds. We'll give you 30 calendar days notice before selling, reclassifying or converting, as applicable, so that you can buy more securities if you wish to raise the balance above the minimum.

An investor holding Gold Label securities must maintain an account with a minimum balance of $100,000 of the AGF Fund based on Qualifying Book Value. For the purposes of determining whether or not an investor meets the minimum investment requirements, AGF will not aggregate investments from investors in the same household, from an investor's registered plan and non-registered accounts, or otherwise. If an investor's Fund balance based on Qualifying Book Value falls below the $100,000 minimum, the respective securities held by such investor will be switched to an equivalent value of MF Series securities of the Fund. AGF will contact your investment advisor before processing the switch. This switch will not be processed if you increase your investment to the minimum investment amount within 30 calendar days of your investment advisor being notified.

Choosing a sales charge option

When you buy securities of the Fund, you can choose any one of the following different sales charge options available for that series. You and your registered representative will determine which sales charge option is suitable for you.

Front-end option

The front-end option is available for the Fund in all Series.

If you buy MF Series and Series Q securities under this option, you may pay a sales commission at the time of purchase. Commissions are not applicable for Series F, Series O or Series W securities purchased under this option. The commission is a percentage of the amount you invest and is paid to your registered dealer. See Dealer Compensation for details. You and your registered representative negotiate the actual commission. See *Fees and expenses payable directly by you – Sales charges* for the front-end sales charge rates.

Deferred sales charge ("DSC") option

The DSC option is available for the Fund in the MF Series securities only. If you buy under this option, you don't pay a sales commission when you invest in the Fund. Instead, we pay your registered dealer an up-front commission. See *Dealer Compensation* for details. However, under certain circumstances, if you sell, reclassify, convert or switch your MF Series securities within seven years of buying the original securities, you'll pay us a deferred sales charge at the time of your transaction.

In the case of a switch (including systematic switches) of your securities of the Fund (the "Original Fund") into securities of another AGF Fund, the seven-year time period will continue to run from your purchase of securities of the Original Fund (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* for the DSC rate schedule.

Low load option

The low load option is available for the Fund in the MF Series securities only. If you buy under this option, you don't pay a sales commission when you invest in the Fund. Instead, we pay your registered dealer an upfront commission. See Dealer Compensation for details. However, under certain circumstances, if you sell, reclassify, convert or switch your MF Series securities within three years of buying the original securities, you'll pay us a deferred sales charge at the time of your transaction.

In the case of a switch (including systematic switches) of your securities of the Fund (the "Original Fund") into securities of another AGF Fund, the three-year time period will continue to run from your purchase of securities of the Original Fund (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* for the low load rate schedule.

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 Fund, you will have to pay any deferred sales charge that applies at the time of such change.

Selling the Fund

You may choose to sell securities of the Fund at any time.

When you sell securities of the Fund, you receive the proceeds of your sale in cash. If you have not arranged for electronic transaction services, you must give us written instructions to sell your securities. We may accept a faxed copy of your written instructions from your registered representative only if your registered dealer has made arrangements with us to accept faxed instructions.

The Fund may charge you a short-term or frequent trading fee if you sell your securities within 90 calendar days of buying them, or make multiple sales within ten calendar days of purchase. See *Fees and Expenses* for details about these fees.

Unless AGF and your dealer have arranged otherwise, we'll send your payment to you or to someone else you choose by cheque or wire payment within three business days of receiving your properly completed order. You'll receive payment in the currency in which you purchased the securities, unless you request payment in another currency through our currency exchange service. See *Optional Services* for details.

If you want the proceeds paid to someone else, or if you are selling more than $25,000 of the Fund, your signature must be guaranteed by your bank, trust company or registered dealer. In some cases, we may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

If we haven't received all required documents within ten business days of receiving your sell order, we'll buy back the securities as of the close of business on the tenth business day. If the purchase cost is less than the sale proceeds, the Fund will keep the difference. If the purchase cost is more than the sale proceeds, your registered dealer must pay the shortfall. Your registered dealer may have the right to collect the shortfall from you.

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 discussion of the tax consequences, see *Income Tax Considerations for Investors*.

Selling securities under the DSC option

If you invest in MF Series securities under the DSC option and sell, reclassify or convert those securities within seven years of buying the original securities, other than in the circumstances noted below, we will deduct the applicable deferred sales charge from your transaction.

Your MF Series securities will be sold in the order of purchase, with your oldest securities being sold first. For purposes of calculating the order of selling securities, both the purchased securities and securities issued on the reinvestment of distributions on such purchased securities are deemed to be issued on the same date. Securities purchased on a particular date will be redeemed in priority to reinvested securities of the Fund deemed issued on that same date.

We'll deduct any deferred sales charge that applies when you sell your MF Series securities for cash or transfer them out of the AGF Funds.

You won't pay a deferred sales charge on:

- MF Series securities you hold for 7 years or more
- MF Series securities that qualify for the 10% free amount, provided you reinvest distributions, you received on such securities as explained under the 10% free amount section
- MF Series securities you receive from reinvested distributions. Before you can redeem these securities without paying deferred sales charges, you may need to pay deferred sales charges on redemptions of purchased securities as noted above
- Cash distributions paid by the Fund
- MF Series securities you switch from the Fund to another AGF Fund, provided you remain in the same sales charge option

Selling securities under the low load option

If you invest in MF Series securities under the low load option and sell, reclassify or convert those securities within three years of buying the original securities, other than in the circumstances noted below, we will deduct the applicable low load sales charge from your transaction.

Your MF Series securities will be sold in the order of purchase, with your oldest securities being sold first. For purposes of calculating the order of selling securities, both the purchased securities and securities issued on the reinvestment of distributions on such purchased securities are deemed to be issued on the same date. Securities purchased on a particular date will be redeemed in priority to reinvested securities of the Fund deemed issued on that same date.

We'll deduct any low load sales charge that applies when you sell your MF Series securities for cash or transfer them out of the AGF Funds.

You won't pay a low load sales charge on:

- MF Series securities you hold for 3 years or more
- MF Series securities that qualify for the 10% free amount, provided you reinvest distributions you receive on such securities as explained under the 10% free amount section
- MF Series securities you receive from reinvested distributions. Before you can redeem these securities without paying low load sales charges, you may need to pay low load sales charges on redemptions of purchased securities as noted above
- Cash distributions paid by the Fund
- MF Series securities you switch from the Fund to another AGF Fund, provided you remain in the same sales charge option

10% free amount

Each calendar year, you can sell or switch up to 10% of the market value of the MF Series securities you bought under the DSC option without paying a deferred sales charge (provided you reinvest any distributions, as applicable, you receive on your securities). You may also sell or switch up to 10% of the market value of the MF Series securities you bought under the low load option in each calendar year without paying a deferred sales charge (provided you reinvest any distributions, as applicable, you receive on your securities). This is referred to as the 10% free amount. The 10% free amount for each year is equal to:

- 10% of the market value, measured as at December 31 of the previous year, of your MF Series securities you bought under the DSC option and that you have held for less than 7 years, or 10% of the market value, measured as at December 31 of the previous year, of your MF Series securities you bought under the low load option and that you have held for less than 3 years; plus
- 10% of the market value of your MF Series securities you bought under the DSC option in the current year, or 10% of the market value of your MF Series securities bought under the low load option in the current year.

Any unused 10% free amount in a given year cannot be carried over to the next year.

If you choose to switch under the 10% free amount described in this section, such switches will result in the applicable securities being switched from the DSC or low load, as applicable, to front-end purchase option. While no sales charge will be applied, the trailing commission payable to your dealer will thereafter be that applicable to securities purchased under the front-end purchase option. See *Dealer Compensation –*

Trailing commission. We require proper instructions from you in order to facilitate the 10% free amount switch described above.

We'll deduct any deferred sales charge that applies when you sell your MF Series securities for cash or transfer them out of the AGF Funds.

Switches

Switching between AGF Funds

A switch involves moving money from the Fund to another AGF Fund. Generally, a switch may be an order to sell and buy, to reclassify or to convert your securities. We describe these kinds of switches below. When we receive your order, we'll sell, reclassify or convert your securities from the Fund and use the proceeds to buy the second AGF Fund. The steps for buying and selling the Fund also apply to switches.

Your registered representative may charge you a fee for switching. You and your registered representative negotiate the fee. The Fund may also charge you a short-term or frequent trading fee if you switch your securities within 90 calendar days of buying them, or make multiple switches within ten calendar days of purchase. See *Fees and expenses payable directly by you – Switch fees* for details about these fees.

Switching between Series of the Fund

Reclassification

Switching between series of the Fund is called a *reclassification*. You can reclassify securities of one series of the Fund into securities of another series of the Fund if you are eligible for that series and the Fund offers that series. When you reclassify securities of the Fund, the value of your investment won't change (except for any fees you pay to reclassify), but the number of securities you hold will change. This is because each series has a different unit price. In general, a reclassification is not considered a disposition for tax purposes, so no capital gain or loss will result. However, any redemption of securities to pay for a switch fee charged by your registered dealer will be considered a disposition for tax purposes. For a further discussion of the tax consequences, see *Income Tax Considerations for Investors.*

If you bought MF Series securities under the DSC or low load option and you reclassify or convert them to another purchase option of another available series, you'll have to pay any deferred sales charge that applies.

See *Fees and expenses payable directly by you – Redemption fees* for the DSC and low load option redemption schedules. If you reclassify or convert from another series to MF Series, you can choose the front-end sales charge, DSC or low load option. See *Buying Funds – Choosing a sales charge option* for details.

At the completion of your DSC redemption schedule, DSC securities of the Fund which you purchased may be switched by your registered dealer into securities carrying a front-end sales charge or another available series of securities of the Fund without increased costs to you, other than any applicable switch fees. Your registered dealer is paid a higher trailing commission on front-end sales charge securities, and may be paid a higher trailing commission if your DSC securities are switched into another series of securities. Your registered dealer or registered representative will generally be required to make certain disclosures to you and to obtain your written consent to switch between purchase options or to another series of securities. If you purchased DSC securities of the Fund, the trailing commissions on the securities will increase automatically on completion of the DSC redemption schedule. Please refer to the *Trailing commissions* section of this prospectus for further detail.

Taxable Switches

Switching between Trust Funds or between a Trust Fund and a Class of the Tax Advantage Group 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 on the disposition. Capital gains are taxable. The following switches are examples of taxable dispositions:

- if you switch from a series of units of a Trust Fund to the same or another series of units of another Trust Fund
- if you switch from a series of units of a Trust Fund to the same or another series of shares of a Class of the Tax Advantage Group

For a further discussion of the tax consequences, see *Income Tax Considerations for Investors*.

Short-term or frequent trading fee

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 poses 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 the Fund 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 Fund and other securityholders in the Fund.

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 Fund may charge you (and retain) a short-term or frequent trading fee of up to 2% of the amount you redeem, if the trade, as determined by AGF, is detrimental to the Fund 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 simplified prospectus.

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

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

See *Fees and expenses payable directly by you – Short-term or frequent trading fee* for details.

When you may not be able to buy, switch or sell securities

Securities regulations allow us to temporarily suspend your right to sell your Fund securities and postpone payment of your sale proceeds when:

- normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the Fund's value or its underlying market exposure are traded and there is no other exchange that is a reasonable alternative, or
- securities regulators give us permission.

While your right to sell securities is suspended, we won't accept orders to buy securities of the Fund. 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.

OPTIONAL SERVICES

This section tells you about the accounts, plans and services that are available to investors in the Fund. Ask your registered representative to contact us at 1-800-268-8583 for full details.

Currency exchange service

When you sell your securities, you can ask for the proceeds in a foreign currency, at the current rate of exchange.

We can also exchange currency when you buy securities. If you provide payment for your purchase in another currency, we can convert it to Canadian dollars. Please call us for further details.

Electronic transaction services

You can arrange for your registered representative to place orders to buy, switch and sell securities of the Fund by telephone or electronically. You can also contact us by telephone to directly place orders to sell securities of the Fund. In addition, you can arrange for your registered representative to have money electronically transferred from or to your bank account when you buy or sell securities of the Fund in Canadian dollars. We don't offer this service for U.S. dollar investments.

Registered Plans

We offer AGF RRSPs, RRIFs, LIRAs, LRSPs, RLSPs and Group RRSPs, LIFs, LRIFs, RLIFs, PRIFs, RESPs, TFSAs and Group TFSAs. You will find the minimum investment amounts for these plans under *Buying the Fund*. We may waive the minimum investment amounts, other than for Series Q and Series W. There are no annual administration fees to open, maintain or close a plan charged by AGF. See also *Fees and expenses payable by the Fund – Operating Expenses.*

You can also hold your securities in self-directed registered plans that you set up with other financial institutions. You may be charged a fee for these plans. You should consult your tax advisor for more information about the tax implications of registered plans.

Systematic distribution switches

We'll automatically switch your reinvested distributions from the Fund to another AGF Fund within the same series and under the same sales charge option. The switch will be processed and trade dated on the next business day immediately after a distribution has been reinvested.

The securities will be switched in the order of purchase, with your oldest securities being switched first. For purposes of calculating the order of switching securities, both the purchased securities and securities issued on the reinvestment of distributions on such purchased securities are deemed to be issued on the same date. At the time of a switch, the purchased securities of the Fund outstanding at that time are switched in priority to the reinvested securities of the Fund deemed issued on the same date.

Systematic investment plan

You can make regular investments in the Fund weekly, biweekly, monthly, bimonthly, quarterly, every four months, semi-annually or annually, on any business day of the month, for as little as $25. We'll automatically transfer money from your Canadian dollar chequing account and invest it in the Fund. If the frequency or start date is not included in your instructions, we will default the frequency to monthly and the start date to the first day of the following month. We don't offer this service for U.S. dollar investments, AGF RRIFs or the Locked-in plans.

When you enrol in our systematic investment plan, you will receive a copy of the Fund's Fund Facts document. Thereafter, you will be sent the Fund Facts solely upon request.

You can request that a copy of the Fund's Fund Facts be sent to you by calling us toll free at 1-800-268-8583, by emailing us at tiger@agf.com or by asking your registered representative. You can also find the Fund Facts at www.sedar.com or on our website at www.agf.com.

You have a statutory right to withdraw from an initial purchase of the Fund under the systematic investment plan but you do not have a statutory right to withdraw from subsequent purchases of the Fund under the systematic investment plan where you do not request a current version of the Fund Facts. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described under *Purchasers' Statutory Rights* whether or not you have requested a current version of the Fund Facts.

Systematic switching plan

You can make regular switches between the Fund and any other AGF Fund weekly, monthly, bimonthly, quarterly, every four months, semi-annually or annually on any business day of the month. We'll automatically sell securities of the Fund and use the proceeds to buy another AGF Fund within the same series and under the same sales charge option. The short-term trading fee does not apply to securities sold through this service. You may have to pay a negotiable fee to your registered dealer. You and your registered representative negotiate the fee. See *Fees and Expenses* for details. If you hold your securities in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable.

Systematic withdrawal plan

You can receive regular Canadian dollar payments from the Fund through our systematic withdrawal plan. We'll sell the number of securities needed to make the payment and send the proceeds to you by cheque or deposit to your bank account. You can choose to receive payments weekly, biweekly, monthly, bimonthly, quarterly, every four months, semi-annually or annually, on any business day. If the frequency or start date is not included in your instructions, we will default the frequency to monthly and the start date to the first day of the following month. The short-term trading fee does not apply to securities sold through this service. We don't offer this service for automatic deposits in U.S. dollars. 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.

If the value of the investment in your account falls below $500 for the Fund, we may sell your securities and send you the proceeds. If you withdraw more money than your Fund securities are earning, you'll eventually use up your investment. If your investment in the Fund is eventually used up, whereby a percentage allocated to the Fund under the relevant systematic withdrawal plan is no longer applicable, we will allocate the percentage otherwise allocable to the depleted Fund to another AGF Fund with the next highest asset value size remaining under the systematic withdrawal plan, unless we receive written instructions from you otherwise.

FEES AND EXPENSES

The following table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund pays some of these fees and expenses, which reduces the value of your investment. All amounts payable by investors referred to herein, including those listed on the table, are expressed exclusive of applicable Canadian sales and use taxes.

The Fund is required to pay goods and services tax ("GST") or harmonized sales tax ("HST"), as applicable, on management fees and operating expenses in respect of each series of the Fund, based on the residence for tax purposes of the investors of the particular series. Changes in existing HST rates, the adoption of HST by additional provinces, the repeal of HST by HST-participating provinces and changes in the breakdown of the residence of the Fund's investors may have an impact on the Fund year over year.

For fees and expenses payable directly by investors, the applicable rate of GST or HST, as applicable, will be determined based on the investor's place of residence.

We require securityholder approval to introduce a fee or expense or change the basis on which a fee or expense is charged to the Fund or its securityholders if the change results in a higher charge. Securityholder approval isn't required if the Fund is independent of the person or company charging the fee or expense and if securityholders are notified in writing at least 60 calendar days before the day the change becomes effective.

Fees and expenses payable by the Fund		
Management fees:	**These fees are calculated and accrued daily and paid monthly. Management fees are fees for various services provided to the Fund including investment management and advisory services, sales and trailing commissions to registered dealers on the distribution of the Fund's securities, and general administrative expenses of the manager such as overhead, salaries, rent and legal and accounting fees. These fees are paid directly to AGF and, where applicable, its affiliates. The table below shows the total annual rate of the management fees for the MF Series and Series F securities payable by the Fund.**	
	MF Series	**Series F**
AGF Flex Asset Allocation Fund	1.50	1.00

Fees and expenses payable by the Fund	
	Management fee reductions We sometimes negotiate a lower management fee for investors with very large holdings in the Fund. The fee reduction for series where the Fund pays the fees is received by the investor as follows: • We reduce the management fee we charge to the Fund and the Fund pays you an amount equal to the reduction. This is called a *management fee distribution*. Management fee distributions are calculated and credited daily and paid at least quarterly, first out of net income and net realized capital gains and then out of capital of the Fund. Management fee distributions are reinvested in the Fund. If the Fund offers more than one series of securities, the amount of distributions payable to all holders of the series will be reduced by the amount of any management fee distribution to the holders of that series. Grandfathered management fee distributions from prior fund reorganizations will continue to be reinvested annually. **Fund of funds** If the Fund invests in or exposes all or a portion of its assets to securities of another mutual fund, including an AGF Fund, the aggregate management fees payable in respect of the Fund and another mutual fund, including an AGF Fund, cannot be duplicated. As a result, AGF will waive fees payable to AGF by the Fund and/or by another underlying fund managed by AGF. See *Specific information about each of the mutual funds in this document – Investing in other mutual funds*.
Operating expenses	In addition to the management fees, each series of the Fund pays its own expenses and its share of the Fund's expenses that are common to all series. Common expenses include legal fees, custodian fees, audit fees, administrative costs, fees and expenses of the Independent Review Committee* and certain other costs. Expenses that are specific to a series include filing fees, management fees, securityholder servicing costs and certain other costs. Securityholders will be sent a written notice at least 60 calendar days before the effective date of any change to such common or series-specific expenses that could result in an increase in charges to the Fund. We may waive or absorb any of these expenses. AGF has agreed with investors in Series O, Series Q and Series W securities that AGF will reimburse the Fund for operating expenses (other than brokerage commissions, counterparty fees, fees and expenses of the Independent Review Committee or extraordinary items) that would otherwise be charged to that series of the Fund. As a result, the Series O, Series Q and Series W net asset value will not be reduced by such expenses. * As at the date of this simplified prospectus, each member of the Independent Review Committee receives an annual retainer of $30,000 ($35,000 for the Chairman) and $1,000 for each meeting of the Independent Review Committee that the member attends, plus reimbursement of expenses, if any, for attending each meeting. These fees and expenses are allocated among all of the funds managed by AGF to which NI 81-107 applies, in a manner that is considered by AGF to be fair and reasonable.

Fees and expenses payable directly by you	
Management Fees – Series O, Q and W	There are no management fees payable by the Fund for Series O, Series Q or Series W securities. The management fees for Series O, Series Q and Series W securities are paid directly by Series O, Series Q or Series W securityholders, as applicable, not by the Fund. Investors may only purchase Series O, Series Q and Series W securities through a registered dealer. The maximum annual rates, excluding applicable taxes, are as follows (rate reductions may apply): **Fund** / **Series O maximum rates** / **Series Q maximum rates** / **Series W maximum rates** AGF Flex Asset Allocation Fund / 1.00 / 1.00 / 1.00 If you are considering an investment in Series O, Series Q or Series W securities, you should consult your independent tax advisor about the tax treatment of you paying the management fees directly.
Service Fees – Series Q	When you buy Series Q securities of the Fund, a negotiated service fee can be paid to your registered dealer on a quarterly basis. This fee is in addition to the management fee you pay directly to AGF. The actual service fee depends on the arrangements you negotiate with your registered dealer. The service fee is 0%, unless otherwise negotiated between you and your registered dealer. The maximum annual rates, excluding applicable taxes, is: **Fund** / **Maximum Service Fee** AGF Flex Asset Allocation Fund / 0.50
Sales charges	**Front-end sales charge** The front-end sales charge is available for the Fund in all Series, other than Series F, Series O and Series W. You and your registered representative negotiate the sales charge. The sales charge is deducted from the amount you invest in the Fund. The maximum rate is up to 6%.
Switch fees	If you switch a series of securities of the Fund, other than Series F, Series O and Series W, to the same series of securities of another AGF Fund, you may pay a fee to your registered dealer of 0-2% of the net asset value being switched. **Reclassification/conversion fee** If you reclassify or convert MF Series securities you bought under the DSC option or low load option to another sales charge option, you'll also have to pay any deferred sales charge that applies. See below for details about the deferred sales charge. If you reclassify or convert securities from Series F or Series O to MF Series, you can choose the front-end sales charge option or the DSC option or the low load option. See *Choosing a sales charge option* for details. You'll find more information about reclassifying and converting under *Switches*.
Redemption fees	**DSC** The DSC option is available for MF Series securities of the Fund. You may have to pay a deferred sales charge if you buy MF Series securities under the DSC option and then sell, reclassify or convert them to another purchase option within 7 years of buying the original securities. Some exceptions apply. See *Selling the Fund – Selling securities under the DSC option* for details. The deferred sales charge is based on the value of the securities when you bought them and is deducted from the value of the securities you sell, reclassify or convert. The rate depends on how long you held your securities: Securities you sell / DSC rate within two years of buying them / 5.5% during the third year after buying them / 5.0% during the fourth year after buying them / 4.5% during the fifth year after buying them / 4.0%

Fees and expenses payable directly by you	
	during the sixth year after buying them — 3.0% during the seventh year after buying them — 1.5% after seven years of buying them — Zero
	Low load The low load option is available for MF Series securities of the Fund. You may have to pay a deferred sales charge if you buy MF Series securities under the low load option and then sell, reclassify or convert them to another purchase option within 3 years of buying the original securities. Some exceptions apply. See *Selling the Fund – Selling securities under the low load option* for details. The deferred sales charge is based on the value of the securities when you bought them and is deducted from the value of the securities you sell, reclassify or convert. The rate depends on how long you held your securities: Securities you sell — Low load sales charge rate within the first year of buying them — 3.0% during the second year after buying them — 2.5% during the third year after buying them — 2.0% after 3 years of buying them — Zero
Short-term or frequent trading fee	The Fund may charge you (and retain) a short-term trading fee of up to 2% of the net asset value if you sell or switch securities of the Fund within 90 calendar days of buying them. The Fund may also charge you (and retain) a frequent trading fee of 2% if you sell or switch securities within ten calendar days of buying them. We deduct the fee from the value of the securities you're selling or switching, subject to certain exceptions, and pay it to the Fund. This fee is in addition to any other redemption fees. See *Purchases, Switches and Redemptions – Short-term or frequent trading fee*.
Registered plan fees	None. See also *Fees and expenses payable by the Fund – Operating Expenses.*
Other fees	Systematic investment plan: None Systematic withdrawal plan: None Dishonoured cheques or insufficient funds: $25 for each bank transaction

IMPACT OF SALES CHARGES

The table below shows the fees that you would have to pay while invested in securities of the Fund under our different sales charge options. It assumes that:

- you invest $1,000 in securities of the Fund for each period and sell all of your securities immediately before the end of the period.
- the sales charge under the front-end sales charge option is 6%. See *Fees and expenses payable directly by you – Sales charges* for the front-end sales charge rates.
- the deferred sales charge under the DSC option applies only if you sell your MF Series securities within seven years of buying them. See *Fees and expenses payable directly by you – Redemption fees* for the DSC rate schedule.
- the deferred sales charge under the low load option applies only if you sell your MF Series securities within three years of buying them. See *Fees and expenses payable directly by you – Redemption fees* for the low load rate schedule.
- you haven't used your 10% free amount under the DSC or low load option.

Sales Charge Options	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Front-end sales charge option	$60	n/a	n/a	n/a	n/a
DSC option[1]	n/a	$55	$50	$40	n/a
Low load option[2]	n/a	$30	$20	n/a	n/a

[1] Series F, Series O, Series Q and Series W securities cannot be purchased under the DSC option.
[2] Series F, Series O, Series Q and Series W securities cannot be purchased under the low load option.

DEALER COMPENSATION

Sales commissions

Your registered dealer usually receives a sales commission when you invest in the MF Series and Series Q securities of the Fund. You can choose any one of the following different sales charge options available for that specific series. You and your registered representative will determine which sales charge option is suitable for you.

Front-end sales charge option

The front-end sales charge option is available for the Fund in all Series, other than Series F, Series O and Series W. When you buy under this option, you and your registered representative negotiate the sales charge. We deduct the sales charge from your investment and pay it to your registered dealer. The sales charge is up to 6% for the Fund.

DSC option

The DSC option is available for the Fund in the MF Series securities only. When you buy MF Series securities under this option, we pay your registered dealer a sales commission of 5% of the amount you invest. You may have to pay us a fee if you sell, convert to a different purchase option or reclassify your MF Series securities within 7 years of buying the original securities. See *Fees and expenses payable directly by you – Redemption fees* for details on the DSC redemption schedule.

Low load option

The low load option is available for the Fund in the MF Series securities only. When you buy MF Series securities under this option, we pay your registered dealer a sales commission of 2.5% of the amount you invest. You may have to pay us a fee if you sell, convert to a different purchase option or reclassify your MF Series securities within 3 years of buying the original securities. See *Fees and expenses payable directly by you – Redemption fees* for details on the low load redemption schedule.

Trailing commission

For MF Series securities, we pay your registered dealer a trailing commission on the securities purchased or issued on the reinvestment of any distributions, subject to certain eligibility requirements. Your registered dealer may choose to receive the trailing commission either on a monthly or quarterly basis.

Trailing commissions payable to your registered dealer in connection with purchased securities are set out in the following table.

For purchases of Series F, Series O or Series W securities, we do not pay any trailing commission to your registered dealer. Your registered dealer is paid a fee in respect of Series F and Series W securities under the terms of your arrangement with your registered dealer.

Generally, the trailing commission is a percentage of the total value of MF Series securities held by a registered representative's clients. The maximum annual rate of the trailing commission depends upon the sales charge option chosen and the purchase date. See the following table for details. We will also pay trailing commissions to the discount broker for securities purchased through your discount brokerage account, if a trailing commission is payable on the series you purchase.

Fund	Maximum Annual Trailing Commission Rate		
	Front-End	DSC	Low-Load
	MF Series	MF Series	MF Series
AGF Flex Asset Allocation Fund	0.50%	0.25% for the first 7 years, 0.50% thereafter	0.25% for the first 3 years, 0.50% thereafter

Series Q service fees

When you buy Series Q securities of the Fund, a negotiated service fee can be paid to your registered dealer on a quarterly basis, based on the average net asset value of your Series Q securities held during the quarter. The actual fee depends on the arrangements you negotiate with your registered dealer. The service fee is 0%, unless otherwise negotiated between you and your registered dealer. The maximum annual rates, excluding applicable taxes, are disclosed under *Fees and expenses payable directly by you – Service Fees – Series Q.*

Series Q service fees are based on the average net asset value of Series Q securities of the Fund you held during the quarter. To determine average net asset value, we take the total value of your investment in the Series Q securities on each calendar day in the quarter and divide this number by the total number of calendar days in the quarter.

We deduct the service fee by automatically selling the Series Q securities in your account on or about March 20, June 20, September 20 and December 20 of each year. 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. You should consult a tax advisor about the tax treatment of the service fee. If you sell most or all of your securities before the end of a quarter, we will deduct the management fee plus any service fee you owe from the sale proceeds and send you the balance. We may change the date and method of deducting such fees.

Where an investor purchases a fund which invests in an AGF Fund and AGF has agreed to be responsible for the payment of sales commission and trailing commissions to the registered dealer on such fund on fund purchases, AGF will pay the same sales commission and trailing commissions to the dealer selling the top fund as if the investor purchased MF Series securities directly in the AGF Fund, regardless of what series of securities the top fund purchases in the underlying AGF Fund.

Other kinds of dealer compensation

In addition to the commissions described above, we may also provide educational conferences and events, marketing support programs and other programs to registered dealers or financial advisors and their registered representatives. These include:

- materials describing the benefits of mutual fund investing
- conferences sponsored by registered dealers, for which we pay up to 10% of the cost
- audio and video materials for dealer seminars
- co-operative dealer advertising, for which we pay up to 50% of the cost
- national media advertising

We may change the terms and conditions of these commissions and programs or discontinue them, at any time.

Dealer compensation from management fees

During our financial year ended November 30, 2014, the amount we paid to registered dealers in sales and trailing commissions, service fees and other kinds of dealer compensation for all mutual funds managed by AGF was approximately 45%of the total management fees that we received from investors or the AGF Funds we managed in that year.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section is a summary of how investing in the Fund can affect your taxes. It assumes that you are a Canadian resident that deals with the Fund at arm's length and holds securities of the Fund as capital property. This information may or may not apply to you. We recommend that you consult your tax advisor about your own situation.

More detailed information is available in the annual information form.

How your investment can make money

Your investment in the Fund can make money from:

- any earnings the Fund makes or realizes on its investments which are allocated to you in the form of distributions;
- any capital gains that you realize when you switch or sell your securities of the Fund at a profit. If you switch or sell your investment at a loss, it is called a capital loss.

How your investment is taxed

The tax you pay on your mutual fund investment depends on whether you hold your securities in a non-registered account or in a registered plan, such as an RRSP or a TFSA.

Securities held in a registered plan

If you hold securities of the Fund in a registered plan, you generally pay no tax on distributions you receive or on any capital gains that your registered plan makes from selling or switching or otherwise disposing of these securities. However, most withdrawals from registered plans are subject to tax (other than withdrawals from a TFSA and certain permitted withdrawals from RESPs and RDSPs).

Securities held in a non-registered account

If you hold securities of the Fund in a non-registered account, you must include your share of the Fund's distributions of net income and the taxable portion of net capital gains (in Canadian dollars) in your income. These amounts are taxed as if you received them directly. Distributions must be included in your income, whether you receive them in cash or have them reinvested in additional securities of the Fund.

Distributions may include a return of capital. When the net income and net realized capital gains available for distribution of a mutual fund is less than the amount distributed, the difference may be a return of capital. A return of capital is generally not taxable, but will reduce the adjusted cost base of your securities of the Fund. We explain how to calculate adjusted cost base below.

Management fees paid directly by the investors are generally not deductible for tax purposes.

We will issue a tax slip to you each year that shows the type of distributions the Fund distributed to you, including any management fee distributions or a return of capital amount, where applicable. You can claim any tax credits that apply to those earnings. For example, if the Fund's distributions include Canadian dividend income, you may qualify for dividend tax credits as permitted by the Tax Act.

All switches and sales of securities, except for reclassifications, are considered dispositions for tax purposes. If the value of the securities sold is greater than the adjusted cost base of the securities, you will have a capital gain. If the value of the securities sold is less than the adjusted cost of the securities, you will have a capital loss which can be applied against capital gains. In general, you must include one-half of the amount of a net capital gain in your income for tax purposes.

A reclassification involves moving money from one series of the Fund to another series of the same Fund. Based in part on the administrative practice of the CRA, a reclassification is generally not considered a disposition for tax purposes, so no capital gain or loss will result.

Calculating adjusted cost base

You must calculate the adjusted cost base of your securities separately for each series of securities of the Fund that you own. In general, the aggregate adjusted cost base of your investment in a series of securities of the Fund equals:

- your initial investment, including any applicable sales charges you paid, *plus*
- any additional investments, including any applicable sales charges you paid, *plus*
- any reinvested distributions, including management fee distributions, *minus*
- any distributions that were a return of capital, *minus*
- the adjusted cost base of any securities previously disposed of

To the extent that the adjusted cost base of your securities would otherwise be a negative amount as a result of you receiving a distribution from a Fund that is a return of capital, the negative amount will be deemed to be a capital gain realized by you from a disposition of the securities and your adjusted cost base of the securities would be increased by the amount of such deemed gain.

You should keep detailed records of the purchase cost of your securities, and distributions you receive on those securities so you can calculate their adjusted cost base. You may wish to consult a tax advisor to help you with these calculations.

Enhanced tax information reporting

The Fund is a "Reporting Canadian financial institution" for purposes of the Canada-United States Enhanced Tax Information Exchange Agreement (the "IGA") and recently enacted Part XVIII of the Tax Act, and intends to satisfy its obligations under Canadian law for enhanced tax reporting to the CRA. As a result of such status, certain securityholders may be requested to provide information to the Fund or their registered dealer relating to their citizenship, residency and, if applicable, a U.S. federal tax identification number. If a securityholder is identified as a U.S. taxpayer (including a U.S. citizen who is resident in Canada) or if the securityholder does not provide the requested information, the IGA and Part XVIII of the Tax Act will generally require information about the securityholder's investment in the Fund to be reported to the CRA, unless the investment is held in a registered plan. The CRA will then exchange the information with the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Income Tax Treaty.

Buying Securities Late in the Year

If you buy securities of the Fund just before it makes a distribution, you will be taxed on the entire distribution even though the Fund may have earned the income or realized the gain giving rise to the distribution before you owned the securities. That means you may have to pay tax on your proportionate share of the net income or net realized capital gains the Fund earned for the whole year, even though you were not invested in the Fund during the whole year.

Portfolio Turnover

The Fund's portfolio turnover rate usually indicates how actively the portfolio manager manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling each security in its portfolio once in the course of its financial year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive an income or taxable capital gains distribution from the Fund.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy your securities and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT

On the following pages, you'll find detailed description of the Fund in this simplified prospectus to help you make your investment decisions. Here's what each section of the Fund descriptions tells you:

Fund details

This is a summary of some basic information about the Fund, such as when it was started and the type of securities it offers. When you invest in a mutual fund trust, you buy units of the trust.

This section also tells you if the securities of the Fund are eligible for registered plans, such as RRSPs, Group RRSPs, LRSPs, RRIFs, LRIFs, LIRAs, LIFs, RESPs RLIFs, RLSPs, PRIFs, TFSAs or Group TFSAs, money purchase pension plans and defined contribution pension plans. See *Income Tax Considerations for Investors – Securities held in a registered plan*.

What does the Fund invest in?

This section describes the Fund's fundamental investment objectives and the strategies the portfolio manager uses in trying to achieve those objectives. You'll find out the types of securities the Fund can invest in and how the portfolio manager chooses investments and manages the portfolio. Here are details about some special types of investments the Fund can make:

Derivatives

The Fund can use derivatives as long as the use of derivatives is consistent with the Fund's objectives and is permitted in law. A derivative is a contract between two parties. The value of the contract is based on or derived from an underlying asset, such as a stock, a market index, a currency, a commodity or a basket of securities. It's not a direct investment in the underlying asset itself. Examples of derivatives are options, forward contracts and futures contracts.

- An option is the right, but not the obligation, to buy or sell a security, currency, commodity, or market index at an agreed upon price by a certain date. The buyer of the option makes a payment - called a premium - to the seller for this right.
- A forward contract is an agreement to buy or sell an asset, such as a security or currency, at an agreed upon price at a future date or to pay the difference in value between the contract date and the settlement date. Forward contracts are generally not traded on organized exchanges and aren’t subject to standardized terms and conditions.
- Like a forward contract, a futures contract is an agreement between two parties to buy or sell an asset at an agreed upon price at a future date or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange. The exchange usually specifies certain standardized features of the contract including the basket of securities.

Investing in other mutual funds

An AGF Fund may invest in, or have exposure to, securities of another mutual fund, including other mutual funds managed by AGF, if, among other things,

- the other mutual fund is subject to National Instrument 81-102 and offers or has offered securities under a simplified prospectus in accordance with National Instrument 81-101
- the investment objective of the other mutual fund is consistent with the Fund’s investment objective
- where AGF is the manager of the other mutual fund, AGF does not vote the AGF Fund’s holdings in the other mutual fund, or, if it chooses at its discretion, flows through the voting rights to securityholders of the AGF Fund
- at the time the AGF Fund purchases securities of the other mutual fund, the other mutual fund holds no more than 10% of the market value of its net assets in securities of another mutual fund
- the other mutual fund is a reporting issuer in the same jurisdiction as the AGF Fund
- no management fees or portfolio management fees are payable by the AGF Fund that would duplicate a fee payable by the other mutual fund
- where AGF is the manager of the other mutual fund, no sales fees or redemption fees are payable by the AGF Fund in relation to its purchases or redemptions of the securities of the other mutual fund
- no sales fees or redemption fees are payable by the AGF Fund in relation to its purchases or redemptions of the securities of the other mutual fund that would duplicate a fee payable by the other mutual fund

Investments in ETFs

Under securities legislation, a mutual fund is permitted to invest in an ETF that is an index participation unit if:

- the investment objective of the ETF is consistent with the mutual fund's investment objective,
- no management fees or portfolio management fees are payable by the mutual fund that would duplicate a fee payable by the ETF,
- no sales charges or deferred sales charges are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF, except for trading costs, and
- no sales fees or redemption fees, other than brokerage fees, are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF that, to a reasonable person, would duplicate a fee payable by an investor in the ETF.

Also, as permitted by exemptive relief obtained from the Canadian securities regulatory authorities, a mutual fund may also invest in securities of an ETF (that are not index participation units), if:

- the investment objective of the ETF is consistent with the mutual fund's investment objective,
- the ETF is subject to National Instrument 81-102,
- the mutual fund purchases no more than 10% of the market value of its net assets in securities of an ETF,
- no management fees or portfolio management fees are payable by the mutual fund that would duplicate a fee payable by the ETF, and
- no sales charges or deferred sales charges are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF.

Exemptive relief has also been obtained from the Canadian securities regulatory authorities to permit the Fund to be able to invest in certain Gold/Silver ETFs and certain Index ETFs, to the extent certain conditions are met.

Repurchase agreements and securities lending

Through a repurchase agreement, a mutual fund sells a security at one price and concurrently agrees to buy it back from the buyer at a fixed price on a specified date.

The buyer may be a broker-dealer or other buyer. Securities lending involves lending for a fee portfolio securities held by the Fund for a set period of time to willing, qualified borrowers who have posted collateral. The Fund may enter into repurchase agreements and securities lending transactions if no more than 50% of its net asset value is at risk under repurchase transactions and securities lending agreements, unless the Fund is permitted in law to invest in a greater amount. The Fund has appointed a securities lending agent for purposes of entering into securities lending transactions with suitable counterparties. Pursuant to applicable securities laws, the securities lending agent is required to be the custodian or sub-custodian of the Fund.

Reverse repurchase agreements

Through a reverse repurchase agreement, a mutual fund buys securities for cash from a counterparty at a price set at the date of purchase and at the same time agrees to resell the same securities for cash to the counterparty at a price (usually higher) at a later date. The counterparty may be a broker-dealer or other buyer. In the event the counterparty defaults, since the types of securities purchased by the mutual fund are restricted to certain higher quality debt instruments of certain governments and other issuers, the mutual fund should be able to reduce or eliminate its losses.

What are the risks of investing in the Fund?

This section tells you some of the risks of investing in the Fund. You'll find a description of each risk in Specific risks of the Fund. For a more complete discussion about the risks of investing in the Fund, you should consult your registered representative.

Investment Risk Classification Methodology

A risk classification rating is assigned to the Fund to provide you with information to help you determine whether the investment is appropriate for you. The Fund is assigned a risk rating in one of the following categories:

- Low – for AGF Funds with a level of risk typically associated with investments in Canadian fixed income funds and money market funds;
- Low to Medium – for AGF Funds with a level of risk typically associated with investments in balanced funds and global or corporate fixed income funds;
- Medium – for AGF Funds with a level of risk typically associated with investments in equity portfolios diversified among a number of large-capitalization Canadian or international equity securities;
- Medium to High – for AGF Funds with a level of risk typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- High – for AGF Funds with a level of risk typically associated with investments in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (such as emerging markets or precious metals).

We review the risk rating for the Fund on an annual basis.

The methodology used to determine the risk rating of the Fund for purposes of disclosure in this simplified prospectus and in the Fund's Fund Facts is the methodology recommended by the Fund Risk Classification Task Force (the "Task Force") of The Investment Funds Institute of Canada. The Task Force concluded that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of performance by the Fund. However, the Task Force and AGF recognize that other types of risk, both measurable and non-measurable, may exist and that historical performance may not be indicative of future returns and that the Fund's historical volatility may not be indicative of its future volatility.

Accordingly, while AGF will generally assign a risk rating to the Fund based on the historical standard deviation of the Fund's performance during the past three to five years on an average rolling basis, we may adjust the Fund's risk rating for various reasons. These include, but are not limited to, whether the Fund's standard deviation is affected by unusual market volatility, whether the Fund has been in existence for less than three years, or whether the Fund invests all of its assets in an underlying fund. Under these circumstances, we may modify the risk rating or assign a risk rating based on other considerations like the historical standard deviation of the performance of a similar investment fund, a similar investment mandate or an underlying fund, as applicable.

A more detailed explanation of standard deviation and the methodology AGF uses to determine the risk rating of the Fund is available on request, at no cost, by calling us toll-free at 1-800-268-8583, emailing us at tiger@agf.com or writing to us at AGF Investments Inc. – Client Services, c/o 100-5900 Hurontario Street, Mississauga ON L5R 0E8.

Who Should Invest in this Fund?

This section can help you decide if the Fund might be suitable for your account. It includes information about the level of investor risk tolerance that would be appropriate for the Fund. This section is meant as a general guide only. For advice about your account, you should consult your registered representative.

Distribution policy

This section tells you when the Fund usually distributes any earnings to investors. This section will also tell you whether your distributions will be reinvested, or whether in certain cases you may ask to receive them in cash instead. The Fund may change its distribution policy at any time.

Each series of the Fund is entitled to its share of the net income and net realized capital gains adjusted for the series specific expenses of the Fund other than management fee distributions. Net income and realized capital gains earned by the Fund during the year will first be allocated to securityholders who receive management fee distributions and the remainder will be allocated to all securityholders on the basis described above. As a result, distributions of net income and net realized capital gains per security will likely be different for each series of the Fund.

To the extent that distributions made during the year exceed the net income and net realized capital gains of the Fund allocated as described above, such distributions may include a return of capital. A distribution of a return of capital may not be proportionately shared amongst series. In particular, management fee distributions may include a return of capital. Return of capital represents a return to an investor of a portion of their own invested capital.

For information on how distributions can affect your taxes, *see Income Tax Considerations for Investors*. Information on current distribution rates is available on AGF's website at www.AGF.com.

Fund expenses indirectly borne by investors

This information is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. While you do not pay these costs directly, they have the effect of reducing the Fund's returns. The information is based on an initial investment of $1,000 and a total annual return of 5% and assumes that the management expense ratio of the Fund was the same throughout each period shown as it was during the last completed financial year. For additional information refer to *Fees and Expenses* earlier in this document. Information is shown only for series of securities of a Fund that were outstanding and operational at the end of the last completed financial year.

SPECIFIC INFORMATION ABOUT AGF FLEX ASSET ALLOCATION FUND

ORGANIZATION AND MANAGEMENT OF THE FUND	
Manager AGF Investments Inc. Suite 3100, 66 Wellington Street West TD Bank Tower Toronto, Ontario M5K 1E9	The manager is responsible for the overall business and operation of the Fund. This includes providing or arranging for the day-to-day administration of the Fund. **Fund of funds** All of the AGF Funds have the ability to invest in securities of other mutual funds, subject to certain conditions. Where AGF is the manager of the other mutual fund, AGF will not vote the securities of the other mutual fund. We may, at our discretion, choose to flow through the voting rights attached to securities of the other mutual fund to securityholders of the AGF Fund.
Trustee AGF Investments Inc. Toronto, Ontario	The trustee of the Fund holds the assets of the Fund in trust on behalf of securityholders.
Portfolio manager The Fund has one portfolio manager. You'll find this information in the *Fund Details* section of the Fund.	The portfolio manager makes the investment decisions for the Fund, buys and sells the investments for the Fund's portfolio and manages the portfolio.
Portfolio advisor The Fund has a portfolio advisor. More information can be found in the *Fund Details* section of the Fund.	The portfolio advisor gives advice and makes recommendations to the Fund's portfolio manager. The portfolio manager may accept or reject the advice of the portfolio advisor.
Distributors	Securities of the Fund are distributed through registered dealers.
Registrar AGF Investments Inc. Toronto, Ontario	The registrar keeps a record of the owners of securities of the Fund.
Auditor PricewaterhouseCoopers LLP Toronto, Ontario	The auditor conducts an audit of the financial statements of the Fund in accordance with generally accepted auditing standards. PricewaterhouseCoopers LLP is an independent Chartered Professional Accounting firm. The approval of securityholders will not be obtained before making a change to the auditor of the Fund. Securityholders will be sent a written notice at least 60 calendar days before the effective date of any such change.
Custodian CIBC Mellon Trust Company Toronto, Ontario	The custodian receives and holds all of the Fund's securities and portfolio assets, including cash, for safekeeping. The Fund has appointed CIBC Mellon Trust Company as its custodian. CIBC Mellon Trust Company is independent of AGF.
Securities Lending Agent The Bank of New York Mellon Toronto, Ontario	The securities lending agent arranges and administers loans of the Fund's portfolio securities for a fee, to willing, qualified borrowers who have posted collateral. The Bank of New York Mellon is independent of AGF.

Organization and management of the Fund…cont'd	
Independent Review Committee	In accordance with National Instrument 81-107, the mandate of the Independent Review Committee is to review and make recommendations with respect to, or in certain circumstances, approve, conflict of interest matters brought to it by AGF. The Independent Review Committee is currently composed of three individuals, each of whom is independent of the manager and its affiliates. The Independent Review Committee prepares at least annually a report of its activities for securityholders which is available on AGF's website at www.agf.com, or at the securityholder's request at no cost by contacting us at tiger@agf.com. Additional information about the Independent Review Committee, including the names of the members, is available in the annual information form.

Fund Details

Fund Name:	AGF Flex Asset Allocation Fund
Type of fund:	Asset allocation fund
Date Fund started:	MF Series: August 25, 2015 Series F: August 25, 2015 Series O: August 25, 2015 Series Q: August 25, 2015 Series W: August 25, 2015
Units offered:	Units of a mutual fund trust: MF Series Series F Series O Series Q Series W
Registered plan eligibility:	Qualified investment for registered plans
Portfolio manager:	AGF Investments Inc. (Toronto, Canada)
Portfolio advisor:	State Street Global Advisors, Ltd. (Montréal, Québec)
Custodian:	CIBC Mellon Trust Company (Toronto, Canada)

What Does the Fund Invest In?

Investment Objectives

The Fund's objective is to provide total return over a market cycle, with a focus on capital preservation and risk management. The Fund utilizes a systematic investment framework to construct a diversified portfolio consisting primarily of, but not limited to, any combination of global ETFs, equity securities, fixed income, and short term instruments as well as cash and cash equivalents.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of securityholders called for that purpose.

Investment Strategies

The Fund uses a flexible approach seeking to provide total returns over a market cycle through the construction of a portfolio of equity, fixed income and non-traditional asset classes. The Fund is managed actively and relies on strategic, dynamic and tactical asset allocation processes to achieve its objective.

The Fund invests primarily in equity, fixed income, commodities, property and infrastructure through index-oriented ETFs as well as derivatives and cash and cash equivalents. During periods of market volatility, the Fund may allocate all, or a portion of its assets to any of these asset classes for risk management and to achieve its investment objective.

The Fund relies on a three pillar approach of strategic, dynamic and tactical asset allocation in a systematic framework to achieve its objective.

The Fund first looks to identify and categorise global asset classes by designing strategic portfolios for each market environment or regime. The Fund then uses quantitative analysis to identify the current market sentiment/regime to generate meaningful and timely, dynamic shifts to portfolio positioning. Finally, the Fund incorporates tactical asset allocation positioning based in quantitative and fundamental analysis to inform the final portfolio mix.

The Fund will primarily utilize index-oriented ETFs to achieve its investment objective. The Fund will also utilize derivatives as well as cash and cash equivalents in a manner consistent with its investment objective.

The Fund may hold a portion or all of its assets in cash or money market instruments for cash management purposes, for rebalancing purposes or for defensive purposes and may choose to deviate from its investment objectives by temporarily investing most of its assets in cash or money market securities or money market ETFs during periods of market downturn.

The Fund may use options, forward contracts and other permitted derivatives as long as the use of these derivatives is consistent with the Fund's objectives and is permitted in law. It may use derivatives in the following ways:

- to hedge against declines in security prices, financial markets, exchange rates and interest rates
- to gain exposure to securities, financial markets and foreign currencies. This can be less expensive and more flexible than investing directly in the underlying assets
- to profit from declines in financial markets

When the Fund uses derivatives for purposes other than hedging, to fully cover its obligations, the Fund holds cover in the form of cash, an investment in, or a right or obligation to acquire, the underlying interest, as permitted under securities laws for such derivative.

While the Fund may in its discretion use derivatives, it is not required to do so as an investment strategy.

Securities lending transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's return. You'll find more information about securities lending and the strategies used by the Fund under *What is a mutual fund and what are the risks of investing in a mutual fund?* and *Specific information about the mutual fund described in this document*.

The Fund may enter into repurchase and/or reverse repurchase agreements to enhance the Fund's returns, similar to securities lending transactions.

You'll find more information about derivatives, repurchase/reverse repurchase agreements and investing in other mutual funds under *What does the Fund invest in?*

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturns or for other reasons.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities so that it may purchase (i) up to 10% of its net asset value, taken at market value at the time of purchase, in gold, gold certificates, silver, silver certificates, derivatives (the underlying interest of which is gold and/or silver), and certain gold or silver exchange traded funds ("Gold/Silver ETFs") that seek to replicate the performance of gold or silver or the value of a specified derivative (the underlying interest of which is gold or silver), and (ii) up to 10% of its net asset value in aggregate, taken at market value at the time of purchase, in Gold/Silver ETFs and certain exchange traded funds that seek to replicate the performance of an index or industry sector index ("Index ETFs"). Gold/Silver ETFs may utilize leverage in an attempt to magnify returns by a multiple of 200%. Index ETFs may utilize leverage in an attempt to magnify returns by either a multiple of 200% or an inverse multiple of 200%. Investments in exchange traded funds entail certain risks including commodity risk in relation to the Gold/Silver ETFs and derivatives risk if the exchange-traded fund uses derivatives. Notwithstanding the exemptive relief, the Fund will only invest, directly or indirectly, in gold or silver in a manner which is consistent with the Fund's investment objectives.

The Fund may choose to invest in ETFs in a manner consistent with the Fund's investment objectives and permitted by law.

Trading costs may increase depending upon the portfolio manager's buying and selling activities of the Fund's investments. This may in turn lower the Fund's returns. It also increases the possibility that you'll receive distributions. Generally, distributions are taxable if you hold the Fund in a non-registered account.

What are the risks of investing in the Fund?

The Fund is subject to the following risks:

- changes in legislation risk
- commodity risk
- concentration risk
- counterparty risk
- credit risk
- derivative risk
- emerging markets risk
- equity risk
- ETF general risks
- ETF index risks
- foreign currency risk
- foreign market risk
- gold and silver ETFs risk
- interest rate risk
- liquidity risk
- repurchase agreement risk
- reverse repurchase agreement risk
- securities lending risk
- substantial securityholder risk

Who should invest in this Fund?

Consider this Fund if:

- you want and you have tolerance for volatility consistent with a conservative portfolio
- you're investing for the medium term
- you tolerate low to medium risk
- with respect to Series Q and Series W securities, you are intending to make a large investment in a Fund

Distribution policy

The Fund distributes in December each year to all investors any net income and net realized capital gains remaining after allocating net income and net realized capital gains first to management fee distributions. It may make general distributions at other times. Distributions on securities held in AGF registered plans are always reinvested, unless, with respect to TFSAs and Group TFSAs, you tell us you want cash payments instead. Distributions on securities held in other registered plans or non-registered accounts are reinvested, unless you tell us that you want cash payments instead. For general information about AGF's distribution policy, see *Specific information about the mutual fund described in this document – Distribution policy.* For information about how distributions can affect your taxes, see *Income Tax Considerations for Investors*.

Fund expenses indirectly borne by investors
Fund expense information is not shown for the Fund because the Fund is less than one year old.

[Back cover]

AGF GROUP OF FUNDS

SIMPLIFIED PROSPECTUS

AGF Flex Asset Allocation Fund

You can find additional information about the Fund in the annual information form, the most recently filed Fund Facts, the most recently filed annual and interim financial statements, and the most recently filed annual and interim management report of fund performance. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at no charge by contacting your registered representative, calling us toll free at 1-800-268-8583, e-mailing us at tiger@agf.com or writing to us at the address below. These documents and other information about the Fund are also available at www.sedar.com.

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

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